



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2026

April 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited Consolidated Financial Statements and notes thereto of Badger Infrastructure Solutions Ltd. (the "Company", "Badger", "we", "our" or "us") (TSX:BDGI) for the year ended December 31, 2025 (the "Annual Consolidated Financial Statements"), the MD&A for the year ended December 31, 2025 (the "Annual MD&A"), and the interim condensed consolidated financial statements for the three months ended March 31, 2026 (the "Interim Condensed Consolidated Financial Statements"). This MD&A is a review of the financial results of Badger for the three months ended March 31, 2026 and has been prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. For additional information relating to Badger, readers should refer to all previous public filings, including the Company's Annual Information Form ("AIF") for the year ended December 31, 2025, which may be found on SEDAR+ at www.sedarplus.ca.

This MD&A is dated and has been prepared taking into consideration information available up to April 30, 2026. All references to "dollars" and "\$" are to the currency of U.S. dollars unless otherwise indicated.

This MD&A includes forward-looking statements and assumptions. See "Cautionary Statements Regarding Forward-Looking Information and Statements" for additional details.

OVERVIEW OF BADGER

Badger is North America's largest provider of non-destructive excavation and related services, serving a broad customer base across a diverse range of construction, utility, transportation, industrial and other end-use markets. Badger's customers typically operate near high concentrations of underground power, communication, water, gas and sewer lines, where safety and economic risks are high and where non-destructive excavation provides a safe alternative for certain customer excavation requirements.

Badger's key system is the Badger Hydrovac, which uses a pressurized water stream to liquify the soil cover, which is then removed with a powerful vacuum and deposited into a storage tank. Badger operates a vertically integrated business model, designing and manufacturing its Badger Hydrovac fleet at its facility in Red Deer, Alberta which has an annual production capacity of more than 350 units. This approach provides Badger with direct control over equipment specifications, fleet availability, and lifecycle management, supporting operational consistency across its Canadian and U.S. operations. To complement the Badger Hydrovac and expand Badger's service offerings, Badger has a select number of specialty units, mainly combo trucks, sewer and flusher units, dump trucks, rock slingers, and airvacs.

QUARTERLY OPERATIONAL HIGHLIGHTS

Badger delivered solid operating and financial performance in the first quarter, generating \$203.2 million of revenue, up 18% from the same quarter in 2025. Revenue growth reflected strength in Badger's core end markets and customer demand, which we met through increased utilization and continued growth in our fleet.

Adjusted EBITDA⁽¹⁾ improved by 13% over the same quarter in 2025, to \$38.1 million for the quarter. Adjusted EBITDA margin⁽¹⁾ for the quarter was 18.7% compared with 19.6% for the same quarter in 2025. During 2025, Badger initiated investments in certain programs targeted at increasing Badger's long-term ability to scale growth over the next several years and improve the efficiency of its operations. These investments have continued into 2026 and include:

- Opening new branches to further capture end market growth in key markets and a corresponding increase in certain operational and commercial leadership positions to ensure capacity for continued growth and scale.
- The initial launch of Badger's Operational Excellence program through multiple pilots. We expect this program to drive efficiencies across all of our field locations.

- Increased hiring and training of operators concurrent with an increase in Badger's truck build rate to capture the rising demand from our customers and in our end markets.
- The initial investment and launch of operations for additional service lines.

As expected and disclosed previously, these investments are expected to have a near-term impact on gross margins but position the Company to capture growth opportunities as the year unfolds.

Adjusted net earnings per share⁽¹⁾ for the quarter was \$0.22 compared with \$0.19 during the same quarter last year. The increase in Adjusted EBITDA more than offset higher depreciation and amortization expenses associated with our larger fleet.

Badger's consolidated revenue per truck per month ("RPT")⁽¹⁾ for the quarter was \$39,009, an 11% increase from the same quarter in 2025. Badger's 18% growth in revenue for the first quarter of 2026 over the same period in 2025 was achieved with an increase to its average fleet count by 7% over this period. Accordingly, Badger is meeting growing customer demand and achieving greater year over year RPT performance.

During the first quarter, Badger manufactured 78 hydrovac units compared to 50 units in 2025 and refurbished 8 units compared to 9 units in the same quarter in 2025. Additionally, we retired 23 units during the quarter compared to 32 unit during the same quarter in 2025. As of March 31, 2026, Badger had 1,778 hydrovac units in operations, 117 or 7% more than March 31, 2025.

⁽¹⁾ "Adjusted EBITDA", "Adjusted EBITDA margin", "Adjusted net earnings per share", and "RPT" are not standardized financial measures prescribed by IFRS and may not be comparable to similar measures presented by other companies or entities. See "Non-IFRS Financial Measures" for additional detail on the definition and calculation of Adjusted EBITDA margin and Adjusted net earnings per share and "Key Financial Metrics and Other Operational Metrics" for additional detail on the definition and calculation of RPT.

BUSINESS OUTLOOK

Looking to the remainder of 2026, Badger expects a continuation of the strong growth in our end markets and customer demand that we experienced in the second half of 2025 and into the first three months of this year. Badger's industry leading footprint, well established commercial and pricing strategies, comprehensive safety program, and plans for continued investments to expand our branch network in key strategic markets, leave the Company well positioned to support our customers' growing needs.

As a result of the increased demand, we increased our planned 2026 fleet growth to the higher end of the 7% to 10% range. Concurrent with the higher truck build rate that started in the fourth quarter of 2025, we continue to increase the rate of hiring and training of new operators to serve our growing fleet capacity.

Badger's Operational Excellence program was introduced in early 2025 and is being rolled out to all of our branches throughout the remainder of the year and into 2027. As our core hydrovac services business continues to grow, we have identified opportunities to expand Badger's service offering into complementary and adjacent market service lines. As introduced last quarter, our plan for 2026 includes spending approximately \$15 million to \$25 million of capital towards launching two new service lines.

Taken as a whole, these investments and initiative are expected to capture market opportunities and to expand branch profitability over the longer term to create sustained shareholder value across the organization.

	2026 Outlook
New builds	270 units to 310 units
Retirements	130 units to 150 units
Refurbishments	30 units to 50 units
Capital spend ⁽¹⁾	\$170 million to \$200 million
Expected potential tariffs ⁽²⁾	\$18 million to \$30 million
Total capital spend	\$198 million to \$230 million

Our planned capital expenditures and our intention to continue returning capital to shareholders through dividends and the normal course issuer bid ("NCIB"), are expected to allow Badger to maintain leverage within our long term Total Debt to Compliance EBITDA⁽³⁾ of 1.0x to 2.0x. Accordingly, we expect to retain ample capacity to fund our operations and working capital needs while continuing to invest in the ongoing growth in our business.

⁽¹⁾ Capital spend includes the cost to manufacture new hydrovacs, refurbishments, ancillary equipment and other capital projects as well as the initial investments towards two new service lines.

⁽²⁾ There continues to be significant uncertainty in the tariff and trade environment. Badger's manufactured units remain compliant with the Canada-United States-Mexico Agreement ("CUSMA"). However, heavy duty truck tariffs implemented by the U.S. administration in the fourth quarter of 2025 (Section 232 tariffs) have resulted in a 25% tariff on non-U.S. content for trucks and components crossing from Canada to the U.S.. Badger is pursuing a number of strategies to mitigate the impact of these tariffs on Badger's operations and results.

⁽³⁾ "Total Debt" and "Compliance EBITDA" are not standardized financial measures prescribed by IFRS and may not be comparable to similar measures presented by other companies or entities. See "Non-IFRS Financial Measures" for additional detail on the definition and calculation of Total Debt and Compliance EBITDA.

FINANCIAL HIGHLIGHTS

	Three months ended March 31,	
(\$ U.S. thousands except RPT, per share amounts, share information and ratios)	2026	2025
Revenue:		
Non-destructive excavation service	194,303	164,835
Other	8,941	7,798
Total revenue	203,244	172,633
RPT - Consolidated ⁽¹⁾	39,009	35,034
Adjusted EBITDA ⁽¹⁾	38,055	33,792
Adjusted EBITDA per share, basic and diluted ⁽¹⁾	\$1.13	\$0.99
Adjusted EBITDA margin ⁽¹⁾	18.7%	19.6%
Earnings before income tax	660	5,887
Net earnings	862	3,255
Net earnings per share, basic and diluted ⁽¹⁾	\$0.03	\$0.10
Adjusted net earnings ⁽¹⁾	7,426	6,350
Adjusted net earnings per share, basic and diluted ⁽¹⁾	\$0.22	\$0.19
Cash flow from operating activities before working capital and other adjustments	37,951	33,679
Cash flow from operating activities before working capital and other adjustments per share, basic and diluted ⁽¹⁾	\$1.13	\$0.99
Total Debt to Compliance EBITDA ⁽¹⁾	1.5x	1.4x
Capital expenditures	40,026	25,612
Hydrovac truck count	1,778	1,661
Dividends paid	4,559	4,289
Cash paid to repurchase common shares under the NCIB ⁽²⁾	2,151	7,721
Common shares repurchased and cancelled under the NCIB ⁽²⁾	47,373	301,000
Weighted average common shares outstanding ⁽²⁾	33,730,218	34,058,638

⁽¹⁾ "Adjusted EBITDA", "Adjusted EBITDA per share", "Adjusted EBITDA margin", "Adjusted net earnings", "Adjusted net earnings per share", "Compliance EBITDA", "Total Debt" and "RPT" are not standardized financial measures prescribed by IFRS and may not be comparable to similar measures presented by other companies or entities. See "Non-IFRS Financial Measures" and p.14-16 of the Annual MD&A for additional detail on the definition and calculation of Adjusted EBITDA, Adjusted EBITDA margin, Adjusted net earnings, Compliance EBITDA and Total Debt. See "Key Financial Metrics and Other Operational Metrics" and p.12-13 of the Annual MD&A for additional details on the definition and calculation of RPT. Per share, basic and diluted measures are calculated by dividing the financial measure with the weighted average common shares outstanding for the period.

⁽²⁾ See "Share Capital" for additional details.

FIRST QUARTER HIGHLIGHTS

For the three months ended March 31, 2026:

- Revenue was \$203.2 million, 18% higher than \$172.6 million in the first quarter of 2025.
- RPT was \$39,009, 11% higher than \$35,034 in the first quarter of 2025.
- Gross profit margin was 24.5%, compared to 25.5% in the first quarter of 2025.
- General and administrative expenses ("G&A") were \$11.8 million or 6% of revenue, compared to \$10.3 million or 6% of revenue in the first quarter of 2025.
- Adjusted EBITDA margin was 18.7%, compared to 19.6% in the first quarter of 2025.
- Adjusted net earnings was \$7.4 million, compared to \$6.3 million in the first quarter of 2025.

- Net earnings was \$0.9 million, compared to \$3.3 million in the first quarter of 2025.
- Cash flow from operations was \$38.0 million, compared to \$33.7 million in the first quarter of 2025.
- Total Debt to Compliance EBITDA was 1.5x at March 31, 2026, up from 1.4x at March 31, 2025.
- The Company purchased 47,373 common shares for cancellation under the NCIB at a weighted average price per share of CAD\$63.27.

RESULTS OF OPERATIONS FOR THE QUARTER

First Quarter Summary

(\$ US thousands)	Three months ended March 31,	
	2026	2025
Non-destructive excavation service revenue	194,303	164,835
Other service revenue	8,941	7,798
Total revenue	203,244	172,633
Direct costs	153,381	128,584
Gross profit	49,863	44,049
Gross profit margin (%)	24.5%	25.5%
General and administrative	11,808	10,257
Adjusted EBITDA	38,055	33,792
Adjusted EBITDA margin (%)	18.7%	19.6%
Net earnings	862	3,255
Adjusted net earnings	7,426	6,350

Non-destructive Excavation Service Revenue

Consolidated non-destructive excavation service revenue was \$194.3 million, \$29.5 million or 18% higher than \$164.8 million in the prior year as we have been able to meet the continued growth in customer demand in our U.S. markets through our continued investment in our fleet combined with the ongoing benefits from our sales and marketing investments.

Other Service Revenue

Other service revenue was \$8.9 million, \$1.1 million or 15% higher than \$7.8 million in the same quarter of the prior year.

Revenue per Truck per Month

Consolidated RPT for the quarter was \$39,009, an 11% increase from \$35,034 in the prior year. The growth in revenue outpaced the increase in the average number of hydrovac units largely as a result of improved unit utilization combined with higher pricing. As at March 31, 2026, Badger had 1,778 hydrovac units in its fleet compared to 1,661 as at March 31, 2025.

Direct Costs

Direct costs were \$153.4 million, or 75% of revenue compared to \$128.6 million, or 74% of revenue in the prior year.

Direct costs increased due to the higher volume of work performed to meet customer demand, greater costs associated with the larger fleet size, as well increases to our operations support functions to meet the growth opportunities across our markets. Direct costs also increased as we made initial investments in our Operational Excellence program and accelerated the hiring and training of operators to match the increased rate of demand growth in the second half of 2025. Direct costs increased as a percentage of revenue as these investments led to costs initially outpacing the increase in revenue.

Gross Profit

Gross profit was \$49.9 million and gross profit margin was 24.5%, compared to \$44.0 million and 25.5% in the prior year, primarily driven by higher direct costs outpacing the revenue increase. As discussed in the Quarterly Operational Highlights and as expected, the Company's targeted investments in growth have had a near-term impact on gross profit margin but position the Company to capture growth opportunities as the year unfolds.

General and Administrative Expenses

G&A expenses were \$11.8 million or 6% of revenue compared to \$10.3 million or 6% of revenue in the same quarter of the prior year. The consistent G&A expense as percentage of revenue with the prior year is due to the overall stability in G&A functions.

Depreciation and Amortization of Property, Plant and Equipment, Right-of-Use and Intangible Assets

Depreciation and amortization expense was \$24.9 million compared to \$20.3 million in the prior year. Depreciation expense, which is recorded on a straight-line basis, increased compared with the prior year primarily due to a higher average number of hydrovac units, increased right of use assets, and the impact of refurbished units placed back into service.

Share-Based Compensation

Share-based compensation expense was \$0.1 million compared to \$6.5 million in the same quarter of the prior year. During the quarter, Badger's share price decreased from CAD\$73.13 per share at December 31, 2025 to CAD\$62.04 per share at March 31, 2026, compared to the increase in Badger's share price from CAD\$35.88 per share at December 31, 2024 to CAD\$38.86 per share at March 31, 2025. Share-based compensation expense fluctuates based on the effects of the movement in Badger's share price, combined with the impact of normal course vesting of previously issued long-term incentive plan grants and the issuance, if any, of new long-term incentive plan grants.

The Company has entered into total return swap contracts to manage the exposure to share price market risk on its cash-settled long-term incentive plan programs. All total return swap contracts are recorded at fair value. The net loss on the total return swaps in the quarter was \$8.9 million compared to a \$2.0 million gain in the same quarter of the prior year. This is due to a decline in the share price of Badger's shares in the first quarter of 2026. For a discussion of the risks and risk management strategies associated with financial instruments, see "Critical Accounting Policies and Estimates" and "Risk Factors to Badger" in the Annual MD&A.

Finance Cost

Finance cost of \$3.8 million consist primarily of interest on borrowings under the Company's Credit Facility (as defined below under the heading "Syndicated Revolving Credit Facility") and the Term Loan (as defined below under the heading "Non-revolving Term Loan Facility"), standby fees on the Credit Facility, amortization of borrowing costs, and finance costs associated with lease liabilities. The \$0.3 million increase in finance cost was largely due to a higher average long term debt balance.

As at March 31, 2026, the Company's debt obligations, consisted of \$135.6 million drawn on the Credit Facility, \$100.0 million on the Term Loan, and \$61.8 million in lease liabilities, compared with \$99.0 million, \$100.0 million, and \$60.5 million as at December 31, 2025, respectively.

Income Tax

Total income tax recovery was \$0.2 million compared with \$2.6 million expense in the same quarter of the prior year. The decrease in income tax expense reflects a lower taxable income.

Adjusted EBITDA

Adjusted EBITDA was \$38.1 million, an increase of \$4.3 million or 13% compared to \$33.8 million in the prior year.

Net Earnings

Net earnings were \$0.9 million, \$2.4 million lower than the prior year. This was due to the higher depreciation and amortization, loss on derivatives, and finance costs more than offsetting higher gross profit, and lower share-based compensation expense and income tax expense. Adjusted net earnings for the quarter was \$7.4 million, compared to \$6.3 million in the same quarter of 2025.

Other Comprehensive Income (Loss)

Total other comprehensive income (loss) includes the effect of translating Canadian operations into U.S. dollars, which resulted in a gain of \$2.5 million during the quarter, compared with a loss of \$0.1 million in the same quarter of the prior year. The change in other comprehensive income (loss) is the result of the Canadian dollar fluctuating relative to the U.S. dollar throughout the period.

CAPITAL RESOURCES

Investing

Badger invested \$40.0 million in total capital expenditures during the quarter, compared to \$25.6 million in the same quarter of 2025. The increase in capital expenditures during the quarter was primarily related to the production of hydrovac units.

During the quarter, Badger manufactured 78 hydrovac units compared to 50 hydrovac units in the same quarter of 2025.

Capital Expenditures

(\$ U.S. thousands)	Three months ended March 31,	
	2026	2025
Hydrovac units ⁽¹⁾	33,970	22,294
Other vehicles and trailers	2,051	3,086
Buildings	283	—
Other	3,722	232
Total Capital Expenditures	40,026	25,612

(1) Hydrovac units consist of completed units placed into service, work-in-progress and refurbishment costs. Hydrovac units includes \$1.6 million of refurbishment costs incurred during the quarter compared with \$1.2 million in the same quarter of the prior year.

	Completed Units ⁽¹⁾	Average Manufacturing Cost
Q1 2026	78	\$419,000
2025	210	\$411,000
2024	190	\$416,000
2023	217	\$399,000
2022	112	\$433,000
2021	32	\$440,000

(1) Completed hydrovac units in the above table exclude prototype Badger airvacs manufactured.

During the first quarter of 2026, we completed 78 hydrovac units at an average manufactured cost of \$419 thousand. The total cost per unit, including licensing, delivery, federal excise taxes and tariffs was \$520 thousand. This is an increase from \$441 thousand in 2025, primarily due to tariffs.

The cost to build a hydrovac unit fluctuates on an annual basis due to factors such as: the number of hydrovac units built; the cost of chassis; labour and materials rates; and the impact of foreign currency rates as certain materials are denominated or otherwise influenced by foreign currency exchange rates.

Lease Liability

As at March 31, 2026, the Company had \$61.8 million in lease liabilities (December 31, 2025 – \$60.5 million) related to operating and administrative building lease arrangements, consisting primarily of yard space for hydrovac operations, and leases for light-duty pick-up trucks.

Liquidity and Capital Resources

(\$ U.S. thousands)	March 31, 2026	December 31, 2025
Credit Facility capacity	300,000	300,000
Borrowings under Credit Facility	(135,573)	(99,009)
Cash on hand	6,800	4,768
Available Liquidity	171,227	205,759

The Credit Facility is available for general corporate purposes, providing additional liquidity and financial capacity should it be required. The Company has also obtained the LC Facility (as defined below) to support its U.S. insurance program and certain other performance bonds. During the quarter, the Company remained in compliance with all financial covenants associated with all lending arrangements.

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, 2030. Amounts may be drawn under the Credit Facility in either Canadian or U.S. dollars and bear interest at the Canadian Overnight Repo Rate Average and 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 March 31, 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 March 31, 2026, the Company had \$164.4 million (December 31, 2025 - \$201.0 million) of undrawn committed borrowing facilities available under the Credit Facility. The Company can exercise the accordion feature under its Revolving Credit Facility to add an additional \$150.0 million in borrowing capacity.

Non-Revolving Term Loan Facility

The Company has a \$100.0 million syndicated, secured, non-revolving term loan facility (the "Term Loan") maturing on December 11, 2028. The Term Loan is non-amortizing and bears interest at the Secured Overnight Financing Rate. As at March 31, 2026, 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

The Company has an unsecured demand revolving letter of credit facility with a maximum principal amount of \$20.0 million (the "LC Facility") 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.

	March 31, 2026	December 31, 2025
PSG Program capacity	20,000	10,000
Less: letters of credit	(6,563)	(6,563)
Available amount	13,437	3,437

Surety Bond

Badger has a corporate guarantee in the form of a surety bond to its primary insurer ("Obligee") to allow the Obligee to provide insurance coverage to Badger. As of March 31, 2026, and as of December 31, 2025, the outstanding surety bond guaranteed by Badger was \$2.6 million. Management believes that adequate liquidity exists to meet projected surety requirements. Badger has not recorded a liability under this guarantee as management believes that no material events of default exist under the applicable contract with the Obligee.

Compliance

Under the terms of the Credit Facility, the Company must comply with certain financial and non-financial covenants. Badger is restricted from declaring dividends if it is in breach of the covenants governing its credit facilities. The Company is in compliance with all covenants under the Credit Facility and does not maintain a credit rating.

The Company's significant financial covenants are detailed in the summary below:

Ratio ⁽¹⁾⁽²⁾	March 31, 2026	December 31, 2025	March 31, 2025	Threshold
Total Debt to Compliance EBITDA Credit Facility	1.5x	1.3x	1.4x	4.0:1x max
Interest Coverage Ratio Credit Facility	10.6x	11.1x	10.7x	3.0:1x min

(1) The Interest Coverage Ratio Credit Facility is calculated as Compliance EBITDA divided by interest expense. For the trailing twelve months ended March 31, 2026, calculated as \$151.4 million in Compliance EBITDA divided by \$14.3 million in interest expense and for the twelve months ended December 31, 2025, calculated as \$157.9 million in Compliance EBITDA divided by \$14.2 million in interest expense. Interest expense is calculated in accordance with IFRS on a trailing 12-month basis, and excludes interest paid on leases.

(2) See "Non-IFRS Financial Measures" for additional detail on the definition and calculation of Compliance EBITDA and Total Debt.

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements and no significant outstanding balances with related parties as at March 31, 2026.

Working Capital

Changes in working capital levels may result from increasing or decreasing revenue, the seasonality in operations, the timing of the collection of receivables and the payment of payables, the timing of capital expenditures and the impact of fluctuations in foreign currency exchange rates. Working capital is calculated as current assets minus current liabilities and was \$60.0 million as at March 31, 2026, compared to \$59.0 million as at December 31, 2025. This is primarily due to an increase in cash, trade and other receivables, prepaid expenses, inventories, derivative financial instruments and a decrease in the current portion of share-based compensation liability. This was offset in part by an increase in trade and other payables and the current portion of lease liability.

The largest component of Badger's working capital is trade and other receivables. Trade and other receivables totaled \$183.5 million as at March 31, 2026, \$5.5 million, or 3% higher than the balance of \$178.0 million as at December 31, 2025. Trade and other receivables increased as a result of revenue increasing towards the end of the quarter due to normal course seasonality compared to the fourth quarter of 2025. 92% of Badger's trade receivables were aged 90 days or less, compared with 93% as at December 31, 2025. The Company continues to actively manage its receivables portfolio and drive further improvements in all aspects of the cash collection cycle.

Badger manages a receivables purchase program that sells short-term trade receivables of certain designated customers. The transaction is treated as a transfer of a financial asset but does not qualify for derecognition under IFRS. The receivables are derecognized once the receivable is collected from the customer and transferred to the counterparty. As at March 31, 2026, Badger sold \$19.0 million in trade receivables to its counterparty (December 31, 2025 - \$16.9 million).

The Company uses its cash to fund day-to-day operations, purchase and manufacture property, plant and equipment, service debt and pay dividends, and for general corporate purposes. Badger assesses its need for

general liquidity based on its cash flow from operating activities combined with the financial capacity available under its various borrowing facilities. Badger has ample access to liquidity, through a combination of cash flows from operating activities and its various borrowing facilities, to meet the existing operational and capital expenditures of the business. Cash flows from operating activities are subject to variations and risks associated with the normal course operations of the business, including the impact of the seasonality within the business and the normal course timing and collection of working capital.

Share Capital

As at March 31, 2026, the number of common shares outstanding was 33,692,865, compared with 33,740,238 as at December 31, 2025. The weighted average common shares outstanding as at March 31, 2026 was 33,730,218, and was 33,826,490 as at December 31, 2025. As at April 30, 2026, the number of common shares outstanding was 33,659,562. Badger does not currently have any material financial instruments which can be converted into additional common shares.

Refer to Note 12 (Shareholders' Capital) of the Interim Condensed Consolidated Financial Statements for additional details on the changes to share capital.

Normal Course Issuer Bid

In August 2025, the Toronto Stock Exchange ("TSX") accepted Badger's notice of intention to renew its NCIB pursuant to which Badger may purchase and cancel up to 2,910,453 common shares, representing 10% of the Company's public float as at August 14, 2025 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 quarter ended March 31, 2026, the Company purchased and cancelled 47,373 common shares, at a weighted average price per share of CAD\$63.27. Subsequent to March 31, 2026 and as at April 30, 2026, the Company purchased 33,303 additional shares at a weighted average price per share of CAD\$63.04.

Contractual Obligations

Refer to the Interim Condensed Consolidated Financial Statements for disclosure related to contractual obligations. The Company anticipates using its cash and cash equivalents, in addition to the financial capacity available under its various credit facilities to fund its contractual obligations.

	2026	2027	2028	2029	2030	Thereafter	Total
Operating leases ⁽¹⁾	2,251	2,563	1,808	1,444	851	684	9,601
Service contract ⁽²⁾	5,962	1,600	1,257	757	697	—	10,273
Purchase commitments ⁽³⁾	55,953	949	94	—	—	—	56,996
Total	64,166	5,112	3,159	2,201	1,548	684	76,870

⁽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.

Selected Quarterly Financial Information

(\$ US thousands, except per share amounts)	2026		2025			2024		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total revenue	203,244	213,524	237,339	208,206	172,633	187,176	209,376	186,838
Net earnings	862	8,446	29,024	18,503	3,255	10,869	23,314	11,910
Net earnings per share, basic and diluted	\$0.03	\$0.25	\$0.86	\$0.55	\$0.10	\$0.32	\$0.68	\$0.35
Adjusted net earnings	7,426	11,610	30,786	20,313	6,350	12,744	25,094	15,466
Adjusted net earnings per share, basic and diluted	\$0.22	\$0.34	\$0.91	\$0.60	\$0.19	\$0.37	\$0.73	\$0.45
Dividends paid (CAD) ⁽¹⁾	6,326	6,325	6,326	6,326	6,164	6,164	6,198	6,205
Dividends per share, basic and diluted (CAD) ⁽¹⁾	\$0.1875	\$0.1875	\$0.1875	\$0.1875	\$0.180	\$0.180	\$0.180	\$0.180

⁽¹⁾ Dividends paid and dividends per share, basic and diluted are presented in Canadian Dollars in the table above as dividends are declared and paid in Canadian dollars.

During the periods in the above tables, Badger's results were impacted by the following factors and trends:

- general changes in economic growth and overall macro-economic conditions;
- the growth in investment in non-building construction/infrastructure projects and the resulting growth in demand for hydrovac excavation services; and
- additional investments related to the manufacture of hydrovac units and an increase in working capital requirements associated with the underlying growth in the business.

Key Financial Metrics and Other Operational Metrics

"Revenue per truck per month" ("RPT") is a non-IFRS financial measure of hydrovac fleet utilization. It is calculated using hydrovac and hydrovac related revenue only. RPT is calculated on a consolidated basis by dividing hydrovac and hydrovac related revenue by the average number of hydrovac units in service during the period and further divided by the number of months in the respective period, being three months for a quarter and twelve months for an annual period.

Revenue per truck per month – Consolidated

(\$ U.S. thousands, except for RPT and average non-destructive excavation units)	Three months ended March 31,	
	2026	2025
Total revenue	203,244	172,633
Less: Other revenue	8,941	7,798
Non-destructive excavation service revenue net	194,303	164,835
Add: Operating partner net revenue	10,609	8,793
Non-destructive excavation service revenue gross	204,912	173,628
Average non-destructive excavation units ⁽¹⁾	1,751	1,652
RPT	39,009	35,034

⁽¹⁾ See "Fleet Summaries" for additional details.

FLEET SUMMARIES

Number of hydrovac units at period end

2026		2025			2024		
Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
1,778	1,723	1,703	1,682	1,661	1,643	1,625	1,584

Average number of hydrovac units during the period⁽¹⁾

2026		2025			2024				
Q1	Annual	Q4	Q3	Q2	Q1	Annual	Q4	Q3	Q2
1,751	1,683	1,713	1,692	1,672	1,652	1,589	1,634	1,604	1,557

⁽¹⁾ The average number of hydrovac units during the period is calculated using a simple average between the opening number of hydrovac units in service during the period and the closing number of hydrovac units in service during the period. The average number of hydrovac units is based on the total units in service and included in active fleet.

Number of Marketing and Franchise Agreements

2026		2025			2024		
Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
9	9	9	10	10	10	12	12

NON-IFRS FINANCIAL MEASURES

This MD&A contains references to certain financial measures, including some that do not have any standardized meaning prescribed by IFRS and that may not be comparable to similar measures presented by other companies or entities. The Company uses these non-IFRS financial measures in addition to results prepared in accordance with IFRS. Such non-IFRS measures allow us to view certain aspects of Badger's business that, when considered alongside applicable IFRS results, may provide a more comprehensive understanding of Badger's operational and financial condition and the factors and trends affecting Badger's business. These non-IFRS financial measures are identified and defined below:

Refer to the discussion starting at page 14 of the Annual MD&A for a description of non-IFRS financial measures used by the Company. The Annual MD&A is available on the Company's SEDAR+ profile at www.sedarplus.ca.

"Adjusted EBITDA" is earnings before interest, taxes, depreciation and amortization, share-based compensation, gains and losses on derivative instruments, gains and losses on sale of property, plant and equipment and right of use assets, and gains and losses on foreign exchange. Adjusted EBITDA is a measure of the Company's operating profitability and is therefore useful to management and investors as it provides improved continuity with respect to the comparison of operating results over time. Adjusted EBITDA provides an indication of the results generated by the Company's principal business activities prior to how these activities are financed, the results are taxed in various jurisdictions, and assets are amortized. In addition, Adjusted EBITDA excludes gains and losses on sale of property, plant and equipment and right of use assets as these gains and losses are considered incidental and secondary to the principal business activities, gains and losses on foreign exchange, as such gains and losses can vary significantly based on factors beyond the Company's control and share-based compensation and gains and losses on derivative instruments as these expenses can vary significantly with changes in the price of the Company's common shares.

Adjusted EBITDA is calculated as follows:

(\$ US thousands)	Three months ended March 31,	
Adjusted EBITDA	2026	2025
Net earnings	862	3,255
Add:		
Depreciation and amortization	24,877	20,273
Share-based compensation expense	102	6,514
Gain on sale of property, plant and equipment and right of use assets	(330)	(471)
Loss (gain) on derivative instruments	8,863	(2,032)
Finance cost	3,777	3,507
Foreign exchange loss	106	114
Income tax (recovery) expense	(202)	2,632
Adjusted EBITDA	38,055	33,792

Adjusted EBITDA can also be calculated as follows:

(\$ US thousands)	Three months ended March 31,	
Adjusted EBITDA	2026	2025
Revenue	203,244	172,633
Less:		
Direct costs	153,381	128,584
General and administrative expense	11,808	10,257
Adjusted EBITDA	38,055	33,792

"Adjusted EBITDA margin" is Adjusted EBITDA as defined above, expressed as a percentage of revenues. Adjusted EBITDA margin is calculated as follows:

(\$ US thousands except for percentages)	Three months ended March 31,	
Adjusted EBITDA margin	2026	2025
Adjusted EBITDA	38,055	33,792
Revenue	203,244	172,633
Adjusted EBITDA margin	18.7%	19.6%

"Adjusted net earnings" is net earnings adjusted for share-based compensation, gains and losses on derivative instruments, gains and losses on sale of property, plant and equipment and right of use assets, and gains and losses on foreign exchange, tax impacted using the effective tax rate. Adjusted net earnings is calculated as follows:

(\$ US thousands except share information and per share amounts)		Three months ended March 31,	
Adjusted earnings and earnings per share		2026	2025
Net earnings		862	3,255
Normalizing adjustments:			
Share-based compensation expense		102	6,514
Gain on sale of property, plant and equipment and right of use assets		(330)	(471)
Loss (gain) on derivative instruments		8,863	(2,032)
Foreign exchange loss		106	114
Total normalizing adjustments		8,741	4,125
Tax rate		25%	25%
Tax effect of normalizing adjustments		2,177	1,030
Adjusted net earnings		7,426	6,350
Weighted average number of shares - basic and diluted		33,730,218	34,058,638
Adjusted net earnings per share - basic and diluted		\$0.22	\$0.19

"**Compliance EBITDA**" is earnings before interest, taxes, depreciation, amortization, and certain other items, calculated on a 12-month trailing basis, and is used by the Company to calculate compliance with its debt covenants. Compliance EBITDA is calculated as follows:

(\$ US thousands)		Twelve months ended March 31,	
Compliance EBITDA		2026	2025
Net earnings		56,835	49,348
Add:			
Depreciation and amortization		93,338	79,963
Share-based compensation expense (recovery) net of payments		10,112	(9,077)
Gain on sale of property, plant and equipment		(906)	(1,569)
(Gain) loss on derivative instruments		(17,199)	9,913
Finance cost		16,914	15,587
Right-of-use assets lease payments		(25,226)	(21,036)
Income tax expense		17,529	21,664
Unrealized foreign exchange loss (gain)		41	(22)
Compliance EBITDA		151,438	144,771

"**Total Debt**" consists of long-term debt, less cash on hand. Effective March 31, 2026, the Company revised its interpretation of debt classification for covenant purposes to exclude surety bonds and issued letters of credit.

This change has been applied prospective, with no impact on the comparative period. Total debt is used by the Company to calculate compliance with its debt covenants. Total Debt is calculated as follows:

(\$ US thousands)		
Total Debt	March 31, 2026	December 31, 2025
Non-revolving Term Loan	100,000	100,000
Borrowings under Credit Facility	135,573	99,009
Add: issued letters of credit	—	6,563
Add: surety bond	—	2,625
Less: cash on hand up to \$37.5 million	(6,800)	(4,768)
Total Debt	228,773	203,429

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's significant accounting policies are set out in Note 3 (Summary of Material Accounting Policies) of the Annual Consolidated Financial Statements. Certain of these accounting policies, as well as estimates made by management in applying such policies, are recognized as critical because they require management to make subjective or complex judgements about matters that are inherently uncertain. The Company's critical accounting estimates, as detailed in Badger's Annual MD&A relate to: inventory, useful lives of property, plant and equipment, depreciation, income taxes, allowance for doubtful accounts, determining cash generating units, impairment of non-financial assets, intangible assets, goodwill and functional currency.

In the preparation of the Interim Condensed Consolidated Financial Statements, management has made judgments, estimates and assumptions that affect the recorded amounts of revenues, expenses, assets, liabilities and the disclosure of commitments, contingencies and guarantees. Estimates and judgments used are based on management's experience and the assumptions used are believed to be reasonable given the circumstances that exist at the time the Interim Condensed Consolidated Financial Statements are prepared. Actual results could differ from these estimates. The most significant estimates and judgments used in the preparation of the Interim Condensed Consolidated Financial Statements have been set out in Note 2 (Material Accounting Judgements, Estimates and Assumptions) of the Annual Consolidated Financial Statements.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Badger's President and CEO and its CFO have designed, or caused to be designed under their direct supervision, Badger's disclosure controls and procedures (as defined by National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, adopted by the Canadian Securities Administrators) to provide reasonable assurance that (i) material information relating to Badger, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared; and (ii) material information required to be disclosed in Badger's annual filings, interim filings or other reports filed or submitted by it under Canadian securities legislation is recorded, processed, summarized and reported on a timely basis. Further, they have evaluated, or caused to be evaluated under their direct supervision, the effectiveness of Badger's disclosure controls and procedures as at March 31, 2026 and have concluded the disclosure controls and procedures are effective.

Internal Control over Financial Reporting

Badger's President and CEO and its CFO have also designed, or caused to be designed under their direct supervision, Badger's internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Further, using the criteria established in Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission, they have evaluated, or caused to be

evaluated under their direct supervision, the effectiveness of Badger's internal control over financial reporting at March 31, 2026 and have concluded the internal controls over financial reporting are effective.

Changes in Internal Control over Financial Reporting

There were no changes to Badger's internal control over financial reporting in the first quarter of 2026.

Inherent Limitations

Notwithstanding the foregoing, because of its inherent limitations, a control system can provide only reasonable assurance that the objectives of the control system are met and may not prevent or detect misstatements. Management's estimates or assumptions about future events may be incorrect, resulting in varying results. In addition, management has attempted to minimize the likelihood of fraud. However, any control system can be circumvented through collusion and illegal acts

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements and information contained in this MD&A and other continuous disclosure documents of the Company referenced herein, including statements and information that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "continue", "positioned to", "grow", "intention", "projected", "ensure", "plan", "expand", "pursue" and similar expressions relating to matters that are not historical facts, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. These statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements and information. The Company believes the expectations reflected in such forward-looking statements and information are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking statements and information included in this MD&A should not be unduly relied upon. These forward-looking statements and information speak only as of the date of this MD&A.

In particular, forward-looking information and statements in this MD&A include, but are not limited to the following:

- Badger's expectations with regard to growth in its end markets and customer demand;
- Badger's ability to meet growing customer needs;
- Badger's investments to expand its branch network in key strategic markets, increase operational and commercial leadership positions and accelerate hiring and training of operators, including the timing and anticipated benefits thereof;
- Badger's expectations with respect to the production, retirement and refurbishments of hydrovac units;
- The planned increase in Badger's 2026 fleet size and rate of fleet growth;
- The anticipated impact of tariffs and Badger's ability to mitigate the impact of to such tariffs;
- The ongoing roll out of Badger's Operational Excellence program across all branches and the timing, efficiencies and anticipated benefits thereof;
- Badger's investments for additional service lines to complement its existing hydrovac business and the expected impacts thereof;
- Badger's expectations with respect to capturing market opportunities and expanding branch profitability to create longer term sustained shareholder value;
- The intention to continue returning capital to shareholders through dividends and the NCIB;
- Expectations regarding Badger's ability to maintain leverage within its long term Total Debt to Compliance EBITDA of 1.0x to 2.0x.
- Badger's ability to retain capacity to fund operations and working capital needs while continuing to invest in the growth of its business;
- Disclosure under the heading "2026 Business Outlook";
- Badger's focus on expansion;
- Badger's expectations with respect to its liquidity;
- Badger's management of its receivables portfolio and other improvements in its cash collection cycle; and

- Badger's anticipated use of its cash, cash equivalents and financial capacity available under its borrowing facilities.

The forward-looking information and statements made in this MD&A rely on certain expected economic conditions and overall demand for Badger's services and are based on certain assumptions. The assumptions used to generate this forward-looking information and statements are, among other things, that:

- Badger will maintain its financial position and financial resources will continue to be available to Badger;
- The overall market for Badger's services or its ability to provide service will not be adversely affected in the long-term by economic disruption, or other factors beyond Badger's control such as weather, natural disasters, global events, the imposition of tariffs by the U.S. or other governments, other legislation or regulatory changes and technological advances;
- There will be long-term sustained customer demand for hydrovac and related services from a broad range of end use markets in North America;
- Badger will maintain relationships with current customers and develop successful relationships with new customers;
- Badger will collect customer payments in a timely manner;
- Badger will be able to compete effectively for the demand for its services;
- There will not be significant changes in profit margins due to pricing changes driven by market conditions, competition, regulatory factors or other unforeseen factors;
- Badger will realize and continue to realize the efficiencies and benefits of the executed business restructuring activities and other business improvement initiatives;
- Badger will be able to successfully implement its plans, programs, and procedures as expected; and
- Badger will obtain all labour, parts and supplies necessary to complete planned hydrovac unit builds at the costs and on the timeline expected.
- Badger will continue to attract and retain qualified staff;
- Badger will maintain financial and operational flexibility;
- Badger will have the ability to manufacture and maintain its vehicle fleet in a cost-efficient manner;
- Badger will be able to leverage and fully utilize its technology and internal systems; and
- Badger will continue to realize operational efficiencies through its operating model and other strategic initiatives.

Risks and other uncertainties that could cause actual results to differ materially from those anticipated in such forward-looking statements include, but are not limited to: political and economic conditions; loss of key customers; cybersecurity breaches; terrorism; industry competition; safety risks; Badger's ability to attract and retain key personnel; reduction in customer spending; litigation; the availability of future debt and equity financing; changes in laws or regulations, including taxation and environmental regulations, which may adversely impact the labour supply and operating costs of Badger; extreme or unsettled weather patterns; reputational risks; price fluctuations in commodity markets and related products and services; fluctuations in foreign exchange or interest rates; and changes in the tariff and trade environment. The foregoing list of risks is not exhaustive. For more information relating to risks, see the section titled "Risk Factors" in the Company's AIF for the year ended December 31, 2025, which is available on SEDAR+ at www.sedarplus.ca.

Any future-orientated financial information and financial outlook information (collectively, "FOFI") contained in this MD&A, as such terms are defined by applicable securities laws, is provided for the purpose of providing information about management's current expectations and plans relating to the future and is subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. Management believes that the FOFI has been prepared on a reasonable basis, reflecting best estimates and judgments; however, actual results of the Company's operations and financial outcomes may vary from the amounts set forth herein. FOFI contained in this MD&A was made as of the date of this MD&A and the Company does not undertake any obligation to publicly update or revise any FOFI contained in this MD&A, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. Readers are cautioned that any FOFI contained herein should not be used for purposes other than those for which it has been disclosed herein.

Readers are cautioned that the foregoing factors are not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results is included in reports on file with securities regulatory authorities in Canada and may be accessed through the SEDAR+ website (www.sedarplus.ca) or the Company's website. The forward-looking statements and information contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.