



Q3 2025
CEMATRIX Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the three and nine month periods ended
September 30, 2025, and 2024

Management's Discussion and Analysis

Table of Contents

Forward-looking information	3
Purpose of the Company's MD&A.....	3
Highlights	4
Outlook	9
Operations and overall performance	10
Selected financial information and summary of financial results	13
Consolidated Statements of Financial Position.....	14
Consolidated Statement of Cash Flows	16
Liquidity and capital resources	18
Off Balance Sheet arrangements	19
Transactions with related parties.....	19
Controls and procedures	19
Critical accounting judgments, estimates and assumptions	20
Changes in accounting policies including initial adoption	20
Financial instruments	21
Disclosure of outstanding share data.....	23
Appendix A – Forward-looking statements	24
Appendix B – Non-GAAP measures	24
Appendix C – Covenant calculations	26

The following is the Management's Discussion and Analysis ("MD&A") of CEMATRIX Corporation ("CEMATRIX" or the "Company") for the three and nine months ended September 30, 2025. This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2025, (the "Interim Condensed Consolidated Financial Statements") and the related notes thereto (the "Consolidated Financial Statements") and the audited consolidated financial statements and MD&A of the Company for the year ended December 31, 2024, and related notes thereto. The Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in this MD&A are in Canadian dollars and all amounts are reported in thousands of Canadian dollars, except share and per share amounts or as otherwise stated. Certain comparative figures have been reclassified to conform to the MD&A presentation adopted for the current year.

Additional information relevant to the Company's activities can be found on SEDAR at www.sedarplus.com. CEMATRIX is listed on the TSX Exchange under the trading symbol "CEMX".

The Audit Committee of the Company reviewed and recommended for approval by the Board of Directors of the Company the Interim Condensed Consolidated Financial Statements and MD&A for the three and nine months ended September 30, 2025. The Board of Directors of the Company reviewed and approved the Interim Consolidated Financial Statements and MD&A on November 5, 2025.

Forward-looking information

This MD&A contains certain statements and disclosures that may constitute forward-looking information under applicable securities law. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that the Company anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by such terms as "forecast", "future", "may", "will", "expect", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate", "pro-forma" or other comparable terminology. Forward-looking information presented in such statements or disclosures may, amongst other things relate to: sources of revenue and income; forecasts of capital expenditures and sources of financing thereof; the Company's business outlook; plans and objectives of management for future operations; forecast business results; and anticipated financial performance.

The Company has identified what it considers to be the material forward-looking statements and disclosure in this MD&A and has listed them in Appendix A. The material factors, material assumptions and material risks that provide the basis for those statements and disclosure have also been provided in Appendix A.

The forward-looking information in statements or disclosure in this MD&A is based (in whole or in part) upon factors which may cause actual results, performance, or achievements of the Company to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Various assumptions or factors are typically applied in drawing conclusions or making forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company including information obtained by the Company from third-party industry analysts and other third-party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While the Company does not know what impact any of those differences may have, its business, results of operations, financial condition and its credit stability may be materially adversely affected.

The Company has discussed, in the Key Market Drivers section and in the Key Risks and Uncertainties section of its MD&A for the year ended December 31, 2024, the significant market drivers and risk factors that affect its business and could cause actual results to differ materially from the forward-looking information disclosed herein. The Company cautions the reader that these factors are not exhaustive. The risk factors that could lead to differences in business results and which could cause actual results to differ materially from the forward-looking information disclosed herein include, without limitation, legislative and regulatory developments that may affect costs, revenues, the speed and degree of competition entering the market, global capital markets activity, timing and extent of changes in prevailing interest rates, inflation levels and general economic conditions in geographic areas where the Company operates, results of financing efforts, changes in counterparty risk and the impact of accounting standards issued by the International Accounting Standards Board ("IASB").

The Company is not obligated to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws. Because of the risks, uncertainties and assumptions contained herein, prospective investors should not place undue reliance on forward-looking statements or disclosures. The foregoing statements expressly qualify any forward-looking information contained herein.

Purpose of the Company's MD&A

The purpose of this MD&A is to provide a narrative explanation, through the eyes of management, to assist the reader in understanding the Company's performance for the three and nine months ended September 30, 2025, the Company's financial condition as at September 30, 2025, and its future prospects.

Highlights

Strong Q3 and record year-to-date adjusted EBITDA

CEMATRIX performed very well financially in the third quarter and on a year-to-date basis. Our revenues for the third quarter were \$15.3 million compared to \$10.1 million last year and \$20.4 million in 2023. Our revenues for the first nine months were \$32.6M compared to \$25.0 million last year and \$33.7 million in 2023.

Our third quarter adjusted EBITDA was \$3.5 million compared to \$1.4 million last year. Our year-to-date adjusted EBITDA was \$5.9 million compared to \$1.8 million last year. We are now over \$4.0 million ahead in adjusted EBITDA when compared year-over-year. Our year-to-date (nine months) adjusted EBITDA is now ahead of our best ever full year adjusted EBITDA of \$4.9 million from 2023. We continue to trend positively on all of our financial key performance indicators for the year.

Our financial results will be variable based on the timing of when large projects start and stop. As a subcontractor to a general contractor on large projects, we do not control when our scope of work begins. As a result, our revenue growth will be "lumpy" (not a staircase) depending on which large projects start and / or end each quarter. Since 2017, CEMATRIX has grown revenue by a cumulative annual growth rate ("CAGR") of 24%.

Sales success

The success of our sales teams continues. To date in 2025, CEMATRIX has announced \$43.6 million in new backlog (contracts and contracts in process, see backlog reconciliation below). These contracts are for a variety of cellular concrete applications including load reducing fill and grouting. These new awards continue to demonstrate the confidence our customers have in CEMATRIX's sales and operations teams to deliver a quality solution, on time and on budget, to their geotechnical constructions needs.

Key contract structure – impact on revenue and margins

At the request of a customer, the Company changed a large contract to allow the customer to purchase the cement for the project. CEMATRIX accepted this change because we first serve the customer needs, the structure provides some business benefits to CEMATRIX, and our focus is on profitability.

The net impact of this change was that CEMATRIX (see table below) recognized less revenue but the same gross margin dollars. Had CEMATRIX been able to recognize revenue under a traditional contract structure our year-to-date revenues (and costs of sales) would have been \$4.1 million higher, gross margins would have been the same, and our gross margin percentage (%) would have been lower.

(\$ millions)	As reported Q3 2025	Proforma under traditional contract structure	As reported YTD 2025	Proforma under traditional contract structure
Revenue	\$ 15.3	\$ 19.4	\$ 32.6	\$ 36.7
Gross margin	\$ 5.3	\$ 5.3	\$ 10.8	\$ 10.8
Gross margin %	34%	27%	33%	30%

Gross margins

Gross margins increased in the quarter compared to the prior year primarily as a result of higher revenues and the key contract structure discussed above. We continue to do a good job bidding projects and consistently deliver strong execution in the field. We expect gross margins to remain strong for the remainder of the year.

There are two primary drivers of gross margins. The first is project margins which are based on direct variable costs. The second driver of gross margins are indirect costs. Project margins vary significantly depending on many factors including the size of the project, the complexity of the project, and competition. The Company's only true significant variable costs are cement / ready mix, foaming agent, mobilization / demobilization costs, and other project specific costs. Project margins depend on strong estimating at time of bid plus successful execution in the field. Project margins must cover all of our indirect costs in addition to the Company's SG&A expenses.

Much of the Company's indirect costs are fixed and include costs such as rent, equipment repairs and maintenance, training, and non-billable crew time (as examples). As a result, the Company requires a certain amount of revenue and project margins to cover these fixed indirect costs to breakeven. Once that breakeven amount of revenue is achieved, the Company begins to be profitable as every additional gross margin dollar turns into EBITDA.

Lastly, margins on large projects are always lower due to competitive pressure. For large projects owners and general contractors always follow a best practices procurement process with multiple bidders. The result generates lower margins for the successful winner of the subcontract bid.

Seasonal business

As a specialty construction contractor, our business is subject to the seasonality of the overall construction industry in the markets that we operate in. In particular, winter and cold weather have a significant impact on the activities of our customers and, as a direct result, our revenue. Due to the challenges associated with cold weather, there is in general less construction activities that occur during the winter in Canada and the northern United States. The Company strategically uses these slower periods or downtimes due to seasonality to perform repairs and maintenance on our equipment to help ensure that we are ready to go when our business hits its peak periods. This also helps to enable the Company to retain its highly specialized crew.

The first quarter tends to be our slowest quarter, followed by the second quarter, with the third quarter being our strongest and the fourth quarter generally being our second-best quarter. Over the last five years, we have averaged 18% of our revenue in the first quarter, 18% of our revenue in the second quarter, 36% of our revenue in the third quarter, and 28% of our revenue in the fourth quarter. The percentages can and do vary year to year depending on the location and mix of project types. Some of our projects or applications, such as tunnel grouting, projects on the west coast, or work in the southern United States have less exposure to winter seasonality. We continue to strive to win more work and grow our business in these segments to reduce the impact of seasonality on our business.

CEMATRIX Corporation
Management's Discussion & Analysis
For the three and nine month periods ended September 30, 2025, and 2024
(in thousands of Canadian dollars, except per share amounts)

Below is a table of revenue distribution by quarter:

Year	First quarter	Second quarter	Third quarter	Fourth quarter
2020	15%	28%	41%	17%
2021	20%	18%	31%	31%
2022	18%	14%	40%	29%
2023	13%	12%	38%	37%
2024	24%	18%	29%	29%
Average	18%	18%	36%	28%

Backlog continues to grow

Even with near record revenues in the first nine months of the year our backlog grew larger. This is directly attributable to our sale success in the first nine months of the year. During the third quarter, the Company announced contract wins amounting to \$17.0 million and we have announced contract wins of \$43.6 million year-to-date. The Company continues to see increased activity in its bid pipeline which bodes well for future sales success into 2025 and beyond.

The following tables shows the Company's backlog balances at the end of the following reporting periods:

	Nine months ended September 30, 2025	Year ended December 31, 2024
Contracts in process ⁽¹⁾	\$ 13,468	\$ 20,306
Backlog ⁽¹⁾	61,500	49,334
Total backlog	\$ 74,968	\$ 69,640
Opening backlog	\$ 69,640	\$ 94,857
Awards and change orders	41,741	25,958
Foreign exchange and adjustments to backlog ⁽²⁾	(3,841)	(15,811)
Revenue	(32,572)	(35,364)
Ending backlog	\$ 74,968	\$ 69,640

⁽¹⁾ Contracts in process and backlog are non-GAAP financial measure. See "Appendix B – non-GAAP measures" in this MD&A for more information on each non-GAAP measure.

⁽²⁾ Adjustments to backlog in 2024 include the one-time reduction in scope of a tunnel project (please refer to the news release issued on April 24, 2024, on www.sedarplus.com for additional information).

Normal course issuer bid ("NCIB")

On April 15, 2025, the Company's announced its intention to implement a NCIB. Under the NCIB, the Company may purchase for cancellation a maximum of 13,508,235 Common Shares of the Company, representing 10% of the public float (as defined by the TSX) as of April 8, 2025. On April 8, 2025, CEMATRIX had 150,459,819 Shares issued and outstanding. The NCIB commenced on April 17, 2025, and will terminate upon the earliest of (i) April 16, 2026, (ii) the Company purchasing the maximum of 13,508,235 Shares, and (iii) the Company terminating the NCIB. CEMATRIX believes that the market price of its Shares may not, from time to time, accurately reflect their underlying value. Accordingly, purchasing the Shares for cancellation under the NCIB may represent an attractive investment opportunity for the Company to enhance long-term shareholder value, in line with CEMATRIX's overall capital structure management strategy.

During the first nine months of 2025, the Company purchased for cancellation 703,589 shares at an average price of \$0.29. CEMATRIX cautions shareholders that there is no guarantee that it will purchase more shares in the future.

Summary financial review – third quarter

Revenue was \$15.3 million for the third quarter of 2025, an increase of \$5.2 million or 51%, compared to \$10.1 million the same period in 2024.

Gross margin for the third quarter of 2025 was \$5.3 million, an increase of \$2.5 million from \$2.8 million in the same period of 2024. Gross margin as a percentage of revenue increased to 34%, compared to 27% in the comparative period. This increase was primarily driven by higher revenues and the structure of a key contract.

Much of the Company's operating costs are fixed (employees, equipment, rent), with variable expenses mainly consisting of raw materials. Once the Company exceeds break-even activity levels, profitability increases in both dollars and as a percentage as every additional gross margin dollar turns into EBITDA.

Adjusted EBITDA was \$3.5 million in the third quarter of 2025 compared to \$1.4 million in the same period of 2024, an increase of \$2.1 million.

Cash flow generated from operating activities (before changes in non-cash working capital) was \$3.2 million in the third quarter of 2025, an increase of \$1.9 million compared to cash flow used in operating activities of \$1.3 million in the same period of 2024.

Summary financial review – year-to-date

Revenue was \$32.6 million for the first nine months of 2025, an increase of \$7.6 million or 30%, compared to \$25.0 million in the same period in 2024.

Gross margin for the first nine months of 2025 was \$10.8 million, an increase of \$4.4 million from \$6.4 million in the same period of 2024. Gross margin as a percentage of revenue increased to 33%, compared to 26% in the comparative period. This increase was primarily driven by higher revenues and the structure of a key contract.

Much of the Company's operating costs are fixed (employees, equipment, rent), with variable expenses mainly consisting of raw materials. Once the Company exceeds break-even activity levels, profitability increases in both dollars and as a percentage as every additional gross margin dollar turns into EBITDA.

Adjusted EBITDA was \$5.9 million in the first nine months of 2025 compared to \$1.8 million in the same period of 2024 an increase of \$4.1 million.

Cash flow generated from operating activities (before changes in non-cash working capital) was \$5.6 million in the first nine months of 2025, an increase of \$3.9 million compared to cash flow generated from operating activities of \$1.7 million in the same period of 2024.

Full year 2025 forecast

We have already surpassed key financial metrics from our previous best year in the history of the Company (2023). This year is already a record year for adjusted EBITDA and cashflow from operations (before working capital adjustments). We continue to expect to add to our record financial performance in the fourth quarter. This forecast is supported by the backlog that the Company has in place and expects to execute in 2025.

Outlook

There has been no change to Management's outlook for the future. Management continues to be very optimistic about the future of the Company. Growth will not be in a straight line due to the impact of the timing of large projects, but the trend line is upwards and is very positive. Even in a down year the Company should be able to generate positive financial results.

This year is on track for the best year in the history of the Company with strong margins, positive adjusted EBITDA, and positive cashflow from operations. The Company is always looking for opportunities to grow sales and continue its organic growth. Market awareness and acceptance for cellular concrete in our targeted market applications continues to grow. Our investments in sales and sales support resources continues to drive results. Our sales teams continue to excel at finding and winning more projects. We are always at risk of revenue sliding back to a later fiscal period due to delays in when our scope of work starts caused by factors out of our control. We will continue to experience inflationary pressure on salaries and wages as they need to be increased to offset inflation in prior periods in order to retain and attract employees.

During the second quarter, we implemented a NCIB to provide us with the flexibility to purchase for cancellation up to 13.5 million shares. We believe that the market price of our share is not reflecting our underlying value, accordingly this NCIB represents a potential opportunity for us to enhance long-term shareholder value. We purchased for cancellation 703,589 shares at an average price of \$0.29 in the second quarter of this year.

Over the last four years, the Company has made significant improvements to its balance sheet and capital structure including our uplisting to the TSX and our 2024 financing. We anticipate that the microcap market and our stock price will continue to improve over time because we expect to continue to execute on our strategy and produce strong financial results.

The Company continues to be focused on the execution of its strategic plan. The plan remains to focus on sales and the successful continued growth and execution of our backlog. We know that delivering quality solutions for our customers, which in turn drives solid business results, is the key to sustainably increasing shareholder value.

The Company will continue to try to identify and evaluate potential acquisition targets including other cellular concrete applicators, specialty suppliers and/or other complimentary companies provided that they add value to CEMATRIX and its shareholders. There is no timeline for an acquisition, but we are ready and able to capitalize on the right opportunity should it arise because of our strong balance sheet, clean capital structure and stronger institutional participation.

In summary, CEMATRIX's financial sustainability remains strong. The Company has a strong balance sheet, great lending partners and a strong shareholder backing. CEMATRIX continues to demonstrate organic growth, and we continue to invest in sales and sales support resources to grow our business. Our operations teams continue to execute in the field for our customers as we deliver on time, on quality and on budget. We remain committed to our strategy and expect to see more of our efforts come to fruition for the remainder of 2025, into 2026 and beyond.

CEMATRIX Corporation
Management's Discussion & Analysis
For the three and nine month periods ended September 30, 2025, and 2024
(in thousands of Canadian dollars, except per share amounts)

Operations and overall performance

Results of operations – third quarter

	Three months ended September 30, 2025	Three months ended September 30, 2024	Change
Revenue	\$ 15,311	\$ 10,135	\$ 5,176
Gross margin	5,267	2,786	2,481
Operating expenses	(2,429)	(2,120)	(309)
Operating income	2,838	666	2,172
Stock-based compensation	(71)	(65)	(6)
Finance costs	(88)	(56)	(32)
Other income	103	129	(26)
Income before income taxes	2,782	674	2,108
Provision of deferred taxes	(771)	36	(807)
Provision of current taxes	(102)	-	(102)
Income attributable to the common shareholder	1,909	710	1,199
Unrealized foreign exchange (loss) gain on translation of foreign subsidiaries	864	(319)	1,183
Deferred taxes	(66)	-	(66)
Comprehensive (loss) income	\$ 2,707	\$ 391	\$ 2,316
Fully diluted earnings (loss) per common share	\$ 0.012	\$ 0.005	\$ 0.007

Revenue was \$15.3 million for the third quarter of 2025, an increase of \$5.2 million or 51%, compared to \$10.1 million in the third quarter of 2024. CEMATRIX is a speciality construction company with no recurring revenue. As a result, every year and every quarter, the mix of customers, the mix of size of projects, the mix of applications all change. The change in revenue every period is based on the change in the type of projects that have been completed, started, or finished in the quarter compared to the previous period.

Gross margin for the third quarter of 2025 was \$5.3 million, an increase of \$2.5 million from \$2.8 million in the same period of 2024. Gross margin as a percentage of revenue increased to 34%, compared to 27% in the comparative period. This increase was primarily driven by higher revenues and the structure of a key contract (see highlights – page 4).

Much of the Company's direct and indirect costs are fixed (employees, equipment, rent), with variable expenses mainly consisting of raw materials. Once the Company exceeds break-even activity levels, profitability increases in both dollars and as a percentage as every additional gross margin dollar turns into EBITDA.

Operating expenses ("SG&A") totaled \$2.4 million in the third quarter of 2025, a 14% increase from \$2.1 million in the same period of 2024. The increase was primarily driven by increased insurance costs where the premium is directly tied to revenue, partially offset by various reductions in other SG&A expenses.

Stock-based compensation expense increased by \$6 in the third quarter compared to the same period in the prior year. The change was due to the timing of the vesting period and number of options and restricted shares units ("RSUs") granted in 2025, compared to 2024.

Finance costs increased by \$32 in the third quarter compared to the same period in the prior year. The increase is attributable to finance costs related to lease obligations combined with the addition of the equipment finance loan, partially offset by the early principal repayment on the Company's long-term debt that was fully repaid in the first quarter of 2025.

Other income was \$103 in the third quarter of 2025 compared to income of \$129 in the third quarter of 2024. In the third quarter of 2025, other income mainly consisted of a foreign exchange gain of \$55 and interest income of \$47. For the same period in 2024, other income mainly consisted of interest income of \$66 and gain on sale of equipment of \$60.

Unrealized foreign exchange gains and losses on the translation of foreign subsidiaries are recognized through other comprehensive income. MOS, PIGCO and CEMATRIX (USA) Inc. have a US dollar ("USD") functional currency. As the Canadian dollar strengthen relative to the USD, the value of these assets depreciated during the third quarter of 2025 resulting in an unrealized foreign exchange gain of \$864, partially offset by \$66 deferred tax expense. In the third quarter of 2024, the Company recorded an unrealized foreign exchange loss of \$319.

CEMATRIX Corporation
Management's Discussion & Analysis
For the three and nine month periods ended September 30, 2025, and 2024
(in thousands of Canadian dollars, except per share amounts)

Results of operations – year-to-date

	Nine months ended September 30, 2025	Nine months ended September 30, 2024	Change
Revenue	\$ 32,572	\$ 25,014	\$ 7,558
Gross margin	10,840	6,430	4,410
Operating expenses	(6,935)	(6,539)	(396)
Operating income (loss)	3,905	(109)	4,014
Stock-based compensation	(479)	(660)	181
Finance costs	(250)	(197)	(53)
Other income (expense)	76	321	(245)
Income (loss) before income taxes	3,252	(645)	3,897
Provision of deferred taxes	(794)	151	(945)
Provision of current taxes	(123)	-	(123)
Income (loss) attributable to the common shareholder	2,335	(494)	2,829
Unrealized foreign exchange (loss) gain on translation of foreign subsidiaries	(796)	403	(1,199)
Deferred taxes	100	-	100
Comprehensive (loss) income	\$ 1,639	\$ (91)	\$ 1,730
Fully diluted earnings (loss) per common share	\$ 0.015	\$ (0.004)	\$ 0.019

Revenue was \$32.6 million for the first nine months of 2025, an increase of \$7.6 million or 30%, compared to \$25.0 million in the first nine months of 2024. CEMATRIX is a speciality construction company with no recurring revenue. As a result, every year and every quarter, the mix of customers, the mix of size of projects, the mix of applications all change. The change in revenue every period is based on the change in the type of projects that have been completed, started or finished in the quarter compared to the previous period.

Gross margin for the first nine months of 2025 was \$10.8 million, an increase of \$4.4 million from \$6.4 million in the same period of 2024. Gross margin as a percentage of revenue increased to 33%, compared to 26% in the comparative period. This increase was primarily driven by higher revenues and the structure of a key contract (see highlights – page 4).

Much of the Company's direct and indirect costs are fixed (employees, equipment, rent), with variable expenses mainly consisting of raw materials. Once the Company exceeds break-even activity levels, profitability increases in both dollars and as a percentage as every additional gross margin dollar turns into EBITDA.

SG&A totaled \$6.9 million in the first nine months of 2025, an increase of 6% from \$6.5 million in the same period of 2024. The increase was primarily due to higher wages and salaries, insurance costs where the premium is directly tied to revenue, and legal costs. The increase was partially offset by various reductions in other SG&A expenses.

CEMATRIX Corporation
Management's Discussion & Analysis
For the three and nine month periods ended September 30, 2025, and 2024
(in thousands of Canadian dollars, except per share amounts)

Stock-based compensation expense decreased by \$181 in the first nine months of 2025 compared to the same period in the prior year. The decrease was due to fewer RSU's being granted in the first nine months of 2025 compared to the same period in 2024.

Finance costs increased by \$53 in the first nine months of 2025 compared to the same period in the prior year. The increase is attributable to finance costs related to lease obligations combined with the addition of the equipment finance loan, partially offset by the early principal repayment on the Company's long-term debt that was fully repaid in first quarter of 2025.

Other income was \$76 in the first nine months of 2025 compared to income of \$321 in the same period in the prior year. Year-to-date 2025, other income mainly consisted of interest income of \$157, offset by a foreign exchange loss of \$82. For the same period in 2024, other income mainly consisted of interest income of \$157, gain on sale of equipment of \$61, and a foreign exchange gain of \$92.

Unrealized foreign exchange gains and losses on the translation of foreign subsidiaries are recognized through other comprehensive income. MOS, PIGCO and CEMATRIX (USA) Inc. have a USD functional currency. As the Canadian dollar strengthened relative to the USD, the value of these assets depreciated during the first nine months of 2025 resulting in an unrealized foreign exchange loss of \$796 partially offset by \$100 deferred tax recovery. In the same period of 2024, the Company recorded an unrealized foreign exchange gain of \$403.

Selected financial information and summary of financial results

The Company's business is seasonal in nature as it follows the construction season. Typically, revenues in the second half of the year are significantly greater than the first half of the year. This seasonality is reflected in the quarterly results summarized in the table below:

(in thousands of Canadian dollars, except per share amounts)

	2023		2024				2025	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	\$19,553	\$8,442	\$6,437	\$10,135	\$10,351	\$6,630	\$10,632	\$15,311
Comprehensive income (loss)	1,452	892	(1,373)	391	1,907	(927)	(141)	2,707
Adjusted EBITDA ⁽²⁾	2,854	960	(490)	1,365	1,442	(63)	2,423	3,488
Comprehensive Income (loss) per share ⁽¹⁾								
Basic	0.015	0.003	(0.011)	0.005	0.005	(0.006)	0.009	0.013
Diluted	0.015	0.003	(0.011)	0.005	0.005	(0.006)	0.009	0.012

⁽¹⁾ Quarterly Income (loss) per share is calculated on a standalone quarterly basis and accordingly the sum of the quarterly amounts may not equal the total for the year.

⁽²⁾ Adjusted EBITDA is a non-GAAP financial measure. See "Appendix B – non-GAAP measures" in this MD&A for more information on each non-GAAP measure.

CEMATRIX Corporation
Management's Discussion & Analysis
For the three and nine month periods ended September 30, 2025, and 2024
(in thousands of Canadian dollars, except per share amounts)

Consolidated Statements of Financial Position

	September 30, 2025	December 31, 2024	Change
Current assets	\$ 26,687	\$ 18,460	\$ 8,227
Non-current assets	23,414	24,935	(1,521)
Total assets	<u>\$ 50,101</u>	<u>\$ 43,395</u>	<u>\$ 6,706</u>
Current liabilities	6,960	3,577	3,383
Non-current liabilities	3,851	2,444	1,407
Total liabilities	<u>\$ 10,811</u>	<u>\$ 6,021</u>	<u>\$ 4,790</u>
Shareholders' equity	\$ 39,290	\$ 37,374	\$ 1,916
Total liabilities and shareholders' equity	<u>\$ 50,101</u>	<u>\$ 43,395</u>	<u>\$ 6,706</u>

Total current assets increased by \$8,227. This increase in aggregate is summarized below:

- Cash decreased by \$347 (see the discussion in Consolidated Statement of Cash Flows).
- Trade and other receivables increased by \$8,809 as activity increased in the third quarter. Accounts receivables increase during periods of higher revenue and then decline in periods of lower revenue as the amounts are collected.
- Inventory increased by \$76 as foaming agent was purchased for use in the production of cellular concrete.
- Prepaids, deposits, and short-term investments decreased by \$311, mainly due to the amortization of insurance premiums.

Total non-current assets decreased by \$1,521. This decrease in aggregate is summarized below:

- Long-term investments increased by \$3 due to foreign exchange on US Dollar denominated investments, partially offset by \$84 purchase of long-term investments.
- Property and equipment ("PPE") decreased by \$1,050 due to equipment additions of \$525 and right of use assets ("ROU") transfers (non-cash) of \$24, offset by depreciation expense of \$1,200, and an exchange loss on the translation of assets held by our foreign denominated subsidiaries of \$399.
- ROU under finance lease decreased by \$262 due to vehicle and building additions of \$402, offset by PPE transfers (non-cash) of \$24, depreciation expense of \$589 and \$51 foreign exchange loss on the translation of assets held by our foreign denominated subsidiaries.
- Goodwill and intangibles assets decreased by \$212 due to foreign exchange loss on the translation of assets held by our foreign denominated subsidiaries.

Total current liabilities increased by \$3,383. This increase in aggregate is summarized below:

- Trade and other payables increased by \$4,060 as a result of accounts payables that increase during periods of higher revenue and then decline in future periods of lower revenue as the amounts are paid.
- Current portion of long-term debt decreased by \$995 as the Company repaid all of its outstanding long-term debt, partially offset by unrealized foreign exchange loss on the translation of foreign denominated debt.

- Current portion of equipment finance loan increased by \$270 due to the March 2025 loan proceeds that financed the purchase of two dry-mix units.
- Current portion of lease obligations increased by \$48 due to changes in leases on buildings and vehicles and an exchange gain on the translation of USD denominated leases.

Total non-current liabilities increased by \$1,407. This increase in aggregate is summarized below:

- Long-term debt decreased \$108 as the Company repaid all of its outstanding long-term debt, partially offset by unrealized foreign exchange loss on the translation of foreign denominated debt.
- Equipment finance loan increased \$1,350 due to \$1,620 proceeds from the equipment finance loan, partially offset by \$270 current portion.
- Lease obligations decreased \$347 due to \$402 vehicle and building lease additions, offset by \$654 principal reduction, \$47 unrealized foreign exchange loss on translation of foreign denominated leases, and a \$48 change in the current portion of lease obligations.
- Deferred tax liability increased by \$512 primarily due \$794 deferred tax expense partially offset by with \$100 deferred tax expense on other comprehensive income, \$16 unrealized foreign exchange gain on the revaluation of the USD denominated balances.

Shareholders' Equity increased by \$1,916. This increase in aggregate is summarized below:

- Common shares decreased by \$42 due to proceeds on common shares issued on conversion of options of \$8 plus a reclassification from contributed surplus of \$174, offset by \$224 charge due to the normal course issuer bid.
- Contributed surplus increased by \$305 due to \$479 of stock-based compensation on options and RSU's, partially offset by \$174 reclassification of contributed surplus on the exercise of options and RSU's.
- Accumulated other comprehensive income decreased by \$696, of which \$796 was due to the unrealized foreign exchange loss on the translation of MOS, PIGCO and CEMATRIX (USA) Inc. as the Canadian Dollar appreciated versus the US dollar, partially offset by \$100 deferred tax expense.
- The deficit decreased by \$2,349 due to the net income attributable to common shareholders in the first nine months of 2025 of \$2,335 and \$14 adjustment to deficit as a result of the Company's share capital purchased per the NCIB.

For additional information please see the Consolidated Statements of Shareholders' Equity included in the Annual Audited Consolidated Financial Statements and the Interim Condensed Consolidated Financial Statements for the period.

Consolidated Statement of Cash Flows

Cash flow – third quarter

The cash position of the Company as at September 30, 2025, was \$9,948 compared to a cash position of \$9,932 in the same period of 2024.

The change in cash in the third quarter of 2025 was an increase of \$1,394 as compared to an increase of \$4,390 in the same period of 2024. This change is outlined in the table:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Change
Cash flow from operating activities:			
Before non-cash working capital adjustment	\$ 3,219	\$ 1,305	\$ 1,914
Net change in non-cash working capital items	(1,463)	(2,572)	1,109
Cash generated (used) in operating activities	1,756	(1,267)	3,023
Cash (used) in investing activities	(95)	(13)	(82)
Cash (used) generated in financing activities	(305)	5,679	(5,984)
Foreign exchange effect on cash	38	(9)	47
Increase in cash	1,394	4,390	(2,996)
Cash, beginning of period	8,554	5,542	3,012
Cash, end of period	\$ 9,948	\$ 9,932	\$ 16

Cash generated in operating activities increased by \$3,023 due to the following:

- Cash flow before non-cash working capital adjustments increased by \$1,914 primarily due to higher revenues and gross margins.
- Net change in non-cash working capital items decreased by \$1,109, primarily due to the level of trade receivables versus trade payables generated in the respective periods and the timing of their collection and payment.

Cash used in investing activities increased by \$82 due to the following:

- Property and equipment additions increased by \$22 compared to the prior period.
- Purchase of long-term investments increased by \$60 compared to the prior period.

Cash used in financing activities decreased by \$5,984 due to the following:

- Repayment of lease obligations decreased by \$14 compared to the prior period.
- Interest paid increased by \$32 primarily due to interest payments associated with the vehicle and building leases, offset by savings on the prepayment of the long-term debt.
- Proceeds from the private placement decreased by \$5,966.

CEMATRIX Corporation
Management's Discussion & Analysis
For the three and nine month periods ended September 30, 2025, and 2024
(in thousands of Canadian dollars, except per share amounts)

Cash flow – year-to-date

The cash position of the Company as at September 30, 2025, was \$9,948 compared to a cash position of \$9,932 in the same period of 2024.

The change in cash in the first nine months of 2025 was a decrease of \$347 as compared to an increase of \$6,644 in the same period of 2024. This change is outlined in the table:

	Nine months ended September 30, 2025	Nine months ended September 30, 2024	Change
Cash flow from operating activities:			
Before non-cash working capital adjustment	\$ 5,561	\$ 1,725	\$ 3,836
Net change in non-cash working capital items	(4,679)	781	(5,460)
Cash generated in operating activities	882	2,506	1,624
Cash (used) in investing activities	(609)	(78)	(531)
Cash (used) generated in financing activities	(590)	4,108	(4,698)
Foreign exchange effect on cash	(30)	108	(138)
(Decrease) increase in cash	(347)	6,644	(6,991)
Cash, beginning of period	10,295	3,288	7,007
Cash, end of period	\$ 9,948	\$ 9,932	\$ 16

Cash generated in operating activities decreased by \$1,624 due to the following:

- Cash flow before non-cash working capital adjustments increased by \$3,836 primarily due to higher revenues and gross margins compared to the prior period.
- Net change in non-cash working capital items decreased by \$5,460, primarily due to the level of trade receivables versus trade payables generated in the respective periods and the timing of their collection and payment.

Cash used in investing activities increased by \$531 due to the following:

- Property and equipment additions increased by \$386 compared to the prior period.
- Proceeds from property and equipment dispositions decreased by \$61 compared to the prior period.
- Purchase of long-term investments increased by \$84.

Cash used in financing activities decreased by \$4,698 due to the following:

- Repayment of lease obligations increased by \$11 due to building and vehicle additions.
- Repayment of long-term debt was \$153 higher than the prior year, as the Company prepaid in full its long-term debt in the first quarter of 2025.
- Interest paid increased by \$53 primarily due to interest payments associated with the vehicle and building leases, offset by savings on the prepayment of the long-term debt.
- Proceeds from equipment finance loan increased by \$1,620.
- Proceeds from the private placement decreased by \$5,966.
- Proceeds from the exercise of options decreased by \$100.
- Purchase of the Company's common shares pursuant to the NCIB increased by \$210.
- The Company made its last earnout payment in the prior year, in the amount of \$175.

Liquidity and capital resources

Liquidity

The Company's liquidity is dependent on generating sales, profits, cash flow from operations, maintaining a credit facility to finance working capital requirements and accessing capital debt facilities through loans or lease financing.

On September 30, 2025, the Company had cash balance of \$9,948 versus \$10,295 as at December 31, 2024. The Company's adjusted net working capital was \$10,857 on September 30, 2025, compared to \$6,343 on December 31, 2024. The change is primarily related to a rise in receivables as activities increased in the third quarter of 2025.

On June 24, 2024, CEMATRIX updated its asset-based credit facility (the "Credit Facility") financing arrangement with the Canadian Imperial Bank of Commerce (the "Bank" or "CIBC") that provides a maximum \$8,000 borrowing limit. The Credit Facility bears interest at an amount equal to 1.25% above the Bank's prime lending rate, which is at 4.70% as of September 30, 2025, and is secured by a general security agreement providing a first secured interest on the receivables and inventory of the Company. The Credit Facility is further guaranteed by the Company with a general security agreement providing a first secured interest on all present and after acquired property of the Company.

Under the terms of the Credit Facility, the Bank will advance up to \$8,000 based on 75% of trade receivables less than ninety days outstanding at the end of each month and 50% of inventories. The calculated availability of the Credit Facility on September 30, 2025, was \$8,000 of which \$nil was outstanding (\$nil – December 31, 2024). The actual availability of the credit facility is reduced by the value of letters of credit that are currently issued and outstanding on the facility. As of September 30, 2025, there were \$404 in letters of credit outstanding (\$404 – December 31, 2024).

The Credit Facility has three financial covenants that must be maintained on a consolidated basis (refer to Appendix C for detailed calculations). The three financial covenants are the current ratio, debt to EBITDA ratio, and debt service coverage ratio. The current ratio and debt to EBITDA ratios are tested quarterly and the debt service coverage ratio is tested annually. As at September 30, 2025, CEMATRIX was in compliance with all financial covenants.

- Current ratio not less than 1.25, tested quarterly. This is the ratio of current assets to current liabilities.
- Debt to EBITDA ratio of not more than 3.00 times, tested quarterly. This is a ratio of all long-term debt divided by the rolling 12 months adjusted EBITDA. The calculation for adjusted EBITDA is illustrated in Appendix B.
- Debt service coverage ratio of not less than 1.50 times, tested annually. This ratio is calculated by taking adjusted EBITDA divided by the sum of all debt service costs (principle, interest, cash taxes, dividends and distributions).

The Company considers its liquidity position to be strong, due to the current cash in the bank, the expected continued generation of cash flow from profits, credit available through operating lines, our increased ability to borrow and go to markets to raise capital. The Company also expects to continue to be in compliance with our debt covenants for both the CIBC and BDC going forward.

Capital resources

The Company is currently well capitalized with a strong balance sheet. In addition, the Company was cashflow positive from operations in 2024 and expects to be cash flow positive for 2025. As a result, the Company believes that it has sufficient capital resources currently. In the future, if the Company needs access to additional capital resources to fund a strategic priority such as an acquisition, additional equipment, or other initiative, there is no certainty that additional debt or equity financing will be available to the Company.

The Company defines its capital as the long-term debt, the lease obligations and shareholders' equity. The current objective of the Company is to manage its capital through growth in earnings and to re-invest the earnings generated to facilitate the continued growth in the Company, in order to provide an appropriate rate of return to shareholders in relation to the risks underlying the Company's assets. The consolidated capital of the Company, as outlined in Note 23 - Capital Management of the Company's Q3 2025 interim condensed consolidated financial statements, was \$43,096 on September 30, 2025, as compared to \$40,962 on December 31, 2024 (see section Consolidated Statements of Financial Position for details).

Off Balance Sheet arrangements

There were no off balance sheet arrangements on September 30, 2025.

Transactions with related parties

Two of the buildings that the Company operates out of are owned by entities that are owned or controlled by certain officers or consultants of the Company. During the three and nine months ended September 30, 2025, the Company incurred costs of \$115 and \$351, respectively (\$111 and \$331 for the same periods in 2024) related to these rental leases. Lease obligations for the two buildings as at September 30, 2025, were in the amount of \$986 (December 31, 2024 - \$974).

Controls and procedures

Disclosure controls and procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), together with management, have designed disclosure controls and procedures to provide reasonable assurance that material information with respect to the Company, including its consolidated subsidiaries, is made known to them by others and is recorded, processed, summarized and reported within the time periods specified in securities legislation. The CEO and CFO, together with management, have also designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. In designing such controls, it should be recognized that any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation and may not prevent or detect misstatements due to error or fraud.

Internal Controls over financial reporting

There have been no material changes in the Company's internal controls over financial reporting during the period beginning July 1, 2025, and ending on September 30, 2025, that materially affected, or are reasonably likely to materially effect, the Company's internal controls over financial reporting.

Critical accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements are described in Note 3 of the Annual Audited Consolidated Financial Statements for the year ended December 31, 2024. There have been no changes since that date.

Changes in accounting policies including initial adoption

New accounting policies

The Company has adopted amendments effective January 1, 2025, related to IAS 21 the Effects of Changes in Foreign Exchange Rates relating to using a spot exchange rate when translating a foreign currency transaction where one currency cannot be exchanged into another. This amendment does not have a material impact on the Company's financial statements.

Future accounting pronouncements

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1. IFRS 18 applies to annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes. The Company is currently assessing the impact and efforts related to adopting IFRS 18.

On May 30, 2024, the IASB issued amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments. These amendments clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). These amendments apply to annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The Company is currently assessing the impact and efforts related to the amendments to IFRS 9 and IFRS 7.

Financial instruments

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company financial instruments that are carried in the consolidated financial statements and how the fair value of financial instruments is measured.

Fair values of non-derivative financial instruments

The fair values of cash, trade and other receivables, bank operating loan, debt, and trade and other payables approximate their carrying values due to the relatively short periods to maturity of these instruments. Investments are carried at FVTPL and are categorized as Level 2.

The fair value of the long-term debt approximates their carrying value as the debt rate floats with prime and is representative of market rates offered to the Company.

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of financial instruments according to the following hierarchy based on the number of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. The long-term investment in convertible notes, embedded derivatives related to the forced conversion, prepayment and conversion features on the convertible debt are measured based on level 2.

Level 3 – Valuations in this level are those with inputs for the assets or liabilities that are not based on observable market data.

There were no transfers between level 1, 2 and 3 inputs during the period.

Risk management

The Company's activities are exposed to a variety of financial risks: interest rate risk, credit risk, liquidity risk and foreign exchange risk. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by financial management in conjunction with overall Company governance.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk to the extent that its credit facility and equipment finance loan are subject to floating market rates. As of September 30, 2025, the Company does not have significant exposure to variable interest rate instruments because the Company's credit facility and long-term debt were fully repaid.

CEMATRIX Corporation
Management's Discussion & Analysis
For the three and nine month periods ended September 30, 2025, and 2024
(in thousands of Canadian dollars, except per share amounts)

The company is not exposed to interest rate risk on the equipment finance loan or lease obligations because the interest rate on these borrowings is fixed over the repayment period.

At September 30, 2025, a one percent change in the interest rate applied to the Company's floating rate credit facility and equipment finance loan would change annual income before income taxes by approximately \$nil (2024 – \$10).

Credit risk

The Company is responsible for reviewing the credit risk for each customer before standard payment and delivery terms and conditions are offered. The Company's review consists of external ratings, when available, and in some cases bank and trade references. Management has established a credit policy under which new customers are analyzed for creditworthiness before the Company extends credit. The Company monitors its trade and other receivables aging on an ongoing basis as part of its process in managing its credit risk.

The Company also manages credit risk related to trade and other receivables on a consolidated basis whereby the aggregate exposure to individual customers is reviewed and their credit quality is assessed.

Financial instruments that subject the Company to credit risk consist primarily of cash and cash equivalents, restricted cash and trade receivables. The Company's cash and cash equivalents is held with large established financial institutions. The Company manages credit risk using credit approval and monitoring practices. Management is not materially concerned about the credit quality and collectability of accounts receivables, as our customers are predominantly large in scale and of high creditworthiness, and the concentration of credit risk is limited as our largest customers change year to year depending on which projects are being completed. At September 30, 2025, the Company had \$9,948 of cash (December 31, 2024 - \$10,295).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations. Liquidity risk management involves maintaining sufficient cash and cash equivalents and the availability of working capital financing.

The table below summarizes the maturity profile of the Corporation's financial liabilities, based on contractual undiscounted payments.

	Less than 1 year		1 to 2 years		2 to 6 years		Total
As at September 30, 2025							
Trade and other payable	\$	5,882	\$	-	\$	-	\$ 5,882
Equipment finance		399		425		1,162	1,986
Lease obligations		970		1,096		510	2,576
	\$	7,251	\$	1,521	\$	1,672	\$ 10,444
As at December 31, 2024							
Trade and other payable	\$	1,822	\$	-	\$	-	\$ 1,822
Long-term debt		1,079		114		-	1,193
Lease obligations		950		1,170		893	3,013
	\$	3,851	\$	1,284	\$	893	\$ 6,028

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure relates to balances denominated in USD and the operations of its U.S. subsidiaries which are predominantly in USD. The Company does not hedge these items as the timing of related transactions is not certain. However, the management manages and mitigates foreign exchange risk by monitoring exchange rate trends and forecasted economic conditions.

As at September 30, 2025, the Company had financial assets denominated in USD of \$12,178 (December 31, 2024 - \$8,174) and financial liabilities denominated in USD of \$3,813 (December 31, 2024 - \$2,475).

The Company's primary foreign exchange sensitivity is in relation to movements of the USD against the Canadian dollar. Based on USD balances as at September 30, 2025, a 1% increase/decrease of the USD against the Canadian dollar would result in an increase/decrease in net income of approximately CAD \$116 excluding the effect of income taxes.

Disclosure of outstanding share data

As at November 5, 2025, the following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

	Authorized	Outstanding as at November 5, 2025
Voting or equity securities issued and outstanding	Unlimited common shares	150,202,584 common shares
Securities convertible or exercisable into voting or equity securities – stock options	Incentive equity plans up to 10% of outstanding common shares	Stock options to acquire 5,936,667 common shares at an exercise price between \$0.185 - \$0.590
Securities convertible or exercisable into voting or equity securities – Restricted Stock Units	Incentive equity plans up to 10% of outstanding common shares	RSU's to acquire 2,448,091 common shares
Securities convertible or exercisable into voting or equity securities – share purchase warrants	As approved by the Board	Share purchase warrants to acquire 8,213,520 common shares at an exercise price between \$0.45 - \$0.60

Appendix A – Forward-looking statements

The forward-looking statements in the MD&A for the three and nine months ended September 30, 2025, are outlined below:

There are a number of statements in the MD&A which refer to “expect”, “expects”, “expected”, “believes”, “should”, “anticipated” and “will”.

The foregoing statements contains forward-looking statements which are based on sales forecasts prepared for 2025; sales forecasts include work which is under contract or verbally awarded for 2025, as well as probability adjusted forecasts for projects on which the Company has placed or will place bids in the coming year, where the probabilities applied to the sales forecast are based on management's assessment of the particular project based on historical experience and the stage the project is in the sales cycle. There are a number of risks that could affect these assumptions which include: contracted work is delayed; the failure of sales to materialize, because of project delays or cancellations or because CEMATRIX's cellular concrete is not specified into projects, management's assumptions in applying probabilities to the various projects in the sales forecast are incorrect, and product acceptance in new markets takes longer than anticipated resulting in reduced sales.

Appendix B – Non-GAAP measures

Throughout this MD&A certain measures are used that, while common in the construction industry, are not recognized measures under IFRS. These measures are used by management to assist in making operating decisions and assessing performance. They are presented in this MD&A to assist readers in assessing the performance of the Company. While we calculate these measures consistently from period to period, they will likely not be directly comparable to similar measures used by other companies because they do not have standardized meanings prescribed by IFRS. Please review the definitions of these measures below.

Sales pipeline

The Company's sales pipeline is defined as the total forecasted dollar amount of those future projects that CEMATRIX has been contracted by engineering firms, or owners, or contractors for design assistance (which could include thermal modelling), a quote, or both. The sales pipeline does not include the dollar value of contracted sales; or the dollar value of sales, where volumes have not been determined by the designers; or the dollar value of sales that have been lost for various reasons, including that the proposed project has been cancelled, lost to an alternative product or lost to a competitor. The sales pipeline is updated when changes in the status of a project become known to CEMATRIX. The sales pipeline includes projects from the current and future years and grows with the continued acceptance of the product throughout the Company's market territory, which currently includes significant parts of Canada and parts of the US.

CEMATRIX Corporation
Management's Discussion & Analysis
For the three and nine month periods ended September 30, 2025, and 2024
(in thousands of Canadian dollars, except per share amounts)

Backlog and contracts in process

Backlog is the sum of all contracts awarded and all contracts in process. Contracts in process are defined as projects where the related contract is in office for review or signature; or signed and returned to the client for their signature; or is in the post award project submission process; or is awarded by letter of intent; or is awarded by some other form of written communication. The following table shows the Company's balances at the end of the following reporting periods:

	Nine months ended September 30, 2025	Year ended December 31, 2024
Contracts in process	\$ 13,468	\$ 20,306
Backlog	61,500	49,334
Total backlog	\$ 74,968	\$ 69,640

Adjusted net working capital

Adjusted net working capital is calculated as net working capital adjusted for cash and cash equivalents, restricted cash, bank operating loan, current portion of long-term debt, current portion of equipment finance loan, current portion of lease obligations, current portion of earn-out liabilities and current portion of convertible debt.

Adjusted net working capital on September 30, 2025, and December 31, 2024, were as follows:

	September 30, 2025	December 31, 2024
Current assets	\$ 26,687	\$ 18,460
Current liabilities	(6,960)	(3,577)
Net working capital	19,727	14,883
Adjustments		
Cash and cash equivalents	(9,948)	(10,295)
Current portion of long-term debt	-	995
Current portion of equipment finance loan	270	-
Current portion of lease obligations	808	760
Adjusted net working capital	\$ 10,857	\$ 6,343

CEMATRIX Corporation
Management's Discussion & Analysis
For the three and nine month periods ended September 30, 2025, and 2024
(in thousands of Canadian dollars, except per share amounts)

Adjusted EBITDA

Adjusted EBITDA is calculated as EBITDA (as defined above) adjusted for non-cash accounting items including unrealized foreign exchange gain (loss), accretion costs, share of losses of Glavel Inc., fair value adjustments of investments, and stock-based compensation.

Adjusted EBITDA for the three and nine months ended September 30, 2025, and 2024 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 1,909	\$ 710	\$ 2,335	\$ (494)
Finance costs	88	56	250	197
Depreciation and amortization	603	572	1,789	1,641
Provision of deferred / current taxes	873	(36)	917	(151)
EBITDA	3,473	1,302	5,291	1,193
Unrealized foreign exchange loss (gain)	(56)	(2)	80	(17)
Accretion costs	-	-	-	-
Share of losses of Glavel Inc.	-	-	-	-
Fair value adjustment of investments	-	-	-	-
Stock-based compensation	71	65	479	660
Adjusted EBITDA	\$ 3,488	\$ 1,365	\$ 5,850	\$ 1,836

Appendix C – Covenant calculations

CIBC Covenants

Current ratio	September 30, 2025
Current assets	\$ 26,687
Current liabilities	6,960
Current ratio (current assets ÷ current liabilities)	3.83
Covenant tested quarterly, not less than 1.25x	1.25
	Compliant
Debt to EBITDA ratio	September 30, 2025
Adjusted debt	
Current portion – long-term debt	\$ -
Long-term debt	-
Adjusted long-term debt	-
Adjusted EBITDA (rolling 12-month)	7,293
Debt to EBITDA ratio (adjusted debt ÷ EBITDA)	-
Covenant tested quarterly, not to exceed 3.00x	3.00
	Compliant