



CYMAT REPORTS Q2 RESULTS FOR FISCAL 2022

MISSISSAUGA, ON, Dec. 31, 2021 /CNW/ - Cymat Technologies Ltd. (TSXV: CYM) (the "Company" or "Cymat") is pleased to report its results of operations for the second quarter ended October 31, 2021.

Revenue for the second quarter of fiscal 2022 was \$386,000 representing a decrease of \$220,000, or 36%, compared to revenue from the second quarter of the preceding year of \$606,000. Repairs to the lining and control systems for one of the casting furnaces, resulted in down time for the Stabilized Aluminum Foam ("SAF") casting line that extended for half of the second quarter. Supply chain interruptions that have typified the Covid-19 pandemic delayed the receipt of replacement components, delaying repair time beyond the typical timeframe. Repairs were completed at the midway point of the quarter and production has been operating at full capacity since that point, progressing towards fulfillment of the \$1.2 Million in sales order backlog.

Alusion™, Cymat's architectural aluminum foam, is expected to continue to provide the majority of revenue for the near term, with the bulk of the above-mentioned order backlog relating to Alusion™ panels. Some short-term delays in the timing of architecture orders are possible as the pandemic continues to exert its economic influence; however, the pipeline of major construction projects continues to be strong. In its efforts to further broaden the Alusion™ sale pipeline, Cymat continues to collaborate with its newly signed European architectural sales agency to further augment its traditionally strong continental presence. Also Cymat has added a full-time senior sales person based in the United States with a focus on developing new business and agent relationships in the USA and Cymat has launched a marketing campaign with an additional online architectural platform.

Cymat continues to focus a significant portion of its business development efforts on the promotion of SmartMetal™'s utility to the automotive sector as a solution to achieve vehicle light-weighting and energy absorption objectives. Cymat has bolstered its executive team with the addition of a Chief Operating Officer and a Chief Commercial Officer that both have extensive experience in the automotive manufacturing industry. Additionally, our new US-based sales person has a lengthy history in the automotive sector and possesses significant contacts with new, upstart automotive OEMs. Ongoing production line upgrades are expected to benefit automotive business development efforts as they enhance Cymat's ability to demonstrate high volume manufacturing readiness to automotive OEMs and Tier 1 suppliers.

Expenses for the six months ended October 31, 2021 include the recording of \$1.1 Million in non-cash expenses resulting from the valuation of stock options issued in June, and a period-over-period increase in salaries, recruiting fees consultant and advisory fees of \$321,000. Also, Cymat no longer qualifies for the Canada Emergency Wage Subsidy ("CEWS") which reduced reported expenses in the six months that ended October 31, 2020 by \$219,000.

Key financial data for the three and six months ended October 31, 2021 and October 31, 2020 include the following (All items in \$ 000's, except net loss per share):

Three Months Ended	Six Months Ended
October 31	October 31

	2021	2020	2021	2020
Revenue	386	606	1,332	1,371
Plant operating expenses	426	292	982	664
Research and material testing expenses	85	34	116	68
Selling, general and administrative expenses	837	341	2,245	636
(Loss) income from operations	(962)	(60)	(2,011)	4
Net loss	(1,042)	(109)	(2,176)	(102)
Net loss per share	(0.02)	(0.00)	(0.04)	(0.00)
Operating cash flow	(1,096)	79	(2,405)	257
Cash and cash equivalents			4,047	553
Working Capital			3,979	(677)
Total Assets			6,267	2,340

Michael Liik, CEO of Cymat commented, "While second quarter sales were clearly disappointing, the casting furnaces are fully operational and we have begun to tackle our order backlog." He added, "We are very enthusiastic about entering the balance of the year with a strong order backlog and growing pipeline; a considerably expanded experienced senior management team; and the continuing evolution of our Mississauga plant to a state-of-the-art manufacturing facility."

About Cymat Technologies Ltd.

Cymat Technologies Ltd. has the global rights, through patents and established know-how, to manufacture and sell Stabilized Aluminum Foam ("SAF"), a unique, ultra-light, cellular metallic material. The proprietary production process entails the injection of gases through a molten bath of alloyed aluminum infused with ceramic particles. The result is an advanced, lightweight, recyclable material that exhibits unique characteristics including: customizable density and dimensions; mechanical energy absorption; thermal and acoustic insulation; and time, temperature and strain-rate insensitivity. A key benefit of this continuous foam production process is its scalability and resultant low cost of production. SAF is used in such industries as architectural design, military and automotive. Cymat markets its architectural SAF under the Alusion™ brand and its automotive and military SAF under the SmartMetal™ brand. For further information, please visit our website at www.cymat.com.

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding future financial position, business strategy, use of proceeds, corporate vision, proposed acquisitions, partnerships, joint-ventures and strategic alliances and co-operations, budgets, cost and plans and objectives of or involving the Company. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company including, but not limited to, the impact of general economic conditions, industry conditions and dependence upon regulatory approvals. Certain material assumptions regarding such forward-looking statements may be discussed in this news release and the Company's annual and quarterly management's discussion and analysis filed at www.sedar.com. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not assume any obligation to update or

revise its forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by securities laws.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States, or to or for the account or benefit of any person in the United States, absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any common shares in the United States, or in any other jurisdiction in which such offer, solicitation or sale would be unlawful. We seek safe harbour.

Neither the Toronto Venture Exchange (TSXV) nor its Market Regulator (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.

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