

Black Diamond Reports First Quarter 2022 Results and Declares Second Quarter Dividend

Calgary, Alberta, May 4, 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 ended March 31, 2022 (the "Quarter") compared with the three months ended March 31, 2021 (the "Comparative Quarter"). All financial figures are expressed in Canadian dollars.

Key Highlights from the First Quarter of 2022

- Generated consolidated revenue of \$70.2 million and Adjusted EBITDA of \$17.9 million, up 7% and 35% from the Comparative Quarter, respectively.
- Consolidated rental revenue of \$26.9 million, up 26% from the Comparative Quarter.
- Modular Space Solutions ("MSS") rental revenue of \$16.1 million increased 16% from the Comparative Quarter, while total revenue of \$34.4 million declined by 3%. Adjusted EBITDA of \$10.4 million increased 1% year-over-year.
- Workforce Solutions ("WFS") rental revenue of \$10.8 million and total revenue of \$35.8 million increased 44% and 17%, respectively from the Comparative Quarter. Adjusted EBITDA of \$12.0 million increased 97% year-over-year.
- LodgeLink set another quarterly, all-time, record with 76,253 room nights booked in the Quarter, which increased 56% from the Comparative Quarter.
- Return on Assets¹ for the Quarter was 17%, up five percentage points from the Comparative Quarter.
- Long term debt was \$160.5 million resulting in Net Debt to trailing twelve month ("TTM") Adjusted EBITDA¹ of 2.3x remaining within the Company's target range of 2 to 3 times, and available liquidity was \$109.6 million at the end of the Quarter.
- Subsequent to the Quarter, The Company announced that it had acquired all of the operating assets of Cambrian Trailer Rentals Ltd ("Cambrian") consisting of a fleet of 150 rental units and associated rental agreements. Fleet utilization at the time of closing was greater than 90%. Cambrian has serviced the southern Alberta market for over 40 years and has a long-standing history of exceptional service.
- Subsequent to the end of the Quarter, the Company declared a second quarter dividend of \$0.015 payable on or about July 15, 2022 to shareholders of record on June 30, 2022.

¹ Adjusted EBITDA is a non-GAAP financial measure. Return on Assets and Net Debt to TTM Adjusted EBITDA are non-GAAP ratios. Refer to the "Non-GAAP Financial Measures" section of this press release for more information on each non-GAAP financial measure and ratio.

OUTLOOK

First quarter 2022 results displayed the continuation of the Company's strategy to grow and diversify its cash flow streams across its specialty rental platform, while scaling its B2B digital workforce travel management platform; LodgeLink.

MSS rental revenue of \$16.1 million was up 16% from \$13.9 million in the Comparative Quarter. The increase in rental revenue was driven by increased rental rates (up 9% year-over-year), ongoing strength in utilization, and modest fleet growth. MSS sales revenue of \$7.5 million was down 32% from the Comparative Quarter. While the sales pipeline remains robust, custom sales can vary quarter to quarter depending on sequencing and permitting of specific projects in the backlog. MSS Adjusted EBITDA² of \$10.4 million was up 1% from the Comparative Quarter driven by a shift in revenue mix to more rental revenue, which yields higher margins, partially offset by one-time final costs associated with the Vanguard acquisition of \$0.6 million. The outlook into the second quarter and for the remainder of 2022 remains positive and the Company expects steady growth in its core, high-margin, rental revenues driven by strong end-market demand across North America.

WFS rental revenue of \$10.8 million was up 44% from \$7.5 million in the Comparative Quarter driven by improving utilization in all regions. Non-rental and lodge services revenues were also up 35% and 68% from the Comparative Quarter, respectively, as higher field-level activity drove increased ancillary services and occupancy levels. While the WFS segment has continued to benefit from the Company's efforts to diversify by industry and geography, WFS is also seeing improving activity levels from customers in the energy sector and expects these tailwinds to provide a supportive environment for the remainder of 2022.

LodgeLink, Black Diamond's digital marketplace platform for workforce travel and accommodation, yet again, delivered its highest ever quarter for Gross Bookings² and volume of room nights booked. Net revenue grew 86% to \$1.3 million and Gross Bookings for LodgeLink grew 55% to \$11.6 million from the Comparative Quarter. Total room nights booked for the Quarter grew 56% to 76,253 from the Comparative Quarter. At the end of the Quarter, LodgeLink had 642 unique active corporate customers on the platform with approximately 7,337 properties listed representing approximately 697,000 rooms. The Company remains highly 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, as well as continuing to enhance the user experience through platform development.

For 2022, the Company expects gross capital investment in the range of \$45 to \$55 million and net capital investment of \$35 to \$45 million after expected normal course used fleet sales. The vast majority of the Company's capital investment is underpinned by long term contracts and is expected to be weighted heavily towards growth in MSS and ongoing rental fleet additions in Australia. While cost for new-build rental fleet has continued to climb due to inflationary pressures, the Company is maintaining investment hurdle rates and is offsetting increases to input costs through ongoing rate increases for new-build products. This is also resulting in continued rental rate increases on existing rental fleet throughout the Company's operating regions which is driving ongoing improvement in return metrics with Return on Assets² increasing five percentage points year over year, up to 17%. As such, the Company's outlook for 2022 remains highly positive as growing recurring rental revenue streams in both business units is expected to generate continued growth of Free Cashflow² and the ability to re-invest in attractive opportunities across our specialty rental platform.

² Adjusted EBITDA, Gross Bookings and Free Cashflow are non-GAAP financial measures. Return on Assets is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures" section of this press release for more information on each non-GAAP financial measure and ratio.

First Quarter 2022 Financial Highlights

(in millions, except as noted)	Three months ended March 31,		
	2022 \$	2021 \$	Change %
Revenue			
Modular Space Solutions	34.4	35.3	(3)%
Workforce Solutions	35.8	30.5	17%
Total revenue	70.2	65.8	7%
Adjusted EBITDA ⁽¹⁾	17.9	13.3	35%
Funds from Operations ⁽¹⁾	19.2	17.3	11%
Per share (\$)	0.33	0.30	10%
Profit	4.0	2.7	48%
Profit per share (\$) - Basic and diluted	0.07	0.05	40%
Capital expenditures	6.7	4.0	68%
Property & equipment	399.2	399.9	—%
Total assets	528.1	508.0	4%
Long-term debt	160.5	172.2	(7)%
Cash and cash equivalents	3.9	3.0	30%
Return on Assets (%) ⁽¹⁾	17%	12%	5
Free Cashflow ⁽¹⁾	13.5	13.6	(1)%

(1) Adjusted EBITDA, Funds from Operations and Free Cashflow are non-GAAP financial measures. Return on Assets is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures" section of this press release for more information on each non-GAAP financial measure and ratio.

Additional Information

A copy of the Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2022 and 2021 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 - 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, May 5 2022, 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 1-800-319-4610. International callers should use 1-604-638-5340. 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://www.gowebcasting.com/11804>

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 the Company's profile 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 Financial Measures

In this news release, the following specified financial measures have been disclosed: Adjusted EBITDA, Net Debt to TTM Adjusted EBITDA, Funds from Operations, Return on Assets, 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.

Return on Assets 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 and Return on Assets:

(\$ millions, except as noted)	Three months ended March 31,		Change %
	2022	2021	
Profit ⁽¹⁾	4.0	2.7	48%
Add:			
Depreciation and amortization ⁽¹⁾	8.6	8.1	6%
Finance costs ⁽¹⁾	1.5	1.3	15%
Share-based compensation ⁽¹⁾	1.2	0.6	100%
Non-controlling interest ⁽¹⁾	0.5	0.2	150%
Deferred income taxes ⁽¹⁾	2.1	0.4	425%
Adjusted EBITDA ⁽¹⁾	17.9	13.3	35%
Annualized multiplier	4.0	4.0	
Annualized adjusted EBITDA	71.6	53.2	35%
Average net book value of property and equipment	422.1	427.6	(1)%
Return on Assets	17%	12%	5

(1) Sourced from the Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2022 and 2021.

Net Debt to TTM Adjusted EBITDA is a non-GAAP financial ratio which is calculated as net debt divided by trailing twelve months Adjusted EBITDA. **Net Debt**, a non-GAAP 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 TTM 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. In the Quarter, Net Debt to Adjusted EBITDA was renamed Net Debt to TTM Adjusted EBITDA, to provide additional clarity on the composition of the denominator of this non-GAAP ratio.

Reconciliation of Consolidated Profit to Adjusted EBITDA, Net Debt and Net Debt to TTM Adjusted EBITDA:

(\$ millions, except as noted)

	2022	2021	2021	2021	2021	2020	2020	2020	Change
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Profit (loss)	4.0	10.7	5.7	1.3	2.7	(2.2)	(0.7)	(0.4)	
Add:									
Depreciation and amortization	8.6	8.9	9.4	8.8	8.1	9.0	8.4	8.1	
Finance costs	1.5	1.7	1.5	1.6	1.3	1.6	1.2	1.2	
Share-based compensation	1.2	1.0	1.0	0.8	0.6	0.8	0.8	0.8	
Non-controlling interest	0.5	0.4	0.4	0.4	0.2	0.3	0.3	0.3	
Current income taxes	—	0.1	—	—	—	0.4	—	—	
Gain on sale of real estate assets	—	(0.7)	—	—	—	—	—	—	
Deferred income taxes	2.1	(4.6)	1.7	0.6	0.4	(0.7)	(0.2)	(0.1)	
Adjusted EBITDA	17.9	17.5	19.7	13.5	13.3	11.1	9.8	9.9	
TTM Adjusted EBITDA	68.6				44.1				56 %
Long-term debt	160.5				172.2				(7)%
Cash and cash equivalents	3.9				3.0				30 %
Net Debt	156.6				169.2				(7)%
Net Debt to TTM Adjusted EBITDA	2.3				3.8				(39)%

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 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 Free Cashflow 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 and Free Cashflow:

(\$ millions, except as noted)	Three months ended March 31,		
	2022	2021	Change
Cash flow from Operating Activities ⁽¹⁾	13.0	13.5	(4)%
Add/(deduct):			
Change in long-term accounts receivable ⁽¹⁾	1.3	(0.3)	533%
Changes in non-cash operating working capital ⁽¹⁾	4.9	4.1	20%
Funds from Operations	19.2	17.3	11%
Add/(deduct):			
Maintenance capital	(1.6)	(1.0)	(60)%
Net interest paid (including lease interest)	(1.4)	(1.3)	(8)%
Payment for lease liabilities	(1.6)	(1.3)	(23)%
Distributions declared to non-controlling interest	(0.2)	—	—%
Dividends paid on preferred shares	(0.2)	(0.1)	(100)%
Dividends paid on common shares	(0.7)	—	—%
Free Cashflow	13.5	13.6	(1)%

(1) Sourced from the Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2022 and 2021.

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.

Reconciliation of Net Revenue to Gross Bookings:

(\$ millions, except as noted)	Three months ended March 31,		
	2021	2020	Change
Net revenue ⁽¹⁾	1.3	0.7	86%
Costs paid to suppliers ⁽¹⁾	10.3	6.8	51%
Gross Bookings ⁽¹⁾	11.6	7.5	55%

(1) Includes intercompany transactions.