NEWS RELEASE

Badger Daylighting Ltd. Announces Third Quarter 2019 Results, Updated 2019 Financial Outlook and Introduces 2020 Financial Outlook

11/5/2019

CALGARY, Alberta, Nov. 05, 2019 (GLOBE NEWSWIRE) -- Badger Daylighting Ltd. (the “Company” or “Badger”) (TSX:BAD) announced today financial and operating results for the three and nine months ended September 30, 2019.

Third Quarter Highlights

- Badger continues to deliver growth in revenue with third quarter 2019 revenue of $183.7 million, which was up 9% from third quarter 2018. Adjusted EBITDA of $50.1 million was consistent with the prior year comparative quarter of $50.9 million.
    - Revenue in the quarter was US$110.8 million in the United States (“U.S.”) and $37.4 million in Canada, representing a 12% improvement and 5% decline, respectively, from third quarter 2018.
    - Revenue growth in the U.S. continues to be strong in the majority of regions with a select number of regions experiencing modestly lower growth rates relative to the prior year comparative period due to reduced customer activity levels and the carry-over impact of weather.
    - Revenue growth in Canada was negatively impacted by reduced oil and gas activity, offset in part, by improved revenues and operating performance in Eastern Canada.
- Revenue per truck per month (“RPT”) for the third quarter was $36,088, consistent with the prior year comparative quarter, as overall volume growth and modest improvements in hydrovac rates were offset by the impact of modestly lower asset utilization due to challenging operating conditions in Western Canada. Over the trailing twelve months, Badger has successfully integrated 116 net hydrovacs into its fleet while

maintaining a strong RPT.

- Gross profit margin for the third quarter was 32.8%, which is 170 basis points lower than the third quarter 2018; Adjusted EBITDA margin for the third quarter was 27.3%, which is 290 basis points lower than the comparative quarter in 2018.
    - Gross profit margin, particularly in the U.S. operations, was impacted by higher labour related costs associated with the recruitment and training of operators in advance of future growth, offset in part, by improved operational performance in Eastern Canada which contributed to a 160 basis point improvement in Canadian gross margins.
    - Adjusted EBITDA margin, consistent with the second quarter of 2019, was negatively impacted by an increase in general and administrative expenses ("G&A"), directly and indirectly, related to the enterprise resource planning ("ERP") system implementation. Upon completion of the project, Badger will seek to aggressively, but prudently, reduce temporary headcount directly attributable to the project.
- Badger's ERP implementation is proceeding well with a successful go-live for the Western operating region launched on October 1, 2019. The go-live for the remaining operating regions is planned throughout the fourth quarter of 2019. A ramp-up in implementation activity throughout the third quarter of 2019 resulted in an increase in non-operator operating expenses and G&A, directly and indirectly, related to the ERP, contributing to a decrease in Adjusted EBITDA and Adjusted EBITDA margin for the third quarter.
- Net profit for the third quarter of 2019 was $25.8 million or $0.73 per share compared to $25.7 million or $0.69 per share in the prior year comparative quarter. Net profit for the third quarter of 2019 was impacted by the same items as Adjusted EBITDA, in addition to higher depreciation expense, offset in part, by reduced share-based plan expense.
- Badger's 2019 financial outlook has been updated to reflect actual 2019 third quarter financial performance. The 2019 financial outlook has been adjusted to $155 million to $170 million of Adjusted EBITDA from the previously provided financial outlook of $170 million to $190 million. The hydrovac build rate for 2019 of between 190 to 220 units with retirements of 40 to 60 units is unchanged. See "Financial Outlook" for additional details.
- Badger is introducing a financial outlook for 2020 with Adjusted EBITDA of $175 million to $195 million. See "Financial Outlook" for additional details.
- During the third quarter, pursuant to its normal course issuer bid ("NCIB"), the Company purchased and cancelled 589,000 common shares at a weighted average price per share of $43.23.

Chief Executive Officer 2019 Third Quarter Message

"Badger continued to grow and develop its business throughout the third quarter of 2019, delivering a solid 9% increase in revenue. Year-over-year growth varied across Badger's regional operations, with a number of regions continuing to deliver strong growth and several regions realizing more modest growth. The Western Canadian oil and gas segment continues to be slow compared to the prior year comparative quarter, negatively impacting

overall revenue growth. We are very pleased with the operational improvements in Eastern Canada that have been implemented over the last several quarters, the benefits of which are reflected in the third quarter financial performance of the Canadian operations," said Paul Vanderberg, President and Chief Executive Officer.

"2019 continues to be a year of executing on strategic initiatives, providing the operational and administrative scale to facilitate Badger's ability to continue to grow its business and capture additional market share in a profitable manner. Investments in our ERP, combined with other business initiatives, have been underway throughout 2019, with the go-live of the ERP expected to occur throughout the fourth quarter. We are extremely pleased with the first phase of our go-live rollout on October 1, 2019, with the remainder of the go-live scheduled for the fourth quarter of 2019. Year-over-year we have experienced an increase in both direct and G&A costs due to costs directly and indirectly due to the ERP implementation. Temporary headcount and other related costs associated with the ERP implementation within our information technology, human resources and finance functions incurred to date and anticipated through the fourth quarter of 2019, are expected to result in an approximate $10 million increase in the annualized G&A run rate. This level of run rate was not anticipated when we released our 2019 financial outlook and is a primary driver of the adjustment to the 2019 financial outlook. Upon the successful implementation of the ERP, we will look to aggressively drive efficiencies across the business with the goal of exiting 2020 with an annualized run rate of G&A significantly below our current run rate, with a continued focus towards meeting our long-term target of 4% of revenue over time," added Mr. Vanderberg.

"Management's focus on the ERP implementation, sales growth, operating costs and strategic pricing initiatives will remain a key focus for the remainder of 2019 and into 2020, ensuring a balanced approach between managing for short-term profitability and the successful implementation of long-term business initiatives. Badger's 2020 financial outlook which anticipates Adjusted EBITDA of $175 million to $195 million and a hydrovac build of 200 to 230 units, up from the 2019 build outlook of 190 to 220 units, assumes continued strong revenue growth, reduced operating costs and G&A, and the benefits of the successful ERP implementation and other initiatives noted above. Our outlook for the North American hydrovac market remains very positive. We are pleased to report that during the fourth quarter of 2019 Badger will achieve its strategic objective of doubling our U.S. business over a three to five year time frame from a base of fiscal 2016. Achieving this milestone in less than three years is a testament to the market opportunity that is present in the U.S., in addition to highlighting the strength of Badger's business model and organizational talent, all of which continues to drive Badger's current and future growth," said Mr. Vanderberg.

Financial Highlights

($ thousands, except revenue per truck per month ("RPT"), per share and share information)	Three months ended September 30,	Nine months ended September 30,

	2019	2018(2)(4)	2019	2018(2)(4)
Revenue:				
Hydrovac service revenue	176,515	160,879	472,084	415,690
Other revenue	7,228	7,833	19,483	21,143
Total revenue	183,743	168,712	491,567	436,833
RPT - Consolidated (mixed currency)(1)	36,088	36,338	n/a	n/a
RPT - U.S. (U.S. dollars)(1)	39,110	39,071	n/a	n/a
RPT - Canada (Canadian dollars)(1)	28,423	29,970	n/a	n/a
Adjusted EBITDA(1)	50,109	50,945	122,607	113,849
Adjusted EBITDA per share, basic and diluted(1)(3)	$1.41	$1.37	$3.37	$3.07
Adjusted EBITDA margin(1)	27.3 %	30.2 %	24.9 %	26.1 %
Profit before income tax	34,735	35,046	58,384	65,687
Net profit	25,839	25,689	43,819	44,349
Net profit per share, basic and diluted(3)	$0.73	$0.69	$1.20	$1.20
Cash flow from operating activities before working capital adjustments	50,177	50,169	122,093	113,558
Cash flow from operating activities before working capital adjustments per share, basic and diluted(3)	$1.41	$1.35	$3.35	$3.06
Dividends paid	5,067	5,009	15,064	13,987
Weighted average common shares outstanding(3)(5)	35,472,696	37,100,681	36,421,889	37,100,681

(1) See “Non-IFRS Financial Measures” and “Key Financial Metrics and Other Operational Metrics” for additional detail on the definition and calculation of Adjusted EBITDA, Adjusted EBITDA margin, and RPT.

(2) Certain of the comparative period revenue groupings and RPT comparatives have been reclassified to conform to the current period presentation and calculation. Refer to the Company’s 2018 annual management’s discussion and analysis (“MD&A”) for additional details.

(3) Per share, basic and diluted measures calculated by dividing the respective financial measure with the weighted average common shares outstanding for the respective period.

(4) IFRS 16 – Leases has been adopted on a prospective basis therefore prior year comparatives have not been restated. See “Changes in Accounting Policies” in the Company’s third quarter 2019 MD&A for additional details.

(5) See “Share Capital” in the Company’s third quarter 2019 MD&A for additional details.

Comparable IFRS Financial Information(1)

($ thousands, except per share information)	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Cash flow from operating activities	21,241	22,001	70,961	67,186
Cash flow from operating activities per share, basic and diluted(2)	$ 0.60	$ 0.59	$ 1.95	$ 1.81

(1) Cash flow from operating activities is provided as a comparable measure to cash flow from operating activities before working capital adjustments.

(2) Per share, basic and diluted measures calculated by dividing the respective financial measure with the weighted average common shares outstanding for the respective period.

Third Quarter Financial and Operational Overview

Adjusted EBITDA for the third quarter of 2019 was $50.1 million, compared to $50.9 million in the prior year comparative quarter, with a corresponding Adjusted EBITDA margin of 27.3% compared to 30.2% in the prior year quarter. Adjusted EBITDA was impacted by 9% consolidated revenue growth, offset by the impact of higher G&A, higher labour costs associated with the recruitment and training of operators and reduced labour efficiency.

Badger continued to realize revenue growth with third quarter 2019 revenues of $183.7 million, 9% higher compared to $168.7 million for the comparative period quarter, as continued growth in the U.S. more than offset softer revenues in Western Canada.

Consolidated revenue growth was driven by improvements in the U.S. operations of 12%, in U.S. dollars, on revenues of US$110.8 million, while revenue in Canada of $37.4 million was 5% lower than the prior year comparative quarter. U.S. revenue growth was driven by increased demand for hydrovac services from both new and existing customers, due in part to the continued growth in the adoption of hydrovac technology. Revenue growth rates in a select number of U.S regions were lower than the prior year comparative quarter due to a combination of slower general activity levels and the carry-over impact of record or near record precipitation levels experienced in the second quarter of 2019. U.S. revenues were also negatively impacted by Hurricane Dorian, which resulted in temporary operational inefficiencies and lost work days throughout the U.S. East Coast, as many construction projects were temporarily halted in advance of what was originally predicted to be a large scale weather event for the majority of the U.S. East Coast. Revenues in Canada were modestly lower than the prior year quarter due primarily to weakness in Western Canada as a result of reduced oil and gas customer activity levels, offset in part, by revenue growth in Eastern Canada due to a combination of improved customer demand and operational performance. Average hydrovac rates for the third quarter were consistent to modestly higher across the majority of the U.S. and Canadian markets compared to the prior year comparative quarter.

RPT of $36,088 for the third quarter was consistent with the prior year comparative quarter of $36,338. RPT was impacted by continued revenue/volume growth, offset by modestly lower asset utilization as a result of the carry-over impact of adverse weather conditions. During the third quarter of 2019, Badger successfully integrated an additional 33 net hydrovacs into its fleet; 116 net hydrovacs have been added to the fleet over the trailing twelve months. Badger's operational scale and its importance in managing fleet utilization, was evident in Badger's third quarter revenues and RPT, with both financial measures benefitting from Badger's ability to relocate trucks across the branch network. Badger continues to review asset utilization in order to leverage its extensive operating scale and branch network, relocating trucks across its entire geographic network to drive operational and financial improvements.

During the third quarter of 2019, 33 net hydrovacs were placed into service consisting of 55 new and 22 retired units. As detailed in the "Financial Outlook", the forecasted 2019 hydrovac build rate remains at between 190 and

220 units. Badger continues to focus on fleet management with ongoing efforts to relocate trucks across the entire branch network to maximize asset utilization and the efficiency of capital expenditures. As at September 30, 2019, Badger had 1,323 hydrovacs, compared to 1,221 as at December 31, 2018, and 1,207 as at September 30, 2018.

Gross profit margin for the third quarter of 2019 was 32.8% compared to 34.5% in the prior year comparative quarter. Gross profit margin was primarily impacted by higher direct labour costs, particularly in the U.S. operations. Higher labour related costs were primarily due to costs associated with the recruitment and training of operators, higher head count of non-operator support functions and reduced labour efficiency. The management of direct costs, in particular direct labour, was challenging in a number of regions throughout the third quarter, as the carry-over impact of adverse weather conditions from the second quarter, and the threat of Hurricane Dorian, created a challenging operating environment across many key geographic markets. These challenges resulted in lost work days and customer related scheduling challenges, both of which caused temporary labour inefficiencies. Gross margins in Canada, in particular the Eastern region, benefited from improved overall market conditions and operational performance. Gross profit margins were also impacted by reduced operating costs due to the adoption of IFRS 16, modestly higher average hydrovac rates due to regional sales mix and the ongoing implementation of strategic pricing initiatives. Badger continues to focus on ensuring service rates are reflective of the total value proposition Badger's services provide and local market conditions.

As initially announced in the second quarter of 2018, Badger has initiated a process to upgrade and standardize its legacy information technology systems into a single ERP, (the "Common Business Platform"). During the third quarter, activities related to the Common Business Platform were primarily focused on finalization of the configuration and integration of the ERP platform, in combination with user acceptance testing and related training activities to facilitate the first phase of the go-live on October 1, 2019, and throughout the fourth quarter of 2019.

On October 1, 2019, as scheduled, the ERP underwent a successful go-live across the Western operating region. No major operational or information technology issues have arisen that are anticipated to impact the remainder of the planned go-live dates throughout the fourth quarter of 2019. Badger has committed all necessary resources to ensure a successful go-live.

G&A was $10.1 million or 5.5% of revenue compared to $7.2 million or 4.3% in the prior year comparative quarter. G&A was impacted by investments in technology, business process improvement initiatives, the Common Business Platform project, and the establishment of Badger's centralized hydrovac operator training center. As previously disclosed, Badger anticipates the run rate for G&A for the remainder of 2019 will continue to be at elevated levels, due largely to direct and indirect costs associated with the Common Business Platform project. Upon completion of the project, Badger will seek to aggressively, but prudently, reduce temporary headcount and consulting costs directly attributable to the project, with the objective of G&A as a percentage of revenue returning to normalized

levels throughout 2020. During the first half of the fourth quarter of 2019, Badger began the initial process of reducing temporary headcount associated with the ERP implementation, the impact of which will begin to have a modest impact on Badger's fourth quarter G&A expense, with a more pronounced impact anticipated throughout 2020.

Net profit for the third quarter of 2019 was $25.8 million or $0.73 per share, consistent with the prior year comparative quarter of $25.7 million or $0.69 per share. Net profit was impacted by higher revenues and gross profit, reduced shared-based plan expenses, offset by higher depreciation and general and administrative expenses. Net profit per share on a quarter-over-quarter basis benefitted from a 4.4% reduction in the weighted average common shares outstanding as a result of common shares repurchased under the Company's NCIB program.

IFRS 16 - Leases

Effective January 1, 2019, Badger adopted IFRS 16 - Leases on a prospective basis. The impact on the 2019 third quarter results was a reduction in direct operating costs of approximately $1.1 million with a corresponding improvement to gross profit margin. Offsetting the reduction in direct operating costs was an increase in depreciation expense of approximately $1.1 million and an increase in finance cost of $0.1 million. Upon the initial adoption of IFRS 16, Badger recognized a right-of-use asset of $14.8 million, a lease liability of $14.8 million and recorded an adjustment to opening retained earnings of $0.3 million.

See Badger's third quarter 2019 MD&A for additional details on financial results, including the adoption of IFRS 16.

Driving Long-Term Shareholder Returns: Normal Course Issuer Bid

During the third quarter of 2019, pursuant to Badger's NCIB, Badger purchased and cancelled 589,000 common shares at a weighted average price per share of $43.23. On a cumulative basis, up to the period ended September 30, 2019, the Company has purchased and cancelled 1,987,768 common shares, or 5.4% of the pre-NCIB common shares outstanding, at a weighted average price per share of $36.90 since the fourth quarter of 2018.

Badger continues to maintain a strong balance sheet. As at September 30, 2019, total debt less cash and cash equivalents was $179.3 million, with a corresponding total debt less cash and cash equivalents to Compliance EBITDA ratio of 1.1:1, as calculated in accordance with the Company's syndicated revolving credit facility.

Financial Outlook

Based on year-to-date financial results and existing and forecasted activity levels, Badger anticipates that its 2019 Adjusted EBITDA will be in the range of $155 million to $170 million compared to the previously provided 2019 financial outlook of $170 million to $190 million provided with the second quarter 2019 financial results and disclosure documents. The hydrovac build for 2019 of between 190 to 220 units with retirements of 40 to 60 units is

unchanged from the previously provided guidance.

The reduction in forecasted Adjusted EBITDA for fiscal 2019 is due primarily to higher than anticipated G&A expenses in conjunction with lower than anticipated third quarter 2019 financial results. The 2019 financial outlook assumes continued growth in the majority of Badger's end use markets and geographic areas, particularly within its U.S. operations, resulting in an increase in revenue. Badger anticipates that gross profit margin for 2019 will be lower than in 2018, due largely to ongoing costs associated with the recruitment and training of operators and reduced labour efficiency, due in part, to adverse weather conditions experienced in the second and third quarters of 2019. RPT for 2019 is anticipated to be modestly lower than in 2018, particularly in the U.S. operations, as $22.5 million in emergency response work completed during the third and fourth quarter of 2018 resulted in a one-time increase to Badger's 2018 RPT. Emergency response work related to large scale natural disasters is not possible to predict and may not recur in 2019.

Badger's anticipates that its 2020 Adjusted EBITDA will be in the range of $175 million to $195 million with a hydrovac build of between 200 to 230 units with retirements of 50 to 70 units.

The 2020 financial outlook assumes continued growth in the majority of Badger's end use markets and geographic areas, particularly within its U.S. operations, resulting in an increase in revenue. Badger anticipates that gross profit margin and RPT for 2020 will be consistent with 2019. General and administrative expenses, as a percentage of revenue, for 2020 are anticipated to be lower than in 2019, as costs associated with the ERP implementation are not required in 2020. The 2020 financial outlook does not include the potential benefits, if any, of emergency response work related to large scale natural disasters.

Badger's financial outlook for both 2019 and 2020 assume that there will continue to be ongoing growth in the use of hydrovac for non-destructive excavation as a result of continued customer adoption, particularly within the U.S. markets. Badger expects to see improvements in revenue as a result of the scale of its extensive branch network combined with the ongoing benefits of sales and marketing related activities. The overall macro-economic environment in the U.S. is anticipated to be supportive of ongoing infrastructure and construction activity levels for the remainder of 2019 and throughout 2020, with a softer overall macro-economic environment anticipated in Canada, particularly in Western Canada. Oil and gas activity levels are anticipated to be consistent with 2018 levels within Badger's U.S. operations, but weaker in Canada in both 2019 and 2020 compared to 2018. Badger continues to see organic growth opportunities in the majority of its markets, although the ability to capture these opportunities may be partially limited by the availability of trained operators as the market for labour, particularly in certain oil and gas focused regions, continues to be challenging.

Badger remains focused on generating profitable long-term sustainable growth to drive total shareholder returns. In that light, during fiscal 2017, 2018 and the first half of 2019, substantial progress has been made towards

meeting the strategic milestones that were established in late 2016. Significant progress has been made in meeting the objectives to: (i) double the U.S. business from fiscal 2016 levels over a period of 3 to 5 years, which as previously noted, is anticipated to occur in the fourth quarter of 2019; (ii) grow Adjusted EBITDA by a minimum of 15% per year; (iii) target Adjusted EBITDA margins of 28% to 29%; and (iv) drive fleet utilization and revenue per truck per month above $30,000. Badger remains focused on business improvement activities to drive further margin improvements over the next several years.

2019 Investor Day

Badger is holding an investor day on Thursday, November 14, 2019, at the One King West Hotel in Toronto. An update on the Company's operations, short and long-term growth opportunities and financial position will be presented. Badger's executive and operational leadership teams will be in attendance. The formal presentation will commence at 9:00 a.m. ET, a light breakfast and lunch will be served. Attendance for this event is limited. To allow for appropriate planning, please RSVP and confirm your attendance by e-mailing your contact information to **rsvpinvestorday@badgerinc.com**. The presentation will be webcast and available on Badger's website at **www.badgerinc.com**.

2019 Third Quarter Conference Call

A conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2019 third quarter results is scheduled for 9:00 a.m. MT on Wednesday, November 6, 2019. Internet users can listen to the call live, or as an archived call, on Badger's website at **www.badgerinc.com** under the "Events, Webcasts & Presentation" section. To participate in the call, dial: 1-844-740-2014 and enter Passcode 1072194. A playback of the call will be available until 11:59 p.m. MT on Wednesday, November 20, 2019. To access the playback, dial 1-855-859-2056 and enter passcode 1072194.

2019 Third Quarter Disclosure Documents

Badger's 2019 third quarter Management's Discussion and Analysis and unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2019, along with all previous public filings of Badger Daylighting Ltd. may be found on SEDAR at **www.sedar.com**.

Non-IFRS Financial Measures

This press release 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. These financial measures are identified and defined below. See "Non-IFRS Financial Measures" in the Company's third quarter 2019 MD&A for detailed reconciliations of Non-IFRS financial measures.

"Adjusted EBITDA" is earnings before interest, taxes, depreciation and amortization, share-based compensation,

gains and losses on sale of property, plant and equipment, 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 as these gains and losses are considered incidental and secondary to the principal business activities, it excludes gains and losses on foreign exchange as such gains and losses can vary significantly based on factors beyond the Company's control and it excludes share-based compensation as these expenses can vary significantly with changes in the price of the Company's common shares.

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

"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 and other credit information.

"Total Debt" consists of long-term debt and lease liabilities, including the current portion thereof, and issued letters of credit, less certain cash on hand. Total Debt is used by the Company to calculate compliance with its debt covenants and other credit information.

Key Financial Metrics and Other Operational Metrics

"Revenue per truck per month" (RPT) is a measure of hydrovac fleet utilization. It is calculated using hydrovac and hydrovac related revenue only. RPT is calculated on both a consolidated basis and for each geographic segment by dividing hydrovac and hydrovac related revenue for each segment, in the respective local currency, by the average number of hydrovacs in the segment during the period.

See "Key Financial Metrics and Other Operational Metrics" in the Company's third quarter 2019 MD&A for additional details on RPT.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements and information contained in this press release and other continuous disclosure documents of the Company referenced herein, including statements related to the Company's outlook, capital expenditures, projected growth, view and outlook toward margins, cash dividends, customer demand and pricing, future market opportunities, the timing, benefits and costs associated with the Common Business Platform project, and statements, and information that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may" 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 press release should not be unduly relied upon. These forward-looking statements and information speak only as of the date of this press release.

In particular, forward looking information and statements in this press release include, but are not limited to the following:

- Badger anticipates continued overall growth in its business, particularly in its U.S. markets;
- Badger anticipates that the overall macro-economic environment in the U.S. is anticipated to be supportive of ongoing infrastructure and construction activity levels for the remainder of 2019 and into 2020, with a softer overall macro-economic environment anticipated in Canada, particularly in Western Canada;
- Badger anticipates that oil and gas activity levels for 2019 and 2020 will be consistent with 2018 levels within its U.S. operations but weaker in Canada in 2019 and 2020 compared to 2018;
- Badger continues to see customer demand as a result of increased usage of hydrovac for non-destructive excavation;
- Badger expects to see improvements in revenue as a result of investments in developing its branch network and business development function;
- The benefits, if any, that Badger's operational scale creates related to financial and operating performance;
- Badger anticipates that its Adjusted EBITDA for 2019 will be in the range of $155 million to $170 million and for 2020 will be in the range of $175 million to $195 million;
- Badger anticipates that the number of new hydrovac builds for 2019 will be approximately 190 to 220 units and that hydrovac retirements for 2019 will be in the range of 40 to 60 units;
- Badger anticipates that the number of new hydrovac builds for 2020 will be approximately 200 to 230 units and that hydrovac retirements for 2020 will be in the range of 50 to 70 units;
- Badger anticipates that gross profit margin and RPT for 2019 will be lower than in 2018;
- Badger anticipates that gross profit margin and RPT for 2020 will be consistent with 2019;
- The timing, benefits and costs associated with Badger's Common Business Platform project, including the impact and timing associated with general and administrative expenses;
- The timing, and the impact on the business, if any, of achieving strategic milestones;
- Badger's estimated 2019, 2020 and long-term target for general and administrative expenses as a percentage of revenue on an annualized basis and its ability to achieve such targets through measures such as reducing headcount and consulting costs attributable to the Common Business Platform project; and

- The ability and benefits of Badger to purchase and subsequently cancel up to 2,000,000 of its common shares under its NCIB.

The forward-looking information and statements made in this press release 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:

- There will be customer demand for hydrovac services from infrastructure, construction, and oil and gas activity 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;
- The overall market for Badger's services will not be adversely affected by weather, natural disasters, global events, legislation changes, technological advances, economic disruption or other factors beyond Badger's control;
- Badger will execute its growth strategy including attracting and retaining key personnel;
- Badger will obtain all labour, parts and supplies necessary to complete the planned hydrovac build at the costs expected; and
- Badger will be able to complete and implement the Common Business Platform project within the expected time frame and in accordance with the expected budget.

Risk factors 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; industry competition; price fluctuations for oil and natural gas and related products and services; Badger's ability to attract and retain key personnel; Badger's ability to complete and implement the Common Business Platform project, the availability of future debt and equity financing; changes in laws or regulations, including taxation and environmental regulations; extreme or unsettled weather patterns; and fluctuations in foreign exchange or interest rates.

Any future orientated financial information and financial outlook information (collectively, "FOFI") contained in this press release, 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 press release was made as of the date of this press release and the Company does not undertake any obligation to publicly update or revise any FOFI contained in this press release, 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.sedar.com**) or at the Company's website. The forward-looking statements and information contained in this press release 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.

About Badger Daylighting Ltd.

Badger Daylighting Ltd. (TSX:BAD) is North America's largest provider of non-destructive excavating services. Badger traditionally works for contractors and facility owners in a broad range of infrastructure industries. The Company's key technology is the Badger hydrovac, which is used primarily for safe digging in congested grounds and challenging conditions. The Badger hydrovac uses a pressurized water stream to liquefy the soil cover, which is then removed with a powerful vacuum system and deposited into a storage tank. Badger manufactures its truck-mounted hydrovac units.

For further information:
Paul Vanderberg, President and CEO
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