

Black Diamond Reports Fourth Quarter 2020 Results

Calgary, Alberta, March 4, 2021 - Black Diamond Group Limited ("Black Diamond", the "Company" or "we"), (TSX:BDI), a leading provider of space rental and workforce accommodation solutions, today announced its operating and financial results for the three and twelve months ended December 31, 2020 (the "Quarter") compared with the three and twelve months ended December 31, 2019 (the "Comparative Quarter"). All financial figures are expressed in Canadian dollars.

In the fourth quarter of 2020, Black Diamond reported consolidated revenue of \$56.3 million, Adjusted EBITDA of \$11.1 million, and core rental revenue of \$18.1 million.

Key Highlights from the Fourth Quarter of 2020

- Generated consolidated revenue of \$56.3 million and Adjusted EBITDA of \$11.1 million, up 19% and 4% from the Comparative Quarter respectively.
- Closed the acquisition of Vanguard Modular Building Systems ("Vanguard") for US\$58.7 million, plus ~US\$3 million for deferred receivables for total purchase price consideration of US\$61.8 million and an increase in the credit facility from \$200.0 million to \$300.0 million.
- Received approval for a funding grant from the Opportunity Calgary Investment Fund of up to \$3 million towards continued growth of LodgeLink, the Company's digital platform for crew travel.
- Announced a 2021 gross capital plan of ~\$35 million (\$25 to \$30 million net), with roughly \$25 to \$30 million anticipated for ongoing organic growth of the Modular Space Solutions ("MSS") segment.
- MSS rental revenue of \$11.3 million was the fourth consecutive quarterly record and grew 31% from the Comparative Quarter.
- MSS Adjusted EBITDA of \$10.0 million was a quarterly record and increased 49% from the Comparative Quarter.
- MSS rental fleet grew to 8,784, up 43% from the Comparative Quarter, while utilization held steady and average rental rates increased 6%.
- LodgeLink room bookings set another quarterly record and grew 49% to ~36,000 room nights.
- There was no contribution from the Canadian Emergency Wage Subsidy during the Quarter.
- Subsequent to the Quarter the Company:
 - Increased Workforce Solutions ("WFS") contracted revenue by over \$36 million, inclusive of rental and non rental revenue.
 - Renewed its Normal Course Issuer Bid.

Executive Summary

The MSS segment has continued to grow its recurring, rental-revenue due to ongoing fleet growth, strengthening rental rates, stable utilization and increased ancillary rentals through Value Added Products and Services ("VAPS"). Rental revenue in the Quarter grew to a quarterly record of \$11.3 million, up 31% versus the Comparative Quarter. MSS revenue of \$31.4 million was up 47% versus the Comparative Quarter primarily due to higher revenue from rental and non-rental sources. Adjusted EBITDA of \$10.0 million was a quarterly record and increased 49% from the Comparative Quarter. Results for the Quarter included one month of contribution from Vanguard.

The Company's WFS business unit generated Adjusted EBITDA of \$4.3 million, a 39% decrease versus the Comparative Quarter. WFS revenue of \$24.9 million was down 4% from the Comparative Quarter primarily due to lower sales, and rental revenue in its US Energy and Lodging businesses caused in large part by weak industry conditions brought on by COVID-19.

At the end of the Quarter, Net Debt of \$172.0 million was up from \$111.3 million in Q3 2020 primarily due to the acquisition of Vanguard. Excess borrowing capacity under the Company's asset-based credit facility was approximately \$84.3 million and the value of eligible rental inventory used to calculate the Company's borrowing base was approximately \$292 million at the end of the Quarter.

Outlook

Fourth Quarter 2020 results reflect continued growth and diversification of the overall business as the Company remains focused on growing its recurring rental-revenue stream across the platform.

The Company is encouraged with the performance of its MSS segment which saw rental revenue set a fourth consecutive quarterly record high. This was driven by organic growth within the existing platform as well as one month of contribution from the acquisition of Vanguard. The outlook for the MSS segment remains positive as the rental business proved to be resilient throughout 2020 and continues to see opportunities for deployment of additional growth capital across North America and through the recently acquired Vanguard platform. Utilization is anticipated to stay consistent with levels observed over the last several quarters while rental revenues should see continued growth through ongoing fleet additions, VAPS growth and rental rate increases.

The Company's WFS segment continues to see an active pipeline as the backlog of contracted total revenue in the division has increased by more than \$36 million since the start of 2021. This includes the recently announced Australian contract for \$16 million, further change orders related to assets in support of the Coastal GasLink pipeline construction of approximately \$12 million as well as additional sales and rental projects in Eastern Canada. Total contracted WFS revenue associated with the Coastal GasLink project (including Sukunka River Lodge) is approximately \$65 million, with approximately \$40 million yet to be billed. Previously deferred rental projects are also expected to see a measured restart in the coming quarters. While occupancy levels and utilization in both the operated lodges and U.S. wellsite business have been soft since the start of the COVID-19 pandemic, there is a line of sight to a gradual recovery depending on the pace with which COVID-19 restrictions continue to ease. The large format accommodations fleet has also continued to benefit from diversification efforts, with over 1,000 beds on rent in Eastern Canada. The Company sees continued opportunities for additional asset deployment in this region. WFS Australia continues to build on strong momentum over the last several quarters with a recent, sizable contract win which will further contribute to ongoing diversification of revenue within the broader WFS segment.

On October 1, 2020, the Company announced that, in partnership with the Nova Scotia Mi'kmaq Communities, it had received a Letter of Award from the proponent of the Goldboro LNG Facility for approximately \$720 million to provide a workforce lodge in support of the Goldboro LNG Project. Currently, a final investment decision for the project is estimated to be announced on or before June 30, 2021, by the project proponent, which continues to work through various approvals and financing conditions. Should the project go ahead, Black Diamond expects a meaningful increase to existing camp rental utilization levels over the term of the contract, which is currently anticipated to be in the range of four years.

LodgeLink, Black Diamond's digital marketplace platform for workforce travel and accommodation has continued to have a strong uptake with new and existing customer and suppliers. Despite an expected fourth quarter holiday slow-down and ongoing headwinds for travel services related to COVID-19, LodgeLink set a quarterly record in volumes with ~36,000 room nights booked in the Quarter. At the end of the Quarter, LodgeLink had 582 unique corporate customers on the platform with ~2,500 properties listed representing approximately ~242,000 rooms.

Fourth Quarter 2020 Financial Highlights

(in millions, except where noted)	Three months ended December 31.		
	2020	2019	Change
	\$	\$	
Revenue			
Modular Space Solutions	31.4	21.4	47%
Workforce Solutions	24.9	25.9	(4)%
Total Revenue	56.3	47.3	19%
Total Adjusted EBITDA	11.1	10.7	4%
Funds from Operations	12.2	11.4	7%
Per share (\$)	0.22	0.21	5%
Loss	(2.2)	(2.5)	12%
Loss per share - Basic and diluted	(0.04)	(0.05)	20%
Capital expenditures	5.0	7.8	(36)%
Property & equipment (NBV)	410.0	327.5	25%
Total assets	511.9	422.6	21%
Long-term debt	175.7	102.4	72%
Cash and cash equivalents	3.7	4.3	(14)%

Additional Information

A copy of the Company's audited consolidated financial statements of the Company for the years ended December 31, 2020 and 2019 and related management's discussion and analysis have been filed with the Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) and www.blackdiamondgroup.com.

About Black Diamond Group

Black Diamond is a specialty rentals and industrial services Company with two operating business units - Modular Space Solutions (MSS) and Workforce Solutions (WFS). We operate in Canada, the United States, and Australia.

MSS through its principal brands, BOXX Modular, Britco, and MPA, owns a large rental fleet of modular buildings of various types and sizes. Its network of local branches rent, sell, service, and provide ancillary products and services to a diverse customer base in the construction, industrial, education, financial, and government sectors.

WFS through its principal brands, Black Diamond Camps and Black Diamond Energy Services, owns a large rental fleet of modular accommodation assets of all types and sizes and a fleet of liquid and solid containment assets. Its regional operating terminals rent, sell, service, and provide ancillary products and services including turn-key operated camps to a wide array of customers in the resource, infrastructure, construction, disaster recovery, and education sectors. The WFS business unit also includes the Company's wholly owned subsidiary, LodgeLink, which operates a digital marketplace for business-to-business crew accommodation, travel, and logistics in North America.

Learn more at www.blackdiamondgroup.com.

For investor inquiries please contact Jason Zhang at 403-206-4739 or investor@blackdiamondgroup.com.

Reader Advisory***Forward-Looking Statements***

Certain information set forth in this news release contains forward-looking statements including, but not limited to, the amount of funds that will be expended on the 2021 capital plan, how such capital will be expended, expectations for asset sales, management's assessment of Black Diamond's future operations and what may have an impact on them, financial performance, business prospects and opportunities, changing operating environment including the impact of COVID-19, amount of revenue anticipated to be derived from current contracts, anticipated debt levels, economic life of the Company's assets, future growth and profitability of the Company and realization of the anticipated benefits of acquisitions and sales. With respect to the forward-looking statements in the news release, Black Diamond has made assumptions regarding, among other things: future commodity prices, that Black Diamond will continue to conduct its operations in a manner consistent with past operations, that counterparties to contracts will perform the contracts as written and that there will be no unforeseen material delays in contracted projects. Although Black Diamond believes that the expectations reflected in the forward-looking statements contained in this news release, and the assumptions on which such forward-looking statements are made are reasonable, there can be no assurances that such expectations or assumptions will prove to be correct. Readers are cautioned that assumptions used in the preparation of such statements may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of Black Diamond. These risks include, but are not limited to: the impact of general economic conditions, industry conditions, fluctuation of commodity prices, the impact of the COVID-19 pandemic, the Company's ability to attract new customers, failure of counterparties to perform on contracts, industry competition, availability of qualified personnel and management, timely and cost effective access to sufficient capital from internal and external sources, political conditions, dependence on suppliers and stock market volatility. The risks outlined above should not be construed as exhaustive. Additional information on these and other factors that could affect Black Diamond's operations and financial results are included in Black Diamond's annual information form for the year ended December 31, 2020 and other reports on file with the Canadian Securities Regulatory Authorities which can be accessed on SEDAR. Readers are cautioned not to place undue reliance on these forward-looking statements. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Black Diamond does not undertake any obligation to update or revise any of the forward-looking statements, except as may be required by applicable securities laws.

Non-GAAP Measures

In this news release, the following terms have been referenced: Adjusted EBITDA, Funds from Operations and Net Debt. Readers are cautioned that these measures are not defined under International Financial Reporting Standards ("IFRS"). Readers are cautioned that these non-GAAP measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of the Company's performance or cash flows, a measure of liquidity or as a measure of actual return on the common shares of the Company. These Non-GAAP measures should only be used in conjunction with the consolidated financial statements of the Company. A reconciliation between these measures and measures defined under IFRS is included in management's discussion and analysis for the three and twelve month periods ended December 31, 2020 filed on SEDAR.