MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2024 and 2023

BLACK DIAMOND GROUP

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") compares the financial performance of Black Diamond Group Limited ("Black Diamond", the "Company", "our" and "we") for the three months ended June 30, 2024 (the "Quarter") with the three months ended June 30, 2023 (the "Comparative Quarter") and the six months ended June 30, 2024 (the "Year") with the six months ended June 30, 2023 (the "Prior Year"). This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Company for the three and six months ended June 30, 2024 and 2023 and the audited consolidated financial statements of the Company for the years ended December 31, 2023 and 2022. The accompanying unaudited interim condensed consolidated financial statements of Black Diamond are prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A contains non-GAAP financial measures, such as Adjusted EBITDA, Adjusted EBIT, Adjusted EBITDA as a % of Revenue, Net Debt, Net Debt to TTM Adjusted Leverage EBITDA, Funds from Operations, Free Cashflow, Gross Profit Margin, Return on Assets, VAPS as a % of Rental Revenue, Gross Bookings, Net Revenue Margin and Net Capital Expenditures which do not have standardized meanings under generally accepted accounting principles ("GAAP") and, therefore may not be comparable to similar measures presented by other issuers. For definitions, reconciliations and further information please see the "Non-GAAP Financial Measures", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections of this MD&A. This MD&A was prepared as of August 1, 2024 and, unless otherwise indicated, all amounts are stated in Canadian dollars. Black Diamond's common shares are listed on the Toronto Stock Exchange under the symbol "BDI".

Additional information relating to Black Diamond, including Black Diamond's annual information form for the year ended December 31, 2023, may be found on the Black Diamond website at www.blackdiamondgroup.com or Black Diamond's profile on the System for Electronic Data Analysis and Retrieval+ at www.sedarplus.ca ("SEDAR+").

Certain information set forth in this MD&A contains forward-looking statements including, but not limited to, the Company's outlook for the remainder of 2024, opportunities to compound and reinvest shareholder capital, expectations for the effect of the June 28, 2024 MSS asset purchase, expectations for and opportunities in different geographic areas, opportunities for organic investment, the sales and opportunity pipeline, timing and payment of a third quarter dividend, management's assessment of Black Diamond's future operations and what may have an impact on them, opportunities and effect of deploying investment capital, financial performance, business prospects and opportunities, changing operating environment including changing activity levels, effects on demand and performance based on the changing operating environment, expectations for demand and growth in the Company's operating and customer segments, future deployment of assets, amount of revenue anticipated to be derived from current contracts, anticipated debt levels, liquidity demands and sources, ongoing contractual terms and debt obligations, liquidity, working capital and other requirements, sources and use of funds, economic life of the Company's assets, expected length of existing contracts and future growth and profitability of the Company. With respect to the forward-looking statements in this MD&A, Black Diamond has made assumptions regarding, among other things: future commodity prices, the future rate environment, that Black Diamond will continue to raise sufficient capital to fund its business plans in a manner consistent with past operations, timing and cost estimates of a new Enterprise Resource Planning ("ERP"), 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 MD&A, 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: volatility of industry conditions, the Company's ability to attract new customers, political conditions, dependence on agreements and contracts, competition, credit risk, information technology systems and cyber security, vulnerability to market changes, operating risks and insurance, weakness in industrial construction and infrastructure developments, weakness in natural resource industries, access to additional financing, dependence on suppliers and manufacturers, reliance on key personnel, and workforce availability. 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, 2023, and other reports on file with the Canadian securities regulatory authorities which can be accessed on Black Diamond'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 MD&A are made as at the date of this MD&A 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.

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EXECUTIVE SUMMARY

Key Highlights from the Second Quarter of 2024

- Consolidated rental revenue of $35.3 million was essentially flat as compared to the Comparative Quarter. Adjusted EBITDA[1] of $27.9 million was up 24% from the Comparative Quarter, driven primarily by higher total revenues and gross profit.

- Quarterly profit of $7.5 million was 63% higher than the Comparative Quarter. Diluted earnings per share ("EPS") of $0.12 was 50% higher than the Comparative Quarter.

- Return on Assets[1] of 19.9% was a 300 basis point improvement over the Comparative Quarter.

- Consolidated contracted future rental revenue at the end of the Quarter grew 16% from $120.1 million at the end of the Comparative Quarter to $139.6 million.

- Consolidated utilization was 75.5%, with Modular Space Solutions ("MSS") at 80.7% and Workforce Solutions ("WFS") at 62.4% compared to 79.3%, 83.4%, and 69.8% in the Comparative Quarter, respectively. These utilization levels remain healthy in the context of current and historical industry averages.

- MSS rental revenue of $22.2 million, was a quarterly record and an increase of 6% from $21.0 million in the Comparative Quarter.

- MSS average monthly rental rate per unit increased 9% from the Comparative Quarter (or 8% on a constant currency basis), while contracted future rental revenue increased 26% to $107.7 million at the end of the Quarter from $85.4 million at the end of the Comparative Quarter. Average rental duration of the MSS lease portfolio at the end of the Quarter also increased to 58.7 months from 51.1 months from the Comparative Quarter.

- WFS total revenue of $44.0 million was essentially flat from the Comparative Quarter. WFS rental revenue was $13.1 million, a decrease of 7% compared to $14.1 million from the Comparative Quarter due to the completion of two large pipeline projects at the end of 2023, which was slightly offset by continued redeployments of equipment at meaningfully higher average rates during the Quarter. WFS Adjusted EBITDA of $17.3 million was up 49% from the Comparative Quarter.

- LodgeLink net revenue was a record $2.9 million, an increase of 26% from $2.3 million in the Comparative Quarter on higher booking volumes as total room nights sold increased 28% from the Comparative Quarter, to a record rate of 129,737.

- Total capital expenditures were $53.5 million for the Quarter, including the acquisition of a fleet of 329 space rental units for $20.5 million, and maintenance capital of $3.4 million. Total capital commitments at the end of the Quarter in the amount of $32.3 million is 36% greater than the Comparative Quarter, with the majority of growth capital being allocated to contracted project specific fleet units.

- Long term debt and Net Debt[1] at the end of the Quarter increased 26% and 23% since December 31, 2023, to $239.7 million and $225.9 million, respectively. The increase is primarily attributable to the $20.5 million MSS asset acquisition which closed on June 28, 2024. Net Debt to trailing twelve month ("TTM") Adjusted Leverage EBITDA[1] of 2.1x is at the low-end of the Company's target range of 2.0x to 3.0x, while available liquidity was $101.0 million at the end of the Quarter.

- Subsequent to the end of the Quarter, the Company declared a third quarter dividend of $0.03 payable on or about October 15, 2024 to shareholders of record on September 30, 2024.

[1] Adjusted EBITDA and Net Debt are non-GAAP financial measures. Net Debt to TTM Adjusted Leverage EBITDA and Return on Assets are non-GAAP ratios. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

OUTLOOK

The Company's outlook for the remainder of 2024 remains positive, driven in-part by over $139.6 million of contracted future rental revenue, up 16% from the end of the Comparative Quarter. Capital commitments of $32.3 million at the end of the Quarter are 36% higher than at the end of the Comparative Quarter and the Company continues to see opportunities to compound and reinvest shareholder capital through organic fleet growth along with additional potential tuck-in acquisitions.

During the Quarter, MSS generated a record $22.2 million in rental revenue, up 6% from the Comparative Quarter, largely driven by increased average rental rates and ongoing organic fleet investment, slightly offset by a moderate decline in utilization. Current utilization remains at healthy levels for the MSS platform and above long-term industry trends. Sales revenue declined 8% from the Comparative Quarter, but increased 103%, or $6.7 million from the first quarter of 2024 as projects that had been delayed were completed in the Quarter. Non-rental revenue in the Quarter was up 31% from the Comparative Quarter, as installation activity increased, pointing to an active market within the rental fleet. MSS contracted future rental revenue continues to grow and ended the Quarter at $107.7 million, up 26% or $22.3 million from the Comparative Quarter, with an average rental duration of 59 months. Demand remains robust in key infrastructure and education verticals which continued to support ongoing deployment of organic fleet growth in the Quarter.

On June 28, 2024, Black Diamond closed a $20.5 million MSS asset purchase in British Columbia. Given healthy demand in the region stemming from both construction and infrastructure end-markets, management expects the 329 space rentals assets to fit seamlessly into the fleet and enhance our ability to service active clients across British Columbia and the Prairies, which is expected to drive further growth in high margin rental revenue.

WFS had a strong quarter despite a modest 7% reduction in rental revenue from the Comparative Quarter to $13.1 million, as a result of the completion of two large pipeline projects at the end of 2023. The business unit has continued to backfill these rental revenues through improved utilization in other parts of the business unit, as well as through generally higher average rental rates as evidenced by the 49% increase in Adjusted EBITDA[2] from the Comparative Quarter to $17.3 million in the Quarter. Management continues to see a robust opportunity set in both North America and Australia and believes core WFS rental revenue will improve from current levels in the remaining half of 2024.

LodgeLink continues to scale with Gross Bookings[2] up 25%, to $24.4 million and net revenue increasing 26% from the Comparative Quarter to a record $2.9 million. Total room nights sold in the Quarter rose 28% from the Comparative Quarter to a record 129,737. Net Revenue Margins[2] for the Quarter were up 10 basis points versus the Comparative Quarter, reaching 11.9%, driven by higher margin ancillary revenue. The Company continues to believe that LodgeLink is well-positioned for continued growth within a large, addressable North American workforce travel market with an expanding base of corporate customers. The LodgeLink supply network also continues to scale with over 1.6 million rooms of capacity in over 17,000 North American properties. During the Quarter, LodgeLink announced an expansion into the Australian workforce travel market, aligned with the platform's long-term strategy of exponentially scaling to become the pre-eminent ecosystem for workforce travel.

Black Diamond remains focused on driving profitable growth while compounding the Company's high-margin, recurring rental revenue streams in both North America and Australia. The Company is well positioned to fund continued organic and inorganic growth with liquidity of $101.0 million, and Net Debt to TTM Adjusted Leverage EBITDA[2] of 2.1x, which is at the low end of the Company's targeted range of 2.0x to 3.0x. The outlook for the balance of 2024 remains positive, supported by growing contracted rental revenues, a growing fleet of long-lived assets, a robust sales pipeline, and the continued scaling of LodgeLink.

[2] Adjusted EBITDA and Gross Bookings are non-GAAP financial measures. Net Revenue Margin and Net Debt to TTM Adjusted Leverage EBITDA are non-GAAP ratios. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

FINANCIAL REVIEW

- Revenue for the Quarter was $95.5 million, up 5% or $4.4 million from the Comparative Quarter, mainly due to increases in sales revenue, which was up 25% from the Comparative Quarter, and lodge services revenue, which increased 7% from the Comparative Quarter. Rental revenue was essentially flat, while non-rental revenue declined by 2%.

- Adjusted EBITDA[3] for the Quarter was $27.9 million, up 24% or $5.4 million from $22.5 million in the Comparative Quarter, primarily due to an increase in sales revenue and lower direct costs, partially offset by higher administrative expenses. Adjusted EBITDA as a % of Revenue[3] came in at 29.2% marking a 450 basis point increase over the Comparative Quarter.

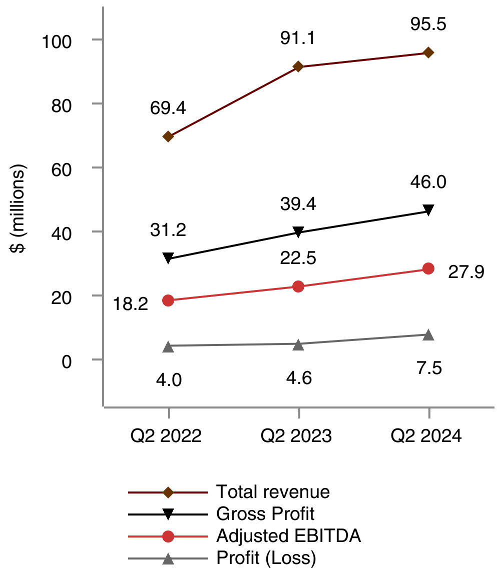
- Excluded from Adjusted EBITDA[3] are non-recurring items related to ERP implementation and related costs of $1.8 million, up from $nil in the Comparative Quarter.

- Profit for the Quarter was $7.5 million, up 63% or $2.9 million from $4.6 million in the Comparative Quarter.

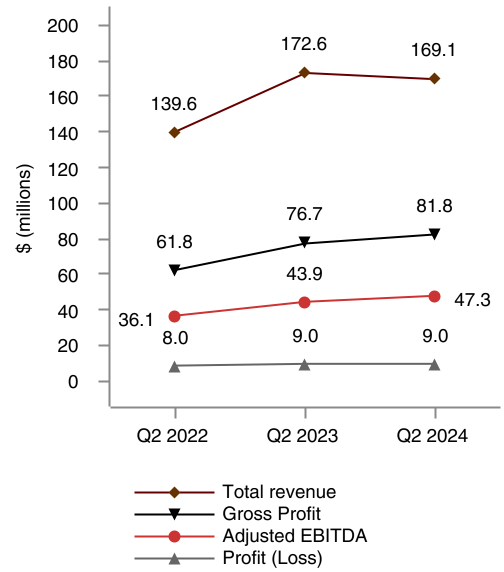
- The Company exited the Quarter with a Net Debt to TTM Adjusted Leverage EBITDA[3] ratio of 2.1x (June 30, 2023 - 2.2x).

[3] Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA as a % of Revenue and Net Debt to TTM Adjusted Leverage EBITDA are non-GAAP ratios. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

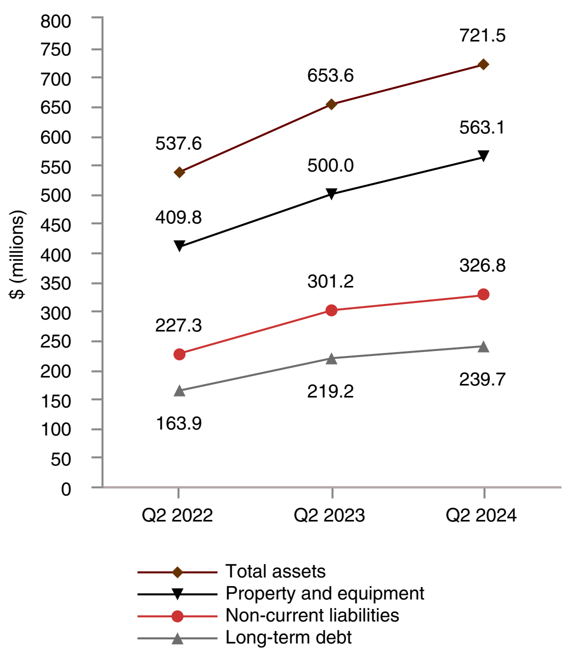
Three Months Ended June 30, Financial Highlights



Six Months Ended June 30, Financial Highlights



As at June 30, Financial Highlights

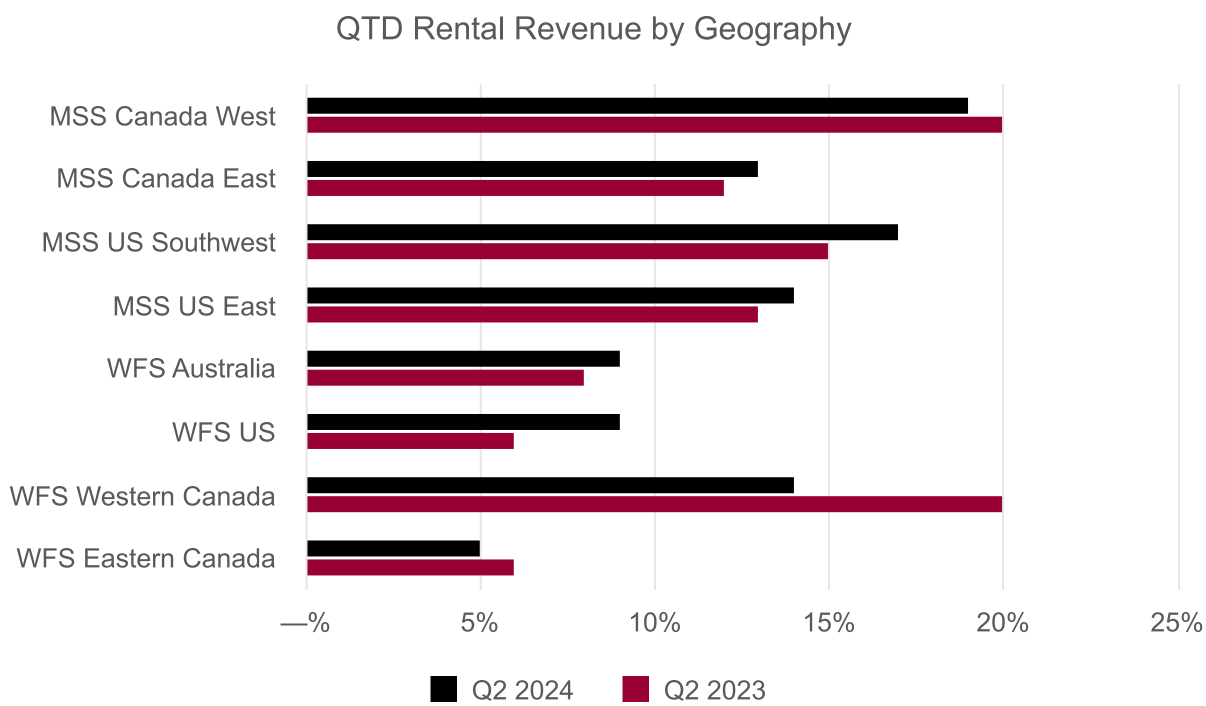


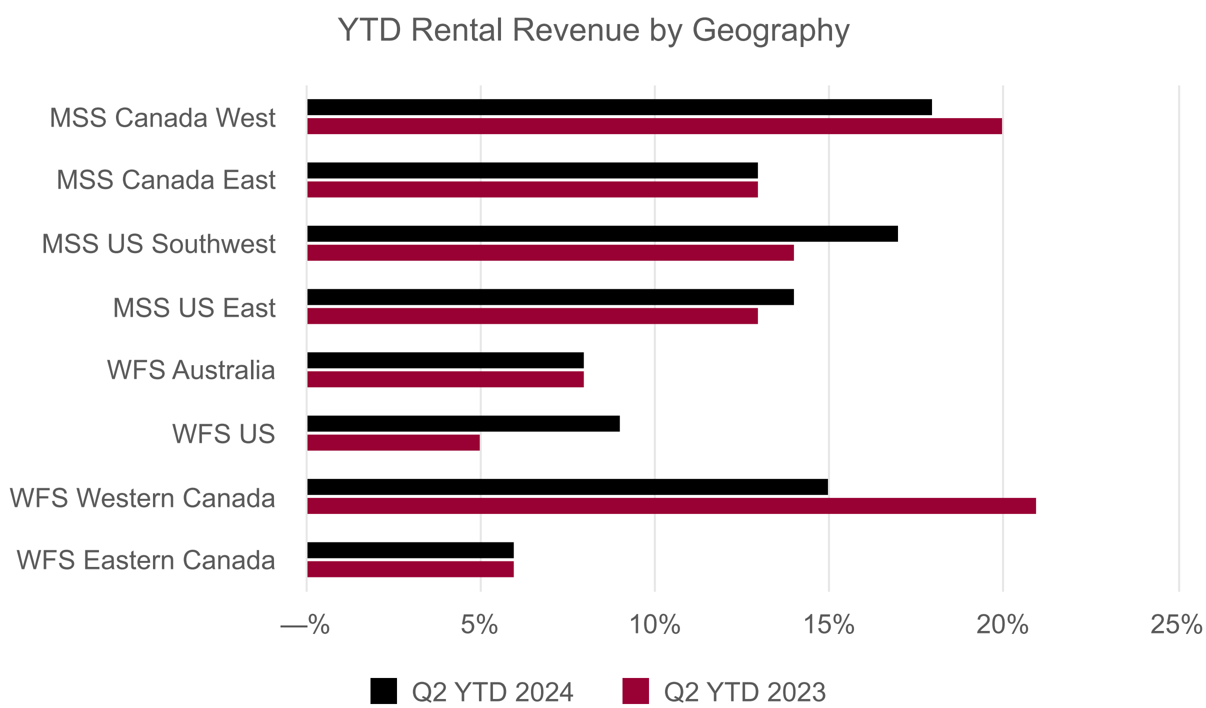
[4] Adjusted EBITDA is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

Geographic Revenue Segmentation

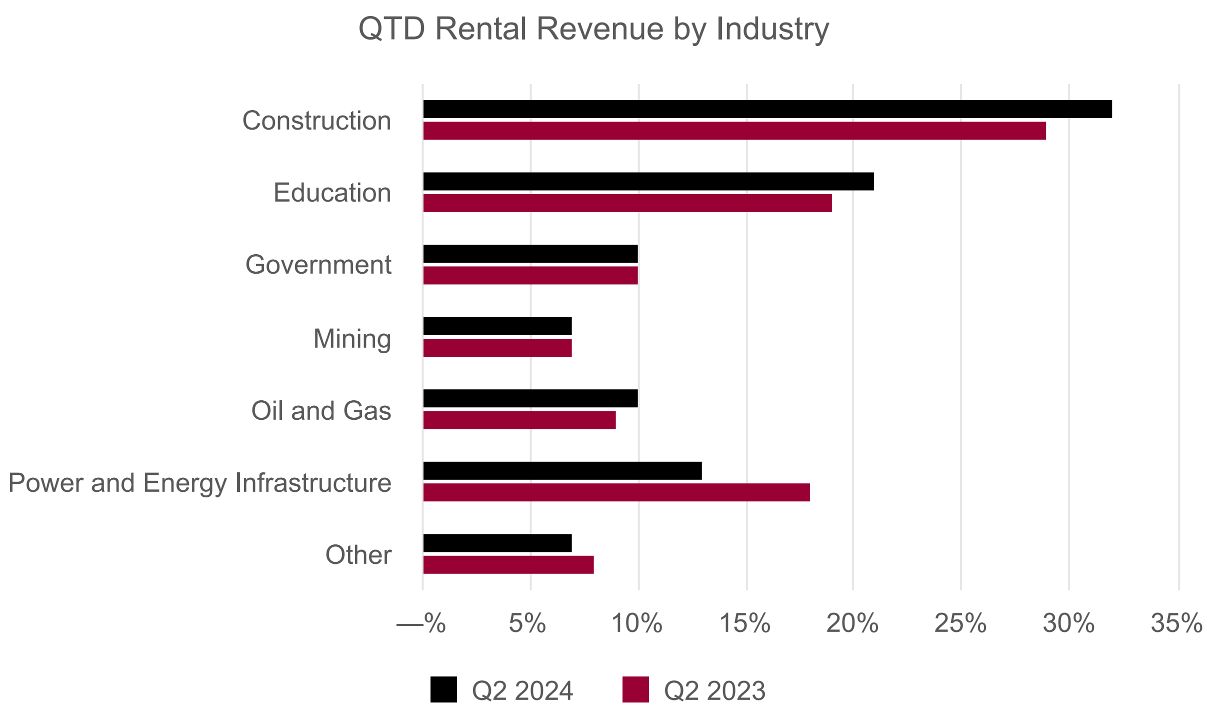
($ millions, except as noted)	Three months ended June 30, 2024	2023	Change	Six months ended June 30, 2024	2023	Change
Revenue						
Canada	**50.2**	49.1	2%	**93.8**	92.4	2%
United States	**36.9**	32.9	12%	**60.2**	64.6	(7)%
Australia	**8.4**	9.1	(8)%	**15.1**	15.6	(3)%
Total	**95.5**	91.1	5%	**169.1**	172.6	(2)%

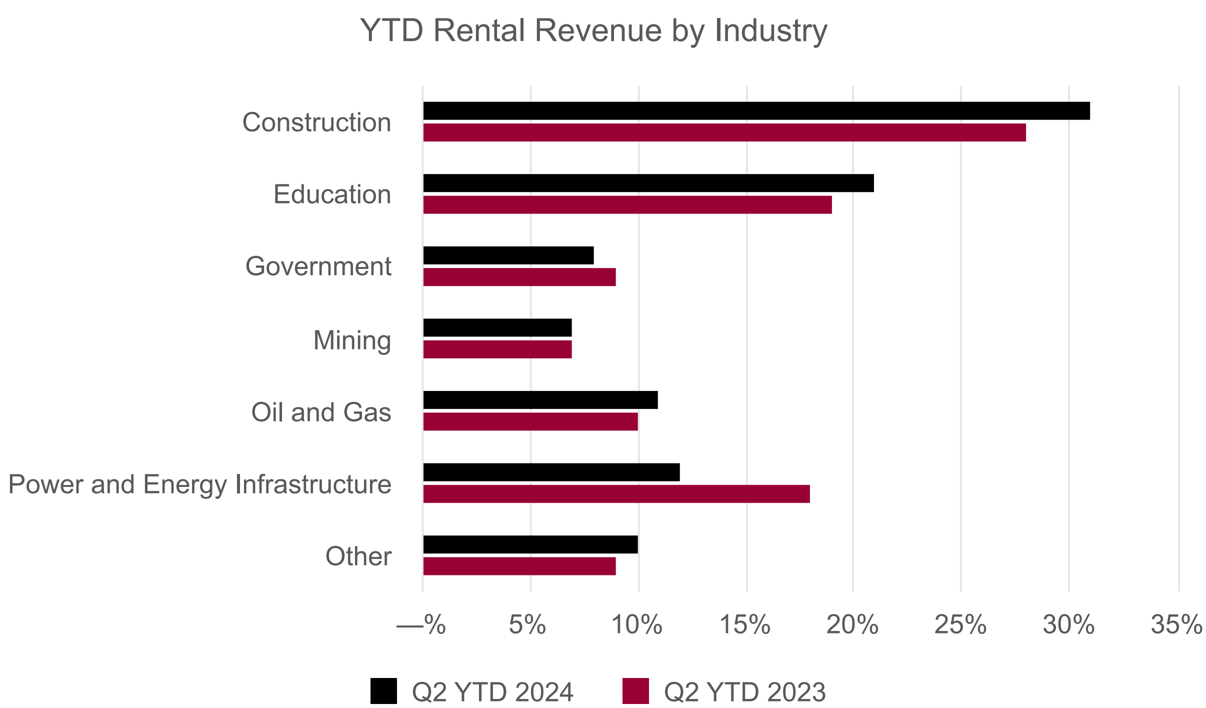
Percentage of total revenue	Three months ended June 30, 2024	2023	Change	Six months ended June 30, 2024	2023	Change
Revenue						
Canada	**52.6%**	53.9%	(130) bps	**55.5%**	53.5%	200 bps
United States	**38.6%**	36.1%	250 bps	**35.6%**	37.5%	(190) bps
Australia	**8.8%**	10.0%	(120) bps	**8.9%**	9.0%	(10) bps
Total	**100.0%**	100.0%	—%	**100.0%**	100.0%	—%





Rental revenue continues to balance more evenly across the operating regions, providing increasing geographic diversification. Significant projects in WFS Western Canada were completed late in 2023.


QTD Rental Revenue by Industry
Construction
Education
Government
Mining
Oil and Gas
Power and Energy Infrastructure
Other
—%
5%
10%
15%
20%
25%
30%
35%
Q2 2024
Q2 2023


YTD Rental Revenue by Industry
Construction
Education
Government
Mining
Oil and Gas
Power and Energy Infrastructure
Other
—%
5%
10%
15%
20%
25%
30%
35%
Q2 YTD 2024
Q2 YTD 2023

Capital Plan

Net Capital Expenditures is a non-GAAP financial measure which is calculated as total capital expenditures less revenue from used fleet sales. A reconciliation to total capital expenditures, the most comparable GAAP measure, is provided below. Management believes this non-GAAP financial measure is an important supplemental measure as it emphasizes cash used or generated on fleet purchases and disposals relating to the net change in property and equipment and intangible assets.

	Three months ended June 30,			**Six months ended June 30,**		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
($ millions, except as noted)	**$**	**$**	**%**	**$**	**$**	**%**
Total capital expenditures	**53.5**	19.3	177%	**70.8**	35.1	102%
Used fleet sales revenue	**8.8**	6.6	33%	**13.1**	8.9	47%
Net Capital Expenditures	**44.7**	12.7	252%	**57.7**	26.2	120%
Maintenance capital	**3.4**	2.0	70%	**6.1**	4.3	42%
Capital commitments	**32.3**	23.7	36%	**32.3**	23.7	36%

The Company’s total capital expenditures increased by $34.2 million, or 177% compared to the Comparative Quarter due in part to the acquisition of a 329 space rentals unit fleet for $20.5 million and due to the increase in the Company's investment related to contracted or project specific organic fleet growth in the Quarter.

SELECTED FINANCIAL INFORMATION

The following is a summary of selected financial and operating information that has been derived from, and should be read in conjunction with the unaudited interim condensed consolidated financial statements of Black Diamond for the three and six months ended June 30, 2024 and 2023.

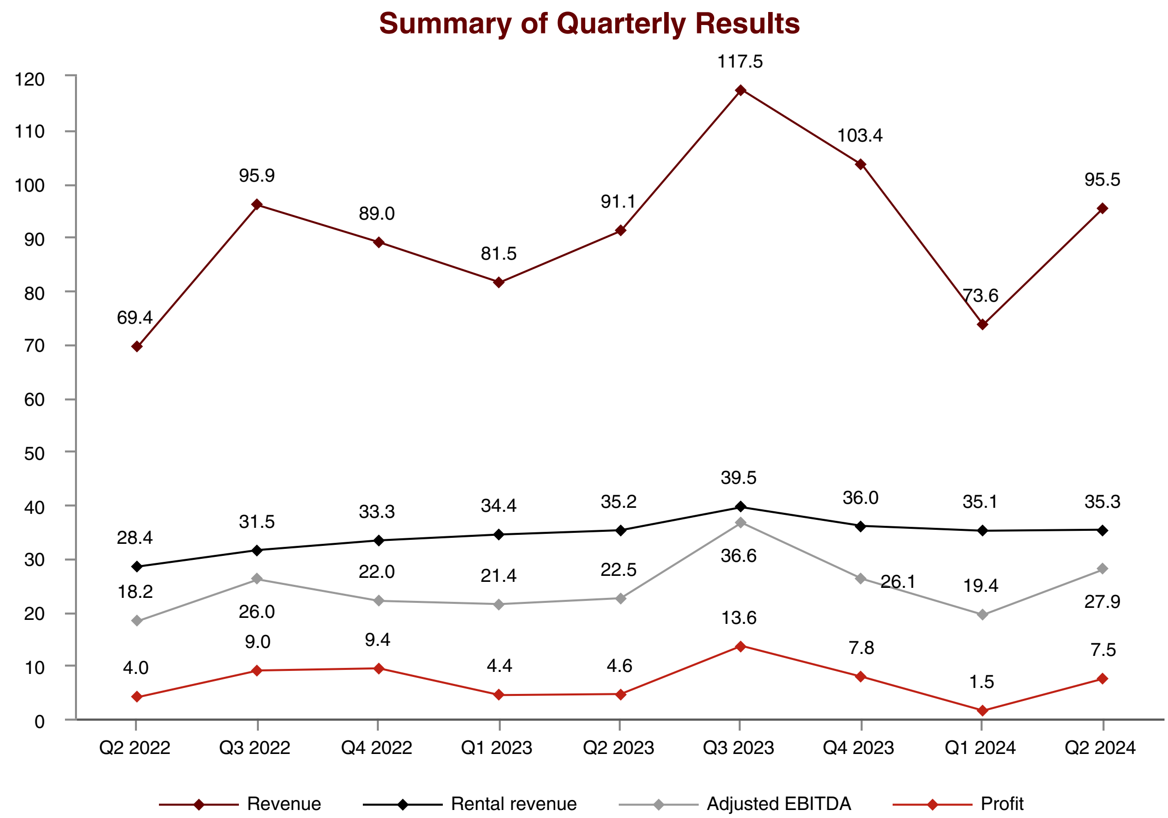
	Three months ended June 30,			Six months ended June 30,		
($ millions, except as noted)	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Financial Highlights	**$**	**$**	**%**	**$**	**$**	**%**
Total revenue	**95.5**	91.1	5%	**169.1**	172.6	(2)%
Gross profit	**46.0**	39.4	17%	**81.8**	76.7	7%
Administrative expenses	**19.9**	16.8	18%	**36.8**	32.8	12%
Adjusted EBITDA[5]	**27.9**	22.5	24%	**47.3**	43.9	8%
Adjusted EBIT[5]	**16.8**	11.9	41%	**25.5**	23.5	9%
Funds from Operations[5]	**29.9**	26.0	15%	**49.3**	47.4	4%
Per share ($)	**0.49**	0.43	14%	**0.81**	0.79	3%
Profit before income taxes	**10.0**	6.9	45%	**12.3**	13.4	(8)%
Profit	**7.5**	4.6	63%	**9.0**	9.0	—%
Earnings per share - Basic ($)	**0.12**	0.08	50%	**0.15**	0.15	—%
Earnings per share - Diluted ($)	**0.12**	0.08	50%	**0.14**	0.15	(7)%
Capital expenditures	**53.5**	19.3	177%	**70.8**	35.1	102%
Property & equipment	**563.1**	500.0	13%	**563.1**	500.0	13%
Total assets	**721.5**	653.6	10%	**721.5**	653.6	10%
Long-term debt	**239.7**	219.2	9%	**239.7**	219.2	9%
Cash and cash equivalents	**14.1**	15.4	(8)%	**14.1**	15.4	(8)%
Return on Assets (%)[5]	**19.9%**	16.9%	300 bps	**17.1%**	16.6%	50 bps
Free Cashflow[5]	**18.3**	17.0	8%	**27.7**	30.1	(8)%

Margin Summary	Three months ended June 30,			Six months ended June 30,		
(Percent of revenue)	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Gross profit	**48.2%**	43.2%	500 bps	**48.4%**	44.4%	400 bps
Administrative expenses	**20.8%**	18.4%	240 bps	**21.8%**	19.0%	280 bps
Adjusted EBITDA[5]	**29.2%**	24.7%	450 bps	**28.0%**	25.4%	260 bps

[5] Adjusted EBITDA, Adjusted EBIT, 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 MD&A for more information on each non-GAAP financial measure and ratio.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the previous nine quarters:



In Q3 2022, revenue, Adjusted EBITDA[6], and profit increased primarily due to increased rental rates, utilization and custom and used fleet sales in the quarter.

In Q4 2022, revenue and Adjusted EBITDA decreased compared to Q3 2022 due to decreased non-rental revenue and sales in the quarter. Profit increased due to the positive margin impact on certain key drivers like lodging and rental revenue. In addition, there was a $4.4 million impairment reversal, net of tax recognized.

In Q1 2023, revenue, Adjusted EBITDA and profit decreased compared to Q4 2022 due to decreased non-rental, sales and lodge services revenue in the quarter. In addition, profit was negatively impacted by a $1.2 million increase in depreciation and amortization due to an impairment reversal in Q4 2022, as well as a $0.9 million increase in share-based compensation.

[6] Adjusted EBITDA is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure.

In Q2 2023, revenue, Adjusted EBITDA[7] and profit increased compared to Q1 2023 due to increased rental, non-rental, lodge services and sales revenue. Increase in profit was negatively impacted by higher administrative expenses, finance costs and depreciation, partially offset by lower share-based compensation expense in the quarter.

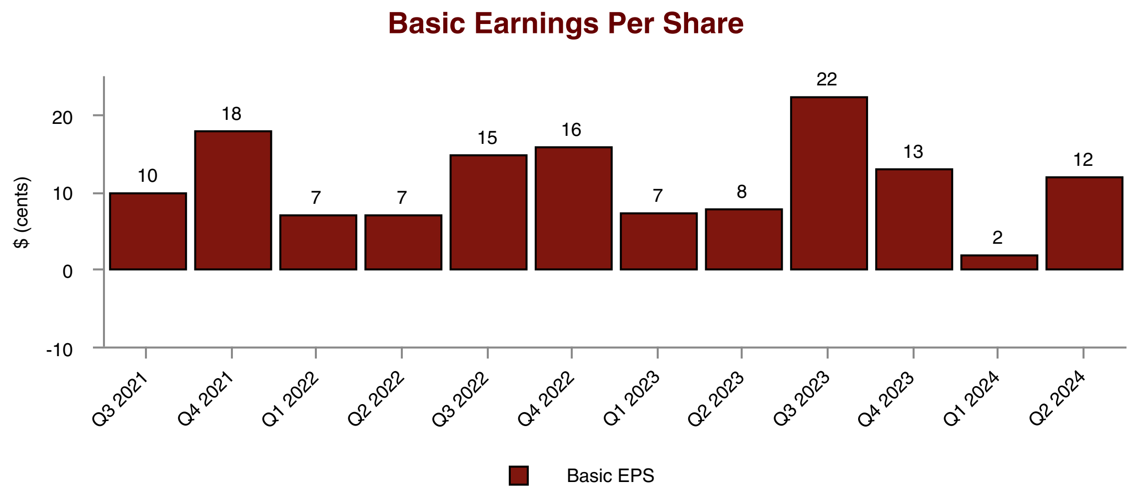
In Q3 2023, revenue, Adjusted EBITDA and profit increased compared to Q2 2023 due to increased rental revenue, non-rental revenue, and sales revenue, partially offset by higher administrative expenses and finance costs.

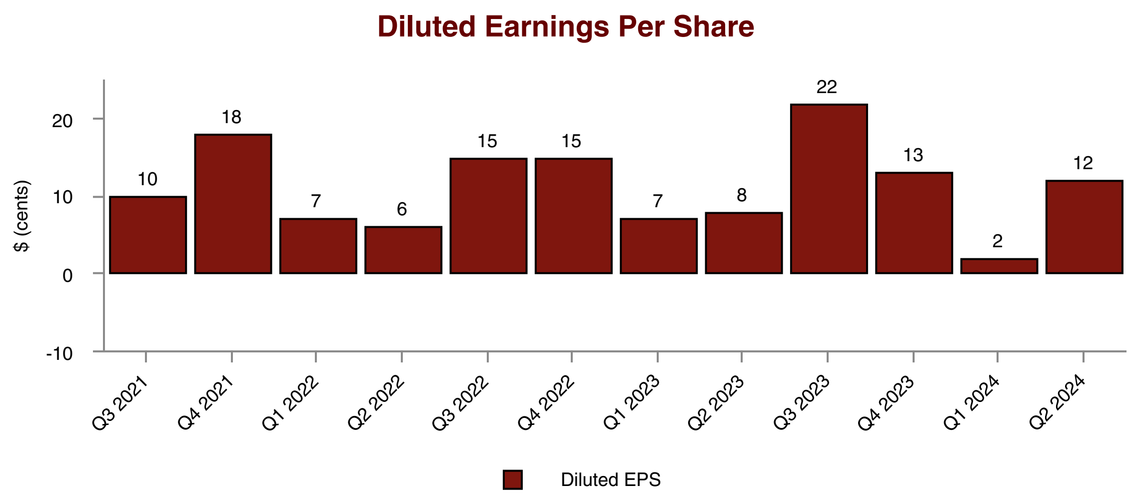
In Q4 2023, revenue, Adjusted EBITDA and profit decreased compared to Q3 2023 due to a decrease in lodging revenue and rental revenue, as well as higher administrative expenses.

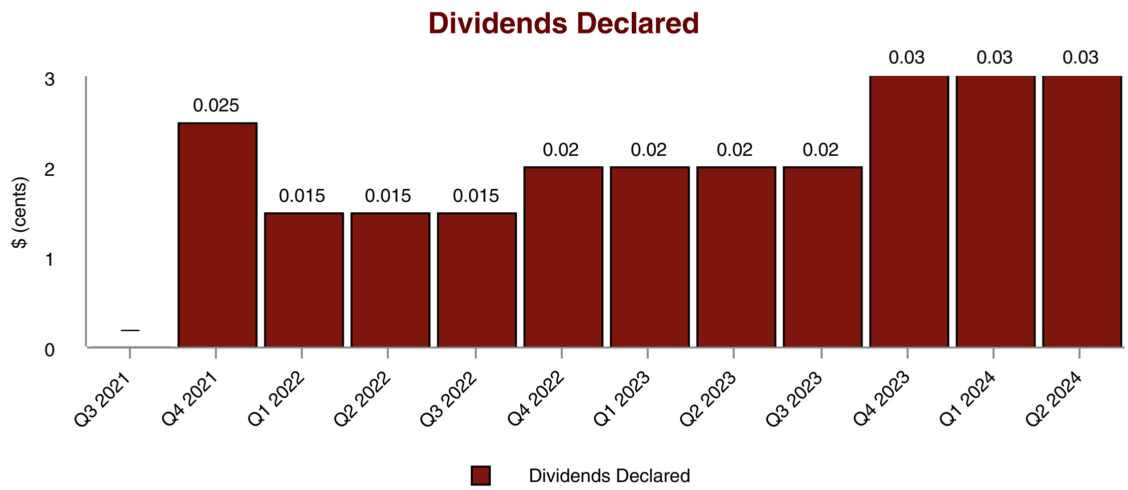
In Q1 2024, revenue, Adjusted EBITDA and profit decreased compared to Q4 2023 due to a decrease in sales revenue, non-rental revenue and lodging revenue, as well as higher administrative expenses.

In the Quarter, revenue, Adjusted EBITDA and profit increased compared to Q1 2024 due to an increase in sales, non-rental and lodging revenue combined with a higher gross profit, offset by an increase in administrative expenses and deferred income taxes.

[7] Adjusted EBITDA is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure.


Basic Earnings Per Share
$ (cents)
20
10
0
-10
10
18
7
7
15
16
7
8
22
13
2
12
Q3 2021
Q4 2021
Q1 2022
Q2 2022
Q3 2022
Q4 2022
Q1 2023
Q2 2023
Q3 2023
Q4 2023
Q1 2024
Q2 2024
Basic EPS


Diluted Earnings Per Share
$ (cents)
20
10
0
-10
10
18
7
6
15
15
7
8
22
13
2
12
Q3 2021
Q4 2021
Q1 2022
Q2 2022
Q3 2022
Q4 2022
Q1 2023
Q2 2023
Q3 2023
Q4 2023
Q1 2024
Q2 2024
Diluted EPS



In Q4 2021, the Company declared and subsequently paid two dividends on its common shares in the amount of $0.0125 each or $0.0250 per share.

In Q1 2022, the Company increased its annual dividend per share payout by 20% from $0.05 to $0.06 and paid quarterly dividends of $0.015 per share in each of the first quarter, second quarter and third quarter.

In Q4 2022, the Company increased its annual dividend per share payout by 33% from $0.06 to $0.08 and declared and subsequently paid a fourth quarter dividend of $0.02 per share.

In the first quarter, second quarter and third quarter of 2023, the Company paid quarterly dividends on its common shares in the amount of $0.02 per share.

In Q4 2023, the Company increased its annual dividend per share payout by 50% from $0.08 to $0.12 and declared and subsequently paid a fourth quarter dividend on its common shares in the amount of $0.03 per share.

In Q1 2024, the Company declared a first quarter dividend of $0.03 which was subsequently paid on April 15, 2024, to shareholders of record on March 31, 2024.

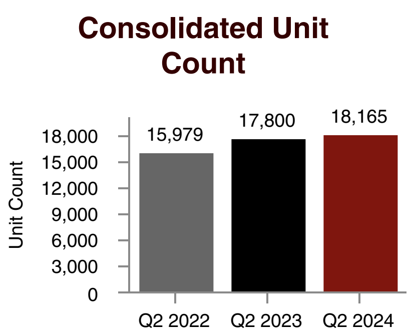
In the Quarter, the Company declared a second quarter dividend of $0.03 which was subsequently paid on July 15, 2024, to shareholders of record on June 30, 2024.

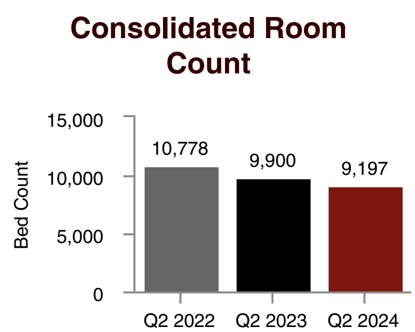
All dividends paid and declared are designated as “eligible dividends” for Canadian income tax purposes.

CONSOLIDATED FINANCIAL AND OPERATIONAL REVIEW

Consolidated Fleet

The consolidated number of rental units in Black Diamond's global fleet increased to 18,165 units at the end of the Quarter compared with 17,800 in the Comparative Quarter with an increase of 884 units in MSS due to an addition of 1,307 new units of which 329 space rental units were acquired as part of the asset purchase on June 28, 2024, offset by a disposal of 423 MSS units and 519 units in WFS due to used fleet sales. Consolidated unit count includes accommodation units, modular space rental units and surface rental units. Consolidated room count in Black Diamond's global fleet decreased to 9,197 rooms in the Quarter compared with 9,900 rooms in the Comparative Quarter due to used fleet sales in WFS.





Fleet Utilization Rates

	Three months ended June 30,			Six months ended June 30,		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Modular Space Solutions	**80.7%**	83.4%	(270) bps	**81.0%**	84.0%	(300) bps
Workforce Solutions	**62.4%**	69.8%	(740) bps	**62.9%**	70.6%	(770) bps
Consolidated	**75.5%**	79.3%	(380) bps	**75.8%**	79.9%	(410) bps

Black Diamond measures utilization on the basis of the net book value of assets on rent divided by the net book value of the business unit's total fleet assets. Utilization rates were revised to include assets deployed in lodge services for WFS in the fourth quarter of 2023. This has resulted in increases in consolidated utilization of 160 basis points for the Comparative Quarter and 170 basis points for the Prior Year.

Q2 2024 vs Q2 2023

Utilization for MSS was 80.7%, down 270 basis points from the Comparative Quarter primarily due to the increase in capital expenditures to meet customer demand, but remains above long term industry trends. The decrease in utilization for WFS from 69.8% to 62.4% is due to lower utilization in Canada and Australia as a result of certain significant contracts reaching completion.

Year to Date 2024 vs 2023

Utilization for MSS was 81.0%, down 300 basis points from the Prior Year mainly due to the increase in capital expenditures to meet customer demand, but remains above long term industry trends. The decrease in utilization in WFS from 70.6% to 62.9% is due to lower utilization in Canada and Australia, offset by increased utilization in the U.S.

Revenue

Black Diamond's revenues are broken out into four categories: rental, sales, non-rental and lodge services:

Rental Revenues are associated with the rental of Black Diamond's owned assets to customers. Rental revenue carries the highest margin of the Company's revenues.

Sales Revenues are derived from the sale of both new and used assets, including modular space, workforce accommodations, wellsite accommodations and surface equipment assets.

Non-Rental Revenues are derived from a number of services that are typically associated with the rental or sale of the Company's modular space or workforce assets, including the delivery, installation, pickup, dismantling of assets, sublease equipment, maintenance and catering services. The services offered are often required to support the deployment and remobilization of these assets. Also included in non-rental revenue is the revenue earned on bookings at third party lodges and hotels through LodgeLink.

Lodge Services Revenues are generated from provision of full turnkey lodge services provided to customers. The rooms in our lodge services fleet are marketed to individual customers at man day rates through LodgeLink or are contracted with customers for specific rates and/or number of man days. A man day is defined as one overnight stay in one room at a lodge and is used in calculating occupancy.

	Three months ended June 30,			Six months ended June 30,		
($ millions, except as noted)	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Rental revenue	**35.3**	35.2	—%	**70.4**	69.6	1%
Sales revenue	**21.0**	16.8	25%	**31.5**	33.3	(5)%
Non-rental revenue	**30.1**	30.6	(2)%	**51.1**	53.3	(4)%
Lodge services revenue	**9.1**	8.5	7%	**16.1**	16.4	(2)%
Total revenue	**95.5**	91.1	5%	**169.1**	172.6	(2)%

	Three months ended June 30,			Six months ended June 30,		
Percentage of consolidated revenue	**2024**	**2023**	**Change**	**2024**	**2023**	**Change** (1)
Rental revenue	**37.0%**	38.6%	(160) bps	**41.7%**	40.3%	140 bps
Sales revenue	**22.0%**	18.4%	360 bps	**18.6%**	19.3%	(70) bps
Non-rental revenue	**31.5%**	33.6%	(210) bps	**30.2%**	30.9%	(70) bps
Lodge services revenue	**9.5%**	9.4%	10 bps	**9.5%**	9.5%	— bps

Q2 2024 vs Q2 2023

Rental revenue for the Quarter was $35.3 million which is comparable to the Comparative Quarter.

Sales revenue for the Quarter was $21.0 million, up 25% or $4.2 million from the Comparative Quarter driven by a $5.3 million increase in WFS sales revenue primarily due to higher used fleet sales in all regions, higher custom fleet sales in Australia and Canada, and an increase in new MSS custom fleet sales, offset by a $1.1 million decrease in MSS sales revenue due to a decrease in used fleet sales.

Non-rental revenue for the Quarter was $30.1 million, down 2% or $0.5 million from the Comparative Quarter, primarily due to a $4.4 million decrease in WFS non-rental revenue resulting from a decrease in installation revenue across all regions and a decrease in transportation activity in the U.S. and Australia. This is offset by a $3.8 million increase in MSS non-rental revenue primarily due to higher installation and transportation revenue.

Lodge services revenue for the Quarter was $9.1 million, up 7% or $0.6 million from the Comparative Quarter due to increased occupancy and activity relating to natural disaster preparedness contracts, partially offset by certain significant projects reaching completion.

Year to Date 2024 vs 2023

Rental revenue for the Year was $70.4 million, up 1% or $0.8 million from the Prior Year primarily due to an increase of $2.3 million in MSS rental revenue as a result of improved average rental rates, an increase in the size of the MSS fleet and increased utilization in the U.S. and higher average rental rates in all regions for WFS. This is offset with a decrease of $1.4 million in WFS rental revenue due to lower utilization in Canada and Australia.

Sales revenue for the Year was $31.5 million, down 5% or $1.8 million from the Prior Year primarily due to a $9.2 million decrease in MSS sales revenue as a result of a decrease in custom and used fleet sales in all regions. This was partially offset by an increase of $7.4 million in WFS sales revenue due to higher used fleet sales in all regions and higher custom fleet sales in Australia and Canada.

Non-rental revenue for the Year was $51.1 million, down 4% or $2.2 million from the Prior Year primarily due to a $4.0 million decrease in WFS non-rental revenue as a result of a decrease in installation revenue of significant projects in Canada, a decrease in transportation activity in the U.S. and Australia and a decrease in sublease activity in Australia. This is partially offset by an increase in transportation and sublease activity in Canada. This is further offset by an increase of $1.7 million in MSS non-rental revenue due an increase in installation revenue.

Lodge services revenue for the Year was $16.1 million, down 2% or from the Prior Year as certain significant projects have reached completion.

Direct Costs and Gross Profit

	Three months ended June 30,			Six months ended June 30,		
($ millions, except as noted)	**2024**	2023	Change	**2024**	2023	Change
Direct costs	**49.5**	51.7	(4)%	**87.3**	95.9	(9)%
Gross profit	**46.0**	39.4	17%	**81.8**	76.7	7%

	Three months ended June 30,			Six months ended June 30,		
Percentage of consolidated revenue	**2024**	2023	Change	**2024**	2023	Change
Direct costs	**51.8%**	56.8%	(500) bps	**51.6%**	55.6%	(400) bps
Gross Profit Margin[8]	**48.2%**	43.2%	500 bps	**48.4%**	44.4%	400 bps

Gross Profit Margin[8] fluctuates depending on the mix between rental, sales, non-rental and lodge services revenue streams. Revenue streams ancillary to rental revenue generally realize lower gross margins than fleet rental margins.

[8] Gross Profit Margin is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure.

Direct costs related to rental revenue include labour, fuel, materials, freight, maintenance and servicing of rental units. Direct costs related to lodge services revenue include catering services, utilities costs, consumable materials and other services required to provide turnkey lodge services. From time to time, Black Diamond will sell used units from its fleet, rent equipment from third parties and re-rent the equipment, provide installation and render other services to customers. These activities are captured in sales and non-rental revenues. Direct costs related to non-rental and sales revenues include the net book value of used units that have been sold, the cost of units sub-leased from others, and the cost of third parties in delivering some of these services.

	Three months ended June 30,			Six months ended June 30,		
Direct Costs	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
($ millions, except as noted)	**$**	$	%	**$**	$	
Construction and transportation services	**16.9**	19.6	(14)%	**29.0**	32.0	(9)%
Custom sales	**9.5**	8.1	17%	**14.5**	19.3	(25)%
Labour costs	**5.6**	5.2	8%	**11.3**	10.4	9%
Catering, utilities and other consumable costs	**5.0**	6.9	(28)%	**10.2**	13.6	(25)%
Repairs and maintenance	**4.2**	4.4	(5)%	**8.9**	7.6	17%
Used fleet sales	**4.1**	3.7	11%	**5.9**	5.1	16%
Subleased equipment	**2.6**	2.5	4%	**4.8**	5.1	(6)%
Other direct costs	**1.1**	0.8	38%	**1.8**	1.7	6%
Rent expense - subleased properties	**0.3**	0.2	50%	**0.5**	0.5	—%
Fleet insurance	**0.2**	0.3	(33)%	**0.4**	0.6	(33)%
Total direct costs	**49.5**	51.7	(4)%	**87.3**	95.9	(9)%

Q2 2024 vs Q2 2023

Direct costs for the Quarter were $49.5 million, down 4% or $2.2 million from the Comparative Quarter primarily due to a decrease in construction and transportation services, partially offset by an increase in custom fleet sales.

Gross profit for the Quarter was $46.0 million, up 17% or $6.6 million from the Comparative Quarter primarily due to an increase in revenue and a decrease in direct costs.

Year to Date 2024 vs 2023

Direct costs for the Year were $87.3 million, down 9% or $8.6 million from the Prior Year primarily due to a decrease in custom sales, catering, utilities and other consumable costs, and construction and transportation services.

Gross profit for the Year was $81.8 million, up 7% or $5.1 million from the Prior Year primarily due to a decrease in direct costs, partially offset by a decrease to revenue.

Administrative Expenses

($ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Personnel costs	**12.9**	11.4	13%	**25.4**	23.0	10%
Other administrative expenses	**4.0**	4.4	(9)%	**6.8**	7.8	(13)%
Occupancy and insurance	**1.2**	1.0	20%	**2.3**	2.0	15%
ERP implementation and related costs	**1.8**	—	100%	**2.3**	—	100%
Total administrative expenses	**19.9**	16.8	18%	**36.8**	32.8	12%
% of consolidated revenue	**20.8%**	18.4%	240 bps	**21.8%**	19.0%	280 bps

Other administrative expenses include costs related to professional services, office administration and communication, bad debts, travel and accommodation.

Q2 2024 vs Q2 2023

Total administrative expenses for the Quarter were $19.9 million, up 18% or $3.1 million from the Comparative Quarter.

The various components of Black Diamond's total administrative expenses are as follows:

- Personnel costs for the Quarter were $12.9 million, up 13% or $1.5 million from the Comparative Quarter due to increased salaries and wages tied to higher headcount and inflationary pressures, as well as higher sales and profit incentives in the Quarter.
- Other administrative expenses for the Quarter were $4.0 million, down 9% or $0.4 million from the Comparative Quarter primarily due to a decrease in travel expenses, professional fees, and training and employee development expenses, offset by higher information technology costs and higher advertising expenses.
- Occupancy and insurance costs for the Quarter were $1.2 million, up 20% or $0.2 million from the Comparative Quarter.
- ERP implementation and related costs for the Quarter were $1.8 million, up 100%, from the Comparative Quarter.

Year to Date 2024 vs 2023

Total administrative expenses for the Year were $36.8 million, up 12% or $4.0 million from the Prior Year.

The various components of Black Diamond's total administrative expenses are broken out below:

- Personnel costs for the Year were $25.4 million, up 10% or $2.4 million from the Prior Year primarily due to increased headcount, inflationary pressures and higher sales incentives.
- Other administrative expenses for the Year were $6.8 million, down 13% or $1.0 million from the Prior Year primarily due to a decrease in travel expenses, training and employee development expenses and legal fees, offset by an increase in information technology costs.
- Occupancy and insurance costs for the Year were $2.3 million, up 15% or $0.3 million from the Prior Year.
- ERP implementation and related costs for the Year were $2.3 million, up 100% from the Prior Year.

Adjusted EBITDA

($ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Adjusted EBITDA[9]	**27.9**	22.5	24%	**47.3**	43.9	8%
Adjusted EBITDA as a % of Revenue[9]	**29.2%**	24.7%	450 bps	**28.0%**	25.4%	260 bps

Adjusted EBITDA as a % of Revenue[9] will fluctuate from period to period depending on the proportion of rental revenue compared to ancillary revenue streams such as sales, non-rental and lodge services which generally yield a lower Adjusted EBITDA as a % of Revenue.

Q2 2024 vs Q2 2023

Adjusted EBITDA[9] for the Quarter was $27.9 million, up 24% or $5.4 million from the Comparative Quarter primarily due to increases in sales revenue and lower direct costs, partially offset by higher administrative expenses. Adjusted EBITDA excludes $1.8 million of non-recurring items related to on-going ERP implementation and related costs in the Quarter. Adjusted EBITDA as a % of Revenue[9] increased 450 basis points to 29.2% as a result of higher margins on sales revenue, partially offset by lower margins on rental revenue and an increase in administrative expenses primarily driven by personnel expenses.

Year to Date 2024 vs 2023

Adjusted EBITDA[9] for the Year was $47.3 million, up 8% or $3.4 million from the Prior Year primarily due to a decrease in direct costs, partially offset by higher administrative expenses and lower revenue. Adjusted EBITDA excludes $2.9 million of non-recurring items related to acquisition costs and on-going ERP implementation and related costs for the Year. Adjusted EBITDA as a % of Revenue[9] increased 260 basis points to 28.0% from the Prior Year as a result of higher margins on rental revenue, partially offset by an increase in administrative expenses primarily driven by personnel expenses.

Depreciation and Amortization

($ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Depreciation and amortization	**11.1**	10.6	5%	**21.8**	20.4	7%

Q2 2024 vs Q2 2023

Depreciation and amortization for the Quarter was $11.1 million, up 5% or $0.5 million from the Comparative Quarter primarily due to organic fleet growth.

Year to Date 2024 vs 2023

Depreciation and amortization for the Year was $21.8 million, up 7% or $1.4 million from the Prior Year primarily due to organic fleet growth.

[9] Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA as a % of Revenue is a non-GAAP ratio. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

Finance Costs

($ millions, except as noted)	Three months ended June 30, 2024	2023	Change	Six months ended June 30, 2024	2023	Change
Finance costs	**3.4**	3.7	(8)%	**7.2**	6.6	9%
Long-term debt	**239.7**	219.2	9%	**239.7**	219.2	9%
Average interest rate(1)	**6.27%**	5.56%	71 bps	**6.27%**	5.47%	80 bps

(1) Average interest rates do not include lease interest.

Q2 2024 vs Q2 2023

Finance costs for the Quarter were $3.4 million, down 8% or $0.3 million from the Comparative Quarter primarily due to the disposal of an asset retirement obligation through accretion expense in the Quarter, partially offset by an increase in the Company's loan balance and average interest rates under its asset-based revolving credit facility (the "ABL Facility").

Year to Date 2024 vs 2023

Finance costs for the Year were $7.2 million, up 9% or $0.6 million from the Prior Year due to higher market interest rates and the increased draws under the ABL Facility.

Income Tax

($ millions, except as noted)	Three months ended June 30, 2024	2023	Change	Six months ended June 30, 2024	2023	Change
Current tax expense	**—**	0.1	(100)%	**0.2**	0.1	100%
Deferred tax expense	**2.1**	1.9	11%	**2.5**	3.7	(32)%
Total tax expense	**2.1**	2.0	5%	**2.7**	3.8	(29)%

Q2 2024 vs Q2 2023

For the Quarter, Black Diamond recognized an income tax expense of $2.1 million, an increase of $0.1 million from the Comparative Quarter. The tax expense in the Quarter is reflective of earnings in the Quarter, partially offset by the decrease in the blended Canadian statutory rate from 24.01% in 2023 to 23.85% in 2024 due to the apportionment of revenues and salaries across provincial jurisdictions. The tax provision has been calculated at the enacted tax rate of 24% in Canada, 25% in the U.S. and 30% in Australia.

Year to Date 2024 vs 2023

For the Year, Black Diamond recognized income tax expense of $2.7 million, a decrease of $1.1 million from the Prior Year. This is due to a decrease in deferred income tax expense which is a result of a decrease in the blended Canadian statutory rate from 24.01% in 2023 to 23.85% in 2024 due to the apportionment of revenues and salaries across provincial jurisdictions. The tax provision has been calculated at the enacted tax rate of 24% in Canada, 25% in the U.S. and 30% in Australia.

Non-Controlling Interest

The non-controlling interests ("NCI") represent earnings attributable to the Fort Nelson First Nation's interest in the Black Diamond Dene Limited Partnership, the West Moberly First Nation's interest in the Black Diamond West Moberly Limited Partnership, the Beaver Lake Cree Nation's interest in the Black

Diamond Nehiyawak Limited Partnership and the Whitecap Dakota First Nation's interest in Whitecap Black Diamond Limited Partnership.

	Three months ended June 30,			Six months ended June 30,		
($ millions, except as noted)	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Non-controlling interest	**0.4**	0.3	33%	**0.7**	0.6	17%

Q2 2024 vs Q2 2023

The NCI for the Quarter was $0.4 million which is consistent with the Comparative Quarter.

Year to Date 2024 vs 2023

The NCI for the Year was $0.7 million which is consistent with the Prior Year.

Profit

	Three months ended June 30,			Six months ended June 30,		
($ millions, except as noted)	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Profit	**7.5**	4.6	63%	**9.0**	9.0	—%

Q2 2024 vs Q2 2023

Profit for the Quarter was $7.5 million, an improvement of 63% or $2.9 million from the Comparative Quarter primarily due to an increase in revenue and decreases in direct costs and finance costs, offset by increases in administrative expenses and depreciation and amortization expenses.

Year to Date 2024 vs 2023

Profit for the Year was $9.0 million, which is consistent with the Prior Year.

SEGMENTED REVIEW OF FINANCIAL PERFORMANCE

The Company's senior management evaluates segment performance based on a variety of financial measures including revenue, profit, operating expenses and Adjusted EBITDA[10].

The following is a summary of the Company's segmented results for the three and six months ended June 30, 2024 and 2023, detailing revenues and Adjusted EBITDA by each of the Company's business units.

Segmented Revenue

Revenues presented by segment in the tables below exclude inter-segment revenue.

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
($ millions, except where noted)	$	$	%	$	$	%
Revenue						
Modular Space Solutions	**51.5**	47.6	8%	**88.5**	93.7	(6)%
Workforce Solutions	**44.0**	43.5	1%	**80.6**	78.9	2%
Total revenue	**95.5**	91.1	5%	**169.1**	172.6	(2)%

Segmented Adjusted EBITDA

Adjusted EBITDA presented by segment in the tables below exclude inter-segment Adjusted EBITDA.

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
($ millions, except where noted)	$	$	%	$	$	%
Adjusted EBITDA						
Modular Space Solutions	**17.1**	17.1	—%	**31.6**	33.2	(5)%
Workforce Solutions	**17.3**	11.6	49%	**28.2**	22.6	25%
Corporate and Other	**(6.5)**	(6.2)	(5)%	**(12.5)**	(11.9)	(5)%
Total Adjusted EBITDA	**27.9**	22.5	24%	**47.3**	43.9	8%

[10] Adjusted EBITDA is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure.

MODULAR SPACE SOLUTIONS

MSS has a network of branches in key geographic areas across North America where we provide modular buildings, either for rent, or as a permanent solution through custom sales or used fleet sales. Products include mobile office units, classroom facilities, large multi-unit office complexes, lavatories, storage units, high security modular buildings, health care facilities, and custom manufactured modular facilities. We provide delivery, installation, and dismantlement of these modules as support to the primary rental or sales equipment.

MSS provides ancillary products and services that are complementary to our modular buildings and gives the customer a packaged solution that enhances their productivity and allows for immediate use. These value added products and services ("VAPS") include furniture rental, steps/ramps and landings, appliances, maintenance programs, utility services, disaster recovery programs, subleased equipment and more.

Our customers operate in the construction, education, power and energy infrastructure, and government industries. As a result of this diversity in the customer and geographic end markets, MSS generates steady cash flows from its recurring rental revenue.

Financial Highlights

Rental revenue for MSS is directly proportional to the number of rental fleet units, the utilization rate of the fleet and the realized unit rental rates. Rental rates will vary between projects and periods due to the size of the fleet unit types available, asset configuration, quantity, project location and contract duration.

Due to the diversity of our locations and customers we contract with, the recurring rental revenue in MSS is predictable and experiences consistently high margins. Non-rental and sales revenue, on the other hand, can fluctuate. The realized margins on non-rental and sales revenues are lower than margins for rental revenues due to the direct costs associated with non-rental revenue. As a result, changes in the mix between rental, non-rental and sales revenue, and the general variability in non-rental and sales revenue margins, can lead to fluctuations in Adjusted EBITDA as a % of Revenue[11] between periods.

	Three months ended June 30,			Six months ended June 30,		
Revenue by Stream ($ millions, except as noted)	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Rental revenue	**22.2**	21.0	6%	**43.7**	41.4	6%
Sales revenue	**13.2**	14.3	(8)%	**19.7**	28.9	(32)%
Non-rental revenue	**16.1**	12.3	31%	**25.1**	23.4	7%
Total revenue	**51.5**	47.6	8%	**88.5**	93.7	(6)%
Adjusted EBITDA(11)	**17.1**	17.1	—%	**31.6**	33.2	(5)%
Adjusted EBITDA as a % of Revenue(11)	**33.2%**	35.9%	(270) bps	**35.7%**	35.4%	30 bps
Return on Assets(11)	**17.4%**	18.7%	(130) bps	**16.4%**	18.3%	(190) bps

VAPS as a % of Rental Revenue is a non-GAAP ratio which is calculated as VAPS revenue divided by rental revenue excluding VAPS revenue. A reconciliation to rental revenue, the most comparable GAAP measure, is provided below. Black Diamond uses this ratio as a measure of operating performance. Management believes this ratio is an important supplemental measure to appraise the growth of ancillary products and services in proportion to the growth of rental revenue.

[11] Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA as a % of Revenue and Return on Assets are non-GAAP ratios. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

Value Added Products & Services ($ millions, except as noted)	Three months ended June 30, 2024	2023	Change	Six months ended June 30, 2024	2023	Change
Rental revenue	**22.2**	21.0	6%	**43.7**	41.4	6%
Less:						
VAPS revenue within rental revenue	**1.3**	1.2	8%	**2.5**	2.3	9%
Rental revenue excluding VAPS revenue	**20.9**	19.8	6%	**41.2**	39.1	5%
VAPS revenue	**2.0**	1.8	11%	**3.7**	3.4	9%
VAPS as a % of Rental Revenue	**9.6%**	9.1%	50 bps	**9.0%**	8.7%	30 bps

Revenue by Geography ($ millions, except as noted)	Three months ended June 30, 2024	2023	Change	Six months ended June 30, 2024	2023	Change
Canada	**19.5**	19.5	—%	**37.5**	36.9	2%
United States	**32.0**	28.1	14%	**51.0**	56.8	(10)%
Total revenue	**51.5**	47.6	8%	**88.5**	93.7	(6)%

Q2 2024 vs Q2 2023

MSS' total revenue for the Quarter was $51.5 million, up 8% or $3.9 million from the Comparative Quarter.

- **Rental revenue** during the Quarter was $22.2 million, up 6% or $1.2 million from the Comparative Quarter due to improved average rental rates and an increase in the number of units for rent for the U.S. and Canada.
- **Sales revenue** during the Quarter was $13.2 million, down 8% or $1.1 million from the Comparative Quarter due to a decrease in used sales partially offset by an increase in new custom sales. Used sales were lower in the Quarter and can be variable quarter to quarter depending on the number and timing of projects reaching completion in a given period.
- **Non-rental revenue** during the Quarter was $16.1 million, up 31% or $3.8 million from the Comparative Quarter, primarily due to higher installation and transportation revenue which includes revenue from installing and transporting rental revenue units as well as custom or used fleet sales.

VAPS revenue within rental revenue during the Quarter was $1.3 million, up 8% from the Comparative Quarter. VAPS as a % of Rental Revenue had a slight increase as compared to the Comparative Quarter primarily due to increase VAPS going out on rent with new rental contracts.

Adjusted EBITDA[12] for the Quarter of $17.1 million, flat from the Comparative Quarter due to a higher mix of non-rental that typically has lower margins than rental revenue, higher repair and maintenance costs and lower sales.

Adjusted EBITDA as a % of Revenue[12] decreased 270 basis points to 33.2% as compared to the Comparative Quarter. This change was driven by a higher mix of non-rental, which typically has a lower margin and higher repairs and maintenance costs.

Return on Assets[12] for the Quarter was 17.4%, a decrease of 130 basis points from the Comparative Quarter due primarily to lower sales revenue and sales margins. This decrease was partially offset by higher rental revenue and non-rental revenue.

[12] Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA as a % of Revenue and Return on Assets are non-GAAP ratios. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

Year to Date 2024 vs 2023

MSS total revenue for the Year was $88.5 million, down 6% from the Prior Year.

- **Rental revenue** for the Year was $43.7 million, up 6% or $2.3 million from the Prior Year due to improved average rental rates as well as an increase in the size of the fleet. This increase was partially offset by lower utilization.
- **Sales revenue** for the Year was $19.7 million, down 32% or $9.2 million from the Prior Year due to a decrease in custom and used fleet sales in all regions.
- **Non-rental revenue** for the Year was $25.1 million, up $1.7 million or 7% from the Prior Year primarily due to an increase in installation revenue. Installation revenue includes revenue from installing rental revenue units as well as custom or used fleet sales.

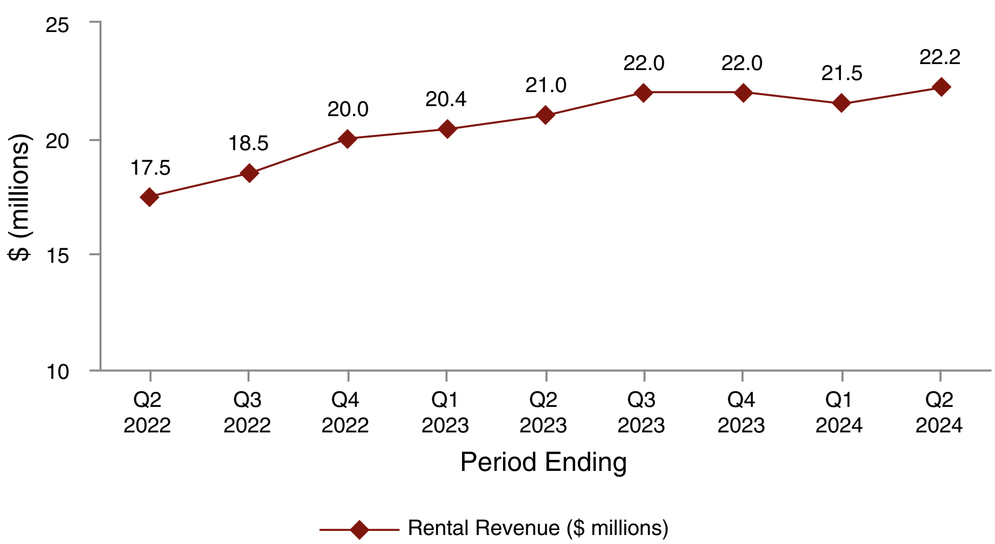
VAPS revenue within rental revenue for the Year was $2.5 million, up 9% from the Prior Year. VAPS as a % of Rental Revenue[13] increased 30 basis points as compared to the Prior Year primarily due to an increase in VAPS going out on rent with new rental contracts.

Adjusted EBITDA[13] for the Year was $31.6 million, which decreased 5% or $1.6 million from the Prior Year. This change was driven by higher mix of non-rental, which typically has a lower margin, and higher repairs and maintenance costs and increased administrative costs due to higher commissions associated with the increased rental revenue. This was partially offset by increased rental and non-rental revenue. Adjusted EBITDA as a % of Revenue[13] increased 30 basis points to 35.7% as compared to the Prior Year. This change was driven by higher revenue and higher margins as rental, which typically has a higher margin, makes up a greater proportion of the revenue earned.

Return on Assets[13] for the Year was 16.4% a decrease of 190 basis points from the Prior Year due to lower sales revenue. Partially offset by a continued strong rental platform, driven by increased rental revenue and higher average monthly rental rates.

Rental Revenue

Rental revenue for the Quarter continued to show a positive Quarter over Comparative Quarter growth. This is a continuation of the growth trend from Quarter to Comparative Quarter that we have seen over the last two plus years (12.4% compound annual growth rate from Q2 2022 to Q2 2024). Rental revenue experiences seasonality due to the negative utilization impact of winter on construction in some regions. Rental revenue for the Quarter saw this decline although higher than the Comparative Quarter.



[13] Adjusted EBITDA is a non-GAAP financial measure. VAPS as a % of Rental Revenue, Adjusted EBITDA as a % of Revenue, and Return on Assets are non-GAAP ratios. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

Rental Term

Rental durations typically exceed the original rental contract due to rental renewals or customers going month-to-month. The average duration of the MSS lease portfolio was 58.7 months as at June 30, 2024, an increase of 7.6 months from 51.1 months as at June 30, 2023.

Contracted Future Rental Revenue

Contracted future rental revenue for assets on rent is calculated as total value of rental revenue yet to be recognized in the future related to performance obligations not yet satisfied at the reporting period. Assets on rent is comprised of only assets that are on rent on or before the reporting period.

Contracted future rental revenue for assets on rent as at June 30, 2024 was $107.7 million an increase of $22.3 million or 26% from $85.4 million as at June 30, 2023. This increase is mainly driven by the deployment of assets with longer duration contracts. Contracted future rental revenue does not include rental contracts with a month-to-month term.

Space Rental Assets and Average Utilization

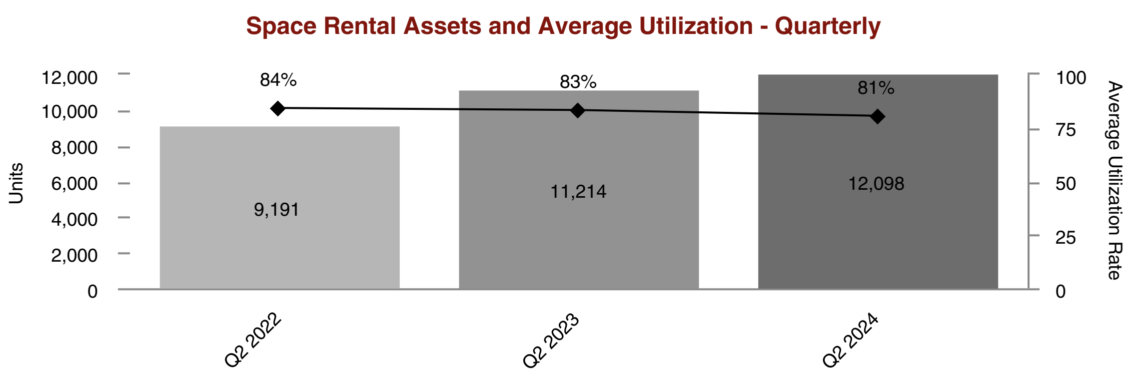
The MSS fleet consisted of 12,098 units as at June 30, 2024, which increased from 11,214 units as at June 30, 2023. This was due to the addition of 1,307 new units of which 329 space rental units were acquired as part of the asset purchase on June 28, 2024 and the remaining through organic growth. The MSS fleet also had dispositions of 423 units. Disposals were primarily driven by fleet management and customer demand for used sales.

MSS Consolidated

	Three months ended June 30,			Six months ended June 30,		
MSS assets, utilization, and rates	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Property and equipment net book value ($ millions)(1)	**400.7**	336.7	19%	**400.7**	336.7	19%
Modular space assets	**12,098**	11,214	8%	**12,098**	11,214	8%
Average utilization(2)	**80.7%**	83.4%	(270) bps	**81.0%**	84.0%	(300) bps
Average monthly rental rate per unit	**$819**	$753	9%	**$810**	$747	8%

(1) Net book value of property and equipment is influenced by changes in foreign exchange rates.

(2) Calculated as the net book value of fleet assets on rent, divided by the net book value of total fleet assets.



Q2 2024 vs Q2 2023

Utilization for the Quarter was 80.7%, down 270 basis points when compared to the Comparative Quarter, however, utilization remains at healthy consolidated levels across the platform relative to long term industry trends.

The average monthly rental rate per unit has increased as compared to the Comparative Quarter by 9%, due to higher rates across all regions. On a constant currency basis, the average monthly rental rate per unit has also increased as compared to the Comparative Quarter by 8%.

Year to Date 2024 vs 2023

Utilization for the Year was 81.0%, down 300 basis points when compared to the Prior Year, however, utilization remains at healthy consolidated levels across the platform relative to long term industry trends.

The average monthly rental rate per unit has increased as compared to the Prior Year by 8% due to higher rates across all regions. On a constant currency basis, average monthly rental rate per unit also increased by 8% versus the Prior Year.

WORKFORCE SOLUTIONS

WFS provides workforce accommodation solutions including rental of accommodations and surface equipment, provision of full turnkey lodge services and provision of travel management logistics through LodgeLink. WFS operates in Canada, the U.S. and Australia.

The primary service offerings in WFS are asset rental, lodge services and travel management logistics. To support the core rental business, WFS also offers associated services such as installation, transportation, dismantle, sublease of third-party equipment and the sale of used fleet assets.

The assets included in WFS are modular accommodation structures that are assembled into large scale camps in a variety of dormitory configurations with kitchen/diner complexes, recreation facilities and single unit or multi-unit complexes. These assets are often necessary for operations related to power and energy infrastructure, oil and gas, government, disaster relief, social housing, mining, construction, education, and other industries. On occasion these assets are supplied to open lodges which generate revenue based on occupancy. These accommodations typically house workforces in remote locations where local accommodation infrastructure is either insufficient or non-existent.

LodgeLink is a digital marketplace and ecosystem that enables customers to efficiently find, book, and manage their workforce travel and accommodation needs through a rapidly growing network of hotel, remote lodge, and travel partners. The LodgeLink digital platform was created to solve and address the unique challenges associated with workforce travel with a goal to remove inefficiencies at every step of the workforce travel process from booking, to management, to payments. LodgeLink's vision is to be the pre-eminent ecosystem for workforce travel, while applying innovative technology to transform the workforce travel process.

Financial Highlights

The following is a summary of the key metrics used by management to assess performance. Revenue, Adjusted EBITDA[14], Adjusted EBITDA as a % of Revenue[14] and Return on Assets[14] are key financial measures which fluctuate in proportion to utilization, occupancy and rates.

Revenue by Stream ($ millions, except as noted)	**Three months ended June 30,**			**Six months ended June 30,**		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Rental revenue	**13.1**	14.1	(7)%	**26.7**	28.1	(5)%
Sales revenue	**7.8**	2.5	212%	**11.8**	4.4	168%
Non-rental revenue	**14.0**	18.4	(24)%	**26.0**	30.0	(13)%
Lodge services revenue	**9.1**	8.5	7%	**16.1**	16.4	(2)%
Total revenue	**44.0**	43.5	1%	**80.6**	78.9	2%

Revenue by Geography ($ millions, except as noted)	**Three months ended June 30,**			**Six months ended June 30,**		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Canada	**30.7**	29.6	4%	**56.3**	55.5	1%
United States	**4.9**	4.8	2%	**9.2**	7.8	18%
Australia	**8.4**	9.1	(8)%	**15.1**	15.6	(3)%
Total revenue	**44.0**	43.5	1%	**80.6**	78.9	2%

[14] Adjusted EBITDA is a non-GAAP financial measures. Adjusted EBITDA as a % of Revenue is a non-GAAP ratio. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

($ millions, except as noted)	Three months ended June 30, 2024	2023	Change	Six months ended June 30, 2024	2023	Change
Adjusted EBITDA(1)	**17.3**	11.6	49%	**28.2**	22.6	25%
Adjusted EBITDA as a % of Revenue(1)	**39.3%**	26.7%	1,260 bps	**35.0%**	28.6%	640 bps
Return on Assets(1)	**46.0%**	30.2%	1,580 bps	**37.5%**	29.8%	770 bps

(1) Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA as a % of Revenue and Return on Assets are non- GAAP ratios. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

Q2 2024 vs Q2 2023

Adjusted EBITDA[15] increased to $17.3 million from $11.6 million in the Comparative Quarter, an increase of $5.7 million or 49% due to higher sales revenue, lodge services revenue, and non-rental contribution, offset by lower rental revenue. Adjusted EBITDA as a % of Revenue[15] of 39.3% was 1,260 basis points higher than the Comparative Quarter due to higher margins on sales and lodge services revenue streams combined with increased non-rental margins as a result of lower direct cost related to non-rental projects. This is partially offset by lower rental revenue margin and higher administration expenses.

Year to Date 2024 vs 2023

Adjusted EBITDA increased to $28.2 million from $22.6 million in the Prior Year, an increase of 25% or $5.6 million primarily due to higher sales revenue and volume of non-rental projects realizing an increased margin. This is offset by a decrease in rental and lodge services revenue. Adjusted EBITDA as a % of Revenue of 35.0% was up 640 basis points compared to the Prior Year due to higher margins on sales, non-rental, and lodge services revenue. This is offset by lower rental margins.

Workforce Solutions Fleet

The following are key metrics used to measure and report on performance of WFS fleet assets. Average asset utilization is calculated by dividing the net book value of fleet assets on rent and assets deployed at open lodges by the total net book value of total fleet assets. Fleet assets used to generate lodge services revenue at open lodges are shown as utilized.

During the fourth quarter of 2023, the presentation of the average asset utilization table was revised to include assets deployed in lodge services. For the Quarter, this addition has resulted in an increase in Canada's asset utilization of 14.9% and an increase of 8.6% in the Comparative Quarter. For the Year, this addition has resulted in an increase in Canada's asset utilization of 14.1% and an increase of 9.1% in the Prior Year. The rationale for this revision is to achieve a more accurate presentation of how WFS fleet assets are deployed.

Average Asset Utilization	Three months ended June 30, 2024	2023	Change	Six months ended June 30, 2024	2023	Change (2)
Canada	**49.9%**	63.2%	(1,330) bps	**51.0%**	63.5%	(1,250) bps
Rental Assets (1)	**35.0%**	54.6%	(1,960) bps	**37.0%**	54.4%	(1,740) bps
Lodge Services(2)	**14.9%**	8.6%	630 bps	**14.1%**	9.1%	500 bps
United States	**79.7%**	77.2%	250 bps	**80.8%**	78.1%	270 bps
Australia	**76.2%**	83.2%	(700) bps	**74.6%**	85.9%	(1,130) bps
Consolidated WFS average asset utilization	**62.4%**	69.8%	(740) bps	**62.9%**	70.6%	(770) bps

(1) Calculated as the net book value of fleet assets on rent divided by the net book value of total fleet assets for the region.

(2) Calculated as the net book value of fleet assets deployed at open lodges divided by the net book value of total fleet assets for the region. As such, figures for 2023 have been restated to include this calculation.

[15] Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA as a % of Revenue and Return on Assets are non-GAAP ratios. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

Fleet Count (Units)	As at June 30, 2024	2023	Change
Canada	**4,104**	4,738	(13)%
United States	**500**	529	(5)%
Australia	**1,463**	1,319	11%
Total Fleet Count	**6,067**	6,586	(8)%

Consolidated Room Count by Geography	As at June 30, 2024	2023	Change
Canada	**7,446**	8,208	(9)%
United States	**926**	935	(1)%
Australia	**825**	757	9%
Total Room Count	**9,197**	9,900	(7)%

Net Book Value by Geography ($ millions)	As at June 30, 2024	2023	Change
Canada	**79.5**	86.1	(8)%
United States	**33.1**	34.3	(3)%
Australia	**33.8**	28.7	18%
	146.4	149.1	(2)%

Rental

Q2 2024 vs Q2 2023

Rental revenue during the Quarter was $13.1 million, down 7% or $1.0 million from the Comparative Quarter due to lower utilization in Canada and Australia as a result of some significant contracts reaching completion. This is partially offset by new contracts coming on rent, increased utilization in the U.S. and higher average rates in all regions.

Year to Date 2024 vs 2023

Rental revenue for the Year was $26.7 million, down 5% or $1.4 million from the Prior Year due to lower utilization in Canada and Australia, offset by increased utilization in the U.S. and higher average rates in all regions.

Contracted Future Rental Revenue

Contracted future rental revenue from contracts in place is calculated as the total value of rental revenue yet to be recognized in the future related to performance obligations not yet satisfied as at the reporting period. The commencement date of the contracts in place includes both contracts that commenced before the reporting period or in some instances contracts signed but which will commence in future reporting periods.

At June 30, 2024, contracted future rental revenue from contracts in place was $31.9 million, a decrease of $2.8 million or 8% from the Comparative Quarter. The vast majority of rental contracts signed by WFS have a contracted term and are typically extended past their respective expiry date, usually on a month to month basis. Contracted future rental revenue from contracts in place do not include rental contracts with a month to month term.

Sales

Q2 2024 vs Q2 2023

Sales revenue during the Quarter was $7.8 million, up 212% or $5.3 million from the Comparative Quarter due to higher used fleet sales in all regions and higher custom fleet sales in Australia and Canada.

Year to Date 2024 vs 2023

Sales revenue during the Year was $11.8 million, up 168% or $7.4 million from the Prior Year due to higher used fleet sales in all regions and higher custom fleet sales in Australia and Canada.

Non-Rental

Q2 2024 vs Q2 2023

Non-rental revenue during the Quarter was $14.0 million, down 24% or $4.4 million from the Comparative Quarter primarily due to a decrease in the installation revenue in all regions, and transportation activity in the U.S. and Australia.

Year to Date 2024 vs 2023

Non-rental revenue for the Year was $26.0 million, down 13% or $4.0 million from the Prior Year due to a decrease in installation revenue of significant projects in Canada, transportation activity in the U.S. and Australia and sublease activity in Australia. This is offset by an increase in transportation and sublease activities in Canada.

Lodge Services

Q2 2024 vs Q2 2023

Lodge services revenue during the Quarter was $9.1 million, up 7% or $0.6 million from the Comparative Quarter due to activity relating to a natural disaster preparedness contract, partially offset by some significant projects reaching completion.

Year to Date 2024 vs 2023

Lodge services revenue for the Year was $16.1 million, down 2% or $0.3 million from the Prior Year due to some significant projects reaching completion.

LodgeLink

LodgeLink net revenue is generated from bookings from the margin per room booked and rebates earned on the payment transaction with accommodation and travel suppliers. When the room is booked in a third-party hotel or lodge the revenue is categorized as non-rental revenue and revenue from bookings at Black Diamond owned lodges is categorized as lodge services revenue.

	Three months ended June 30,			Six months ended June 30,		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Gross Bookings ($ millions)(1)	**24.4**	19.5	25%	**45.9**	38.0	21%
Net revenue ($ millions)	**2.9**	2.3	26%	**5.5**	4.5	22%
Net Revenue Margin(1)	**11.9%**	11.8%	10 bps	**12.0%**	11.8%	20 bps
Total room nights sold	**129,737**	101,746	28%	**244,800**	207,704	18%

(1) Gross Bookings is a non-GAAP financial measure. Net Revenue Margin is a non-GAAP ratio. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

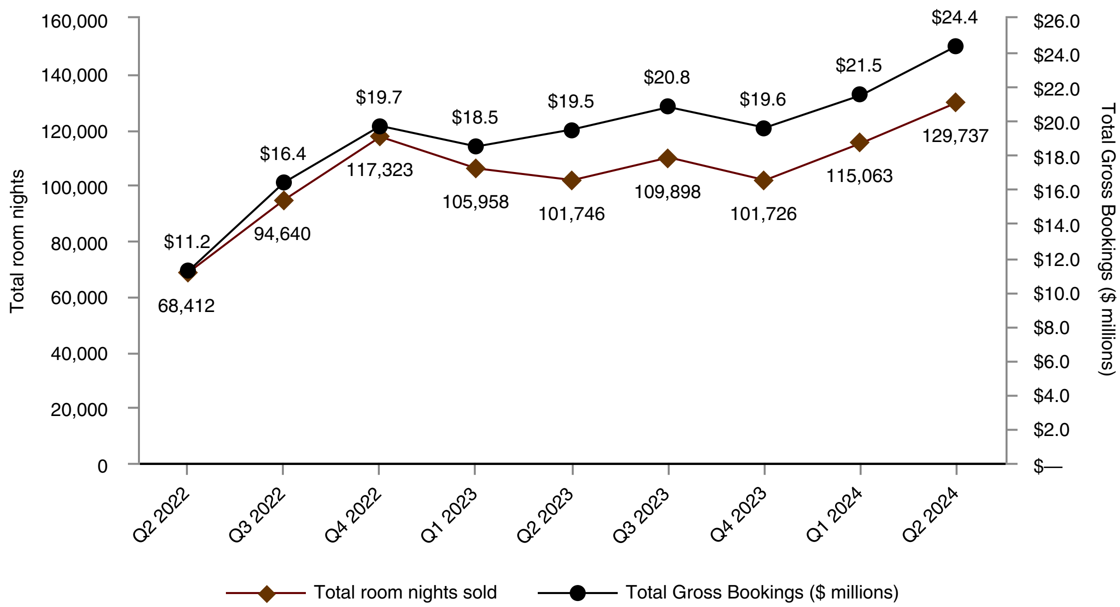
Q2 2024 vs Q2 2023

Total room nights sold in the Quarter was 129,737, an increase of 28% from the Comparative Quarter which resulted in net revenue during the Quarter of $2.9 million, up 26%, or $0.6 million from the Comparative Quarter. Net Revenue Margin of 11.9% for the Quarter was relatively flat compared to the Comparative Quarter.

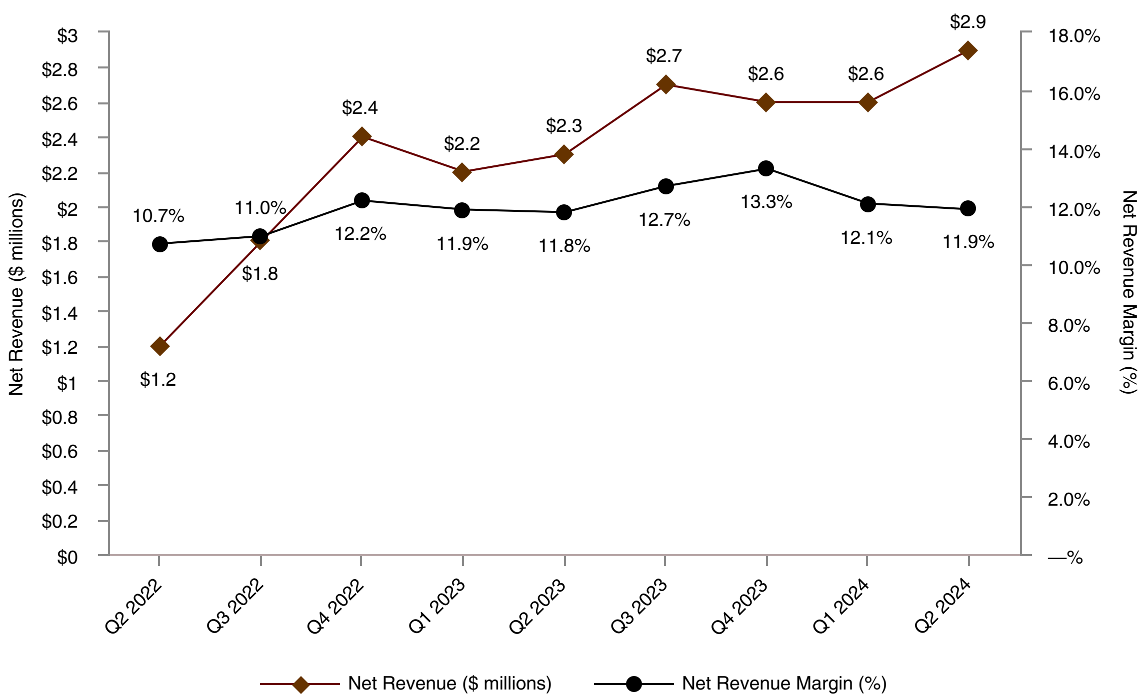
Year to Date 2024 vs 2023

Net revenue for the Year was $5.5 million, up 22%, or $1.0 million from the Prior Year. On a year over year basis, the growth was mainly attributed to increased room nights sold in Canada. For the Year, Gross Bookings increased by 21%.

Booking Volumes

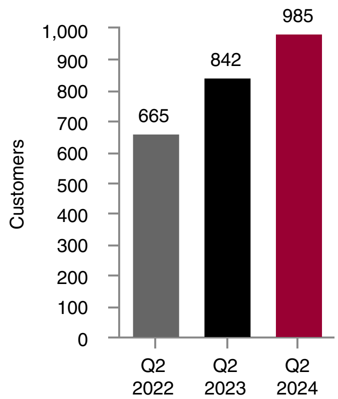


Net Revenue and Net Revenue Margin

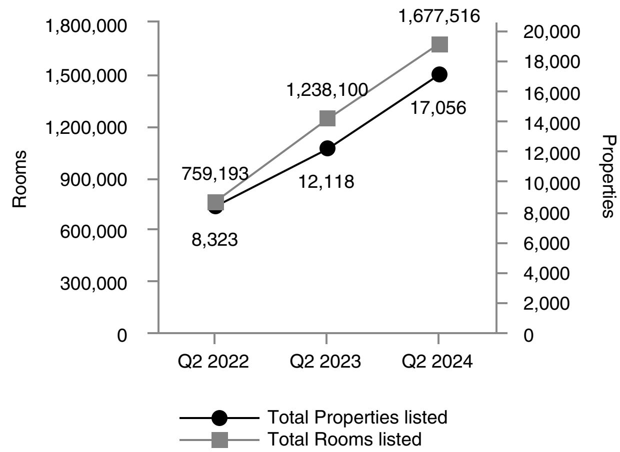


[16] Net Revenue Margin is a non-GAAP ratio. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP ratio.

As at June 30, Cumulative Corporate Customers



As at June 30, Listed Capacity



Cumulative corporate customers is a count of individual corporate customers that have booked with LodgeLink from the inception of the booking platform.

CORPORATE AND OTHER

The Corporate and Other business unit includes costs related to administrative activities that support all business units. The administrative support functions include activities of the executive office, finance, human resources, health and safety, legal, annual profit incentives for the Company, insurance, software licensing and information technology. Included in the Corporate and Other business unit are non-material revenues that are not significant enough to report on their own.

Financial Highlights

	Three months ended June 30,			Six months ended June 30,		
($ millions, except as noted)	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Property and equipment net book value	**16.1**	14.1	14%	**16.1**	14.1	14%
Adjusted EBITDA[17]	**(6.5)**	(6.2)	(5)%	**(12.5)**	(11.9)	(5)%

Q2 2024 vs Q2 2023

Property and equipment net book value was $16.1 million, an increase of 14% or $2.0 million from the Comparative Quarter, primarily due to the purchase of land for the purpose of branch operations in Q3 2023.

Adjusted EBITDA[17] for the Quarter was negative $6.5 million, a decrease of 5% or $0.3 million compared to negative $6.2 million in the Comparative Quarter primarily due to the increase of administrative expenses and occupancy and insurance expenses.

Year to Date 2024 vs 2023

Property and equipment net book value was $16.1 million, an increase of 14% or $2.0 million from the Prior Year, primarily due to the purchase of land for the purpose of branch operations in Q3 2023.

Adjusted EBITDA for the Year was negative $12.5 million, a decrease of 5% or $0.6 million compared to negative $11.9 million in the Prior Year due to an increase of personnel expenses, administrative expenses and occupancy and insurance expenses in the Year.

[17] Adjusted EBITDA is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure.

LIQUIDITY AND CAPITAL RESOURCES

Cash Requirements

Capital Expenditures

Black Diamond's capital expenditures relate primarily to:

- MSS - space rental structures and ancillary equipment;
- WFS - workforce accommodation structures, ancillary equipment, surface rental equipment, space rental structures in Australia, and LodgeLink development costs; and
- Corporate and Other - land, leasehold improvements, computers, furniture and service related equipment.

For the Quarter, Black Diamond expended $53.5 million (Comparative Quarter – $19.3 million) on additions to property and equipment and intangible assets. The expenditures on additions are set out in the table below.

	Three months ended June 30,			Six months ended June 30,		
($ millions, except as noted)	**2024**	2023	Change %	**2024**	2023	Change %
Modular Space Solutions	**45.9**	11.4	303%	**60.1**	20.0	201%
Workforce Solutions	**7.3**	7.5	(3)%	**10.2**	14.6	(30)%
Corporate and Other	**0.3**	0.4	(25)%	**0.5**	0.5	—%
	53.5	19.3	177%	**70.8**	35.1	102%

Sources and Uses of Cash

Cash flows from operating, investing and financing activities, as reflected in the unaudited consolidated statement of cash flows, are summarized in the following table:

	Three months ended June 30,			Six months ended June 30,		
($ millions, except as noted)	**2024**	2023	Change %	**2024**	2023	Change %
Cash from operating activities	**27.2**	32.8	(17)%	**49.7**	64.4	(23)%
Cash used in investing activities	**(53.1)**	(21.2)	150%	**(70.8)**	(36.6)	93%
Cash from financing activities	**28.1**	(2.6)	1,181%	**29.0**	(20.4)	242%
Total cash increase (decrease)	**2.2**	9.0	(76)%	**7.9**	7.4	7%

Liquidity needs can be met through a variety of sources, depending on specific circumstances, including: available cash, cash generated from operations, drawdowns under the ABL Facility and the issuance of new equity or debt. Black Diamond's primary use of funds are operational expenses, sustaining and opportunity capital spending, interest, taxes and principal debt repayments.

Cash from operating activities was $5.6 million lower than the Comparative Quarter primarily due to the settlement of accounts payables relating to operating activities in the Quarter.

Cash used in investing activities was $31.9 million higher due to increased capital expenditures contributing towards fleet growth.

Cash from financing activities was $30.7 million higher than in the Comparative Quarter primarily due to an increase of $20.5 million in advances on long-term debt relating to the MSS asset purchase completed in the Quarter.

Working Capital

The following table presents summarized working capital information:

($ millions, except as noted)	**June 30, 2024**	December 31, 2023	Change $	Change %
Current assets	**105.7**	85.0	20.7	24%
Current liabilities	**89.9**	77.5	12.4	16%
Working capital[1]	**15.8**	7.5	8.3	111%

(1) Working capital, a supplementary financial measure, is calculated as current assets minus current liabilities.

The increase in current assets of $20.7 million from December 31, 2023, was due to an increase in accounts receivable of $8.8 million, an increase in cash of $7.6 million, and an increase in other assets of $4.3 million.

The increase in current liabilities of $12.4 million from December 31, 2023, was primarily due to a $16.4 million increase in deferred revenue and a $0.3 million increase to lease liabilities, partially offset by a $4.3 million decrease in accounts payable.

Contractual Obligations and Other Commitments

At June 30, 2024, Black Diamond had capital expenditure commitments in the amount of $32.3 million. Additionally, Black Diamond has a commitment of $32.4 million related to the Company's office and yard leases, which have varying terms over the next ten years. It is management's intention to meet the funding requirements for these commitments through internally generated cash flow.

Principal Debt Instruments

Effective December 23, 2022, the Company amended the ABL Facility to increase the size of the ABL Facility from a maximum of $300 million to a maximum of $325 million. The maturity date of the ABL Facility of October 31, 2026, remained the same and all other material terms remained the same.

The borrowing base, or available amount at any given time under the ABL Facility is based on 85 - 90% of the net orderly liquidation value of eligible rental fleet and qualified receivables, up to $325 million.

In addition, the Company has bank term loans that have fixed interest rates ranging from 3.05% - 3.79%, mature between June 2025 and December 2026, and are secured by equipment.

For the three months ended June 30, 2024, the average interest rate on outstanding debt was 6.27% (2023 - 5.56%). For the six months ended June 30, 2024, the average interest rate on outstanding debt was 6.27% (2023 - 5.47%).

The Company uses debt to finance its business activities. Management believes that Black Diamond has the liquidity, barring any unforeseen circumstances, to continue to operate through the foreseeable future, and pursue its planned business objectives.

Management believes that the ongoing management of cash generated from operations will be sufficient to allow it to meet ongoing requirements for working capital, repayment of the ABL Facility, maintenance costs, administrative expenses, and interest costs. Black Diamond's cash generated from operations will be dependent upon future financial performance, which in turn will be subject to financial, business and other risk factors, including factors beyond Black Diamond's control. Management also believes that, dependent on capital market conditions, Black Diamond has room under its existing credit facilities and believes it has the ability to raise equity if required.

The Company is committed to maintaining a strong balance sheet and flexible capital structure.

The Company entered into interest rate swap agreements, which are recognized as risk management assets, with the ABL Facility lending syndicate for an aggregate of $80.0 million. A $30 million swap matured on October 29, 2023. Remaining swaps have a termination date of October 29, 2026. As at June 30, 2024, the total risk management asset was $1.5 million (December 31, 2023 - $1.4 million).

Debt Covenants

In accordance with the terms of the ABL Facility, 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 June 30, 2024, the Company's draws under the ABL Facility amounted to 62% of the borrowing base of $386.9 million, therefore the FCCR covenant was not applicable.

As at June 30, 2024, Black Diamond was in compliance with all debt covenants.

Share Capital

At June 30, 2024, Black Diamond had 60.9 million (December 31, 2023 - 60.2 million) common shares outstanding, net of 1.0 million (December 31, 2023 - 0.9 million) held in trust to settle equity based compensation plans. In addition, at June 30, 2024, Black Diamond had 3.5 million (December 31, 2023 - 3.8 million) common shares reserved for issuance pursuant to the exercise of options and restricted share units which have been granted pursuant to Black Diamond's share option plan and restricted and performance incentive award plan.

The following table summarizes Black Diamond's equity capitalization as at August 1, 2024 (in thousands):

Common shares (net of shares held in trust)	60,898
Common shares (held in trust)	988
Stock options	3,108
Restricted and performance share units	410

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are likely to have, a material current or future effect on the Company's financial condition, revenues or expenses, results of operations, liquidity or capital expenses.

Contractual Obligations

The following table summarizes Black Diamond's total contractual obligations as at June 30, 2024:

		Payments due by period		
($ millions, except as noted)	**Total**	**Less than 1 year**	**1 - 5 years**	**After 5 years**
Long-term debt	240.0	0.3	239.7	—
Lease obligations, undiscounted	29.1	9.4	18.6	1.1
Commitments	3.3	1.5	1.8	—
Holdback payable	1.3	0.8	0.5	—
Capital commitments	32.3	32.3	—	—
Total contractual obligations	**306.0**	**44.3**	**260.6**	**1.1**

FINANCIAL INSTRUMENTS

All of Black Diamond's financial instruments as at June 30, 2024 relate to standard working capital accounts, credit facility items and risk management contracts.

Black Diamond is subject to both cash flow and interest rate risk on its long-term debt facilities. The required cash flow to service the Company's long-term debt facilities will fluctuate as a result of changes in market rates.

NON-GAAP FINANCIAL MEASURES

Black Diamond's unaudited interim condensed consolidated financial statements have been prepared in accordance with IFRS. Non-GAAP financial measures are used to assist investors in understanding Black Diamond's operating results that may not be evident when relying solely on the GAAP financial measures. Black Diamond believes securities analysts, investors and other interested parties frequently use non-GAAP financial measures in the evaluation of the Company's results. Black Diamond uses non-GAAP financial measures to evaluate operating results from period to period, as internal reporting key performance indicators, and to determine elements of management compensation. Non-GAAP financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers for these non-GAAP measures. These non-GAAP financial measures include Adjusted EBITDA, Adjusted EBIT, Adjusted EBITDA as a % of Revenue, Net Debt, Net Debt to TTM Adjusted Leverage EBITDA, Funds from Operations, Free Cashflow, Gross Profit Margin, Return on Assets, Gross Bookings and Net Revenue Margin.

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, share-based compensation, acquisition costs, non-controlling interests, share of gains or losses of an associate, write-down of property and equipment, impairment, non-recurring 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, the most comparable GAAP measure, is provided below.

Adjusted EBIT is Adjusted EBITDA less depreciation and amortization. Black Diamond uses Adjusted EBIT primarily as a measure of operating performance. Management believes that Adjusted EBIT is a useful measure for investors when analyzing ongoing operating trends. There can be no assurances that additional special items will not occur in future periods, nor that the Company's definition of Adjusted EBIT is consistent with that of other companies. As such, management believes that it is appropriate to consider both profit determined on a GAAP basis as well as Adjusted EBIT. A reconciliation to profit, the most comparable GAAP measure, is provided below.

Adjusted EBITDA as a % of Revenue is calculated by dividing Adjusted EBITDA by total revenue for the period. Black Diamond uses Adjusted EBITDA as a % of Revenue primarily as a measure of operating performance. Management believes this ratio is 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.

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 Return on Assets is a useful financial measure for investors in evaluating operating performance for the periods presented. When read in conjunction with our profit and property and equipment, two GAAP measures, this non-GAAP ratio provides investors with a useful tool to evaluate Black Diamond's ongoing operations and management of assets from period-to-period.

Reconciliation of Consolidated Profit to Adjusted EBITDA, Adjusted EBIT, Adjusted EBITDA as a % of Revenue and Return on Assets:

($ millions, except as noted)	Three months ended June 30, 2024	2023	Change %	Six months ended June 30, 2024	2023	Change %
Profit	**7.5**	4.6	63%	**9.0**	9.0	—%
Add:						
Depreciation and amortization	**11.1**	10.6	5%	**21.8**	20.4	7%
Finance costs	**3.4**	3.7	(8)%	**7.2**	6.6	9%
Share-based compensation	**1.6**	1.3	23%	**3.0**	3.5	(14)%
Non-controlling interest	**0.4**	0.3	33%	**0.7**	0.6	17%
Current income taxes	**—**	0.1	(100)%	**0.2**	0.1	100%
Deferred income taxes	**2.1**	1.9	11%	**2.5**	3.7	(32)%
Non-recurring costs:						
ERP implementation and related costs(1)	**1.8**	—	100%	**2.3**	—	100%
Acquisition costs	**—**	—	—%	**0.6**	—	100%
Adjusted EBITDA	**27.9**	22.5	24%	**47.3**	43.9	8%
Less:						
Depreciation and amortization	**11.1**	10.6	5%	**21.8**	20.4	7%
Adjusted EBIT	**16.8**	11.9	41%	**25.5**	23.5	9%
Total revenue	**95.5**	91.1	5%	**169.1**	172.6	(2)%
Adjusted EBITDA as a % of Revenue	**29.2%**	24.7%	450 bps	**28.0%**	25.4%	260 bps
Annualized multiplier	**4**	4		**2**	2	
Annualized adjusted EBITDA	**111.6**	90.0	24%	**94.6**	87.8	8%
Average net book value of property and equipment	**562.6**	534.3	5%	**553.8**	529.5	5%
Return on Assets	**19.9%**	16.9%	300 bps	**17.1%**	16.6%	50 bps

(1) This relates to the corporate structure reorganization costs that have been incurred in preparation of a new ERP system in which the first phase of the implementation went live on May 1, 2024.

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

Net Debt to TTM Adjusted Leverage EBITDA is a non-GAAP ratio which is calculated as Net Debt divided by trailing twelve months Adjusted Leverage 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 Leverage EBITDA removes cash and cash equivalents from the Company's debt balance. Black Diamond uses this ratio primarily as a measure of operating performance. Management believes this ratio is 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. In the quarter ended June 30, 2022, Net Debt to TTM Adjusted EBITDA was renamed Net Debt to TTM Adjusted Leverage EBITDA, to provide further clarity on the composition of the denominator to include pre-acquisition estimates of EBITDA from business combinations. Management believes including the additional information in this calculation helps provide information on the impact of trailing operations from business combinations on the Company's leverage position.

($ millions, except as noted)	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3	Change
Profit	7.5	1.5	7.8	13.6	4.6	4.4	9.4	9.0	
Add:									
Depreciation and amortization	11.1	10.7	11.2	12.6	10.6	9.8	8.6	9.2	
Finance costs	3.4	3.8	3.7	3.7	3.7	2.9	3.6	2.1	
Share-based compensation	1.6	1.5	1.1	1.6	1.3	2.2	1.3	1.3	
Non-controlling interest	0.4	0.3	0.3	0.3	0.3	0.3	0.4	0.5	
Current income taxes	—	0.2	0.1	—	0.1	—	0.1	—	
Deferred income taxes	2.1	0.3	0.4	4.8	1.9	1.8	3.7	3.9	
Impairment reversal	—	—	—	—	—	—	(6.3)	—	
Non-recurring costs									
ERP implementation and related costs (1)	1.8	0.5	1.5	—	—	—	—	—	
Acquisition costs	—	0.6	—	—	—	—	1.2	—	
Adjusted EBITDA	27.9	19.4	26.1	36.6	22.5	21.4	22.0	26.0	
Acquisition pro-forma adjustments(2)	—	—	—	—	—	—	0.5	2.3	
Adjusted Leverage EBITDA	27.9	19.4	26.1	36.6	22.5	21.4	22.5	28.3	
TTM Adjusted Leverage EBITDA	110.0				94.7				16%
Long-term debt	239.7				219.2				9%
Cash and cash equivalents	14.1				15.4				(8)%
Current portion of long term debt (3)	0.3				0.3				—%
Net Debt	225.9				204.1				11%
Net Debt to TTM Adjusted Leverage EBITDA	2.1				2.2				(5)%

(1) This relates to the corporate structure reorganization costs that have been incurred in preparation of a new ERP system in which the first phase of the implementation went live on May 1, 2024.

(2) Includes pro-forma pre-acquisition EBITDA estimates as if the acquisition that occurred in the fourth quarter 2022, occurred on January 1, 2022.

(3) Current portion of long-term debt relating to the payments due within one year on the bank term loans assumed as part of the acquisition in the fourth quarter of 2022.

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:

	Three months ended June 30,			Six months ended June 30,		
($ millions, except as noted)	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Cash Flow from Operating Activities	**27.3**	32.7	(17)%	**49.7**	64.4	(23)%
Add/(Deduct):						
Change in other long term assets	**(1.1)**	(0.2)	(450)%	**(1.6)**	(0.4)	(300)%
Changes in non-cash operating working capital	**3.7**	(6.5)	157%	**1.2**	(16.6)	107%
Funds from Operations	**29.9**	26.0	15%	**49.3**	47.4	4%
Add/(deduct):						
Maintenance capital	**(3.4)**	(2.0)	(70)%	**(6.1)**	(4.3)	(42)%
Payment for lease liabilities	**(2.1)**	(1.9)	(11)%	**(4.2)**	(3.7)	(14)%
Interest paid (including lease interest)	**(3.7)**	(3.6)	(3)%	**(7.3)**	(6.4)	(14)%
Net current income tax expense	**—**	—	—%	**0.2**	0.1	100%
Dividends paid on common shares	**(1.8)**	(1.2)	(50)%	**(3.6)**	(2.4)	(50)%
Distributions paid to non-controlling interest	**(0.6)**	(0.3)	(100)%	**(0.6)**	(0.6)	—%
Free Cashflow	**18.3**	17.0	8%	**27.7**	30.1	(8)%

Gross Profit Margin is a non-GAAP financial measure which is calculated by dividing gross profit, a GAAP measure calculated as total revenue less direct costs, by total revenue for the period. Management believes this ratio is an important supplemental measure of the Company's performance and believes this ratio is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures.

Reconciliation of Gross Profit to Gross Profit Margin:

($ millions, except as noted)	Three months ended June 30, 2024	2023	Change	Six months ended June 30, 2024	2023	Change
Total revenue	**95.5**	91.1	5%	**169.1**	172.6	(2)%
Direct costs	**49.5**	51.7	(4)%	**87.3**	95.9	(9)%
Gross profit	**46.0**	39.4	17%	**81.8**	76.7	7%
Gross Profit Margin	**48.2%**	43.2%	500 bps	**48.4%**	44.4%	400 bps

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 June 30, 2024	2023	Change	Six months ended June 30, 2024	2023	Change
Net revenue(1)	**2.9**	2.3	26%	**5.5**	4.5	22%
Costs paid to suppliers(1)	**21.5**	17.2	25%	**40.4**	33.5	21%
Gross Bookings(1)	**24.4**	19.5	25%	**45.9**	38.0	21%
Net Revenue Margin	**11.9%**	11.8%	10 bps	**12.0%**	11.8%	20 bps

(1) Includes intercompany transactions.

Readers are cautioned that the non-GAAP measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of Black Diamond's performance or cash flows, a measure of liquidity or as a measure of actual return on the shares of Black Diamond. These non-GAAP measures should only be used in conjunction with the consolidated financial statements of Black Diamond.

RELATED PARTY TRANSACTIONS

The amounts due to limited partners include distributions and royalties payable to the non-controlling interests. They are non-interest bearing and due on demand. The amounts due to other related parties are unsecured and are payable in cash.

The following table provides the total amount of transactions that have been entered into with related parties during the three and six months ended June 30, 2024 and 2023, as well as balances with related parties as at June 30, 2024 and December 31, 2023.

	Three months ended June 30,		**Six months ended June 30,**		**Due to related parties as at**	
	2024	2023	**2024**	2023	**June 30, 2024**	December 31, 2023
($ millions, except as noted)	**$**	$	**$**	$	**$**	$
Non-controlling interests						
Limited partners						
Royalties and distributions declared	**0.6**	0.8	**0.9**	1.2	**(0.5)**	(0.4)
Other related parties						
Purchases of goods and services	**0.2**	0.2	**0.4**	0.3	**—**	—

Services purchased from the entity controlled by a member of the board of directors are recorded at exchange value which management believes approximates fair value, include sublease and servicing of generators and fuel tanks.

RISKS AND UNCERTAINTIES

The operations of Black Diamond face a number of risks and uncertainties in the normal course of business that may be beyond its control, but which could have a material adverse effect on Black Diamond's financial condition, results of operations and cash flows. Many of these risk factors and uncertainties are outlined in the annual information form of Black Diamond for the year ended December 31, 2023 which is available on SEDAR+ at www.sedarplus.ca. Additional risks and uncertainties that management may be unaware of may become important factors which affect Black Diamond.

DISCLOSURE CONTROLS AND PROCEDURES & INTERNAL CONTROLS OVER FINANCIAL REPORTING

Black Diamond's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have, as at June 30, 2024, designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that: (i) material information relating to Black Diamond is made known to Black Diamond's CEO and CFO by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by Black Diamond in its annual filings, interim filings, or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

Black Diamond's CEO and CFO have designed or caused to be designed under their supervision, internal controls over financial reporting ("ICFR") for the Company to provide reasonable assurance regarding the reliability of Black Diamond's financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Black Diamond's management, under the supervision of the CEO and CFO, used the criteria and framework established in the 2013 Internal Controls - Integrated

Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission to design Black Diamond's ICFR.

Black Diamond is required to disclose herein any change in Black Diamond's ICFR that occurred during the period beginning on January 1, 2024 and ended on June 30, 2024 that has materially affected, or is reasonably likely to materially affect, Black Diamond's ICFR. No material changes in Black Diamond's ICFR were identified during such period that have materially affected, or are reasonably likely to materially affect Black Diamond's ICFR.

It should be noted that a control system, including Black Diamond's disclosure and internal controls and procedures, no matter how well conceived or operated, can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

Additional information relating to Black Diamond, including Black Diamond's annual information form for the year ended December 31, 2023 is available on SEDAR+ at www.sedarplus.ca.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS & ESTIMATES

The preparation of the Company's unaudited interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have a significant effect on the amounts recognized in the consolidated financial statements:

Impairment of non-financial assets

Goodwill is assessed annually for impairment. Property and equipment and intangible assets are reviewed for indicators of impairment and impairment reversal whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or if impairment loss recognized previously may no longer exist. An impairment review requires estimates in a variety of areas including the determination of fair value, selling costs, timing and size of forecasted cash flows, long-term growth rates, anticipated gross margin, discount rates, and other valuation variables; the application of these variables in valuation models requires judgment. Judgement is required when determining the use of the exemption that allows the recoverable amount calculated from the preceding year to be used in the current year based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation would not impact the margin from the preceding period.

Determination of a Cash Generating Unit ("CGU")

Management's judgment is required in determining the Company's CGUs for the impairment assessment of its property and equipment, goodwill and definite life intangible assets. The CGUs have been determined considering level of operating activities and independent cash flows generated from groups of assets. Management determined the smallest identifiable group of assets that independently generates cash inflows and whose cash flow is largely independent of the cash inflows from other assets or groups of assets as follows: Modular Space Solutions Canada East, Modular Space Solutions Canada West, Modular Space Solutions US, Workforce Solutions - Canada, Workforce Solutions - United States, Australia - Workforce Accommodations, Australia - Space Rentals and LodgeLink.

Operating lease commitments – Company as lessor

The Company has entered into rental contracts for its fleet. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the fleet, that it retains all the significant risks and rewards of ownership of these assets and accounts for the contracts as operating leases.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including discounted cash flow models and trading multiples. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Determination of control and significant influence

Management has used judgment in assessing whether the Company exerts control and significant influence over its subsidiaries and investments, respectively. In general, significant influence is presumed to exist when the Company has between 20% and 50% of voting power. Significant influence may also be evidenced by other qualitative factors, including but not limited to the Company's representation on the board of directors.

Income Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. As a multinational group of legal entities and businesses, the Company has undertaken various cross border transactions. These transactions are subject to the review and audit of various tax authorities. The judgment used when developing and entering into these transactions is based on existing tax policies in each jurisdiction. Future changes in tax policies may necessitate associated adjustments to tax recoveries and expenses already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile of the Company's legal entities. The Company applies judgement on/with respect to/in determining the realization of future benefits from deferred tax assets using available evidence about future events, together with future tax planning strategies.

Aggregation of interest in subsidiaries

Management has used judgment in determining whether it is appropriate to aggregate the disclosures required by IFRS 12, *Disclosure of Interests in Other Entities* for Black Diamond's interests in subsidiaries. In reaching a determination, management considered such factors as its interests in the subsidiaries' nature of business, their industry classification and their geographical location.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Revenue recognition

Revenue from certain types of contracts is recognized over time, using an input method to measure progress towards complete satisfaction of the service because the customer simultaneously receives and consumes the benefits provided by the Company. In determining the progress towards complete satisfaction, estimates and assumptions are made in relation to costs incurred and the costs to complete the contracts. When the outcome of the transaction cannot be estimated reliably, estimates and assumptions are made on whether the Company will recover the transaction costs incurred.

Impairment and impairment reversal of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal ("FVLCD") and its value-in-use. An impairment reversal exists when an impairment loss recognized in prior periods may no longer exist or may have decreased and the recoverable amount exceeds carrying value, after adjusting for depreciation that would have otherwise been taken had the original impairment not occurred. The FVLCD calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. If no such transactions can be identified, an appropriate valuation model is used. The Company bases its impairment calculation on estimated future cash flows. The FVLCD calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the Company's forecast for the next year and does not include significant future investments that could enhance the performance of the CGU being tested. Estimates for revenue growth and EBITDA margins were based on a review of historical information for each CGU, consideration of achievable rates and utilization during the forecast period, and consideration of future prospects given management's understanding of the operating environment. The discount rates used for each CGU were estimated based on the assumed weighted average cost of capital for a notional purchaser of each CGU. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows, margins, and the growth rate used for extrapolation purposes.

The Company is required to make judgments regarding the need for impairment at each reporting date by evaluating conditions specific to the organization that may lead to the impairment of assets.

Asset retirement obligations

The Company has recognized a provision for asset retirement obligations associated with land leases held by the Company. In determining the amount of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the camps from the leases and the expected timing of those costs.

Business combination

Accounting for business combinations requires estimates of fair value for the consideration transferred, assets acquired and liabilities assumed. The Company uses all available information, including third party valuations and appraisals where applicable, to determine these fair values. Changes in estimates of fair value due to additional information related to facts and circumstances that existed at the acquisition date could impact the amount of goodwill recognized. The Company has up to one year from the acquisition date to finalize its determination of fair values for a business combination if needed.

Additional estimates

Other estimates that management is required to make to conform with IFRS and prepare timely consolidated financial statements include accrual of unsettled transactions, collectability of accounts receivable, recognition of provisions and contingent obligations, the estimated useful lives of property and equipment, useful lives of intangible assets, and the estimated fair value of share based awards at grant date. Accordingly, actual results may differ from estimated amounts. Management has also used judgment in the estimates used in pricing its options and long-term share-based compensation plans, assessing the effectiveness of hedging relationships and the determination of functional currency.

If the underlying estimates and assumptions upon which the consolidated financial statements are based change in future periods, actual amounts may differ from those included in the accompanying consolidated financial statements.

Changes in Accounting Policy and Disclosure

Amendments to IAS 1 *Presentation of Financial Statements*

In January 2020, the IASB issued amendments to IAS 1 *Presentation of Financial Statements*, to clarify its requirements for the presentation of liabilities as current or non-current in the Statement of Financial Position. This amendment was effective on January 1, 2024. The Company has evaluated the impact of the amendment and the adoption did not have an impact on the Company's consolidated financial statements.