BADGER INFRASTRUCTURE SOLUTIONS LTD.

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited)

($ U.S. thousands)	Note	**March 31, 2026**	December 31, 2025
ASSETS			
Current Assets			
Cash		**6,800**	4,768
Trade and other receivables	6	**183,465**	177,954
Prepaid expenses		**16,921**	14,118
Inventories		**17,138**	15,058
Derivative financial instruments		**5,591**	8,185
		229,915	220,083
Non-current Assets			
Property, plant and equipment	7	**470,917**	449,534
Right-of-use assets	8	**60,577**	59,491
Derivative financial instruments		**3,789**	5,879
Intangible assets		**25,194**	26,614
Goodwill		**1,164**	1,182
Total Assets		**791,556**	762,783
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade and other payables		**110,902**	94,900
Lease liability	9	**23,085**	22,191
Derivative financial instruments		**4,022**	—
Share-based compensation liability	11	**26,610**	38,866
Income taxes payable		**614**	536
Dividends payable		**4,714**	4,615
		169,947	161,108
Non-current Liabilities			
Lease liability	9	**38,665**	38,336
Share-based compensation liability	11	**5,984**	15,345
Long term debt	10	**234,712**	198,011
Deferred tax liability		**51,306**	53,900
Total Liabilities		**500,614**	466,700
Shareholders' Equity			
Shareholders' capital	12	**65,648**	65,779
Contributed surplus		**422**	422
Accumulated other comprehensive loss		**(3,713)**	(6,259)
Retained earnings		**228,585**	236,141
Total Shareholders' Equity		**290,942**	296,083
Total Liabilities and Shareholders' Equity		**791,556**	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 March 31, 2026	2025
Revenue	13	**203,244**	172,633
Direct costs		**153,381**	128,584
Gross profit		**49,863**	44,049
Depreciation and amortization		**24,877**	20,273
General and administrative		**11,808**	10,257
Share-based compensation expense		**102**	6,514
Operating income		**13,076**	7,005
Gain on sale of property, plant and equipment and right of use assets		**(330)**	(471)
Loss (gain) on derivatives		**8,863**	(2,032)
Finance cost	14	**3,777**	3,507
Foreign exchange loss		**106**	114
Earnings before income tax		**660**	5,887
Current income tax expense		**2,284**	911
Deferred income tax (recovery) expense		**(2,486)**	1,721
Income tax (recovery) expense		**(202)**	2,632
Net earnings		**862**	3,255
Other comprehensive income (loss):			
Foreign exchange differences on translation of foreign operations		**2,546**	(99)
Other comprehensive income (loss)		**2,546**	(99)
Comprehensive income		**3,408**	3,156
Weighted average number of shares - basic and diluted		**33,730,218**	34,058,638
Net earnings per share - basic and diluted		**$ 0.03**	$ 0.10

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	—	—	—	3,255	3,255
Other comprehensive loss	—	—	(99)	—	(99)
Dividends	—	—	—	(4,426)	(4,426)
Shares repurchased and cancelled under normal-course issuer bid	(474)	—	—	(2,109)	(2,583)
At March 31, 2025	65,366	422	(4,869)	193,428	254,347
At January 1, 2026	65,779	422	(6,259)	236,141	296,083
Net earnings	—	—	—	862	862
Other comprehensive income	—	—	2,546	—	2,546
Dividends	—	—	—	(4,715)	(4,715)
Shares repurchased and cancelled under normal-course issuer bid	(131)	—	—	(3,703)	(3,834)
At March 31, 2026	**65,648**	**422**	**(3,713)**	**228,585**	**290,942**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

		Three months ended March 31,	
($ U.S. thousands)	Note	**2026**	2025
OPERATING ACTIVITIES			
Net earnings		**862**	3,255
Items not affecting cash and cash equivalents:			
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 derivatives		**8,863**	(2,032)
Finance cost		**3,777**	3,507
Income tax (recovery) expense		**(202)**	2,632
Unrealized foreign exchange loss		**2**	1
Cash flow from operating activities before working capital and other adjustments		**37,951**	33,679
Change in non-cash working capital	15	**6,204**	(12,156)
Income taxes paid		**(4,396)**	(982)
Income taxes recovered		**9**	228
Financial instruments paid		**(225)**	(170)
Share-based compensation paid		**(21,227)**	(11,893)
Cash provided by operating activities		**18,316**	8,706
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(40,026)**	(25,612)
Proceeds from sale of property, plant and equipment		**530**	1,036
Proceeds from disposal of right of use assets		**18**	28
Additions to intangible asset		**(248)**	(116)
Change in non-cash working capital	15	**(218)**	(62)
Cash used in investing activities		**(39,944)**	(24,726)
FINANCING ACTIVITIES			
Borrowings under credit facility		**65,358**	53,350
Repayments of credit facility		**(25,025)**	(30,459)
Repurchase of common shares		**(2,151)**	(7,721)
Interest paid		**(3,152)**	(2,953)
Interest paid on lease liabilities		**(739)**	(543)
Payment of lease liabilities	9	**(6,070)**	(4,862)
Dividends paid		**(4,559)**	(4,289)
Cash provided by financing activities		**23,662**	2,523
Effect of foreign exchange rate changes on cash		**(2)**	1
Change in cash		**2,032**	(13,496)
Cash, beginning of period		**4,768**	14,617
Cash, end of period		**6,800**	1,121

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 three months ended March 31, 2026 and March 31, 2025 were authorized for issue in accordance with a resolution of the Board of Directors (“Board”) on April 30, 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 requirements to improve the comparability and transparency of financial performance reporting. 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 is currently assessing the impact of adopting IFRS 18 on 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)	**March 31, 2026**	December 31, 2025
Trade receivables	**175,583**	177,204
Holdback receivables	**586**	579
Allowance for doubtful accounts	**(4,506)**	(4,324)
Total trade receivables	**171,663**	173,459
Accrued revenue and other receivables	**11,802**	4,495
Trade and other receivables	**183,465**	177,954

Trade receivables are non-interest bearing and are generally on 30-90 day payment terms. Trade receivables include $19.0 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)	**March 31, 2026**	December 31, 2025
Current to 90 days	**158,634**	161,413
Over 90 days	**13,029**	12,046
Total trade receivables	**171,663**	173,459

Movement in allowance for doubtful accounts is as follows:

($ U.S. thousands)	**March 31, 2026**	December 31, 2025
Opening balance	**4,324**	3,617
Additions to the allowance	**603**	3,253
Accounts written off	**(404)**	(2,576)
Exchange differences	**(17)**	30
Closing balance	**4,506**	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)	283	4,759	3,721	31,262	40,025
Disposals	—	—	(66)	(6,230)	(6,296)
Exchange differences	(395)	(9)	(88)	(2,497)	(2,989)
March 31, 2026	**39,565**	**34,283**	**15,448**	**779,455**	**868,751**
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	465	—	659	15,948	17,072
Disposals	—	—	(28)	(6,166)	(6,194)
Exchange differences	(191)	—	(53)	(1,277)	(1,521)
March 31, 2026	**15,311**	**—**	**6,077**	**376,446**	**397,834**
Net book value					
December 31, 2025	24,640	29,533	6,382	388,979	449,534
March 31, 2026	**24,254**	**34,283**	**9,371**	**403,009**	**470,917**

(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	9,223	804	10,027
Depreciation	(3,355)	(2,926)	(6,281)
Disposals/modifications	(2,298)	(208)	(2,506)
Impact of foreign exchange	(96)	(58)	(154)
March 31, 2026	**37,909**	**22,668**	**60,577**

9 LEASE LIABILITY

($ U.S. thousands)	**March 31, 2026**	December 31, 2025
Opening balance	**60,527**	50,251
Additions	**10,027**	34,722
Interest expense	**739**	2,435
Lease payments	**(6,809)**	(23,822)
Disposals/modifications	**(2,595)**	(3,444)
Exchange differences	**(139)**	385
Closing balance	**61,750**	60,527
Current	**23,085**	22,191
Long-term	**38,665**	38,336
Total lease liabilities	**61,750**	60,527

Contractual undiscounted cash flows

($ U.S. thousands)	**March 31, 2026**	December 31, 2025
Less than one year	**25,596**	24,488
One to five years	**40,605**	40,472
More than five years	**994**	438
Total	**67,195**	65,398

Amount recognized in net earnings

	Three months ended March 31,	
($ U.S. thousands)	**2026**	2025
Expenses related to short-term leases	**485**	453

10 DEBT

($ U.S. thousands)	**March 31, 2026**	December 31, 2025
Borrowings under credit facility	**135,573**	99,009
Non-revolving term loan	**100,000**	100,000
Less: unamortized debt issuance costs	**(861)**	(998)
Total long-term debt	**234,712**	198,011

($ U.S. thousands)	**March 31, 2026**	December 31, 2025
Syndicated revolving Credit Facility capacity	**300,000**	300,000
Less: borrowings under Credit Facility	**(135,573)**	(99,009)
Available amount	**164,427**	200,991

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 undertaking, 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 has the ability to 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 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)	**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 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 of March 31, 2026, the outstanding surety bond guaranteed by Badger was $2.6 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.

11 SHARE-BASED COMPENSATION

	March 31, 2026	December 31, 2025
TSX: BDGI Closing Share Price (CAD)	**$62.04**	$73.13

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 plan, 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 March 31, 2026 is $16.0 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	**9,497**
Dividends earned	**1,126**
Settled	**(3,308)**
Forfeited	**—**
March 31, 2026	**359,403**
Vested as at March 31, 2026	**359,403**

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 March 31, 2026 is $8.1 million (December 31, 2025 - $17.8 million). The fair value of units fully vested at March 31, 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	**149,848**
Dividends earned	**1,089**
Settled	**(201,720)**
Forfeited	**—**
March 31, 2026	**347,502**
Vested as at March 31, 2026	**—**

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 March 31, 2026 is $8.5 million (December 31, 2025 - $17.6 million). The fair value of units fully vested at March 31, 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	**162,821**
Dividends earned	**1,211**
Settled	**(212,996)**
Forfeited	**(5,646)**
March 31, 2026	**386,564**
Vested as at March 31, 2026	**—**

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 August 2025, 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 2,910,453 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 three months 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.

	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 December 31, 2025	33,740,238	65,779
Common shares repurchased and cancelled through NCIB	(47,373)	(131)
As at March 31, 2026	**33,692,865**	**65,648**

13 REVENUE

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

($ U.S. thousands)	Three months ended March 31, **2026**	2025
Non-destructive excavation service – corporate	**191,130**	162,176
Non-destructive excavation service – operating partners [1]	**3,173**	2,659
Total non-destructive excavation service revenue	**194,303**	164,835
Other service – corporate[2]	**8,671**	7,404
Other service – operating partners[2]	**270**	394
Total other revenue	**8,941**	7,798
Total revenue	**203,244**	172,633

(1) Badger's Operating Partners' agreements include a lease components. For the three months ended March 31, 2026, operating partners' non-destructive excavation service revenue includes lease revenue of $2.2 million (March 31, 2025 - $2.6 million).

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

14 FINANCE COSTS

($ U.S. thousands)	Three months ended March 31, **2026**	2025
Borrowings under credit facility	**2,821**	2,671
Interest on lease liability	**736**	543
Other	**220**	293
Total finance costs	**3,777**	3,507

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 March 31,	
($ U.S. thousands)	**2026**	2025
Cash provided by (used in) operating activities		
Trade and other receivables	**(5,077)**	2,020
Prepaid expenses	**(2,719)**	(2,674)
Inventories	**(1,916)**	235
Trade and other payables	**15,916**	(11,737)
Change in non-cash working capital	**6,204**	(12,156)
Cash used in investing activities		
Trade and other payables[1]	**(218)**	(62)
Change in non-cash working capital	**(218)**	(62)

(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 has the following commitments as at March 31, 2026:

	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.