



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024

October 30, 2024

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, 2023 (the "Annual Consolidated Financial Statements"), the 2023 annual MD&A (the "Annual MD&A"), and the interim condensed consolidated financial statements for the three and nine months ended September 30, 2024 and 2023. This MD&A is a review of the financial results of Badger and has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board for the three and nine months ended September 30, 2024. Readers should also refer to all previous public filings, including the Company's Annual Information Form ("AIF") for the year ended December 31, 2023, which may be found on SEDAR+ at www.sedarplus.ca.

This MD&A is dated and has been prepared taking into consideration information available to October 30, 2024. 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 excavating services. Badger works for contractors and facility owners in a broad range of infrastructure industries and in general commercial construction. 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.

The Company's key technology is the Badger HydrovacTM, which is used primarily for safe excavation around critical infrastructure and in congested underground conditions. The Badger Hydrovac uses a pressurized water stream to liquify the soil cover, which is then removed with a powerful vacuum system and deposited into a storage tank. Badger is unique in the non-destructive excavation industry because it designs and manufactures all of its hydrovac units at its plant in Red Deer Alberta, which has an annual production capacity of more than 350 hydrovac units. To complement the Badger Hydrovac, the Company has a select number of specialty units, mainly Airvacs, combo trucks and sewer and flusher units.

QUARTERLY OPERATIONAL HIGHLIGHTS

Badger delivered solid operating and financial performance in the third quarter, generating \$209.4 million of revenue, up 7% from 2023. The increase in revenue reflected the continued focus on our commercial strategy, year over year growth in our fleet to support growing customer demand, and the benefits arising from the pricing strategies we initiated late in the second quarter of 2023. Adjusted EBITDA⁽¹⁾ improved by 11% over the prior year, to \$58.3 million for the quarter.

Revenue in the U.S. was \$185.4 million, up 10% or \$17.0 million higher compared to \$168.4 million in the prior year, as we continued to see solid growth in activity and pricing. U.S. Adjusted EBITDA improved by 12% over the prior year to \$52.9 million for the quarter.

Revenue in Canada was \$24.0 million, down 12% from \$27.2 million during the third quarter of 2023 as a result of lower activity from our Operating Partners and the deferral of projects. Canada Adjusted EBITDA of \$5.4 million decreased by 2% over the prior year of \$5.3 million.

Adjusted EBITDA margin improved to 27.8% for the quarter, up from 26.9% for the same quarter in 2023 largely due to pricing strategies implemented in 2023 and stable general and administrative costs.

Adjusted net earnings per share⁽¹⁾ for the quarter was \$0.73 compared to \$0.69 during the same quarter last year. The increase was driven by higher Adjusted EBITDA, partially offset by higher depreciation expense. Badger's revenue per truck per month ("RPT")⁽¹⁾ for the quarter was \$46,851, compared with \$49,079 for the same quarter in 2023. While revenue in our U.S. regions grew by 10%, the decrease in revenue in Canada combined with the increase in our average fleet count compared with the third quarter of 2023 resulted in lower overall consolidated RPT.

During the third quarter, Badger manufactured 48 non-destructive excavation units (2023 - 57 units) and refurbished 8 units. Additionally, we retired 7 units during the quarter. As of September 30, 2024, Badger had 1,625 non-destructive excavation units in operations, 7% more than September 30, 2023.

⁽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

For the remainder of 2024 and into 2025, we continue to see demand in our end markets, including infrastructure, utilities, and non-residential construction, across all our U.S. regions. The rate of growth in select markets has slowed due to the deferral of certain project start-ups and a slowdown in customer activity in those same markets. We anticipate activity to improve in the second half of 2025, supported by expected infrastructure spending and the start-up of deferred projects. In Canada, the slowdown we have experienced is attributed to the delay of several projects and we continue to expect these to begin in 2025.

Our strategy and focus remains the same. We are focused on increasing revenue through our sales and national accounts commercial strategy to drive higher activity levels, and capture pricing opportunities throughout our branch operations network. We also remain focused on both operational, functional and administrative scalability to drive operating leverage and continue growing Adjusted EBITDA margins and Adjusted net earnings at a higher rate than revenue growth.

As a result of slightly lower than expected utilization on our fleet, reflecting primarily weaker results from Canada, we now expect our fleet count to increase at the low end of our 7% - 10% growth range. This will be achieved by building to the low end of our original new build range and tracking to the high end of our retirement range.

	2024 Outlook
New builds	190 units to 220 units
Retirements	70 units to 90 units
Refurbishments	35 units to 45 units
Total Capital Spend⁽¹⁾	\$90 million to \$130 million

⁽¹⁾ Total capital spend includes the cost to manufacture new hydrovacs, refurbishments, ancillary equipment and other capital projects.

FINANCIAL HIGHLIGHTS

(\$ US thousands except RPT, per share amounts, share information and ratios)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenue:				
Non-destructive excavation service	198,344	186,834	527,528	487,340
Other	11,032	8,717	30,248	23,313
Total revenue	209,376	195,551	557,776	510,653
RPT - Consolidated (mixed currency) ⁽¹⁾	46,851	49,079	41,970	43,699
RPT - U.S. (USD) ⁽¹⁾	48,206	49,611	44,092	44,290
RPT - Canada (CAD) ⁽¹⁾	42,229	47,534	35,103	42,027
Adjusted EBITDA ⁽¹⁾	58,300	52,700	132,110	115,837
Adjusted EBITDA per share, basic and diluted ⁽¹⁾	\$1.69	\$1.53	\$3.83	\$3.36
Adjusted EBITDA margin ⁽¹⁾	27.8%	26.9%	23.7%	22.7%
Net earnings before income tax	31,595	30,831	50,488	49,464
Net earnings	23,314	23,284	37,003	37,061
Net earnings per share, basic and diluted ⁽¹⁾	\$0.68	\$0.68	\$1.07	\$1.08
Adjusted net earnings ⁽¹⁾	25,094	23,789	45,472	40,895
Adjusted net earnings per share, basic and diluted ⁽¹⁾	\$0.73	\$0.69	\$1.32	\$1.19
Cash flow from operations before working capital and other adjustments	58,387	52,630	132,201	115,480
Cash flow from operations before working capital and other adjustments per share, basic and diluted ⁽¹⁾	\$1.69	\$1.53	\$3.84	\$3.35
Total debt to Compliance EBITDA ⁽¹⁾	1.5x	1.4x	1.5x	1.4x
Capital expenditures	24,495	27,752	83,647	83,494
Hydrovac truck count	1,625	1,514	1,625	1,514
Dividends paid	4,446	4,433	13,503	13,066
Weighted average common shares outstanding ⁽²⁾	34,462,529	34,473,438	34,467,982	34,473,438

⁽¹⁾ "Adjusted EBITDA", "Adjusted EBITDA margin", "Adjusted net earnings", "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.12-13 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.10 of the Annual MD&A for additional details on 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.

THIRD QUARTER HIGHLIGHTS

For the three months ended September 30, 2024:

- Revenue of \$209.4 million was 7% higher than the revenue in the third quarter of 2023.
- RPT of \$46,851 was 5% lower than \$49,079 in the third quarter of 2023.
- Gross profit margin of 32.5% was consistent with 32.1% in the third quarter of 2023.

- General and administrative expenses ("G&A") were \$9.8 million or 5% of revenue consistent with \$10.1 million or 5% in the third quarter of 2023.
- Adjusted EBITDA margin improved to 27.8% compared with 26.9% in the third quarter of 2023.
- Adjusted net earnings was \$25.1 million compared to \$23.8 million in the third quarter of 2023.
- Net earnings was \$23.3 million compared with \$23.3 million in the third quarter of 2023.
- Cash flow from operations was \$58.4 million compared with \$52.6 million in the third quarter of 2023.
- Total debt to Adjusted EBITDA was 1.5x at September 30, 2024, slightly higher than 1.4x at September 30, 2023 and up from 1.3x at December 31, 2023.
- The Company purchased and cancelled 44,400 common shares under the normal course issuer bid ("NCIB") at a weighted average price per share of CAD \$36.95.

For the nine months ended September 30, 2024:

- Revenue of \$557.8 million was 9% higher than the revenue in the same period of 2023.
- RPT of \$41,970 was 4% lower than \$43,699 in the same period of 2023.
- Gross profit margin improved to 29.2% compared with 28.5% in the same period of 2023.
- G&A was \$30.7 million or 5% of revenue compared with \$29.9 million or 6% in the same period of 2023.
- Adjusted EBITDA margin improved to 23.7% compared with 22.7% in the same period of 2023.
- Adjusted net earnings was \$45.5 million compared to \$40.9 million in the same period of 2023.
- Net earnings was \$37.0 million compared with \$37.1 million in the same period of 2023.
- Cash flow from operations was \$132.2 million compared with \$115.5 million in the same period of 2023.

RESULTS OF OPERATIONS FOR THE THIRD QUARTER

Adjusted EBITDA Summary

Adjusted EBITDA for the three months ended September 30, 2024 was \$58.3 million, an increase of 11% compared to \$52.7 million in the prior year.

The breakdown of Adjusted EBITDA by the Company's geographic segments is as follows:

Third Quarter Summary

	Three months ended September 30, 2024		
(\$ US thousands)	U.S.	Canada	Consolidated
Non-destructive excavation revenue	176,796	21,548	198,344
Other services revenue	8,603	2,429	11,032
Total revenue	185,399	23,977	209,376
Direct costs	123,810	17,440	141,250
Gross profit	61,589	6,537	68,126
Gross profit margin (%)	33.2%	27.3%	32.5%
General and administrative	8,701	1,125	9,826
Adjusted EBITDA	52,888	5,412	58,300
Adjusted EBITDA margin (%)	28.5%	22.6%	27.8%
Net earnings			23,314
Adjusted net earnings			25,094

	Three months ended September 30, 2023		
(\$ US thousands)	U.S.	Canada	Consolidated
Non-destructive excavation revenue	162,066	24,768	186,834
Other services revenue	6,324	2,393	8,717
Total revenue	168,390	27,161	195,551
Direct costs	112,612	20,097	132,709
Gross profit	55,778	7,064	62,842
Gross profit margin (%)	33.1%	26.0%	32.1%
General and administrative	8,366	1,776	10,142
Adjusted EBITDA	47,412	5,288	52,700
Adjusted EBITDA margin (%)	28.2%	19.5%	26.9%
Net earnings			23,284
Adjusted net earnings			23,789

Non-destructive Excavation Revenue

Consolidated non-destructive excavation revenue was \$198.3 million, \$11.5 million or 6% higher than the \$186.8 million in the prior year due to continued investment in our fleet to capture strong activity in our end markets across our U.S. operations combined with the ongoing benefits from our sales and marketing investments and pricing strategies implemented in 2023.

Non-destructive excavation revenue in the U.S. operations was \$176.8 million, 9% higher than the \$162.1 million revenue generated in the prior year. The U.S. operations continued to experience strong growth, which was offset slightly by softness in California, the Southwest market, and parts of the Upper Midwest and Mid Atlantic markets.

Non-destructive excavation revenue in the Canadian operations was \$21.5 million, 13% lower than the \$24.8 million generated in the prior year due to lower market activity at our Operating Partners operations, a slowdown in Western Canada and the delay of a number of significant projects in Central Canada. The Company anticipates that Canada's results will begin to recover in 2025, as activity levels improve and the deferred projects get under way.

Other Services Revenue

Other services revenue was \$11.0 million, \$2.3 million higher than the \$8.7 million in the prior year due to an increase in customer demand in Badger's non-hydrovac related service lines, primarily locating and combo truck services.

Revenue per Truck per Month

Consolidated RPT for the quarter was \$46,851, a 5% decrease compared with \$49,079 in the prior year. The decrease in consolidated RPT is primarily a result of lower revenue in Canada and the increase to the number of non-destructive hydrovac units in the overall fleet resulting in lower overall fleet utilization.

RPT in our U.S. operations was \$48,206, a 3% decrease compared with \$49,611 in the prior year. RPT in the Canadian operations was \$42,229, a 11% decrease compared with \$47,534 in the prior year. The RPT decrease in the U.S. and Canada is a result of lower truck utilization.

As at September 30, 2024, Badger had 1,625 non-destructive excavation units in its fleet compared with 1,514 as at September 30, 2023.

Direct Costs

Direct costs were \$141.3 million, or 67% of revenue compared with \$132.7 million, or 68% of revenue in the prior year.

Direct costs increased to meet higher customer demand and volume of work performed, as well as increased costs associated with the larger fleet size and operations support functions. Direct costs improved as a percentage of revenue as pricing gains outpaced the impact of higher costs.

Gross Profit

Gross profit was \$68.1 million and gross profit margin was 32.5% compared with \$62.8 million and 32.1% in the prior year, consistent with increased revenue and the reduction of direct costs as a percentage of revenue.

General and Administrative Expenses

G&A expenses were \$9.8 million or 5% of revenue, consistent with \$10.1 million or 5% of revenue in the prior year.

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

Depreciation and amortization expense was \$19.7 million compared with \$17.3 million in the prior year. Depreciation expense, which is recorded on a straight-line basis, increased compared with the prior year primarily due to increases in the average number of non-destructive excavation units and right of use assets.

Share-based Compensation

Share-based compensation was a recovery of \$0.7 million compared with an expense of \$7.0 million in the prior year. The change is primarily due to a decrease in the market value of Badger's shares during the period compared to the prior quarter market value. During the quarter, Badger's share price decreased from CAD \$41.19 per share at June 30, 2024 to CAD \$36.77 per share at September 30, 2024. Share-based compensation expense will fluctuate 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 \$3.7 million compared with a \$6.1 million gain in the prior year. The change is due to the change in the fair market value of Badger's shares. 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 2023 Annual MD&A.

Finance Cost

Finance costs of \$4.5 million consist primarily of interest on borrowings under the Company's Credit Facility (as defined below), standby fees on the Credit Facility and finance costs associated with lease liabilities. The \$0.6 million increase in finance costs was due to increased borrowings, line of credit and Credit Facility renewal fees, and higher lease interest expenses.

As at September 30, 2024, the Company's debt obligations, excluding operating leases and outstanding letters of credit, consisted of \$197.7 million drawn on the Credit Facility and \$49.8 million in lease liabilities, compared to \$164.8 million and \$47.2 million as at December 31, 2023, respectively.

Income Tax

Total income tax expense was \$8.3 million compared with \$7.5 million in the prior year. The increase in income tax expense was due primarily to a marginally higher effective tax rate as a result of changes in the relative taxable income in higher tax jurisdictions.

Net Earnings

Net earnings was \$23.3 million, consistent with the prior year. This was due to the higher gross profit being offset by higher depreciation and amortization, loss on derivatives, finance costs and income tax expense. Adjusted net earnings for the quarter was \$25.1 million, compared with \$23.8 million in the same quarter of 2023.

Other Comprehensive Gain

Total other comprehensive gain, which includes the effect of translating Canadian operations into U.S. dollars, resulted in a gain of \$0.2 million compared with a gain of \$1.5 million in the prior year. The change in other comprehensive income is the result of the Canadian dollar fluctuating relative to the U.S. dollar throughout the period.

CAPITAL RESOURCES

Investing

Badger invested \$24.5 million in total capital expenditures during the quarter, compared with \$27.8 million in the prior year. Capital expenditures during the quarter were primarily related to the production of non-destructive excavation units. The decrease in spending for the quarter reflects the decrease of units put into service quarter over quarter.

In the quarter, 48 non-destructive excavation units were placed into service, with no completed units not yet in service at September 30, 2024. During the third quarter of 2023, 62 non-destructive excavation units were placed into service, with 5 units completed not yet in service at September 30, 2023.

Capital Expenditures

(\$ US thousands)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Non-destructive excavation units ⁽¹⁾	23,005	26,299	78,895	76,369
Other vehicles and trailers	1,359	552	3,951	3,298
Buildings ⁽²⁾	29	355	327	2,301
Other	102	546	474	1,525
Total Capital Expenditures	24,495	27,752	83,647	83,493

⁽¹⁾ Non-destructive excavation units consists of completed units placed into service, work-in-progress and refurbishment costs. Non-destructive excavation units includes \$1.5 million (\$5.5 million year-to-date) of refurbishment costs incurred during the quarter.

⁽²⁾ Additions to buildings includes modest continued expansion of the manufacturing facility in Red Deer, Alberta in 2023.

	Completed Units ⁽¹⁾	Average Manufacturing Cost
Q3 2024	48	\$415,000
Q2 2024	59	\$409,000
Q1 2024	52	\$413,000
2023	217	\$399,000
2022	112	\$433,000
2021	32	\$440,000

⁽¹⁾ Completed non-destructive excavation units in the above table exclude prototype Badger Airvacs manufactured.

The cost to build a non-destructive excavation unit will fluctuate on an annual basis due to factors such as: the number of non-destructive excavation 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. The average manufacturing costs during the quarter were 4% higher than the same quarter in 2023.

Lease Liability

As at September 30, 2024, the Company had \$49.8 million in lease liabilities (December 31, 2023 – \$47.2 million) related to operating and administrative building lease arrangements, consisting primarily of yard space for non-destructive excavation operations, and leases for light-duty pick-up trucks.

Liquidity and Capital Resources

(\$ US thousands)	September 30, 2024	December 31, 2023
Credit Facility capacity	300,000	302,435
Borrowings under Credit Facility	(197,745)	(164,776)
Letters of credit issued under Credit Facility	—	(5,020)
Cash on hand	5,088	8,513
Available Liquidity	107,343	141,152

The Company's Credit Facility (as defined below) 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. The Company remained in compliance with all financial covenants associated with all lending arrangements.

Syndicated Revolving Credit Facility

On May 31, 2024, following the closing of the Company's fifth amended and restated credit agreement, Badger changed all commitments and references within its committed syndicated revolving credit facility (the "Credit Facility") from Canadian dollars to U.S. dollars. The total size of the Credit Facility was changed from \$400.0 million Canadian to \$300.0 million U.S.. The Company's \$300.0 million, committed Credit Facility is with a syndicate of six lenders. The Credit Facility allows for borrowings in either Canadian or U.S. dollars, providing Badger with the administrative flexibility to borrow in the functional currency in both its Canadian and U.S. operations. On September 29, 2024, the Company extended its Credit Facility by approximately one year to a 5-year term, expiring on September 29, 2029. Badger has the flexibility to expand the Credit Facility, subject to approval by the lenders, by an additional \$112.5 million. Badger maintains the Credit Facility for general corporate and liquidity purposes, in addition to financing requirements, if any, related to Badger's capital expenditures.

The Company's fifth amended and restated credit agreement also replaced the creation or purchase of Banker's Acceptances and other obligations, interest, fees, commissions or other amounts calculated with respect to the Canadian Dollar Offered Rate with mechanics for loans that bear interest at Canadian Overnight Repo Rate Average. A standby fee is paid on the unused portion of the Credit Facility on a tiered basis. Standby fees are expensed as incurred.

The Credit Facility is collateralized by a general security interest over the Company's assets, property and undertaking, present and future.

As at September 30, 2024, the Company had \$102.3 million (December 31, 2023 - \$132.6 million) of available undrawn committed borrowing facilities.

Letter of credit facility

During the second quarter, the Company obtained an unsecured demand revolving letter of credit facility ("LC Facility") with a maximum principal amount of \$10.0 million guaranteed by Export Development Canada through its Performance Security Guarantee ("PSG") program. The PSG program is in place to cover 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 this performance security guarantee program extends to June 30, 2027.

	September 30, 2024	December 31, 2023
PSG program capacity	10,000	—
Less: letters of credit	(5,813)	—
Available amount	4,187	—

Surety bond

Badger has a corporate guarantee in the form of a surety bond to its insurer ("Obligee") so that the Obligee is able to provide insurance coverage to Badger. As of September 30, 2024, and as of December 31, 2023, outstanding surety bond guaranteed by Badger was \$2.2 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. Throughout 2024 and as at the date of this MD&A, the Company is in compliance with all covenants under the Credit Facility. The Company does not maintain a credit rating.

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

Ratio ⁽¹⁾⁽²⁾	September 30, 2024	December 31, 2023	Threshold
Total Debt to Compliance EBITDA Credit Facility	1.5x	1.3x	4.0:1x max
Interest Coverage Ratio Credit Facility	8.2x	8.1x	3.0:1x min

⁽¹⁾ The Interest Coverage Ratio Credit Facility is calculated as Compliance EBITDA divided by interest expense. For the twelve months ended September 30, 2024, calculated as \$136.5 million in Compliance EBITDA divided by \$16.6 million in interest expense and for the twelve months ended December 31, 2023, calculated as \$127.8 million in Compliance EBITDA divided by \$15.8 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 September 30, 2024.

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 \$94.7 million as at September 30, 2024, compared with \$74.0 million as at December 31, 2023. This is primarily due to an increase in trade and other receivables and prepaid

expenses. This was offset in part by a decrease in cash, inventory, income taxes receivables, and an increase in the current portion of share-based compensation liability and lease liability.

The largest component of Badger's working capital is trade and other receivables. Trade and other receivables totaled \$193.0 million as at September 30, 2024, \$35.0 million higher than the balance as at December 31, 2023 of \$158.0 million. The September 30, 2024 balance of trade and other receivables is 3% higher than the balance at September 30, 2023 of \$187.8 million as a result of higher revenue, however this increase was smaller than the 9% increase in overall revenue. In addition to slightly lower overall trade and other receivables as a percent of revenue, 92% of Badger's trade receivables were aged 90 days or less, improved from 90% at December 31, 2023. 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 September 30, 2024, Badger sold \$14.2 million in trade receivables to its counterparty (December 31, 2023 - \$7.2 million).

The Company uses its cash and cash equivalents 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 September 30, 2024, the number of common shares outstanding was 34,429,038, and 34,473,438 as at December 31, 2023. The weighted average common shares outstanding as at September 30, 2024 was 34,467,982, and 34,473,438 as at December 31, 2023.

As at October 30, 2024, the number of common shares outstanding was 34,429,038. Badger does not currently have any material financial instruments which can be converted into additional common shares.

Refer to note 11 of the Company's unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2024 for additional details on the changes to share capital.

Normal Course Issuer Bid

On July 31, 2024, the Board of Directors approved the Company to pursue the implementation of a NCIB, pursuant to which Badger would have an option to repurchase its common shares for cancellation starting August 26, 2024. Under the NCIB, the Company was permitted to acquire up to 861,836 common shares, which represents approximately 2.5% of the Company's issued and outstanding common shares as at August 12, 2024. During the quarter ended September 30, 2024, the Company purchased and cancelled 44,400 common shares under the NCIB at a weighted average price per share of CAD \$36.95.

In October 2024, the TSX accepted Badger's amended notice of intention to increase the size of its NCIB pursuant to which Badger may purchase and cancel up to 2,658,294 common shares, representing 10% of the Company's public float as at August 12, 2024 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 Toronto Stock Exchange, applicable Canadian securities laws, and the terms of the parties' written agreement.

Contractual Obligations

Refer to the Company's unaudited 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.

	2024	2025	2026	2027	2028	Thereafter	Total
Operating leases ⁽¹⁾	429	1,640	1,456	844	187	58	4,614
Service contract ⁽²⁾	2,869	11,562	7,934	596	596	—	23,557
Purchase commitments ⁽³⁾	8,234	19,459	21	—	—	—	27,714
Total	11,532	32,661	9,411	1,440	783	58	55,885

(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.

The Company does not have off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company's financial condition, results of operations, liquidity, or capital expenditures.

Selected Quarterly Financial Information

(\$ US thousands, except per share amounts)	2024				2023			2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
Total revenue ⁽¹⁾	209,376	186,838	161,562	173,146	195,551	171,886	143,216	149,030	
Canada	23,977	21,185	18,367	23,703	27,161	26,255	22,391	24,799	
U.S.	185,399	165,653	143,195	149,443	168,390	145,631	120,825	124,231	
Net earnings	23,314	11,910	1,779	4,710	23,284	11,013	2,764	4,238	
Net earnings per share, basic and diluted	\$0.68	\$0.35	\$0.05	\$0.14	\$0.68	\$0.32	\$0.08	\$0.12	
Dividends paid (CAD) ⁽²⁾	6,205	6,205	5,947	5,947	5,947	5,947	5,688	5,688	
Dividends per share, basic and diluted (CAD) ⁽²⁾	\$0.180	\$0.180	\$0.173	\$0.173	\$0.173	\$0.173	\$0.165	\$0.165	

(1) Refer to Note 15 - Segment reporting in the Company's unaudited Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2024 for selected information by geographic segment.

(2) 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 in both the U.S. and Canada;
- The growth in investment in non-building construction/infrastructure projects and the resulting growth in demand for hydrovac excavation services particularly in the U.S.;
- The execution of Badger's commercial strategy and sales and marketing function in 2022;
- The implementation of Badger's pricing strategies beginning in the second half of 2023; and
- Additional investments related to the manufacture of non-destructive excavation 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 non-destructive excavation fleet utilization. It is calculated using non-destructive excavation and non-destructive excavation related revenue only. RPT is calculated on both a consolidated basis and for each geographic segment by dividing non-destructive excavation and non-destructive excavation related revenue for each segment, by the average number of non-destructive excavation units in service in the segment during the period.

Revenue per truck per month – Consolidated (mixed currency)

(\$ thousands, except for RPT and average non-destructive excavation units)	Three months ended September 30		Nine months ended September 30,	
	2024	2023	2024	2023
Non-destructive excavation service revenue gross - U.S.	179,472	165,205	478,968	427,310
Non-destructive excavation service revenue gross - Canada	46,114	54,474	117,842	143,355
Total Non-destructive excavation service revenue gross	225,586	219,679	596,810	570,665
Average non-destructive excavation units ⁽²⁾	1,605	1,492	1,580	1,451
RPT ⁽³⁾	46,851	49,079	41,970	43,699

Revenue per truck per month – United States

(\$ thousands, except for RPT and average non-destructive excavation units)	Three months ended September 30		Nine months ended September 30,	
	2024	2023	2024	2023
Total revenue	185,399	168,390	494,247	434,846
Less: Other revenue	8,603	6,324	23,391	16,487
Non-destructive excavation service revenue net	176,796	162,066	470,856	418,359
Add: Operating Partner Net Revenue	2,676	3,139	8,112	8,951
Non-destructive excavation service revenue gross	179,472	165,205	478,968	427,310
Average non-destructive excavation units ⁽²⁾	1,241	1,110	1,207	1,072
RPT ⁽³⁾	48,206	49,611	44,092	44,290

Revenue per truck per month – Canada

(\$ thousands, except for RPT, average non-destructive excavation units and foreign exchange rate)	Three months ended September 30		Nine months ended September 30,	
	2024	2023	2024	2023
Total revenue	23,977	27,161	63,529	75,807
Less: Other revenue	2,429	2,393	6,857	6,826
Non-destructive excavation service revenue net	21,548	24,768	56,672	68,981
Add: Operating Partner Net Revenue	12,270	15,854	29,894	37,587
Non-destructive excavation service revenue gross	33,818	40,622	86,566	106,568
Foreign exchange rate ⁽¹⁾	1.3636	1.3410	1.3613	1.3452
Non-destructive excavation service revenue - CAD equivalent	46,114	54,474	117,842	143,355
Average non-destructive excavation units ⁽²⁾	364	382	373	379
RPT ⁽³⁾	42,229	47,534	35,103	42,027

⁽¹⁾ Foreign exchange rate calculated on a weighted average basis for the respective period.

⁽²⁾ See "Fleet Summaries" for additional details.

⁽³⁾ RPT is calculated by taking non-destructive excavation revenue divided by the number of average trucks in service for 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.

FLEET SUMMARIES

Number of non-destructive excavation units at period end

	2024				2023			2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
Canada	362	365	368	384	387	377	368	371	
U.S.	1,263	1,219	1,161	1,150	1,127	1,093	1,027	1,016	
Total	1,625	1,584	1,529	1,534	1,514	1,470	1,395	1,387	

Average number of non-destructive excavation units during the period⁽¹⁾

	2024				2023			2022		
	Q3	Q2	Q1	Annual	Q4	Q3	Q2	Q1	Annual	Q4
Canada	364	367	376	377	385	382	373	370	379	377
U.S.	1,241	1,190	1,156	1,083	1,138	1,110	1,060	1,022	1,000	1,002
Total	1,605	1,557	1,532	1,460	1,523	1,492	1,433	1,392	1,379	1,379

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

Number of Marketing and Franchise Agreements

	2024				2023			2022	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
Canada	10	10 ⁽¹⁾	12	12	13	13	13	13	
U.S.	2	2 ⁽²⁾	3	3	3	3	3	3	

⁽¹⁾ In Canada, two operating partner agreements were terminated during the second quarter of 2024.

⁽²⁾ In the U.S., one franchise agreement was terminated during the second quarter of 2024.

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 12 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:

<i>(\$ US thousands)</i>	Three months ended September 30,		Nine months ended September 30,	
Adjusted EBITDA	2024	2023	2024	2023
Net earnings	23,314	23,284	37,003	37,061
Add:				
Depreciation and amortization	19,735	17,294	58,228	50,773
Share-based compensation (recovery) expense	(718)	7,022	9,621	12,049
Gain on sale of property, plant and equipment and right of use assets	(484)	(322)	(1,684)	(1,729)
Loss (gain) on derivative instruments	3,714	(6,107)	3,708	(5,634)
Finance cost	4,541	3,910	11,838	10,555
Foreign exchange (gain) loss	(83)	72	(89)	359
Income tax expense	8,281	7,547	13,485	12,403
Adjusted EBITDA	58,300	52,700	132,110	115,837

Adjusted EBITDA can also be calculated as follows:

<i>(\$ US thousands)</i>	Three months ended September 30,		Nine months ended September 30,	
Adjusted EBITDA	2024	2023	2024	2023
Revenue	209,376	195,551	557,776	510,653
Less:				
Direct costs	141,250	132,709	395,003	364,903
General and administrative expense	9,826	10,142	30,663	29,913
Adjusted EBITDA	58,300	52,700	132,110	115,837

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

Adjusted EBITDA margin is calculated as follows:

<i>(\$ US thousands except for percentages)</i>	Three months ended September 30,		Nine months ended September 30,	
Adjusted EBITDA margin	2024	2023	2024	2023
Adjusted EBITDA	58,300	52,700	132,110	115,837
Revenue	209,376	195,551	557,776	510,653
Adjusted EBITDA margin	27.8%	26.9%	23.7%	22.7%

"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.

(\$ US thousands except share information and per share amounts)	Three months ended September 30,		Nine months ended September 30,	
Adjusted earnings and earnings per share	2024	2023	2024	2023
Net earnings	23,314	23,284	37,003	37,061
Normalizing adjustments:				
Share-based compensation (recovery) expense	(718)	7,022	9,621	12,049
Gain on sale of property, plant and equipment and right of use assets	(484)	(322)	(1,684)	(1,729)
Loss (gain) on derivative instruments	3,714	(6,107)	3,708	(5,634)
Foreign exchange (gain) loss	(83)	72	(89)	359
Total normalizing adjustments	2,429	665	11,556	5,045
Tax rate	27%	24%	27%	24%
Tax effect of normalizing adjustments	649	160	3,087	1,211
Adjusted net earnings	25,094	23,789	45,472	40,895
Weighted average number of shares - basic and diluted	34,462,529	34,473,438	34,467,982	34,473,438
Adjusted net earnings per share - basic and diluted	\$0.73	\$0.69	\$1.32	\$1.19

"**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.

(\$ US thousands)	Twelve months ended September 30,	
Compliance EBITDA	2024	2023
Net earnings	41,713	41,299
Add:		
Depreciation and amortization	77,324	66,195
Share-based compensation expense net of payments	5,150	5,290
Gain on sale of property, plant and equipment	(2,006)	(2,275)
Gain on derivative instruments	(788)	(4,385)
Finance cost	18,276	13,318
Right-of-use assets lease payments	(19,585)	(13,137)
Income tax expense	16,434	14,757
Unrealized foreign exchange loss	—	464
Compliance EBITDA	136,518	121,526

"**Total Debt**" consists of long-term debt, surety bonds and issued letters of credit, less cash on hand. Total Debt is used by the Company to calculate compliance with its debt covenants.

(\$ US thousands)

Total Debt	September 30, 2024	December 31, 2023
Borrowings under Credit Facility	197,745	164,776
Add: issued letters of credit	5,813	5,020
Add: surety bond	2,225	—
Less: cash on hand up to \$37.5 million	(5,088)	(8,513)
Total Debt	200,695	161,283

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's significant accounting policies are set out in Note 3 of the 2023 audited 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 for the year ended December 31, 2023 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 Company's unaudited 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 unaudited 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 Company's unaudited Interim Condensed Consolidated Financial Statements have been set out in Note 2 of the Company's 2023 audited 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 September 30, 2024 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 September 30, 2024 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 third quarter of 2024.

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", "continues to", "focus on", "grow", "trend", "plan" 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 demand for non-destructive excavation services across its end markets;
- Badger's expectations regarding growing demand in infrastructure, utilities and non-residential construction across U.S. regions for the remainder of 2024 and into 2025;
- Badger's expectations regarding Canadian operations improving in the second half of 2025 supported by expected infrastructure spending and start-up of deferred projects;
- Badger's strategic initiatives, including sales and marketing investments and pricing strategies;
- Badger's expectation regarding delayed projects beginning in 2025;
- Badger's expectations with respect to the production, retirement and refurbishments of non-destructive excavation and specialty units;
- Badger's focus on maintaining utilization rates throughout the fleet;
- Badger's continued focus on increasing revenues through its sales and national accounts commercial strategy;
- The expectation that Badger's growing customer base and national accounts program will contribute to year over year growth;
- Badger's expectation that Canada's non-destructive excavation revenue will begin to recover in 2025;
- Badger's continued focus on fleet management and utilization to support its organic growth requirements;
- The expected growth of Badger's fleet count in the 7% to 10% range in 2024;
- Badger's continued focus on operational, functional and administrative scalability to drive operating leverage and continue growing Adjusted EBITDA margins and Adjusted net earnings at a higher rate than revenue growth;
- Disclosure under the heading "Business Outlook";
- Badger's ability to continue to grow its business, including revenue, as a result of capitalizing on the long-term growth opportunity in the North American non-destructive excavation market;
- Badger's focus on asset optimization and increased utilization;
- 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 Credit Facility.

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, legislation or regulatory changes and technological advances;
- There will be long-term sustained customer demand for non-destructive excavation 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 Badger non-destructive excavation unit builds at the costs and on the timeline expected.

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; and services; 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; fluctuations in fuel costs; and fluctuations in foreign exchange or interest rates. The foregoing list of risks is not exhaustive. 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, 2023, 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 at 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.