



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025

November 5, 2025

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, 2024 (the "Annual Consolidated Financial Statements"), the MD&A for the year ended December 31, 2024 (the "Annual MD&A"), and the interim condensed consolidated financial statements for the three and nine months ended September 30, 2025 and 2024 (the "Interim Condensed Consolidated Financial Statements"). This MD&A is a review of the financial results of Badger for the three and nine months ended September 30, 2025 and has been prepared in accordance with IFRS[®] Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. For additional information relating to Badger, readers should refer to all previous public filings, including the Company's Annual Information Form ("AIF") for the year ended December 31, 2024, which may be found on SEDAR+ at www.sedarplus.ca.

This MD&A is dated and has been prepared taking into consideration information available up to November 5, 2025. 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 and related 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 Hydrovac[™], which is used primarily for safe excavation around critical infrastructure and in congested underground conditions. The Badger Hydrovac uses a pressurized water stream to 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. The Company has a refurbishment program to extend the service life of certain units when it is financially prudent to do so based on the condition of the unit at the end of its normal useful life. To complement the Badger Hydrovac and expand the Company's service offerings, the Company has a select number of specialty units, mainly combo trucks, sewer and flusher units, and airvacs.

QUARTERLY OPERATIONAL HIGHLIGHTS

Badger delivered solid operating and financial performance in the third quarter, generating \$237.3 million of revenue, up 13% from the same quarter in 2024. The increase in revenue reflects the continued focus on our commercial strategy, supported by year-over-year growth in our fleet to meet customer demand. Adjusted EBITDA⁽¹⁾ improved by 15% over the prior year, to \$66.8 million for the quarter.

Adjusted EBITDA margin⁽¹⁾ improved to 28.2% for the quarter, up from 27.8% for the same quarter in 2024, owing to continued operating leverage and stable general and administrative costs, offset by costs related to supporting the Company's larger hydrovac fleet.

Adjusted net earnings per share⁽¹⁾ for the quarter was \$0.91 compared with \$0.73 during the same quarter last year. The increase was driven by higher Adjusted EBITDA, partially offset by higher depreciation and amortization expenses. Badger's consolidated revenue per truck per month ("RPT")⁽¹⁾ for the quarter was \$47,921, an 8% increase from the same quarter in 2024. Badger has increased its average fleet count by 6% over this period, meeting growing customer demand and still achieving greater year over year RPT performance. Additionally, our

expanded fleet enhances our ability to take immediate advantage of further growth in the remainder of 2025 and into 2026.

During the third quarter, Badger manufactured 57 non-destructive excavation units (2024 - 48 units) and refurbished 5 units (2024 - 8 units). Additionally, 36 units were retired during the quarter (2024 - 7 units). As of September 30, 2025, Badger had 1,703 non-destructive excavation units in operations, 78 or 5% more than September 30, 2024.

⁽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

Badger’s end markets have largely recovered from the period of uncertainty we experienced in the second half of 2024 and the first half of 2025. For the remainder of 2025 and into 2026, we see opportunities for growth continuing across several of our end markets, particularly in the U.S. and large, metropolitan areas. Our focus and strategies remain unchanged. We will continue to leverage our relationships with our customers, both locally and through our National Accounts team, to drive density in our major markets.

Over the past year, we have been focused on driving efficiency and utilization opportunities in our existing hydrovac fleet, growing the fleet by 5% since the third quarter of 2024. As Badger’s growth in revenue and business volumes have risen, we have increased our rate of manufacturing to meet end market demand and ensure we have the appropriate capacity to meet our customers’ needs. Accordingly, we anticipate 2025 hydrovac production at the upper end of the 180 to 210 unit range. We have successfully converted our Denver franchise to a corporate branch, and have accelerated the planned renewal of its fleet. The conversion of this franchise will allow Badger to bring its size and scale to this market to accelerate the Company's growth in this region. Consequently, we expect 2025 retirements to be at the upper end of the 90 to 130 unit range. Our 2025 refurbishment program has lagged expectations, mainly due to third-party facility capacity. We are reducing our 2025 refurbishment range to 30 to 40 units from the original 50 to 60 units. We intend to develop our own refurbishment facility in the central U.S. to better control the pace and cost of this program. This is expected to be operational in 2026.

With the increase in hydrovac production, the noted consolidation of a Badger franchise and targeted growth in branch locations, we anticipate the range of overall 2025 capital spending to increase to between \$115 million to \$130 million from the original \$95 million to \$115 million.

	Revised 2025 Outlook
New builds	180 units to 210 units
Retirements	90 units to 130 units
Refurbishments	30 units to 40 units
Total Capital Spend⁽¹⁾	\$115 million to \$130 million

⁽¹⁾ Total capital spend includes the cost to manufacture new hydrovacs, refurbishments, ancillary equipment and other capital projects and does not include the potential impact of tariffs or retaliatory tariffs.

There continues to be uncertainty in the tariff and trade environment. To date, Badger’s manufactured units remain Canada-United States-Mexico Agreement ("CUSMA") compliant and we have not incurred direct tariffs on the units delivered to the U.S..

Badger continues to manage its financial leverage. With total debt to compliance EBITDA at 1.3x at September 30, 2025, down from 1.5x at September 30, 2024, we have capacity to continue to invest in our organic growth

opportunities. Further, we renewed our NCIB program in the third quarter of 2025, maintaining our ability to make opportunistic share purchases in addition to returning capital to our shareholders through dividends.

FINANCIAL HIGHLIGHTS

(\$ U.S. thousands except RPT, per share amounts, share information and ratios)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue:				
Non-destructive excavation service	226,354	198,344	588,605	527,528
Other	10,985	11,032	29,573	30,248
Total revenue	237,339	209,376	618,178	557,776
RPT - Consolidated (U.S. dollars) ⁽¹⁾⁽²⁾	\$47,921	\$44,297	\$41,643	\$39,958
Adjusted EBITDA ⁽¹⁾	66,813	58,300	153,323	132,110
Adjusted EBITDA per share, basic and diluted ⁽¹⁾	\$1.98	\$1.69	\$4.53	\$3.83
Adjusted EBITDA margin ⁽¹⁾	28.2%	27.8%	24.8%	23.7%
Earnings before income tax	37,942	31,595	68,195	50,488
Net earnings	29,024	23,314	50,782	37,003
Net earnings per share, basic and diluted ⁽¹⁾	\$0.86	\$0.68	\$1.50	\$1.07
Adjusted net earnings ⁽¹⁾	30,786	25,094	57,473	45,472
Adjusted net earnings per share, basic and diluted ⁽¹⁾	\$0.91	\$0.73	\$1.70	\$1.32
Cash flow from operating activities before working capital and other adjustments	66,706	58,387	153,130	132,201
Cash flow from operating activities before working capital and other adjustments per share, basic and diluted ⁽¹⁾	\$1.98	\$1.69	\$4.52	\$3.84
Total debt to compliance EBITDA ⁽¹⁾	1.3x	1.5x	1.3x	1.5x
Capital expenditures	36,077	24,495	91,316	83,647
Hydrovac truck count	1,703	1,625	1,703	1,625
Dividends paid	4,620	4,446	13,493	13,503
Cash paid to repurchase common shares under the NCIB	—	1,043	12,744	1,043
Common shares repurchased and cancelled under the NCIB	—	44,400	492,800	44,400
Weighted average common shares outstanding ⁽³⁾	33,740,238	34,462,529	33,855,557	34,467,982

(1) "Adjusted EBITDA", "Adjusted EBITDA per share", "Adjusted EBITDA margin", "Adjusted net earnings", "Adjusted net earnings per share", "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.15-18 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.13-14 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) Effective January 31, 2025, the Company changed the reporting segment disclosure to one consolidated segment. As a result, RPT is presented as a consolidated total in U.S. dollars. Comparative periods were restated to reflect the change.

(3) See "Share Capital" for additional details.

THIRD QUARTER HIGHLIGHTS

For the three months ended September 30, 2025:

- Revenue of \$237.3 million was 13% higher than the revenue in the third quarter of 2024.
- RPT was \$47,921, 8% higher than \$44,297 in the third quarter of 2024.
- Gross profit margin of 32.6% was higher than 32.5% in the third quarter of 2024.
- General and administrative expenses ("G&A") were \$10.6 million or 4% of revenue, compared with \$9.8 million or 5% in the third quarter of 2024.
- Adjusted EBITDA margin improved to 28.2% compared with 27.8% in the third quarter of 2024.
- Adjusted net earnings was \$30.8 million compared with \$25.1 million in the third quarter of 2024.
- Net earnings was \$29.0 million compared with \$23.3 million in the third quarter of 2024.
- Cash flow from operations was \$66.7 million compared with \$58.4 million in the third quarter of 2024.
- Total debt to compliance EBITDA was 1.3x at September 30, 2025, down from 1.5x at September 30, 2024 and up from 1.1x at December 31, 2024.

For the nine months ended September 30, 2025:

- Revenue of \$618.2 million was 11% higher than the revenue in the same period of 2024.
- RPT of \$41,643 was 4% higher than \$39,958 in the same period 2024.
- Gross profit margin improved to 29.9% compared with 29.2% in the same period of 2024.
- G&A expenses were \$31.7 million or 5% of revenue compared with \$30.7 million or 5% of revenue in the same period of 2024.
- Adjusted EBITDA margin improved to 24.8% compared with 23.7% in the same period of 2024.
- Adjusted net earnings was \$57.5 million compared with \$45.5 million in the same period of 2024.
- Net earnings was \$50.8 million compared with \$37.0 million in the same period of 2024.
- Cash flow from operations was \$153.1 million compared with \$132.2 million in the same period of 2024.
- Total debt to compliance EBITDA was 1.3x at September 30, 2025, down from 1.5x at September 30, 2024 and up from 1.1x at December 31, 2024.
- The Company purchased 492,800 common shares for cancellation under the NCIB at a weighted average price per share of CAD \$37.78.

RESULTS OF OPERATIONS FOR THE THIRD QUARTER

During the quarter ended March 31, 2025, the Company revised its internal reporting structure to better support its strategic priorities and to align with the way the Company's Chief Operating Decision Maker evaluates performance and allocates capital. As a result, effective January 31, 2025 Badger modified its reportable operating segments. Previously, the Company identified three reportable segments consisting of two geographic segments (the U.S. and Canada), and a Corporate segment. The Company now has one reportable segment, being Consolidated Badger, combining the previously reported U.S., Canada and Corporate segments together. Refer to Note 2 (Basis of Preparation) of the Interim Condensed Consolidated Financial Statements for more information. The table below provides a restated summary of Adjusted EBITDA of the new reportable segment, Consolidated Badger.

Third Quarter Summary

(\$ US thousands)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Non-destructive excavation service revenue	226,354	198,344	588,605	527,528
Other service revenue	10,985	11,032	29,573	30,248
Total revenue	237,339	209,376	618,178	557,776
Direct costs	159,957	141,250	433,187	395,003
Gross profit	77,382	68,126	184,991	162,773
Gross profit margin (%)	32.6%	32.5%	29.9%	29.2%
General and administrative	10,569	9,826	31,668	30,663
Adjusted EBITDA	66,813	58,300	153,323	132,110
Adjusted EBITDA margin (%)	28.2%	27.8%	24.8%	23.7%
Net earnings	29,024	23,314	50,782	37,003
Adjusted net earnings	30,786	25,094	57,473	45,472

Non-destructive Excavation Service Revenue

Consolidated non-destructive excavation service revenue was \$226.4 million, \$28.0 million or 14% higher than \$198.3 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.

Other Service Revenue

Other service revenue was \$11.0 million, consistent with the prior year.

Revenue per Truck per Month

Consolidated RPT for the quarter was \$47,921, an 8% increase from \$44,297 in the prior year. The growth in revenue outpaced the increase in the average number of non-destructive excavation units largely as a result of improved unit utilization. As at September 30, 2025, Badger had 1,703 non-destructive excavation units in its fleet compared with 1,625 as at September 30, 2024.

Direct Costs

Direct costs were \$160.0 million, or 67% of revenue compared with \$141.3 million, or 67% of revenue in the prior year.

The Company incurred higher direct costs due to the increased volume of work performed to meet higher customer demand, as well as increased costs associated with the larger fleet size and operations support functions. Direct costs as a percentage of revenue remained consistent with the prior year.

Gross Profit

Gross profit was \$77.4 million and gross profit margin was 32.6% compared with \$68.1 million and 32.5% in the prior year, primarily driven by higher revenues. Gross profit margin remained consistent with the prior year.

General and Administrative Expenses

G&A expenses were \$10.6 million or 4% of revenue compared with \$9.8 million or 5% of revenue in the prior year. The increase in G&A expenses was driven by higher professional fees and the timing of IT costs incurred, and the decrease in G&A expenses as a percentage of revenue was due to the increase in revenue and overall stability in G&A functions.

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

Depreciation and amortization expense was \$22.5 million compared with \$19.7 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 and the impact of refurbished units placed back into service.

Share-Based Compensation

Share-based compensation was an expense of \$13.1 million compared with \$0.7 million recovery in the prior year. The change is primarily due to changes in the market value of Badger's shares. During the quarter, Badger's share price increased from CAD \$47.58 per share at June 30, 2025 to CAD \$61.38 per share at September 30, 2025, compared with the decrease in Badger's share price from CAD \$41.19 per share at June 30, 2024 to CAD \$36.77 per share at September 30, 2024. Share-based compensation expense fluctuates 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 gain on the total return swaps in the quarter was \$10.5 million compared with a \$3.7 million loss in the prior year. This 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 Annual MD&A.

Finance Cost

Finance cost of \$4.0 million consist primarily of interest on borrowings under the Company's Credit Facility (as defined below under the heading "Syndicated Revolving Credit Facility") and the Term Loan (as defined below under the heading "Non-revolving Term Loan Facility"), standby fees on the Credit Facility, amortization of borrowing costs, and finance costs associated with lease liabilities. The \$0.5 million decrease in finance cost was due to lower interest rates, offset by higher lease interest expenses.

As at September 30, 2025, the Company's debt obligations, excluding operating leases and outstanding letters of credit, consisted of \$108.8 million drawn on the Credit Facility, \$100.0 million on the Term Loan, and \$51.6 million in lease liabilities, compared with \$71.2 million, \$100.0 million, and \$50.3 million as at December 31, 2024, respectively.

Income Tax

Total income tax expense was \$8.9 million compared with \$8.3 million in the prior year. The increase in income tax expense was due primarily to higher taxable income.

Adjusted EBITDA

Adjusted EBITDA was \$66.8 million, an increase of \$8.5 compared with \$58.3 million in the prior year.

Net Earnings

Net earnings was \$29.0 million, \$5.7 million higher than the prior year. This was due to the higher gross profit, higher gain on derivatives and lower finance cost, offset by higher depreciation and amortization, share-based compensation expense, G&A expenses, and higher income tax expense. Adjusted net earnings for the quarter was \$30.8 million, compared with \$25.1 million in the same quarter of 2024.

Other Comprehensive Gain Loss

Total other comprehensive loss, which includes the effect of translating Canadian operations into U.S. dollars, resulted in a loss of \$0.9 million, compared with a loss of \$0.2 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 \$36.1 million in total capital expenditures during the quarter compared with \$24.5 million in the prior year. The increase in capital expenditures during the quarter was primarily related to the production of non-destructive excavation units.

During the quarter, Badger manufactured 57 non-destructive excavation units compared with 48 non-destructive excavation units in the same quarter of 2024. All new non-destructive excavation units were placed into service during the quarter.

Capital Expenditures

(\$ U.S. thousands)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Non-destructive excavation units ⁽¹⁾	30,044	23,005	76,917	78,895
Other vehicles and trailers	5,655	1,359	10,828	3,951
Buildings	(258)	29	1,153	327
Other	637	102	2,417	474
Total Capital Expenditures	36,078	24,495	91,315	83,647

(1) Non-destructive excavation units consist of completed units placed into service, work-in-progress and refurbishment costs. Non-destructive excavation units includes \$1.3 million of refurbishment costs incurred during the quarter and \$4.0 million of refurbishment costs incurred year to date, compared with \$1.5 million and \$5.5 million in prior year, respectively.

	Completed Units ⁽¹⁾	Average Manufacturing Cost
Q3 2025	57	\$418,000
Q2 2025	51	\$419,000
Q1 2025	50	\$401,000
2024	190	\$416,000
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 fluctuates 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.

Lease Liability

As at September 30, 2025, the Company had \$51.6 million in lease liabilities (December 31, 2024 – \$50.3 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

(\$ U.S. thousands)	September 30, 2025	December 31, 2024
Credit Facility capacity	300,000	300,000
Borrowings under Credit Facility	(108,833)	(71,238)
Cash on hand	5,323	14,617
Available Liquidity	196,490	243,379

The 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. During the quarter, the Company remained in compliance with all financial covenants associated with all lending arrangements.

Syndicated Revolving Credit Facility

The Company maintains a \$300.0 million committed, syndicated revolving credit facility (the "Credit Facility") for general corporate and liquidity purposes, and to cover any financing requirements related to Badger's capital expenditures. During the quarter ended September 30, 2025, the Credit Facility was extended for an additional year, and now matures on September 29, 2030. Amounts may be drawn under the Credit Facility in either Canadian or U.S. dollars and bear interest at the Canadian Overnight Repo Rate Average Secured Overnight Financing Rate. A standby fee is paid on the unused portion of the Credit Facility on a tiered basis. Standby fees are expensed as incurred. Throughout 2025, and as at September 30, 2025, the Company was in compliance with all of the covenants required to be complied with under the terms of the Credit Facility. The Credit Facility is collateralized by a general security interest over the Company's and certain of its subsidiaries' assets, property and undertaking, present and future. As at September 30, 2025, the Company had \$191.2 million (December 31, 2024 - \$228.8 million) of undrawn committed borrowing facilities available under the Credit Facility. The Company has the ability to exercise the accordion feature under its Revolving Credit Facility to add an additional \$150.0 million in borrowing capacity.

Non-Revolving Term Loan Facility

On December 12, 2024, Badger entered into a \$100.0 million syndicated, secured, non-revolving term loan facility (the "Term Loan"), the proceeds of which were used to pay down the Credit Facility. During the quarter ended September 30, 2025, the Term Loan was extended for an additional year and now matures on December 11, 2028. The Term Loan is non-amortizing and bears interest at the Secured Overnight Financing Rate. Throughout 2025, and as at September 30, 2025, the Company was in compliance with all of the covenants required to be complied with under the terms of the Term Loan.

Letter of Credit Facility

The Company has an unsecured demand revolving letter of credit facility with a maximum principal amount of \$10.0 million (the "LC Facility") guaranteed by Export Development Canada through its Performance Security Guarantee program (the "PSG Program"). The PSG Program covers 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 the PSG Program is June 30, 2027.

	September 30, 2025	December 31, 2024
PSG Program capacity	10,000	10,000
Less: letters of credit	(6,563)	(5,813)
Available amount	3,437	4,187

Surety Bond

Badger has a corporate guarantee in the form of a surety bond to its insurer ("Obligee") to allow the Obligee to provide insurance coverage to Badger. As of September 30, 2025, and as of December 31, 2024, the outstanding surety bond guaranteed by Badger was \$2.6 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. The Company is in compliance with all covenants under the Credit Facility and does not maintain a credit rating.

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

Ratio ⁽¹⁾⁽²⁾	September 30, 2025	December 31, 2024	Threshold
Total debt to compliance EBITDA Credit Facility	1.3x	1.1x	4.0:1x max
Interest Coverage Ratio Credit Facility	12.0x	10.5x	3.0:1x min

⁽¹⁾ The Interest Coverage Ratio Credit Facility is calculated as Compliance EBITDA divided by interest expense. For the trailing twelve months ended September 30, 2025, calculated as \$159.1 million in Compliance EBITDA divided by \$13.2 million in interest expense and for the twelve months ended December 31, 2024, calculated as \$144.7 million in Compliance EBITDA divided by \$13.8 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, 2025.

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 \$82.1 million as at September 30, 2025, compared with \$61.7 million as at December 31, 2024. This is primarily due to an increase in trade and other receivables, prepaid expenses, inventories, and derivative financial instruments. This was offset in part by a decrease in cash, income tax receivables, and an increase in trade and other payables, the current portion of share-based compensation liability, lease liability, and income tax payable.

The largest component of Badger's working capital is trade and other receivables. Trade and other receivables totaled \$204.0 million as at September 30, 2025, \$38.0 million or 23% higher than the balance of \$166.1 million as at December 31, 2024. Trade and other receivables increased as a result of higher revenue during the third quarter of 2025 versus the fourth quarter of 2024. In addition to higher overall trade and other receivables, 94% of Badger's trade receivables were aged 90 days or less, compared with 92% as at December 31, 2024. 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, 2025, Badger sold \$15.1 million in trade receivables to its counterparty (December 31, 2024 - \$23.8 million).

The Company uses its cash 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, 2025, the number of common shares outstanding was 33,740,238, compared with 34,233,038 as at December 31, 2024. The weighted average common shares outstanding as at September 30, 2025 was 33,855,557, and was 34,441,443 as at December 31, 2024. As at November 5, 2025, the number of common shares outstanding was 33,740,238. Badger does not currently have any material financial instruments which can be converted into additional common shares.

Refer to Note 12 (Shareholders' Capital) of the Interim Condensed Consolidated Financial Statements for additional details on the changes to share capital.

Normal Course Issuer Bid

In August 2025, the Toronto Stock Exchange ("TSX") accepted Badger's notice of intention to renew its NCIB pursuant to which Badger may purchase and cancel up to 2,910,453 common shares, representing 10% of the Company's public float as at August 14, 2025 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 TSX, applicable Canadian securities laws, and the terms of the parties' written agreement. During the quarter ended September 30, 2025, and between September 30, 2025 and November 5, 2025, no additional shares were purchased by the Company.

Contractual Obligations

Refer to the 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.

	2025	2026	2027	2028	2029	Thereafter	Total
Operating leases ⁽¹⁾	618	2,374	1,780	1,037	743	443	6,995
Service contract ⁽²⁾	2,968	8,274	814	664	616	—	13,336
Purchase commitments ⁽³⁾	19,038	27,315	11	11	—	—	46,375
Total	22,624	37,963	2,605	1,712	1,359	443	66,706

⁽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.

Selected Quarterly Financial Information

(\$ US thousands, except per share amounts)	2025			2024			2023	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total revenue	237,339	208,206	172,633	187,176	209,376	186,838	161,562	149,030
Net earnings	29,024	18,503	3,255	10,869	23,314	11,910	1,779	4,238
Net earnings per share, basic and diluted	\$0.86	\$0.55	\$0.10	\$0.32	\$0.68	\$0.35	\$0.05	\$0.12
Adjusted net earnings	30,786	20,313	6,350	12,744	25,094	15,466	4,928	5,674
Adjusted net earnings per share, basic and diluted	\$0.91	\$0.60	\$0.19	\$0.37	\$0.73	\$0.45	\$0.14	\$0.16
Dividends paid (CAD) ⁽¹⁾	6,326	6,326	6,164	6,164	6,198	6,205	5,947	5,688
Dividends per share, basic and diluted (CAD) ⁽¹⁾	\$0.187	\$0.187	\$0.180	\$0.180	\$0.180	\$0.180	\$0.173	\$0.165

⁽¹⁾ 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;
- the growth in investment in non-building construction/infrastructure projects and the resulting growth in demand for hydrovac excavation services;
- 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 a consolidated basis by dividing non-destructive excavation and non-destructive excavation related revenue by the average number of non-destructive excavation units in service in the Company during the period.

As a result of the change in the Company's reportable segments, the Company has adjusted the way RPT is calculated. Revenue per truck per month is presented on a consolidated basis and reported in U.S. dollars. The table below provides restated RPT consolidated numbers.

Revenue per truck per month – Consolidated

(\$ U.S. thousands, except for RPT and average non-destructive excavation units)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Total revenue	237,339	209,376	618,178	557,776
Less: Other revenue	10,985	11,032	29,573	30,248
Non-destructive excavation service revenue net	226,354	198,344	588,605	527,528
Add: Operating partner net revenue	17,035	14,947	38,415	40,681
Non-destructive excavation service revenue gross	243,389	213,291	627,020	568,209
Average non-destructive excavation units ⁽¹⁾	1,693	1,605	1,673	1,580
RPT⁽²⁾	47,921	44,297	41,643	39,958

⁽¹⁾ See “Fleet Summaries” for additional details.

⁽²⁾ 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

2025				2024			2023	
Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
1,703	1,682	1,661	1,643	1,625	1,584	1,529	1,534	

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

2025				2024			2023		
Q3	Q2	Q1	Annual	Q4	Q3	Q2	Q1	Annual	Q4
1,693	1,672	1,652	1,588	1,634	1,604	1,557	1,532	1,460	1,523

⁽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

2025				2024			2023	
Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
9	10	10	10	12	12	15	15	

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 15 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	2025	2024	2025	2024
Net earnings	29,024	23,314	50,782	37,003
Add:				
Depreciation and amortization	22,452	19,735	64,446	58,228
Share-based compensation expense (recovery)	13,137	(718)	28,869	9,621
Gain on sale of property, plant and equipment and right of use assets	(318)	(484)	(871)	(1,684)
(Gain) loss on derivative instruments	(10,531)	3,714	(19,196)	3,708
Finance cost	4,045	4,541	11,668	11,838
Foreign exchange loss (gain)	86	(83)	212	(89)
Income tax expense	8,918	8,281	17,413	13,485
Adjusted EBITDA	66,813	58,300	153,323	132,110

Adjusted EBITDA can also be calculated as follows:

<i>(\$ US thousands)</i>	Three months ended September 30,		Nine months ended September 30,	
Adjusted EBITDA	2025	2024	2025	2024
Revenue	237,339	209,376	618,178	557,776
Less:				
Direct costs	159,957	141,250	433,187	395,003
General and administrative expense	10,569	9,826	31,668	30,663
Adjusted EBITDA	66,813	58,300	153,323	132,110

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

(\$ US thousands except for percentages)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Adjusted EBITDA margin				
Adjusted EBITDA	66,813	58,300	153,323	132,110
Revenue	237,339	209,376	618,178	557,776
Adjusted EBITDA margin	28.2%	27.8%	24.8%	23.7%

“**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. Adjusted net earnings is calculated as follows:

(\$ US thousands except share information and per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Adjusted earnings and earnings per share				
Net earnings	29,024	23,314	50,782	37,003
Normalizing adjustments:				
Share-based compensation expense (recovery)	13,137	(718)	28,869	9,621
Gain on sale of property, plant and equipment and right of use assets	(318)	(484)	(871)	(1,684)
(Gain) loss on derivative instruments	(10,531)	3,714	(19,196)	3,708
Foreign exchange loss (gain)	86	(83)	212	(89)
Total normalizing adjustments	2,374	2,429	9,014	11,556
Tax rate	26%	27%	26%	27%
Tax effect of normalizing adjustments	612	649	2,323	3,087
Adjusted net earnings	30,786	25,094	57,473	45,472
Weighted average number of shares - basic and diluted	33,740,238	34,462,529	33,855,557	34,467,982
Adjusted net earnings per share - basic and diluted	\$0.91	\$0.73	\$1.70	\$1.32

"**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. Compliance EBITDA is calculated as follows:

(\$ US thousands)	Twelve months ended September 30,	
Compliance EBITDA	2025	2024
Net earnings	59,480	41,713
Add:		
Depreciation and amortization	84,923	77,324
Share-based compensation expense net of payments	15,173	5,150
Gain on sale of property, plant and equipment	(947)	(2,006)
(Gain) on derivative instruments	(18,310)	(788)
Finance cost	15,516	18,276
Right-of-use assets lease payments	(22,372)	(19,585)
Income tax expense	25,694	16,434
Unrealized foreign exchange (gain) loss	(9)	0
Compliance EBITDA	159,148	136,518

"**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. Total debt is calculated as follows:

(\$ US thousands)	September 30, 2025	December 31, 2024
Total Debt		
Borrowings under Credit Facility	108,833	71,238
Term Loan	100,000	100,000
Add: issued letters of credit	6,563	5,813
Add: surety bond	2,625	2,225
Less: cash on hand up to \$37.5 million	(5,323)	(14,617)
Total Debt	212,698	164,659

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's significant accounting policies are set out in Note 3 (Summary of Material Accounting Policies) of the 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 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 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 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 Interim Condensed Consolidated Financial Statements have been set out in Note 2 (Material Accounting Judgements, Estimates and Assumptions) of the 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, 2025 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, 2025 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 2025.

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", "continue", "positioned to", "focus on", "grow", "trend", "intend", "project", "ensure", "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 that its expanded fleet will allow it to take immediate advantage of growth in the remainder of 2025 and into 2026;

- Badger's expectations with respect to opportunities for growth across its end markets, particularly in the U.S. and large metropolitan areas;
- Badger's expectations with respect to the production, retirement and refurbishments of non-destructive excavation units;
- Badger's intentions to develop a refurbishment facility in the central U.S., and the anticipated timing and benefits thereof;
- Badger's expectations that increasing its rate of manufacturing will meet end market demand and ensure it has appropriate capacity to meet customer needs;
- Badger's ability to leverage its customer relationships, both locally and through the National Accounts team, to drive density in its major markets;
- Badger's continued focus on its commercial strategy and year-over-year growth in its fleet to support growing customer demand;
- Badger's expectations with respect to its NCIB, including the anticipated benefits thereof and the use of the ASPP thereunder;
- Badger's anticipated capital spending in 2025;
- the disclosure under the heading "Business Outlook", including the Revised 2025 Outlook;
- Badger's belief that adequate liquidity exists to meet its projected surety requirements;
- Badger's management of its receivables portfolio and other improvements in its cash collection cycle;
- Badger's expectations with respect to its management of financial leverage, its access to liquidity, its financial capacity and its ability to meet existing operational and capital expenditures of the business;
- Badger's anticipated use of its cash, cash equivalents and financial capacity available under its various credit facilities; and
- general business strategies and objectives.

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, the imposition of tariffs by the U.S. or other governments, other 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; 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; fluctuations in foreign exchange or interest rates; and changes in the tariff and trade environment. 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, 2024, 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 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.