CEMATRIX™
Lightweight Fill Solutions

Q3 2025
CEMATRIX Corporation

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Notice to Reader

The accompanying unaudited interim condensed consolidated financial statements have been prepared by and are the responsibility of management. The unaudited interim condensed consolidated financial statements for the three and nine month periods ended September 30, 2025, and 2024 have not been reviewed by MNP LLP, the Company's independent external auditor.

CEMATRIX Corporation
Consolidated Statement of Financial Position
As at September 30, 2025, and December 31, 2024
(in thousands of Canadian dollars) (unaudited)

	Note	September 30, 2025	December 31, 2024
ASSETS			
Current assets			
Cash		$ **9,948**	$ 10,295
Trade and other receivables	7	**15,551**	6,742
Inventory	8	**908**	832
Other current assets		**280**	591
Total current assets		**26,687**	18,460
Non-current assets			
Long-term investments		**2,574**	2,571
Property and equipment		**12,097**	13,147
Right of use assets		**2,424**	2,686
Goodwill and intangibles		**6,319**	6,531
Total non-current assets		**23,414**	24,935
TOTAL ASSETS		$ **50,101**	$ 43,395
LIABILITIES			
Current liabilities			
Trade and other payables	10	$ **5,882**	$ 1,822
Current portion of long-term debt	11	**-**	995
Current portion of equipment finance loan	12	**270**	-
Current portion of lease obligations	13	**808**	760
Total current liabilities		**6,960**	3,577
Non-current liabilities			
Long-term debt	11	**-**	108
Equipment finance loan	12	**1,350**	-
Lease obligations	13	**1,378**	1,725
Deferred tax liability		**1,123**	611
Total non-current liabilities		**3,851**	2,444
TOTAL LIABILITIES		**10,811**	6,021
SHAREHOLDERS' EQUITY			
Share capital	14	**47,823**	47,865
Contributed surplus		**10,154**	9,849
Accumulated other comprehensive income (loss)		**826**	1,522
Deficit		**(19,513)**	(21,862)
Total shareholders' equity		**39,290**	37,374
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ **50,101**	$ 43,395

The accompanying notes are an integral part of these consolidated financial statements.

CEMATRIX Corporation
Consolidated Statement of Income (loss) and Comprehensive Income (loss)
For the three and nine month periods ended September 30, 2025, and 2024
(in thousands of Canadian dollars, except per share amounts) (unaudited)

	Note	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Revenue	24	**$ 15,311**	$ 10,135	**$ 32,572**	$ 25,014
Cost of sales	15	**(10,044)**	(7,349)	**(21,732)**	(18,584)
Gross margin		**5,267**	2,786	**10,840**	6,430
Operating expenses					
Selling, general and administrative		**(2,429)**	(2,120)	**(6,935)**	(6,539)
Operating income (loss)		**2,838**	666	**3,905**	(109)
Stock-based compensation	19	**(71)**	(65)	**(479)**	(660)
Finance costs	16	**(88)**	(56)	**(250)**	(197)
Other income (expenses)	17	**103**	129	**76**	321
Income (loss) before income taxes		**2,782**	674	**3,252**	(645)
Provision of deferred taxes		**(771)**	36	**(794)**	151
Provision of current taxes		**(102)**	-	**(123)**	-
Income (loss) for the period		**1,909**	710	**2,335**	(494)
Other comprehensive (loss) income					
Unrealized foreign exchange gain (loss) on translation of foreign subsidiaries		**864**	(319)	**(796)**	403
Provision of deferred taxes		**(66)**	-	**100**	-
Comprehensive income (loss) for the period		**$ 2,707**	$ 391	**$ 1,639**	$ (91)
Earnings (loss) per common share	18				
Basic		**0.013**	0.005	**0.016**	(0.004)
Diluted		**0.012**	0.005	**0.015**	(0.004)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

CEMATRIX Corporation
Consolidated Statement of Changes in Equity
For the nine month periods ended September 30, 2025, and 2024
(in thousands of Canadian dollars) (unaudited)

	Note	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total equity
Balance at December 31, 2023		$ 42,641	$ 8,238	$ (24)	$ (22,132)	$ 28,723
Private placement	14	5,024	942	-	-	5,966
Common shares issued	14	108	-	-	-	108
Reclassification of contributed surplus	14	91	(91)	-	-	-
Stock-based compensation	19		660	-	-	660
Net (loss) for the period			-	-	(494)	(494)
Unrealized foreign exchange gain on translation of foreign subsidiaries			-	403	-	403
Balance at September 30, 2024		$ 47,864	$ 9,749	$ 379	$ (22,626)	$ 35,366
Private placement	14	1	-	-	-	1
Stock-based compensation	19	-	100	-	-	100
Net income for the period		-	-	-	764	764
Deferred taxes		-	-	(259)	-	(259)
Unrealized foreign exchange gain on translation of foreign subsidiaries		-	-	1,402	-	1,402
Balance at December 31, 2024		$ 47,865	$ 9,849	$ 1,522	$ (21,862)	$ 37,374
Common shares issued	14	**8**	**-**	**-**	**-**	**8**
Reclassification of contributed surplus	14	**174**	**(174)**	**-**	**-**	**-**
Stock-based compensation	19	**-**	**479**	**-**	**-**	**479**
Normal course issuer bid	14	**(224)**	**-**	**-**	**14**	**(210)**
Net income for the period		**-**	**-**	**-**	**2,335**	**2,335**
Unrealized foreign exchange (loss) on translation of foreign subsidiaries		**-**	**-**	**(796)**	**-**	**(796)**
Provision of deferred taxes		**-**	**-**	**100**	**-**	**100**
Balance at September 30, 2025		**$ 47,823**	**$ 10,154**	**$ 826**	**$ (19,513)**	**$ 39,290**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

CEMATRIX Corporation
Consolidated Statement of Cash Flows
For the three and nine month periods ended September 30, 2025, and 2024
(in thousands of Canadian dollars) (unaudited)

	Note	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Cash flow from (used in) operating activities					
Net income (loss) for the period		**$ 1,909**	$ 710	**$ 2,335**	$ (494)
Items not involving cash:					
Provision for deferred taxes		**604**	(36)	**628**	(151)
Depreciation and amortization		**603**	572	**1,789**	1,641
Finance costs	16	**88**	56	**250**	197
(Gain) on sale of equipment		**-**	(60)	**-**	(61)
Stock-based compensation	19	**71**	65	**479**	660
Unrealized foreign exchange loss (gain)		**(56)**	(2)	**80**	(17)
Non-cash interest income		**-**	-	**-**	(50)
Cash flows from operations before changes in non-cash working capital		**3,219**	1,305	**5,561**	1,725
Net change in non-cash working capital items	20	**(1,463)**	(2,572)	**(4,679)**	781
Net cash from (used in) operating activities		**1,756**	(1,267)	**882**	2,506
Cash flow from (used in) investing activities					
Purchase of property and equipment		**(95)**	(73)	**(525)**	(139)
Proceeds on sale of property and equipment		**-**	60	**-**	61
Purchase of long-term investments		**-**	-	**(84)**	-
Net cash (used in) investing activities		**(95)**	(13)	**(609)**	(78)
Cash flow from (used in) financing activities					
Proceeds from Private Placement, net of costs	14	**-**	5,966	**-**	5,966
Proceeds from equipment finance loan	12	**-**	-	**1,620**	-
Proceeds from exercise of options	14	**-**	-	**8**	108
Repayment of long-term debt	11	**-**	-	**(1,104)**	(951)
Repayment of lease obligations	13	**(217)**	(231)	**(654)**	(643)
Normal course issuer bid	14	**-**	-	**(210)**	-
Interest paid	16	**(88)**	(56)	**(250)**	(197)
Repayment of earnout liability		**-**	-	**-**	(175)
Net cash flow (used in) from financing activities		**(305)**	5,679	**(590)**	4,108
Effects of foreign exchange on cash balances		**38**	(9)	**(30)**	108
Net increase (decrease) in cash during the period		**1,394**	4,390	**(347)**	6,644
Cash, beginning of the period		**8,554**	5,542	**10,295**	3,288
Cash, end of the period		**$ 9,948**	$ 9,932	**$ 9,948**	$ 9,932

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Table of Contents – Notes to the Condensed Consolidated Financial Statements

1. Corporate information

CEMATRIX Corporation ("CEMATRIX" or the "Company") is a corporation incorporated in the province of Alberta, Canada. The Company's common shares are traded in Canada on the Toronto Stock Exchange ("TSX") under the symbol "CEMX" and in the United States on the OTCQB under the symbol "CTXXF". The Company is domiciled in Canada with its registered office at 9727 – 40th Street S.E., Calgary, Alberta, Canada.

CEMATRIX is a leading manufacturer and supplier of cellular concrete products with applications in a variety of markets across North America. The Company operates through its subsidiaries CEMATRIX (Canada) Inc., CEMATRIX (USA) Inc. ("CUI"), MixOnSite USA, Inc. ("MOS"), and Pacific International Grout Company ("PIGCO").

2. Basis of preparation

Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all the information and disclosures required in the Company's annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2024. These financial statements were authorized for issue on November 5, 2025, by the Company's Board of Directors.

Basis of measurement and going concern

These consolidated financial statements were prepared on a going concern basis under the historical cost convention except for share-based payment transactions and certain financial instruments which are measured at fair value. Unless otherwise stated, all amounts presented in these financial statements are stated in thousands of Canadian dollars.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. The functional currency of CUI, MOS, and PIGCO is U.S. dollars ("USD").

Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

3. Accounting judgements, estimates, and assumptions

The preparation of condensed consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the condensed consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Judgements, estimates, and assumptions 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 these uncertainties that have a significant risk of causing material adjustment to the amounts recognized in the condensed consolidated financial statements are described in Note 3 of the audited consolidated financial statements for the year ended December 31, 2024. There have been no changes since that date.

4. Material accounting policies

The material accounting policies of the Company are outlined in Note 4 of the audited consolidated financial statements for the year ended December 31, 2024. Except as noted below, there have been no changes since that date.

As a result of the Company's Normal Course Issuer Bid (note 14), the Company has amended the accounting policy for Share capital as noted below.

Share capital

When common shares are sold, the consideration received, including directly attributable costs, net of any tax effect, is recognized as a change in share capital. The Company purchases shares for cancellation under its normal course issuer bid ("NCIB"). The cost of purchasing shares for cancellation is first charged to share capital to the extent of the average carrying value of the common shares purchased and the excess is charged to deficit. No gain or loss is recognized in the consolidated statements of net income (loss) and comprehensive income (loss) on the purchase, sale, issuance, or cancellation of the Company's equity instruments.

5. New accounting standards, amendments and interpretations adopted

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.

6. Future accounting changes

There are new accounting standards and amendments to accounting standards and interpretations that are effective for annual periods beginning on or after January 1, 2026, that have not been applied in preparing the financial statements for the period ended September 30, 2025. Except as disclosed below, these standards and interpretations are not expected to have a material impact on the Company's Financial Statements.

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.

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

7. Trade and other receivables

		September 30, 2025		December 31, 2024
Trade receivables	**$**	**13,352**	$	5,098
Holdbacks		**2,241**		1,743
Other receivables		**9**		12
Expected credit loss		**(51)**		(111)
	$	**15,551**	$	6,742

Trade receivables and holdbacks are unsecured and non-interest bearing and are generally on varying terms from net 30 to net 90 or paid when paid and are usually subject to standard ten percent construction holdback on most sales over $100.

Holdbacks are generally collectible forty-five days after completion of the work performed by the Company. Holdbacks can be outstanding much longer if the holdback release is tied to the completion of the entire project by the general contractor or a warranty period. The Company is normally a subcontractor to the general contractor and only completes a portion of the total work to be completed by the general contractor and accordingly certain holdbacks can be outstanding for up to a year or more.

The aging of the trade receivables were as follows:

		September 30, 2025		December 31, 2024
1-30 days	**$**	**9,155**	$	1,519
31-60 days		**1,916**		2,093
61-90 days		**712**		818
Greater than 90 days		**1,569**		668
	$	**13,352**	$	5,098

In determining the recoverable amount of a trade, holdbacks and other receivables, the Company performs a risk analysis considering the type and age of the outstanding receivable and the credit worthiness of the counterparties. The Company considers trade accounts receivable past due if they are past the agreed upon credit terms, except for holdbacks that have been invoiced and are part of trade receivables but are not collectible until the completion of the entire project as discussed above.

8. Inventory

Inventory consists of raw materials (foaming agent) which was $908 at September 30, 2025 (December 31, 2024 - $832). Inventory expensed as part of cost of sales were $699 and $1,369 for the three and nine months ended September 30, 2025 ($304 and $770 for the same periods in 2024).

9. Bank operating loan

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 ($3,000 prior to June 2024) 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.

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

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 contains three financial covenants. 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.

10. Trade and other payables

		September 30, 2025		December 31, 2024
Trade payables	**$**	**4,616**	$	929
Accruals		**908**		767
Payroll remittance and goods and services tax		**358**		126
	$	**5,882**	$	1,822

11. Long-term debt

Long-term debt	Maturity	Interest rate		September 30, 2025		December 31, 2024
Loan 4	August 1, 2026	Floating	**$**	**-**	$	432
Loan 5	December 1, 2025	Floating		**-**		671
Long-term debt				**-**		1,103
Less: current portion				**-**		(995)
Long-term debt			**$**	**-**	$	108

Reconciliation of long-term debt

		Nine months ended September 30, 2025		Year ended December 31, 2024
Long-term debt, beginning of period	**$**	**1,103**	$	1,929
Repayment of long-term debt		**(1,104)**		(951)
Long-term debt, before unrealized foreign exchange effects		**(1)**		978
Effect of unrealized foreign exchange loss (gain) on income		**2**		47
Effect of unrealized foreign exchange loss (gain) on translation		**(1)**		78
Long-term debt, end of period	**$**	**-**	$	1,103

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

Loan agreement terms

In May 2018 the Company entered into an agreement with the BDC for a loan of $1,800 USD to fund a portion of the purchase price of the MOS acquisition. The interest, payable monthly, was 10.3% and set at 1.60% above the BDC floating USD base rate of 8.7% as of February 2025 (the date the loan was repaid). The loan was repayable over eight years, with seasonal payments of principal required. Payments of principal of $38 USD were required from for the years 2019 to August 2026. In February 2025, the Company prepaid the balance outstanding at no additional costs.

In October 2019, the Company's wholly-owned subsidiary, CEMATRIX (USA) Inc. entered into an agreement with the BDC for a loan of $2,800 USD to fund the purchase price of the PIGCO acquisition. The interest, payable monthly, was 10.3% and set at 1.60% above the BDC floating USD base rate of 8.7% as of March 2025 (the date the loan was repaid). The loan was repayable over six years, with seasonal payments of principal required. A principal repayment of $78 USD was required from July to December from years 2020 to 2025. In March 2025, the Company prepaid the balance outstanding at no additional costs.

The BDC Financing loans were secured with a general security agreement providing a first security interest in the Company's current owned equipment and new equipment acquired pursuant to the BDC Financings and a security interest in all present and after acquired personal property of the Company subject only to lender charges on receivables and inventory in support of the Company's demand operating loan and future charges on specific equipment to a creditor for financing the purchase or lease thereof.

The BDC Financing loans had a consolidated fixed charge coverage ratio financial covenant which was tested annually. At December 31, 2024, the Company was in compliance with this covenant.

12. Equipment finance loan

	Note		Nine months ended September 30, 2025		Year ended December 31, 2024
Balance – beginning of period		$	-	$	-
Proceeds			1,620		-
Payments (including interest)			(67)		-
Interest expense	16		67		-
Balance – end of period			1,620		-
Less: current portion			(270)		-
Non-current portion		$	1,350	$	-

Equipment finance loan agreement terms

In March 2025 the Company entered into an agreement with the BDC for an equipment finance loan of $1,620 to finance the purchase of two dry-mix units. The interest, which is a fixed rate of 8.65%, is payable monthly. The loan is repayable over five years, with seasonal payments of principal required. A principal repayment of $54 is required for the months of July to December beginning November 1, 2025, and ending October 1, 2030.

The equipment finance loan may be prepaid, on each anniversary date, up to 15% of the then outstanding principal amount but if not used the prepayment privilege for that anniversary date ceases. In addition to the annual privilege the Company may prepay all or part of the principal outstanding plus any interest owing up to the time of prepayment plus an indemnity equal to three months interest on the prepaid principal at the interest rate then applicable. The prepayment option is considered to be an embedded derivative with a fair value, which is nominal in nature as at September 30, 2025.

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

The equipment finance loan is secured with a general security agreement providing a first security interest in the Company's current owned equipment and new equipment acquired pursuant to the BDC financings and a security interest in all present and after acquired personal property of the Company subject only to lender charges on receivables and inventory in support of the Company's demand operating loan and future charges on specific equipment to a creditor for financing the purchase or lease thereof.

The BDC equipment financing loan has a consolidated fixed charge coverage ratio financial covenant which is tested annually.

13. Lease obligations

	Note	Vehicle leases	Building leases	Total
Balance – December 31, 2024		**$ 788**	**$ 1,697**	**$ 2,485**
Proceeds and additions		**64**	**338**	**402**
Payments (including interest)		**(283)**	**(520)**	**(803)**
Interest expense	16	**39**	**110**	**149**
Foreign exchange		**(17)**	**(30)**	**(47)**
Balance – September 30, 2025		**591**	**1,595**	**2,186**
Less: current portion		**(205)**	**(603)**	**(808)**
Non-current portion		**$ 386**	**$ 992**	**$ 1,378**

	Note	Vehicle leases	Building leases	Total
Balance – December 31, 2023		$ 524	$ 791	$ 1,315
Additions		467	1,457	1,924
Payments (including interest)		(296)	(687)	(983)
Interest expense	16	52	69	121
Foreign exchange		41	67	108
Balance – December 31, 2024		788	1,697	2,485
Less: current portion		(297)	(463)	(760)
Non-current portion		$ 491	$ 1,234	$ 1,725

Vehicle and building lease obligations terms

The Company's lease obligations mainly relate to real property leases that are utilized within our operations. The Company has also entered into leases pertaining to various pieces of operating equipment including trucks and trailers. Leases are entered into and terminated when they meet specific business requirements.

The Company recognizes lease expense over the term of the lease using the rate implicit in the lease, or the Company's incremental borrowing rate which range between (4.2% - 11.0%), if the implicit rate could not be readily determined.

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

14. Share capital

Commons shares authorized

Unlimited number of no-par value voting common shares.

Preferred shares – to be issued in series as authorized by the Board of Directors.

Common shares issued

	Note	Nine months ended September 30, 2025 Number of shares		Nine months ended September 30, 2025 Amount	Year ended December 31,2024 Number of shares		Year ended December 31,2024 Amount
Common shares, beginning of period		**150,426,486**	**$**	**47,865**	135,279,048	$	42,641
Private placement, net of issuance costs		**-**		**-**	14,667,000		5,025
Exercise of options and RSUs	19	**479,687**		**182**	480,438		199
Normal course issuer bid		**(703,589)**		**(224)**	-		-
Common shares, end of period		**150,202,584**	**$**	**47,823**	150,426,486	$	47,865

Private placement

On July 29, 2024, the Company closed a private placement financing, whereby the Company issued a total of 14,667,000 units (the “Units”) at a price of $0.45 per Unit (the “Issue Price”) for aggregate gross proceeds to the Company of $6.6 million (the “Offering”).

Each Unit consists of one common share of the Company (a “Unit Share”) and one half of one common share purchase warrant (each whole warrant, a “Private Placement Warrant”) of the Company. Each Private Placement Warrant entitles the holder thereof to acquire one common share (a “Warrant Share”) at a price per Warrant Share of $0.60 for a period of 24 months from the closing of the Offering.

Normal course issuer bid

On April 17, 2025, the Company commenced a NCIB. Under the NCIB, the Company may purchase for cancellation a maximum of 13,508,235 common shares of the Company (the "Shares"), 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 will terminate upon the earliest of

(i) April 16, 2026;
(ii) the Company purchasing the maximum of 13,508,235 Shares; or
(iii) the Company terminating the NCIB.

For the nine months ended September 30,2025, the Company repurchased 703,589 common shares for cancellation for total cash consideration of $210. The total consideration was allocated $224 to Share capital with the difference of $14 allocated to deficit.

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

Warrants

	Nine months ended September 30, 2025			Year ended December 31, 2024		
	Number of warrants		Weighted average price	Number of warrants		Weighted average price
Warrants, beginning of period	**8,213,520**	**$**	**0.58**	-	$	-
Private placement warrants issued	**-**		**-**	7,333,500		0.60
Broker warrants issued	**-**		**-**	880,020		0.45
Warrants, end of period	**8,213,520**	**$**	**0.58**	8,213,520	$	0.58

On July 29, 2024, the Company issued 7,333,500 private placement warrants. Concurrently, the Company issued 880,020 broker warrants of the Company to agents equal to 6% of the units issued under the Private Placement. Each broker warrant entitles the holder to acquire one unit of the Company at $0.45 for a period of 24 months from the closing of the Offering. The broker warrants and private placement warrants mentioned above were valued at $942 in total, which was reclassified to contributed surplus.

The fair value per share purchase warrant was determined using the following weighted average assumptions at the time of issuance using the Black-Scholes option pricing model:

		2024
Estimated fair value per warrant	**$**	0.154 – 0.117
Warrants exercise common share price	**$**	0.45 – 0.60
Risk-free interest rate		3.50%
Expected life		2 years
Expected volatility in stock price		67%
Expected annual dividend yield		nil
Estimated forfeiture rate		5%

15. Cost of sales

Cost of sales for the manufacture of cellular concrete consists of the following components:

	Three months ended September 30,				Nine months ended September 30,			
		2025		2024		**2025**		2024
Materials	**$**	**6,309**	$	4,298	**$**	**12,188**	$	10,140
Labour		**2,208**		1,698		**5,322**		4,651
Variable and fixed overhead		**1,035**		846		**2,758**		2,415
Depreciation		**492**		507		**1,464**		1,378
	$	**10,044**	$	7,349	**$**	**21,732**	$	18,584

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

16. Finance costs

The finance costs incurred during the period are as follows:

	Note	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Long-term debt	11	**$ -**	$ 31	**$ 19**	$ 124
Equipment finance loan	12	**35**	-	**67**	-
Lease obligations	13	**47**	25	**149**	80
Other		**6**	-	**15**	(7)
		$ 88	$ 56	**$ 250**	$ 197

17. Other income (expenses)

Other income (expenses) incurred during the period as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Interest income	**$ 47**	$ 66	**$ 157**	$ 157
Foreign exchange gain (loss)	**55**	3	**(82)**	92
Gain on sale of equipment	**-**	60	**-**	61
Other	**1**	-	**1**	11
	$ 103	$ 129	**$ 76**	$ 321

18. Earnings (loss) per common share

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Income (loss) for the period	**$ 1,909**	$ 710	**$ 2,335**	$ (494)
Basic earnings per share	**$ 0.013**	$ 0.005	**$ 0.016**	$ (0.004)
Diluted earnings per share	**$ 0.012**	$ 0.005	**$ 0.015**	$ (0.004)

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

The number of common shares included in the computation of basic and diluted earnings per common share for the period are as follows:

	Three months ended September 30, 2025	2024	Nine months ended September 30, 2025	2024
Weighted average common shares outstanding, basic	**150,202,584**	145,962,616	**150,433,761**	138,985,806
Effect of dilutive instruments	**3,426,333**	2,717,553	**3,426,333**	-
Weighted average common shares outstanding, diluted	**153,628,917**	148,680,169	**153,860,094**	138,985,806

The dilutive securities for the nine months ended September 30, 2024, have no dilutive effect as the Company incurred losses in the period.

19. Stock-based compensation

Stock option grants

The Company has an Omnibus Equity Incentive Plan ("OEI Plan") for the issue of up to 10% of the issued and outstanding common shares of the Company. Stock options are part of the OEI Plan. All options that are outstanding will expire upon maturity, or earlier, if the optionee ceases to be a director, officer, employee or consultant or there is a merger, amalgamation or change in control of the Company. The purpose of the option grants is to reward and retain directors, management, and consultants important to the continued operation and growth of the Company.

The following table summarizes the changes in options for the period:

	Note	Nine months ended September 30, Number of options		Amount	Year ended December 31, 2024 Number of options		Amount
Outstanding, beginning of period		**6,178,333**	**$**	**0.348**	4,716,667	$	0.321
Granted		**-**		**-**	2,625,000		0.349
Exercised	14	**(41,666)**		**0.222**	(471,666)		0.227
Expired		**(200,000)**		**0.210**	(300,000)		0.200
Forfeited		**-**		**-**	(391,668)		0.296
Outstanding, end of period		**5,936,667**		**0.353**	6,178,333		0.348
Exercisable, end of period		**3,811,654**	**$**	**0.372**	3,101,653	$	0.377

The following table summarizes the stock options to acquire common shares outstanding as at September 30, 2025:

Range of exercise prices	Options outstanding	Options exercisable	Weighted average remaining life (years)	Weighted average exercise price – options outstanding	Weighted average exercise price – options exercisable
$0.18 - $0.22	**633,334**	**466,658**	**1.43**	**0.19**	**0.19**
$0.23 - $0.39	**3,618,333**	**1,859,997**	**2.59**	**0.33**	**0.33**
$0.40 - $0.59	**1,685,000**	**1,484,999**	**1.31**	**0.47**	**0.48**
$0.18 - $0.59	**5,936,667**	**3,811,654**	**1.81**	**0.35**	**0.37**

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

The following table summarizes the stock options to acquire common shares outstanding as at December 31, 2024:

Range of exercise prices	Options outstanding	Options exercisable	Weighted average remaining life (years)	Weighted average exercise price – options outstanding	Weighted average exercise price – options exercisable
$0.18 - $0.22	875,000	491,662	2.09	0.20	0.20
$0.23 - $0.39	3,618,333	1,224,992	3.34	0.33	0.33
$0.40 - $0.59	1,685,000	1,384,999	2.06	0.47	0.48
$0.18 - $0.59	6,178,333	3,101,653	2.53	0.35	0.38

At the date of grant, the per share fair value of the options granted and other assumptions, using the Black-Scholes option pricing model are as follows:

	2024
Estimated fair value per option	$ 0.141 – 0.259
Options exercise common share price	$ 0.262 – 0.430
Risk-free interest rate	3.05%-4.27%
Expected life	5 years
Expected volatility in stock price	66%-79%
Expected annual dividend yield	nil
Estimated forfeiture rate	5%-10%

Restricted share units grants

The Company has an Omnibus Equity Incentive Plan (“OEI Plan”) for the issue of up to 10% of the issued and outstanding common shares of the Company. Restricted Share Units (“RSU’s”) are part of the OEI Plan. Subject to the specific provisions of the RSU plan, eligibility, vesting period, terms of the RSU’s and the number of RSU’s granted are to be determined by the Board of Directors at the time of the grant. The purpose of the RSU grants is to reward and retain directors, management, and consultants important to the continued operation and growth of the Company.

	Note	**Nine months ended September 30, 2025**	Year ended December 31, 2024
Number of RSU’s outstanding, beginning of period		**2,101,902**	150,887
Granted		**784,210**	1,989,275
Forfeited		**-**	(29,487)
Exercised	14	**(438,021)**	(8,773)
Number of RSU’s outstanding, end of period		**2,448,091**	2,101,902

The fair value of each RSU granted was determined by using the company’s share price on the grant date. The estimated fair value of the RSU’s granted is being recognized as an expense over the vesting period of the RSU’s.

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

Stock-based compensation

Stock-based compensation was $71 and $479 for the three and nine months ended September 30, 2025 ($65 and $660 for the same periods in 2024) was recognized in the consolidated statement of income and comprehensive income with an offsetting amount charged to contributed surplus. Stock-based compensation has no current period impact on the Company's cash position.

20. Change in non-cash working capital

The changes in non-cash working capital items - asset (increases) decreases and liability increases (decreases) - are outlined below:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	**2025**	2024
Trade and other receivables	**$ (4,086)**	$ (2,679)	**$ (8,952)**	$ 4,030
Inventory	**(86)**	149	**(79)**	245
Prepaid expenses and deposits	**230**	85	**302**	307
Trade and other payables	**2,479**	(127)	**4,050**	(3,801)
	$ (1,463)	$ (2,572)	**$ (4,679)**	$ 781

21. Related party transactions

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).

22. Financial instruments and risk management

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

Fair value 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 the 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.

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

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.

The company is not exposed to interest rate risk on the equipment finance loan or finance 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 trade receivables. The Company's cash 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).

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

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 the availability of working capital financing to meet its financial obligations.

The table below summarizes the maturity profile of the Company'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.

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

23. Capital management

Management defines capital as the Company's total shareholders' equity, its debt and finance lease obligations. The Company manages its capital structure and adjusts it in response to changes in economic conditions and the risk characteristics of its underlying assets. The Board of Directors does not establish a quantitative return on capital for management but rather promotes year over year sustainable profitable growth. In addition, the Board of Directors has established policies to monitor the Company's performance against its operating and capital budgets and forecasts.

The Company's current objective when managing capital is to increase the Company's 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.

Management reviews its capital management approach on an ongoing basis. There were no material changes to this approach during the period ended September 30, 2025. The Company is subject to externally imposed financial covenants with its CIBC Credit Facility, BDC equipment finance loan, and BDC long-term debt. The BDC long-term debt was fully repaid in Q1 2025.

	Note		**September 30, 2025**		December 31, 2024
Long-term debt	11	**$**	**-**	$	1,103
Equipment finance loan	12		**1,620**		-
Lease obligations	13		**2,186**		2,485
Total debt			**3,806**		3,588
Shareholder's equity			**39,290**		37,374
		$	**43,096**	$	40,962

24. Geographical segmented information

The Company has one operating segment, and its primary business is the supply and placement of cellular concrete. It currently markets its services in Canada and the U.S.

The following balances present the sales to external customers attributable to the Company's geographical segments:

	Three months ended September 30,				**Nine months ended September 30,**			
		2025		2024		**2025**		2024
Canada	**$**	**4,236**	$	2,233	**$**	**8,452**	$	7,049
U.S.		**11,075**		7,902		**24,120**		17,965
	$	**15,311**	$	10,135	**$**	**32,572**	$	25,014

The following balances present the total non-current assets attributable to the Company's geographical segments:

		September 30, 2025		December 31, 2024
Canada	**$**	**1,977**	$	2,138
U.S.		**21,437**		22,797
	$	**23,414**	$	24,935