

# UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2021 and 2020



**BLACK DIAMOND**  
GROUP



**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
 as at June 30, 2021 and December 31, 2020

(Expressed in thousands)	<b>2021</b>	2020
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	3,365	3,681
Accounts receivable	53,184	46,094
Prepaid expenses and other current assets	10,931	7,703
<b>Total Current Assets</b>	<b>67,480</b>	57,478
<b>Non-Current</b>		
Other long-term assets	2,753	3,304
Property and equipment <sup>(note 4)</sup>	398,500	409,984
Right-of-use assets	22,399	18,156
Goodwill and intangible assets	20,557	22,968
<b>Total Non-Current Assets</b>	<b>444,209</b>	454,412
<b>Total Assets</b>	<b>511,689</b>	511,890
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	29,408	32,362
Deferred revenue	23,957	13,798
Current portion of lease liabilities	6,094	4,599
<b>Total Current Liabilities</b>	<b>59,459</b>	50,759
<b>Non-Current</b>		
Long-term debt <sup>(note 5)</sup>	164,470	175,735
Asset retirement obligations	14,425	15,115
Long-term lease liabilities	21,251	18,226
Deferred income taxes	24,439	25,376
<b>Total Non-Current Liabilities</b>	<b>224,585</b>	234,452
<b>Total Liabilities</b>	<b>284,044</b>	285,211
<b>Shareholders' Equity</b>		
Share capital <sup>(note 6)</sup>	383,973	381,891
Contributed surplus	17,837	18,637
Accumulated other comprehensive income	5,896	10,157
Retained deficit	(193,973)	(197,973)
<b>Total Shareholders' Equity</b>	<b>213,733</b>	212,712
Non-controlling interests	13,912	13,967
<b>Total Equity</b>	<b>227,645</b>	226,679
<b>Total Liabilities and Equity</b>	<b>511,689</b>	511,890
<i>See accompanying notes to the unaudited interim condensed consolidated financial statements</i>		



**UNAUDITED CONSOLIDATED STATEMENT OF NET INCOME (LOSS)**  
 for the three and six months ended June 30,

	Three months ended June 30,		Six months ended June 30,	
(Expressed in thousands, except per share amounts)	2021 \$	2020 \$	2021 \$	2020 \$
<b>Revenue</b> <sup>(note 8)</sup>	<b>68,902</b>	37,268	<b>134,652</b>	82,367
<b>Direct costs</b>	<b>45,105</b>	19,867	<b>87,497</b>	47,249
<b>Gross profit</b>	<b>23,797</b>	17,401	<b>47,155</b>	35,118
<b>Expenses</b>				
Administrative expenses	10,265	7,444	20,333	15,276
Depreciation and amortization	8,750	8,172	16,839	15,594
Share-based compensation <sup>(note 6)</sup>	940	777	1,452	1,380
Finance costs	1,580	1,254	2,899	2,875
<b>Profit (loss) before income taxes</b>	<b>2,262</b>	(246)	<b>5,632</b>	(7)
<b>Income tax expense (recovery)</b>				
Current	24	(16)	32	(3)
Deferred	582	(84)	1,000	5
<b>Total income tax expense (recovery)</b>	<b>606</b>	(100)	<b>1,032</b>	2
<b>Profit (loss) before non-controlling interest</b>	<b>1,656</b>	(146)	<b>4,600</b>	(9)
Profit attributable to non-controlling interest	397	255	600	506
<b>Profit (loss) for the period</b>	<b>1,259</b>	(401)	<b>4,000</b>	(515)
<b>Profit (loss) per share - basic and diluted</b> <sup>(note 7)</sup>	<b>0.02</b>	(0.01)	<b>0.07</b>	(0.01)

*See accompanying notes to the unaudited interim condensed consolidated financial statements*



**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)**  
 for the three and six months ended June 30,

	Three months ended June 30,		Six months ended June 30,	
(Expressed in thousands)	<b>2021</b>	2020	<b>2021</b>	2020
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Profit (loss) for the period</b>	<b>1,259</b>	(401)	<b>4,000</b>	(515)
<b>Other comprehensive income (loss) to be reclassified to Consolidated Statement of Net Income in subsequent period:</b>				
Translation adjustments	(2,611)	(3,017)	(4,261)	5,099
<b>Total comprehensive income (loss)</b>	<b>(1,352)</b>	(3,418)	<b>(261)</b>	4,584

*See accompanying notes to the unaudited interim condensed consolidated financial statements*



**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 for the six months ended June 30, 2021 and 2020

(Expressed in thousands)	Issued Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Shareholders' Equity	Non-Controlling interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$
<b>As at December 31, 2019</b>	378,823	17,657	11,779	(194,471)	213,788	1,409	215,197
Loss for the period	—	—	—	(515)	(515)	506	(9)
Translation adjustments	—	—	5,099	—	5,099	—	5,099
Distributions declared to partners	—	—	—	—	—	(405)	(405)
Issued on exercise of options & vesting of shares in treasury (note 6)	996	(996)	—	—	—	—	—
Partners' Contributions	—	—	—	—	—	1,216	1,216
Net purchase of shares in trust (note 6)	(1,140)	—	—	—	(1,140)	—	(1,140)
Net purchase of shares under NCIB (note 6)	(330)	—	—	—	(330)	—	(330)
Vesting of shares in trust (note 6)	809	(809)	—	—	—	—	—
Share based compensation expense (note 6)	—	1,371	—	—	1,371	—	1,371
<b>As at June 30, 2020</b>	379,158	17,223	16,878	(194,986)	218,273	2,726	220,999
<b>As at December 31, 2020</b>	381,891	18,637	10,157	(197,973)	212,712	13,967	226,679
Profit for the period	—	—	—	4,000	4,000	600	4,600
Translation adjustments	—	—	(4,261)	—	(4,261)	—	(4,261)
Dividends declared on preference shares	—	—	—	—	—	(257)	(257)
Redemption of preference shares	—	—	—	—	—	(429)	(429)
Distributions declared to partners	—	—	—	—	—	31	31
Issued on exercise of options & vesting of shares in treasury (note 6)	2,177	(1,012)	—	—	1,165	—	1,165
Net purchase of shares in trust (note 6)	(1,181)	—	—	—	(1,181)	—	(1,181)
Vesting of shares in trust (note 6)	1,086	(1,086)	—	—	—	—	—
Share based compensation expense (note 6)	—	1,298	—	—	1,298	—	1,298
<b>As at June 30, 2021</b>	383,973	17,837	5,896	(193,973)	213,733	13,912	227,645

*See accompanying notes to the unaudited interim condensed consolidated financial statements*



**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
 for the three and six months ended June 30,

	Three months ended June 30,		Six months ended June 30,	
(Expressed in thousands)	2021 \$	2020 \$	2021 \$	2020 \$
<b>Operating activities</b>				
Profit (loss) for the period	1,259	(401)	4,000	(515)
Add (deduct) non-cash / non-operating activities:				
Share-based compensation <sup>(note 6)</sup>	881	745	1,298	1,371
Depreciation and amortization	8,750	8,172	16,839	15,594
Finance costs	1,580	1,254	2,899	2,875
Deferred income taxes	582	(84)	1,000	5
Settlement of ARO liability	(37)	(1)	(658)	(278)
Profit attributable to non-controlling interest	397	255	600	506
Book value of used fleet sales <sup>(note 4)</sup>	928	1,514	5,615	2,172
	14,340	11,454	31,593	21,730
Change in long-term accounts receivable	227	4	550	24
Change in non-cash working capital related to operating activities	5,203	2,712	1,074	2,782
<b>Net cash flows from operating activities</b>	<b>19,770</b>	<b>14,170</b>	<b>33,217</b>	<b>24,536</b>
<b>Investing activities</b>				
Purchase of property and equipment <sup>(note 4)</sup>	(9,434)	(9,492)	(13,156)	(21,872)
Additions to intangible assets	(359)	(300)	(649)	(391)
Business acquisition	—	—	—	(6,591)
Change in non-cash working capital related to investing activities	1,499	396	(1,796)	303
<b>Net cash flows used in investing activities</b>	<b>(8,294)</b>	<b>(9,396)</b>	<b>(15,601)</b>	<b>(28,551)</b>
<b>Financing activities</b>				
Proceeds from long-term debt	71,859	42,229	132,255	89,563
Repayment of long-term debt	(79,621)	(50,270)	(143,646)	(79,890)
Net interest paid, including lease liability interest	(1,516)	(1,193)	(2,832)	(2,610)
Payment of lease liabilities	(1,708)	(1,241)	(3,049)	(2,534)
Net purchase of shares in trust and NCIB <sup>(note 6)</sup>	(800)	(663)	(1,181)	(1,469)
Share options exercised <sup>(note 6)</sup>	1,067	—	1,165	—
Distributions declared to non-controlling interest	—	(291)	31	(405)
Dividend paid on preference shares	(193)	—	(257)	—
Change in non-cash working capital related to financing activities	—	292	(221)	210
<b>Net cash flows from (used in) financing activities</b>	<b>(10,912)</b>	<b>(11,137)</b>	<b>(17,735)</b>	<b>2,865</b>
<b>(Decrease) increase in cash and cash equivalents</b>	<b>564</b>	<b>(6,363)</b>	<b>(119)</b>	<b>(1,150)</b>
Cash and cash equivalents, beginning of the period	2,965	9,571	3,681	4,291
Effect of foreign currency rate changes on cash and cash equivalents	(164)	101	(197)	168
<b>Cash and cash equivalents, end of the period</b>	<b>3,365</b>	<b>3,309</b>	<b>3,365</b>	<b>3,309</b>

*See accompanying notes to the unaudited interim condensed consolidated financial statements*



## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2021 and 2020

### 1. GENERAL INFORMATION

The unaudited interim condensed consolidated financial statements ("interim consolidated financial statements") of Black Diamond Group Limited, its subsidiaries, and its controlled limited partnerships (collectively "Black Diamond" or the "Company") for the three and six months ended June 30, 2021 and 2020 were authorized for issuance in accordance with a resolution of the Board of Directors on August 4, 2021. Black Diamond is headquartered in Calgary, Alberta. The Company was incorporated in Alberta on October 7, 2009. The address of the Company's registered office is Suite 4600, 525 – 8th Avenue S.W., Calgary, Alberta, Canada.

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Statement of Compliance

The interim consolidated financial statements for the three and six months ended June 30, 2021 and 2020 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

#### Basis of Presentation and Measurement

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

Except as otherwise disclosed and for taxes on income, the same accounting policies and methods of computation were followed in the preparation of these interim consolidated financial statements as were applied in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2020 ("2020 Financial Statements"). Taxes on income in interim periods are accrued using the tax rate that would be applicable to the expected total annual profit. These interim consolidated financial statements do not contain all the information and disclosures required by IFRS for annual financial statements and should be read in conjunction with the 2020 Financial Statements. Comparative amounts have been reclassified to match the current period presentation.

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

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

In March 2020, the Company observed macro-economic uncertainty as a result of the global COVID-19 pandemic. The outbreak and subsequent measures intended to limit the spread of the virus contributed to significant volatility in financial markets. Furthermore, recent global developments and uncertainty in oil supply have caused further abnormally large volatility in commodity markets. The outbreak presents uncertainty and risk with respect to the Company, its performance, and estimates and assumptions used by Management in the preparation of its financial results.



## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2021 and 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Government Grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all conditions associated with the grant are met. Claims under government grant programs related to income are recorded as a reduction to the eligible expenses incurred.

In the first quarter of 2021, the Company qualified for the Canada Emergency Wage Subsidy ("CEWS"), a taxable government subsidy available to businesses affected by COVID-19 that meet certain criteria. In the second quarter of 2021, the Company did not qualify for the CEWS. In the first quarter of 2020, the Company did not qualify for the CEWS. In the second quarter of 2020, the Company qualified for the CEWS.

Total subsidies received year-to-date were \$372 (2020 - \$1,284), and are reflected as a reduction of \$160 and \$212 (2020 - \$514 and \$770) in direct costs and administrative expenses, respectively.

There are no unfulfilled conditions or other contingencies attached to the government assistance that have been recognized in the interim financial statements.

#### Derivative Financial instruments

Derivative financial instruments may be used periodically by the Company to manage its exposure to risks relating to interest rates. When the Company utilizes derivative instruments in hedging relationships, the Company identifies, designates and documents those hedging transactions and regularly tests the transactions to demonstrate effectiveness in order to continue hedge accounting.

Derivatives used for cash flow hedging are derivative financial instruments measured at fair value and included in non-current assets or liabilities until expiry or unless management intends to dispose of the investment within 12 months of the Consolidated Statement of Financial Position date, in which case they are classified as current.

The instrument is remeasured to fair value at each reporting date. Hedge effectiveness is evaluated by assessing the critical terms of the hedging relationship at inception, at the end of each reporting date and upon a significant change in the circumstances affecting hedge effectiveness. The effective portion of changes in the fair value of derivatives that are designated and qualify as a cash flow hedge are recognized in other comprehensive income and in equity in accumulated other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the Consolidated Statement of Net Income (Loss). Changes in the fair value of a derivative designated in a cash flow hedge are recognized in the same line item as the underlying hedged item.





## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2021 and 2020

### 3. BUSINESS COMBINATIONS

#### Vanguard

In a transaction that closed on November 30, 2020, Black Diamond acquired 100% of Vanguard Modular Building Systems LLC ("Vanguard") for total cash consideration of US\$50,000 (C\$64,927), the issuance of 867 preferred shares of the Company's subsidiary BOXX Modular Holding Inc. with a fair value of US\$8,670 (C\$11,258), and the issuance of 2,230,728 common shares of the Company with a fair value at the acquisition date of \$1.76 per share or US\$3,080 (C\$3,999) for total compensation of US\$61,750 (C\$80,182). The acquisition has been accounted for using the acquisition method in accordance with IFRS 3, *Business Combinations* on November 30, 2020, whereby the assets acquired and the liabilities assumed were recorded at their fair values.

The acquisition expands the diversified Modular Space Solutions ("MSS") segment by adding 2,196 space rental assets.

The preliminary allocation of the fair value of the net assets acquired and aggregate consideration is presented below.

	November 30, 2020
Fair value of net assets acquired:	\$
Cash and cash equivalents	6
Accounts receivable	5,516
Prepaid expenses and other current assets	7,099
Deferred receivable	3,938
Property and equipment	72,269
Right-of-use assets	766
Intangible assets <sup>(1)</sup>	4,728
Accounts payable and accrued liabilities	(12,277)
Deferred tax liability	(800)
Leases and other liabilities	(1,063)
Net assets	80,182

(1) Intangible assets include customer relationships.

The allocations and determinations of the consideration described above are preliminary and subject to changes upon final adjustments.

Since the acquisition date, Black Diamond has recognized revenue and profit contributed by this business of approximately of C\$30,967 and C\$4,837, respectively.



## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2021 and 2020

### 4. PROPERTY AND EQUIPMENT

The Company added property and equipment of \$9,434 and \$13,156 (2020 - \$9,492 and \$21,872) during the three and six months ended June 30, 2021, substantially all of which were fleet assets. There were also disposals of fleet assets with a net book value of \$928 and \$5,615 (2020 - \$1,514 and \$2,172) during the three and six months ended June 30, 2021, which is included in direct costs. The net realizations from the sale of fleet assets is included in gross profit.

At June 30, 2021, the Company evaluated all of its cash-generating units ("CGUs") for indicators of any potential impairment of long lived assets. As part of these assessments, the Company considered the macroeconomic impact of the global COVID-19 pandemic. As a result of these assessments, no indicators were identified and no impairment was recorded on the Company's CGUs.

#### Capital Commitments

At June 30, 2021, Black Diamond had made capital expenditure commitments over the next several quarters with key manufacturers of modular structures in the amount of \$22,533 (December 31, 2020 - \$2,116).

### 5. LONG-TERM DEBT

#### Debt Covenants

The Company is required to maintain a Fixed Charge Coverage Ratio ("FCCR") of 1.1 to 1; however, this covenant is only tested in certain instances, principally when draws under the ABL Facility exceed 90% of the borrowing base. As at June 30, 2021, the Company's draws under the ABL Facility amounted to 63% of a borrowing base of \$260,860. As at December 31, 2020, the Company's draws under the ABL Facility amounted to 69% of a borrowing base of \$257,079. Therefore the FCCR covenant was not applicable in both periods.



## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2021 and 2020

### 6. SHARE CAPITAL

#### a) Share Capital

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

Issued - Common shares	Number of shares	\$
<b>January 1, 2020</b>	55,211	378,823
Issued on exercise of options and vesting of shares in treasury	510	1,095
Net purchase of shares in trust	(1,301)	(2,205)
Net purchase of shares in NCIB	(329)	(630)
Vesting of shares in trust	372	809
Issuance of common shares	2,231	3,999
<b>December 31, 2020</b>	56,694	381,891
Issued on exercise of options and vesting of shares in treasury	918	2,177
Net purchase of shares in trust	(309)	(1,181)
Vesting of shares in trust	667	1,086
<b>June 30, 2021</b>	<b>57,970</b>	<b>383,973</b>

On January 15, 2021, the Company re-commenced a normal course issuer bid ("NCIB"), under which the Company may purchase for cancellation up to a maximum of 4,209 common shares of the Company. The NCIB will terminate on January 14, 2022 or such earlier date as the maximum number of common shares are purchased pursuant to the NCIB or the NCIB is completed or terminated at the Company's election. For the three and six months ended June 30, 2021, nil common shares (2020 - 219) were purchased, cancelled and removed from share capital under the terms of the NCIB.

#### b) Share-Based Compensation Plans

##### (i) Share option plan

As at June 30, 2021, there were 4,263 common shares (December 31, 2020 - 4,302) reserved for issuance from treasury upon the exercise of share options granted pursuant to the Company's Share Option Plan. The exercise price of each option equals the weighted average trading price of the common shares for the five trading days preceding the date of the grant. Outstanding options granted under the Share Option Plan generally vest on a straight line basis over three years and the option term is five years from the date of grant.



## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2021 and 2020

### 6. SHARE CAPITAL (continued)

(expressed in thousands except per share amounts and years)

Grant date	Number of options outstanding	Exercise price per share	Remaining contractual life (years)	Number exercisable	Fair value at grant date
		\$			\$
March 21, 2017	582	3.60	0.72	582	0.81
August 14, 2017	336	1.74	1.12	336	0.74
September 12, 2017	120	1.91	1.20	120	0.83
March 15, 2018	537	2.53	1.71	537	0.86
March 14, 2019	216	1.96	2.70	216	0.86
March 14, 2019	645	1.96	2.70	414	0.86
October 1, 2019	120	1.77	3.26	40	0.89
March 16, 2020	738	1.29	3.71	240	0.62
June 1, 2020	36	1.40	3.92	12	0.68
March 17, 2021	933	3.31	4.71	—	1.46
<b>Balance June 30, 2021</b>	<b>4,263</b>			<b>2,497</b>	
<b>Weighted average</b>		2.43	2.78	2.36 <sup>(1)</sup>	

(1) Amount refers to the weighted average exercise price of the exercisable options as at June 30, 2021.

Black Diamond recorded the following share option activity during 2021 and 2020:

	Number of options outstanding	Weighted average exercise price per share
		\$
<b>January 1, 2020</b>	3,911	3.72
Granted	874	1.34
Exercised	(38)	1.91
Expired	(445)	12.35
<b>December 31, 2020</b>	4,302	2.36
Granted	987	3.31
Exercised	(525)	2.14
Expired	(339)	4.72
Forfeited	(162)	1.96
<b>June 30, 2021</b>	<b>4,263</b>	<b>2.43</b>



## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2021 and 2020

### 6. SHARE CAPITAL (continued)

The estimated fair value of the options granted during the period is \$3,267 (2020 - \$1,010). The Black-Scholes option pricing model was used in determining the fair values of these options using a forfeiture rate of 5%, based on historical experience and future expectations, and the following assumptions:

Date of grant	Dividend yield	Expected average volatility	Average risk-free rate
	%	%	%
March 17, 2021	—	56	0.78

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

Included in share-based compensation expense for the three and six months ended June 30, 2021 was \$222 and \$395 (2020 - \$171 and \$439) for costs related to the Share Option Plan.

#### (ii) Other share-based plans

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

	Incentive Award Plan		Share Award Plan		Deferred Share Unit Plan <sup>(1)</sup>	
	Number of units	Weighted fair value per unit	Number of units	Weighted fair value per unit	Number of units	Weighted fair value per unit
		\$		\$		\$
<b>January 1, 2020</b>	993	2.08	1,097	2.19	196	2.87
Granted	1,445	1.29	519	1.31	54	1.31
Forfeited	(239)	1.53	(118)	2.25	—	—
Vested	(380)	2.32	(472)	2.29	(18)	3.50
<b>December 31, 2020</b>	1,819	1.47	1,026	1.69	232	2.46
Granted	<b>586</b>	<b>3.49</b>	<b>318</b>	<b>3.31</b>	<b>66</b>	<b>3.30</b>
Forfeited	<b>(57)</b>	<b>2.25</b>	<b>(236)</b>	<b>2.01</b>	—	—
Vested	<b>(712)</b>	<b>1.63</b>	<b>(310)</b>	<b>1.90</b>	—	—
<b>June 30, 2021</b>	<b>1,636</b>	<b>2.10</b>	<b>798</b>	<b>2.16</b>	<b>298</b>	<b>2.64</b>

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

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



## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2021 and 2020

### 6. SHARE CAPITAL (continued)

As at June 30, 2021, these share-based plans include 114 units (December 31, 2020 - 112) that are expected to be settled in cash. A liability is included in accounts payable and accrued liabilities in the amount of \$166 related to these units (December 31, 2020 - \$173). Included in share-based compensation expense for the three and six months ended June 30, 2021 was \$59 and \$154 (2020 - \$31 and \$8) for costs related to other share-based plans expected to be settled in cash.

Included in share-based compensation expense for the three and six months ended June 30, 2021 was \$659 and \$903 (2020 - \$574 and \$932) for costs related to the other share-based plans.

The Company established the Incentive Award Plan Trust and the Deferred Share Unit Plan Trust (collectively the "Trusts") which are consolidated in the Company's financial statements. Any shares held in the Trusts are accounted for as a reduction of share capital. As at June 30, 2021 there are 1,184 shares held in the Trusts (December 31, 2020 - 1,589).

### 7. EARNINGS (LOSS) PER SHARE

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

	Three months ended June 30,		Six months ended June 30,	
Reconciliation of weighted average number of shares	2021	2020	2021	2020
Weighted average common shares outstanding - basic	57,760	55,351	57,307	55,232
Effect of share option plan and share award plan	1,828	—	1,496	—
Weighted average common shares outstanding - diluted	59,588	55,351	58,803	55,232

Excluded from diluted weighted average number of shares are 933 and 1,515 anti-dilutive options for the three and six months ended June 30, 2021 (2020 - 4,249 and 4,249). Also excluded from diluted weighted average number of shares are 300 anti-dilutive Share Award Plan units for the three and six months ended June 30, 2021 (2020 - 1,068 and 1,068).



# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2021 and 2020

## 8. SEGMENTED INFORMATION

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Revenue</b>				
Modular Space Solutions	37,152	21,973	72,388	38,436
Workforce Solutions	31,750	15,295	62,264	43,931
<b>Total Revenue</b>	<b>68,902</b>	<b>37,268</b>	<b>134,652</b>	<b>82,367</b>
<b>Depreciation and Amortization</b>				
Modular Space Solutions	3,965	3,404	7,449	6,123
Workforce Solutions	4,133	4,102	8,010	8,132
Corporate and Other	652	666	1,380	1,339
<b>Total Depreciation and Amortization</b>	<b>8,750</b>	<b>8,172</b>	<b>16,839</b>	<b>15,594</b>
<b>Profit (Loss)</b>				
Modular Space Solutions	6,601	3,535	13,244	5,207
Workforce Solutions	1,846	1,120	3,956	4,429
Corporate and Other	(7,188)	(5,056)	(13,200)	(10,151)
<b>Total Profit (Loss)</b>	<b>1,259</b>	<b>(401)</b>	<b>4,000</b>	<b>(515)</b>
<b>Capital Expenditures (Additions)</b>				
Modular Space Solutions <sup>(1)</sup>	6,098	6,979	8,971	16,757
Workforce Solutions <sup>(2)</sup>	3,537	2,486	4,536	4,627
Corporate and Other	158	327	298	879
<b>Total Capital Expenditures</b>	<b>9,793</b>	<b>9,792</b>	<b>13,805</b>	<b>22,263</b>

(1) Amount does not include property and equipment added through business acquisitions.

(2) Amount includes intangible asset additions.



## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2021 and 2020

### 8. SEGMENTED INFORMATION (continued)

	June 30, 2021	December 31, 2020
	\$	\$
<b>Property and Equipment</b>		
Modular Space Solutions	234,931	238,338
Workforce Solutions	147,421	155,086
Corporate and Other	16,148	16,560
<b>Total Property and Equipment</b>	<b>398,500</b>	<b>409,984</b>
<b>Intangible Assets</b>		
Modular Space Solutions	8,412	10,513
Workforce Solutions	2,463	2,622
<b>Total Intangible Assets</b>	<b>10,875</b>	<b>13,135</b>
<b>Goodwill</b>		
Modular Space Solutions	9,682	9,833
<b>Total Goodwill</b>	<b>9,682</b>	<b>9,833</b>
<b>Assets</b>		
Modular Space Solutions	298,691	299,664
Workforce Solutions	185,929	183,301
Corporate and Other	27,069	28,925
<b>Total Assets</b>	<b>511,689</b>	<b>511,890</b>





# NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2021 and 2020

## 8. SEGMENTED INFORMATION (continued)

### Geographic information

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Revenue</b>				
Canada	32,484	16,205	68,515	45,647
United States	30,132	17,232	52,261	29,628
Australia	6,286	3,831	13,876	7,092
<b>Total Revenue</b>	<b>68,902</b>	<b>37,268</b>	<b>134,652</b>	<b>82,367</b>

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

	June 30, 2021	December 31, 2020
	\$	\$
<b>Property and Equipment, Intangibles and Goodwill</b>		
Canada	226,768	232,607
United States	177,936	185,230
Australia	14,353	15,115
<b>Total Property and Equipment, Intangibles and Goodwill</b>	<b>419,057</b>	<b>432,952</b>