

Condensed Consolidated Interim Financial Statements of

## **Vertex Resource Group Ltd.**

June 30, 2025

(Unaudited)

Notice to Reader: As required by National Instrument 51-102, Part 4, subsection 4.3(3)(a), readers are advised that the Company's independent auditors have not performed a review of these condensed consolidated interim financial statements.

# Vertex Resource Group Ltd.

June 30, 2025

## Table of contents

Condensed consolidated interim statements of financial position .....	1
Condensed consolidated interim statements of net (loss) income and comprehensive (loss) income .....	2
Condensed consolidated interim statements of changes in shareholders' equity .....	3
Condensed consolidated interim statements of cash flows.....	4
Notes to the condensed consolidated interim financial statements .....	5-11

# Vertex Resource Group Ltd.

## Condensed consolidated interim statements of financial position

(in thousands of Canadian dollars)

(unaudited)

As at	Notes	June 30, 2025	December 31, 2024
<b>Assets</b>			
Current assets			
Cash		261	11,628
Accounts receivable	3	45,818	44,473
Contract assets		563	84
Inventories		3,902	3,985
Prepaid expenses and deposits		4,381	4,597
		54,925	64,767
Property and equipment		75,001	79,163
Right of use assets	4	30,995	36,265
Intangible assets		5,160	5,834
Goodwill		25,674	25,674
Deferred income taxes		5,980	5,753
		197,735	217,456
<b>Liabilities</b>			
Current liabilities			
Bank indebtedness		-	9,454
Accounts payable and accrued liabilities	5	33,488	29,147
Contract liabilities		697	942
Current portion of loans and borrowings	6, 10	11,240	12,096
Current portion of lease liabilities	10	7,515	8,778
Current portion of other liabilities		333	1,000
		53,273	61,417
Loans and borrowings	10	58,209	58,123
Lease liabilities	10	18,140	22,046
Convertible debenture	10	12,942	12,942
Deferred income taxes		1,265	2,928
		143,829	157,456
<b>Shareholders' Equity</b>			
Common shares		89,543	89,543
Contributed surplus		7,144	7,109
Accumulated other comprehensive loss		(528)	(26)
Deficit		(42,253)	(36,626)
		53,906	60,000
		197,735	217,456

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

# Vertex Resource Group Ltd.

## Condensed consolidated interim statements of net (loss) income and comprehensive (loss) income

(in thousands of Canadian dollars)

(unaudited)

		Three months ended June 30,		Six months ended June 30,	
	Notes	2025	2024	2025	2024
Gross revenue		54,160	57,159	110,662	116,990
Less flow through subcontractor costs		3,930	460	9,310	1,782
<b>Net revenue</b>		<b>50,230</b>	<b>56,699</b>	<b>101,352</b>	<b>115,208</b>
Direct costs <sup>(1)</sup>		38,005	40,178	78,410	85,341
<b>Profit margin</b>		<b>12,225</b>	<b>16,521</b>	<b>22,942</b>	<b>29,867</b>
General and administrative expenses		5,854	6,474	11,350	12,920
Depreciation and amortization		5,824	6,398	11,881	12,296
Finance costs	7	2,065	2,853	4,313	5,588
Impairment	4	2,707	-	2,707	-
Share-based compensation		17	60	35	119
<b>(Loss) income before income taxes</b>		<b>(4,242)</b>	<b>736</b>	<b>(7,344)</b>	<b>(1,056)</b>
Income tax (recovery) expense		(988)	173	(1,717)	(248)
<b>Net (loss) income for the period</b>		<b>(3,254)</b>	<b>563</b>	<b>(5,627)</b>	<b>(808)</b>
<b>Other comprehensive loss</b>					
Foreign currency translation adjustment, net of tax		(502)	-	(502)	(1)
<b>Total comprehensive (loss) income for the period, net of tax</b>		<b>(3,756)</b>	<b>563</b>	<b>(6,129)</b>	<b>(809)</b>
<b>Loss per share</b>					
Basic and diluted	8	(0.03)	0.00	(0.05)	(0.01)

(1) Direct costs do not include depreciation.

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

# Vertex Resource Group Ltd.

## Condensed consolidated interim statements of changes in shareholders' equity

(in thousands of Canadian dollars)

(unaudited)

			Accumulated other comprehensive		Total shareholders'	
	Notes	Common shares	Contributed surplus	income (loss)	Deficit	equity
Balance, as at December 31, 2023		91,514	5,872	13	(30,492)	66,907
Net loss for the period		-	-	-	(808)	(808)
Share-based compensation		-	119	-	-	119
Repurchase of shares		(1,971)	991	-	-	(980)
Foreign currency translation adjustment, net of tax		-	-	(1)	-	(1)
Balance, as at June 30, 2024		89,543	6,982	12	(31,300)	65,237
Balance, as at December 31, 2024		89,543	7,109	(26)	(36,626)	60,000
Net loss for the period		-	-	-	(5,627)	(5,627)
Share-based compensation		-	35	-	-	35
Foreign currency translation adjustment, net of tax		-	-	(502)	-	(502)
<b>Balance, as at June 30, 2025</b>		<b>89,543</b>	<b>7,144</b>	<b>(528)</b>	<b>(42,253)</b>	<b>53,906</b>

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

# Vertex Resource Group Ltd.

## Condensed consolidated interim statements of cash flows

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

(unaudited)

		Three months ended		Six months ended	
		June 30,		June 30,	
	Notes	2025	2024	2025	2024
<b>Operating activities</b>					
Net (loss) income for the period		(3,254)	563	(5,627)	(808)
Adjustments for:					
Depreciation and amortization		5,823	6,397	11,881	12,295
Finance costs	7	2,065	2,853	4,313	5,588
Impairment	4	2,707	-	2,707	-
Gain on disposal of property and equipment		(175)	(101)	(8)	(81)
Income tax expense		(997)	173	(1,726)	(248)
Share-based compensation		17	60	35	119
		6,186	9,945	11,575	16,865
Changes in non-cash operating working capital items	10	(55)	860	(670)	3,216
Cash provided by operating activities		6,131	10,805	10,905	20,081
<b>Investing activities</b>					
Purchase of property and equipment		(2,089)	(5,055)	(3,421)	(8,757)
Proceeds from disposal of property and equipment		393	1,015	1,208	1,443
Changes in non-cash investing working capital items	10	-	413	-	(252)
Cash used in investing activities		(1,696)	(3,627)	(2,213)	(7,566)
<b>Financing activities</b>					
Proceeds from loans and borrowings	10	4,194	6,630	5,194	17,182
Repayments of loans and borrowings	10	(3,351)	(2,931)	(6,061)	(6,707)
Principal payments of lease liabilities	10	(2,822)	(5,524)	(6,212)	(9,761)
Interest paid		(1,470)	(2,125)	(3,105)	(4,133)
Repayments of other liabilities		(339)	(672)	(681)	(1,228)
Financing charges		(81)	(250)	(147)	(250)
Repurchase of common shares		-	(253)	-	(980)
Changes in non-cash financing working capital items	10	239	(797)	525	508
Cash used in financing activities		(3,630)	(5,922)	(10,487)	(5,369)
<b>Effect of foreign currency translation on cash</b>					
		(118)	-	(118)	(1)
Decrease (increase) in cash		687	1,256	(1,913)	7,145
Cash (bank indebtedness) <sup>(1)</sup> , beginning of the period		(426)	3,879	2,174	(2,010)
Cash, end of period		261	5,135	261	5,135

(1) (Bank indebtedness) cash includes bank overdrafts that are repayable on demand and form an integral part of cash management.

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

# Vertex Resource Group Ltd.

## Notes to the condensed consolidated interim financial statements

June 30, 2025

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

---

### 1. Description of business

Vertex Resource Group Ltd. ("the Company") is a publicly listed company on the TSX Venture Exchange ("TSXV") trading under the symbol VTX and maintains its head office in Sherwood Park, Alberta, Canada. The Company provides environmental consulting and support services to a diverse clientele across Canada and in select locations in the United States.

### 2. Basis of preparation

#### a) *Statement of compliance*

The Company prepares its annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34).

The condensed consolidated interim financial statements were approved by the Board of Directors (the "Directors") on August 13, 2025. These condensed consolidated interim financial statements should be read in conjunction with the Company's most recent annual financial statements as the accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those disclosed therein.

#### b) *Significant accounting policies*

These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as the annual audited consolidated financial statements of the Company for the year ended December 31, 2024.

### 3. Accounts receivable

	June 30, 2025	December 31, 2024
Trade accounts receivable	39,596	40,129
Accrued receivables	6,560	4,602
Other receivables	520	521
Less: allowance for expected credit losses	(858)	(779)
	45,818	44,473

### 4. Right of use assets

During the quarter the Company consolidated two leased operating facilities to reduce property costs. An impairment charge of \$2.7 million was recorded in the quarter to reduce the carrying amounts of the right of use assets to their recoverable amounts.

# Vertex Resource Group Ltd.

## Notes to the condensed consolidated interim financial statements

June 30, 2025

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

(unaudited)

### 5. Accounts payable and accrued liabilities

	June 30, 2025	December 31, 2024
Trade accounts payable	25,765	21,112
Employee related accounts payable	3,089	3,083
Accrued liabilities	4,634	4,952
	<b>33,488</b>	<b>29,147</b>

### 6. Loans and borrowings

	June 30, 2025			December 31, 2024		
	Current	Non-current	Total	Current	Non-current	Total
Secured						
Revolving loan	-	31,500	31,500	-	29,000	29,000
Syndicate term loan	4,461	20,397	24,858	4,461	22,627	27,088
Equipment loans	5,117	6,312	11,429	5,245	6,393	11,638
Co-lend term loan	1,354	-	1,354	1,979	-	1,979
Working capital loan	308	-	308	411	103	514
<b>Total borrowings</b>	<b>11,240</b>	<b>58,209</b>	<b>69,449</b>	<b>12,096</b>	<b>58,123</b>	<b>70,219</b>

At June 30, 2025, the Company was in compliance with the terms and covenants of its lending agreements.

#### Principal payments

Scheduled principal payments for the co-lend term loan, subordinate working capital loan, equipment loans, revolving loan and syndicate term loan, assuming they continue until maturity, within the next five years are as follows:

Due Within	Working capital and co-lend term loans	Equipment loans	Revolving loan	Term loan	Total
One year	1,558	4,219	-	4,461	10,238
Two years	104	3,945	31,500	20,397	55,946
Three years	-	2,891	-	-	2,891
Four years	-	374	-	-	374
	<b>1,662</b>	<b>11,429</b>	<b>31,500</b>	<b>24,858</b>	<b>69,449</b>



# Vertex Resource Group Ltd.

## Notes to the condensed consolidated interim financial statements

June 30, 2025

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

### 7. Finance costs

	Three months ended		Six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Interest on loans and borrowings	1,119	1,772	2,505	3,474
Interest accretion on lease liabilities	451	658	952	1,276
Interest on convertible debenture	300	300	600	600
Financing and bank charges	190	105	242	196
Interest accretion on other liabilities	5	18	14	42
	2,065	2,853	4,313	5,588

### 8. Earnings per share

	Three months ended		Six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Numerator:				
Net (loss) income for the period	(3,254)	563	(5,627)	(808)
Denominator:				
Weighted average shares outstanding - basic & diluted	112,026,890	112,048,463	112,026,890	112,944,826
Loss per share - basic and diluted	(0.03)	0.00	(0.05)	(0.01)

In calculating the income per share for the three and six-months period ended June 30, 2025, the Company excluded 3,895,000 options and the impact of the convertible debenture fully converted to common shares of 23,076,923 (three and six-month periods ended June 30, 2024 – 4,065,000 options, 23,076,923 convertible debenture), as the impact was anti-dilutive.

### 9. Related party transactions

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 other private companies that are controlled by a director or officer.

At June 30, 2025, lease liabilities include \$0.5 million (June 30, 2024 - \$3.1 million) of liabilities relating to a facility lease (2024 two facility leases) with an officer of the Company. Principal payments of unsecured lease liabilities and associated interest accretion for the three-month period ended June 30, 2025 were \$0.1 million (three months ended June 30, 2024 - \$0.3 million) and for the six-months ended June 30, 2025 were \$0.3 million (six-months ended June 30, 2024 - \$0.5 million).

# Vertex Resource Group Ltd.

## Notes to the condensed consolidated interim financial statements

June 30, 2025

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

(unaudited)

### 10. Supplemental cash flow information

	Three months ended		Six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
<i>Changes in non-cash working capital:</i>				
Accounts receivable	(4,648)	4,304	(1,345)	12,305
Contract assets	341	37	(479)	(915)
Inventories	(22)	(165)	83	(191)
Prepaid expenses and deposits	228	(683)	216	(1,158)
Accounts payable and accrued liabilities	4,335	(2,398)	1,625	(5,682)
Contract liabilities	(50)	(619)	(245)	(887)
Changes in non-cash working capital	184	476	(145)	3,472
<i>Changes in non-cash working capital items from:</i>				
Operating activities	(55)	860	(670)	3,216
Investing activities	-	413	-	(252)
Financing activities	239	(797)	525	508

The table below reconciles the movement of financial liabilities to cash flows arising from financing activities:

	Convertible debenture	Lease liabilities	Loans and borrowings
As at December 31, 2024	12,942	30,824	70,219
<i>Changes from financing cash flows:</i>			
Proceeds	-	-	5,194
Repayments	-	(6,212)	(6,061)
Interest paid	(600)	-	(2,505)
Total changes from financing cash flows:	(600)	(6,212)	(3,372)
Additions during year	-	91	-
Interest expense/accretion during the year	600	952	2,505
Amortization of deferred debt costs	-	-	97
<b>As at June 30, 2025</b>	<b>12,942</b>	<b>25,655</b>	<b>69,449</b>

# Vertex Resource Group Ltd.

## Notes to the condensed consolidated interim financial statements

June 30, 2025

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

(unaudited)

### 11. Segmented information

The Company has two reportable segments described as Engineering and Environmental Consulting ("Environmental Consulting") and Environmental Services. The accounting policies and practices for each of the segments are the same as those described in Note 2. Segment capital expenditures are the total costs incurred during the year to acquire property and equipment and intangible assets.

- a) Environmental Consulting consists of 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, 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.
- b) Environmental Services consists of a variety of services related to transportation; removal, storage and 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.
- c) The "Corporate" segment is comprised of intersegment eliminations and corporate costs.

	For the three month period ended June 30, 2025				
	Environmental Consulting	Environmental Services	Inter-segment Elimination	Corporate	Total
<b>Profit (loss) before tax</b>	<b>1,153</b>	<b>(2,525)</b>	<b>-</b>	<b>(2,870)</b>	<b>(4,242)</b>
<b>Gross revenue</b>	<b>14,548</b>	<b>39,243</b>	<b>-</b>	<b>369</b>	<b>54,160</b>
Inter-segment revenue	93	1,389	(1,482)	-	-
Less flow through subcontractor costs	(637)	(3,293)	-	-	<b>(3,930)</b>
<b>Net revenue</b>	<b>14,004</b>	<b>37,339</b>	<b>(1,482)</b>	<b>369</b>	<b>50,230</b>
<b>Other items of expenses:</b>	-	-	-	-	-
Depreciation and amortization	612	5,153	-	59	<b>5,824</b>
Impairment	-	2,707	-	-	<b>2,707</b>
Finance costs	261	952	-	852	<b>2,065</b>
<b>Other information</b>					
Expenditures for additions to :					
Property and equipment	24	1,819	-	246	<b>2,089</b>

# Vertex Resource Group Ltd.

## Notes to the condensed consolidated interim financial statements

June 30, 2025

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

(unaudited)

For the three month period ended June 30, 2024					
	Environmental Consulting	Environmental Services	Inter-segment Elimination	Corporate	Total
<b>Profit (loss) before tax</b>	<b>720</b>	<b>2,854</b>	<b>-</b>	<b>(2,838)</b>	<b>736</b>
<b>Gross revenue</b>	<b>12,878</b>	<b>45,506</b>	<b>-</b>	<b>(1,225)</b>	<b>57,159</b>
Inter-segment revenue	353	1,410	(1,763)	-	-
Less flow through subcontractor costs	(460)	-	-	-	(460)
<b>Net revenue</b>	<b>12,771</b>	<b>46,916</b>	<b>(1,763)</b>	<b>(1,225)</b>	<b>56,699</b>
<b>Other items of expenses:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation and amortization	464	5,867	-	67	6,398
Finance costs	105	1,476	-	1,272	2,853
<b>Other information</b>					
Expenditures for additions to :					
Property and equipment	49	4,711	-	21	4,781

For the six month period ended June 30, 2025					
	Environmental Consulting	Environmental Services	Inter-segment Elimination	Corporate	Total
<b>Profit (loss) before tax</b>	<b>2,131</b>	<b>(3,421)</b>	<b>-</b>	<b>(6,054)</b>	<b>(7,344)</b>
<b>Gross revenue</b>	<b>29,947</b>	<b>80,168</b>	<b>-</b>	<b>547</b>	<b>110,662</b>
Inter-segment revenue	162	1,662	(1,824)	-	-
Less flow through subcontractor costs	(862)	(8,448)	-	-	(9,310)
<b>Net revenue</b>	<b>29,247</b>	<b>73,382</b>	<b>(1,824)</b>	<b>547</b>	<b>101,352</b>
<b>Other items of expenses:</b>					
Depreciation and amortization	1,225	10,540	-	116	11,881
Impairment	-	2,707	-	-	2,707
Finance costs	560	1,963	-	1,790	4,313
<b>Other information</b>					
Expenditures for additions to :					
Property and equipment	88	3,065	-	268	3,421

# Vertex Resource Group Ltd.

## Notes to the condensed consolidated interim financial statements

June 30, 2025

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

	For the six month period ended June 30, 2024				
	Environmental Consulting	Environmental Services	Inter-segment Elimination	Corporate	Total
<b>Profit (loss) before tax</b>	1,566	3,665	-	(6,287)	<b>(1,056)</b>
<b>Gross revenue</b>	29,345	87,415	-	230	<b>116,990</b>
Inter-segment revenue	365	1,457	(1,822)	-	-
Less flow through subcontractor costs	(1,782)	-	-	-	<b>(1,782)</b>
<b>Net revenue</b>	27,928	88,872	(1,822)	230	<b>115,208</b>
<b>Other items of expenses:</b>					
Depreciation and amortization	1,101	11,075	-	120	<b>12,296</b>
Finance costs	182	2,815	-	2,591	<b>5,588</b>
<b>Other information</b>					
Expenditures for additions to :					
Property and equipment	109	8,194	-	180	<b>8,483</b>

	Environmental Consulting	Environmental Services	Corporate	Total
<b>As at June 30, 2025</b>				
Goodwill and intangible assets	20,849	9,985	-	<b>30,834</b>
Total assets	52,345	142,218	3,172	<b>197,735</b>
Total liabilities	13,777	68,787	61,265	<b>143,829</b>

<b>As at December 31, 2024</b>				
Goodwill and intangible assets	20,892	10,616	-	31,508
Total assets	57,340	145,812	14,304	217,456
Total liabilities	15,723	68,744	72,989	157,456

	For the three month period ended June 30,		For the six month period ended June 30,	
<b>Gross Revenue</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Canada	<b>49,215</b>	51,694	<b>100,960</b>	106,485
United States	<b>4,945</b>	5,465	<b>9,702</b>	10,505
	<b>54,160</b>	57,159	<b>110,662</b>	116,990

	As at <b>June</b> <b>2025</b>	December <b>2024</b>
<b>Non-current assets</b>		
Canada	<b>132,853</b>	141,475
United States	<b>9,957</b>	11,214
	<b>142,810</b>	152,689