

**VITREOUS GLASS INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2025**

This Management Discussion and Analysis (“MD&A”) explains the material changes in Vitreous Glass Inc.’s (“Vitreous” or the “Company”) financial position and financial performance for the three and nine months ended June 30, 2025 (“Q3 2025” and “YTD 2025”, respectively, with comparative periods “Q3 2024” and “YTD 2024”, respectively). This MD&A provides material updates regarding the business operations, liquidity and capital resources of the Company to its most recent Annual Management Discussion & Analysis for the year ended September 30, 2024 (“2024 Annual MD&A”).

This MD&A has been prepared in compliance with the requirements of section 2.1.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations and is based on information available to August 7, 2025. This MD&A should be read in conjunction with the 2024 Annual MD&A, the unaudited condensed interim financial statements of the Company for the three and nine months ended June 30, 2025, and the audited financial statements for the year ended September 30, 2024.

The unaudited condensed interim financial statements of the Company for the three and nine months ended June 30, 2025 have been prepared in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board (IASB). These financial statements and additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.ca. Financial results are presented in Canadian dollars unless otherwise noted.

The Board of Directors, on the recommendation of the Audit Committee, approved this MD&A on August 7, 2025.

Vitreous operates a waste glass processing plant located in Airdrie, Alberta. The plant gathers post-consumer waste glass from Alberta and elsewhere in western Canada, crushes it, removes contaminants, and sells the final product to three manufacturers of fiberglass building insulation for use as a raw material in their fiberglass insulation production facilities, all of which are located in Alberta.

Fiscal Year 2025 - Third Quarter Highlights

Selected Quarterly Comparative Financial Information

Operations	Three months ended June 30		Nine months ended June 30	
<i>Canadian Dollars</i>	2025	2024	2025	2024
Total sales	3,727,895	2,488,563	10,119,058	7,271,041
Net income	842,282	658,515	2,118,426	1,872,935
Net income per share	0.13	0.10	0.33	0.30
Diluted net income per share	0.13	0.10	0.33	0.30
Dividends paid	760,330	633,609	1,774,104	1,898,222
Dividends paid per share	0.12	0.10	0.28	0.30
Capital expenditures	14,723	-	50,965	139,770

Financial position	As at	
<i>Canadian Dollars</i>	June 30, 2025	Sept 30, 2024
Cash and cash equivalents	2,479,710	1,884,450
<i>Invested in short-term GICs</i>	1,850,000	750,000
Total assets	5,836,418	5,123,249
Shareholders' equity	4,409,195	4,019,607
Common shares outstanding	6,336,807	6,336,807

The Company maintains a strong position in the glass recycling industry in western Canada having established long-term business relationships with key suppliers and customers in the region. The extension of a long-term supply contract with its largest raw material supplier in Alberta during fiscal year 2024 provides a level of certainty of the Company's ability to meet future demand for its processed waste glass in fiscal year 2025 and beyond. The Company maintains strong business relationships with its three customers and collaborates, on an ongoing basis, with these entities to ensure the delivery of processed waste glass aligns with the continuous business operations of each of these customers.

Discussion of Operations

The level of business activity and revenue generated on a quarterly basis is highly dependent on the availability of raw glass for purchase and subsequent use in the Company's Alberta based processing operation. During Q3 2025, the Company earned net income of \$842,282 (\$0.13 per share), which is comparable with the \$870,772 net income earned during the previous quarter. Q3 2025 net income was \$183,767 or 27.9% higher compared Q3 2024 when the Company earned \$658,515 (\$0.10 per share) and which could be considered a quarter with a normal level of operations, excluding income earned from tolling (discussed below). Sales during Q3 2025 decreased by 5.2% to \$3,727,895 compared to Q2 2025 and increased by 49.8% compared to the third quarter of 2024. Concurrently, cost of sales decrease by 7.8% to \$2,021,213 compared to Q2 2025 and increased 78.1% compared to the third quarter of 2024. Commencing in December 2024, one of the Company's major customers requested Vitreous toll process glass not normally available to it at both a cost and a sales price per ton higher than all other Company processed waste glass. This temporary, uncommitted arrangement with the customer has revenue and raw materials input costing which are both higher than Vitreous' historical revenue and cost structure. Approximately 25.6% of Q3 2025 sales volumes were generated utilizing these higher priced materials inputs, consistent with 26.1% achieved during Q2 2025. These additional volumes were not available during fiscal year 2024.

For the nine months ended June 30, 2025, the Company earned \$2,118,426 (\$0.33 per share), a 13.1% increase over the \$1,872,935 (\$0.30 per share) net income in the first nine months of 2024. The 2025 results were highly influenced by the impact of the toll processed glass which accounted for 22.4% of sales volumes during the period.

For the three and nine months ended June 30, 2025, the Company generated gross margin of \$1,672,853 (44.9% of revenue) and \$4,468,138 (44.2% of revenue), respectively, compared to \$1,319,500 (53.0% of revenue) and \$3,745,069 (51.5% of revenue), respectively, achieved during the comparative periods of fiscal year 2024. The \$353,353 (26.8%) increase in gross margin in Q3 2025 compared to Q3 2024 resulted from the additional glass supply and related sales of toll processed glass. While leading to increased revenue and profits, the higher priced glass volumes purchased on an uncommitted, toll process basis and

processed for sale commencing in December 2024 effectively contributed to the lower gross margin as a percentage of revenue experienced YTD 2025. In addition, YTD 2025 sales and gross margins were impacted by the temporary shut down of one of our customer's production facilities for several weeks during the first quarter of 2025 to allow for routine plant maintenance.

Sales

Quarterly sales vary depending upon several demand and supply factors which are beyond the control of the Company including fluctuations in timing and quantity of our customer's weekly and monthly crushed glass requirements.

The Company sells processed glass to three customers all having manufacturing and production facilities in Alberta and manages its product sales to best meet the needs of each of the three customers in a fair and equitable manner. On an ongoing basis, the Company adjusts its production output schedule to align the availability of processed glass to our customer's raw material demand. On a limited-duration basis, access to additional customer sourced glass, which commenced in December 2024, has altered crushed glass sales distribution among the Company customers in 2025. This temporary short-term customer sourced supply is expected to approximately double the sales volumes to one customer during calendar year 2025.

The Company's two largest customers represented 92.8% of sales during Q3 2025 (Q3 2024 – 91.5%) and 93.5% of sales during the first nine months of 2025 (YTD 2024 – 91.9%). As at June 30, 2025, 64.5% (September 30, 2024 – 69.7%) of accounts receivable are due from those two customers.

Cost of sales

Cost of sales includes the purchase cost of waste glass plus shipping, labor to process waste glass, repairs and maintenance associated with the production operations process and ongoing waste glass processing plant operating costs including insurance, utilities and waste disposal. During the three and nine months ended June 30, 2025, cost of sales as a percentage of revenue was 54.2 % and 54.8%, respectively. For the comparable three and nine month periods in 2024, cost of sales as a percentage of revenue was 45.6% and 47.1%, respectively. The temporary, short-term additional supply of glass sourced by a customer during Q1 2025 has a higher average purchase cost of recycled glass as with longer delivery distances with correspondingly higher transportation and shipping cost.

Total cost of goods sold

Total cost of goods sold includes cost of sales, depreciation of capital assets associated with the production operations and amortization expenses associated with the Company leased land where varying levels of raw glass inventory was maintained prior to the end of the second quarter of fiscal year 2025. During the three and nine months ended June 30, 2025, cost of goods sold was 55.1% and 55.8% of revenue, respectively, compared to 47.0% and 48.5% during the same periods during 2024. While the cost of sales was higher during the first nine months of 2025 compared to 2024, depreciation and amortization were generally consistent during these comparative periods.

General and administrative expenses (“G&A”)

G&A for the three and nine months ended June 30, 2025, totalled \$581,326 and \$1,548,293, respectively compared to \$454,044 and \$1,300,891, respectively, during the prior year. As a percentage of revenue, G&A represents 15.6% during Q3 2025 compared to 18.2% during Q3 2024. Year-to-date 2025, G&A represents 15.3% of revenue compared to 17.9% during the first nine months of 2024. The Company was able to minimize additional administrative expense necessary to support increased 2025 revenue stemming from additional sales volumes sourced by our main customer during Q1 2025.

Share based compensation

Coinciding with the quarterly dividend payments, an equivalent value of deferred share units (DSUs) totalling 677 DSUs (Q3 2024 – 324 DSUs) were granted during Q3 2025 were granted to a director in respect to previously issued DSU's with a share-based compensation expense of \$4,097 (Q3 2024 - \$1,743).

Year-to-date a total of 16,734 DSUs (YTD 2024 – 970 DSUs) were granted to a director in consideration for the provision of advisory services (15,000 DSUs) and, coinciding with the quarterly dividend payments, an equivalent value of deferred share units (1,734 DSUs) in respect to previously issued DSUs. YTD 2025, share-based compensation expense of \$85,917 (YTD 2024 - \$5,134) recorded during the period.

During Q1 2025, the Board of Directors approved the granting of 99,999 share options with an estimated fair value of \$89,304 and vesting over a two-year period. During the three and nine months ended June 30, 2025, a total of \$7,749 and \$45,266, respectively (2024 - \$Nil and \$Nil, respectively) was recorded as share-based compensation associated with this option grant.

Gain on disposal of property, plant and equipment

During Q2 2025, the Company terminated a land lease which had been used to store excess raw glass materials at a site located near the Company's Airdrie based waste glass processing plant. The Company and the landlord mutually agreed to cancel the lease prior to the originally agreed contract term end date. Upon termination, the right of use asset and lease liability were extinguished, with the difference of \$8,285 being recognized as a gain on disposal in the income statement. Prior to the termination date, all raw glass was relocated to storage site located at the Airdrie processing plant. The Company is exploring additional storage space options should the Company have inventory in excess of what can be stored at its facility in Airdrie.

Cash and Cash equivalents

On a continual basis, the Company generates positive cash flow, accumulates cash on hand and, on a quarterly basis, considers an amount, if any, which can be paid as dividends to shareholders. A certain amount of excess funds is routinely invested in short-term, low risk, guaranteed investment certificates (“GIC”) earning interest at approximately 2.75%-2.95% per annum. At June 30, 2025, \$1,850,000 was invested in GIC's earning interest income, an increase of \$1,100,000 compared to September 30, 2024 resulting from working capital requirements associated with the temporary supply of raw glass in 2025.

Inventory

The total carrying value of raw glass, finished goods and spares parts inventory on hand as at June 30, 2025, increased marginally to \$711,726 from \$668,937 at September 30, 2024. The Company added

\$30,985 to raw materials inventory as raw glass volumes on hand at the quarter end increased. The cost per ton of raw glass in inventory at June 30, 2025, was relatively consistent (a slight increase of 4.9%) with inventory that existed on hand at September 30, 2024. The volume of raw glass on hand is minimal, averaging approximately three to six weeks of expected sales volumes. Customers regularly consumes crushed glass immediately when it becomes available.

Outlook

The Company plans to continue to manage its waste glass processing operation cautiously, and in line with historical business practices. For the remainder of calendar year 2025, the Company anticipates sales and associated cost of sales to be higher than normal as a main customer has secured access to a source of raw glass supply which is being delivered to our facility for processing. There is no certainty of a guaranteed term of this new limited supply but the Company anticipates this additional, temporary supply to remain available for the remainder of fiscal year 2025. The Company plans to maintain a strong balance sheet, continue to generate positive cash flow and determine an appropriate dividend, if any, to pay to shareholders on a quarterly basis and focus on ensuring operations and administration are operating safely and cost effectively.

Summary of Quarterly Results

The following is a summary of selected financial information of the Company for the last eight quarters:

Quarter ended	30-Jun 25	31-Mar 25	31-Dec 24	30-Sep 24
Total sales	3,727,895	3,932,091	2,459,071	2,385,745
Net income	842,282	870,772	405,373	524,806
Net income per share	0.13	0.14	0.06	0.09
Diluted per share	0.13	0.14	0.06	0.09

Quarter ended	30-Jun 24	31-Mar 24	31-Dec 23	30-Sep 23
Total sales	2,488,563	2,440,540	2,341,938	2,338,310
Net income	658,515	647,127	567,293	516,038
Net income per share	0.10	0.10	0.09	0.08
Diluted per share	0.10	0.10	0.09	0.08

Liquidity and Capital Resources

The Company has developed a history of profitable operations, generates sufficient cash flow to meet all existing obligations and at June 30, 2025, had working capital (calculated as current assets minus current liabilities) of \$2,922,067, a working capital ratio of 3.97:1 and no outstanding long-term debt. During fiscal year 2024, the Company increased the certainty of accessing raw material recycled glass with a 10-year execution of a long-term supply agreement with its main supplier. The supply agreement covers all deposit-system beverage container glass collected in Alberta and is a source of low-cost raw materials. The Company's current liabilities at June 30, 2025, totaled \$984,415 and was comprised normal trade payables and accrued liabilities and current income taxes payable.

The Company follows a practice of accumulating excess cash generated by operations to pay, if deemed appropriate by the Board of Directors, a dividend on a quarterly basis, although these are considered special dividends. In addition, the Company maintains a cash reserve of \$450,000 to fund capital additions or significant maintenance that may arise on short notice and possible future working capital requirements. The Company also maintains a cash reserve equivalent to approximately one month's sales of the two major customers to provide liquidity in the event of any unexpected adverse change in business conditions. As at June 30, 2025, the cash and cash equivalents totaled \$2,479,710 (September 30, 2024 - \$1,884,450) of which \$1,850,000 (September 30, 2024 - \$750,000) is invested in short-term GICs.

On July 15, 2025, the Directors approved the payment of a dividend on August 15, 2025, in the amount of \$0.07 for a total cash distribution of approximately \$443,526. Management estimates that, after the dividend payment on August 15, 2025, the level of cash reserve provides adequate liquidity to sustain the Company in the event of any possible suspension of operations for up to 12 months.

Shareholder Value and Dividends

The Company's current objective is to distribute excess cash to shareholders in the form of special quarterly dividend payments. The Company's ability to pay dividends is contingent on the ongoing results of operation of the business. The Company believes that quarterly dividends, if any, should reflect actual business results of the most recent completed quarter. All dividends paid to date are "eligible" dividends when calculating the dividend tax credit for income tax purposes.

Quarterly Dividend Payments

The following is a summary of dividends paid for the last eight quarters:

Quarter ended				
<i>Canadian Dollars</i>	30-Jun 25	31-Mar 25	31-Dec 24	30-Sep 24
Dividends	760,330	823,691	190,083	633,609
Dividends per share	0.12	0.13	0.03	0.10

Quarter ended				
<i>Canadian Dollars</i>	30-Jun 24	31-Mar 24	31-Dec 23	30-Sep 23
Dividends	633,609	633,608	631,004	378,601
Dividends per share	0.10	0.10	0.10	0.06

Share Capital

Common shares

There have been no changes to the Company's outstanding shares from June 30, 2025 to the date of this MD&A.

As at June 30, 2025, and the date of this MD&A, there were 6,336,087 common shares outstanding (6,336,807 at September 30, 2024).

Share based compensation - stock options

On December 20, 2024, the Company granted 99,999 stock options to an executive officer of the Company. One third of the options granted vest immediately, one third vest one year from the grant date and the final third vest two years from the grant date. The stock options expire in 5 years from the date of grant and each stock option is exercisable into one common share at \$5.10.

As at June 30, 2025, and the date of this MD&A, there were 99,999 stock options outstanding (Nil at September 30, 2024). Share based compensation expense during three and nine months ended June 30, 2025 associated with outstanding share options was \$7,749 and \$45,266, respectively (2024 – \$Nil and \$Nil, respectively)

Share based compensation – Deferred Share Unit Plan (“DSU Plan” or “DSU’s”)

The DSU Plan that enables the Company to grant DSU's to eligible directors and employees of the Company. DSU's are not convertible into common shares, and do not result in dilution to the common shareholders. The liability to the holder of the DSU's is recorded as a deferred share unit liability and is adjusted each period end by recording an unrealized gain (loss) to adjust the liability to the closing market value of the Company's shares as at the year-end date. When the Company pays dividends on its common shares, the accounts of the DSU holders are credited with additional DSU's in an amount proportional to the dividend per common share.

During Q3 2025 the Directors approved the granting to a director in consideration for the provision of advisory services 677 DSU's (Q3 2024 – 324 DSU's) for a total expense of \$4,097 (Q3 2024 - \$1,743) recorded as Share based compensation. During the nine months ended June, 30, 2025 the same director was granted 16,734 DSU's (YTD 2024 – 970 DSU's) for a total expense of \$85,917 (YTD 2024 – \$4,805).

As at June 30, 2025, and the date of this MD&A, there were 34,823 DSU's (September 30, 2024 - 18,089 DSU's) with a related DSU liability on the statement of financial position of \$208,590 (September 30, 2024 – \$94,605).

Related Party Transactions

During the three and nine months ended June 30, 2025 the Company obtained strategic management consulting services from a director of the Company in an amount totaling \$2,000 and \$6,000, respectively (2024 - \$2,000 and \$6,000, respectively).

Critical Accounting Estimates

Information on the Company's critical accounting estimates and judgements can be found in Note 2 Basis of Preparation – 2.4 Critical Accounting Estimates and Judgements in the audited annual financial statements for the year ended September 30, 2024. Although estimates and assumptions must be made during the financial statement preparation process, it is management's opinion that none of the estimates or assumptions were highly uncertain at the time they were made.

General Risk and Uncertainties

Risk is inherent in all business activities and cannot be entirely eliminated. The general risks and uncertainties described in the Annual MD&A for the year ended September 30, 2024, are considered by management to be the most important in the context of the Company's business and are substantially unchanged as of the date of this MD&A. Those risks and uncertainties are not inclusive of all the risks and uncertainties the Company may be subjected to, and other risks may apply.

Forward-Looking Statements and Information

This MD&A contains forward-looking statements and information which are based upon current expectations and assumptions that involve several risks and uncertainties, of which some are beyond the Company's control and could cause actual events or results to differ materially from those reflected in the MD&A. Forward-looking statements and information are based upon the estimates and opinions of the Company's management at the time the statements were reported.

Readers of this MD&A are cautioned that any statement relating to the future business prospects of the Company (and therefore its ability to meet its financial obligations and continue to pay dividends to shareholders) are dependent upon the continuation of satisfactory business conditions. These include, but are not limited to, the availability of waste glass for processing, demand for fiberglass building insulation, willingness and ability of the Company's customers to continue to use waste glass as part of their raw material used in their manufacturing process, availability of hauling and transportation of product to and from the Company's plant, adequate margins to cover the Company's costs, and the financial health of the Company's customers.

In particular, forward-looking statements and information include the following key assumptions: (i) there will be continuing market demand for fiberglass insulation which utilizes all of the waste glass processed by the Company; (ii) the Company's customers continue to operate their Alberta plants at a level consistent with historical levels of demand for glass; and (iii) glass supply and transportation will continue to be available on an economically viable basis. Based on these assumptions management believes that the Company has sufficient cash, will continue to generate revenues in excess of costs, has access to securing credit facilities to meet its obligations as they fall due, and currently anticipates no change in the ability to meet such obligations on an ongoing basis.

The reader is cautioned that historical results are not necessarily indicative of future performance. The forward-looking statements are made as of the date of this MD&A and the Company does not undertake any obligation to update or revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.