BADGER INFRASTRUCTURE SOLUTIONS LTD.

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited)

($ U.S. thousands)	Note	**June 30, 2025**	December 31, 2024
ASSETS			
Current Assets			
Cash		**6,472**	14,617
Trade and other receivables	6	**186,373**	166,086
Prepaid expenses		**16,569**	8,506
Inventories		**13,063**	11,704
Income taxes receivable		**—**	4,858
Derivative financial instruments		**7,228**	514
		229,705	206,285
Non-current Assets			
Property, plant and equipment	7	**416,226**	387,956
Right-of-use assets	8	**50,540**	49,709
Derivative financial instruments		**1,219**	—
Intangible assets		**23,797**	24,340
Goodwill		**1,189**	1,127
Total Assets		**722,676**	669,417
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade and other payables		**97,334**	103,225
Lease liability	9	**19,678**	18,198
Share-based compensation liability	11	**22,641**	18,834
Income taxes payable		**2,563**	—
Dividends payable		**4,637**	4,284
		146,853	144,541
Non-current Liabilities			
Lease liability	9	**31,904**	32,053
Derivative financial instruments		**—**	670
Share-based compensation liability	11	**6,343**	7,931
Long term debt	10	**213,780**	170,026
Deferred tax liability		**56,394**	55,996
Total Liabilities		**455,274**	411,217
Shareholders' Equity			
Shareholders' capital		**65,779**	65,840
Contributed surplus		**422**	422
Accumulated other comprehensive loss		**(6,516)**	(4,770)
Retained earnings		**207,717**	196,708
Total Shareholders' Equity		**267,402**	258,200
Total Liabilities and Shareholders' Equity		**722,676**	669,417

See accompanying notes to the unaudited interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited)

($ U.S. thousands, except per share amounts)	Note	Three months ended June 30, **2025**	2024	Six months ended June 30, **2025**	2024
Revenue	13	**208,206**	186,838	**380,839**	348,400
Direct costs		**144,646**	132,219	**273,230**	253,753
Gross profit		**63,560**	54,619	**107,609**	94,647
Depreciation and amortization		**21,721**	19,478	**41,994**	38,493
General and administrative		**10,842**	9,987	**21,099**	20,836
Share-based compensation expense (recovery)		**9,218**	(1,910)	**15,732**	10,339
Operating income		**21,779**	27,064	**28,784**	24,979
Gain on sale of property, plant and equipment and right of use assets		**(82)**	(538)	**(553)**	(1,200)
(Gain) loss on derivatives		**(6,633)**	7,345	**(8,665)**	(6)
Finance cost	14	**4,116**	3,691	**7,623**	7,297
Foreign exchange loss (gain)		**12**	15	**126**	(5)
Earnings before income tax		**24,366**	16,551	**30,253**	18,893
Current income tax expense		**7,466**	5,026	**8,377**	6,083
Deferred income tax (recovery) expense		**(1,603)**	(385)	**118**	(879)
Income tax expense		**5,863**	4,641	**8,495**	5,204
Net earnings		**18,503**	11,910	**21,758**	13,689
Other comprehensive (loss) income:					
Foreign exchange differences on translation of foreign operations		**(1,647)**	74	**(1,746)**	(156)
Other comprehensive (loss) income		**(1,647)**	74	**(1,746)**	(156)
Comprehensive income		**16,856**	11,984	**20,012**	13,533
Weighted average number of shares - basic and diluted		**33,769,487**	34,473,438	**33,914,172**	34,473,438
Net earnings per share - basic and diluted		**$ 0.55**	$ 0.35	**$ 0.64**	$ 0.40

See accompanying notes to the unaudited interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited)

($ U.S. thousands)	Shareholders' capital	Contributed surplus	Accumulated other comprehensive loss	Retained earnings	Total equity
At January 1, 2024	66,950	422	(5,767)	183,389	244,994
Net earnings	—	—	—	13,689	13,689
Other comprehensive loss	—	—	(156)	—	(156)
Dividends	—	—	—	(9,112)	(9,112)
At June 30, 2024	66,950	422	(5,923)	187,966	249,415
At January 1, 2025	65,840	422	(4,770)	196,708	258,200
Net earnings	—	—	—	21,758	21,758
Other comprehensive loss	—	—	(1,746)	—	(1,746)
Dividends	—	—	—	(9,220)	(9,220)
Shares repurchased and cancelled under normal-course issuer bid	(61)	—	—	(1,529)	(1,590)
At June 30, 2025	**65,779**	**422**	**(6,516)**	**207,717**	**267,402**

See accompanying notes to the unaudited interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

($ U.S. thousands)	Note	Three months ended **2025**	2024	Six months ended June **2025**	2024
OPERATING ACTIVITIES					
Net earnings		**18,503**	11,910	**21,758**	13,689
Items not affecting cash and cash equivalents:					
Depreciation and amortization		**21,721**	19,478	**41,994**	38,493
Share-based compensation expense (recovery)		**9,218**	(1,910)	**15,732**	10,339
Gain on sale of property, plant and equipment and right of use assets		**(82)**	(538)	**(553)**	(1,200)
(Gain) loss on derivatives		**(6,633)**	7,345	**(8,665)**	(6)
Finance cost		**4,116**	3,691	**7,623**	7,297
Income tax expense		**5,863**	4,641	**8,495**	5,204
Unrealized foreign exchange loss (gain)		**39**	1	**40**	(2)
Cash flow from operating activities before working capital and other adjustments		**52,745**	44,618	**86,424**	73,814
Change in non-cash working capital	15	**(6,422)**	(7,318)	**(18,578)**	(19,238)
Income taxes paid		**(209)**	(659)	**(1,024)**	(894)
Income taxes recovered		**—**	96	**61**	308
Financial instruments received		**409**	2,260	**239**	1,985
Share-based compensation paid		**(3,049)**	(2,208)	**(14,942)**	(10,476)
Cash provided by operating activities		**43,474**	36,789	**52,180**	45,499
INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(29,626)**	(29,121)	**(55,238)**	(59,152)
Proceeds from sale of property, plant and equipment		**641**	196	**1,677**	1,230
Proceeds from disposal of right of use assets		**34**	744	**62**	1,073
Additions to intangible asset		**(807)**	(804)	**(923)**	(1,340)
Change in non-cash working capital	15	**(185)**	(2,519)	**(247)**	(2,804)
Cash used in investing activities		**(29,943)**	(31,504)	**(54,669)**	(60,993)
FINANCING ACTIVITIES					
Borrowings under credit facility		**57,107**	130,312	**110,457**	191,393
Repayments of credit facility		**(46,776)**	(130,332)	**(77,235)**	(158,678)
Repurchase of common shares		**(5,023)**	—	**(12,744)**	—
Interest paid		**(3,296)**	(3,444)	**(6,249)**	(6,356)
Interest paid on lease liabilities		**(565)**	(463)	**(1,108)**	(864)
Payment of lease liabilities	9	**(5,041)**	(4,546)	**(9,903)**	(8,803)
Dividends paid		**(4,584)**	(4,614)	**(8,873)**	(9,057)
Cash (used in) provided by financing activities		**(8,178)**	(13,087)	**(5,655)**	7,635
Effect of foreign exchange rate changes on cash		**(2)**	19	**(1)**	(24)
Change in cash		**5,351**	(7,783)	**(8,145)**	(7,883)
Cash, beginning of period		**1,121**	8,413	**14,617**	8,513
Cash, end of period		**6,472**	630	**6,472**	630

See accompanying notes to the unaudited interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in thousands of U.S. dollars, except per share amounts or as otherwise stated)

1 INCORPORATION AND OPERATIONS

Badger Infrastructure Solutions Ltd. and its subsidiaries (together "Badger" or the "Company") provide non-destructive excavating services to utilities, industrial, construction, transportation and other industries in Canada and the United States ("U.S."). Badger is a publicly traded company listed on the Toronto Stock Exchange (TSX: BDGI). The head office of Badger is located at Suite 3100, 525-8th Avenue SW, Calgary, Alberta T2P 1G1. The registered office of Badger is located at c/o CAS Corporate Governance Services Inc., 600, 815-8th Avenue SW, Calgary, Alberta T2P 3P2.

The unaudited interim condensed consolidated financial statements of the Company for the three and six months ended June 30, 2025 and June 30, 2024 were authorized for issue in accordance with a resolution of the Board of Directors ("Board") on July 30, 2025.

2 BASIS OF PREPARATION

Statement of compliance
These unaudited interim condensed consolidated financial statements of the Company are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB®") and in accordance with Internation Accounting Standard ("IAS") 34 – *Interim Financial Reporting* and accordingly, do not include all the disclosures included in the Company's annual consolidated financial statements for the year ended December 31, 2024. These unaudited interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements.

Basis of measurement
These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis except for share-based compensation transactions and financial derivatives measured at fair market value. Historical cost is generally based on the fair value consideration given in exchange for goods and services at the time of the transaction.

Functional and presentation currency
These unaudited interim condensed consolidated financial statements are presented in U.S. dollars. The functional currency of the Canadian operations is in Canadian dollars and the U.S. operations functional currency is in U.S. dollars.

Segment reporting
During the quarter ended March 31, 2025, the Company revised its internal reporting structure to better align with its strategic priorities. Effective January 31, 2025, the Company's Chief Operating Decision Maker ("CODM") changed the way he makes decisions about resource allocation and performance assessment. For internal management reporting, the CODM now reviews financial results based on consolidated results, driving a change in the Company's operating segments. As a result of this change, the Company concluded that it has one reportable segment, being Consolidated Badger, combining the previously reported U.S., Canada and Corporate segments together. As a result of our reporting changes, prior periods have been restated for comparative purposes.

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these unaudited interim condensed consolidated financial statements in conformity with IFRS® Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the unaudited interim condensed consolidated financial statements and reported amounts of revenues, expenses, gains and losses during the reporting period. These judgements, estimates and assumptions are the same as those set out in the annual audited consolidated financial statements for the year ended December 31, 2024.

Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4 STANDARDS ADOPTED AND RECENTLY ANNOUNCED ACCOUNTING PRONOUNCEMENTS

Future Accounting Pronouncements

During 2024, the Canadian Accounting Standards Board endorsed IFRS 18, *Presentation and Disclosure in Financial Statements*, which was issued by the IASB in April 2024. IFRS 18 introduces: i) defined categories for income and expenses and certain defined subtotals in the consolidated statement of comprehensive income, including operating profit, ii) required disclosures of certain management defined performance measures, and iii) aggregation and disaggregation principles for the grouping of information in the consolidated financial statements. IFRS 18 will replace IAS 1, *Presentation of Financial Statements*, and is effective for annual periods beginning on or after January 1, 2027. The standard requires retrospective application with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 18 on the consolidated financial statements.

5 SEASONALITY OF OPERATIONS

The Company's revenues are typically highest in the second, third and fourth quarters resulting from the seasonal upswing in construction activity, the impact of which typically results in higher activity levels. Construction activity in the majority of Canada and certain regions of the U.S. is typically lower in the first quarter as a result of winter weather conditions. As the Company continues to grow its U.S. customer base, the impact of seasonality may shift over time. The Company's net working capital requirements will typically follow the seasonality of the related sales activity.

6 TRADE AND OTHER RECEIVABLES

	June 30, 2025	December 31, 2024
Trade receivables	**175,945**	163,875
Holdback receivables	**698**	807
Allowance for doubtful accounts	**(3,796)**	(3,617)
Total trade receivables	**172,847**	161,065
Accrued revenue and other receivables	**13,526**	5,021
Trade and other receivables	**186,373**	166,086

Trade receivables include $12.8 million (December 31, 2024 - $23.8 million) of trade accounts receivables being serviced under a receivables purchase agreement. The Company retains substantially all of the risks and rewards relating to the receivables sold, and therefore, continues to recognize the transferred accounts receivables in their entirety. The amounts repayable under the receivables purchase agreement are recorded as accounts payable.

Holdback receivables are amounts customers withhold paying until the completion of the contract. These amounts are agreed in advance and typically have collection terms beyond the Company's general payment terms.

Accrued revenue represents revenue for services which have been completed and for which an invoice has not yet been rendered. All such recorded amounts are considered collectable.

Trade receivables are non-interest bearing and are generally on 30-90 day payment terms. The aging analysis of trade receivables, holdback receivables and the allowance for doubtful accounts is as follows:

	June 30, 2025	December 31, 2024
Current to 90 days	**158,709**	148,244
Over 90 days	**14,138**	12,821
Total trade receivables	**172,847**	161,065

Movement in allowance for doubtful accounts is as follows:

	June 30, 2025	December 31, 2024
Opening balance	**3,617**	2,525
Additions to the allowance	**1,503**	3,293
Accounts written off	**(1,368)**	(2,126)
Exchange differences	**44**	(75)
Closing balance	**3,796**	3,617

7 PROPERTY, PLANT AND EQUIPMENT

Cost	Land, land improvements and buildings	Equipment under construction	Office equipment and other	Trucks and other vehicles	Total
January 1, 2024	38,192	19,806	8,135	622,024	688,157
Additions/transfers [1]	436	2,503	1,049	94,016	98,004
Disposals	—	(10)	(73)	(36,821)	(36,904)
Exchange differences	(1,839)	(145)	(307)	(10,451)	(12,742)
December 31, 2024	**36,789**	**22,154**	**8,804**	**668,768**	**736,515**
Additions	1,582	2,845	1,847	48,964	55,238
Disposals	—	—	(133)	(18,930)	(19,063)
Exchange differences	1,198	42	156	9,358	10,754
June 30, 2025	**39,569**	**25,041**	**10,674**	**708,160**	**783,444**
Depreciation					
January 1, 2024	12,115	—	4,236	313,785	330,136
Depreciation	1,532	—	611	54,872	57,015
Disposals	—	—	(73)	(32,174)	(32,247)
Exchange differences	(795)	—	(228)	(5,322)	(6,345)
December 31, 2024	**12,852**	**—**	**4,546**	**331,161**	**348,559**
Depreciation	792	—	327	28,617	29,736
Disposals	—	—	(49)	(17,547)	(17,596)
Exchange differences	534	—	150	5,835	6,519
June 30, 2025	**14,178**	**—**	**4,974**	**348,066**	**367,218**
Net book value					
December 31, 2024	23,937	22,154	4,258	337,607	387,956
June 30, 2025	**25,391**	**25,041**	**5,700**	**360,094**	**416,226**

[1] The net additions of equipment under construction are included in additions.

8 RIGHT-OF-USE ASSETS

Badger enters into leases primarily in order to secure office and yard space for the non-destructive excavation units and for light-duty vehicles. Terms of property leases vary including the life of the lease and the existence of extension options.

	Property	Light-duty vehicles	Total
January 1, 2024	22,383	25,426	47,809
Additions	11,109	13,192	24,301
Depreciation	(9,079)	(9,843)	(18,922)
Disposals/modifications	(532)	(2,368)	(2,900)
Impact of foreign exchange	(275)	(304)	(579)
December 31, 2024	**23,606**	**26,103**	**49,709**
Additions	8,419	3,428	11,848
Depreciation	(5,146)	(5,142)	(10,288)
Disposals/modifications	(529)	(619)	(1,148)
Impact of foreign exchange	220	199	419
June 30, 2025	**26,570**	**23,969**	**50,540**

9 LEASE LIABILITY

	June 30, 2025	December 31, 2024
Opening balance	**50,251**	47,230
Additions	**12,060**	24,272
Interest expense	**1,108**	1,917
Lease payments	**(11,011)**	(20,289)
Disposals/modifications	**(1,194)**	(2,863)
Exchange differences	**368**	(16)
Closing balance	**51,582**	50,251
Current	**19,678**	18,198
Long-term	**31,904**	32,053
Total lease liabilities	**51,582**	50,251

Contractual undiscounted cash flows

	June 30, 2025	December 31, 2024
Less than one year	**21,408**	20,152
One to five years	**33,365**	34,208
More than five years	**345**	17
Total	**55,118**	54,377

Amount recognized in net earnings

	Three months ended June 30,		Six month ended June 30,	
	2025	2024	**2025**	2024
Expenses related to short-term leases	**435**	407	**891**	853

10 DEBT

	June 30, 2025	December 31, 2024
Borrowings under credit facility	**114,779**	71,238
Term Loan	**100,000**	100,000
Less: unamortized debt issuance costs	**(999)**	(1,212)
Total long-term debt	**213,780**	170,026

	June 30, 2025	December 31, 2024
Credit Facility capacity	**300,000**	300,000
Less: borrowings under Credit Facility	**(114,779)**	(71,238)
Available amount	**185,221**	228,762

Syndicated revolving credit facility
The Company maintains a $300.0 million committed, syndicated revolving credit facility (the "Credit Facility") for general corporate and liquidity purposes, and to cover any financing requirements related to Badger's capital expenditures. The Credit Facility matures on September 29, 2029 and allows for amounts to be drawn in either Canadian or U.S. dollars. Amounts drawn under the Credit Facility bear interest at the Canadian Overnight Repo Average. A standby fee is paid on the unused portion of the Credit Facility on a tiered basis. Standby fees are expensed as incurred. Throughout 2025, and as at June 30, 2025, the Company was in compliance with all of the covenants required to be complied with under the terms of the Credit Facility. The Credit Facility is collateralized by a general security interest over the Company's assets, property and undertaking, present and future. As at June 30, 2025, the Company had $185.2 million (December 31, 2024 - $228.8 million) of undrawn committed borrowing facilities available under the Credit Facility. Subject to lender approval, the Credit Facility may be expanded by an additional $112.5 million.

Non-revolving term loan facility
On December 12, 2024, Badger entered into a $100.0 million syndicated, secured, non-revolving term loan facility (the "Term Loan"), the proceeds of which were used to pay down the Credit Facility. The Term Loan is non-amortizing and matures on December 11, 2027. The Term Loan bears interest at the Secured Overnight Financing Rate. Throughout 2025, and as at June 30, 2025, the Company was in compliance with all of the covenants required to be complied with under the terms of the Term Loan.

Letter of credit facility
During 2024, the Company obtained an unsecured demand revolving letter of credit facility with a maximum principal amount of $10.0 million guaranteed by Export Development Canada through its Performance Security Guarantee program (the "PSG Program"). The PSG program covers standby letters of credit or letters of guarantee, required as part of a collateral package provided to support Badger's U.S. insurance program and certain other performance bonds. The maturity date of this performance security guarantee program is June 30, 2027.

	June 30, 2025	December 31, 2024
PSG program capacity	**10,000**	10,000
Less: letters of credit	**(6,563)**	(5,813)
Available amount	**3,437**	**4,187**

Surety bond
Badger has provided a corporate guarantee in the form of a surety bond to its insurer (the "Obligee") so that the Obligee is able to provide insurance coverage to Badger. As of June 30, 2025, the outstanding surety bond guaranteed by Badger was $2.6 million (December 31, 2024 - $2.2 million). Management believes that adequate liquidity exists to meet the projected surety requirements. Badger has not recorded a liability under this guarantee as no material event of default exists under the applicable contract with the Obligee.

11 SHARE-BASED COMPENSATION

	June 30, 2025	December 31, 2024
TSX: BDGI Closing Share Price (CAD)	**$47.58**	$35.88

A) Deferred Share Unit Plan
The Deferred Share Unit ("DSU" or "deferred unit") Plan was established to promote greater alignment of interests between officers and Shareholders of the Company. The Board participates in the plan whereby they receive up to 100% of their annual retainer in the form of DSUs. Pursuant to the terms of the DSU, participants are granted deferred units with a value equivalent to the value of a Badger share. The deferred units granted earn additional deferred units at the same rate as dividends on Badger common shares. DSUs are paid out in cash upon departure from the Company.

The DSU Plan is accounted for as a cash-settled plan and units vest immediately upon issuance. Compensation expense is based on the estimated fair value of the deferred units outstanding at the end of each quarter using the period closing share price, with a corresponding credit to liabilities.

The liability for DSU's vested and outstanding as at June 30, 2025 is $12.9 million (December 31, 2024 - $9.6 million). Changes in the number of deferred units under the DSU Plan were as follows:

	Units
December 31, 2023	429,111
Granted	48,164
Dividends earned	6,884
Redeemed for cash	(100,400)
Forfeited	—
December 31, 2024	383,759
Granted	**63,173**
Dividends earned	**3,410**
Redeemed for cash	**(79,269)**
Forfeited	**—**
June 30, 2025	**371,073**
Vested as at June 30, 2025	**371,073**

B) Performance Share Unit Plan

The Company also has a Performance Share Unit ("PSU") Plan for officers of the Company. Officers are awarded 50% of their annual long-term incentive compensation in PSUs, and may elect to receive up to 100%, with the remainder, if any, awarded in RSUs. The PSUs represent rights to share value based on the number of PSUs issued and the achievement of certain performance criteria as set out by the Board. Under the terms of the plan, and subject to achievement of the performance criteria, PSUs awarded will vest on December 31st of the second calendar year following issuance and the related expense is recognized over their vesting period. PSUs will be settled in cash upon vesting in accordance with the achieved performance and other vesting criteria.

The PSU Plan is accounted for as a cash-settled plan. Compensation expense is based on the estimated fair value of the PSUs outstanding at the end of each quarter using the closing period share price and recognized over the vesting period, with a corresponding credit to liabilities.

The liability for PSUs outstanding as at June 30, 2025 is $8.0 million (December 31, 2024 - $9.7 million). The fair value of units fully vested at June 30, 2025 is nil (December 31, 2024 - $5.9 million). Changes in the number of PSUs under the PSU plan were as follows:

	Units
December 31, 2023	409,456
Granted	139,061
Dividends earned	8,325
Redeemed	(60,637)
Forfeited	(13,355)
December 31, 2024	482,850
Granted	**186,144**
Dividends earned	**3,495**
Redeemed	**(269,174)**
Forfeited	**(13,795)**
June 30, 2025	**389,520**
Vested as at June 30, 2025	**—**

C) Restricted Share Unit Plan

The company also has a Restricted Shareholder Unit Plan ("RSU"). Pursuant to the terms of the RSU, participants are granted restricted units with a value equivalent to the value of a Badger share. The restricted units granted earn additional restricted units at the same rate as dividends on Badger common shares. The restricted units granted vest equally over a period of three years from the date of the grant. Upon vesting, payment for the vested RSUs will be made by the Company to the participants.

The RSU Plan is accounted for as a cash-settled plan. Compensation expense is based on the estimated fair value of the restricted units outstanding at the end of each quarter using the closing period share price and recognized using graded vesting throughout the term of the vesting period, with a corresponding credit to liabilities.

The liability for RSUs outstanding as at June 30, 2025 is $8.1 million (December 31, 2024 - $7.5 million). The fair value of units fully vested at June 30, 2025 is nil (December 31, 2024 - $3.3 million). Changes in the number of RSUs under the RSU plan were as follows:

	Units
December 31, 2023	374,888
Granted	204,658
Dividends earned	7,115
Redeemed	(179,869)
Forfeited	(14,526)
December 31, 2024	392,266
Granted	**255,660**
Dividends earned	**3,879**
Redeemed	**(194,972)**
Forfeited	**(21,218)**
June 30, 2025	**435,615**
Vested as at June 30, 2025	**—**

12 SHAREHOLDERS' CAPITAL

Authorized Shares
An unlimited number of voting shares are authorized without nominal or par value.

Issued and Outstanding

Normal course issuer bid
In October 2024, the Toronto Stock Exchange (“TSX”) accepted Badger's amended notice of intention to increase the size of its normal course issuer bid (“NCIB”) pursuant to which Badger may purchase and cancel up to 2,658,294 common shares, representing 10% of the Company's public float as at August 12, 2024 and has approved the implementation of an automatic securities purchase plan (the "ASPP"). Pursuant to the ASPP, Badger’s broker may facilitate repurchases of common shares during blackout periods within certain parameters prescribed by the TSX, applicable Canadian securities laws, and the terms of the parties' written agreement. During the six months ended June 30, 2025, pursuant to its NCIB, the Company purchased and cancelled 492,800 common shares, at a weighted average price per share of CAD $37.78. Subsequent to June 30, 2025, no additional shares were purchased by the Company.

	Number of Shares	Shareholders' Capital
As at December 31, 2024	34,233,038	65,840
Common shares repurchased and cancelled through NCIB	(492,800)	(61)
As at June 30, 2025	**33,740,238**	**65,779**

13 REVENUE

The following table disaggregates the Company's revenue by type of service and type of customer:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Non-destructive excavation service – corporate	**193,773**	173,315	**355,949**	322,286
Non-destructive excavation service – operating partners [1]	**3,643**	3,878	**6,302**	6,898
Total non-destructive excavation service revenue	**197,416**	177,193	**362,251**	329,184
Other service – corporate[2]	**10,448**	9,306	**17,852**	18,614
Other service – operating partners[2]	**342**	339	**736**	602
Total other revenue	**10,790**	9,645	**18,588**	19,216
Total revenue	**208,206**	186,838	**380,839**	348,400

[1] Badger's Operating Partners' agreements include a lease components. For the three and six months ended June 30, 2025, operating partners' non-destructive excavation service revenue includes lease revenue of $2.6 million (June 30, 2024 - $3.0 million) and $5.1 million (June 30, 2024 - $5.8 million), respectively.

[2] Other revenue includes other non-destructive excavation services, truck placement fees and other administrative related revenue.

14 FINANCE COSTS

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Borrowings under credit facility	**3,168**	2,918	**5,839**	6,004
Interest on lease liability	**565**	462	**1,108**	864
Other	**383**	311	**676**	429
Total finance costs	**4,116**	3,691	**7,623**	7,297

15 STATEMENT OF CASH FLOW SUPPLEMENTAL INFORMATION

The following table provides supplemental information on the components of changes in non-cash working capital in operating and investing activities:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Cash used in operating activities				
Trade and other receivables	**(23,017)**	(23,020)	**(20,997)**	(16,441)
Prepaid expenses	**(5,445)**	228	**(8,120)**	1,076
Inventories	**(1,836)**	(634)	**(1,601)**	229
Trade and other payables	**23,876**	16,108	**12,140**	(4,102)
Change in non-cash working capital	**(6,422)**	(7,318)	**(18,578)**	(19,238)
Cash used in investing activities				
Trade and other payables[(1)]	**(185)**	(2,519)	**(247)**	(2,804)
Change in non-cash working capital	**(185)**	(2,519)	**(247)**	(2,804)

(1) Non-cash working capital changes from trade and other payables relate to vendors supplying Badger's manufacturing operations and are included in investing activities as these supplies are additions to property, plant and equipment.

16 COMMITMENTS AND CONTINGENCIES

The Company had the following commitments as at June 30, 2025:

	2025	2026	2027	2028	2029	Thereafter	**Total**
Operating leases[(1)]	1,268	2,382	1,719	910	636	385	**7,300**
Service contract[(2)]	6,703	8,751	828	677	628	—	**17,587**
Purchase commitments[(3)]	24,566	6,571	—	—	—	—	**31,137**
Total	32,537	17,704	2,547	1,587	1,264	385	**56,024**

(1) Operating leases include variable lease payments for building, office space, and light-duty trucks.
(2) Contract with third party service providers for information technology services.
(3) Purchase commitments include amounts related to manufacturing operations, and other committed capital expenditures. The Company has the option to cancel certain purchase commitments at its sole discretion and without penalty.