



Q3 2026

CEMATRIX Corporation

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the three and nine month periods ended September 30, 2026, and 2025 (unaudited)

Notice to Reader

The accompanying unaudited interim condensed consolidated financial statements have been prepared by and are the responsibility of management. The unaudited interim condensed consolidated financial statements for the three and nine month periods ended September 30, 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 September 30, 2026, and December 31, 2025
(in thousands of Canadian dollars) (unaudited)

	Note	September 30, 2026	December 31, 2025
ASSETS			
Current assets			
Cash		\$ 20,506	\$ 11,942
Trade and other receivables	7	10,117	11,677
Inventory	8	1,110	965
Prepays		298	451
Total current assets		32,031	25,035
Non-current assets			
Long-term investments		2,497	2,412
Property and equipment		11,172	11,593
Right of use assets		2,466	2,255
Goodwill		6,440	6,221
Other long-term assets		275	177
Total non-current assets		22,850	22,658
TOTAL ASSETS		\$ 54,881	\$ 47,693
LIABILITIES			
Current liabilities			
Trade and other payables	10	\$ 5,480	\$ 2,756
Current portion of equipment finance loan	11	162	324
Current portion of lease obligations	12	904	728
Total current liabilities		6,546	3,808
Non-current liabilities			
Equipment finance loan	11	783	945
Lease obligations	12	1,404	1,430
Deferred tax liability		1,505	1,003
Total non-current liabilities		3,692	3,378
TOTAL LIABILITIES		10,238	7,186
SHAREHOLDERS' EQUITY			
Share capital	13	47,864	47,662
Contributed surplus		10,436	10,211
Accumulated other comprehensive income		1,308	441
Deficit		(14,965)	(17,807)
Total shareholders' equity		44,643	40,507
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 54,881	\$ 47,693

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

CEMATRIX Corporation
Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)
For the three and nine month periods ended September 30, 2026, and 2025
(in thousands of Canadian dollars, except per share amounts) (unaudited)

		Three months ended September 30,		Nine months ended September 30,	
	Note	2026	2025	2026	2025
Revenue	23	\$ 11,915	\$ 15,311	\$ 37,934	\$ 32,572
Cost of sales	14	(9,163)	(10,044)	(27,939)	(21,732)
Gross margin		2,752	5,267	9,995	10,840
Selling, general and administrative expenses	14	(2,076)	(2,429)	(6,266)	(6,935)
Income from operations		676	2,838	3,729	3,905
Stock-based compensation	18	(60)	(71)	(437)	(479)
Finance costs	15	(62)	(88)	(192)	(250)
Other income (expenses)	16	109	103	536	76
Income before income taxes		663	2,782	3,636	3,252
Provision for deferred taxes		(8)	(771)	(426)	(794)
Provision for current taxes		33	(102)	(197)	(123)
Net income for the period		688	1,909	3,013	2,335
Other comprehensive income (loss)					
Exchange gain (loss) on translation of foreign subsidiaries		(45)	864	912	(796)
Deferred tax on other comprehensive income		89	(66)	(45)	100
Comprehensive income for the period		\$ 732	\$ 2,707	\$ 3,880	\$ 1,639
Income per common share					
Basic	17	0.005	0.013	0.020	0.016
Diluted	17	0.004	0.012	0.019	0.015

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CEMATRIX Corporation
Consolidated Statement of Changes in Equity
For the three and nine month periods ended September 30, 2026, and 2025
(in thousands of Canadian dollars) (unaudited)

		Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total equity
	Note					
Balance at December 31, 2024		\$ 47,865	\$ 9,849	\$ 1,522	\$ (21,862)	\$ 37,374
Common shares issued	13	8	-	-	-	8
Reclassification of contributed surplus	13	174	(174)	-	-	-
Stock-based compensation	18	-	479	-	-	479
Normal course issuer bid	13	(224)	-	-	14	(210)
Net income for the period		-	-	-	2,335	2,335
Exchange loss on translation of foreign subsidiaries		-	-	(796)	-	(796)
Deferred taxes		-	-	100	-	100
Balance at September 30, 2025		47,823	10,154	826	(19,513)	39,290
Common shares issued	13	(1)	-	-	-	(1)
Reclassification of contributed surplus	13	30	(30)	-	-	-
Stock-based compensation	18	-	87	-	-	87
Normal course issuer bid	13	(190)	-	-	(19)	(209)
Net income for the period		-	-	-	1,725	1,725
Exchange loss on translation of foreign subsidiaries		-	-	(466)	-	(466)
Deferred taxes		-	-	81	-	81
Balance at December 31, 2025		\$ 47,662	\$ 10,211	\$ 441	\$ (17,807)	\$ 40,507
Common shares issued	13	210	-	-	-	210
Reclassification of contributed surplus	13	212	(212)	-	-	-
Stock-based compensation	18	-	437	-	-	437
Normal course issuer bid	13	(220)	-	-	(130)	(350)
Net income for the period		-	-	-	3,013	3,013
Repurchase of shares from minority shareholders		-	-	-	(41)	(41)
Exchange gain on translation of foreign subsidiaries		-	-	912	-	912
Deferred taxes		-	-	(45)	-	(45)
Balance at September 30, 2026		\$ 47,864	\$ 10,436	\$ 1,308	\$ (14,965)	\$ 44,643

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

CEMATRIX Corporation
Consolidated Statement of Cash Flows
For the three and nine month periods ended September 30, 2026, and 2025
(in thousands of Canadian dollars) (unaudited)

		Three months ended September 30,		Nine months ended September 30,	
	Note	2026	2025	2026	2025
Cash flows from (used in) operating activities					
Net income for the period		\$ 688	\$ 1,909	\$ 3,013	\$ 2,335
Items not involving cash:					
Provision for deferred taxes		8	604	426	628
Depreciation and amortization		634	603	1,878	1,789
Finance costs	15	62	88	192	250
Stock-based compensation	18	60	71	437	479
(Gain) on sale of equipment	16	-	-	(5)	-
Unrealized foreign exchange (gain) loss		7	(56)	(281)	80
Cash flows from operations before changes in non-cash working capital		1,459	3,219	5,660	5,561
Net change in non-cash working capital items	19	3,175	(1,463)	4,666	(4,679)
Net cash from operating activities		4,634	1,756	10,326	882
Cash flows from (used in) investing activities					
Purchase of property and equipment		(138)	(95)	(488)	(525)
Proceeds on sale of property and equipment		-	-	6	-
Purchase of investments and deposits		-	-	(91)	(84)
Net cash used in investing activities		(138)	(95)	(573)	(609)
Cash flows from (used in) financing activities					
Proceeds from equipment finance loan	11	-	-	-	1,620
Proceeds from exercise of options and warrants	13	130	-	210	8
Repayment of long-term debt		-	-	-	(1,104)
Repayment of equipment finance loan	11	-	-	(324)	-
Repayment of lease obligations	12	(232)	(217)	(674)	(654)
Normal course issuer bid	13	-	-	(350)	(210)
Interest paid	15	(62)	(88)	(192)	(250)
Repurchase of shares from minority shareholders		-	-	(41)	-
Net cash used in financing activities		(164)	(305)	(1,371)	(590)
Effects of foreign exchange on cash balances		(11)	38	182	(30)
Net increase (decrease) in cash during the period		4,321	1,394	8,564	(347)
Cash, beginning of the period		16,185	8,554	11,942	10,295
Cash, end of the period		\$ 20,506	\$ 9,948	\$ 20,506	\$ 9,948

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

Table of Contents – Notes to the Consolidated Financial Statements

1.	Structure of the Company	6
2.	Basis of preparation	6
3.	Use of estimates and judgements.....	6
4.	Material accounting policies.....	7
5.	New accounting standards, amendments and interpretations adopted.....	7
6.	Future accounting changes.....	7
7.	Trade and other receivables	7
8.	Inventory.....	8
9.	Bank operating loan	8
10.	Trade and other payables	9
11.	Equipment finance loan.....	9
12.	Lease obligations	10
13.	Share capital	11
14.	Cost of sales and operating expenses.....	12
15.	Finance costs	13
16.	Other income (expenses).....	13
17.	Earnings (loss) per common share	13
18.	Stock-based compensation.....	14
19.	Change in non-cash working capital	16
20.	Related party transactions	16
21.	Financial instruments and risk management	17
22.	Capital management.....	19
23.	Geographical segmented information	19

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 October 28, 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 and nine month periods ended September 30, 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, 2027, that have not been applied in preparing the financial statements for the period ended September 30, 2026.

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 has initiated its adoption planning and continues to monitor developments and evaluate potential impact on its consolidated financial statements and disclosures.

7. Trade and other receivables

	September 30, 2026	December 31, 2025
Trade receivables	\$ 8,900	\$ 9,591
Holdbacks	1,447	2,313
Other receivables	7	12
Expected credit loss	(237)	(239)
	<u>\$ 10,117</u>	<u>\$ 11,677</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 upon substantial completion of the project. As the Company is typically engaged as a subcontractor, the release of holdbacks is often dependent on the general contractor achieving the contractual milestones required for holdback release. Consequently, holdbacks may remain outstanding for extended periods and, in certain circumstances, can take one year or longer to be collected.

CEMATRIX Corporation
Notes to the Consolidated Financial Statements
For the three and nine month periods ended September 30, 2026, and 2025
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The aging of the trade receivables was as follows:

	September 30, 2026		December 31, 2025	
1-30 days	\$	7,087 80%	\$	2,185 23%
31-60 days		740 8%		4,447 46%
61-90 days		554 6%		1,150 12%
Greater than 90 days		519 6%		1,809 19%
	\$	8,900	\$	9,591

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 creditworthiness 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 agents, chemicals, and small parts) which was \$1,110 at September 30, 2026 (December 31, 2025 - \$965). Inventory expensed as part of cost of sales was \$413 and \$1,413 for the three and nine months ended September 30, 2026 (\$699 and \$1,369 for the same periods 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 for 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 September 30, 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 September 30, 2026, was \$6,613 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 September 30, 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 September 30, 2026, CEMATRIX was in compliance with all financial covenants.

CEMATRIX Corporation
Notes to the Consolidated Financial Statements
For the three and nine month periods ended September 30, 2026, and 2025
(in thousands of Canadian dollars, except per share amounts) (unaudited)

10. Trade and other payables

	September 30, 2026	December 31, 2025
Trade payables	\$ 4,285	\$ 1,576
Accruals	631	984
Payroll remittance and goods and services tax	564	196
	\$ 5,480	\$ 2,756

11. Equipment finance loan

	Note	Nine months ended September 30, 2026	Year ended December 31, 2025
Balance, beginning of period		\$ 1,269	\$ -
Proceeds		-	1,620
Payments (including interest)		(382)	(449)
Interest expense	15	58	98
Balance, end of period		945	1,269
Less: current portion		(162)	(324)
Non-current portion		\$ 783	\$ 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 principal repayments. Principal repayments totalling \$54 are required annually during the period from July to December, commencing November 1, 2025, and continuing through December 1, 2029. In January 2026, the Company made a voluntary principal prepayment of \$324, without penalty, representing the principal repayments scheduled for the July to December 2026 period. In October 2025, the Company made a principal prepayment of \$243 (representing 15% of the then outstanding loan balance).

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 September 30, 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 and nine month periods ended September 30, 2026, and 2025
(in thousands of Canadian dollars, except per share amounts) (unaudited)

12. Lease obligations

	Note	Vehicle leases	Building leases	Total
Balance, December 31, 2025		\$ 730	\$ 1,428	\$ 2,158
Proceeds and additions		243	541	784
Payments (including interest)		(239)	(569)	(808)
Interest expense	15	44	90	134
Foreign exchange		18	22	40
Balance, September 30, 2026		796	1,512	2,308
Less: current portion		(274)	(630)	(904)
Non-current portion		\$ 522	\$ 882	\$ 1,404

	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 used in its 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% - 10.5%), if the implicit rate cannot be readily determined.

CEMATRIX Corporation
Notes to the Consolidated Financial Statements
For the three and nine month periods ended September 30, 2026, and 2025
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13. Share capital

Common shares authorized

Unlimited number of no-par value voting common shares.

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

Common shares issued

	Note	Nine months ended September 30, 2026		Year ended December 31, 2025	
		Number of shares	Amount	Number of shares	Amount
Common shares, beginning of period		149,702,907	\$ 47,662	150,426,486	\$ 47,865
Exercise of warrants, options and RSUs	18	730,008	422	579,238	211
Normal course issuer bid		(690,431)	(220)	(1,302,817)	(414)
Common shares, end of period		149,742,484	\$ 47,864	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 2025 NCIB approval ended on April 16, 2026.

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.

For the nine months ended September 30, 2026, the Company repurchased 690,431 common shares (December 31, 2025 - 1,302,817) for cancellation for total cash consideration of \$350 (December 31, 2025 - \$419). The total consideration was allocated \$220 to Share capital (December 31, 2025 - \$414) with the difference of \$130 allocated to deficit (December 31, 2025 - \$5).

CEMATRIX Corporation
Notes to the Consolidated Financial Statements
For the three and nine month periods ended September 30, 2026, and 2025
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Warrants

	Nine months ended September 30, 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	(10,000)	0.58	-	-
Warrants forfeited	(8,203,520)	0.58	-	-
Warrants, end of period	-	\$ -	8,213,520	\$ 0.58

On July 29, 2024, the Company issued 7,333,500 private placement warrants. Each warrant entitled the holder to acquire one unit of the Company at \$0.60 for a period of 24 months from the closing of the Offering. 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 entitled 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	\$ 0.15 – 0.12
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 September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Materials	\$ 5,373	\$ 6,309	\$ 17,269	\$ 12,188
Personnel costs	2,192	2,208	6,018	5,322
Variable and fixed overhead	1,092	1,035	3,156	2,758
Depreciation	506	492	1,496	1,464
	\$ 9,163	\$ 10,044	\$ 27,939	\$ 21,732

CEMATRIX Corporation
Notes to the Consolidated Financial Statements
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Operating expenses consist of the following components:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Personnel costs	\$ 1,252	\$ 1,250	\$ 3,757	\$ 3,816
Professional fees and insurance	413	754	1,327	1,914
Other expenses	282	314	800	880
Depreciation	129	111	382	325
	<u>\$ 2,076</u>	<u>\$ 2,429</u>	<u>\$ 6,266</u>	<u>\$ 6,935</u>

15. Finance costs

The finance costs incurred during the period are as follows:

		Three months ended September 30,		Nine months ended September 30,	
	Note	2026	2025	2026	2025
Long-term debt		\$ -	\$ -	\$ -	\$ 19
Equipment finance loan	11	18	35	58	67
Lease obligations	12	44	53	134	164
		<u>\$ 62</u>	<u>\$ 88</u>	<u>\$ 192</u>	<u>\$ 250</u>

16. Other income (expenses)

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

		Three months ended September 30,		Nine months ended September 30,	
		2026	2025	2026	2025
Foreign exchange gain (loss)		\$ 4	\$ 55	\$ 285	\$ (82)
Interest income		105	48	246	158
Gain (loss) on sale of equipment		-	-	5	-
		<u>\$ 109</u>	<u>\$ 103</u>	<u>\$ 536</u>	<u>\$ 76</u>

17. Earnings (loss) per common share

		Three months ended September 30,		Nine months ended September 30,	
		2026	2025	2026	2025
Net income for the period		\$ 688	\$ 1,909	\$ 3,013	\$ 2,335
Basic earnings per share		\$ 0.005	\$ 0.013	\$ 0.020	\$ 0.016
Diluted earnings per share		\$ 0.004	\$ 0.012	\$ 0.019	\$ 0.015

CEMATRIX Corporation
Notes to the Consolidated Financial Statements
For the three and nine month periods ended September 30, 2026, and 2025
(in thousands of Canadian dollars, except per share amounts) (unaudited)

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

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Weighted average common shares outstanding, basic	149,662,593	150,202,584	149,691,284	150,433,761
Effect of dilutive instruments	7,694,348	3,426,333	7,694,348	3,426,333
Weighted average common shares outstanding, diluted	157,356,941	153,628,917	157,385,632	153,860,094

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 period:

		Nine months ended September 30, 2026		Year ended December 31, 2025	
	Note	Number of options	Amount	Number of options	Amount
Outstanding, beginning of period		5,636,667	\$ 0.33	6,178,333	\$ 0.35
Granted		-	-	575,000	0.34
Exercised	13	(586,666)	0.35	(41,666)	0.18
Expired		(334,999)	0.45	(650,000)	0.47
Forfeited		-	-	(425,000)	0.38
Outstanding, end of period		4,715,002	0.32	5,636,667	0.33
Exercisable, end of period		2,998,324	\$ 0.32	3,261,650	\$ 0.33

CEMATRIX Corporation
Notes to the Consolidated Financial Statements
For the three and nine month periods ended September 30, 2026, and 2025
(in thousands of Canadian dollars, except per share amounts) (unaudited)

The following table summarizes the stock options to acquire common shares outstanding as at September 30, 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 - \$0.30	2,015,002	1,364,998	1.50	0.24	0.23
\$0.31 - \$0.43	2,700,000	1,633,326	2.36	0.38	0.39
\$0.18 - \$0.43	4,715,002	2,998,324	1.71	0.32	0.32

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 - \$0.30	2,236,667	1,419,988	2.25	0.24	0.23
\$0.31 - \$0.57	3,400,000	1,841,662	2.22	0.44	0.41
\$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:

	2025
Estimated fair value per option	\$ 0.20
Options exercise common share price	\$ 0.34
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%

CEMATRIX Corporation
Notes to the Consolidated Financial Statements
For the three and nine month periods ended September 30, 2026, and 2025
(in thousands of Canadian dollars, except per share amounts) (unaudited)

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 ("RSUs") are part of the OEI Plan. Subject to the specific provisions of the RSU plan, eligibility, vesting period, terms of the RSUs and the number of RSUs 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.

		Nine months ended September 30, 2026	Year ended December 31, 2025
	Note		
Number of RSUs outstanding, beginning of period		2,889,632	2,101,902
Granted		358,333	1,325,302
Forfeited		-	-
Exercised	13	(133,342)	(537,572)
Number of RSUs outstanding, end of period		3,114,623	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 RSUs granted is being recognized as an expense over the vesting period of the RSUs.

Stock-based compensation

Stock-based compensation of \$60 and \$437 for the three and nine months ended September 30, 2026 (\$71 and \$479 for the same periods in 2025) 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:

		Three months ended September 30, 2026	2025	Nine months ended September 30, 2026	2025
Trade and other receivables	\$	3,363	\$ (4,086)	\$ 1,868	\$ (8,952)
Inventory		(313)	(86)	(129)	(79)
Prepays		(80)	230	160	302
Trade and other payables		205	2,479	2,767	4,050
	\$	3,175	\$ (1,463)	\$ 4,666	\$ (4,679)

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 and nine months ended September 30, 2026, the Company incurred costs of \$138 and \$410, respectively (\$115 and \$351 for the same periods in 2025) to these rental leases. Lease obligations for the two buildings as at September 30, 2026, were in the amount of \$866 (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 September 30, 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.

CEMATRIX Corporation
Notes to the Consolidated Financial Statements
For the three and nine month periods ended September 30, 2026, and 2025
(in thousands of Canadian dollars, except per share amounts) (unaudited)

At September 30, 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 (September 30, 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 account receivables, as its customers are predominantly large in scale and of high creditworthiness, and the concentration of credit risk is limited as our largest customers change year to year depending on which projects are being completed. At September 30, 2026, the Company had \$20,506 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 (principal and interest):

	Less than 1 year		1 to 2 years		2 to 6 years		Total
As at September 30, 2026							
Trade and other payables	\$	5,480	\$	-	\$	-	\$ 5,480
Equipment finance		234		373		484	1,091
Lease obligations		1,060		1,317		233	2,610
	\$	6,774	\$	1,690	\$	717	\$ 9,181
As at December 31, 2025							
Trade and other payables	\$	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

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, management manages and mitigates foreign exchange risk by monitoring exchange rate trends and forecasted economic conditions.

As at September 30, 2026, the Company had financial assets denominated in USD of \$16,791 (December 31, 2025 - \$12,019) and financial liabilities denominated in USD of \$3,683 (December 31, 2025 - \$2,180).

CEMATRIX Corporation
Notes to the Consolidated Financial Statements
For the three and nine month periods ended September 30, 2026, and 2025

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

The Company's primary foreign exchange sensitivity is in relation to movements of the USD against the Canadian dollar. Based on USD balances as at September 30, 2026, a 1% increase or decrease of the USD against the Canadian dollar would result in an increase or decrease in net income of approximately CAD \$186 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 reinvest the earnings generated to facilitate the continued growth in the Company, in order to provide an appropriate rate of return to shareholders.

Management reviews its capital management approach on an ongoing basis. There were no material changes to this approach during the period ended September 30, 2026. The Company is subject to externally imposed financial covenants with its CIBC Credit Facility and BDC equipment finance loan.

	Note	September 30, 2026	December 31, 2025
Equipment finance loan	11	945	1,269
Lease obligations	12	2,308	2,158
Total debt		3,253	3,427
Shareholders' equity		44,643	40,507
		\$ 47,896	\$ 43,934

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 September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Canada	\$ 4,083	\$ 4,236	\$ 8,172	\$ 8,452
U.S.	7,832	11,075	29,762	24,120
	\$ 11,915	\$ 15,311	\$ 37,934	\$ 32,572

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

	September 30, 2026	December 31, 2025
Canada	\$ 2,082	\$ 1,926
U.S.	20,768	20,732
	\$ 22,850	\$ 22,658