

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2022 and 2021



BLACK DIAMOND

GROUP

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 as at September 30, 2022 and December 31, 2021

(Expressed in thousands)	2022	2021
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	12,291	4,558
Accounts receivable	65,003	58,228
Prepaid expenses and other current assets	17,191	13,181
Total Current Assets	94,485	75,967
Non-Current		
Other long-term assets	1,808	2,564
Risk management assets	2,731	38
Property and equipment ^(note 3)	423,687	404,479
Right-of-use assets	17,260	18,778
Goodwill and intangible assets	21,397	20,850
Deferred income taxes	5,567	7,665
Total Non-Current Assets	472,450	454,374
Total Assets	566,935	530,341
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	40,844	40,840
Deferred revenue	26,148	19,131
Current portion of lease liabilities	6,590	6,280
Total Current Liabilities	73,582	66,251
Non-Current		
Long-term debt ^(note 4)	160,551	155,639
Asset retirement obligations	13,800	14,353
Long-term lease liabilities	15,976	17,765
Deferred income taxes	37,096	29,534
Total Non-Current Liabilities	227,423	217,291
Total Liabilities	301,005	283,542
Shareholders' Equity		
Share capital ^(note 5)	385,664	384,477
Contributed surplus	19,176	19,353
Accumulated other comprehensive income	19,588	9,690
Retained deficit	(164,718)	(179,065)
Total Shareholders' Equity	259,710	234,455
Non-controlling interests	6,220	12,344
Total Equity	265,930	246,799
Total Liabilities and Equity	566,935	530,341

Subsequent events (note 9)

See accompanying notes to the unaudited interim condensed consolidated financial statements

UNAUDITED CONSOLIDATED STATEMENTS OF NET INCOME
 For the three and nine months ended September 30,

(Expressed in thousands, except per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2022 \$	2021 \$	2022 \$	2021 \$
Revenue	95,892	108,771	235,531	243,423
Direct costs	56,341	74,740	135,103	162,238
Gross profit	39,551	34,031	100,428	81,185
Expenses				
Administrative expenses	13,522	14,341	38,381	34,675
Depreciation and amortization	9,239	9,409	26,592	26,248
Share-based compensation ^(note 5)	1,212	984	3,425	2,436
Finance costs	2,098	1,477	5,359	4,375
Profit before income taxes	13,480	7,820	26,671	13,451
Income tax expense (recovery)				
Current	15	(4)	392	28
Deferred	3,906	1,725	7,739	2,725
Total income tax expense (recovery)	3,921	1,721	8,131	2,753
Profit before non-controlling interest	9,559	6,099	18,540	10,698
Profit attributable to non-controlling interest	523	413	1,507	1,013
Profit for the period	9,036	5,686	17,033	9,685
Earnings per share ^(note 6)				
Basic	0.15	0.10	0.29	0.17
Diluted	0.15	0.10	0.28	0.16

See accompanying notes to the unaudited interim condensed consolidated financial statements

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 For the three and nine months ended September 30,

(Expressed in thousands)	Three months ended September 30,		Nine months ended September 30,	
	2022 \$	2021 \$	2022 \$	2021 \$
Profit for the period	9,036	5,686	17,033	9,685
Other comprehensive income (loss) to be reclassified to Consolidated Statement of Net Income in subsequent period:				
Translation adjustments	8,071	2,947	7,854	(1,286)
Change in derivative designated as cash flow hedges	204	(24)	2,044	(52)
Total comprehensive income	17,311	8,609	26,931	8,347

See accompanying notes to the unaudited interim condensed consolidated financial statements

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 For the nine months ended September 30, 2022 and 2021

(Expressed in thousands)	Issued Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Deficit	Total Shareholders' Equity	Non- Controlling interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$
As at December 31, 2020	381,891	18,637	10,157	(197,973)	212,712	13,967	226,679
Profit for the period	—	—	—	9,685	9,685	1,013	10,698
Translation adjustments	—	—	(1,286)	—	(1,286)	—	(1,286)
Dividends declared to preferred shareholders	—	—	—	—	—	(439)	(439)
Redemption of preferred shares	—	—	—	—	—	(429)	(429)
Distributions declared to partners	—	—	—	—	—	32	32
Issued on exercise of options & vesting of shares in treasury <small>(note 5)</small>	2,212	(1,023)	—	—	1,189	—	1,189
Net purchase of shares in trust <small>(note 5)</small>	(1,536)	—	—	—	(1,536)	—	(1,536)
Net purchase of shares under NCIB <small>(note 5)</small>	(36)	—	—	—	(36)	—	(36)
Change in derivative designated as cash flow hedge	—	—	(52)	—	(52)	—	(52)
Vesting of shares in trust <small>(note 5)</small>	1,086	(1,086)	—	—	—	—	—
Share based compensation expense <small>(note 5)</small>	—	2,253	—	—	2,253	—	2,253
As at September 30, 2021	383,617	18,781	8,819	(188,288)	222,929	14,144	237,073
As at December 31, 2021	384,477	19,353	9,690	(179,065)	234,455	12,344	246,799
Profit for the period	—	—	—	17,033	17,033	1,507	18,540
Translation adjustments	—	—	7,854	—	7,854	—	7,854
Dividends declared on common shares	—	—	—	(2,686)	(2,686)	—	(2,686)
Dividends declared to preferred shareholders	—	—	—	—	—	(446)	(446)
Redemption of preferred shares	—	—	—	—	—	(6,662)	(6,662)
Distributions declared to partners	—	—	—	—	—	(523)	(523)
Issued on exercise of options & vesting of shares in treasury <small>(note 5)</small>	3,927	(1,900)	—	—	2,027	—	2,027
Net purchase of shares in trust <small>(note 5)</small>	(1,972)	—	—	—	(1,972)	—	(1,972)
Purchase of shares under NCIB <small>(note 5)</small>	(2,187)	—	—	—	(2,187)	—	(2,187)
Change in derivative designated as cash flow hedge	—	—	2,044	—	2,044	—	2,044
Vesting of shares in trust <small>(note 5)</small>	1,419	(1,419)	—	—	—	—	—
Share based compensation expense <small>(note 5)</small>	—	3,142	—	—	3,142	—	3,142
As at September 30, 2022	385,664	19,176	19,588	(164,718)	259,710	6,220	265,930

See accompanying notes to the unaudited interim condensed consolidated financial statements

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the three and nine months ended September 30,

(Expressed in thousands)	Three months ended September 30,		Nine months ended September 30,	
	2022 \$	2021 \$	2022 \$	2021 \$
Operating activities				
Profit for the period	9,036	5,686	17,033	9,685
Add (deduct) non-cash / non-operating activities:				
Share-based compensation ^(note 5)	1,104	955	3,142	2,253
Depreciation and amortization	9,239	9,409	26,592	26,248
Finance costs	2,098	1,477	5,359	4,375
Deferred income taxes	3,906	1,725	7,739	2,725
Settlement of asset retirement obligations	(554)	—	(627)	(658)
Profit attributable to non-controlling interest	523	413	1,507	1,013
Book value of used fleet sales ^(note 3)	5,356	3,714	9,201	9,328
	30,708	23,379	69,946	54,969
Change in other long-term assets	2,533	(69)	756	481
Change in non-cash working capital related to operating activities	(5,895)	(5,819)	(6,290)	(4,742)
Net cash flows from operating activities	27,346	17,491	64,412	50,708
Investing activities				
Purchase of property and equipment ^(note 3)	(14,443)	(11,626)	(35,035)	(24,782)
Additions to intangible assets	(638)	(415)	(2,441)	(1,065)
Change in non-cash working capital related to investing activities	2,804	(274)	(2,281)	(2,070)
Net cash flows used in investing activities	(12,277)	(12,315)	(39,757)	(27,917)
Financing activities				
Net issuances (payments) of long-term debt	(3,351)	86	4,765	(11,305)
Interest paid, including lease liability interest	(2,084)	(1,388)	(5,138)	(4,220)
Payment of lease liabilities	(1,709)	(1,620)	(4,916)	(4,669)
Net purchase of shares in trust and NCIB ^(note 5)	(1,186)	(392)	(4,159)	(1,572)
Share options exercised ^(note 5)	499	26	2,027	1,190
Redemption of preferred shares	(2,220)	—	(6,662)	—
Distributions declared to non-controlling interest	(145)	—	(523)	32
Dividends paid to preferred shareholders	(116)	(182)	(446)	(439)
Dividends paid to common shareholders	(890)	—	(2,511)	—
Change in non-cash working capital related to financing activities	1,817	—	444	(221)
Net cash flows used in financing activities	(9,385)	(3,470)	(17,119)	(21,204)
Increase in cash and cash equivalents	5,684	1,706	7,536	1,587
Cash and cash equivalents, beginning of the period	6,427	3,365	4,558	3,681
Effect of foreign currency rate changes on cash and cash equivalents	180	65	197	(132)
Cash and cash equivalents, end of the period	12,291	5,136	12,291	5,136

See accompanying notes to the unaudited interim condensed consolidated financial statements

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2022 and 2021

1. GENERAL INFORMATION

The unaudited interim condensed consolidated financial statements ("interim consolidated financial statements") of Black Diamond Group Limited, its subsidiaries, and its controlled limited partnerships (collectively "Black Diamond" or the "Company") for the three and nine months ended September 30, 2022 and 2021 were authorized for issuance in accordance with a resolution of the Board of Directors on November 3, 2022. Black Diamond is headquartered in Calgary, Alberta. The Company was incorporated in Alberta on October 7, 2009. The address of the Company's registered office is Suite 4600, 525 – 8th Avenue S.W., Calgary, Alberta, Canada.

The common shares of the Company are listed on the Toronto Stock Exchange (TSX: BDI).

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The interim consolidated financial statements for the three and nine months ended September 30, 2022 and 2021 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of Presentation and Measurement

These interim consolidated financial statements have been prepared on a going concern basis.

Except as otherwise disclosed and for taxes on income, the same accounting policies and methods of computation were followed in the preparation of these interim consolidated financial statements as were applied in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2021 ("2021 Financial Statements"). Taxes on income in interim periods are accrued using the tax rate that would be applicable to the expected total annual profit. These interim consolidated financial statements do not contain all the information and disclosures required by IFRS for annual financial statements and should be read in conjunction with the 2021 Financial Statements. Comparative amounts have been reclassified to match the current period presentation.

There were no changes to the Company's operating segments during the period.

These interim consolidated financial statements have been presented on a historical cost basis and are presented in Canadian dollars. All amounts are rounded to the nearest thousand (\$'000), except per share amounts or as otherwise noted.

**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 2022 and 2021

3. PROPERTY AND EQUIPMENT

The Company added property and equipment of \$14,443 and \$35,035 (2021 - \$11,626 and \$24,782) during the three and nine months ended September 30, 2022, substantially all of which were fleet assets. There were also disposals of fleet assets with a net book value of \$5,356 and \$9,201 (2021 - \$3,714 and \$9,328) during the three and nine months ended September 30, 2022, which is included in direct costs. The net realizations from the sale of fleet assets is included in gross profit.

At September 30, 2022, the Company evaluated all of its cash-generating units ("CGUs") for indicators of any potential impairment or impairment reversal of long-lived assets. As a result of these assessments, no indicators were identified and no impairment tests were performed.

Capital Commitments

At September 30, 2022, Black Diamond had made capital expenditure commitments over the next several quarters with key manufacturers of modular structures in the amount of \$18,792 (December 31, 2021 - \$11,526).

4. LONG-TERM DEBT**Debt Covenants**

The Company is required to maintain a Fixed Charge Coverage Ratio ("FCCR") of 1.1 to 1; however, this covenant is only tested in certain instances, principally when draws under the ABL Facility exceed 90% of the borrowing base. As at September 30, 2022, the Company's draws under the ABL Facility amounted to 59% of a borrowing base of \$273,676. As at December 31, 2021, the Company's draws under the ABL Facility amounted to 59% of a borrowing base of \$264,700. Therefore, the FCCR covenant was not applicable in both periods.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2022 and 2021

5. SHARE CAPITAL

a) Share Capital

Authorized: An unlimited number of voting common shares with no par value and an unlimited number of preferred shares, issuable in series.

Issued - Common shares	Number of shares	\$
January 1, 2021	56,694	381,891
Issued on exercise of options & vesting of shares in treasury	1,136	2,866
Net purchase of shares in trust	(401)	(1,551)
Net purchase of shares in NCIB	(69)	(36)
Vesting of shares in trust	798	1,307
December 31, 2021	58,158	384,477
Issued on exercise of options & vesting of shares in treasury	1,447	3,927
Net purchase of shares in trust	(519)	(1,972)
Net purchase of shares in NCIB	(530)	(2,187)
Vesting of shares in trust	725	1,419
September 30, 2022	59,281	385,664

On March 14, 2022, the Company commenced a normal course issuer bid ("NCIB"), under which the Company may purchase for cancellation up to a maximum of 4,325 common shares of the Company. The NCIB will terminate on March 13, 2023 or such earlier date as the maximum number of common shares are purchased pursuant to the NCIB or the NCIB is completed or terminated at the Company's election. For the three and nine months ended September 30, 2022, 305 and 530 common shares (2021 - 69) at a cost of \$1,186 and \$2,187 (2021 - \$36) were purchased, cancelled and removed from share capital under the terms of the NCIB.

b) Share-Based Compensation Plans

(i) Share option plan

As at September 30, 2022, there were 3,389 common shares (December 31, 2021 - 3,951) reserved for issuance from treasury upon the exercise of share options granted pursuant to the Company's Share Option Plan. The exercise price of each option equals the weighted average trading price of the common shares for the five trading days preceding the date of the grant. Outstanding options granted under the Share Option Plan generally vest on a straight line basis over three years and the option term is five years from the date of grant.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2022 and 2021

5. SHARE CAPITAL (continued)

(expressed in thousands unless otherwise noted)

Grant date	Number of options outstanding	Exercise price per share	Remaining contractual life (years)	Number exercisable	Fair value at grant date
		\$			\$
March 15, 2018	420	2.53	0.45	420	0.86
March 14, 2019	199	1.96	1.45	199	0.86
March 14, 2019	495	1.96	1.45	495	0.86
October 1, 2019	120	1.77	2.00	80	0.89
March 16, 2020	567	1.29	2.46	354	0.62
June 1, 2020	36	1.40	2.67	24	0.68
March 17, 2021	825	3.31	3.46	275	1.46
March 14, 2022	727	4.36	4.45	—	1.54
Balance September 30, 2022	3,389			1,847	
Weighted average		2.74	2.66	2.14 ⁽¹⁾	

(1) Amount refers to the weighted average exercise price of the exercisable options as at September 30, 2022.

Black Diamond recorded the following share option activity during 2022 and 2021:

	Number of options outstanding	Weighted average exercise price per share
		\$
January 1, 2021	4,302	2.36
Granted	987	3.31
Exercised	(729)	2.14
Expired	(339)	4.72
Forfeited	(270)	2.13
December 31, 2021	3,951	2.45
Granted	727	4.36
Exercised	(1,235)	2.57
Forfeited	(54)	2.63
September 30, 2022	3,389	2.74



NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2022 and 2021

5. SHARE CAPITAL (continued)

The estimated weighted fair value of the options granted during the nine months ended September 30, 2022 is \$1,119 (2021 - \$1,441). The Black-Scholes option pricing model was used in determining the fair values of these options using a forfeiture rate of 5%, based on historical experience and future expectations, and the following assumptions:

Date of grant	Dividend yield	Expected average volatility	Average risk-free rate
March 14, 2022	1.38%	53.49%	1.58%

The expected life of the options is three years and is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not occur.

(ii) Other share-based plans

The Company has a restricted and performance award incentive plan ("Share Award Plan"), a deferred share unit plan and an incentive award plan. Changes in the number of units, with their weighted average fair value, are summarized below:

	Incentive Award Plan		Share Award Plan		Deferred Share Unit Plan ⁽¹⁾	
	Number of units	Weighted fair value per unit	Number of units	Weighted fair value per unit	Number of units	Weighted fair value per unit
		\$		\$		\$
January 1, 2021	1,819	1.47	1,026	1.69	232	2.46
Granted	586	3.49	318	3.31	74	3.35
Forfeited	(149)	2.14	(272)	2.06	(8)	3.31
Vested	(715)	1.63	(323)	1.90	(84)	2.67
December 31, 2021	1,541	2.10	749	2.15	214	2.65
Granted	538	4.36	161	4.36	101	4.34
Forfeited	(65)	2.73	(18)	2.63	—	—
Reinvested	13	2.84	6	2.72	3	3.04
Vested	(766)	1.98	(394)	2.02	—	—
September 30, 2022	1,261	3.08	504	2.92	318	3.88

(1) DSU's are reported as fully vested once settled.

The fair value of awards granted under these share-based plans is equal to the weighted average trading price of the Company's shares for the five trading days immediately preceding the date of grant.

Included in share-based compensation expense for the three and nine months ended September 30, 2022 was \$269 and \$757 (2021 - \$266 and \$662) for costs related to the Share Option Plan.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2022 and 2021

5. SHARE CAPITAL (continued)

As at September 30, 2022, these share-based plans include 140 units (December 31, 2021 - 93) that are expected to be settled in cash. A liability is included in accounts payable and accrued liabilities in the amount of \$138 related to these units (December 31, 2021 - \$226).

Included in share-based compensation expense for the three and nine months ended September 30, 2022 was \$835 and \$2,385 (2021 - \$688 and \$1,591) for costs related to the other share-based plans. Included in share-based compensation expense for the three and nine months ended September 30, 2022 was \$108 and \$283 (2021 - \$30 and \$183) for costs related to other share-based plans expected to be settled in cash.

The Company established the Incentive Award Plan Trust and the Deferred Share Unit Plan Trust (collectively the "Trusts") which are consolidated in the Company's financial statements. Any shares held in the Trusts are accounted for as a reduction of share capital. As at September 30, 2022, there are 985 shares held in the Trusts (December 31, 2021 - 1,191).

6. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated on the profit attributable to Black Diamond for the period.

Reconciliation of weighted average number of shares	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Weighted average common shares outstanding - basic	59,442	57,888	59,136	57,506
Effect of share option plan and share award plan	1,086	1,631	1,240	1,556
Weighted average common shares outstanding - diluted	60,528	59,519	60,376	59,062

Excluded from diluted weighted average number of shares are 727 anti-dilutive options for the three and nine months ended September 30, 2022 (2021 - 933 and 933). Also excluded from diluted weighted average number of shares are 339 anti-dilutive Share Award Plan units for the three and nine months ended September 30, 2022 (2021 - 300 and 300).

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2022 and 2021

7. SEGMENTED INFORMATION

	Three months ended September 30,		Nine months ended September 30,	
	2022 \$	2021 \$	2022 \$	2021 \$
Revenue				
Modular Space Solutions	51,661	50,188	123,142	122,577
Workforce Solutions	44,231	58,583	112,389	120,846
Total Revenue	95,892	108,771	235,531	243,423
Depreciation and Amortization				
Modular Space Solutions	4,610	4,543	13,106	11,992
Workforce Solutions	3,769	4,156	11,327	12,166
Corporate and Other	860	710	2,159	2,090
Total Depreciation and Amortization	9,239	9,409	26,592	26,248
Profit (Loss)				
Modular Space Solutions	12,188	7,769	26,588	21,011
Workforce Solutions	10,369	8,080	23,902	12,036
Corporate and Other	(13,521)	(10,163)	(33,457)	(23,362)
Total Profit	9,036	5,686	17,033	9,685
Capital Expenditures				
Modular Space Solutions ⁽¹⁾	10,250	9,936	27,685	18,909
Workforce Solutions ⁽¹⁾	4,536	1,382	9,246	5,918
Corporate and Other	295	723	545	1,020
Total Capital Expenditures	15,081	12,041	37,476	25,847

(1) Amount includes intangible asset expenditures.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2022 and 2021

7. SEGMENTED INFORMATION (continued)

	September 30, 2022	December 31, 2021
	\$	\$
Property and Equipment		
Modular Space Solutions	271,739	246,072
Workforce Solutions	137,964	142,444
Corporate and Other	13,984	15,963
Total Property and Equipment	423,687	404,479
Intangible Assets		
Modular Space Solutions	7,829	8,559
Workforce Solutions	3,369	2,456
Total Intangible Assets	11,198	11,015
Goodwill		
Modular Space Solutions	10,199	9,835
Total Goodwill	10,199	9,835
Assets		
Modular Space Solutions	337,356	304,559
Workforce Solutions	199,356	197,971
Corporate and Other	30,223	27,811
Total Assets	566,935	530,341

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2022 and 2021

7. SEGMENTED INFORMATION (continued)

Geographic information

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Revenue⁽¹⁾				
Canada	47,670	44,445	124,871	112,959
United States	39,069	55,396	88,265	107,657
Australia	9,153	8,930	22,395	22,807
Total Revenue	95,892	108,771	235,531	243,423

(1) The allocation of sales to the geographic segments is based upon the customer location where the product is utilized or service is delivered.

	September 30, 2022	December 31, 2021
	\$	\$
Property and Equipment, Intangibles and Goodwill		
Canada	226,974	224,525
United States	201,181	184,835
Australia	16,929	15,969
Total Property and Equipment, Intangibles and Goodwill	445,084	425,329



**NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS**

For the three and nine months ended September 30, 2022 and 2021

8. RELATED PARTY TRANSACTIONS

Services purchased from the entity controlled by a member of the board of directors at a fair value of \$62 and \$152 for the three and nine months ended September 30, 2022 (2021 - \$73), include sublease and servicing of generators and fuel tanks.

9. SUBSEQUENT EVENTS

Subsequent to the Quarter, the Company closed the acquisition of all outstanding shares of an Ontario based modular rental company with 1,851 units primarily focused on the education and government sectors. The purchase price of the acquisition was \$54.5 million, including the assumption of debt. Black Diamond also entered into a separate funding agreement with the acquired company to pay approximately \$4 million for the purchase of modular rental units; this funding agreement was accounted for separately from the business combination. At the Quarter end, \$1.3 million in units had been received which is reported as capital expenditures with the remaining balance included in capital commitments.

On November 3, 2022, the Board of Directors approved an increase to the Company's annual dividend per share payout from \$0.06 to \$0.08. The Company also declared a fourth quarter dividend of \$0.02 payable on or about January 15, 2023 to shareholders of record on December 31, 2022.