

# Vertex Resource Group Ltd.

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2025, and 2024



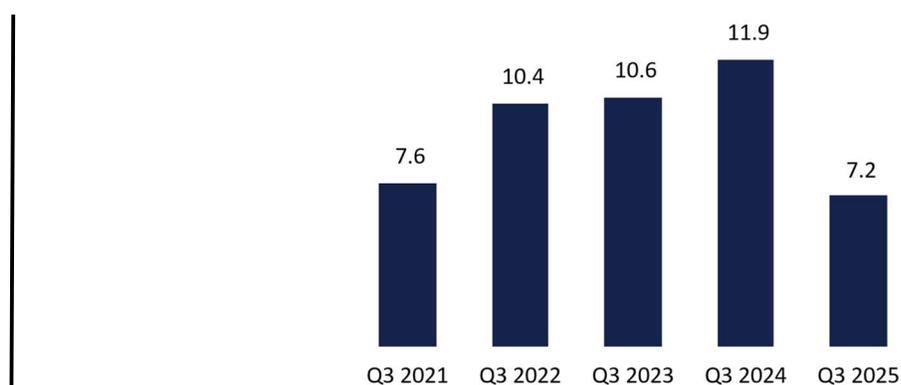
The following Management's Discussion and Analysis ("MD&A") is dated November 12, 2025, and is a discussion of the consolidated financial position and results of Vertex Resource Group Ltd. ("Vertex" or the "Company") for the three and nine months ended September 30, 2025 and 2024, and should be read together with Vertex's unaudited condensed consolidated interim financial statements and accompanying notes (the "Interim Financial Statements") for the three and nine months ended September 30, 2025, the annual audited consolidated financial statements and accompanying notes (the "Annual Financial Statements") for the year ended December 31, 2024 and the Company's Annual Information Form ("AIF") for the same year filed on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). All dollar amounts contained in tables in this MD&A are in thousands of Canadian dollars, except per share amounts or unless otherwise stated.

This MD&A and the Interim Financial Statements and 2024 comparative information have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board ("IASB"), which are also Generally Accepted Accounting Principles ("GAAP") for publicly accountable enterprises in Canada. This MD&A contains forward looking information and reference should be made to "Forward-Looking Information".

### Highlights

(in thousands of Canadian Dollars)	Three months ended		Nine months ended	
	September 30, 2025	2024	September 30, 2025	2024
<b>Gross revenue</b>	<b>54,047</b>	62,405	<b>164,709</b>	179,295
<b>Less flow through subcontractor costs</b>	<b>3,607</b>	126	<b>12,917</b>	1,808
<b>Net revenue</b>	<b>50,440</b>	62,279	<b>151,792</b>	177,487
<b>Profit margin</b>	<b>12,782</b>	17,566	<b>35,724</b>	47,433
Profit margin %	<b>25%</b>	28%	<b>24%</b>	27%
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>7,180</b>	11,924	<b>18,772</b>	28,871
Adjusted EBITDA % <sup>(1)</sup>	<b>14%</b>	19%	<b>12%</b>	16%
<b>Free cash flow <sup>(1)</sup></b>	<b>2,409</b>	6,936	<b>5,196</b>	9,115
<b>Adjusted EBITDA per share, basic and diluted <sup>(1)</sup></b>	<b>0.06</b>	0.11	<b>0.17</b>	0.26
<b>(Loss) earnings per share, basic and diluted</b>	<b>(0.01)</b>	0.02	<b>(0.06)</b>	0.01

### Adjusted EBITDA<sup>(1)</sup> (\$ millions)



(1) See "Non-IFRS Financial Measures"

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### Operational and Financial Highlights

During the third quarter, tariff uncertainties and trade fluctuations persisted, maintaining the external pressures that have been the theme throughout the year. In addition, customer consolidation further curtailed spending while increasing pricing competitiveness for upcoming projects. Despite these challenging conditions, Vertex's Environmental Consulting segment performed strongly, exceeding expectations. This outperformance provided a partial offset to the Environmental Services segment, which continues to be adversely affected by global market volatility.

The Company's commitment to disciplined cost management and operational efficiency played a significant role in mitigating these pressures. Focused efforts to control expenses led to reductions in finance costs and a decrease in overall debt levels. These financial improvements underscore the effectiveness of Vertex's strategies to manage risk and enhance stability in a fluctuating market environment.

#### Third quarter highlights:

- Environmental Consulting net revenue increased by 7% compared to 2024.
- Environmental Consulting adjusted EBITDA<sup>(1)</sup> increased by 14% compared to 2024.
- Finance costs were reduced by 32% year-over-year due to reduced debt levels.
- Reduced loans and borrowings and lease liabilities by \$2.6 million during the quarter.

#### Nine months highlights:

- Environmental Consulting net revenue increased by 6% compared to 2024.
- Environmental Consulting adjusted EBITDA<sup>(1)</sup> increased by 26% compared to 2024.
- G&A expenses were reduced by 9% compared to the same period of 2024.
- Finance costs were reduced by 26% year-over-year due to reduced debt levels.
- Reduced loans and borrowings and lease liabilities by \$8.5million during the nine-month period.
- The Company reduced loans and borrowings, and other liabilities by 25% since December 31, 2022, strengthening its financial position following two major acquisitions.

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### Executive Overview

Vertex is a TSX Venture Exchange publicly traded environmental services company providing industry leading solutions to a diverse range of clients across Canada and within select regions of the United States. Vertex helps its clients achieve their developmental and operational goals through a versatile suite of integrated services. From initial site selection, consultation, and regulatory approval, through the construction, operation and maintenance phases, to conclusion and environmental cleanup, Vertex offers services throughout the life cycle of its clients' projects. The Company services a wide array of high-quality customers operating in numerous industries, and Vertex trades under the symbol "VTX".

The Company has two reportable segments:

#### **Environmental Consulting**

Through Vertex's Environmental Consulting segment, the Company provides a variety of services related to assisting its clients to meet internal environmental standards, environmental legislation, and related environmental compliance requirements. These services span multiple industries including energy, mining,

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(1) See "Non-IFRS Financial Measures"

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utilities, forestry, private development, public infrastructure, telecommunications, and government. More specifically, these services include advisory services related to new capital expenditure and asset development, environmental consulting and monitoring on existing assets, emission management solutions, sub-surface engineering, facility engineering, asset retirement and land reclamation services.

### **Environmental Services**

Through Vertex's Environmental Services segment, the Company provides a variety of services related to transportation, removal, storage, disposal of materials, and maintenance of facilities in an environmentally safe manner. Services include fluid management and logistics, waste and recycling, industrial cleaning and maintenance, hydro-excavating, and site services for various industries including energy, telecommunications, public sector, utilities, mining, and agriculture.

### **Result of Operations**

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
<b>Gross revenue</b>	<b>54,047</b>	62,405	<b>164,709</b>	179,295
Less flow through subcontractor costs	<b>3,607</b>	126	<b>12,917</b>	1,808
<b>Net revenue</b>	<b>50,440</b>	62,279	<b>151,792</b>	177,487
Direct costs	<b>37,658</b>	44,713	<b>116,068</b>	130,054
<b>Profit margin</b>	<b>12,782</b>	17,566	<b>35,724</b>	47,433
General and administrative expenses	<b>5,602</b>	5,642	<b>16,952</b>	18,562
Depreciation and amortization	<b>6,690</b>	6,994	<b>18,571</b>	19,290
Finance costs	<b>1,968</b>	2,894	<b>6,281</b>	8,482
Impairment	-	-	<b>2,707</b>	-
Share-based compensation	<b>18</b>	59	<b>53</b>	178
<b>(Loss) income before income taxes</b>	<b>(1,496)</b>	1,977	<b>(8,840)</b>	921
Income tax (recovery) expense	<b>(326)</b>	464	<b>(2,043)</b>	216
<b>Net (loss) income for the period</b>	<b>(1,170)</b>	1,513	<b>(6,797)</b>	705
<b>Other comprehensive income (loss)</b>				
Foreign currency translation adjustment, net of tax	<b>187</b>	(3)	<b>(315)</b>	(4)
<b>Total comprehensive (loss) income for the period</b>	<b>(983)</b>	1,510	<b>(7,112)</b>	701
<b>Loss per share</b>				
Basic and diluted	<b>(0.01)</b>	0.01	<b>(0.06)</b>	0.01
<b>ADJUSTED EBITDA <sup>(1)</sup></b>				
Environmental Consulting	<b>3,138</b>	2,761	<b>7,054</b>	5,610
Environmental Services	<b>6,095</b>	10,815	<b>17,884</b>	28,370
Corporate	<b>(2,053)</b>	(1,652)	<b>(6,166)</b>	(5,109)
	<b>7,180</b>	11,924	<b>18,772</b>	28,871

(1) See "Non-IFRS Financial Measures"

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### Outlook

Throughout 2025, Vertex has operated in a persistently challenging environment shaped by fluctuating commodity prices, repeated tariff impositions, and subdued activity levels across our operating footprint. These factors have influenced customer investment decisions, resulting in lower operational activity and softer financial performance for the first three quarters.

In response, Vertex has taken deliberate steps to streamline operations, enhance cost efficiency, and focus on cash flow preservation. Actions such as facility consolidation, targeted reductions in capital expenditures, and ongoing debt reduction have strengthened our liquidity position and provided greater flexibility to adapt to evolving market conditions. Management continues to monitor expenditures closely and remains committed to prudent financial stewardship.

Looking ahead, Vertex remains focused on long-term value creation and operational excellence. The Company is actively pursuing strategic adjustments to its corporate framework, with an emphasis on maintaining financial flexibility and readiness to capitalize on opportunities as market conditions improve. While uncertainty persists, management is cautiously optimistic that the steps taken in 2025 will support sustainable growth and improved performance over time.

Vertex's outlook reflects both the realities of the current environment and confidence in the Company's ability to navigate challenges through disciplined execution and strategic agility. The Company will continue to prioritize operational efficiency, risk management, and stakeholder value as it moves forward.

### Results from Operations

#### Gross and net revenue

The following tables sets forth gross and net revenue by reportable operating segments for the following years:

	Three months ended		Nine months ended	
	September 30, 2025	2024	September 30, 2025	2024
Environmental Consulting	<b>16,865</b>	15,133	<b>46,812</b>	44,378
Environmental Services	<b>36,793</b>	47,269	<b>116,961</b>	134,684
Corporate	<b>389</b>	3	<b>936</b>	233
Gross revenue	<b>54,047</b>	62,405	<b>164,709</b>	179,295

(1) See "Non-IFRS Financial Measures"

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	Three months ended		Nine months ended	
	September 30, 2025	2024	September 30, 2025	2024
Environmental Consulting	<b>16,400</b>	15,268	<b>45,647</b>	43,196
Environmental Services	<b>34,317</b>	49,020	<b>107,699</b>	137,892
Corporate	<b>(277)</b>	(2,009)	<b>(1,554)</b>	(3,601)
Net revenue	<b>50,440</b>	62,279	<b>151,792</b>	177,487

Gross revenue for the three and nine-month periods ended September 30, 2025, decreased by \$8.4 million and \$14.6 million respectively.

Environmental Consulting segment experienced increased demand for services which resulted in a \$1.7 million increase in gross revenue for the quarter and a \$2.4 million increase for the nine-month period.

Environmental Services segment experienced lower revenue as customers deferred maintenance projects and delayed contract signings in response to tariff uncertainty, resulting in lower segment volumes.

Net revenue for the three and nine-month periods ended September 30, 2025, decreased by \$11.8 million and \$25.7 million respectively.

The Environmental Consulting segment delivered higher net revenue in both the three-month and nine-month periods ended September 30, 2025. This improvement in performance is attributable to the factors previously outlined, including increased demand for consulting services and effective execution of project mandates.

In contrast, the Environmental Services segment reported decreases in net revenue, with reductions of \$14.7 million and \$30.2 million for the respective three-month and nine-month periods. In addition to the above noted factors, these declines were amplified by the absence of a large turnaround project that was completed in the third quarter of 2024, which contributed substantially to segment results.

Additionally, the segment experienced a shift in project structures during the reporting periods. Certain contracts incorporated increased flow-through subcontractor costs, reflecting changes in customer work scopes. These costs amounted to \$11.5 million in the nine-month period of 2025, compared to none in the comparable period of 2024.

### Profit Margin

	Three months ended		Nine months ended	
	September 30, 2025	2024	September 30, 2025	2024
Profit margin	<b>12,782</b>	17,566	<b>35,724</b>	47,433
Profit margin as a % of net revenue	<b>25.3%</b>	28.2%	<b>23.5%</b>	26.7%

Vertex's profit margins decreased due to revenue shortfalls in Environmental Services, which limited operational efficiencies. Although Environmental Consulting improved over the periods, their gains did not offset the decline in Environmental Services.

(1) See "Non-IFRS Financial Measures"

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### General and Administrative Expenses (G&A)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
G&A	<b>5,602</b>	5,642	<b>16,952</b>	18,562
G&A as a % of net revenue	<b>11.1%</b>	9.1%	<b>11.2%</b>	10.5%

G&A remained constant over the three-month period and decreased \$1.6 million over the nine-month period as management focused on controlling costs. Included in the quarter are non-recurring costs of closing and consolidation of several company locations. G&A as a % of net revenue increased over the two comparable periods because of lower revenue.

### Other Items

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Depreciation and amortization	<b>6,690</b>	6,994	<b>18,571</b>	19,290
Finance costs	<b>1,968</b>	2,894	<b>6,281</b>	8,482
Impairment	-	-	<b>2,707</b>	-
Share-based compensation	<b>18</b>	59	<b>53</b>	178
Total	<b>8,676</b>	9,947	<b>27,612</b>	27,950

In the three and nine-month periods ended September 30, 2025, finance costs decreased by \$0.9 million and \$2.2 million, respectively, which reflects the decreased cost of borrowing along with a lower level of debt relative to the same periods in 2024. During the second quarter management consolidated two operating facilities which resulted in impairment of right of use assets.

### Net (Loss) Income for the Period

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Net (loss) income for the period	<b>(1,170)</b>	1,513	<b>(6,797)</b>	705

The net loss for the quarter increased by \$2.7 million compared to Q3 2024, while the net loss for the nine-month period rose by \$7.5 million relative to the same period last year. This decline is attributable to lower revenue impacting profit margins, one-time non-recurring expenses, and impairment charges recorded in the second quarter.

(1) See "Non-IFRS Financial Measures"

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### Summary of Quarterly Results

Quarters Ended (\$000 except per share amounts)	2024	2025		
	Q4	Q1	Q2	Q3
Gross revenue	52,888	56,502	54,160	54,047
Net revenue	52,480	51,122	50,230	50,440
Net loss	(6,839)	(2,373)	(3,254)	(1,170)
Basic and diluted (loss) per share	(0.06)	(0.02)	(0.03)	(0.01)
Adjusted EBITDA <sup>(1)</sup>	7,018	5,221	6,371	7,180

Quarters Ended (\$000 except per share amounts)	2023	2024		
	Q4	Q1	Q2	Q3
Gross revenue	65,110	59,731	57,159	62,405
Net revenue	61,343	58,509	56,699	62,279
Net (loss) income	(1,324)	(1,371)	563	1,513
Basic and diluted (loss) income per share	(0.01)	(0.01)	0.00	0.02
Adjusted EBITDA <sup>(1)</sup>	7,772	6,900	10,047	11,924

### Liquidity and Capital Management

The following table sets forth the Company's cash flow by activity for the following periods:

	Nine months ended September 30,	
	2025	2024
Cash provided by operating activities	16,628	29,781
Cash used in investing activities	(3,469)	(8,263)
Cash used in financing activities	(17,316)	(18,121)
	(4,157)	3,397

The Company expects to generate sufficient cash flows from operations and continues to access its credit facilities to meet contractual obligations, planned expenditures, and growth initiatives as they are required. At September 30, 2025, the Company has \$18.1 million of available committed operating loans (\$8.6 million) and equipment lease lines (\$9.5 million).

### Cash Provided by Operating Activities

Cash provided by operating activities was \$16.6 million, a decrease of \$13.2 million compared to 2024 as operating results period over period were lower.

(1) See "Non-IFRS Financial Measures"

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#### Cash Used in Investing Activities

Cash used in investing activities was \$3.5 million during the quarter, a decrease of \$4.8 million due to an intentional reduction of capital expenditures compared to 2024.

#### Cash Used in Financing Activities

Cash used in financing activities was \$17.3 million, \$0.8 million lower than 2024, as reductions to interest paid and repurchase of common shares were realized and partially offset by less new loans and borrowings in the period.

#### Adjusted Working Capital<sup>(1)</sup>

	September 30, 2025	December 31, 2024
Current assets	57,740	64,767
Current liabilities (excluding current portion of loans and borrowings, other liabilities, and lease liabilities)	37,493	39,543
Adjusted Working Capital <sup>(1)</sup>	20,247	25,224

Adjusted working capital at September 30, 2025, was \$20.2 million, down from \$25.2 million at the end of Q4 2024 as operating activity is lower for the period ending September 30, 2025.

#### Credit Facilities

	September 30, 2025	December 31, 2024
Revolving and operating loans:		
Committed revolving and operating facilities	45,000	45,000
Drawn on revolving and operating facilities	36,407	29,000
Available revolving and operating facilities	8,593	16,000

Debt as of September 30, 2025, consisted of the items noted in Commitments and Contingencies.

#### Debt Covenants

As of September 30, 2025, the Company complied with the terms and covenants of its Credit Facilities. Certain adjustments, as approved by the syndicate of lenders, are made to Adjusted EBITDA to derive Bank EBITDA, which amounted to \$26.1 million for the trailing twelve months ending September 30, 2025.

#### Commitments and Contingencies

As part of the Company's normal operations, it often enters into contracts, such as leases and purchase contracts, which obligate the Company to make disbursements in the future. Contractual maturities for financial liabilities on an undiscounted basis, including interest and principal at September 30, 2025 are as follows:

(1) See "Non-IFRS Financial Measures"

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Due Within	Accounts payable <sup>(2)</sup>	Loans and borrowings	Convertible debenture	Lease liabilities	Total
One year	36,873	63,851	1,200	8,520	<b>110,444</b>
Two years	-	3,752	15,500	6,599	<b>25,851</b>
Three years	-	2,382	-	5,554	<b>7,936</b>
Four years	-	346	-	3,852	<b>4,198</b>
Five years	-	-	-	1,616	<b>1,616</b>
Thereafter	-	-	-	745	<b>745</b>
	<b>36,873</b>	<b>70,331</b>	<b>16,700</b>	<b>26,886</b>	<b>150,790</b>

(2) Accounts payable includes accrued liabilities and bank indebtedness

The maturity date of the secured syndicate facilities is the earlier of: (a) six months prior to the maturity of the Company's convertible debenture on March 7, 2027, (i.e. September 7, 2026), or (b) May 31, 2027. Given that September 7, 2026, falls within twelve months of the reporting date, the revolving loan and syndicate term loan have been presented as current liabilities.

Management is in discussion with the convertible debenture holder regarding a maturity date extension.

### Legal Claims

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with customers, suppliers and other third parties. Management believes that adequate provisions have been made for potential claims in the Company's accounts. Although it is not possible to estimate the extent of potential costs and losses, if any, management believes, but can provide no assurance, that the ultimate resolution of such contingencies would not have a material adverse effect on the consolidated financial position of the Company.

### Off-Balance Sheet Arrangements

As at September 30, 2025, the Company did not have any off-balance sheet arrangements.

### Capital Expenditures

The Company's net capital expenditures were \$3.5 million in the first nine months of 2025, down \$4.8 million from the same period of 2024. The Company undertakes to retire aging property and equipment and replace them on a systematic basis.

The 2025 net capital expenditures are projected to range between \$4.0 million and \$6.0 million for the year. Maintenance and growth capital expenditures may be revised if there are changes in economic conditions, industry trends, or customer spending plans.

(1) See "Non-IFRS Financial Measures"

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### Credit Risk

The Company's gross and net revenues are from a diverse customer base that includes the energy, telecommunications, public sector, real estate, utility, and mining industries in Canada and certain markets in the United States. The Company believes that there is no unusual exposure associated with the collection of accounts receivable outside of the normal risk associated with contract audits and normal trade terms common in the industry. The Company performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable. For the nine-month period ended September 30, 2025, the Company had one customer that accounted for 11.4% of the consolidated sales (2024 – one customer – 10.9%).

### Outstanding Share Data

As of the date of this MD&A, the Company had 112,026,890 common shares outstanding. As of the same date, the Company had outstanding 3,840,000 stock options to purchase common shares.

### Transactions with Related Parties

All related party transactions are in the normal course of business and are on terms that are similar to those that would be adopted if the parties were dealing at arm's length. Related party transactions include transactions with private companies that are controlled by a director or officer.

Lease liabilities include \$0.4 million (2024 - \$2.9 million) relating to a facility lease (2024 – two facility leases) with an officer of the Company. Principal payments for these unsecured lease liabilities and associated interest accretion for the three-month period ended September 30, 2025, were \$0.1 million (three months ended September 30, 2024 - \$0.2 million) and for the nine-months ended September 30, 2025 were \$0.4 million (nine-months ended September 30, 2024 - \$0.7 million).

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## Critical Accounting Judgments, Estimates and Accounting Policy Developments

### Critical Judgments and Estimates in Applying the Company's Accounting Policies

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the consolidated financial statements, the reported amounts of revenues and expenses during the reporting period, as well as the disclosures of contingent assets and liabilities. Accordingly, actual results could differ from these estimates and judgments.

The Company has:

- continuously refined and documented its management and internal reporting systems to ensure that accurate and timely internal and external information is gathered and disseminated. Management also regularly evaluates these estimates and assumptions, which are based on past experience and other factors that are deemed reasonable under the circumstances; and
- hired employees and consultants who have the skills required to make such estimates and ensure that employees or departments with the most knowledge of the activity are responsible for the estimates. Furthermore, past estimates are reviewed and compared to actual results, and actual results are compared to budgets in order to make more informed decisions on future estimates.

The Company's summary of material accounting policies, estimates and critical judgements are contained in notes 3 & 4 to the Annual Financial Statements.

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(1) See "Non-IFRS Financial Measures"

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### Changes in Accounting Policies

The Company has reviewed new and revised standards and interpretation that have been approved by the IASB. There has been no material impact on the Company's Interim Financial Statements as a result of these amendments.

### Future Accounting Standard Pronouncements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements which will replace IAS 1 Presentation of Financial Statements. The new standard will establish a revised structure for the consolidated statements of comprehensive income and improve comparability across entities and reporting periods. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. The standard will be applied retroactively, with certain transition provisions. The Company is currently evaluating the impact of adopting IFRS 18 on the consolidated financial statements.

### Financial Instruments

The Company considers managing risk as being an integral part of its development and diversification strategies. The Company uses a proactive and rigorous approach for management of the financial risks to which it is exposed.

The Company does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes.

The Company's most significant financial risk exposure and its financial risk management policies are discussed in Note 24 to the Annual Financial Statements.

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### Non-IFRS Financial Measures

This release includes certain terms or performance measures that are not defined under International Financial Reporting Standards ("IFRS"), including "Adjusted EBITDA". The data presented is intended to provide additional information that should not be considered in isolation or as a substitute measure of performance prepared in accordance with IFRS. The non-IFRS measures should be read in conjunction with the Company's financial statements and accompanying notes.

**"Adjusted EBITDA"** is a non-IFRS financial measure which is calculated by adjusting net income (loss) for the sum of income taxes, finance costs including interest accretion on lease liabilities, depreciation of property and equipment and right of use assets, amortization of intangible assets, share-based compensation, restructuring costs and impairment. The Company uses Adjusted EBITDA as an indicator of its principal business activities operational performance prior to consideration of how its activities are financed and the impact of taxation, non-cash depreciation and amortization, restructuring costs and other non-cash expenses such as impairments required under IFRS. Adjusted EBITDA does not have a standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures provided by other companies. Adjusted EBITDA is used by many analysts as an important analytical tool and the management of Vertex believes it is useful for providing readers with additional clarity on Vertex's operational performance. This measure is also considered important by the Company's lenders in determining compliance by the Company with the financial covenants under its lending arrangements.

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(1) See "Non-IFRS Financial Measures"

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	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
<b>Net (loss) income for the period</b>	<b>(1,170)</b>	1,513	<b>(6,797)</b>	705
<b>Add:</b>				
Depreciation and amortization	<b>6,690</b>	6,994	<b>18,571</b>	19,290
Finance costs	<b>1,968</b>	2,894	<b>6,281</b>	8,482
Impairment	-	-	<b>2,707</b>	-
Share-based compensation	<b>18</b>	59	<b>53</b>	178
Income tax (recovery) expense	<b>(326)</b>	464	<b>(2,043)</b>	216
<b>Adjusted EBITDA</b>	<b>7,180</b>	11,924	<b>18,772</b>	28,871

**"Free cash flow"** is a non-IFRS financial measure. The most directly comparable GAAP measure for free cash flow is cash flow from operating activities. A summary of the reconciliation of cash flow from operating activities to free cash flow is set forth in the table below. Management uses the term "free cash flow" for its own performance measure and to provide shareholders and potential investors with a measurement of the Company's efficiency and its ability to generate the cash necessary to fund its future growth expenditures, to repay debt and provide shareholder returns.

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Cash provided by operating activities	<b>5,723</b>	9,700	<b>16,628</b>	29,781
Changes in non-cash operating working capital items	<b>1,666</b>	2,190	<b>2,336</b>	(1,026)
Maintenance capex	<b>(3,541)</b>	(2,297)	<b>(8,754)</b>	(12,390)
Cash interest	<b>(1,353)</b>	(2,224)	<b>(4,458)</b>	(6,357)
Depreciation of right of use assets - real property	<b>(688)</b>	(1,057)	<b>(2,366)</b>	(2,960)
Proceeds from disposal of property and equipment	<b>602</b>	624	<b>1,810</b>	2,067
<b>Free cash flow</b>	<b>2,409</b>	6,936	<b>5,196</b>	9,115

**"Adjusted working capital"** is a non-IFRS financial measure which is calculated by reducing current liabilities by the current portion of loans and borrowings, lease liabilities and other liabilities. Adjusted working capital is used by Vertex to monitor its capital structure, liquidity, and its ability to fund current operations.

(1) See "Non-IFRS Financial Measures"

# Vertex Resource Group Ltd.

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2025, and 2024



	September 30, 2025	December 31, 2024
Current assets	57,740	64,767
Current liabilities, less	106,747	61,417
Current portion of loans and borrowings	(61,739)	(12,096)
Current portion of lease liabilities	(7,515)	(8,778)
Current portion of other liabilities	-	(1,000)
Current liabilities (excluding current portion of loans and borrowings, lease liabilities, and other liabilities)	37,493	39,543
<b>Adjusted working capital</b>	<b>20,247</b>	<b>25,224</b>

**“Adjusted EBITDA per share, basic and diluted”** is a non-financial measure which is calculated by dividing adjusted EBITDA by the weighted average shares outstanding – basic and diluted.

### Forward-Looking Information

This MD&A contains forward-looking statements and information (“forward-looking statements”) within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this MD&A are based on the expectations, estimates and projections of management of Vertex as of the date of this MD&A unless otherwise stated. The use of any of the words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “outlook”, “potential”, “estimated”, “intends”, “continue”, “may”, “will”, “should” and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this MD&A contains forward-looking statements concerning anticipated financial performance; the outlook for 2025; the Company’s ability to grow profitably; sufficiency of working capital; and with respect to Vertex’s ability to meet evolving customer demands.

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Investors are cautioned that forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks associated with the industries in which Vertex operates in general, such as:

- Ability to access sufficient capital from internal and external sources
- Ability to market to new customers
- Ability to obtain equipment in a timely and cost-efficient manner
- Ability to secure work
- Adjustments and cancellations of backlog
- Changes in legislation, including but not limited to tax laws and environmental regulations
- Collection of recognized revenue
- Commodity price, interest rate and exchange rate fluctuations
- Competition, ethics, and reputational risks
- Compliance with environmental laws risks
- Cyber-security risks
- Economy and cyclicalities
- Geopolitical risks
- Global pandemics
- Health, safety and environmental risks
- Industry and inherent project delivery risks
- Insurance risk

(1) See “Non-IFRS Financial Measures”

# Vertex Resource Group Ltd.

## Management's Discussion and Analysis

For the three and nine months ended September 30, 2025, and 2024



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- Joint venture risk
  - Labour matters
  - Litigation risk
  - Loss of key management; ability to hire and retain qualified and capable personnel
  - Maintaining safe worksites
  - Operational risks
  - Potential for non-payment and credit risk and ongoing financing availability
  - Third party credit risk
  - Unforeseen weather conditions
  - Unanticipated shutdowns, work stoppages, and lockouts
  - Volatility of market trading

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the operations or financial results of the parties, and the combined company are included in reports on file with applicable securities regulatory authorities, including but not limited to: Annual Information Form for the year ended December 31, 2024, which may be accessed on Vertex's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as, and to the extent required by applicable securities laws.

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(1) See "Non-IFRS Financial Measures"