

CEMATRIX™

Lightweight Fill Solutions

2025

CEMATRIX Corporation

CONSOLIDATED FINANCIAL STATEMENTS

for the years ended December 31, 2025, and 2024

(in 000's Canadian Dollars)

CEMATRIX Corporation
Management's Responsibility for Financial Reporting

To the Shareholders:

CEMATRIX Corporation

Management has responsibility for preparing the accompanying consolidated financial statements. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards. When alternative methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgement. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects. Management has developed and maintains appropriate accounting and systems of internal control designed to provide reasonable assurance that reliable and relevant financial information is produced. In addition, programs of proper business conduct and risk management have been implemented to protect the Company's assets and operations. Policies and procedures are designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss or misuse and financial records are properly maintained to provide reliable financial information for the preparation of the consolidated financial statements.

The Board of Directors (the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out these responsibilities principally through the Audit Committee (the "Committee"), which includes two independent directors.

The Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Company's external auditors. The Committee reviews the consolidated financial statements and the external auditors' report thereon and reports its findings to the Board for approval.

MNP LLP, an independent firm of Chartered Professional Accountants is appointed by the shareholders to audit the consolidated financial statements and to report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

March 11, 2026

/s/ "Marie-Josée Cantin"

Marie-Josée Cantin, CPA, CGA

Chief Financial Officer

To the Shareholders of Cematrix Corporation:

Opinion

We have audited the consolidated financial statements of Cematrix Corporation and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and December 31, 2024, and the consolidated statements of income and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of the recoverable amount of goodwill

Key Audit Matter Description

As described in Note 12 to the consolidated financial statements, the Company's goodwill as at December 31, 2025 was \$6,221,000. Each cash generating unit ("CGU") with goodwill is tested annually for impairment, or more frequently when events or changes in circumstances indicate that the carrying amount may not be recoverable.

As at December 31, 2025, the carrying amount of the identified CGUs did not exceed their recoverable amounts, which resulted in no impairment charge.

We identified the assessment of the recoverable amount of goodwill as a key audit matter due to the degree of judgment and subjectivity in evaluating management's estimates and assumptions in determining the recoverable amount of the group of CGUs. The Company used the discounted future cash flow model to estimate the recoverable amount, which requires management to make significant estimates and assumptions. Changes in these assumptions could have a significant impact on either the recoverable amount, the amount of any impairment charge, or both.

Significant assumptions included:

- Forecasted income before finance costs, taxes, depreciation and amortization, share based compensation, and certain other income and expenses;
- Revenue growth rates; and
- Discount rate.

Audit Response

We responded to this matter by performing audit procedures in relation to the assessment of the recoverable amount of goodwill. Our audit work in relation to this included, but was not restricted to, the following:

- Evaluated the reasonableness of forecast operating margin by comparing the forecasts to historical operating margins, internal communications to management and the Board of Directors and whether these assumptions were consistent with evidence obtained in other areas of the audit.
- With the assistance of internal valuation group we evaluated the reasonableness of the discount rate by developing a range of independent estimates and comparing those to the discount rate selected by management.
- Assessed management's estimate of the recoverable amount by comparing management's implied valuation multiple to market multiples for comparable entities.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Scott Laluk.

Calgary, Alberta

March 11, 2026

MNP **LLP**
Chartered Professional Accountants

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

	Note	December 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash		\$ 11,942	\$ 10,295
Trade and other receivables	7	11,677	6,742
Inventory	8	965	832
Prepays		451	535
Total current assets		25,035	18,404
Non-current assets			
Long-term investments	9	2,412	2,532
Property and equipment	10	11,593	13,147
Right of use assets	11	2,255	2,686
Goodwill	12	6,221	6,531
Other long-term assets		177	95
Total non-current assets		22,658	24,991
TOTAL ASSETS		\$ 47,693	\$ 43,395
LIABILITIES			
Current liabilities			
Trade and other payables	14	\$ 2,756	\$ 1,822
Current portion of long-term debt	15	-	995
Current portion of equipment finance loan	16	324	-
Current portion of lease obligations	17	728	760
Total current liabilities		3,808	3,577
Non-current liabilities			
Long-term debt	15	-	108
Equipment finance loan	16	945	-
Lease obligations	17	1,430	1,725
Deferred tax liability	22	1,003	611
Total non-current liabilities		3,378	2,444
TOTAL LIABILITIES		7,186	6,021
SHAREHOLDERS' EQUITY			
Share capital	18	47,662	47,865
Contributed surplus		10,211	9,849
Accumulated other comprehensive income		441	1,522
Deficit		(17,807)	(21,862)
Total shareholders' equity		40,507	37,374
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 47,693	\$ 43,395

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

Approved on behalf of the Board of Directors

/s/ Minaz Lalani

Minaz Lalani
Chairman of the Board

/s/ Steve Bjornson

Steve Bjornson
Audit Committee Chair

CEMATRIX Corporation
Consolidated Statement of Income and Comprehensive Income
For the years ended December 31, 2025, and 2024

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

	Note	2025	2024
Revenue	29	\$ 45,091	\$ 35,364
Cost of sales	8,19	(29,279)	(25,947)
Gross margin		15,812	9,417
Operating expenses			
Selling, general and administrative	19	(10,046)	(8,925)
Operating income		5,766	492
Stock-based compensation	24	(566)	(760)
Finance costs	20	(337)	(276)
Other income (expenses)	21	(47)	901
Fair value adjustment of investments	9	-	(257)
Share of net loss in long-term investments	9	-	(80)
Income before income taxes		4,816	20
Provision of deferred taxes	22	(598)	338
Provision of current taxes	22	(158)	(88)
Income for the year		4,060	270
Other comprehensive (loss) income			
Unrealized foreign exchange gain (loss) on translation of foreign subsidiaries		(1,262)	1,805
Deferred taxes		181	(259)
Comprehensive income for the year		\$ 2,979	\$ 1,816
Earnings per common share	23		
Basic		0.027	0.002
Diluted		0.026	0.002

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

CEMATRIX Corporation
Consolidated Statement of Changes in Equity
For the years ended December 31, 2025, and 2024
(in thousands of Canadian dollars)

	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	18	5,025	942	-	-	5,967
Common shares issued	18	108	-	-	-	108
Reclassification of contributed surplus	18	91	(91)	-	-	-
Stock-based compensation	24	-	760	-	-	760
Net income for the year		-	-	-	270	270
Unrealized foreign exchange gain on translation of foreign subsidiaries		-	-	1,805	-	1,805
Deferred taxes		-	-	(259)	-	(259)
Balance at December 31, 2024		\$ 47,865	\$ 9,849	\$ 1,522	\$ (21,862)	\$ 37,374
Common shares issued	18	7	-	-	-	7
Reclassification of contributed surplus	18	204	(204)	-	-	-
Stock-based compensation	24	-	566	-	-	566
Normal course issuer bid	18	(414)	-	-	(5)	(419)
Net income for the year		-	-	-	4,060	4,060
Unrealized foreign exchange (loss) on translation of foreign subsidiaries		-	-	(1,262)	-	(1,262)
Deferred taxes		-	-	181	-	181
Balance at December 31, 2025		\$ 47,662	\$ 10,211	\$ 441	\$ (17,807)	\$ 40,507

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

CEMATRIX Corporation
Consolidated Statement of Cash Flows
For the years ended December 31, 2025, and 2024
(in thousands of Canadian dollars)

	Note	2025	2024
Cash flow from (used in) operating activities			
Net income for the year		\$ 4,060	\$ 270
Items not involving cash:			
Provision for deferred taxes	22	598	(338)
Depreciation and amortization	10,11	2,393	2,209
Finance costs	20	337	276
Loss (gain) on sale of equipment		107	(61)
Stock-based compensation	24	566	760
Unrealized foreign exchange loss (gain)		140	(323)
Non-cash interest income	9	-	(50)
Fair value adjustment of investments	9	-	257
Share of net loss in long-term investments	9	-	80
Cash flows from operations before changes in non-cash working capital		8,201	3,080
Net change in non-cash working capital items	25	(4,378)	1,816
Net cash from operating activities		3,823	4,896
Cash flow from (used in) investing activities			
Purchase of property and equipment	10	(525)	(1,993)
Proceeds on sale of property and equipment		-	61
Purchase of investments and deposits	9	(84)	(88)
Net cash (used in) investing activities		(609)	(2,020)
Cash flow from (used in) financing activities			
Proceeds from Private Placement, net of costs	18	-	5,967
Proceeds from equipment finance loan	16	1,620	-
Proceeds from exercise of options	18	7	108
Repayment of long-term debt	15	(1,104)	(951)
Repayment of lease obligations	17	(886)	(868)
Normal course issuer bid	18	(419)	-
Repayment of equipment loan	16	(351)	-
Interest paid	20	(337)	(276)
Net cash flow from (used in) financing activities		(1,470)	3,980
Effects of foreign exchange on cash balances		(97)	151
Net increase in cash during the year		1,647	7,007
Cash, beginning of the year		10,295	3,288
Cash, end of the year		\$ 11,942	\$ 10,295

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

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CEMATRIX Corporation
Notes to the Consolidated Financial Statements
For the years ended December 31, 2025, and 2024

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

1. Structure of the Company

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 consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee. These financial statements were authorized for issue on March 11, 2026, by the Company’s Board of Directors.

Basis of measurement

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. Use of estimates and judgements

The preparation of 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 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.

Impairment of non-financial assets

The Company assesses impairment on its non-financial assets when it has determined that a potential indicator of impairment exists, or annually in the case of goodwill. The assessment of the existence of impairment indicators is based on various internal and external factors and involves management’s judgement. When an impairment test is performed on an asset or a cash generating unit (“CGU”), management estimates the recoverable amount of the asset or CGU based on its fair value less costs of disposal (“FVLCD”) or its value in use (“VIU”). These estimates are based on valuation models requiring the use of a number of assumptions such as forecasts of future cash flows, gross margin,

CEMATRIX Corporation
Notes to the Consolidated Financial Statements
For the years ended December 31, 2025, and 2024

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

pre-tax discount rate (weighted average cost of capital or “WACC”) and perpetual growth rate. These assumptions have a significant impact on the results of impairment tests and on the impairment charge (if required) recorded in the consolidated statement of income and comprehensive income. A description of key assumptions used in the impairment tests and a sensitivity analysis of recoverable amounts are presented in note 12.

Stock-based compensation

The Company measures the cost of stock-based compensation transactions with employees and consultants by reference to the fair value of the equity instruments. Estimating fair value for stock-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, forfeiture rate, volatility, and dividend yield of the share option.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable earnings will be available against which the losses can be utilized. Significant estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable earnings together with future tax planning strategies.

Fair value of financial instruments

The fair value of financial instruments is determined wherever possible based on observable market data. If not available, the Company uses third-party models, independent price publications, market exchanges, investment dealer quotes and valuation methodologies that utilize observable data. Actual values may significantly differ from these estimates.

Useful life of property and equipment, and right of use assets

Depreciation and amortization are calculated using a systematic and rational basis, which are based upon an estimate of each assets’ useful life and residual value. The estimated useful life and residual value chosen are the Company’s best estimate of such and are based on industry norms, historical experience, market conditions and other estimates that consider the period and distribution of future cash inflows.

Incremental borrowing rates for leases and lease terms

The incremental borrowing rates are based on judgements including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use assets, lease obligations, and the resulting interest expense and depreciation expense, may differ due to changes in the market conditions and lease term. In addition, lease terms are based on assumptions regarding extension terms that allow for operational flexibility and future market conditions.

Identification of CGU's

A CGU is defined as the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The allocation of assets into CGUs requires significant judgement and interpretations with respect to the integration between assets, the existence of active markets, similar exposure to market risks, shared infrastructures, and the way in which management monitors the operations. Management has determined that the appropriate CGUs for the Company are CEMATRIX Canada and CEMATRIX USA, where the CEMATRIX USA CGU includes both MOS and PIGCO.

4. Material accounting policies

The material accounting policies of the Company are outlined on the following pages:

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, CEMATRIX (Canada) Inc. and its subsidiaries: CEMATRIX (USA) Inc. (99.99% owned), MOS (100% owned), PIGCO (100% owned) and Canadian Cellular Concrete Services Inc. (100% owned). Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same period as the parent company, using consistent accounting policies. The Company has consolidated the assets, liabilities, revenues, and expenses of its subsidiaries after the elimination of inter-company transactions and balances.

Cash

Cash includes short-term investments with original maturities of three months or less which are considered to be cash equivalents and are recorded at cost, which approximates fair market value.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business.

The inventory consists mainly of foaming agents used in the production of the Company's product, cellular concrete. Inventory is reviewed on a regular basis to ensure the carrying value does not exceed net realizable value. If the carrying value exceeds net realizable value, a write-down is recognized immediately. The write-down may be reversed in a subsequent period if the circumstances which caused it to no longer exist.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognized in the consolidated statement of income and comprehensive income as incurred.

Depreciation is calculated on a straight-line basis to recognize the cost less estimated residual value over the estimated useful life of the assets as follows:

Equipment	3-20 years
Vehicles	7-15 years
Office and computer equipment	5-10 years

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

CEMATRIX Corporation
Notes to the Consolidated Financial Statements
For the years ended December 31, 2025, and 2024

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

Right of use assets and leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify a lease, the Company (1) considers whether an explicit or implicit asset is specified in the contract and (2) determines whether the Company obtains substantially all the economic benefits from the use of the underlying asset by assessing numerous factors, including but not limited to substitution rights and the right to determine how and for what purpose the asset is used.

When assessing the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or to not exercise a termination option. This judgement is based on factors such as contract rates compared to market rates, economic reasons, significance of leasehold improvements, termination and relocation costs, installation of specialized assets, residual value guarantees, and any sublease term.

The Company does not recognize lease assets and lease liabilities for low-value assets or short-term leases with a term of twelve months or less. The lease payments are recognized in expenses over the lease term.

On the date that the leased asset becomes available for use, the Company recognizes a right of use (“ROU”) asset and a corresponding lease obligation. Finance costs associated with the lease obligation are charged to the consolidated statement of income and comprehensive income over the lease period with a corresponding increase to the ROU liability. The ROU liability is reduced as payments are made against the principal portion of the lease. The ROU asset is depreciated over the asset’s useful life and the lease term on a straight-line basis.

Equipment	3-5 years
Vehicles	5-10 years
Buildings	1-5 years

Depreciation of the ROU asset is recognized as part of costs of sales or general and administrative expenses, depending on the nature of the leased asset.

ROU assets and liabilities are initially measured on a present value basis. Lease obligations are measured as the net present value of the lease payments which may include fixed lease payments, variable lease payments that are based on an index or a rate, amounts expected to be payable under residual value guarantees, and payments to exercise an extension or termination option, if the Company is reasonably certain to exercise either of those options. ROU assets are measured at cost, which is composed of the amount of the initial measurement of the ROU liability, less any incentives received, plus any lease payments made at, or before, the commencement date and initial direct costs and asset restoration costs, if any. The rate implicit in the lease is used to determine the present value of the liability and asset arising from a lease, unless this rate is not readily determinable, in which case the Company's incremental borrowing rate is used.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired and liabilities assumed in a business combination. Goodwill is not amortized but is tested for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Company’s CGUs expected to benefit from the synergies of the business combination.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the CGU may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Goodwill is tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of FVLCD and VIU. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of income and comprehensive income.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years.

A reversal of an impairment loss is recognized immediately in consolidated statement of income and comprehensive income. An impairment loss on intangible assets with an indefinite life and on any goodwill is not reversed.

Revenue from contracts with customers

IFRS 15 sets out a five-step model for revenue recognition. The core principle is that revenue should be recognized to depict the transfer of goods and services to customers in an amount that reflects the consideration that the Company expects to be entitled for those goods and services.

The Company principally generates revenue from the onsite production and placement of cellular concrete (the "Product") pursuant to contractual arrangements with its customers. This revenue is recognized when control or title of the Product is transferred from the Company and collection is reasonably assured in accordance with specified contract terms. All revenue is generally earned at a point in time and is based on the consideration that the Company expects to receive for the transfer of the Product to the customer.

Revenue is measured based on the consideration specified in a contract with its customers. Payment terms with customers are generally varying terms from net 30 to net 90 from the date of the invoice or paid when paid. The Company generally does not have any sales contracts where the period between the transfer of the Product to the customer and payment by the customer exceeds one year. As a result, the Company does not adjust its revenue transactions for the time value of money.

The Company enters contracts with customers that have performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The Company applies a practical expedient of IFRS 15 and does not disclose information about the remaining performance obligations that have original expected durations of one year or less, or for performance where the Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer on the Company's performance to date.

Contract modifications with the Company's customers could change the scope of the contract, the price of the contract, or both. A contract modification exists when the parties to the contract approve the modification in writing. Contract modifications are generally accounted for as part of the existing contract prospectively over the remaining term of the contract.

Stock-based compensation

The Company operates an equity-settled non-cash stock-based compensation plan under which it receives services from employees and consultants as consideration for equity instruments of the Company.

For equity-settled plans, expense is based on the fair value of the awards granted, net of expected forfeitures, on the date of grant. Fair values are determined using observable share prices and/or pricing models such as the Black-Scholes option-pricing model. The expense is recognized over the vesting period, which is the period over which all the specified vesting conditions are satisfied with a corresponding credit to contributed surplus. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period.

For grants that are exercised, the Company records a reclassification to share capital of the stock-based compensation previously recorded to contributed surplus.

At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of the revisions in the consolidated statement of income and comprehensive income.

Earnings per common share

Basic earnings per common share is calculated by dividing the net income attributable to common shareholders (the numerator) by the weighted average number of common shares outstanding (the denominator) during the year. The denominator (number of units) is calculated by adjusting the shares issued at the beginning of the year by the number of shares bought back or issued during the year, multiplied by a time-weighting factor.

Diluted earnings per common share is calculated by adjusting the denominator for the effects of dilutive share purchase options and any other potential dilutive items. The effects of anti-dilutive potential units are ignored in calculating diluted income per common share. All share purchase options are considered anti-dilutive when the Company is in a loss position, or the average exercise price of the options exceeds the average trading price of the Company's common shares.

Taxes

Tax expenses comprise current and deferred tax. Taxes are recognized in the consolidated statement of income and comprehensive income except to the extent it relates to items recognized directly in equity.

Current tax

Current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible and recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the consolidated statement of financial position and their corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Share capital

The proceeds from the exercise of share options and warrant and issuance of shares from treasury are recorded as share capital in the amount for which the option, warrant, or treasury share enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is recorded at an amount based on fair market value on the date the shares are issued. Commissions paid to underwriters, and other related share issue costs, such as legal, auditing and printing, on the issue of the Company's shares are charged to share capital.

The proceeds from the issue of units consisting of a common share and a share purchase warrant is allocated between common shares and common share purchase warrants on a pro-rata basis on a relative fair value basis, wherein, the fair value of the common shares is based on the market closing price on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes pricing model.

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 and comprehensive income on the purchase, sale, issuance, or cancellation of the Company's equity instruments.

Foreign currency translation

Foreign currency denominated assets and liabilities are translated at the exchange rate prevailing at the date of the consolidated statement of financial position for monetary items. Revenues and expenses are translated using exchange rates prevailing at the dates of the transaction. Any exchange gain or loss that arises on translation is included in the consolidated statement of income and comprehensive income for the year.

The Company translates the accounts of PIGCO, MOS, and CEMATRIX (USA) Inc. into Canadian dollars using the closing rate of exchange for both monetary and non-monetary assets and liabilities and the average exchange rate for revenues and expenses. The Company records the exchange differences on the translation of net assets whose functional currency is the USD in unrealized foreign exchange gain (loss) on translation of foreign subsidiaries in other comprehensive income.

Financial instruments

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories: (i) those to be measured subsequently at fair value through profit or loss ("FVTPL"); (ii) those to be measured subsequently at fair value through other comprehensive income ("FVOCI"); and (iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). For long-term investments that are not held for trading, gains and losses will be recorded in profit or loss, unless, the Company has made an irrevocable election at the time of initial recognition to account for the investment at fair value through other comprehensive income. These long-term investments in equity, convertible notes, or convertible debentures are subsequently measured at fair value, and gains or losses, including interest income or dividend income, are recognized in profit or loss. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains or losses are either recorded in net income or other comprehensive income.

The Company reclassifies financial assets when one of the following occurs; (i) when its business model for managing those assets changes; (ii) the Company's investment has significant influence over the associate when it holds equity securities giving it the power to participate in the financial and operating policy decisions of the investee, without having control or joint control over those policies. Financial liabilities are not reclassified.

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All financial instruments are initially measured at fair value. The following table summarizes the subsequent measurement for the Company's financial assets and liabilities under IFRS 9:

Financial instrument	Subsequent measurement
Financial asset:	
Cash	Amortized cost
Trade and other receivables	Amortized cost
Equity investments	FVTPL
Financial liabilities:	
Bank operating loan	Amortized cost
Trade and other payables	Amortized cost
Long-term debt	Amortized cost

Impairment

When assessing impairment of financial assets measured at amortized cost, the Company applies the simplified approach to provide for expected losses prescribed by IFRS 9, which requires the use of the lifetime expected credit losses. In estimating the lifetime expected loss provision, the Company considers historical internal and industry default rates as well as credit ratings of major customers.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred.

Financial liabilities are derecognized when the obligation is discharged, cancelled, or expired.

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 year ended December 31, 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 consolidated statement of income and comprehensive income; 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.

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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. When the amendments are adopted, the Company anticipates no material impact on its financial statements.

7. Trade and other receivables

	2025	2024
Trade receivables	\$ 9,591	\$ 5,098
Holdbacks	2,313	1,743
Other receivables	12	12
Expected credit loss	(239)	(111)
	<u>\$ 11,677</u>	<u>\$ 6,742</u>

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:

	2025	2024
1-30 days	\$ 2,185	\$ 1,519
31-60 days	4,447	2,093
61-90 days	1,150	818
Greater than 90 days	1,809	668
	<u>\$ 9,591</u>	<u>\$ 5,098</u>

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, chemicals, and small parts) which was \$965 at December 31, 2025 (2024 - \$832). Inventory expensed as part of cost of sales were \$1,593 for the year ended December 31, 2025, (2024 - \$1,105).

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9. Investments

	2025	2024
Equity investment in Glavel ⁽¹⁾	\$ 2,363	\$ 2,480
Other investment	49	52
Long-term investment	<u>\$ 2,412</u>	<u>\$ 2,532</u>

⁽¹⁾ Glavel is a manufacturer and supplier of foam glass aggregate ("FGA") based in Vermont, USA.

Equity investment in Glavel

	2025	2024
Equity investments, beginning of year	\$ 2,480	\$ 1,396
Conversion of Convertible Notes	-	1,006
Conversion of Promissory Note	-	224
Share of the net (loss)	-	(80)
Fair value adjustment	-	(257)
Unrealized foreign exchange gain (loss)	(117)	191
Equity investments, end of year	<u>\$ 2,363</u>	<u>\$ 2,480</u>

Prior to November 29, 2024, the Company determined that it had significant influence over Glavel from the combination of existing and potential voting rights, representation on the Board of Directors and participation in the decisions over relevant activities. The investment was accounted for using the equity method.

As a result of the refinancing of Glavel Inc. in 2024, and the addition of new investors to Glavel, the Company no longer had a combination of existing and potential voting rights to support significant influence Glavel. On November 29, 2024, the Company's representation on the Glavel Board of Directors ceased and the Company no longer participated in the decisions over the relevant activities of Glavel.

On November 30, 2024, the Company determined it does not have significant influence over Glavel and the investment in Glavel was reclassified as a financial asset to be measured at fair value in accordance with IFRS 9. The fair value of the Glavel equity is determined using the share price that investors participating in the most recent financing paid.

On December 31, 2025, the Company held 3,229,445 common and preferred shares of Glavel Inc. (2024 - 3,229,445 shares) with the Canadian dollar equivalent value of \$2,363 (2024 - \$2,480).

Convertible notes investment in Glavel

	December 31, 2025		December 31, 2024	
	Number of units	Amortized Cost	Number of units	Amortized Cost
Convertible notes, beginning of year	-	\$ -	625,000	\$ 945
Accrued interest income	-	-	-	32
Convertibles notes converted	-	-	(625,000)	(1,006)
Unrealized foreign exchange gain (loss) on translation	-	-	-	29
Convertible notes, end of year	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

On April 11, 2022, the Company loaned Glavel USD \$625 or CAD \$800 in the form of convertible notes. The convertible notes carried an interest rate of 8% and matured on April 29, 2025.

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On June 3, 2024, as part of the refinancing of Glavel Inc, the Company agreed to convert the outstanding convertible notes and accrued interest of USD \$737 or CAD \$1,006 for 2,200,523 preferred shares. There were no convertible notes outstanding at December 31, 2025 (2024 - \$nil).

Promissory note investment in Glavel

On December 11, 2023, the Company loaned Glavel USD \$150 or CAD \$204 in the form of short-term unsecured promissory note. The promissory note carried an interest rate of 20% and was redeemed on June 3, 2024, for shares of Glavel valued at USD \$164 or CAD \$224.

The Company accrued interest income of \$nil for the year ended December 31, 2025 (2024 - \$17).

On June 3, 2024, as part of the refinancing of Glavel Inc., the Company agreed to convert its outstanding promissory note and accrued interest of USD \$164 or CAD \$224 for 490,361 preferred shares. There were no promissory notes outstanding at December 31, 2025 (2024 - \$nil).

10. Property and equipment

	2025			
	Equipment	Vehicles	Office & Computer Equipment	Total
Cost				
Balance, December 31, 2024	\$ 22,896	\$ 767	\$ 255	\$ 23,918
Additions	396	129	-	525
Dispositions	(300)	-	(11)	(311)
Right of Use transfers	-	210	-	210
Exchange difference	(844)	(35)	(13)	(892)
Balance, December 31, 2025	22,148	1,071	231	23,450
Accumulated depreciation				
Balance, December 31, 2024	(10,057)	(509)	(205)	(10,771)
Depreciation	(1,505)	(98)	(5)	(1,608)
Dispositions	217	(25)	32	224
Exchange difference	283	11	4	298
Balance, December 31, 2025	(11,062)	(621)	(174)	(11,857)
Net book value	\$ 11,086	\$ 450	\$ 57	\$ 11,593

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	2024			
	Equipment	Vehicles	Office & Computer Equipment	Total
Cost				
Balance, December 31, 2023	\$ 19,583	\$ 761	\$ 244	\$ 20,588
Additions	1,993	-	-	1,993
Dispositions	(35)	(38)	-	(73)
Exchange difference	1,355	44	11	1,410
Balance, December 31, 2024	22,896	767	255	23,918
Accumulated depreciation				
Balance, December 31, 2023	(8,321)	(421)	(175)	(8,917)
Depreciation	(1,384)	(108)	(18)	(1,510)
Dispositions	35	38	-	73
Exchange difference	(387)	(18)	(12)	(417)
Balance, December 31, 2024	(10,057)	(509)	(205)	(10,771)
Net book value	\$ 12,839	\$ 258	\$ 50	\$ 13,147

As at December 31, 2025, Equipment included \$nil (2024 - \$1,879) of capital assets that were not yet in service and therefore not amortized.

11. Right of use assets

	2025			
	Equipment	Vehicles	Buildings	Total
Cost				
Balance, December 31, 2024	\$ 93	\$ 1,443	\$ 4,439	\$ 5,975
Additions	-	287	338	625
Dispositions	(66)	(512)	-	(578)
Exchange difference	(3)	(40)	(134)	(177)
Balance, December 31, 2025	24	1,178	4,643	5,845
Accumulated depreciation				
Balance, December 31, 2024	(89)	(500)	(2,700)	(3,289)
Depreciation	(4)	(118)	(671)	(793)
Dispositions	66	325	-	391
Exchange difference	3	20	78	101
Balance, December 31, 2025	(24)	(273)	(3,293)	(3,590)
Net book value	\$ -	\$ 905	\$ 1,350	\$ 2,255

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	2024			
	Equipment	Vehicles	Buildings	Total
Cost				
Balance, December 31, 2023	\$ 87	\$ 903	\$ 2,782	\$ 3,772
Additions	-	469	1,461	1,930
Exchange difference	6	71	196	273
Balance, December 31, 2024	93	1,443	4,439	5,975
Accumulated depreciation				
Balance, December 31, 2023	(66)	(268)	(2,046)	(2,380)
Depreciation	(19)	(215)	(542)	(776)
Exchange difference	(4)	(17)	(112)	(133)
Balance, December 31, 2024	(89)	(500)	(2,700)	(3,289)
Net book value	\$ 4	\$ 943	\$ 1,739	\$ 2,686

12. Goodwill

Goodwill

Goodwill was created as a result of the MOS acquisition and arises principally from the ability to leverage the larger base of operations, the assembled workforce, future growth and the potential to realize synergies in the form of cost savings.

The movement in the net carrying amounts for goodwill, which resides entirely in the CEMATRIX US CGU, for the years ended December 31, 2025, and 2024 is outlined below:

	2025	2024
Balance, beginning of year	\$ 6,531	\$ 6,003
Unrealized foreign exchange gain (loss)	(310)	528
Balance, end of year	\$ 6,221	\$ 6,531

Key assumptions and sensitivity analysis

For the purposes of impairment testing of goodwill, the recoverable amounts have been determined based on a VIU calculation using cash flow projections derived from the Company's 2026 Budget which was reviewed by management with the Board of Directors, covering a five-year discounted future cash flow model plus a terminal value. There is a significant amount of uncertainty with respect to estimating the recoverable amount given the necessity of making key economic projections related to the following key assumptions: future cash flows, industry growth opportunities, including general economic risk assumptions, gross margins, terminal value and discount rate.

Near term (1 year) sales growth assumptions are based on contracted and verbally awarded projects (including backlogs), as well as probability adjusted forecasts (range of 10% to 90%) for projects on which the Company has placed or will place bids, where the probabilities applied are based on management's assessment of a particular project based on historical experience and the stage that the project is in the sales cycle. Management has also considered its relationships with customers, the competitive landscape and changes in its business strategy. With regard to gross margins, consideration is given to historical operating margins in the end markets where prospective work opportunities are most significant and changes in the Company's business. A 2% change in gross margin in isolation would not result

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in an impairment charge. The terminal value was calculated using a discount rate of 15% and annual growth of 3% in the terminal year.

Pre-tax discount rates used reflect management's assessment of the risks of the CGU or group of CGUs and its past experience in raising capital. The Company's pre-tax discount rate has been applied based on the WACC and reflects the current market assessments of the time value of money and the risks specific to the CGU. Furthermore, suitable sensitivity tests are also applied in conjunction with cash flow forecasts for the CGU in question. A change in the absolute discount rate of 2% in isolation would not result in an impairment charge.

13. 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 4.45% as of December 31, 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 December 31, 2025, was \$8,000 of which \$nil was outstanding (2024 - \$nil). 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 December 31, 2025, there were \$nil in letters of credit outstanding (2024 - \$404).

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 December 31, 2025, CEMATRIX was in compliance with all financial covenants.

14. Trade and other payables

	2025	2024
Trade payables	\$ 1,576	\$ 929
Accruals	984	767
Payroll remittance and goods and services tax	196	126
	<u>\$ 2,756</u>	<u>\$ 1,822</u>

15. Long-term debt

Long-term debt	Maturity	Interest rate	2025	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			<u>\$ -</u>	<u>\$ 108</u>

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Reconciliation of long-term debt

	2025	2024
Long-term debt, beginning of year	\$ 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 year	\$ -	\$ 1,103

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).

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).

16. Equipment finance loan

	Note	2025	2024
Balance, beginning of year		\$ -	\$ -
Proceeds		1,620	-
Payments (including interest)		(449)	-
Interest expense	20	98	-
Balance, end of year		1,269	-
Less: current portion		(324)	-
Non-current portion		\$ 945	\$ -

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 that is adjusted annually of 7.70%, is payable monthly. The loan is repayable over five years, with scheduled annual repayments of principal required. A principal repayment of \$54 is required for the months of July to December beginning November 1, 2025, and ending December 1, 2029. The ending of the duration of the loan was amended from October 1, 2030, as the Company repaid 15% of the outstanding principal on the anniversary date.

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 December 31, 2025.

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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. At December 31, 2025, the Company was in compliance with this covenant.

17. Lease obligations

	Note	Vehicle leases	Building leases	Total
Balance, December 31, 2024		\$ 788	\$ 1,697	\$ 2,485
Proceeds and additions		246	338	584
Payments (including interest)		(356)	(709)	(1,065)
Interest expense	20	75	145	220
Foreign exchange		(23)	(43)	(66)
Balance, December 31, 2025		730	1,428	2,158
Less: current portion		(218)	(510)	(728)
Non-current portion		\$ 512	\$ 918	\$ 1,430

	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	20	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 ranges between (4.2% - 11.0%), if the implicit rate could not be readily determined.

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18. 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	2025		2024	
		Number of shares	Amount	Number of shares	Amount
Common shares, beginning of year		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	24	579,238	211	480,438	199
Normal course issuer bid		(1,302,817)	(414)	-	-
Common shares, end of year		149,702,907	\$ 47,662	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 year ended December 31, 2025, the Company repurchased 1,302,817 common shares for cancellation for total cash consideration of \$419. The total consideration was allocated \$414 to Share capital with the difference of \$5 allocated to deficit.

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Warrants

	2025		2024	
	Number of warrants	Weighted average price	Number of warrants	Weighted average price
Warrants, beginning of year	8,213,520	\$ 0.58	-	\$ -
Private placement warrants issued	-	-	7,333,500	0.60
Broker warrants issued	-	-	880,020	0.45
Warrants, end of year	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:

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%

19. Cost of sales and operating expenses

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

	2025	2024
Materials	\$ 16,290	\$ 14,607
Personnel costs	7,383	6,306
Variable and fixed overhead	3,668	3,159
Depreciation	1,938	1,875
	\$ 29,279	\$ 25,947

Operating expenses consists of the following components:

	2025	2024
Personnel costs	\$ 5,803	\$ 5,358
Professional fees and insurance	2,555	1,941
Other expenses	1,232	1,292
Depreciation	455	334
	\$ 10,046	\$ 8,925

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20. Finance costs

The finance costs incurred during the period are as follows:

	Note	2025	2024
Long-term debt	15	\$ 19	\$ 152
Equipment finance loan	16	98	-
Lease obligations	17	220	121
Other		-	3
		<u>\$ 337</u>	<u>\$ 276</u>

21. Other income (expenses)

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

	2025	2024
Interest income	\$ 199	\$ 241
Foreign exchange gain (loss)	(141)	397
Gain (loss) on sale of equipment	(107)	61
Other	2	202
	<u>\$ (47)</u>	<u>\$ 901</u>

22. Income taxes

Income tax rate reconciliation

The provision for income tax differs from that which would be obtained by applying the statutory rates to income before tax. The components of the tax expense were as follows:

	2025	2024
Income before taxes	\$ 4,816	\$ 20
Combined statutory tax rate	25%	25%
Computed "expected" tax expense	<u>1,204</u>	<u>5</u>
Differences resulting from:		
Stock-based compensation	141	191
Change in enacted rate and other	93	(817)
Change in deferred tax assets not recognized	(682)	371
Income tax expense (recovery)	<u>\$ 756</u>	<u>\$ (250)</u>

The Company's statutory tax rate is the combined federal and provincial tax rates in the jurisdictions in which the Company operates.

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Deferred taxes

The tax effects of deductible and taxable temporary differences that give rise to the Company's deferred tax assets and liabilities were as follows:

2025 Deferred taxes

Canada	December 31, 2024	Deferred tax expense	Charged to OCI	December 31, 2025
Non-capital losses	\$ 353	\$ (5)	\$ -	\$ 348
Property and equipment	-	-	-	-
Convertible debt	-	-	-	-
Other	(353)	(176)	181	(348)
Net deferred tax asset (liability)	\$ -	\$ (181)	\$ 181	\$ -

U.S.A.	December 31, 2024	Deferred tax expense	Foreign exchange	December 31, 2025
Net operating losses	\$ 1,653	\$ (585)	\$ (74)	\$ 993
Property and equipment	(3,018)	(1)	139	(2,880)
Intangibles	(14)	13	2	1
Other	768	156	(42)	883
Net deferred tax asset (liability)	\$ (611)	\$ (417)	\$ 25	\$ (1,003)

2024 Deferred taxes

Canada	December 31, 2023	Deferred tax recovery	Charged to OCI	December 31, 2024
Non-capital losses	\$ 76	\$ 277	\$ -	\$ 353
Property and equipment	-	-	-	-
Convertible debt	-	-	-	-
Other	(76)	(18)	(259)	(353)
Net deferred tax asset (liability)	\$ -	\$ 259	\$ (259)	\$ -

U.S.A.	December 31, 2023	Deferred tax recovery	Foreign exchange	December 31, 2024
Net operating losses	\$ 1,538	\$ (20)	\$ 135	\$ 1,653
Property and equipment	(2,637)	(181)	(200)	(3,018)
Intangibles	(16)	-	2	(14)
Other	474	280	14	768
Net deferred tax asset (liability)	\$ (641)	\$ 79	\$ (49)	\$ (611)

Temporary differences

Deferred taxes reflect the net effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deductible temporary differences are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Management estimates future taxable income using forecasts based on the best available current information. Based on current estimates, there is currently insufficient evidence that deferred tax asset will be recovered; therefore, the Company has not recognized any deferred tax asset in relation to Canada in the current year. The deferred tax asset will only be recognized with improved certainty and quantification of taxable profits related to these assets.

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Canada	2025	2024
Non-capital losses	\$ 9,287	\$ 10,343
Issuance costs	457	1,580
Intangibles	249	249
Property, equipment, and other	292	579
Net deferred tax asset	<u>\$ 10,285</u>	<u>\$ 12,751</u>

The Company has not recognized a deferred tax asset in respect to \$9,287 of non-capital losses in Canada. These losses expire between 2030 and 2044.

23. Earnings per common share

	2025	2024
Income for the year	<u>\$ 4,060</u>	<u>\$ 270</u>
Basic earnings per share	\$ 0.027	\$ 0.002
Diluted earnings per share	<u>\$ 0.026</u>	<u>\$ 0.002</u>

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

	2025	2024
Weighted average common shares outstanding, basic	<u>150,345,011</u>	141,861,605
Effect of dilutive instruments	<u>3,768,528</u>	2,286,556
Weighted average common shares outstanding, diluted	<u>154,113,539</u>	<u>144,148,161</u>

24. 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 year:

	Note	2025		2024	
		Number of options	Amount	Number of options	Amount
Outstanding, beginning of year		6,178,333	\$ 0.347	4,716,667	\$ 0.321
Granted		575,000	0.345	2,625,000	0.349
Exercised	18	(41,666)	0.185	(471,666)	0.230
Expired		(650,000)	0.473	(300,000)	0.200
Forfeited		(425,000)	0.378	(391,668)	0.296
Outstanding, end of year		<u>5,636,667</u>	<u>0.332</u>	<u>6,178,333</u>	<u>0.347</u>
Exercisable, end of year		<u>3,261,650</u>	<u>\$ 0.331</u>	<u>3,101,653</u>	<u>\$ 0.377</u>

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The following table summarizes the stock options to acquire common shares outstanding as at December 31, 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	1.89	0.19	0.19
\$0.23 - \$0.39	4,018,333	2,009,993	2.85	0.33	0.32
\$0.40 - \$0.57	985,000	784,999	1.42	0.43	0.43
\$0.18 - \$0.57	5,636,667	3,261,650	2.23	0.33	0.33

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:

	2025	2024
Estimated fair value per option	\$ 0.201	\$ 0.141 – 0.259
Options exercise common share price	\$ 0.345	\$ 0.262 – 0.430
Risk-free interest rate	2.46%	3.05%-4.27%
Expected life	5 years	5 years
Expected volatility in stock price	61%	66%-79%
Expected annual dividend yield	nil	nil
Estimated forfeiture rate	17%	5%-10%

Restricted share units grants

The Company has an 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	2025	2024
Number of RSU’s outstanding, beginning of year		2,101,902	150,887
Granted		1,325,302	1,989,275
Forfeited		-	(29,487)
Exercised	18	(537,572)	(8,773)
Number of RSU’s outstanding, end of year		2,889,632	2,101,902

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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.

Stock-based compensation

Stock-based compensation was \$566 for the year ended December 31, 2025 (2024 - \$760) 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.

25. Change in non-cash working capital

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

	2025	2024
Trade and other receivables	\$ (5,229)	\$ 6,794
Inventory	(143)	230
Prepays	69	(100)
Trade and other payables	925	(5,108)
	\$ (4,378)	\$ 1,816

26. 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 year ended December 31, 2025, the Company incurred costs of \$494 (2024 - \$449) related to these rental leases. Lease obligations for the two buildings as at December 31, 2025, were in the amount of \$857 (2024 - \$974). Transactions with related parties are incurred in the course of normal operations and initially recorded at fair value.

Compensation of key management personnel

The remuneration of key management personnel and the Company's Board of Directors during the years ended December 31, 2025, and 2024 were as follows:

	2025	2024
Short-term and post employment benefits	\$ 970	\$ 1,276
Stock-based compensation	500	687
	\$ 1,470	\$ 1,963

27. 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, equipment finance loan, 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.

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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 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 December 31, 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 December 31, 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 - \$11).

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

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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 December 31, 2025, the Company had \$11,942 of cash (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 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 December 31, 2025				
Trade and other payable	\$ 2,756	\$ -	\$ -	\$ 2,756
Equipment finance	414	389	676	1,479
Lease obligations	887	1,153	471	2,511
	\$ 4,057	\$ 1,542	\$ 1,147	\$ 6,746
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 December 31, 2025, the Company had financial assets denominated in USD of \$12,019 (2024 - \$8,174) and financial liabilities denominated in USD of \$2,180 (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 December 31, 2025, a 1% increase/decrease of the USD against the Canadian dollar would result in an increase/decrease in net income of approximately CAD \$135 excluding the effect of income taxes.

28. 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.

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Management reviews its capital management approach on an ongoing basis. There were no material changes to this approach during the period ended December 31, 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	2025	2024
Long-term debt	15	\$ -	\$ 1,103
Equipment finance loan	16	1,269	-
Lease obligations	17	2,158	2,485
Total debt		3,427	3,588
Shareholder's equity		40,507	37,374
		<u>\$ 43,934</u>	<u>\$ 40,962</u>

29. 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:

	2025	2024
Canada	\$ 11,940	\$ 7,892
U.S.	33,151	27,472
	<u>\$ 45,091</u>	<u>\$ 35,364</u>

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

	2025	2024
Canada	\$ 1,926	\$ 2,194
U.S.	20,732	22,797
	<u>\$ 22,658</u>	<u>\$ 24,991</u>