NEWS RELEASE

Badger Infrastructure Solutions Ltd. Announces 2021 Third Quarter Results, Change to U.S. Dollar Presentation Currency and Change to a Quarterly Cash Dividend

11/4/2021

CALGARY, Alberta, Nov. 04, 2021 (GLOBE NEWSWIRE) -- Badger Infrastructure Solutions Ltd. (“Badger”, the “Company”, “we”, “our” or “us”) (TSX:BDGI) reported third quarter results today. All results are presented in Canadian dollars unless otherwise stated.

Third Quarter Financial and Operational Highlights

- Revenue was $171.8 million compared with $156.9 million in the third quarter of 2020. After normalizing for the effects of foreign exchange, revenue was up 15% compared with the third quarter of 2020. Revenue included $14.0 million in emergency response revenue compared with $7.0 million in the third quarter of 2020.
- Gross profit margin improved sequentially to 27.4% compared with 19.2% in the second quarter of 2021 versus 35.8% in the third quarter of 2020. Adjusted EBITDA margin improved sequentially to 20.8% compared with 10.6% in the second quarter of 2021 versus 30.0% in the third quarter of 2020.
- Adjusted EBITDA improved sequentially to $35.8 million compared with $14.4 million in the second quarter of 2021 and $47.1 million in the third quarter of 2020. Approximately $3.0 million in COVID-19 related government assistance benefits were received in the quarter versus approximately $2.0 million received in the third quarter of 2020.
- Consolidated revenue per truck per month (“RPT”) improved to $33,248 compared with $26,633 in the second

quarter of 2021 and $28,347 in the third quarter of 2020.

- Maintained a strong liquidity position with over $275 million in cash and credit facility capacity supported by continued working capital improvements largely resulting from improved accounts receivable management.
- Effective January 1, 2022, Badger will begin reporting results in U.S. dollars to improve year over year comparability given foreign exchange rate fluctuations as the majority of its business activities are denominated in U.S. dollars.
- Badger's board of directors approved a change in the frequency of the Company's cash dividend payment from monthly to quarterly effective with its March 2022 dividend. The March 2022 quarterly cash dividend will be payable on April 15, 2022 to all shareholders of record at the close of business on March 31, 2022.

"We are pleased with the revenue and margin improvements in the third quarter and with the continued improvements we made as the year progressed. We continue to focus on driving revenue growth and returning to historical margin levels. Badger remains committed to generating profitable, long-term and sustainable growth to produce superior total shareholder returns," said Paul Vanderberg, President and Chief Executive Officer.

"We are proud of how our team safely responded and supported the efforts to restore essential utility services to the communities impacted by Hurricane Ida in the Gulf Coast. This and other severe weather events continue to highlight the need for ongoing reinforcement of North America's critical infrastructure. Infrastructure improvement continues to present meaningful, long-term market opportunities for Badger and the use of non-destructive excavation," concluded 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,	
	2021	2020	2021	2020
Revenue:				
Hydrovac service revenue	164,202	149,663	396,247	408,216
Other revenue	7,551	7,190	19,566	19,799
Total revenue	171,753	156,853	415,813	428,015
RPT - Consolidated (mixed currency)(1)	33,248	28,347	n/a	n/a
RPT - U.S. (U.S. dollars)(1)	36,806	30,840	n/a	n/a
RPT - Canada (Canadian dollars)(1)	24,113	21,995	n/a	n/a
Adjusted EBITDA(1)	35,755	47,125	55,654	100,823
Adjusted EBITDA per share, basic and diluted(1)(2)	$1.04	$1.35	$1.61	$2.89
Adjusted EBITDA margin(1)	20.8%	30.0%	13.4%	23.6%
Profit (loss) before income tax	16,935	21,910	(5,905)	31,011
Net profit (loss)	12,407	16,153	(5,347)	22,922
Net profit (loss) per share, basic and diluted(2)	$0.36	$0.46	($0.15)	$0.66
Cash flow from operating activities before working capital and other adjustments	35,797	46,977	55,425	99,992
Cash flow from operating activities before working capital and other adjustments per share, basic and diluted(2)	$1.04	$1.35	$1.60	$2.87
Dividends paid	5,446	5,229	16,161	15,430
Weighted average common shares outstanding(2)(3)	34,537,761	34,853,838	34,643,561	34,873,262

(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) Per share, basic and diluted measures calculated by dividing the respective financial measure with the weighted average common shares outstanding for the respective period.
(3) See "Share Capital" in the Company's third quarter 2021 management's discussion and analysis ("MD&A") for additional details.

Comparable International Financial Reporting Standards ("IFRS") Financial Information(1)

($ thousands, except per share information)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Cash flow from operating activities	1,918	31,705	42,255	107,217
Cash flow from operating activities per share, basic and diluted(2)	$0.06	$0.91	$1.22	$3.07

(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.

Business Outlook and Strategic Milestones

Badger's third quarter revenue improved year-over-year and from the first half of the year. Continuing from the second quarter, individual regions and customers are recovering. Both Canada and the U.S. gross margins improved from the second quarter as market activity levels improved. Badger will continue to focus on its customer base and sales, ongoing focus on matching direct costs to future anticipated revenue and continued review of operating costs.

Badger's business model targets having an operator and truck available when a customer requires one. In accordance with Badger's business model, Badger has rehired, hired and trained a large number of operators since October 2020. Badger is focusing closely on its customers and reviewing all aspects of its operating expenses to balance revenue and expenses in the short term while ensuring that service capacity is in place when needed over the medium and long term.

Badger serves a broad range of infrastructure end use markets mainly in the non-residential construction segment. The year-to-date U.S. non-residential spending in 2021, as published by the U.S. Census Bureau's U.S. construction put-in-place statistics, has declined from 2020 levels and underperformed previous forecast levels. By comparison, Badger's 2021 revenue recovery in the third quarter has outpaced the year-over-year U.S. non-residential spending trends and the Company's 2020 revenue levels. Badger's third quarter revenue growth has reflected the continuing progress of the recovery from COVID-19 and the typical summer construction activity.

Badger continues to see substantial growth opportunities in the North American non-destructive excavation market to support the maintenance, upgrade and expansion of its critical infrastructure. The need to reinvest in North America's critical infrastructure and adapt to new sustainable technology has been emphasized by the proposed

government infrastructure plans. In preparation to address these substantial growth opportunities, Badger continues to invest in its organizational design, management capabilities and key strategic initiatives to grow Badger's business and maximize shareholders' value.

Badger is looking toward the future and continues to see substantial, long-term growth opportunities in servicing North America's critical underground infrastructure with non-destructive excavation solutions. Badger continues to strive to achieve its 2025 strategic milestones, which are:

- Doubling the U.S. operation's revenue from fiscal 2020 over the next 3 to 5 years;
- Targeting annualized Adjusted EBITDA growth of 15% on average from fiscal 2020 over the next 3 to 5 years;
- Targeting annualized Adjusted EBITDA margins of 28% to 29%; and
- Targeting revenue per truck per month over $30,000 (mixed currency).

2021 Third Quarter Results Conference Call

A conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2021 third quarter results is scheduled for 7:00 a.m. MT on Friday, November 5, 2021. Internet users can listen to the call live, or as an archived call from Badger's website at www.badgerinc.com under Investor Relations: Events, Webcasts & Presentations. To participate in the call, dial: 1-844-740-2014 and enter passcode 5068986. A playback of the call will be available until Friday, November 19, 2021. To access the playback, dial: 1-855-859-2056 and enter passcode 5068986.

2021 Third Quarter Disclosure Documents

Badger's third quarter 2021 Management's Discussion and Analysis and Interim Condensed Consolidated Financial Statements, along with all previous public filings of Badger Infrastructure Solutions 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 2021 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 derivative instruments, 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 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 margin" is Adjusted EBITDA as defined above, expressed as a percentage of revenues.

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 2021 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 and information that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "continues to", "target", "focused on", "proposed" 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:

- The change to Badger's presentation currency from Canadian to U.S. Dollars in 2022;
- The change in the frequency of the Company's cash dividend payments from monthly to quarterly effective with its March 2022 dividend;

- Badger’s focus on cost management and operational efficiencies and its impact on growth and on maximizing shareholder value
- Badger's ability to position operations to address growth opportunities in the North-American non-destructive excavation market and the impact of the same on revenue and shareholder value;
- Badger's intention to return to its historical operating ratios with continued improvement in market activity and the Company's ongoing focus on operations, revenues, and its customer base;
- Disclosure under the heading “Business Outlook and Strategic Milestones”;
- The expectation that the fundamental, long-term growth opportunities in the non-destructive excavation market remain intact;
- The impact of anticipated economic recovery from the COVID-19 pandemic and its effect on customer activity levels and revenues; and
- Badger’s ability to continue to grow its business, as a result of capitalizing on the long-term growth opportunity in the North American critical infrastructure and non-destructive excavation markets.

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:

- Badger will be able to capitalize on growth opportunities in the North American non-destructive excavation market to support the maintenance, upgrade and expansion of its critical infrastructure;
- Badger will maintain its financial position and financial resources will continue to be available to Badger;
- The monitoring of potential impacts of COVID-19 on all aspects of Badger’s business, including the impact on the demand for Badger’s services and the expectation that Badger’s business model, operating scale and financial position will enable it to manage effectively through the current uncertain economic environment as a result of COVID-19, and that the long-term growth potential of non-destructive excavation will not be adversely impacted by the same;
- The overall market for Badger’s services or its ability to provide service will not be adversely affected in the long-term by COVID-19, economic disruption, or other factors beyond Badger’s control such as weather, natural disasters, global events, legislation or regulatory changes and technological advances;
- There will be long-term sustained customer demand for non-destructive excavation 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; and

- Badger will realize and continue to realize the efficiencies and benefits of the executed business restructuring activities, the formation of the shared services center and other business improvement 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; industry competition; price fluctuations for oil and natural gas and related products and services; Badger's ability to attract and retain key personnel; the availability of future debt and equity financing; changes in laws or regulations, including taxation and environmental regulations as well as COVID-19 related regulations (e.g. vaccination mandates) which may adversely impact the labour supply and operating costs of Badger; extreme or unsettled weather patterns; and fluctuations in foreign exchange or interest rates.

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 Infrastructure Solutions Ltd.

Badger Infrastructure Solutions Ltd. (TSX:BDGI) is North America's largest provider of non-destructive excavating services. Badger works for contractors and facility owners in a broad range of infrastructure industries. These market segments consist primarily of infrastructure projects in areas such as energy generation, electricity and natural gas transmission networks, roads and highways, telecommunications, water and sewage treatment and general municipal infrastructure. Customers in these segments typically operate near high concentrations of underground power, communication, water, gas and sewer lines, particularly in large urban centres where safety and economic risks are high and therefore non-destructive excavation provides a safe alternative for certain customer excavation requirements. The Company's key technology is the Badger Hydrovac™, which is used primarily for safe excavation around critical infrastructure and in congested underground 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 and designs its truck-mounted hydrovac units, giving Badger the opportunity to incorporate feedback from its hydrovac operators into its existing and future design and manufacturing processes.

For further information:Paul Vanderberg, President and CEODarren Yaworsky, Senior Vice President Finance and CFOTrevor Carson, Vice President, Investor Relations and Corporate Development

Badger Infrastructure Solutions Ltd.
ATCO Building II
4th Floor, 919 11th Avenue, SW
Calgary, Alberta T2R 1P3
Telephone (403) 264-8500
Fax (403) 228-9773

Source: Badger Infrastructure Solutions Ltd.

Source: Badger Infrastructure Solutions Ltd.