BADGER INFRASTRUCTURE SOLUTIONS LTD.

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2026 AND 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited)

($ U.S. thousands)	Note	**September 30, 2026**	December 31, 2025
ASSETS			
Current Assets			
Cash		**17,114**	4,768
Trade and other receivables	6	**246,344**	177,954
Prepaid expenses		**19,198**	14,118
Inventories		**16,902**	15,058
Derivative financial instruments		**14,794**	8,185
		314,352	220,083
Non-current Assets			
Property, plant and equipment	7	**544,123**	449,534
Right-of-use assets	8	**83,012**	59,491
Derivative financial instruments		**7,657**	5,879
Intangible assets		**24,459**	26,614
Goodwill		**1,143**	1,182
Total Assets		**974,746**	762,783
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade and other payables	9	**139,148**	94,900
Lease liability	10	**26,246**	22,191
Share-based compensation liability	12	**44,962**	38,866
Income taxes payable		**98**	536
Dividends payable		**4,626**	4,615
		215,080	161,108
Non-current Liabilities			
Lease liability	10	**58,838**	38,336
Share-based compensation liability	12	**14,726**	15,345
Long term debt	11	**283,474**	198,011
Deferred tax liability		**66,887**	53,900
Total Liabilities		**639,005**	466,700
Shareholders' Equity			
Shareholders' capital	13	**65,646**	65,779
Contributed surplus		**422**	422
Accumulated other comprehensive loss		**515**	(6,259)
Retained earnings		**269,158**	236,141
Total Shareholders' Equity		**335,741**	296,083
Total Liabilities and Shareholders' Equity		**974,746**	762,783

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited)

($ U.S. thousands, except share information and per share amounts)	Note	Three months ended September 30, **2026**	2025	Nine months ended September 30, **2026**	2025
Revenue	14	**286,534**	237,339	**746,907**	618,178
Direct costs		**191,576**	159,957	**524,535**	433,187
Gross profit		**94,958**	77,382	**222,372**	184,991
Depreciation and amortization		**29,101**	22,452	**80,057**	64,446
General and administrative		**11,517**	10,569	**34,749**	31,668
Share-based compensation expense		**8,176**	13,137	**29,733**	28,869
Operating income		**46,164**	31,224	**77,833**	60,008
Loss (gain) on sale of property, plant and equipment and right of use assets		**97**	(318)	**(543)**	(871)
Gain on derivatives		**(1,830)**	(10,531)	**(13,010)**	(19,196)
Finance cost	15	**5,797**	4,045	**14,727**	11,668
Foreign exchange (gain) loss		**(17)**	86	**80**	212
Earnings before income tax		**42,117**	37,942	**76,579**	68,195
Current income tax expense		**4,945**	8,293	**12,753**	16,670
Deferred income tax expense		**9,829**	625	**13,153**	743
Income tax expense		**14,774**	8,918	**25,906**	17,413
Net earnings		**27,343**	29,024	**50,673**	50,782
Other comprehensive income (loss):					
Foreign exchange differences on translation of foreign operations		**677**	858	**6,774**	(888)
Comprehensive income		**28,020**	29,882	**57,447**	49,894
Weighted average number of shares - basic and diluted		**33,659,562**	33,740,238	**33,684,675**	33,855,557
Net earnings per share - basic and diluted		**$ 0.81**	$ 0.86	**$ 1.50**	$ 1.50

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) income	Retained earnings	Total equity
At January 1, 2025	65,840	422	(4,770)	196,708	258,200
Net earnings	—	—	—	50,782	50,782
Other comprehensive loss	—	—	(888)	—	(888)
Dividends	—	—	—	(13,748)	(13,748)
Shares repurchased and cancelled under normal-course issuer bid	(61)	—	—	(1,529)	(1,590)
At September 30, 2025	65,779	422	(5,658)	232,213	292,756
At January 1, 2026	65,779	422	(6,259)	236,141	296,083
Net earnings	—	—	—	50,673	50,673
Other comprehensive income	—	—	6,774	—	6,774
Dividends	—	—	—	(14,078)	(14,078)
Shares repurchased and cancelled under normal-course issuer bid	(133)	—	—	(3,578)	(3,711)
At September 30, 2026	**65,646**	**422**	**515**	**269,158**	**335,741**

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 September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
OPERATING ACTIVITIES					
Net earnings		**27,343**	29,024	**50,673**	50,782
Items not affecting cash:					
Depreciation and amortization		**29,101**	22,452	**80,057**	64,446
Share-based compensation expense		**8,176**	13,137	**29,733**	28,869
Gain on sale of property, plant and equipment and right of use assets		**97**	(318)	**(543)**	(871)
Gain on derivatives		**(1,830)**	(10,531)	**(13,010)**	(19,196)
Finance cost		**5,797**	4,045	**14,727**	11,668
Income tax (recovery) expense		**14,774**	8,918	**25,906**	17,413
Unrealized foreign exchange loss		**—**	(21)	**3**	19
Cash flow from operating activities before working capital and other		**83,458**	66,706	**187,546**	153,130
Change in non-cash working capital	16	**(28,580)**	(11,356)	**(39,008)**	(29,934)
Income taxes paid		**(5,424)**	(769)	**(15,606)**	(1,793)
Income taxes recovered		**—**	—	**11**	61
Financial instruments received (paid)		**(250)**	(136)	**3,937**	103
Share-based compensation paid		**(105)**	—	**(22,516)**	(14,942)
Cash provided by operating activities		**49,099**	54,445	**114,364**	106,625
INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(52,992)**	(36,077)	**(153,217)**	(91,316)
Proceeds from sale of property, plant and equipment		**499**	503	**1,510**	2,180
Proceeds from disposal of right of use assets		**32**	61	**124**	123
Additions to intangible asset		**(737)**	(4,364)	**(1,373)**	(5,287)
Change in non-cash working capital	16	**(1,103)**	(29)	**(3,351)**	(275)
Cash used in investing activities		**(54,301)**	(39,906)	**(156,307)**	(94,575)
FINANCING ACTIVITIES					
Borrowings under credit facility		**60,051**	27,499	**195,465**	137,956
Borrowing under senior notes		**(1,100)**	—	**216,591**	—
Repayments of credit facility		**(31,082)**	(29,087)	**(313,827)**	(106,322)
Repurchase of common shares		**—**	—	**(3,640)**	(12,744)
Interest paid		**(1,096)**	(3,393)	**(6,479)**	(9,642)
Interest paid on lease liabilities		**(989)**	(612)	**(2,567)**	(1,720)
Payment of lease liabilities	10	**(5,873)**	(5,473)	**(17,249)**	(15,376)
Dividends paid		**(4,666)**	(4,620)	**(14,001)**	(13,493)
Cash provided (used in) by financing activities		**15,245**	(15,686)	**54,293**	(21,341)
Effect of foreign exchange rate changes on cash		**(1)**	(2)	**(4)**	(3)
Change in cash		**10,042**	(1,149)	**12,346**	(9,294)
Cash, beginning of period		**7,072**	6,472	**4,768**	14,617
Cash, end of period		**17,114**	5,323	**17,114**	5,323

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 and related 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 nine months ended September 30, 2026 and September 30, 2025 were authorized for issue in accordance with a resolution of the Board of Directors ("Board") on November 5, 2026.

2 BASIS OF PREPARATION

Statement of compliance
These unaudited interim condensed consolidated financial statements of the Company are prepared in accordance with International 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, 2025. 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.

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these unaudited interim condensed consolidated financial statements 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, 2025. 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
In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces new presentation and disclosure

requirements designed to improve the comparability and transparency of information presented in financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted. The Company has completed its assessment of IFRS 18 and does not expect its adoption to have a significant impact on the recognition or measurement of amounts reported in the consolidated financial statements. The primary impact is expected to relate to the presentation and disclosure of the information in the consolidated financial statements.

Standards Adopted
The IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* relating to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets. The amendments were adopted January 1, 2026 and do not have a material impact on the Company's 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

($ U.S. thousands)	**September 30, 2026**	December 31, 2025
Trade receivables	**229,678**	177,204
Holdback receivables	**329**	579
Allowance for doubtful accounts	**(4,917)**	(4,324)
Total trade receivables	**225,090**	173,459
Accrued revenue and other receivables	**21,254**	4,495
Trade and other receivables	**246,344**	177,954

Trade receivables are non-interest bearing and are generally on 30-90 day payment terms. Trade receivables include $20.9 million (December 31, 2025 - $16.9 million) of trade accounts receivables being serviced under a receivables purchase agreement (the "RPA"). The Company retains substantially all of the risks and rewards relating to the receivables sold under the RPA, and therefore, continues to recognize the transferred accounts receivables in their entirety. The amounts repayable under the RPA 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.

The aging analysis of trade receivables, holdback receivables and the allowance for doubtful accounts is as follows:

($ U.S. thousands)	**September 30, 2026**	December 31, 2025
Current to 90 days	**217,252**	161,413
Over 90 days	**7,838**	12,046
Total trade receivables	**225,090**	173,459

Movement in allowance for doubtful accounts is as follows:

($ U.S. thousands)	**September 30, 2026**	December 31, 2025
Opening balance	**4,324**	3,617
Additions to the allowance	**2,400**	3,253
Accounts written off	**(1,773)**	(2,576)
Exchange differences	**(34)**	30
Closing balance	**4,917**	4,324

7 PROPERTY, PLANT AND EQUIPMENT

Cost *($ U.S. thousands)*	**Land, land improvements and buildings**	**Equipment under construction**	**Office equipment and other**	**Trucks and other vehicles**	**Total**
January 1, 2025	36,789	22,154	8,804	668,768	736,515
Additions/transfers [1]	1,810	7,124	3,065	106,266	118,265
Disposals	—	—	(134)	(28,413)	(28,547)
Adjustments	—	—	—	1,952	1,952
Exchange differences	1,078	255	146	8,347	9,826
December 31, 2025	**39,677**	**29,533**	**11,881**	**756,920**	**838,011**
Additions [1]	785	9,723	14,301	128,408	153,217
Disposals	—	—	(130)	(21,506)	(21,636)
Exchange differences	(804)	105	(60)	(4,342)	(5,101)
September 30, 2026	**39,658**	**39,361**	**25,992**	**859,480**	**964,491**
Depreciation					
January 1, 2025	12,852	—	4,546	331,161	348,559
Depreciation	1,693	—	866	59,824	62,383
Disposals	—	—	(51)	(26,486)	(26,537)
Exchange differences	492	—	138	3,442	4,072
December 31, 2025	**15,037**	**—**	**5,499**	**367,941**	**388,477**
Depreciation	1,442	—	2,195	52,402	56,039
Disposals	—	—	(92)	(20,856)	(20,948)
Exchange differences	(401)	—	(111)	(2,688)	(3,200)
September 30, 2026	**16,078**	**—**	**7,491**	**396,799**	**420,368**
Net book value					
December 31, 2025	24,640	29,533	6,382	388,979	449,534
September 30, 2026	**23,580**	**39,361**	**18,501**	**462,681**	**544,123**

[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.

($ U.S. thousands)	**Property**	**Light-duty vehicles**	**Total**
January 1, 2025	23,606	26,103	49,709
Additions	23,801	10,657	34,458
Depreciation	(11,055)	(10,769)	(21,824)
Disposals/modifications	(2,121)	(1,083)	(3,204)
Impact of foreign exchange	204	148	352
December 31, 2025	**34,435**	**25,056**	**59,491**
Additions	41,174	8,540	49,714
Depreciation	(11,588)	(9,134)	(20,722)
Disposals/modifications	(4,311)	(911)	(5,222)
Impact of foreign exchange	(179)	(70)	(249)
September 30, 2026	**59,531**	**23,481**	**83,012**

9 TRADE AND OTHER PAYABLES

	September 30, 2026	December 31, 2025
Current		
Trade payables	**48,395**	32,108
Accrued expenses	**69,813**	45,913
Receivables purchase agreement	**20,940**	16,879
Total trade and other payables	**139,148**	94,900

Trade payables are non-interest bearing and are normally settled on 45-day payment terms.

10 LEASE LIABILITY

($ U.S. thousands)	**September 30, 2026**	December 31, 2025
Opening balance	**60,527**	50,251
Additions	**49,901**	34,722
Interest expense	**2,567**	2,435
Lease payments	**(19,816)**	(23,822)
Disposals/modifications	**(5,544)**	(3,444)
Exchange differences	**(2,551)**	385
Closing balance	**85,084**	60,527
Current	**26,246**	22,191
Long-term	**58,838**	38,336
Total lease liabilities	**85,084**	60,527

Contractual undiscounted cash flows

($ U.S. thousands)	**September 30, 2026**	December 31, 2025
Less than one year	**29,809**	24,488
One to five years	**57,208**	40,472
More than five years	**7,478**	438
Total	**94,495**	65,398

Amount recognized in net earnings

	Three months ended September 30,		**Nine months ended September 30,**	
($ U.S. thousands)	**2026**	2025	**2026**	2025
Expenses related to short-term leases	**507**	376	**1,405**	1,270

11 DEBT

($ U.S. thousands)	**September 30, 2026**	December 31, 2025
Notes	**211,440**	—
Borrowings under credit facility	**77,705**	99,009
Term loan (as defined below under the heading "Senior Unsecured Notes")	**—**	100,000
Less: unamortized debt issuance costs	**(5,671)**	(998)
Total long-term debt	**283,474**	198,011

($ U.S. thousands)	**September 30, 2026**	December 31, 2025
Syndicated revolving Credit Facility capacity	**400,000**	300,000
Less: borrowings under Credit Facility	**(77,705)**	(99,009)
Available amount	**322,295**	200,991

Senior unsecured notes

On May 14, 2026, the Company issued CAD$300.0 million of senior unsecured notes (the "Notes"), which mature on May 14, 2031 and bear interest at a fixed annual rate of 5.375%. Interest is payable semi-annually in arrears on May 14 and November 14, commencing on November 14, 2026. The net proceeds from the issuance were used to fully repay the Company's $100 million syndicated, secured, non-revolving term loan (the "Term Loan"), and repay a portion of the outstanding borrowings under the Credit Facility. The Notes were issued at par. The issuance of the Notes extended the Company’s debt maturity profile and reduced its reliance on the Credit Facility for term financing, while preserving capacity for operational flexibility and growth investment.

At any time prior to May 14, 2028 the Company may redeem (a) up to 40% of the aggregate principal amount of the Notes at a redemption price equal to 105.375% of the principal plus accrued and unpaid interest, subject to certain conditions being met; or (b) all or any part of the Notes at a redemption price equal to 100% of the aggregate principal amount plus an applicable premium and accrued and unpaid interest.

At any time on or after May 14, 2028, the Company may redeem all or any part of the Notes during the twelve-months period beginning on May 14 of the following years at the following redemption prices,

expressed as percentage of principal amount: 102.688% in 2028, 101.344% in 2029, and 100% in 2030 and thereafter, in each case plus accrued and unpaid interest.

Syndicated revolving credit facility

On May 14, 2026, the Company extended and increased its syndicated revolving credit facility (the "Credit Facility") raising its committed capacity to $400.0 million for general corporate and liquidity purposes, and to cover any financing requirements related to Badger's capital expenditures. The Credit Facility matures on May 13, 2031. Amounts may be drawn under the Credit Facility in either Canadian or U.S. dollars and bear interest at the applicable Prime Rate, U.S. Base Rate, U.S. Prime Rate, Canadian Overnight Repo Rate Average or Secured Overnight Financing Rate. A standby fee is paid on the unused portion of the Credit Facility on a tiered basis. Standby fees are expensed as incurred. Throughout 2026, and as at September 30, 2026, 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 and certain of its subsidiaries' assets, property and undertakings, present and future. As at September 30, 2026, the Company had $322.3 million (December 31, 2025 - $201.0 million) of undrawn committed borrowing facilities available under the Credit Facility. The Company has the ability to exercise the accordion feature under the Credit Facility to add an additional $150.0 million in borrowing capacity.

During the nine months ended September 30, 2026, the Company fully repaid the Term Loan using the proceeds from the issuance of the Notes.

Letter of credit facility

The Company has an unsecured demand revolving letter of credit facility with a maximum principal amount of $20.0 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 the PSG Program is June 30, 2027.

($ U.S. thousands)	**September 30, 2026**	December 31, 2025
PSG Program capacity	**20,000**	10,000
Less: letters of credit	**(7,538)**	(6,563)
Available amount	**12,462**	**3,437**

Surety bond

Badger has provided a corporate guarantee in the form of a surety bond to its primary insurer (the "Obligee") so that the Obligee is able to provide insurance coverage to Badger. As at September 30, 2026, the outstanding surety bond guaranteed by Badger was $3.2 million (December 31, 2025 - $2.6 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.

12 SHARE-BASED COMPENSATION

	September 30, 2026	December 31, 2025
TSX: BDGI Closing Share Price (CAD)	$96.20	$73.13

A) Deferred Share Unit Plan

The Deferred Share Unit ("DSU") Plan was established to promote greater alignment of interests between directors, senior leadership, and shareholders of the Company. Directors may elect to receive up to 100% of their annual retainer in the form of DSUs. Pursuant to the terms of the DSU plan, participants are granted DSUs 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 DSUs 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 DSUs vested and outstanding as at September 30, 2026 is $23.8 million (December 31, 2025 - $18.8 million). Changes in the number of deferred units under the DSU Plan were as follows:

	Units
December 31, 2024	383,759
Granted	63,173
Dividends earned	5,474
Settled	(100,318)
Forfeited	—
December 31, 2025	352,088
Granted	**25,569**
Dividends earned	**2,567**
Settled	**(29,248)**
Forfeited	**—**
September 30, 2026	**350,976**
Vested as at September 30, 2026	**350,976**

B) Performance Share Unit Plan

The Company also has a Performance Share Unit ("PSU") Plan for senior leadership of the Company. Member of senior leadership 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 (as defined below). 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 PSU 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 September 30, 2026 is $17.8 million (December 31, 2025 - $17.8 million). The fair value of units fully vested at September 30, 2026 is nil (December 31, 2025 - $10.9 million). Changes in the number of PSUs under the PSU plan were as follows:

	Units
December 31, 2024	482,850
Granted	193,472
Dividends earned	5,734
Settled	(269,174)
Forfeited	(14,597)
December 31, 2025	398,285
Granted	**154,548**
Dividends earned	**2,535**
Settled	**(201,720)**
Forfeited	**—**
September 30, 2026	**353,648**
Vested as at September 30, 2026	**—**

C) Restricted Share Unit Plan

The company also has a Restricted Shareholder Unit ("RSU") Plan. Pursuant to the terms of the RSU, participants are granted restricted units with a value equivalent to the value of a Badger share. The RSUs granted earn additional RSUs 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 September 30, 2026 is $18.1 million (December 31, 2025 - $17.6 million). The fair value of units fully vested at September 30, 2026 is nil (December 31, 2025 - $8.2 million). Changes in the number of RSUs under the RSU plan were as follows:

	Units
December 31, 2024	392,266
Granted	266,460
Dividends earned	6,353
Settled	(195,962)
Forfeited	(27,943)
December 31, 2025	441,174
Granted	**164,592**
Dividends earned	**2,803**
Settled	**(213,885)**
Forfeited	**(8,073)**
September 30, 2026	**386,611**
Vested as at September 30, 2026	**—**

13 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 August 2026, the Toronto Stock Exchange ("TSX") accepted Badger's amended notice of intention to renew its NCIB pursuant to which Badger may purchase and cancel up to 2,959,178 common shares, representing 10% of the Company's public float as at August 19, 2026 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 three and nine months ended September 30, 2026, the Company purchased and cancelled nil and 80,676 common shares, at a weighted average price per share of CAD$63.18. Subsequent to September 30, 2026 and as at November 5, 2026, no additional shares were purchased by the Company.

	Number of Shares	Shareholders' Capital
As at December 31, 2025	33,740,238	65,779
Common shares repurchased and cancelled through NCIB	(80,676)	(133)
As at September 30, 2026	**33,659,562**	**65,646**

14 REVENUE

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

	Three months ended September 30,		Nine months ended September 30,	
($ U.S. thousands)	**2026**	2025	**2026**	2025
Non-destructive excavation service – corporate	**269,981**	221,617	**703,164**	577,566
Non-destructive excavation service – operating partners [1]	**3,903**	4,737	**10,529**	11,039
Total non-destructive excavation service revenue	**273,884**	226,354	**713,693**	588,605
Other service – corporate[2]	**12,312**	10,625	**32,315**	28,477
Other service – operating partners[2]	**338**	360	**899**	1,096
Total other revenue	**12,650**	10,985	**33,214**	29,573
Total revenue	**286,534**	237,339	**746,907**	618,178

(1) Badger's Operating Partners' agreements include a lease components. For the three months ended September 30, 2026, operating partners' non-destructive excavation service revenue includes lease revenue of $2.3 million (September 30, 2025 - $2.7 million).

(2) Other service revenue includes other non-destructive excavation services, truck placement fees and other administrative related revenue.

15 FINANCE COSTS

($ U.S. thousands)	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Interest on long-term borrowings	**4,647**	3,162	**11,508**	9,001
Interest on lease liability	**989**	612	**2,567**	1,720
Other	**161**	271	**652**	947
Total finance costs	**5,797**	4,045	**14,727**	11,668

16 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:

($ U.S. thousands)	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Cash provided by (used in) operating activities				
Trade and other receivables	**(25,687)**	(17,478)	**(68,181)**	(38,475)
Prepaid expenses	**(6,488)**	654	**(5,040)**	(7,466)
Inventories	**(1,959)**	(511)	**(1,764)**	(2,113)
Trade and other payables	**5,554**	5,979	**35,977**	18,120
Change in non-cash working capital	**(28,580)**	(11,356)	**(39,008)**	(29,934)
Cash used in investing activities				
Trade and other payables[1]	**(1,103)**	(29)	**(3,351)**	(275)
Change in non-cash working capital	**(1,103)**	(29)	**(3,351)**	(275)

(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.

17 COMMITMENTS AND CONTINGENCIES

The Company has the following commitments as at September 30, 2026:

	2026	2027	2028	2029	2030	Thereafter	**Total**
Operating leases[1]	935	3,416	2,665	2,198	1,440	1,649	**12,303**
Service contract[2]	2,127	5,202	4,501	1,035	886	—	**13,751**
Purchase commitments[3]	30,251	66,393	10	—	—	—	**96,654**
Total	33,313	75,011	7,176	3,233	2,326	1,649	**122,708**

(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.