

BADGER INFRASTRUCTURE SOLUTIONS LTD.
CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited)

(\$ US thousands)	Note	June 30, 2024	December 31, 2023
ASSETS			
Current Assets			
Cash and cash equivalents		630	8,513
Trade and other receivables	6	174,463	158,023
Prepaid expenses		7,486	8,524
Inventories		13,105	13,334
Income taxes receivable		2,198	7,716
Derivative financial instruments		3,592	3,422
		201,474	199,532
Non-current Assets			
Property, plant and equipment		381,940	358,021
Right-of-use assets	7	49,662	47,809
Derivative financial instruments		376	2,831
Intangible assets		23,193	23,595
Goodwill		1,185	1,226
Total Assets		657,830	633,014
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade and other payables		80,815	90,019
Lease liability	8	17,196	15,083
Share-based compensation liability	10	19,366	15,962
Dividends payable		4,534	4,496
		121,911	125,560
Non-current Liabilities			
Lease liability	8	32,474	32,147
Share-based compensation liability	10	8,341	12,854
Borrowings under credit facility	9	192,891	163,690
Deferred tax liability		52,798	53,769
Total Liabilities		408,415	388,020
Shareholders' Equity			
Shareholders' capital		66,950	66,950
Contributed surplus		422	422
Accumulated other comprehensive loss		(5,923)	(5,767)
Retained earnings		187,966	183,389
Total Shareholders' Equity		249,415	244,994
Total Liabilities and Shareholders' Equity		657,830	633,014

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited)

(\$ US thousands, except per share amounts)	Note	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
Revenue	11	186,838	171,886	348,400	315,102
Direct costs		132,219	121,811	253,753	232,194
Gross profit		54,619	50,075	94,647	82,908
Depreciation and amortization		19,478	17,540	38,493	33,479
General and administrative		9,987	10,924	20,836	19,771
Share-based compensation (recovery) expense		(1,910)	(1,220)	10,339	5,027
Operating income		27,064	22,831	24,979	24,631
Gain on sale of property, plant and equipment and right of use assets		(538)	(833)	(1,200)	(1,407)
Loss (gain) on derivatives		7,345	4,779	(6)	473
Finance cost	12	3,691	3,844	7,297	6,645
Foreign exchange loss (gain)		15	81	(5)	287
Earnings before income tax		16,551	14,960	18,893	18,633
Current income tax expense		5,026	465	6,083	885
Deferred income tax (recovery) expense		(385)	3,482	(879)	3,971
Income tax expense		4,641	3,947	5,204	4,856
Net earnings		11,910	11,013	13,689	13,777
Other comprehensive gain (loss):					
Foreign exchange differences on translation of foreign operations		74	(1,582)	(156)	(2,070)
Other comprehensive gain (loss)		74	(1,582)	(156)	(2,070)
Comprehensive income		11,984	9,431	13,533	11,707
Weighted average number of shares - basic and diluted		34,473	34,473	34,473	34,473
Net earnings per share - basic and diluted		\$ 0.35	\$ 0.32	\$ 0.40	\$ 0.40

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited)

<i>(\$ US thousands)</i>	Shareholders' capital	Contributed surplus	Accumulated other comprehensive loss	Retained earnings	Total equity
At January 1, 2023	66,950	422	(3,859)	159,334	222,847
Net earnings	—	—	—	13,777	13,777
Other comprehensive loss	—	—	(2,070)	—	(2,070)
Dividends	—	—	—	(8,820)	(8,820)
At June 30, 2023	66,950	422	(5,929)	164,291	225,734
At January 1, 2024	66,950	422	(5,767)	183,389	244,994
Net earnings	—	—	—	13,689	13,689
Other comprehensive loss	—	—	(156)	—	(156)
Dividends	—	—	—	(9,112)	(9,112)
At June 30, 2024	66,950	422	(5,923)	187,966	249,415

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

(\$ US thousands)	Note	Three months ended		Six months ended June	
		2024	2023	2024	2023
OPERATING ACTIVITIES					
Net earnings		11,910	11,013	13,689	13,777
Items not requiring cash and cash equivalents:					
Depreciation and amortization		19,478	17,540	38,493	33,479
Deferred income tax (recovery) expense		(385)	3,482	(879)	3,971
Gain on sale of property, plant and equipment and right of use assets		(538)	(833)	(1,200)	(1,407)
Finance cost		3,691	3,844	7,297	6,645
Current income tax expense		5,026	465	6,083	885
Unrealized loss (gain) on derivatives		7,345	4,779	(6)	473
Share-based compensation (recovery) expense		(1,910)	(1,220)	10,339	5,027
Unrealized foreign exchange loss (gain)		1	(206)	(2)	—
Cash flow from operating activities before working capital and other adjustments		44,618	38,864	73,814	62,850
Change in non-cash working capital	13	(7,318)	7,235	(19,238)	(5,869)
Income taxes paid		(659)	(3,454)	(894)	(3,464)
Income taxes recovered		96	—	308	90
Financial instruments received (paid)		2,260	(626)	1,985	(815)
Share-based compensation paid		(2,208)	(2,459)	(10,476)	(5,296)
Cash provided by operating activities		36,789	39,560	45,499	47,496
INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(29,121)	(41,692)	(59,152)	(55,742)
Proceeds from sale of property, plant and equipment		196	666	1,230	1,196
Proceeds from disposal of right of use assets		744	1,572	1,073	1,922
Additions to intangible asset		(804)	(763)	(1,340)	(1,087)
Change in non-cash working capital	13	(2,519)	163	(2,804)	99
Cash used in investing activities		(31,504)	(40,054)	(60,993)	(53,612)
FINANCING ACTIVITIES					
Borrowings under credit facility		130,312	103,759	191,393	136,331
Repayments of credit facility		(130,332)	(93,320)	(158,678)	(112,672)
Interest paid		(3,444)	(2,928)	(6,356)	(5,442)
Interest paid on lease liabilities		(463)	(265)	(864)	(491)
Payment of lease liabilities	8	(4,546)	(3,237)	(8,803)	(5,904)
Dividends paid		(4,614)	(4,427)	(9,057)	(8,633)
Cash (used in) provided by financing activities		(13,087)	(418)	7,635	3,189
Effect of foreign exchange rate changes on cash		19	2	(24)	6
Decrease in cash and cash equivalents		(7,783)	(910)	(7,883)	(2,921)
Cash and cash equivalents, beginning of period		8,413	3,387	8,513	5,398
Cash and cash equivalents, end of period		630	2,477	630	2,477

See accompanying notes to the unaudited interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in thousands of U.S. dollars, except per share amounts or as otherwise stated)

1 INCORPORATION AND OPERATIONS

Badger Infrastructure Solutions Ltd. and its subsidiaries (together “Badger” or the “Company”) provide non-destructive excavating services to utilities, industrial, construction, transportation and other industries in Canada and the United States (“U.S.”). Badger is a publicly traded company listed on the Toronto Stock Exchange (TSX: BDGI). The head office of Badger is located at Suite 400, 919-11th Avenue SW, Calgary, Alberta T2R 1P3. The registered office of Badger is located at c/o CAS Corporate Governance Services Inc., 600, 815-8th Avenue SW, Calgary, Alberta T2P 3P2.

The unaudited interim condensed consolidated financial statements of the Company for the three and six months ended June 30, 2024 and June 30, 2023 were authorized for issue in accordance with a resolution of the Board of Directors (“Board”) on August 1, 2024.

2 BASIS OF PREPARATION

Statement of compliance

These unaudited interim condensed consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards (“IFRS”) and in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting and accordingly, do not include all the disclosures included in the Company’s annual consolidated financial statements for the year ended December 31, 2023. These unaudited interim condensed consolidated financial statement should be read in conjunction with the annual consolidated financial statements.

Basis of measurement

These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis except for share-based compensation transactions and financial derivatives measured at fair market value. Historical cost is generally based on the fair value consideration given in exchange for goods and services at the time of the transaction.

Functional and presentation currency

These unaudited interim condensed consolidated financial statements are presented in U.S. dollars. The functional currency of the Canadian operations is in Canadian dollars and the U.S. operations functional currency is in U.S. dollars.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these unaudited interim condensed consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the unaudited interim condensed consolidated financial statements and reported amounts of revenues, expenses, gains and losses during the reporting period. These judgements, estimates and assumptions are the same as those set out in the annual audited consolidated financial statements for the year ended December 31, 2023. Estimates and judgements are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4 STANDARDS ADOPTED AND RECENTLY ANNOUNCED ACCOUNTING PRONOUNCEMENTS

IAS 1 Presentation of Financial Statements

In October 2022, the IASB issued amendments to clarify that the classification of liabilities as current or non-current is based solely on a company’s right to defer settlement for at least twelve months at the

reporting date. The right needs to exist at the reporting date and must have substance. In addition to the amendment from January 2020 where the IASB issued amendments to IAS 1, to provide a more general approach to the presentation of liabilities as current or non-current, only covenants with which a company must comply on or before the reporting date may affect this right. Covenants to be complied with after the reporting date do not affect the classification of a liability as current or non-current at the reporting date.

The amendment was effective January 1, 2024, and was applied retrospectively. The adoption of this policy resulted in the reclassification of \$4.6 million and \$12.9 million of share-based compensation liability to long-term liabilities as of January 1, 2023, and December 31, 2023, respectively. There was no change to total liabilities on either date.

5 SEASONALITY OF OPERATIONS

The Company's revenues are typically highest in the second, third and fourth quarters resulting from the seasonal upswing in construction activity, the impact of which typically results in higher activity levels. Construction activity in the majority of Canada and certain regions of the U.S. is typically lower in the first quarter as a result of winter weather conditions. As the Company continues to grow its U.S. customer base, the impact of seasonality may shift over time. The Company's net working capital requirements will typically follow the seasonality of the related sales activity.

6 TRADE AND OTHER RECEIVABLES

	June 30, 2024	December 31, 2023
Trade receivables	167,197	153,591
Holdback receivables	810	1,167
Allowance for doubtful accounts	(2,875)	(2,525)
Total trade receivables	165,132	152,233
Accrued revenue and other receivables	9,331	5,790
Trade and other receivables	174,463	158,023

Trade receivables include \$15.0 million (December 31, 2023 - \$7.2 million) of trade accounts receivables being serviced under a receivables purchase agreement. The Company retains substantially all of the risks and rewards relating to the receivables sold, and therefore, continues to recognize the transferred accounts receivables in their entirety. The amounts repayable under the receivables purchase agreement are recorded as accounts payable.

Holdback receivables are amounts customers withhold paying until the completion of the contract. These amounts are agreed in advance and typically have collection terms beyond the Company's general payment terms.

Accrued revenue represents revenue for services which have been completed and for which an invoice has not yet been rendered. All such recorded amounts are considered collectable.

Trade receivables are non-interest bearing and are generally on 30-90 day payment terms. The aging analysis of trade receivables, holdback receivables and the allowance for doubtful accounts is as follows:

	June 30, 2024	December 31, 2023
Current to 90 days	152,446	137,185
Over 90 days	12,686	15,048
Total trade receivables	165,132	152,233

Movement in allowance for doubtful accounts is as follows:

	June 30, 2024	December 31, 2023
Opening balance	2,525	1,405
Additions to the allowance	1,314	3,976
Accounts written off	(933)	(2,876)
Exchange differences	(31)	20
Closing balance	2,875	2,525

7 RIGHT-OF-USE ASSETS

Badger enters into leases primarily in order to secure office and yard space for the non-destructive excavation units and for light-duty vehicles. Terms of property leases vary including the life of the lease and the existence of extension options.

	Property	Light-duty vehicles	Total
January 1, 2023	15,991	13,688	29,679
Additions	15,331	21,411	36,742
Depreciation	(7,848)	(6,588)	(14,436)
Disposals/modifications	(1,110)	(3,106)	(4,216)
Impact of foreign exchange	19	21	40
December 31, 2023	22,383	25,426	47,809
Additions	3,691	8,947	12,639
Depreciation	(4,270)	(4,383)	(8,652)
Disposals/modifications	(295)	(1,240)	(1,535)
Impact of foreign exchange	(256)	(343)	(599)
June 30, 2024	21,253	28,407	49,662

8 LEASE LIABILITY

	June 30, 2024	December 31, 2023
Opening balance	47,230	27,107
Additions	12,617	36,494
Interest expense	864	1,197
Lease payments	(9,667)	(14,992)
Disposals/modifications	(1,520)	(2,790)
Exchange differences	146	214
Closing balance	49,670	47,230
Current	17,196	15,083
Long-term	32,474	32,147
Total lease liabilities	49,670	47,230

Contractual undiscounted cash flows

	June 30, 2024	December 31, 2023
Less than one year	21,461	18,880
One to five years	39,027	38,668
More than five years	17	—
Total	60,505	57,548

Amount recognized in net earnings

	Three months ended June 30,		Six month ended June 30,	
	2024	2023	2024	2023
Expenses related to short-term leases	407	451	853	881

9 DEBT

	June 30, 2024	December 31, 2023
Borrowings under credit facility	193,813	164,776
Less: unamortized debt issuance costs	(922)	(1,086)
Total long-term debt	192,891	163,690

	June 30, 2024	December 31, 2023
Syndicated revolving credit facility capacity	300,000	302,435
Less: borrowings under credit facility	(193,813)	(164,776)
Less: letters of credit	(5,853)	(5,020)
Available amount	100,334	132,639

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 Company has a \$300.0 million, committed Credit Facility 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, 2023, the Company extended its Credit Facility by approximately one year to a 5-year term, expiring on September 29, 2028. 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 reference rate, Canadian Dollar Offered Rate ("CDOR") with mechanics for loans that bear interest at Canadian Overnight Repo Rate Average ("CORRA"). A standby fee is paid on the unused portion of the Credit Facility on a tiered basis. Standby fees are expensed as incurred. Under the terms of the Credit Facility, the Company must comply with certain financial and non-financial covenants, as defined by the bank. Throughout 2024, and as at June 30, 2024, the Company was in compliance with all of these covenants.

The Credit Facility is collateralized by a general security interest over the Company's assets, property and undertaking, present and future. The outstanding letters of credit, which reduce the amount of available credit under the Credit Facility, support the U.S. insurance program and certain other performance bonds.

As at June 30, 2024, the Company had available \$100.3 million (December 31, 2023 - \$132.6 million) of 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 is extended to June 30, 2027. The LC facility remained unutilized as of June 30, 2024.

10 SHARE-BASED COMPENSATION

	June 30, 2024	December 31, 2023
TSX: BDGI Closing Share Price (CAD)	\$41.19	\$40.71

A) Deferred Share Unit Plan

The Deferred Share Unit ("DSU" or "deferred unit") Plan was established to promote greater alignment of interests between officers and Shareholders of the Company. The Board has to participate in the plan whereby they will be paid 50% to 100% of their annual retainer in the form of DSUs. Pursuant to the terms of the DSU, participants are granted deferred units with a value equivalent to the value of a Badger share. The deferred units granted earn additional deferred units at the same rate as dividends on Badger common shares. DSUs are paid out in cash upon departure from the Company.

The DSU Plan is accounted for as a cash-settled plan and units vest immediately upon issuance. Compensation expense is based on the estimated fair value of the deferred units outstanding at the end of each quarter using the period closing share price, with a corresponding credit to liabilities.

The liability for DSU's vested and outstanding as at June 30, 2024 is \$11.5 million (December 31, 2023 - \$13.2 million). Changes in the number of deferred units under the DSU Plan were as follows:

	Units
December 31, 2022	512,056
Granted	61,146
Dividends earned	11,604
Redeemed for cash	(132,912)
Forfeited	(22,783)
December 31, 2023	429,111
Granted	48,164
Dividends earned	3,146
Redeemed for cash	(99,853)
Forfeited	—
June 30, 2024	380,568
Vested as at June 30, 2024	380,568

B) Performance Share Unit Plan

The Company also has a Performance Share Unit (“PSU”) Plan for officers of the Company. Officers are awarded 50% of their annual long-term incentive compensation in PSUs, and may elect to receive up to 100%, with the remainder, if any, awarded in RSUs. The PSUs represent rights to share value based on the number of PSUs issued and the achievement of certain performance criteria as set out by the Board of Directors. Under the terms of the plan, and subject to achievement of the performance criteria, PSUs awarded will vest on December 31st of the second calendar year following issuance and the related expense is recognized over their vesting period. PSUs will be settled in cash upon vesting in accordance with the achieved performance and other vesting criteria.

The PSU Plan is accounted for as a cash-settled plan. Compensation expense is based on the estimated fair value of the PSUs outstanding at the end of each quarter using the closing period share price and recognized over the vesting period, with a corresponding credit to liabilities.

The liability for PSUs outstanding as at June 30, 2024 is \$9.5 million (December 31, 2023 - \$7.2 million). The fair value of units fully vested at June 30, 2024 is nil (December 31, 2023 - \$1.8 million). Changes in the number of PSUs under the PSU plan were as follows:

	Units
December 31, 2022	397,217
Granted	176,964
Dividends earned	8,479
Redeemed	(79,628)
Forfeited	(93,576)
December 31, 2023	409,456
Granted	122,579
Dividends earned	3,396
Redeemed	(59,191)
Forfeited	(5,783)
June 30, 2024	470,457
Vested as at June 30, 2024	—

C) Restricted Share Unit Plan

The company also has a Restricted Shareholder Unit Plan (“RSU”). Pursuant to the terms of the RSU, participants are granted restricted units with a value equivalent to the value of a Badger share. The restricted units granted earn additional restricted units at the same rate as dividends on Badger common shares. The restricted units granted vest equally over a period of three years from the date of the grant. Upon vesting, payment for the vested RSUs will be made by the Company to the participants.

The RSU Plan is accounted for as a cash-settled plan. Compensation expense is based on the estimated fair value of the restricted units outstanding at the end of each quarter using the closing period share price and recognized using graded vesting throughout the term of the vesting period, with a corresponding credit to liabilities.

The liability for RSUs outstanding as at June 30, 2024 is \$6.7 million (December 31, 2023 - \$8.4 million). The fair value of units fully vested at June 30, 2024 is nil (December 31, 2023 - \$5.2 million). Changes in the number of RSUs under the RSU plan were as follows:

	Units
December 31, 2022	273,476
Granted	256,345
Dividends earned	8,415
Redeemed	(110,611)
Forfeited	(52,737)
December 31, 2023	374,888
Granted	199,934
Dividends earned	2,960
Redeemed	(169,803)
Forfeited	(3,567)
June 30, 2024	404,412
Vested as at June 30, 2024	—

11 REVENUE

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Non-destructive excavation service – corporate	173,315	159,148	322,286	291,456
Non-destructive excavation service – operating partners	3,878	4,819	6,898	9,050
Total non-destructive excavation service revenue	177,193	163,967	329,184	300,506
Other service – corporate ⁽¹⁾	9,306	7,598	18,614	13,987
Other service – operating partners ⁽¹⁾	339	321	602	609
Total other revenue	9,645	7,919	19,216	14,596
Total revenue	186,838	171,886	348,400	315,102

⁽¹⁾ Other revenue includes other non-destructive excavation services, truck placement fees and other administrative related revenue.

12 FINANCE COSTS

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Borrowings under credit facility	2,918	2,786	6,004	5,248
Interest on lease liability	462	265	864	491
Accrued interest	—	567	—	567
Other	311	226	429	339
Total finance costs	3,691	3,844	7,297	6,645

13 STATEMENT OF CASH FLOW SUPPLEMENTAL INFORMATION

The following table provides supplemental information on the components of changes in non-cash working capital in operating and investing activities:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Cash (used in) provided by operating activities				
Trade and other receivables	(23,020)	(26,760)	(16,441)	(22,955)
Prepaid expenses	228	(4,057)	1,076	(1,905)
Inventories	(634)	17,513	229	5,365
Trade and other payables	16,108	20,539	(4,102)	13,626
Change in non-cash working capital	(7,318)	7,235	(19,238)	(5,869)
Cash (used in) provided by investing activities				
Trade and other payables ⁽¹⁾	(2,519)	163	(2,804)	99
Change in non-cash working capital	(2,519)	163	(2,804)	99

⁽¹⁾ Non-cash working capital changes from trade and other payables relate to vendors supplying Badger's manufacturing operations and are included in investing activities as these supplies are additions to property, plant and equipment.

14 SEGMENT REPORTING

The Company has identified three reportable segments consisting of two geographic segments (U.S. and Canada) and a Corporate segment. The U.S. and Canadian operating segments provide non-destructive excavating and related services. The following is selected information for the three months ended June 30, 2024 and 2023 based on these geographic/reportable segments.

	Three months ended June 30, 2024			
	Canada	U.S.	Corporate	Total
Revenue	21,185	165,653	—	186,838
Non-destructive excavation service	19,042	158,151	—	177,193
Other	2,143	7,502	—	9,645
Direct costs	16,256	115,963	—	132,219
Depreciation and amortization	4,135	15,332	11	19,478
General and administrative ⁽¹⁾	1,392	7,705	890	9,987
Unrealized loss on derivatives ⁽²⁾	—	—	7,345	7,345
Share-based compensation recovery ⁽²⁾	—	—	(1,910)	(1,910)
Finance cost ⁽²⁾	65	398	3,228	3,691
Other ⁽³⁾	(47)	(474)	(2)	(523)
(Loss) earnings before tax	(616)	26,729	(9,562)	16,551

	Three months ended June 30, 2023			
	Canada	U.S.	Corporate	Total
Revenue	26,255	145,631	—	171,886
Non-destructive excavation service	23,860	140,107	—	163,967
Other	2,395	5,524	—	7,919
Direct costs	18,644	103,167	—	121,811
Depreciation and amortization	3,947	13,591	2	17,540
General and administrative ⁽¹⁾	1,653	8,404	867	10,924
Unrealized loss on derivatives ⁽²⁾	—	—	4,779	4,779
Share-based compensation recovery ⁽²⁾	—	—	-1,220	-1,220
Finance cost ⁽²⁾	57	206	3,581	3,844
Other ⁽³⁾	73	-837	12	-752
Earnings (loss) before tax	1,881	21,100	-8,021	14,960

	Six months ended June 30, 2024			
	Canada	U.S.	Corporate	Total
Revenue	39,552	308,848	—	348,400
Non-destructive excavation service	35,124	294,060	—	329,184
Other	4,428	14,788	—	19,216
Direct costs	32,131	221,622	—	253,753
Depreciation and amortization	8,080	30,434	(21)	38,493
General and administrative ⁽¹⁾	2,707	16,000	2,129	20,836
Unrealized gain on derivatives ⁽²⁾	—	—	(6)	(6)
Share-based compensation expense ⁽²⁾	—	—	10,339	10,339
Finance cost ⁽²⁾	132	732	6,433	7,297
Other ⁽³⁾	(143)	(1,061)	(1)	(1,205)
(Loss) earnings before tax	(3,355)	41,121	(18,873)	18,893

	Six months ended June 30, 2023			
	Canada	U.S.	Corporate	Total
Revenue	48,646	266,456	—	315,102
Non-destructive excavation service	44,213	256,293	—	300,506
Other	4,433	10,163	—	14,596
Direct costs	35,820	196,374	—	232,194
Depreciation and amortization	7,838	25,636	5	33,479
General and administrative ⁽¹⁾	2,613	15,375	1,783	19,771
Unrealized loss on derivatives ⁽²⁾	—	—	473	473
Share-based compensation expense ⁽²⁾	—	—	5,027	5,027
Finance cost ⁽²⁾	108	381	6,156	6,645
Other ⁽³⁾	197	(1,329)	12	(1,120)
Earnings (loss) before tax	2,070	30,019	(13,456)	18,633

- (1) Included in general and administrative expenses for the corporate segment are employee, office, and other costs related to public company administration.
- (2) Share-based compensation for participants in both the U.S. and Canada, unrealized loss (gain) on financial instruments, and finance costs from the Company's credit facilities are reported in the corporate segment.
- (3) Included in other are gain on sale of property, plant and equipment, and foreign exchange loss (gain).

	Canada	U.S.	Corporate	Total
June 30, 2024				
Property, plant and equipment	91,189	290,751	—	381,940
Right of use assets	8,348	41,204	110	49,662
Intangible assets	11,107	12,086	—	23,193
Goodwill	1,185	—	—	1,185
Total assets ⁽¹⁾	156,163	496,888	4,779	657,830
Total liabilities ⁽¹⁾	48,467	134,693	225,255	408,415
December 31, 2023				
Property, plant and equipment	99,930	258,091	—	358,021
Right of use assets	9,195	38,584	30	47,809
Intangible assets	11,806	11,789	—	23,595
Goodwill	1,226	—	—	1,226
Total assets ⁽¹⁾	161,439	464,734	6,841	633,014
Total liabilities ⁽¹⁾	43,643	151,765	192,612	388,020

- (1) Included in total assets and total liabilities for the corporate segment are derivatives asset, dividends payable, share-based compensation liabilities, and borrowings under Credit Facility.

15 COMMITMENTS AND CONTINGENCIES

The Company had the following commitments as at June 30, 2024:

	2024	2025	2026	2027	2028	Thereafter	Total
Operating leases ⁽¹⁾	833	1,583	1,402	782	155	58	4,813
Service contract ⁽²⁾	6,052	10,201	7,645	587	587	—	25,072
Purchase commitments ⁽³⁾	24,162	7,970	21	—	—	—	32,153
Total	31,047	19,754	9,068	1,369	742	58	62,038

- (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.