



▶ June Investor Presentation

June 4, 2025

Photo Courtesy of Paula Beck
from Employee Photo Contest

Disclosures

Safe Harbor

Statements contained herein and in the accompanying oral presentation contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may be identified by the use of words such as “intend,” “expect”, and “may”, and other similar expressions that predict or indicate future events or that are not statements of historical matters. Forward-looking statements are based on current information available at the time the statements are made and on management’s reasonable belief or expectations with respect to future events, and are subject to risks and uncertainties, many of which are beyond Montrose Environmental Group, Inc.’s (“Montrose,” “we,” “us” and “our”) control, that could cause actual performance or results to differ materially from the belief or expectations expressed in or suggested by the forward-looking statements. Additional factors or events that could cause actual results to differ may also emerge from time to time, and it is not possible for us to predict all of them. Forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update any forward-looking statement to reflect future events, developments or otherwise, except as may be required by applicable law. Investors are referred to Montrose’s filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2024, for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed in any forward-looking statement.

Included in this presentation and the accompanying oral presentation are certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP") designed to supplement, and not substitute, Montrose's financial information presented in accordance with GAAP. The non-GAAP measures as defined by Montrose may not be comparable to similar non-GAAP measures presented by other companies. The presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that Montrose's future results, cash flows or leverage will be unaffected by other unusual or nonrecurring items. Please see the Appendix to this presentation for how we define these non-GAAP measures, a discussion of why we believe they are useful to investors and certain limitations thereof, reconciliations for historical periods thereof to the most directly comparable GAAP measures and certain matters related to forward-looking non-GAAP information.

The data included in this presentation regarding markets and the industry in which we operate, including the size of certain markets, are based on publicly available information, reports of government agencies, and published industry sources such as Environmental Business International, Inc. (“EBI”). In presenting this information, we have also made certain estimates and assumptions that we believe to be reasonable based on the information referred to above and similar sources, as well as our internal research, calculations and assumptions based on our analysis of such information and our knowledge of, and our experience to date in, our industries and markets. Market share data is subject to change and may be limited by the availability of raw data, the voluntary nature of the data gathering process and other limitations inherent in any statistical survey of market share data. In addition, customer preferences are subject to change. Accordingly, you are cautioned not to place undue reliance on such market share data or any other such estimates. While we believe such information is reliable, we cannot guarantee the accuracy or completeness of this information, and have we independently verified any third-party information and data from our internal research has not been verified by any independent source.

► Overview



Montrose is a Pure-Play Environmental Science & Technology Company

For Planet and Progress – On a Mission to Protect the Air We Breathe, the Water We Drink & the Soil that Feeds Us



MEG
Est. 2012
IPO in 2020



Global market

\$1.6T attractive, growing global environmental-services market
Secular long-term tailwinds



Unique, differentiated integrator

3,400 employees across North America, Europe and Australia
Combine consulting + testing + treatment and proprietary technology
24 patents issued¹



Long-standing & diversified client base

6,300+ clients
96% client revenue retention³
20% FY24 revenue generated outside the U.S.



Proven execution

13% average annual organic growth²
53% FY24 revenue from cross-selling³
200% total growth including M&A³

1) Patent portfolio includes 8 distinct patents that have been approved in numerous countries for a total of 24 patents in the portfolio.

2) Based upon the as-reported organic growth information in the 10k reports issued for 2021, 2022, 2023, and 2024.

3) See the Appendix to this presentation for a discussion of this measure.

4) Calculated total revenue growth from 2019 through 2024.

Investment Highlights



Unique integrator of environmental consulting, testing and treatment science - for planet and for progress



Large TAM and secular tailwinds backed by regulatory and corporate initiatives



Consistently resilient across political and economic cycles with diverse customers and end markets



Differentiated, patent protected technology, processes and software providing significant competitive advantages in a highly fragmented industry



Significant scale with global reach serving repeat client base



Consistent record of strategically and financially accretive acquisitions coupled with strong organic growth



Record of strong financial performance & cash flow generation



Experienced management team coupled with a team-centric culture

Our Integrated Offering Matters to Current and Prospective Clients

Integrated Environmental Solutions Survey

A third party study¹ conducted of over 500 companies indicated that there was significant demand for integrated environmental solutions



81%

...of respondents were unaware or unsure of where to find one



Differentiated by design

Our differentiation lies in our culture, our colleagues, our integrated business model, and our focus on innovation

73%

Of respondents were extremely interested in an integrated solution...

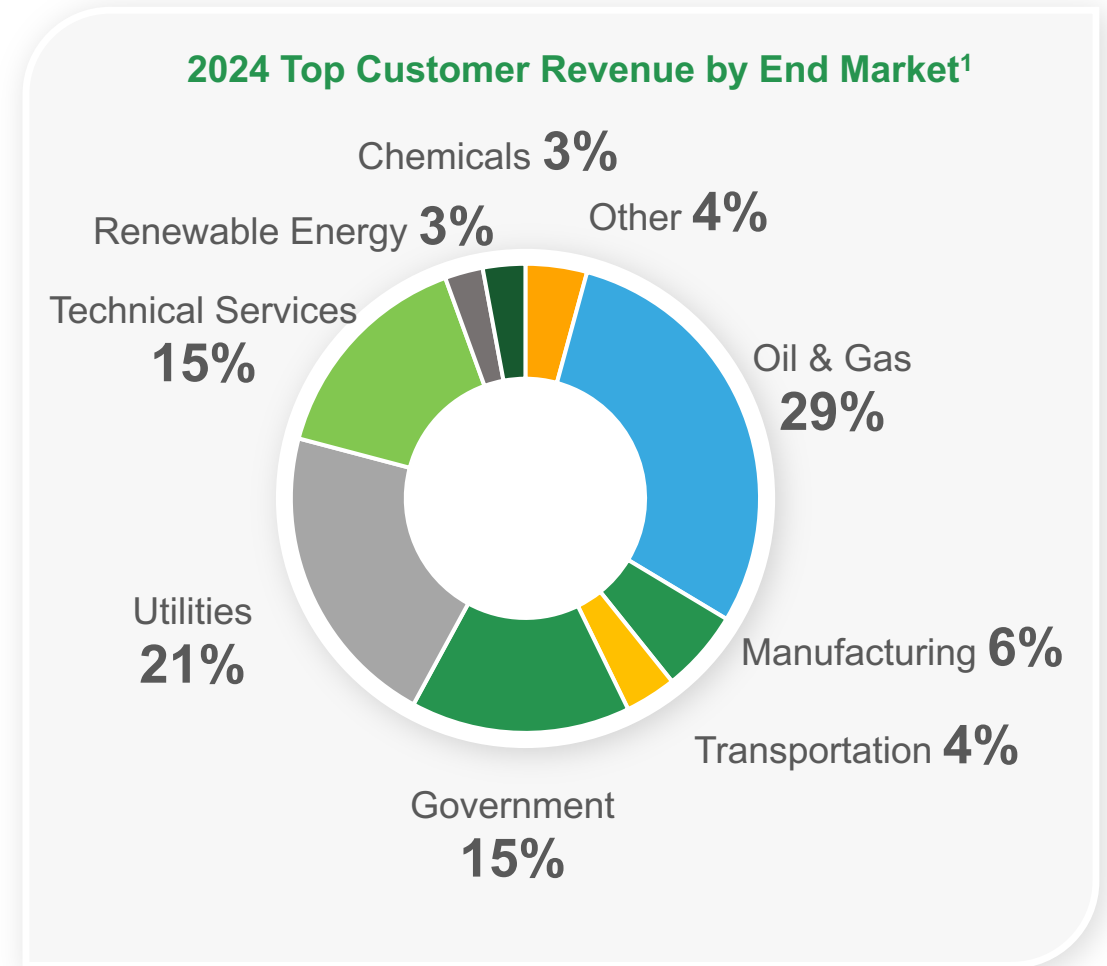
1) Conducted by KS&R Research from January 26 to February 15, 2023, this study surveyed 505 respondents online to assess awareness and associations with Montrose Environmental Group's brands versus competitors. It explored the buying journey for environmental services and solutions, and gauged reactions to an integrated service model concept, focusing on interest and potential usage.

Portfolio of High-Quality Customers Across An Array of End Markets

Expected Drivers of Near-Term Growth

- Trump Administration's energy independence & industrial activity goals > Demand for **consulting and testing** services expected
- Continued infrastructure & defense spending > Demand for **consulting** (permitting & compliance), **testing**, and **treatment** services expected
- Industrial-accident & weather-related disasters increasing > Driving demand for **environmental emergency response** services
- Core U.S. Federal and state regulations > Demand continues for **water treatment and testing** (emissions monitoring) services

Diversified Customer Base & End Markets



1) Represents the top 70% of revenue, excluding 2024 acquisitions.

Differentiated by Technology: Innovation Bolsters Organic Growth and Creates Barrier to Entry

R&D and Innovation Help Address Client Needs and Are Core to Montrose’s Approach

Select Showcase of Existing and Future Technologies Aligned With Long-Term Megatrends

In Process of Commercialization

AFFF Replacement; Nanosorb Selenium Removal

- Patented technology optimizes biological floc for wastewater treatment
- Patented Selenium solutions (applicable to several contaminants)
- Lifecycle solutions for AFFF replacement

Patented and Commercialized

Regenerable Ion Exchange (IX) and Foam Fractionation (FF)

- Technologies are core to addressing high concentration of short & long chain PFAS across industries
- Building / built largest PFAS treatment systems in the world

Backed by Equity Investment

Advanced Contaminant Monitoring and Waste-To-Energy

- Real-time PFAS sensing and analysis for continuous monitoring
- Advanced waste to energy gasification technology (also applicable to industrial waste)

Pilot Phase Showing Compelling Results

Carbon Capture Technology

- 99%+ Carbon dioxide capture and removal from the environment and industrial production processes
- Captures as soda ash which is used to make glass (closed loop process)

■ PFAS & Emerging Contaminant ■ Air Quality & Other

Montrose’s R&D Advantage

Solutions are quickly commercialized with **revenue generated from technology solutions developed internally**

Dedicated unit – 12 PhDs and scientists; 3 labs

Focused expertise maintains the pipeline of patents **(24 granted, additional patents pending)**

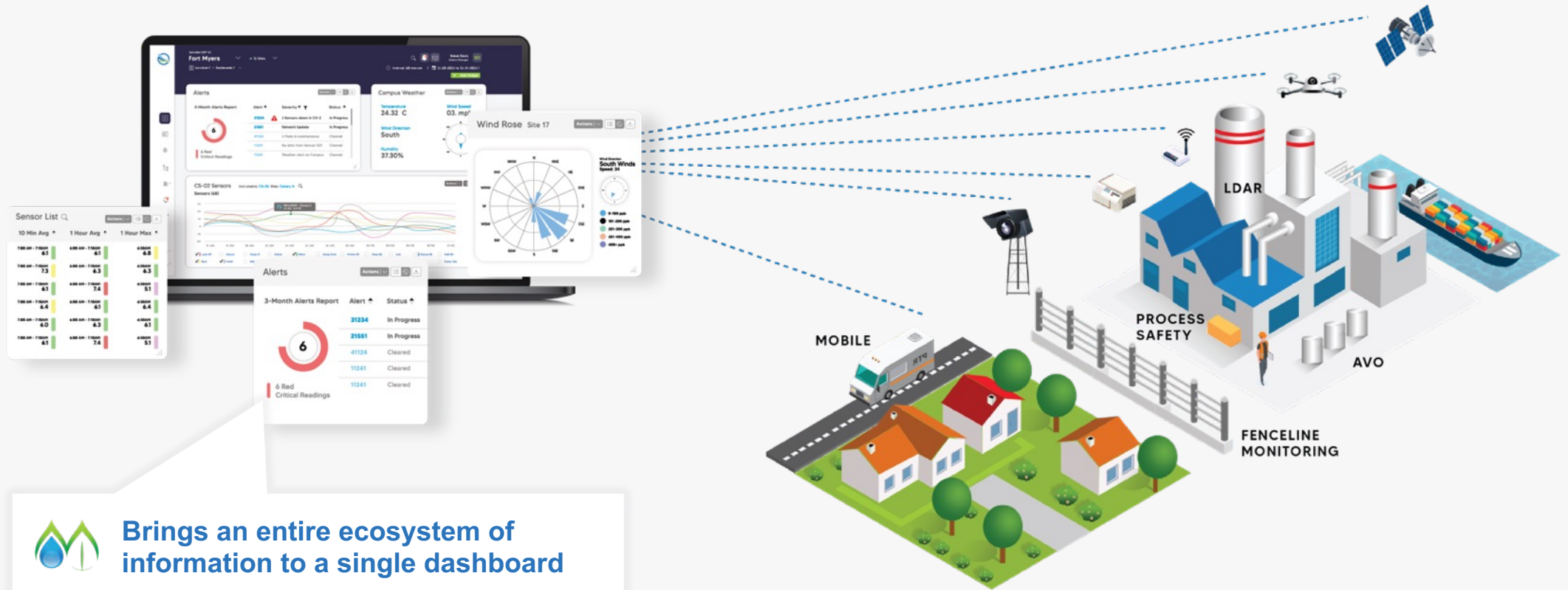
R&D supported by technology partnerships and investments

Differentiated by Technology: Innovation Bolsters Organic Growth and Creates Barrier to Entry

Real-Time Monitoring and Software Innovation Core To Our Future



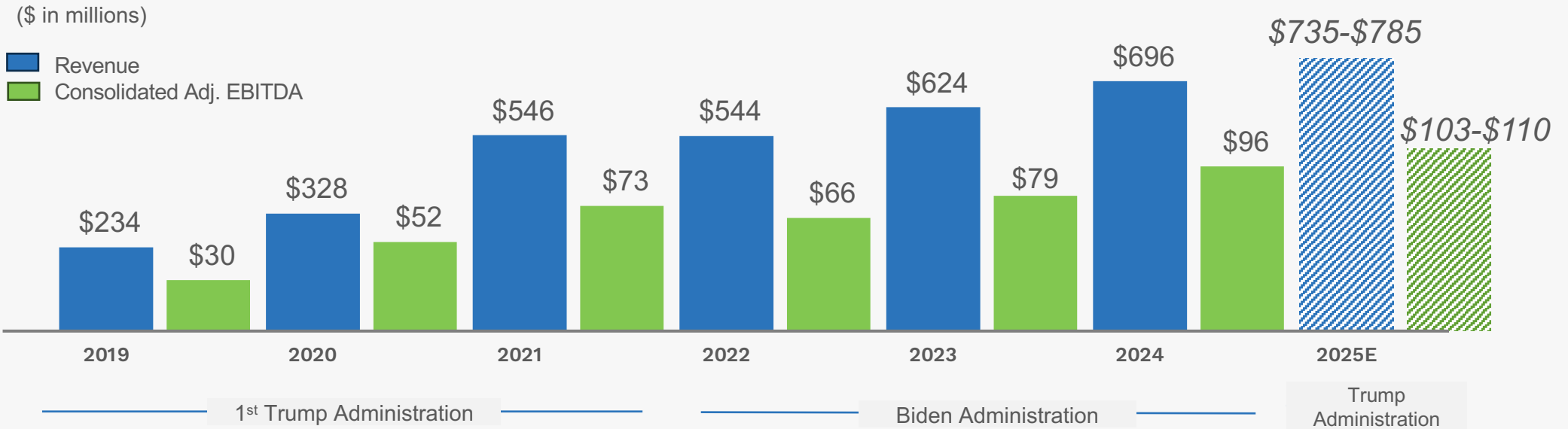
The scale, complexity and regulatory requirements of the environmental contamination challenges today require **real-time monitoring through platform solutions - like Sensible EDP**



Brings an entire ecosystem of information to a single dashboard

Demonstrated Growth and Resiliency During a Decade of Dynamic Change

Significant Growth During Changing Political Landscape



24%
Revenue CAGR¹

25%
Consolidated Adj. EBITDA CAGR¹

1) 2019 – 2024 CAGR. Consolidated Adjusted EBITDA is a non-GAAP measure. See the Appendix to this presentation for a discussion of this measure.

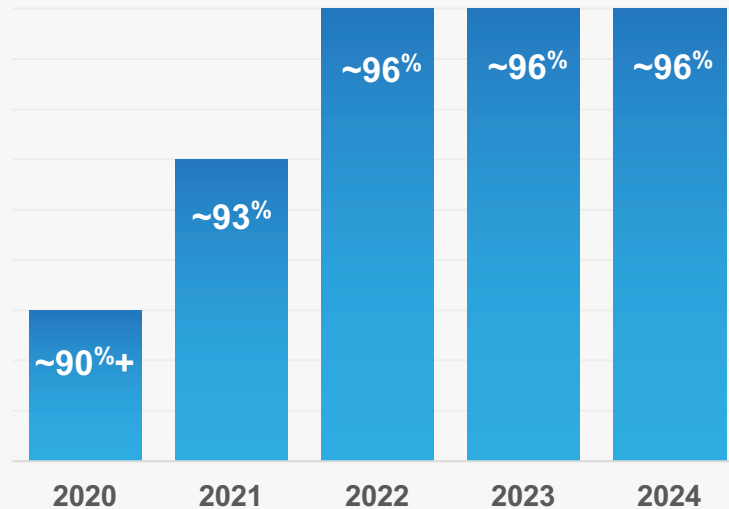
Business Grounded on Recurring Revenue, While Integration Fuels Cross-Selling

Diverse, High-quality Clients Facilitate Scalable Growth Through Cross-selling

Percentage of Recurring Revenue¹ Has Increased Over Time



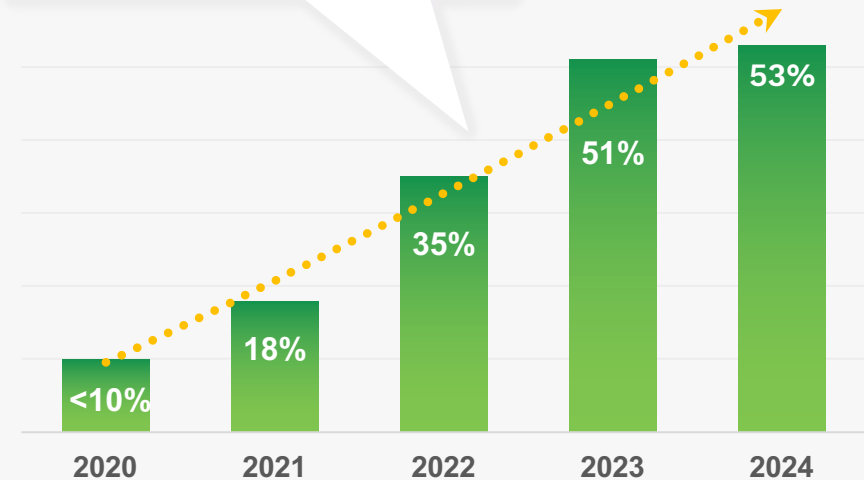
Client Retention¹ Remains Strong



Percentage of revenue from cross-sell² increased, and drove 13% average annual organic growth³...



40+ percentage points in 4 years



1) 2024 revenue includes all customers, excluding acquisitions made in the year. See the Appendix to this presentation for a discussion of recurring revenue.

2) 2024 revenue includes customers in the top 70% of gross revenue, excluding Matrix. See the Appendix to this presentation for a discussion of cross-selling.

3) Based upon the as-reported organic growth information in the 10k reports issued for 2021, 2022, 2023, and 2024.

Increasing 2025 Outlook

Full-year 2025 Guidance Strengthened

Increased Consolidated Adjusted EBITDA¹ range to \$103M to \$110M, from \$101M to \$108M originally announced February 28, 2025

- Expect year-over-year expansion in Consolidated Adjusted EBITDA¹ as a percentage of revenue with operating leverage from solid organic growth and scale

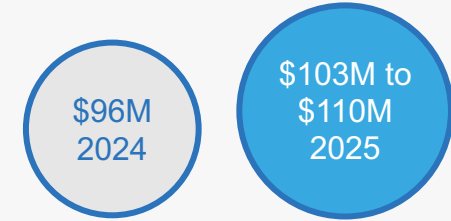
Reaffirmed Revenue range of \$735M to \$785M

- Strong demand outlook as there are more tailwinds than headwinds, particularly for private sector clients
- Reiterated organic growth expectations of 7% to 9% per year
- Reiterated environmental emergency response revenue within \$50M - \$70M expected range

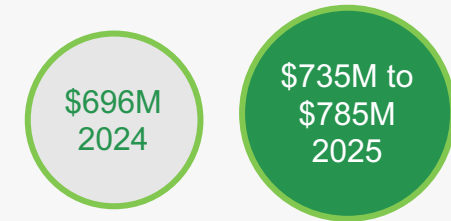
2025 Guidance Commentary

- Anticipated impacts of recent announcements from the US EPA, changes in tariff policy, and broader macroeconomic and geopolitical factors are incorporated, but may be adjusted by future changes in US policy
- Tariffs are not expected to impact Consolidated Adjusted EBITDA¹ as a percentage of revenue meaningfully, as project pricing and/or cost structure are expected to be proactively addressed as needed
- Earnings exposure to currency and interest rate fluctuations is significantly hedged
- With a strong local presence and domestic workforce with unique technical capabilities across all key geographies, the effect of geopolitical dynamics on client relationships has been minimal and is expected to remain so

Consolidated Adjusted EBITDA¹



Revenue



1) Consolidated Adjusted EBITDA is a non-GAAP measure. See the Appendix to this presentation for a discussion of this measure.

Long-Term Commitments

1 Long-Term Capital Allocation Strategy

Near-term priority is redemption of Series A-2 preferred equity and subsequent deleveraging

- Deemphasizing acquisitions in the near term
- Expect to complete \$62M Series A-2 redemption in 2025 with leverage remaining below 3.0x
- Inaugural stock repurchase program announced Q1 2025, up to \$40M

2 Long-Term Growth Algorithm is Unchanged

Expect long-term growth algorithm of 7% to 9% average annual organic growth + revenue and adjusted EBITDA from future acquisitions

- 5-year Outlook: 7% to 9% organic growth is not dependent on outsized revenue growth in methane measurement and treatment technology (primarily PFAS). The anticipated acceleration in PFAS treatment demand over a five-year period would be incremental.

3 Ongoing Focus on Cash Flow

Target conversion of **50%+** Operating Cash Flow¹ as a percentage of Consolidated Adjusted EBITDA¹ on an annual basis in 2025 and beyond

4 Focused on Enhancing Profitability

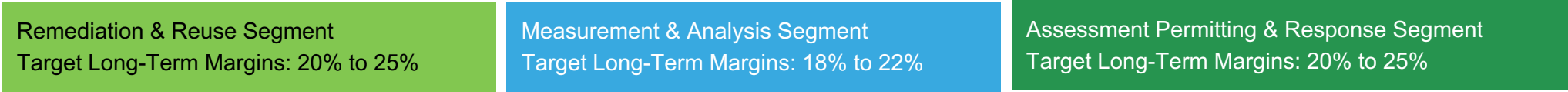
Continued margin improvement driven by:

- Operating leverage driven by organic growth & achieving scale
- Operating efficiency
- Business maturity
- Segment revenue mix

1) Consolidated Adjusted EBITDA is a non-GAAP measure. See the Appendix to this presentation for a discussion of this measure.

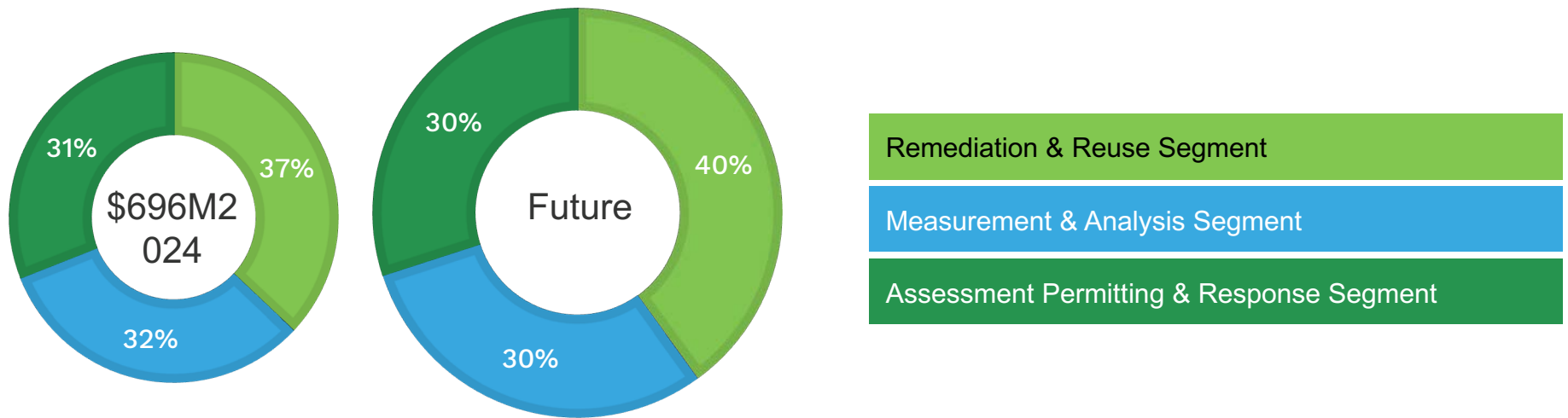
Focus on Enhancing Profitability – Road to Margin Improvement

- 1. Operating Leverage Driven by Organic Growth**—Existing back-office infrastructure supports scale
- 2. Operating Efficiency**—Process optimization and automation to create incremental operating effectiveness
- 3. Business Maturity**—Normalizing to target long-term segment margins, with scale expected to continue benefitting the Remediation & Reuse segment



4. Segment Revenue Mix—

Remediation & Reuse segment expected to $\geq 40\%$ of total Company, due to differentiated IP, largest addressable market, and PFAS tailwinds



Highlights from our 2024 Sustainability Report

Sustainability is Embedded in Every Aspect of Our Work—in the Services We Provide and How We Operate

Our Impact

EMPLOYEE IMPACT

3,400

employees supporting **6,300**
clients globally

ENVIRONMENTAL MONITORING

37,082

methane emission leaks detected
via LDAR

WATER TREATMENT

3.6 billion

gallons of water treated
for PFAS

Our Commitments

NET-ZERO GHG EMISSIONS BY 2040

- Near-term and long-term targets validated by SBTi in February 2025
- Includes 42% reduction of Scope 1, Scope 2, and select Scope 3 GHG emissions by 2030 from 2022 base year

GENDER BALANCE ACROSS OUR WORKFORCE BY 2040

- Cultivating a workforce that reflects the communities in which we work
- Continuing to support gender pay equity

Our Achievements

SOCIAL

- Launched employee engagement survey for data-driven workplace culture insights

GOVERNANCE

- Removal of supermajority voting requirements
- Phased declassification of the Board (2026-2028)

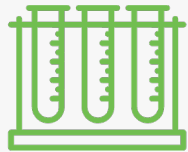
[READ THE FULL REPORT](#)

The Montrose Flywheel: A Landfill Remediation Case Study

Bringing Value to Our Clients Through Integrated Services



It all started with a routine lab test...



Testing & Analysis

Ultra-trace laboratory tests revealed high-levels of air and soil contamination

2023

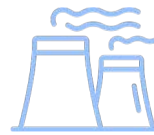


...Strategic expansion of Montrose's services, starting with testing and adding layers of services over time, increasing overall client spend



Exposure & Health Risks

Toxicology and health risk assessment and communication expertise to ensure safety



Air Quality Testing

Air testing teams utilize cutting-edge innovations to determine contaminants from the emission source



Water Treatment Technology

Full range of contaminant treatment products and services including design & engineering of treatment systems



Environmental Assessment & Project Quality Oversight

Environmental Compliance
Contaminant Remediation

2024

2025



Case Study: Sydney Water

Sydney Water is Australia's largest water utility, providing water, wastewater, recycled water and some stormwater services to more than 5.4 million people.

Challenge: Reducing PFAS levels at Cascade Water Filtration Plant

When PFAS were detected in the source raw water supplying to the Cascade Water Filtration Plant (WFP), Sydney Water moved quickly to respond to community concerns. Sydney Water investigated how it could reduce the slightly elevated levels of PFAS detected to ensure it continued to meet the current guidelines, and proposed guidelines expected to be published in 2025.

Impact: A trusted partner

Since going online in January 2025, the new system has treated approximately 6 million liters of water per day. The drinking water supplied to Sydney Water's customers remains safe and meets the current and proposed Australian Drinking Water Guidelines.

Solution: Mobile PFAS treatment system

Sydney Water contacted Montrose, and what started as an introduction became a rapid collaborative effort to design and deliver a mobile PFAS treatment system at Cascade WFP. With an unwavering commitment to respond rapidly, the Montrose team began the design, procurement, and fabrication process for the mobile PFAS treatment system.



Highlights

- 6 million liters of water treated daily by the mobile treatment solution
- Fast contract approval enabling an efficient response
- 24/7 teamwork between U.S. and Australian engineers



Case Study: Next Generation Subway Line

Montrose assessed climate risks and recommend ways to strengthen a new 10-mile subway line against climate change.

Challenge: Climate Resilience from the Start

Today's infrastructure must be ready for tomorrow's challenges. Recognizing this, project leaders prioritized climate risk assessments early in the process—well before construction began. Montrose conducted a full evaluation of climate hazards and vulnerabilities, helping project teams make informed decisions when adaptation is still practical and cost-effective.

Impact: A Model for Future Projects

This year-long collaboration set a new precedent for climate-forward transit planning. By embedding resilience at the foundation of the design process, this project now stands as a model for how infrastructure can be built to last, adapt, and thrive in a changing world.

Solution: Evaluating and Addressing Climate Hazards

Using the ISO 31000-equivalent PIEVC (Public Infrastructure Engineering Vulnerability Committee) framework, Montrose brought a rigorous, standards-based approach to risk evaluation. Importantly, the process involved stakeholders across design, construction, and O&M teams—creating a culture of shared responsibility for long-term resilience.



Highlights

- \$6B in climate-resilient infrastructure assessed across stations, tunnels, and support systems
- 8 climate hazards addressed, including flood risk, heatwaves, and wind events
- 388,000+ daily boardings supported by more efficient, low-emission transit

▶ Scalable
Business
Model
Driving
Growth



Our Integrated Solutions Are Unique

Assessment, Permitting and Response



Identify

- Environmental Assessments
- Environmental Emergency Response
- Toxicology Consulting
- Environmental Audits & Permitting
- NRDA, NEBA and other Advisory Services

KEY CAPABILITIES

Measurement and Analysis



Quantify

- Multi-Media Laboratory Services
- Data Solutions (Sensible EDP)
- Source & Ambient Air Testing
- Leak Detection / OGI

HIGHLIGHTS

200+

Annual responses by premier response brand

25%+

Segment Revenue Growth Rate¹

#8

Ranked among top Environment Management firms²

1,000+

Customer facilities using our methane emissions testing teams & software

2 of 28

Operates 2 of the 28 DOD NELAC accredited PFAS labs³

9

Nine dedicated laboratory locations

Remediation & Reuse



Remediate

- Consulting, Engineering, Design, & Implementation Services
- Water Treatment (e.g., PFAS & Selenium Water Removal)

24

Patents issued for proprietary innovations

+

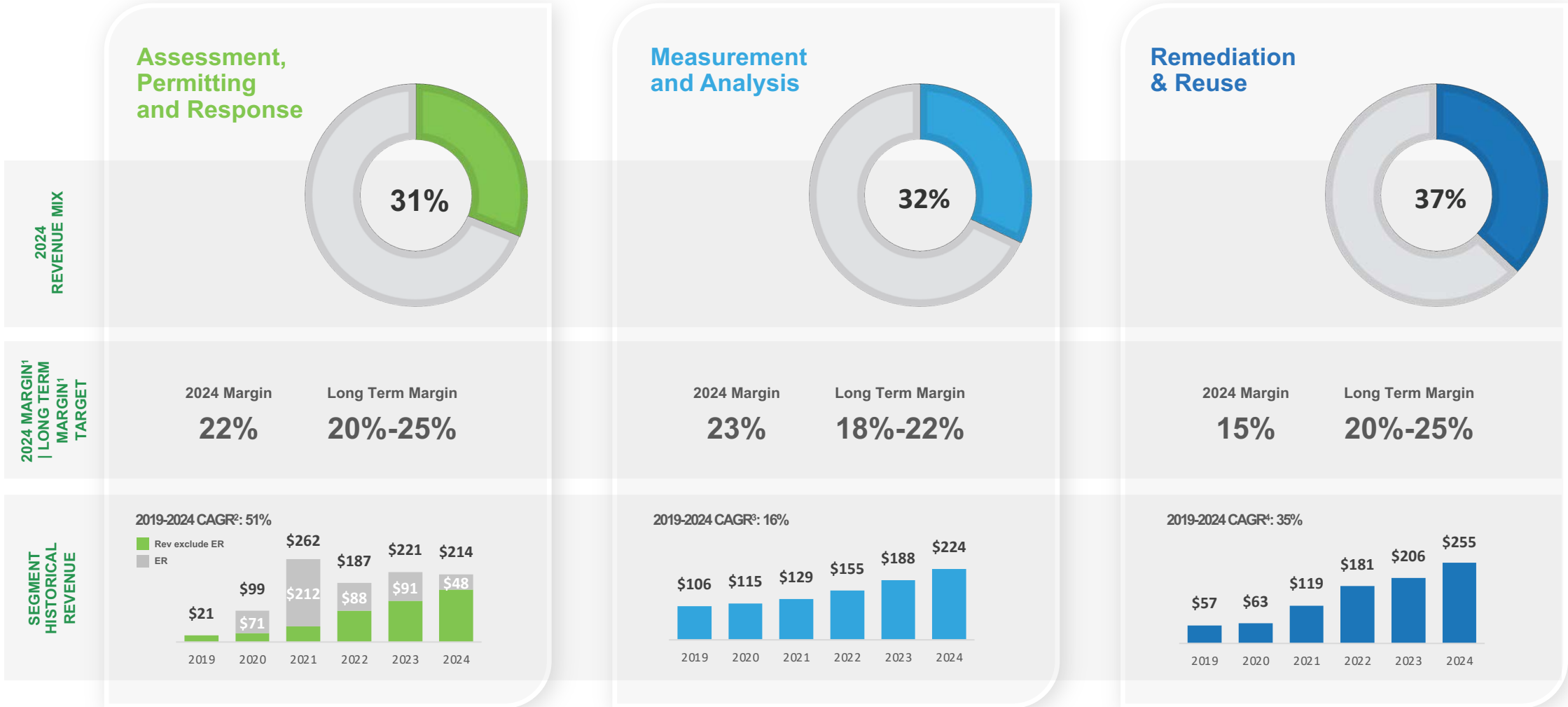
Ongoing patent submissions

\$400B+

Total addressable market⁴

1) Segment CAGR from 2020 to 2024, excluding environmental emergency response revenue of \$71M in 2020, \$212M in 2021, \$88M in 2022 \$91M in 2023, and \$48M in 2024.
 2) ENR The Top 200 Environmental Firms
 3) "Accredited Labs," Defense Environmental Network & Information Exchange, accessed March 4, 2024, <https://www.denix.osd.mil/edqw/accreditation/accreditedlabs/>
 4) 2021 EBJ Environmental Services data set

Segment Overview – Increasing Revenue, Reporting Strong Margins



1) Operating Segment Adjusted EBITDA margin
 2) Reflects revenue excluding environmental emergency response revenue of zero in 2019, \$71M in 2020, \$212M in 2021, \$88M in 2022, \$91M in 2023, and \$48M in 2024.
 3) Measurement & Analysis excludes discontinued services revenues of \$29.4M in 2019, \$36.8M in 2020, \$23.9M in 2021, \$17.0M in 2022, \$8.8M in 2023, and zero in 2024.
 4) Remediation & Reuse excludes discontinued services revenues of \$20.3M in 2019, \$14.7M in 2020, \$12.1M in 2021, \$3.6M in 2022, zero in 2023, and zero in 2024.

Significant, Sustained Tailwinds

Water Treatment Technology

Full range of PFAS treatment products and services including design & engineering of treatment systems

Air Quality Testing

Montrose's air testing teams utilize the cutting-edge innovations to determine PFAS from any emission source

Environmental Assessment & Project Quality Oversight

Multi-disciplinary PFAS investigation and sampling program; data defensibility and lab audits

Exposure & Health Risks

Toxicology & health risk assessment and communication expertise to ensure safety



We offer a unique suite of PFAS capabilities that can be integrated or provided a la carte, based on client needs

Testing & Analysis

Ultra-trace laboratory tests for 70+ PFAS compounds, both legacy compounds (such as PFOS/ PFOA) and newer “GenX” compounds

Environmental Compliance

Compliance and Regulatory advisory, including MCLs, NPDES permitting and potentially RCRA / CERCLA

Remediation Including Aqueous Film Forming Foam (AFFF) Solutions

Design, implementation and maintenance of PFAS remediation systems for Govt. and Industrial customers, including AFFF solutions for the DOD

1) Environmental Business Journal, Volume XXXVII, Numbers 5/6, 2024, TAM over next 20-30 years

▶ Q&A



Photo Courtesy of Todd O'Brien
from Employee Photo Contest

► Appendix



Photo Courtesy of Gerron Meahl
from Employee Photo Contest

Non-GAAP Financial Information

In addition to our results under GAAP, in this presentation we also present certain other supplemental financial measures of financial performance that are not required by, or presented in accordance with, GAAP, including, Consolidated Adjusted EBITDA, Consolidated Adjusted EBITDA margin, Adjusted Net Income and Diluted Adjusted Net Income per Share. We calculate Consolidated Adjusted EBITDA as net income (loss) before interest expense, income tax expense (benefit) and depreciation and amortization, adjusted for the impact of certain other items, including stock-based compensation expense and acquisition-related costs, as set forth in greater detail in this Appendix. We calculate Consolidated Adjusted EBITDA margin as Consolidated Adjusted EBITDA divided by revenue. We calculate Adjusted Net Income as net income (loss) before amortization of intangible assets, stock-based compensation expense, fair value changes to financial instruments and contingent earnouts, and other gain or losses, as set forth in greater detail in this Appendix. Diluted Adjusted Net Income per Share represents Adjusted Net Income attributable to stockholders divided by the fully diluted number of shares of common stock outstanding during the applicable period.

Consolidated Adjusted EBITDA is one of the primary metrics used by management to evaluate our financial performance and compare it to that of our peers, evaluate the effectiveness of our business strategies, make budgeting and capital allocation decisions and in connection with our executive incentive compensation. Adjusted Net Income and Diluted Adjusted Net Income per Share are useful metrics to evaluate ongoing business performance after interest and tax. These measures are also frequently used by analysts, investors and other interested parties to evaluate companies in our industry. Further, we believe they are helpful in highlighting trends in our operating results because they allow for more consistent comparisons of financial performance between periods by excluding gains and losses that are non-operational in nature or outside the control of management, and, in the case of Consolidated Adjusted EBITDA, by excluding items that may differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate and capital investments.

These non-GAAP measures do, however, have certain limitations and should not be considered as an alternative to net income (loss), earnings (loss) per share or any other performance measure derived in accordance with GAAP. Our presentation of Consolidated Adjusted EBITDA, Adjusted Net Income and Diluted Adjusted Net Income per Share should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items for which we may make adjustments. In addition, Consolidated Adjusted EBITDA, Adjusted Net Income and Diluted Adjusted Net Income per Share may not be comparable to similarly titled measures used by other companies in our industry or across different industries, and other companies may not present these or similar measures. Management compensates for these limitations by using these measures as supplemental financial metrics and in conjunction with our results prepared in accordance with GAAP. We encourage investors and others to review our financial information in its entirety, not to rely on any single measure and to view Consolidated Adjusted EBITDA, Adjusted Net Income and Diluted Adjusted Net Income per Share in conjunction with the related GAAP measures.

Additionally, we have provided estimates regarding Consolidated Adjusted EBITDA for 2025. These projections account for estimates of revenue, operating margins and corporate and other costs. However, we cannot reconcile our projection of Consolidated Adjusted EBITDA to net income (loss), the most directly comparable GAAP measure, without unreasonable efforts because of the unpredictable or unknown nature of certain significant items excluded from Consolidated Adjusted EBITDA and the resulting difficulty in quantifying the amounts thereof that are necessary to estimate net income (loss). Specifically, we are unable to estimate for the future impact of certain items, including income tax (expense) benefit, stock-based compensation expense, fair value changes and the accounting for the Series A-2 preferred stock. We expect the variability of these items could have a significant impact on our reported GAAP financial results.

Non-GAAP Financial Information (Continued)

This presentation also includes Adjusted Operating Cash Flow, a non-GAAP measure which represents cash flow provided by (used in) operating activities less amounts paid for acquisition-related contingent consideration. Payments for acquisition-related consideration are not part of the Company's day-to-day operations and management uses this measure to assess the Company's operating cash flow without the impact of these unique, non-operational payments. This measure does, however, have certain limitations as the excluded acquisition-related payments are typically paid in cash and, as a result, impact the Company's liquidity as a whole, and should therefore not be considered as an alternative to or in isolation from cash flow provided by (used in) operating activities or any other liquidity measure calculated in accordance with GAAP. Other companies, including other companies in our industry, may not use this measure in the same way or we may calculate it differently than as presented herein.

In this presentation we also reference our organic growth. We define organic growth as the change in revenues excluding revenues from i) our environmental emergency response business, ii) acquisitions for the first twelve months following the date of acquisition, and iii) businesses held for sale, disposed of or discontinued. Management uses organic growth as one of the means by which it assesses our results of operations. Organic growth is not, however, a measure of revenue growth calculated in accordance with U.S. generally accepted accounting principles, or GAAP, and should be considered in conjunction with revenue growth calculated in accordance with GAAP. We have grown organically over the long term and expect to continue to do so.

In a given reporting period, when we refer to revenue changes driven by acquisitions, we are referring to the revenue contribution from any acquisition from its closing date through the first 12 months of that acquisition, at which point any subsequent contribution therefrom would be organic.

Customer revenue retention defined as the percentage of revenue excluding environmental emergency response revenue from customers in one year that recurred in the following year (for example, revenue that occurred in 2023 that recurred in 2024). Emergency environmental response revenue is excluded from the calculation in light of episodic nature of emergency response work.

Cross-selling activity defined as the percentage of total revenue from customers purchasing two or more Montrose services within the same fiscal year.

Montrose Environmental Group, Inc.

Reconciliation of Net Income to Consolidated Adjusted EBITDA

	For the year ended December 31,					
	2024	2023	2022 ^(a)	2021 ^(a)	2020 ^(a)	2019 ^(a)
Net loss	\$ (28,225)	\$ (30,859)	\$ (31,819)	\$ (25,325)	\$ (57,949)	\$ (23,557)
Interest expense	4,442	7,793	5,239	11,615	13,819	6,755
Income tax expense (benefit)	3,516	(980)	2,250	1,709	851	(3,121)
Depreciation and amortization	15,357	45,780	47,479	44,810	37,274	27,705
EBITDA	\$ (4,910)	\$ 21,734	\$ 23,149	\$ 32,809	\$ (6,005)	\$ 7,782
Stock-based compensation ⁽¹⁾	29,799	47,267	43,290	10,321	4,849	4,345
Acquisition costs ⁽²⁾	1,456	6,930	1,891	2,088	4,344	3,474
Fair value changes in financial instruments ⁽³⁾	(1,727)	(4,129)	(3,396)	2,195	20,319	11,160
Expenses related to financing transactions ⁽⁴⁾	37	35	7	50	378	—
Fair value changes in business acquisition contingencies ⁽⁵⁾	149	84	(3,227)	24,372	12,942	1,392
Short term purchase accounting fair value adjustment to deferred revenue ⁽⁶⁾					243	858
Public offering expense ⁽⁷⁾					7,657	610
Discontinued Specialty Lab ⁽⁸⁾	—	6,112	—	—	5,662	577
Other (gains) losses and expenses ⁽⁹⁾	2,436	543	4,459	1,400	1,905	—
Consolidated Adjusted EBITDA	\$ 27,240	\$ 78,576	\$ 66,173	\$ 73,235	\$ 52,294	\$ 30,198

(a) Prior period amounts have been recalculated from amounts originally disclosed using the current methodology.

- 1) Represents non-cash stock-based compensation expenses related to (i) option awards issued to employees, (ii) restricted stock grants issued to directors and selected employees, (iii) and stock appreciation rights grants issued to selected employees.
- 2) Includes financial and tax diligence, consulting, legal, valuation, accounting and travel costs and acquisition-related incentives related to our acquisition activity.
- 3) Amounts relate to the change in fair value of the interest rate swap instrument and the embedded derivative attached to the Series A-2 Preferred Stock.
- 4) Amounts represent non-capitalizable expenses associated with refinancing and amending our debt facilities.
- 5) Reflects the difference between the expected settlement value of business acquisition contingencies at the time of the closing of acquisitions and the expected (or actual) value of these contingencies at the end of the relevant period.
- 6) Purchase accounting fair value adjustment to deferred revenue represents the impact of the fair value adjustment to the carrying value of deferred revenue as of the date of acquisition of ECT2.
- 7) Represents expenses incurred by us to prepare for our initial public offering, costs from IPO-related bonuses, and costs related to the November 2020 secondary public offering.
- 8) Amounts consist of operating losses before depreciation related to the Discontinued Specialty Lab.
- 9) Amounts in 2024 are primarily comprised of third-party expenses associated with the independent review and analysis of assertions in a short seller report regarding the Company, non-recurring costs to centralize certain back-office functions, and lease abandonment costs. Amount in 2023 consists of costs associated with an aviation loss. In 2022, amounts include costs associated with the exiting of the legacy water treatment and biogas operations and maintenance contracts and the Company's start-up lab in Berkeley, California, as well as an impairment charge for certain operating lease right-of-use assets and severance costs related to the restructuring within the Company's soil remediation business. In 2021, amounts include non-operational charges incurred due to the remeasurement of finance leases as a result of the adoption of ASC 842 and costs related to the implementation of a new ERP. In 2020 and 2019, amounts represent loss from the Discontinued Service Lines and the Berkeley Lab.