

Black Diamond Reports Fourth Quarter 2021 Results & 20% Dividend Increase

Calgary, Alberta, March 3, 2022 - 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 months (the "Quarter") and twelve months ("2021" or the "YTD") ended December 31, 2021 compared with the three months (the "Comparative Quarter") and twelve months ("2020" or the "Prior YTD") ended December 31, 2020. All financial figures are expressed in Canadian dollars.

In the fourth quarter of 2021, Black Diamond reported consolidated revenue of \$96.1 million, Adjusted EBITDA⁽¹⁾ of \$17.5 million, and core rental revenue of \$27.3 million.

Key Highlights from the Fourth Quarter of 2021

- Generated consolidated revenue of \$96.1 million and Adjusted EBITDA of \$17.5 million, up 71% and 58% from the Comparative Quarter, respectively.
- Consolidated rental revenue of \$27.3 million, up 51% from the Comparative Quarter.
- Modular Space Solutions ("MSS") revenue and Adjusted EBITDA of \$51.0 million and \$13.3 million increased 62% and 33%, respectively, from the Comparative Quarter.
- Workforce Solutions ("WFS") revenue and Adjusted EBITDA of \$45.1 million and \$9.7 million increased 81% and 126%, respectively, from the Comparative Quarter.
- Cash from Operating Activities was \$20.4 million and Free Cashflow⁽¹⁾ for the Quarter was \$15.4 million, compared to \$7.8 million in the Comparative Quarter.
- Long-term Debt was \$155.6 million resulting in Net Debt to Adjusted EBITDA⁽¹⁾ of 2.4x is within the Company's target range of 2 to 3 times, and available liquidity was \$112.7 million at the end of the Quarter.
- LodgeLink set a quarterly record with 70,317 room nights booked in the Quarter which increased 96% from the Comparative Quarter.
- The Company redeemed \$2.4 million worth of preferred shares, issued by a subsidiary company, as part of the Vanguard acquisition. As of the date hereof, there are \$8.9 million of preferred shares outstanding, which may be redeemed by the Company.
- Subsequent to the end of the Quarter, the Company increased its annual dividend per share payout by 20% from \$0.05 to \$0.06. The Company has declared a first quarter dividend of \$0.015 payable on or about April 15, 2022 to shareholders of record on March 31, 2022.

Key Highlights from the YTD

- Generated consolidated revenue of \$339.6 million and consolidated Adjusted EBITDA of \$64.0 million for the YTD, up 89% and 58% from the Prior YTD, respectively.
- Diluted earnings per share for the YTD was \$0.34 compared to \$(0.06) in the Prior YTD.
- Profit for YTD was \$20.4 million and consolidated Return on Assets ("ROA")⁽¹⁾ for the YTD was 15%, up four percentage points from the Prior YTD.
- MSS rental revenue and Adjusted EBITDA of \$60.0 million and \$46.8 million, up 53% and 59% from the Prior YTD, respectively.
- WFS rental revenue and Adjusted EBITDA of \$38.0 million and \$34.6 million, up 44% and 57% from the Prior YTD, respectively.
- LodgeLink Net Revenue was \$3.8 million, up 124% from the Prior YTD and Gross Bookings⁽¹⁾ of \$35.5 million grew 97% from the Prior YTD.

OUTLOOK

Fourth quarter 2021 results reflect the Company's continued focus to grow MSS through fleet additions and value added products and services ("VAPS"), strengthen WFS through higher utilization and further end-market diversity, and scale LodgeLink Gross Booking volumes while increasing margins.

MSS set an eighth consecutive quarterly record in rental revenue and achieved record sales revenue driven primarily by operations in the U.S. The macroeconomic backdrop remains attractive for the Company's MSS rental fleet, with utilization levels expected to remain strong amidst ongoing increases in average rental rate. Average rental rates in the Quarter across MSS were up 9% year-over-year on a constant currency basis and are expected to see ongoing increases based on strong demand in essentially all geographies as well as continued lift from ongoing inflationary pressures. Utilization is expected to remain steady and Management expects ongoing, steady growth in the Company's high margin, recurring, rental revenue into 2022.

WFS is expected to benefit from the Company's continued focus to diversify by end-market and geography, as well as continued strength in commodity prices. Utilization levels have continued to improve throughout WFS in all regions and as a result the outlook for the first half of 2022 remains constructive.

MSS sales revenue set a quarterly record as a result of strong activity levels, particularly in the eastern U.S. The Company expects a normalization in sales revenue in coming quarters but continues to see a healthy market for custom sales opportunities. In WFS, non-rental and sales revenue were also strong in 2021 due to improving utilization levels across the platform which in turn drove higher revenue from installation and ancillary services. The Company continues to see attractive opportunities within WFS to monetize unutilized assets to further improve utilization.

LodgeLink, Black Diamond's digital marketplace platform for workforce travel and accommodation, delivered its highest ever quarter for Gross Bookings and volume of room nights booked. Total Gross Bookings for LodgeLink grew 55% to \$10.2 million from the Comparative Quarter. Total room bookings for the quarter grew 96% to 70,317 from the Comparative Quarter. At the end of the Quarter, LodgeLink had 615 unique active corporate customers signed onto the platform with 6,365 properties listed representing 615,799 rooms. The Company remains optimistic on the future growth potential of LodgeLink as the digital platform continues to scale and build volume by continuing to add customers and suppliers to the system.

The Company's outlook into 2022 remains positive as growth in recurring rental revenue streams in both MSS and WFS is expected to underpin continued growth in Free Cashflow and the ability to re-invest in opportunities with strong returns across our specialty rental platform. Management expects debt levels to remain within the current Net Debt to Adjusted EBITDA range of 2.0x to 3.0x and remains focused on driving total shareholder returns with an announced 20% increase to its dividend. For 2022, the Company expects gross capital investment in the range of \$35 to \$45 million (or net capital investment of \$30 to \$40 million based on expected used asset sales). Capital investment is expected to be deployed in a generally non-speculative manner and is expected to be weighted heavily towards MSS and ongoing growth in Australia.

Fourth Quarter 2021 Financial Highlights

(in millions, except where noted)	Three months ended December 31,			Twelve months ended December 31,		
	2021 \$	2020 \$	Change	2021 \$	2020 \$	Change
Revenue						
Modular Space Solutions	51.0	31.4	62%	173.6	93.8	85%
Workforce Solutions	45.1	24.9	81%	166.0	86.1	93%
Total Revenue	96.1	56.3	71%	339.6	179.9	89%
Total Adjusted EBITDA ⁽¹⁾	17.5	11.1	58%	64.0	40.6	58%
Funds from Operations ⁽¹⁾	21.6	12.2	77%	76.6	42.5	80%
Per share (\$)	0.37	0.22	68%	1.32	0.77	71%
Profit (loss)	10.7	(2.2)	586%	20.4	(3.5)	683%
Profit (loss) per share (\$) - Basic	0.18	(0.04)	550%	0.35	(0.06)	683%
(-) - Diluted	0.18	(0.04)	550%	0.34	(0.06)	667%
Capital expenditures	12.0	5.0	140%	37.9	36.0	5%
Business acquisitions	—	80.2	(100)%	—	86.8	(100)%
Property & equipment (NBV)	404.5	410.0	(1)%	404.5	410.0	(1)%
Total assets	530.3	511.9	4%	530.3	511.9	4%
Long-term debt	155.6	175.7	(11)%	155.6	175.7	(11)%
Cash and cash equivalents	4.6	3.7	24%	4.6	3.7	24%
Return on Assets (%) ⁽¹⁾	17%	11%	6	15%	11%	4
Free Cashflow ⁽¹⁾	15.4	7.8	97%	54.3	22.8	138%

(1) Adjusted EBITDA, Funds from Operations, Free Cashflow and Gross Bookings are non-GAAP financial measures and Net Debt to Adjusted EBITDA and Return on Assets are non-GAAP ratios. Refer to the "Non-GAAP Financial Measures" section of the Company's Management's Discussion and Analysis for the year ended December 31, 2021 (the "MD&A"), which is available on the Company's profile at www.sedar.com and incorporated by reference herein, for more information on each specified financial measure.

Additional Information

A copy of the Company's audited consolidated financial statements for the years ended December 31, 2021 and 2020 and the MD&A have been filed with the Canadian securities regulatory authorities and may be accessed through the Company's profile on the SEDAR website (www.sedar.com) and at www.blackdiamondgroup.com.

About Black Diamond Group

Black Diamond is a specialty rentals and industrial services company with two operating business units - MSS and WFS. We operate in Canada, the United States, and Australia.

MSS through its principal brands, BOXX Modular, Britco, MPA, and Schiavi, 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 owns a large rental fleet of modular accommodation assets of various 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 turnkey operated camps to a wide array of customers in the resource, infrastructure, construction, disaster recovery, and education sectors. WFS also includes the Company's wholly owned subsidiary, LodgeLink, which operates a digital marketplace for business-to-business crew accommodation, travel, and logistics services in North America.

Learn more at www.blackdiamondgroup.com.

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

Conference Call

Black Diamond will hold a conference call and webcast tomorrow, March 4 2021, at 9:30 a.m. MT (11:30 a.m. ET). CEO Trevor Haynes and CFO Toby LaBrie will discuss Black Diamond's financial results for the quarter and then take questions from investors and analysts.

To access the conference call by telephone dial toll free 1-855-435-1153. International callers should use 1-210-229-8824. Please connect approximately 10 minutes prior to the beginning of the call.

To access the call via webcast, please log into the webcast link 10 minutes before the start time at: <https://edge.media-server.com/mmc/p/zh73ye4k>

Following the conference call, a replay will be available on the Investor Events section of the Company's website at www.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 2022 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 counter-parties 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, inflationary price pressure 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, 2021 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 specified financial measures have been disclosed: Adjusted EBITDA, Net Debt to Adjusted EBITDA, Funds from Operations, ROA, Free Cashflow and Gross Bookings. These non-GAAP and other financial measures do not have any standardized meaning prescribed under International Financial Reporting Standards ("IFRS") and therefore may not be comparable to similar measures presented by other entities. 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.

Adjusted EBITDA is not a measure recognized under IFRS and does not have standardized meanings prescribed by IFRS. Adjusted EBITDA refers to consolidated earnings before finance costs, tax expense, depreciation, amortization, accretion, foreign exchange, stock-based compensation, acquisition costs, non-controlling interests, share of gains or losses of an associate, write-down of property and equipment, impairment, restructuring costs, and gains or losses on the sale of non-fleet assets in the normal course of business.

Black Diamond uses Adjusted EBITDA primarily as a measure of operating performance. Management believes that operating performance, as determined by Adjusted EBITDA, is meaningful because it presents the performance of the Company's operations on a basis which excludes the impact of certain non-cash items as well as how the operations have been financed. In addition, management presents Adjusted EBITDA because it considers it to be an important supplemental measure of the Company's performance and believes this measure is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures.

Adjusted EBITDA has limitations as an analytical tool, and readers should not consider this item in isolation, or as a substitute for an analysis of the Company's results as reported under IFRS. Some of the limitations of Adjusted EBITDA are:

- Adjusted EBITDA excludes certain income tax payments and recoveries that may represent a reduction or increase in cash available to the Company;
- Adjusted EBITDA does not reflect the Company's cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, the Company's working capital needs;
- Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest payments on the Company's debt;
- depreciation and amortization are non-cash charges, thus the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- other companies in the industry may calculate Adjusted EBITDA differently than the Company does, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of the Company's business. The Company compensates for these limitations by relying primarily on the Company's IFRS results and using Adjusted EBITDA only on a supplementary basis. A reconciliation to profit (loss), the most comparable GAAP measure, is provided below.

Net Debt to Adjusted EBITDA is a non-GAAP financial measure which is calculated as net debt divided by Adjusted EBITDA. Net Debt, a supplementary financial measure, is calculated as long-term debt minus cash and cash equivalents. A reconciliation to long-term debt, the most comparable GAAP measure, is provided below. Net Debt and Net Debt to Adjusted EBITDA removes cash and cash equivalents from the Company's debt balance. Black Diamond uses these ratios primarily as measures of operating performance. Management believes these ratios are important supplemental measures of the Company's performance and believes these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures.

Return on assets ("ROA") is calculated as annualized Adjusted EBITDA divided by average net book value of Property and Equipment. Annualized Adjusted EBITDA is calculated by multiplying Adjusted EBITDA for the Quarter and Comparative Quarter by an annualized multiplier. Management believes that ROA is a useful financial measure for investors in evaluating operating performance for the periods presented. When read in conjunction with our profit (loss) and property and equipment, two GAAP measures, it provides investors with a useful tool to evaluate Black Diamonds ongoing operations and management of assets from period-to-period.

Reconciliation of Consolidated Profit to Adjusted EBITDA, Net Debt to Adjusted EBITDA and Return on Assets:

	Three months ended December 31,			Twelve months ended December 31,		
(\$ millions, except as noted)	2021	2020	Change %	2021	2020	Change %
Profit (loss) ⁽¹⁾	10.7	(2.2)	586%	20.4	(3.5)	683%
Add:						
Depreciation and amortization ⁽¹⁾	8.9	9.0	(1)%	35.2	33.0	7%
Acquisition costs ⁽¹⁾	—	1.9	(100)%	—	1.9	(100)%
Finance costs ⁽¹⁾	1.7	1.6	6%	6.0	5.7	5%
Share-based compensation ⁽¹⁾	1.0	0.8	25%	3.3	2.9	14%
Non-controlling interest ⁽¹⁾	0.4	0.3	33%	1.4	1.1	27%
Current income taxes ⁽¹⁾	0.1	0.4	(75)%	0.1	0.4	(75)%
Gain on sale of real estate assets and other ⁽¹⁾	(0.7)	—	—%	(0.6)	—	—%
Deferred income taxes ⁽¹⁾	(4.6)	(0.7)	(557)%	(1.8)	(0.9)	(100)%
Adjusted EBITDA ⁽¹⁾	17.5	11.1	58%	64.0	40.6	58%
Long-term debt ⁽¹⁾	155.6	175.7	(11)%	155.6	175.7	(11)%
Cash and cash equivalents ⁽¹⁾	4.6	3.7	24%	4.6	3.7	24%
Net debt	151.0	172.0	(12)%	151.0	172.0	(12)%
Net debt to adjusted EBITDA	8.6	15.5	(44)%	2.4	4.2	(44)%
Annualized multiplier	4	4				
Annualized adjusted EBITDA	70.0	44.4	58%	64.0	40.6	58%
Average net book value of property plant and equipment	423.0	400.4	6%	422.4	376.8	12%
Return on assets	17%	11%	6	15%	11%	4

(1) Sourced from Company's audited consolidated financial statements for the years ended December 31, 2021 and 2020.

Funds from Operations is calculated as the cash flow from operating activities, the most comparable GAAP measure, excluding the changes in non-cash working capital. Management believes that Funds from Operations is a useful measure as it provides an indication of the funds generated by the operations before working capital adjustments. Changes in long-term accounts receivables and non-cash working capital items have been excluded as such changes are financed using the operating line of Black Diamond's credit facilities. A reconciliation to cash flow from operating activities, the most comparable GAAP measure, is provided below.

Free Cashflow ("FCF") is calculated as Funds from Operations minus maintenance capital, net interest paid (including lease interest), payment of lease liabilities, net current income tax expense (recovery), distributions declared to non-controlling interest, dividends paid on common shares and dividends paid on preferred shares plus net current income taxes received (paid). Management believes that FCF is a useful measure as it provides an indication of the funds generated by the operations before working capital adjustments and other items noted above. Management believes this metric is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures. A reconciliation to cash flow from operating activities, the most comparable GAAP measure, is provided below.

Reconciliation of Cash Flow from Operating Activities to Funds from Operations to Free Cash Flow:

(\$ millions, except as noted)	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	Change	2021	2020	Change
Cash flow from operating activities ⁽¹⁾	20.4	14.7	39%	71.1	50.0	42%
Add/(deduct):						
Change in long-term accounts receivable ⁽¹⁾	(0.2)	(1.3)	85%	(0.7)	(1.3)	46%
Changes in non-cash operating working capital ⁽¹⁾	1.4	(1.2)	217%	6.2	(6.2)	200%
Funds from operations	21.6	12.2	77%	76.6	42.5	80%
Add/(deduct):						
Maintenance capital	(2.4)	(2.1)	(14)%	(9.3)	(9.2)	(1)%
Net interest paid (including lease interest)	(1.4)	(1.5)	7%	(5.7)	(5.2)	(10)%
Payment for lease liabilities	(1.6)	(1.3)	(23)%	(6.2)	(5.2)	(19)%
Net current income tax expense (recovery)	0.1	0.4	(75)%	0.1	0.4	(75)%
Net current income taxes received (paid)	0.1	0.5	(80)%	0.1	0.5	(80)%
Distributions declared to non-controlling interest	(0.1)	(0.4)	75%	—	(1.0)	100%
Dividends paid on preferred shares	(0.2)	—	—%	(0.6)	—	—%
Dividends paid on common shares	(0.7)	—	—%	(0.7)	—	—%
Free cashflow	15.4	7.8	97%	54.3	22.8	138%

(1) Sourced from Company's audited consolidated financial statements for the years ended December 31, 2021 and 2020.

Gross Bookings, a non-GAAP measure, is total revenue billed to the customer which includes all fees and charges. Net Revenue, a GAAP measure, is Gross Bookings less costs paid to suppliers. Revenue from bookings at third party lodges and hotels through LodgeLink are recognized on a net revenue basis. LodgeLink is an agent in the transaction as it is not responsible for providing the service to the customer and does not control the service provided by a supplier. Management believes this ratio is an important supplemental measure of LodgeLink's performance and cash generation and believes this ratio is frequently used by interested parties in the evaluation of companies in industries with similar forms of revenue generation.

Net Revenue Margin is calculated by dividing Net Revenue by Gross Bookings for the period. Management believes this ratio is an important supplemental measure of LodgeLink's performance and profitability and believes this ratio is frequently used by interested parties in the evaluation of companies in industries with similar forms revenue generation where companies act as agents in transactions.

Reconciliation of Net Revenue to Gross Bookings and Net Revenue margin:

(\$ millions, except as noted)	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	Change	2021	2020	Change
Net revenue ⁽¹⁾	1.1	0.5	120%	3.8	1.7	124%
Costs paid to suppliers ⁽¹⁾	9.1	6.1	49%	31.7	16.3	94%
Gross bookings ⁽¹⁾	10.2	6.6	55%	35.5	18.0	97%
Net revenue margin	11%	8%	3	11%	9%	2

(1) Includes intercompany transactions.