



Badger Daylighting Ltd. Announces Resignation of David Calnan From Board of Directors

CALGARY, Alberta, Dec. 10, 2018 -- Badger Daylighting Ltd. ("Badger" or the "Company") announces the resignation of David Calnan from the Board of Directors of the Company (the "Board"). On behalf of the Board, Mr. Glen Roane, Chair of the Board, would like to thank Mr. Calnan for his years of service and contributions to the Company. The Board does not currently intend to fill the vacancy caused by Mr. Calnan's resignation due to the recent appointment to the Board of Mr. William Derwin.

Mr. Calnan's resignation included a written statement giving the reasons for his resignation. The Alberta *Business Corporations Act* (the "ABCA") governs the Company and requires that these reasons be disclosed to shareholders of the Company. In accordance with the terms of the ABCA, the Company will be disclosing these reasons in the management proxy circular to be provided to the shareholders of the Company in connection with the next meeting of the shareholders of the Company. The Board has concluded that in the meantime the Company would also disclose to the shareholders of the Company an overview of these reasons.

Mr. Calnan advised in his resignation letter that he disagreed with the manner in which the Board dealt with a confidential unsolicited acquisition proposal made to the Company by a third party in mid-July of 2018. The consideration offered by the third party consisted of a combination of cash and shares of the third party. Mr. Calnan advised the Company in his resignation letter that he is of the view that the proposed acquisition price was sufficiently high and its terms sufficiently attractive that the Board should have transitioned the proposal into a formal offer and presented the offer to Badger's shareholders for consideration or in the alternative, the Board should have engaged in a market check process to determine if the terms of the proposal could be enhanced.

Following receipt of the proposal in mid-July of 2018, the Board concluded that it constituted a *bona fide* proposal that required a thorough review. The Board subsequently engaged financial and legal advisors to assist in its review of the proposal, including the consideration offered by the third party. The Board's review of the proposal was conducted over a three month period during which the Board completed a comprehensive review of the Company's strategic plan, operations and financial condition and considered all of the strategic alternatives available to the Company. Following such review, the Board unanimously concluded that the consideration being offered by the third party was not sufficiently compelling to induce the Company to enter into exclusive negotiations because such consideration did not adequately reflect the fair value of the Company and discussions with the third party terminated. The Company subsequently announced record financial results for the third quarter of the 2018 fiscal year in which Adjusted EBITDA was \$50.9 million or \$1.37 per share, a 31% increase over the prior year comparative quarter, and revenue was \$168.7 million, a 20% increase over the prior year comparative quarter. The Board concluded its review of strategic alternatives and after taking into account the risks and opportunities associated with the current strategic plan of the Company, determined, with Mr. Calnan dissenting, that the best alternative for the Company to achieve the goal of maximizing value for Badger shareholders is to pursue the current strategic plan of the Company.

Non-IFRS Financial Measures

This press release contains references to "Adjusted EBITDA", which does not have any standardized meaning prescribed by International Financial Reporting Standards and may not be comparable to similar measures presented by other companies or entities.

"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.

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:

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