

# **CEMATRIX™**

*Lightweight Fill Solutions*

**Q1 2026**

**CEMATRIX Corporation**

## **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

for the three month periods ended March 31, 2026, and 2025 (unaudited)

(in 000's Canadian Dollars)

### **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 month periods ended March 31, 2026, and 2025 have not been reviewed by MNP LLP, the Company's independent external auditor.

**CEMATRIX Corporation**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2026, and December 31, 2025**  
(in thousands of Canadian dollars) (unaudited)

	Note	March 31, 2026	December 31, 2025
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 15,699	\$ 11,942
Trade and other receivables	7	7,503	11,677
Inventory	8	984	965
Prepays		352	451
<b>Total current assets</b>		<b>24,538</b>	<b>25,035</b>
<b>Non-current assets</b>			
Long-term investments		2,453	2,412
Property and equipment		11,614	11,593
Right of use assets		2,341	2,255
Goodwill		6,327	6,221
Other long-term assets		180	177
<b>Total non-current assets</b>		<b>22,915</b>	<b>22,658</b>
<b>TOTAL ASSETS</b>		<b>\$ 47,453</b>	<b>\$ 47,693</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	\$ 3,543	\$ 2,756
Current portion of equipment finance loan	11	-	324
Current portion of lease obligations	12	700	728
<b>Total current liabilities</b>		<b>4,243</b>	<b>3,808</b>
<b>Non-current liabilities</b>			
Equipment finance loan	11	945	945
Lease obligations	12	1,527	1,430
Deferred tax liability		749	1,003
<b>Total non-current liabilities</b>		<b>3,221</b>	<b>3,378</b>
<b>TOTAL LIABILITIES</b>		<b>7,464</b>	<b>7,186</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	13	47,701	47,662
Contributed surplus		10,450	10,211
Accumulated other comprehensive income		828	441
Deficit		(18,990)	(17,807)
<b>Total shareholders' equity</b>		<b>39,989</b>	<b>40,507</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 47,453</b>	<b>\$ 47,693</b>

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

**CEMATRIX Corporation**  
**Consolidated Statement of Loss and Comprehensive Loss**  
**For the three month periods ended March 31, 2026, and 2025**  
(in thousands of Canadian dollars, except per share amounts) (unaudited)

	Note	<b>Three months ended</b>	
		<b>2026</b>	<b>March 31,</b>
			<b>2025</b>
Revenue	23	<b>\$ 7,283</b>	\$ 6,630
Cost of sales	14	<b>(6,592)</b>	(5,189)
<b>Gross margin</b>		<b>691</b>	1,441
<b>Operating expenses</b>			
Selling, general and administrative	14	<b>(1,952)</b>	(2,148)
<b>Operating loss</b>		<b>(1,261)</b>	(707)
Stock-based compensation	18	<b>(296)</b>	(313)
Finance costs	15	<b>(68)</b>	(82)
Other income (expenses)	16	<b>188</b>	49
<b>Loss before income taxes</b>		<b>(1,437)</b>	(1,053)
Provision of deferred taxes		<b>281</b>	147
Provision of current taxes		<b>(3)</b>	-
<b>Loss for the period</b>		<b>(1,159)</b>	(906)
<b>Other comprehensive loss</b>			
Unrealized foreign exchange gain (loss) on translation of foreign subsidiaries		<b>402</b>	(21)
Deferred tax on Other Comprehensive Income		<b>(15)</b>	-
<b>Comprehensive loss for the period</b>		<b>\$ (772)</b>	\$ (927)
<b>Loss per common share</b>	17		
Basic		<b>(0.008)</b>	(0.006)
Diluted		<b>(0.008)</b>	(0.006)

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**CEMATRIX Corporation**  
**Consolidated Statement of Changes in Equity**  
**For the three month periods ended March 31, 2026, and 2025**  
(in thousands of Canadian dollars) (unaudited)

	Note	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total equity
Balance at December 31, 2024		\$ 47,865	\$ 9,849	\$ 1,522	\$ (21,862)	\$ 37,374
Common shares issued	13	6	-	-	-	6
Reclassification of contributed surplus	13	4	(4)	-	-	-
Stock-based compensation	18	-	313	-	-	313
Net income for the year		-	-	-	(906)	(906)
Unrealized foreign exchange loss on translation of foreign subsidiaries		-	-	(21)	-	(21)
Balance at March 31, 2025		\$ 47,875	\$ 10,158	\$ 1,501	\$ (22,768)	\$ 36,766
Common shares issued	13	1	-	-	-	1
Reclassification of contributed surplus	13	200	(200)	-	-	-
Stock-based compensation	18	-	253	-	-	253
Normal course issuer bid	13	(414)	-	-	(5)	(419)
Net income for the year		-	-	-	4,966	4,966
Unrealized foreign exchange loss on translation of foreign subsidiaries		-	-	(1,241)	-	(1,241)
Deferred taxes		-	-	181	-	181
Balance at December 31, 2025		\$ 47,662	\$ 10,211	\$ 441	\$ (17,807)	\$ 40,507
<b>Common shares issued</b>	13	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38</b>
<b>Reclassification of contributed surplus</b>	13	<b>57</b>	<b>(57)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Stock-based compensation</b>	18	<b>-</b>	<b>296</b>	<b>-</b>	<b>-</b>	<b>296</b>
<b>Normal course issuer bid</b>	13	<b>(56)</b>	<b>-</b>	<b>-</b>	<b>(24)</b>	<b>(80)</b>
<b>Net loss for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,159)</b>	<b>(1,159)</b>
<b>Unrealized foreign exchange gain on translation of foreign subsidiaries</b>		<b>-</b>	<b>-</b>	<b>402</b>	<b>-</b>	<b>402</b>
<b>Deferred taxes</b>		<b>-</b>	<b>-</b>	<b>(15)</b>	<b>-</b>	<b>(15)</b>
<b>Balance at March 31, 2026</b>		<b>\$ 47,701</b>	<b>\$ 10,450</b>	<b>\$ 828</b>	<b>\$ (18,990)</b>	<b>\$ 39,989</b>

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

**CEMATRIX Corporation**  
**Consolidated Statement of Cash Flows**  
**For the three month periods ended March 31, 2026, and 2025**  
(in thousands of Canadian dollars) (unaudited)

	Note	Three months ended March 31,	
		2026	2025
<b>Cash flow from (used in) operating activities</b>			
Net loss for the period		\$ (1,159)	\$ (906)
Items not involving cash:			
Provision for deferred taxes		(281)	(147)
Depreciation and amortization		622	594
Finance costs	15	68	82
Stock-based compensation	18	296	313
Unrealized foreign exchange loss (gain)		(131)	1
<b>Cash flows used in operations before changes in non-cash working capital</b>		<b>(585)</b>	<b>(63)</b>
Net change in non-cash working capital items	19	5,161	(1,564)
<b>Net cash from (used in) operating activities</b>		<b>4,576</b>	<b>(1,627)</b>
<b>Cash flow from (used in) investing activities</b>			
Purchase of property and equipment		(263)	(383)
<b>Net cash used in investing activities</b>		<b>(263)</b>	<b>(383)</b>
<b>Cash flow from (used in) financing activities</b>			
Proceeds from equipment finance loan	11	-	1,620
Proceeds from exercise of options	13	38	6
Repayment of long-term debt		-	(1,104)
Repayment of equipment finance loan	11	(324)	-
Repayment of lease obligations	12	(217)	(238)
Normal course issuer bid	13	(80)	-
Interest paid		(68)	(82)
<b>Net cash flow from (used in) financing activities</b>		<b>(651)</b>	<b>202</b>
Effects of foreign exchange on cash balances		95	(8)
<b>Net increase (decrease) in cash during the period</b>		<b>3,757</b>	<b>(1,816)</b>
<b>Cash, beginning of the period</b>		<b>11,942</b>	<b>10,295</b>
<b>Cash, end of the period</b>		<b>\$ 15,699</b>	<b>\$ 8,479</b>

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

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## 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. 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, 2025. These financial statements were authorized for issue on April 29, 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 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 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, 2025. There have been no changes since that date.

**CEMATRIX Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the three month periods ended March 31, 2026, and 2025**  
(in thousands of Canadian dollars, except per share amounts) (unaudited)

**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, 2025. There have been no changes since that date.

**5. New accounting standards, amendments and interpretations adopted**

The Company has adopted amendments effective January 1, 2026, related 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”). The adoption did 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 March 31, 2026. 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.

**7. Trade and other receivables**

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Trade receivables	\$ 5,814	\$ 9,591
Holdbacks	1,907	2,313
Other receivables	14	12
Expected credit loss	(232)	(239)
	<b>\$ 7,503</b>	<b>\$ 11,677</b>

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.

**CEMATRIX Corporation**  
**Notes to the Consolidated Financial Statements**  
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(in thousands of Canadian dollars, except per share amounts) (unaudited)

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:

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
1-30 days	\$ 4,248	\$ 2,185
31-60 days	390	4,447
61-90 days	524	1,150
Greater than 90 days	652	1,809
	<b>\$ 5,814</b>	<b>\$ 9,591</b>

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 \$984 at March 31, 2026 (December 31, 2025 - \$965). Inventory expensed as part of cost of sales were \$306 for the three months ended March 31, 2026 (\$146 for the same period in 2025).

## 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 4.45% as of March 31, 2026, 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 March 31, 2026, was \$8,000 of which \$nil was outstanding (December 31, 2025 - \$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 March 31, 2026, there were \$nil in letters of credit outstanding (December 31, 2025 - \$nil).

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 March 31, 2026, CEMATRIX was in compliance with all financial covenants.

**CEMATRIX Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the three month periods ended March 31, 2026, and 2025**  
(in thousands of Canadian dollars, except per share amounts) (unaudited)

**10. Trade and other payables**

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Trade payables	\$ 2,436	\$ 1,576
Accruals	724	984
Payroll remittance and goods and services tax	383	196
	<b>\$ 3,543</b>	<b>\$ 2,756</b>

**11. Equipment finance loan**

	<b>Note</b>	<b>Three months ended March 31, 2026</b>	<b>Year ended December 31, 2025</b>
Balance, beginning of period		\$ 1,269	\$ -
Proceeds		-	1,620
Payments (including interest)		(346)	(449)
Interest expense	20	22	98
Balance, end of period		945	1,269
Less: current portion		-	(324)
Non-current portion		<b>\$ 945</b>	<b>\$ 945</b>

**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. In January 2026, the company prepaid without penalty \$324 principal repayments required for July to December 2026. 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 an embedded derivative with a fair value, which is nominal in nature as at March 31, 2026.

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.

**CEMATRIX Corporation**  
**Notes to the Consolidated Financial Statements**  
**For the three month periods ended March 31, 2026, and 2025**  
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**12. Lease obligations**

	Note	Vehicle leases	Building leases	Total
Balance, December 31, 2025		\$ 730	\$ 1,428	\$ 2,158
Proceeds and additions		70	195	265
Payments (including interest)		(74)	(189)	(263)
Interest expense	15	13	33	46
Foreign exchange		9	12	21
Balance, March 31, 2026		748	1,479	2,227
Less: current portion		(241)	(459)	(700)
Non-current portion		\$ 507	\$ 1,020	\$ 1,527

	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	15	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

**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 (3.5% - 11.0%), if the implicit rate could not be readily determined.

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**13. 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	Three months ended March 31, 2026		Year ended December 31, 2025	
		Number of shares	Amount	Number of shares	Amount
Common shares, beginning of period		<b>149,702,907</b>	<b>\$ 47,662</b>	150,426,486	\$ 47,865
Exercise of options and RSUs	18	<b>209,298</b>	<b>95</b>	579,238	211
Normal course issuer bid		<b>(177,472)</b>	<b>(56)</b>	(1,302,817)	(414)
Common shares, end of period		<b>149,734,733</b>	<b>\$ 47,701</b>	149,702,907	\$ 47,662

**2025 Normal course issuer bid**

On April 17, 2025, the Company commenced a Normal Course Issuer Bid (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 three months ended March 31, 2026, the Company repurchased 177,472 common shares (December 31, 2025 - 1,302,817) for cancellation for total cash consideration of \$80 (December 31, 2025 - \$419). The total consideration was allocated \$56 to Share capital (December 31, 2025 - \$414) with the difference of \$24 allocated to deficit (December 31, 2025 - \$5).

**2026 Normal course issuer bid**

On April 14, 2026, the company announced the renewal of the NCIB. Under the renewed NCIB, the Company may purchase for cancellation a maximum of 13,374,708 common shares of the Company (the "Shares"), representing 10% of the public float as defined by the TSX as of April 6, 2026. On April 6, 2026, CEMATRIX had 149,734,733 Shares issued and outstanding. The renewed NCIB will commence on April 17, 2026, and will terminate upon the earliest of

- (i) April 16, 2027;
- (ii) the Company purchasing the maximum of 13,374,708 Shares; or
- (iii) the Company terminating the NCIB.

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**Warrants**

	Three months ended March 31, 2026		Year ended December 31, 2025	
	Number of warrants	Weighted average price	Number of warrants	Weighted average price
Warrants, beginning of period	8,213,520	\$ 0.58	8,213,520	\$ 0.58
Warrants exercised	-	-	-	-
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 \$0.51 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	\$ 0.51 – 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%

**14. Cost of sales and operating expenses**

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

	Three months ended March 31,	
	2026	2025
Materials	\$ 3,567	\$ 2,650
Personnel costs	1,605	1,302
Variable and fixed overhead	924	754
Depreciation	496	483
	<b>\$ 6,592</b>	<b>\$ 5,189</b>

**CEMATRIX Corporation**  
**Notes to the Consolidated Financial Statements**  
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(in thousands of Canadian dollars, except per share amounts) (unaudited)

Operating expenses consists of the following components:

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
Personnel costs	\$ 1,215	\$ 1,273
Professional fees and insurance	373	523
Other expenses	238	242
Depreciation	126	110
	<b>\$ 1,952</b>	<b>\$ 2,148</b>

### 15. Finance costs

The finance costs incurred during the period are as follows:

		<b>Three months ended</b>	
		<b>March 31,</b>	
	<b>Note</b>	<b>2026</b>	<b>2025</b>
Long-term debt		\$ -	\$ 19
Equipment finance loan	11	22	-
Lease obligations	12	46	63
		<b>\$ 68</b>	<b>\$ 82</b>

### 16. Other income (expenses)

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

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
Interest income	\$ 62	\$ 53
Foreign exchange gain (loss)	126	(4)
	<b>\$ 188</b>	<b>\$ 49</b>

### 17. Loss per common share

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
Loss for the period	\$ (1,159)	\$ (906)
Basic loss per share	\$ (0.008)	\$ (0.006)
Diluted loss per share	\$ (0.008)	\$ (0.006)

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

	<b>Three months ended</b>	
	<b>2026</b>	<b>March 31, 2025</b>
Weighted average common shares outstanding, basic	<b>149,810,236</b>	150,452,041
Effect of dilutive instruments	-	-
Weighted average common shares outstanding, diluted	<b>149,810,236</b>	150,452,041

The dilutive securities for the three months ended March 31, 2026, and 2025, have no dilutive effect as the Company incurred losses in the periods.

## 18. 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	<b>Three months ended</b>		<b>Year ended</b>	
		<b>March 31, 2026</b>		<b>December 31, 2025</b>	
		<b>Number of options</b>	<b>Amount</b>	<b>Number of options</b>	<b>Amount</b>
Outstanding, beginning of year		<b>5,636,667</b>	<b>\$ 0.332</b>	6,178,333	\$ 0.347
Granted		-	-	575,000	0.345
Exercised	13	<b>(156,666)</b>	<b>0.243</b>	(41,666)	0.185
Expired		-	-	(650,000)	0.473
Forfeited		-	-	(425,000)	0.378
Outstanding, end of year		<b>5,480,001</b>	<b>0.334</b>	5,636,667	0.332
Exercisable, end of year		<b>3,104,984</b>	<b>\$ 0.335</b>	3,261,650	\$ 0.331

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The following table summarizes the stock options to acquire common shares outstanding as at March 31, 2026:

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	616,668	449,992	1.64	0.19	0.19
\$0.23 - \$0.39	3,878,333	1,869,993	2.61	0.33	0.33
\$0.40 - \$0.57	985,000	784,999	1.17	0.43	0.43
\$0.18 - \$0.57	5,480,001	3,104,984	1.98	0.33	0.33

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

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:

Estimated fair value per option	\$	2025 0.201
Options exercise common share price	\$	0.345
Risk-free interest rate		2.46%
Expected life		5 years
Expected volatility in stock price		61%
Expected annual dividend yield		nil
Estimated forfeiture rate		17%

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**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.

		<b>Three months ended March 31, 2026</b>	<b>Year ended December 31, 2025</b>
	Note		
Number of RSU's outstanding, beginning of period		<b>2,889,632</b>	2,101,902
Granted		<b>358,333</b>	1,325,302
Forfeited		-	-
Exercised	13	<b>(52,632)</b>	(537,572)
Number of RSU's outstanding, end of period		<b>3,195,333</b>	2,889,632

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 for the three months ended March 31, 2026, of \$296 (March 31, 2025 - \$313) 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.

**19. Change in non-cash working capital**

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

	<b>Three months ended March 31, 2026</b>	<b>2025</b>
Trade and other receivables	<b>\$ 4,219</b>	\$ (1,331)
Inventory	<b>(12)</b>	120
Prepays	<b>102</b>	21
Trade and other payables	<b>852</b>	(374)
	<b>\$ 5,161</b>	\$ (1,564)

**20. 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 months ended March 31, 2026, the Company incurred costs of \$135 (March 31, 2025 - \$120) related to these rental leases. Lease obligations for the two buildings as at March 31, 2026, were in the amount of \$754 (December 31, 2025 - \$857). Transactions with related parties are incurred in the course of normal operations and initially recorded at fair value.

## 21. 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.

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 March 31, 2026, the Company does not have significant exposure to variable interest rate instruments because the Company's credit facility is undrawn and the equipment loan interest rate has a fixed rate that is adjusted annually over the repayment period.

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

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At March 31, 2026, 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 (March 31, 2025 - \$nil).

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 March 31, 2026, the Company had \$15,699 of cash (December 31, 2025 - \$11,942).

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
<b>As at March 31, 2026</b>				
Trade and other payable	\$ 3,543	\$ -	\$ -	\$ 3,543
Equipment finance	72	385	668	1,125
Lease obligations	862	1,269	447	2,578
	<b>\$ 4,477</b>	<b>\$ 1,654</b>	<b>\$ 1,115</b>	<b>\$ 7,246</b>
<b>As at December 31, 2025</b>				
Trade and other payable	\$ 2,756	\$ -	\$ -	\$ 2,756
Equipment finance	414	389	676	1,479
Lease obligations	887	1,153	471	2,511
	<b>\$ 4,057</b>	<b>\$ 1,542</b>	<b>\$ 1,147</b>	<b>\$ 6,746</b>

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 March 31, 2026, the Company had financial assets denominated in USD of \$15,209 (December 31, 2025 - \$12,019) and financial liabilities denominated in USD of \$3,158 (December 31, 2025 - \$2,180).

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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 March 31, 2026, a 1% increase/decrease of the USD against the Canadian dollar would result in an increase/decrease in net income of approximately CAD \$168 excluding the effect of income taxes.

## 22. 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 March 31, 2026. The Company is subject to externally imposed financial covenants with its CIBC Credit Facility and BDC equipment finance loan.

	Note	March 31, 2026	December 31, 2025
Equipment finance loan	11	945	1,269
Lease obligations	12	2,227	2,158
Total debt		3,172	3,427
Shareholder's equity		39,989	40,507
		<u>\$ 43,161</u>	<u>\$ 43,934</u>

## 23. 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 March 31,	
	2026	2025
Canada	\$ 510	\$ 781
U.S.	6,773	5,849
	<u>\$ 7,283</u>	<u>\$ 6,630</u>

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

	March 31, 2026	December 31, 2025
Canada	\$ 2,126	\$ 1,926
U.S.	20,789	20,732
	<u>\$ 22,915</u>	<u>\$ 22,658</u>