
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2025 and 2024



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, 2025 (the "Quarter") with the three months ended June 30, 2024 (the "Comparative Quarter") and the six months ended June 30, 2025 (the "Year") with the six months ended June 30, 2024 (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, 2025 and 2024 and the audited consolidated financial statements of the Company for the years ended December 31, 2024 and 2023. 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 7, 2025 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" and quoted on the OTCQX Best Market under the symbol "BDIMF".

Additional information relating to Black Diamond, including Black Diamond's annual information form for the year ended December 31, 2024, 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, expectations for and opportunities in different geographic areas, opportunities for organic investment, reinvesting operating cashflows, the Company's ability to fund organic and inorganic growth, management's goals and business objectives, the sales and opportunity pipeline, timing and payment of the Company's quarterly dividends, the anticipated timeline and budget for the Company's Enterprise Resource Planning ("ERP") system upgrade and implementation project and the effect of the project on the Company's business, macro-economic uncertainty, the effects of tariffs and trade-war related impacts, utilization levels, contract renewals, management's assessment of Black Diamond's future operations and what may have an impact on them, expectations regarding the rental rate environment, 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, management's expectations regarding the ability to raise equity, the effect of the completion of the bought deal public offering of common shares on the Company's ability to pursue growth initiatives, 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 interest 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 the new ERP system, the effects of tariffs and trade-war related measures, 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: the volatility of industry 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, workforce availability, market price of common shares, safety performance, expansion into new activities, government regulation, failure to realize anticipated benefits of acquisitions and dispositions, inflationary price pressure, environmental liability, environmental regulation of the Company's customers, environmental disasters, Indigenous relationships, dilution, disease outbreaks, variations in foreign exchange rates and interest rates, foreign operations, dependence on operating permits, maturity of credit facility, management of growth, seasonality in certain customer markets, litigation, potential replacement or reduced use of products and

services, income taxes, conflicts of interest, restrictive covenants and leverage, the effects of tariffs and trade-war related measures and forward-looking information may prove inaccurate. 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, 2024 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.

INVESTOR INFORMATION SERVICES

To subscribe to Black Diamond's investor news alerts please go to <https://www.blackdiamondgroup.com/investor-centre/news-alerts-subscription/>.

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EXECUTIVE SUMMARY

Key Highlights from the Second Quarter of 2025

- Consolidated rental revenue of \$38.6 million increased 9% from the Comparative Quarter. The Company's consolidated contracted future rental revenue at the end of the Quarter was \$152.6 million, up \$13.0 million or 9% from the end of the Comparative Quarter.
- Profit for the Quarter of \$9.2 million increased 23% from the Comparative Quarter. Basic earnings per share of \$0.15 increased 25% from the Comparative Quarter.
- Consolidated Adjusted EBITDA¹ of \$29.2 million was up 5% from the Comparative Quarter.
- Consolidated utilization for the Quarter was 76.7%, with Modular Space Solutions ("MSS") at 81.2% and Workforce Solutions ("WFS") at 63.4%, compared to 75.5%, 80.7% and 62.4%, respectively, in the Comparative Quarter.
- MSS generated record quarterly rental revenue of \$26.4 million, an increase of 19% from \$22.2 million in the Comparative Quarter, due to growth in average monthly rental rates and number of units on rent. Average monthly rental rate per unit of \$881 increased 8% from the Comparative Quarter.
- WFS revenue of \$46.7 million increased 6% from the Comparative Quarter. The increase was driven by higher lodge services and non-rental revenue that increased 32% and 11%, respectively.
- LodgeLink generated a strong second quarter with total room nights sold of 135,815, an increase of 5% from the Comparative Quarter, driving Gross Bookings¹ to \$25.7 million, an increase of 5% from \$24.4 million in the Comparative Quarter. Net revenue of \$3.3 million increased 14% from the Comparative Quarter with Net Revenue Margin¹ of 12.8%.
- Capital expenditures were \$32.5 million for the Quarter, down from \$53.5 million in the Comparative Quarter, which included \$20.5 million for the acquisition of a fleet of 329 space rental units in British Columbia. The majority of growth capital was allocated to contracted project specific fleet units.
- Net Debt¹ of \$232.0 million as at June 30, 2025 was up 4% from December 31, 2024. Net Debt to trailing twelve months ("TTM") Adjusted Leverage EBITDA¹ of 1.9x is below the target of 2.0x to 3.0x, while available liquidity was \$192.9 million at the end of the Quarter.
- Subsequent to the Quarter, on July 16, 2025, the Company completed a bought deal public offering of common shares for aggregate gross proceeds of \$42.4 million, including the exercise in full of the over-allotment option granted to underwriters of \$5.5 million.
- Subsequent to the Quarter, the Company declared a third quarter dividend of \$0.035 payable on or about October 15, 2025 to shareholders of record on September 30, 2025.

¹Adjusted EBITDA, Gross Bookings and Net Debt 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", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections of this MD&A for more information on each non-GAAP financial measure and ratio.

OUTLOOK

The Company's outlook for the balance of the year remains stable, with increasing opportunities anticipated as we look into 2026 and beyond. Performance of the core rental business is strong with consolidated future contracted rental revenue of \$152.6 million at the end of the Quarter, up 9% from the Comparative Quarter. Further, capital commitments of \$27.5 million at the end of the Quarter signify the breadth of opportunities across the platform to continue investing shareholder capital and compounding growth.

Carrying momentum from the first quarter, MSS generated record rental revenue of \$26.4 million, up 19% from the Comparative Quarter driven primarily by higher average monthly rental rates and increased assets on rent as a result of ongoing organic fleet investments. Continued normal course contract renewals are expected throughout the remainder of the year, resulting in moderate average monthly rental rate growth. Utilization of MSS remains steady as does the demand across key operating geographies and industry verticals, namely education and construction. Sales revenue increased 13% from the Comparative Quarter to \$14.9 million. Although this revenue stream has a degree of variability, it generally correlates with economic activity in the countries in which the Company operates.

Performance of the WFS segment is primarily driven by the core rental business, which is a representation of both rental revenue and lodge services revenue. Combined, these revenue streams grew to \$24.2 million, up by 9% from the Comparative Quarter with a robust increase of 32% in lodge services revenue offset by a modest decrease of 7% in rental revenue. Sales revenue of \$7.0 million was down 10% from the Comparative Quarter and is indicative of the intentional pivot from right-sizing the fleet over the past several years to maintaining units in favor of expected rental opportunities on the horizon. This approach and trend is likely to continue through the balance of 2025. Consolidated WFS revenue increased by 6% to \$46.7 million, showcasing a stabilization that is expected to continue through the second half of the year. Management then anticipates more meaningful growth in the mid-to-long-term correlating with major infrastructure opportunities in Canada from expedited nation building projects. This would be a catalyst for improved utilization and increased rental rates thereby leading to the prospective characteristics required for new capital investment in Canadian large format fleet assets.

LodgeLink produced a strong quarter with total room nights sold of 135,815, rising 5% from the Comparative Quarter. Gross Bookings² also increased 5% to \$25.7 million driving net revenue up 14% to \$3.3 million with a 90 basis point improvement in Net Revenue Margin² of 12.8%. The platform is already beginning to realize the positive effects of the ongoing technology transition and accelerated investment in product development that has further differentiated its value proposition within the large total addressable global workforce travel market. As the platform scales, with an expanding service offering, and the supplier and customer ecosystems compound, revenue growth is expected to accelerate from current levels. Subsequent to the Quarter, the Company closed a tuck-in acquisition of Spencer Group of Companies, a corporate travel management business headquartered in Australia, offering an opportunity for accelerated growth in the market.

Black Diamond is well positioned to fund continued organic and inorganic growth opportunities with available liquidity of \$192.9 million, and Net Debt to TTM Adjusted Leverage EBITDA² of 1.9x at the end of the Quarter, which is slightly below the Company's targeted range of 2.0x to 3.0x. Further, the recent successful completion of the bought deal public offering of common shares subsequent to the Quarter increases the previously stated liquidity by \$42.4 million, providing ample flexibility for the Company to take advantage of organic and inorganic growth opportunities.

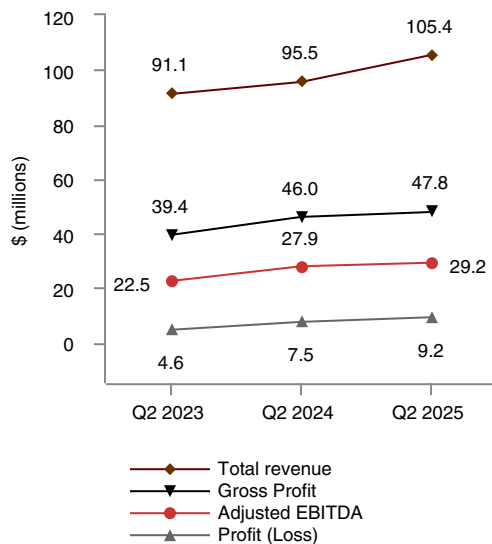
Management reaffirms that the Company's diversified rental platform can continue to compound shareholder returns despite potential macro-economic uncertainty from ever-changing trade and tariff policies. As Black Diamond operates locally within its geographic regions, and does not typically move assets across borders, management does not expect any first-order tariff and trade-war related measures to have a material effect on the Company. While there have been no material effects to date, the Company continues to monitor the effects of tariffs on the macro-economic environment as it relates to its customer base.

Overall, the Company remains focused on driving profitable growth through its stable, recurring, high-margin rental revenue streams across all three operating countries. The second half of 2025 is expected to be steady, underpinned by anticipated strong secular tailwinds, and supported by healthy future contracted rental revenue, a growing fleet of long-lived assets and the continued scaling of LodgeLink. On a forward-looking basis, management is optimistic about the sizable growth opportunities expected over the coming years.

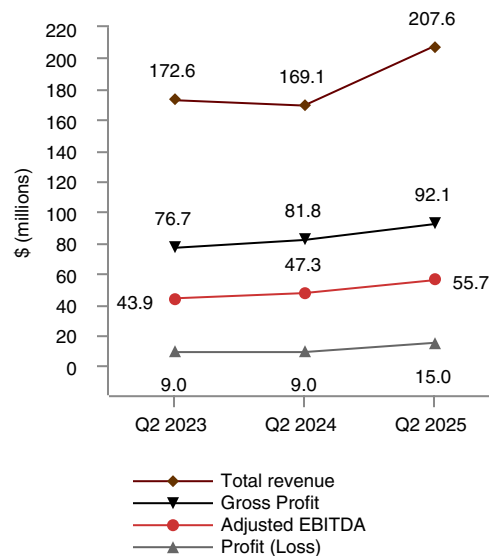
²Gross Bookings is a non-GAAP financial measure. Net Revenue Margin and Net Debt to TTM Adjusted Leverage EBITDA are non-GAAP ratios. Refer to the "Non-GAAP Financial Measures", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections of this MD&A for more information on each non-GAAP financial measure and ratio.

FINANCIAL REVIEW

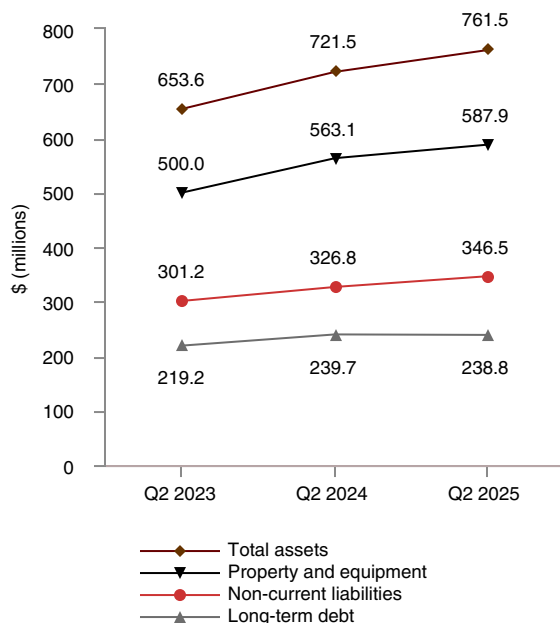
**Three Months Ended
June 30, Financial Highlights**



**Six Months Ended
June 30, Financial Highlights**



**As at June 30,
Financial Highlights**

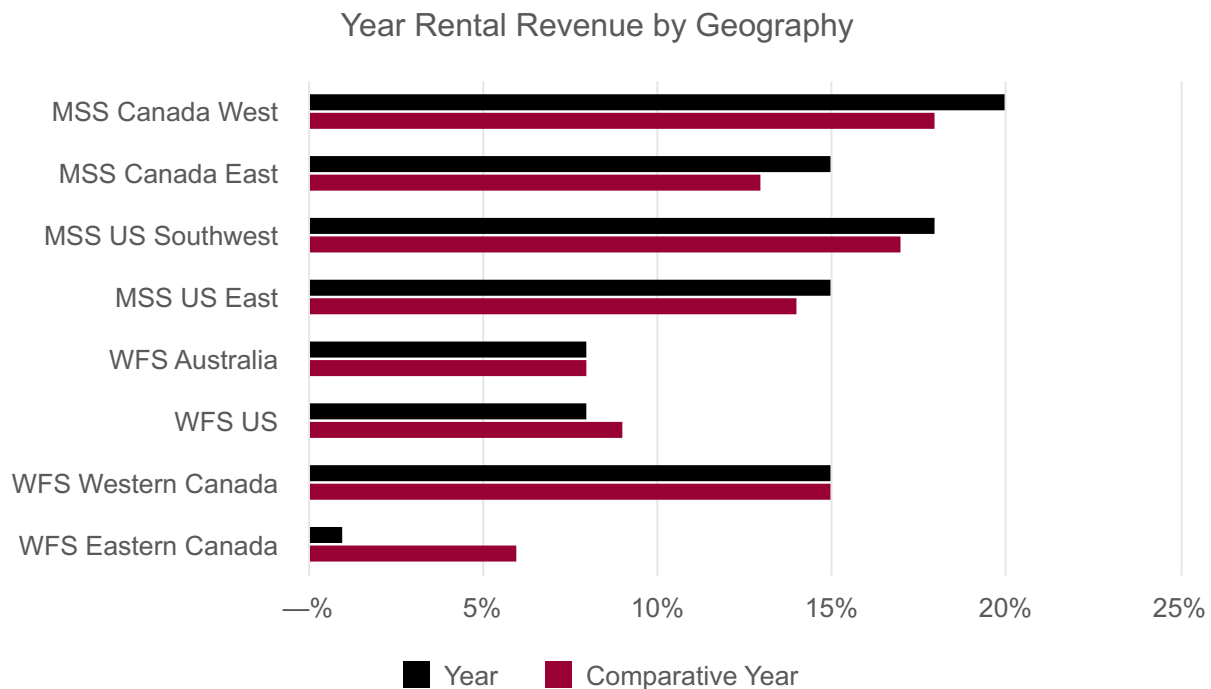
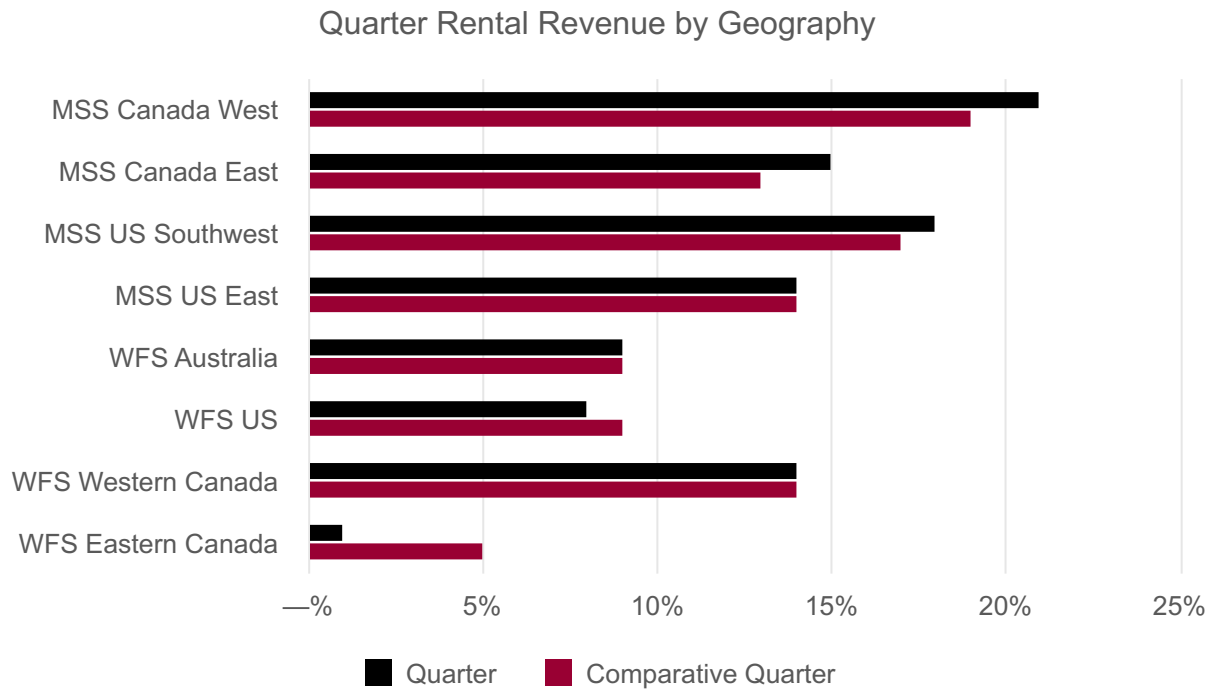


³Adjusted EBITDA is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections of this MD&A for more information on each non-GAAP financial measure and ratio.

Geographic Revenue Segmentation

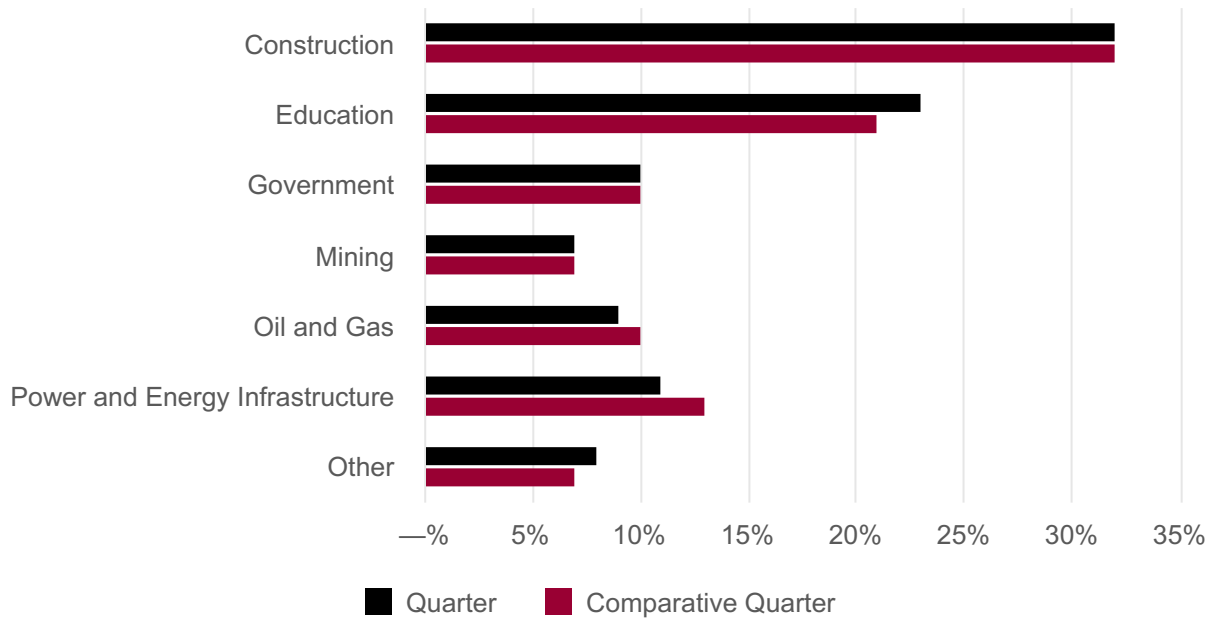
(\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Revenue						
Canada	55.0	50.2	10%	109.6	93.8	17%
United States	43.8	36.9	19%	79.7	60.2	32%
Australia	6.6	8.4	(21)%	18.3	15.1	21%
Total	105.4	95.5	10%	207.6	169.1	23%

Percentage of total revenue	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Revenue						
Canada	52.2%	52.6%	(40) bps	52.8%	55.5%	(270) bps
United States	41.5%	38.6%	290 bps	38.4%	35.6%	280 bps
Australia	6.3%	8.8%	(250) bps	8.8%	8.9%	(10) bps
Total	100.0%	100.0%	—	100.0%	100.0%	—

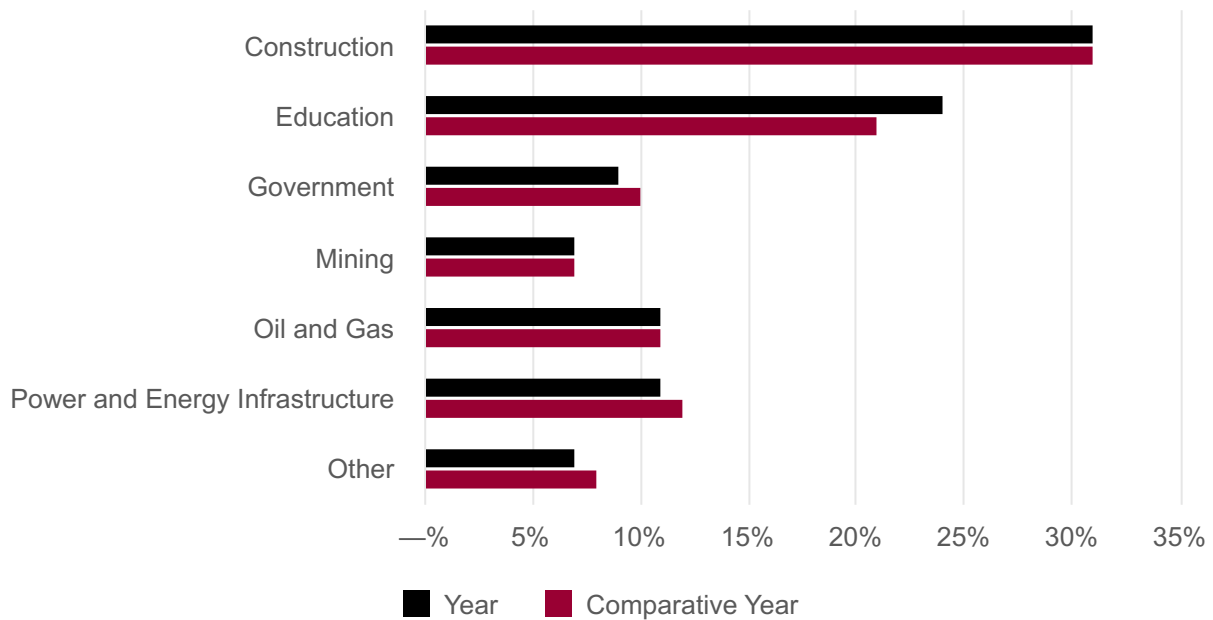


Rental revenue continues to balance more evenly across the operating regions, providing increasing geographic diversification. Certain projects in WFS Eastern Canada were completed in 2024 and are in the process of redeployment and mobilization to other projects.

Quarter Rental Revenue by Industry



Year Rental Revenue by Industry



Rental revenue saw an increase in the education industry segment due to an increase in new projects and to the classroom fleet in 2024.

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 financial 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,		
	2025	2024	Change	2025	2024	Change
(\$ millions, except as noted)	\$	\$	%	\$	\$	%
Total capital expenditures	32.5	53.5	(39)%	49.8	70.8	(30)%
Used fleet sales revenue	5.6	8.8	(36)%	9.2	13.1	(30)%
Net Capital Expenditures	26.9	44.7	(40)%	40.6	57.7	(30)%
Maintenance capital	2.2	3.4	(35)%	3.9	6.1	(36)%
Capital commitments	27.5	32.3	(15)%	27.5	32.3	(15)%

The Company's total capital expenditures for the Quarter decreased by \$21.0 million, or 39% compared to the Comparative Quarter primarily due to the asset acquisition of \$20.5 million of space rental units that took place in the Comparative 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, 2025 and 2024.

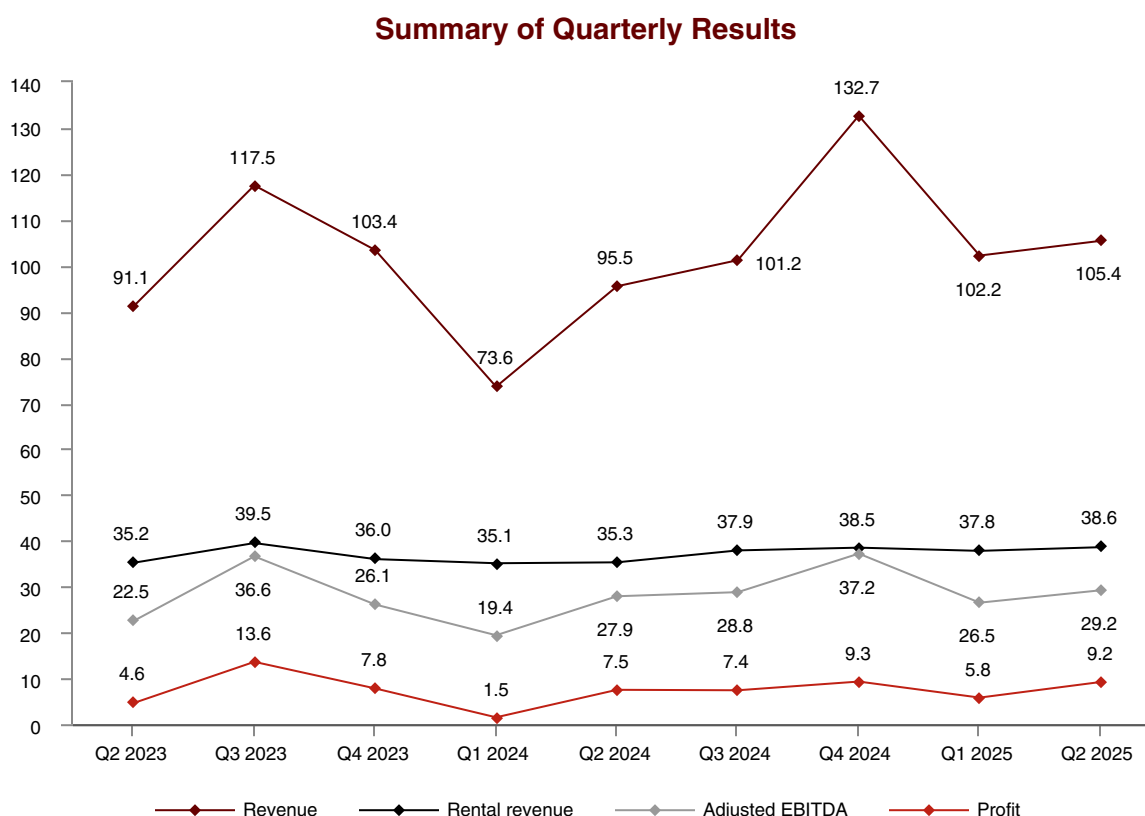
(\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Financial Highlights	\$	\$	%	\$	\$	%
Total revenue	105.4	95.5	10%	207.6	169.1	23%
Gross profit	47.8	46.0	4%	92.1	81.8	13%
Administrative expenses	20.4	19.9	3%	39.8	36.8	8%
Adjusted EBITDA ⁽⁴⁾	29.2	27.9	5%	55.7	47.3	18%
Adjusted EBIT ⁽⁴⁾	17.2	16.8	2%	31.3	25.5	23%
Funds from Operations ⁽⁴⁾	29.8	29.9	—%	56.3	49.3	14%
Per share (\$)	0.49	0.49	—%	0.92	0.81	14%
Profit before income taxes	12.6	10.0	26%	20.1	12.3	63%
Profit	9.2	7.5	23%	15.0	9.0	67%
Earnings per share - Basic (\$)	0.15	0.12	25%	0.25	0.15	67%
Earnings per share - Diluted (\$)	0.15	0.12	25%	0.24	0.14	71%
Capital expenditures	32.5	53.5	(39)%	49.8	70.8	(30)%
Property and equipment	587.9	563.1	4%	587.9	563.1	4%
Total assets	761.5	721.5	6%	761.5	721.5	6%
Long-term debt	238.8	239.7	—%	238.8	239.7	—%
Cash and cash equivalents	8.6	14.1	(39)%	8.6	14.1	(39)%
Return on Assets (%) ⁽⁴⁾	19.0%	19.9%	(90) bps	18.2%	17.1%	110 bps
Free Cashflow ⁽⁴⁾	19.5	18.3	7%	36.3	27.7	31%

Margin Summary	Three months ended June 30,			Six months ended June 30,		
(Percent of revenue)	2025	2024	Change	2025	2024	Change
Gross Profit Margin ⁽⁴⁾	45.4%	48.2%	(280) bps	44.4%	48.4%	(400) bps
Administrative expenses	19.4%	20.8%	(140) bps	19.2%	21.8%	(260) bps
Adjusted EBITDA ⁽⁴⁾	27.7%	29.2%	(150) bps	26.8%	28.0%	(120) bps

⁴Adjusted EBITDA, Adjusted EBIT, Funds from Operations and Free Cashflow are non-GAAP financial measures. Return on Assets and Gross Profit Margin are non-GAAP ratios. Refer to the "Non-GAAP Financial Measures", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections 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 2023, revenue, Adjusted EBITDA⁵ and profit increased compared to Q2 2023 due to increased rental, non-rental and sales revenue, partially offset by higher administrative expenses and finance costs.

In Q4 2023, revenue, Adjusted EBITDA⁵ and profit decreased compared to Q3 2023 due to a decrease in lodge services and rental revenue, as well as higher administrative expenses.

In Q1 2024, revenue, Adjusted EBITDA⁵ and profit decreased compared to Q4 2023 due to a decrease in sales, non-rental and lodge services revenue, as well as higher administrative expenses.

In Q2 2024, revenue, Adjusted EBITDA⁵ and profit increased compared to Q1 2024 due to an increase in sales, non-rental and lodge services revenue combined with a higher gross profit, offset by an increase in administrative expenses and deferred income taxes.

In Q3 2024, revenue and Adjusted EBITDA⁵ increased compared to Q2 2024 due to an increase in rental and non-rental revenue and lower administrative expenses. This was partially offset by higher depreciation and amortization and finance costs, resulting in a slight decline in profit for the quarter.

⁵Adjusted EBITDA is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections of this MD&A for more information on each non-GAAP financial measure.

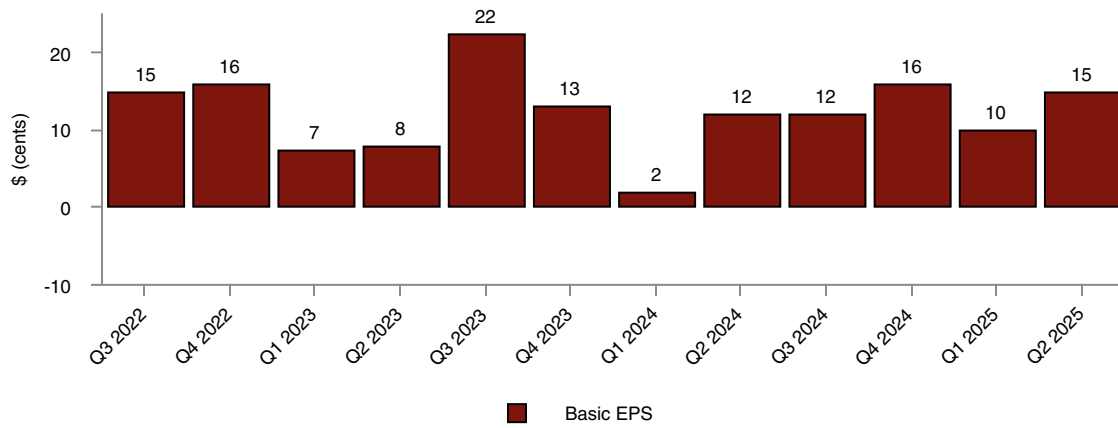
In Q4 2024, revenue, Adjusted EBITDA⁶ and profit increased compared to Q3 2024 due to an increase in sales, lodge services and rental revenue combined with a higher gross profit. This was offset by higher direct costs, depreciation and amortization and administrative expenses due to higher ERP implementation and related costs.

In Q1 2025, revenue, Adjusted EBITDA⁶ and profit decreased compared to Q4 2024 primarily due to a decrease in sales revenue. This was partially offset by an increase in lodge services revenue, and lower direct costs and depreciation and amortization due to a write-off of assets in Q4 2024.

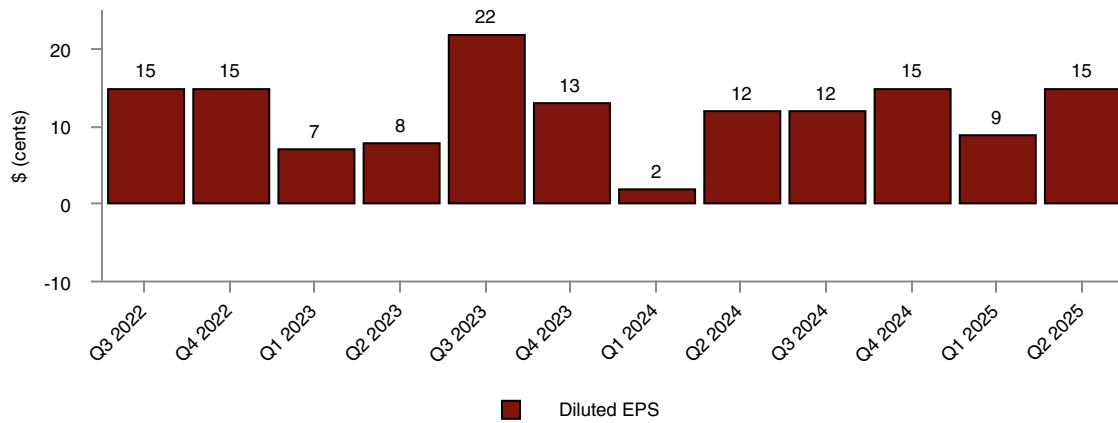
In the Quarter, revenue, Adjusted EBITDA⁶ and profit increased compared to Q1 2025 primarily due to an increase in non-rental and rental revenue combined with a higher gross profit. This was partially offset by an increase in administrative expenses. Profit also increased from Q1 2025 due to the net impact of wildfires in Northern British Columbia which resulted in the derecognition of a portion of asset retirement obligations, the write-off of destroyed assets, and the recognition of the initial insurance proceeds.

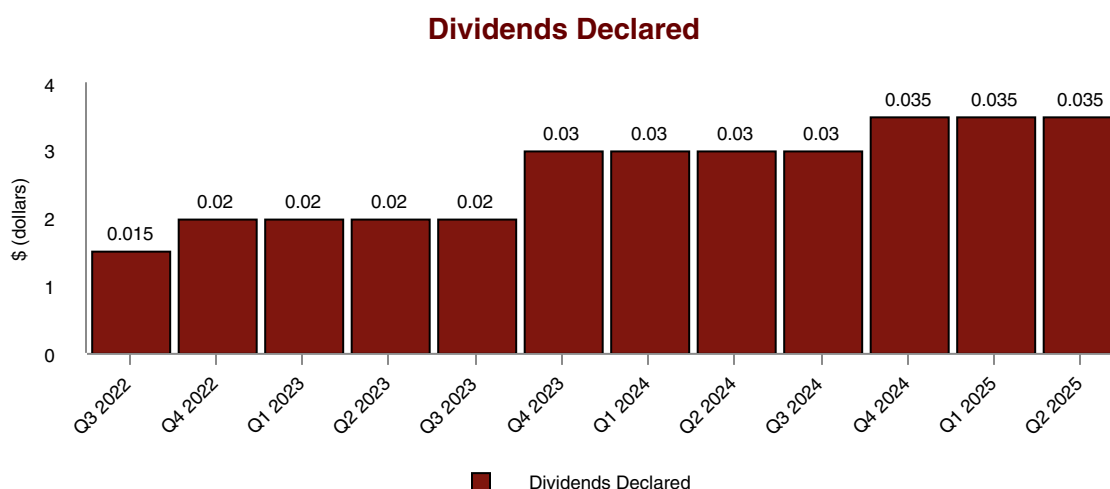
⁶Adjusted EBITDA is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections of this MD&A for more information on each non-GAAP financial measure.

Basic Earnings Per Share



Diluted Earnings Per Share





In Q3 2022, the Company declared and subsequently paid quarterly dividends on its common shares in the amount of \$0.015 per share.

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 each of the first, second and third quarters of 2023, the Company declared and subsequently 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 each of the first, second and third quarters of 2024, the Company declared and subsequently paid quarterly dividends on its common shares in the amount of \$0.03 per share.

In Q4 2024, the Company increased its annual dividend per share payout by 17% from \$0.12 to \$0.14 and declared and subsequently paid a fourth quarter dividend on its common shares in the amount of \$0.035 per share.

In Q1 2025, the Company declared and subsequently paid a dividend on its common shares in the amount of \$0.035 per share.

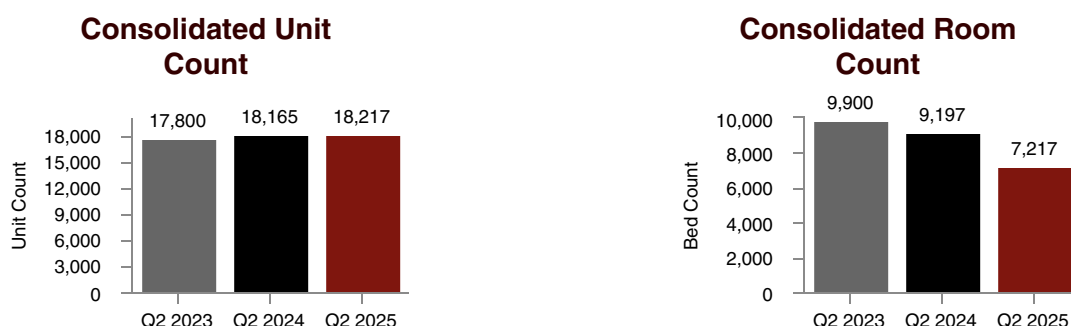
In the Quarter, the Company declared a second quarter dividend of \$0.035 which was subsequently paid on July 15, 2025 to shareholders of record on June 30, 2025.

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 18,217 units at the end of the Quarter compared with 18,165 at the end of the Comparative Quarter due to an increase of 386 units in MSS as a result of the addition of 803 new units, partially offset by the disposal of 417 units. Additionally, there was a decrease of 334 units in WFS which includes used fleet sales and a write-off of 306 fleet units, of which 127 units were written off as a result of a wildfire in the Quarter. 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 7,217 rooms in the Quarter compared with 9,197 rooms in the Comparative Quarter due to asset write-offs and used fleet sales in WFS.



Fleet Utilization Rates

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Modular Space Solutions	81.2%	80.7%	50 bps	81.0%	81.0%	— bps
Workforce Solutions	63.4%	62.4%	100 bps	62.5%	62.9%	(40) bps
Consolidated	76.7%	75.5%	120 bps	76.3%	75.8%	50 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.

Q2 2025 vs Q2 2024

Utilization for MSS was 81.2%, up 50 basis points from the Comparative Quarter and remains healthy relative to long term industry trends. Utilization for WFS was 63.4%, up 100 basis points from the Comparative Quarter due to higher lodging services utilization, partially offset by lower rental utilization in all regions. Rental utilization in WFS was impacted due to certain assets redeploying and ongoing mobilization and installation of assets in Canada.

Year to Date 2025 vs 2024

Utilization for MSS was 81.0%, flat compared to the Prior Year. Utilization for WFS was 62.5%, down 40 basis points from the Prior Year due to lower consolidated utilization in all regions.

Revenue

Black Diamond's revenue is broken out into four categories: rental, sales, non-rental and lodge services.

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

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

Non-Rental Revenue is 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 Revenue is generated from the 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.

(\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Rental revenue	38.6	35.3	9%	76.4	70.4	9%
Sales revenue	21.9	21.0	4%	43.6	31.5	38%
Non-rental revenue	32.9	30.1	9%	63.5	51.1	24%
Lodge services revenue	12.0	9.1	32%	24.1	16.1	50%
Total revenue	105.4	95.5	10%	207.6	169.1	23%

Percentage of consolidated revenue	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Rental revenue	36.6%	37.0%	(40) bps	36.8%	41.7%	(490) bps
Sales revenue	20.8%	22.0%	(120) bps	21.0%	18.6%	240 bps
Non-rental revenue	31.2%	31.5%	(30) bps	30.6%	30.2%	40 bps
Lodge services revenue	11.4%	9.5%	190 bps	11.6%	9.5%	210 bps

Q2 2025 vs Q2 2024

Rental revenue for the Quarter was \$38.6 million, up 9% or \$3.3 million from the Comparative Quarter, primarily driven by a \$4.2 million increase in MSS rental revenue due to improved average rental rates in all regions and an increase in the number of units for rent in all regions as a result of organic growth capital expenditures. This was partially offset by a \$0.9 million decrease in WFS rental revenue due to lower utilization in all regions.

Sales revenue for the Quarter was \$21.9 million, up 4% or \$0.9 million from the Comparative Quarter, driven by a \$1.7 million increase in MSS sales revenue due to an increase in used fleet and custom sales, partially offset by a \$0.8 million decrease in WFS sales revenue, primarily due to lower used fleet sales in all regions and custom sales in Australia.

Non-rental revenue for the Quarter was \$32.9 million, up 9% or \$2.8 million from the Comparative Quarter, driven by a \$1.5 million increase in WFS non-rental revenue primarily due to increases in installation activity of significant projects, sublease activity in Canada, and increased net revenue from LodgeLink. Additionally, there was a \$1.3 million increase in MSS non-rental revenue from higher installation revenue.

Lodge services revenue for the Quarter was \$12.0 million, up 32% or \$2.9 million from the Comparative Quarter due to increased occupancy and average rates.

Year to Date 2025 vs 2024

Rental revenue for the Year was \$76.4 million, up 9% or \$6.0 million from the Prior Year primarily due to an increase of \$8.2 million in MSS rental revenue with improved average rental rates and a larger fleet size, partially offset by a decrease of \$2.2 million in WFS rental revenue due to lower utilization in the U.S. and Australia.

Sales revenue for the Year was \$43.6 million, up 38% or \$12.1 million from the Prior Year primarily due to an increase of \$6.7 million in MSS sales revenue as a result of higher used fleet and custom sales in the U.S., and an increase of \$5.4 million in WFS sales revenue as a result of higher custom sales in all regions.

Non-rental revenue for the Year was \$63.5 million, up 24% or \$12.4 million from the Prior Year primarily due to an increase of \$7.8 million in WFS non-rental revenue as a result of higher installation activity in Canada, sublease activity in Canada and Australia, and higher transportation activity in all regions. Additionally, there was an increase of \$4.6 million in MSS non-rental revenue from higher installation revenue.

Lodge services revenue for the Year was \$24.1 million, up 50% or \$8.0 million from the Prior Year due to increased occupancy, average rates, and contribution from amounts related to contracted occupancy levels that had not been met by a customer in prior periods.

Direct Costs and Gross Profit

(\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Direct costs	57.6	49.5	16%	115.5	87.3	32%
Gross profit	47.8	46.0	4%	92.1	81.8	13%

Percentage of consolidated revenue	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Direct costs	54.6%	51.8%	280 bps	55.6%	51.6%	400 bps
Gross Profit Margin ⁽⁷⁾	45.4%	48.2%	(280) bps	44.4%	48.4%	(400) bps

Gross Profit Margin⁷ 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.

⁷Gross Profit Margin is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections 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 revenue. Direct costs related to non-rental and sales revenue include the net book value of used fleet units sold, the cost of units sub-leased from others and the cost of third parties in delivering some of these services.

Direct Costs (\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
	\$	\$	%	\$	\$	%
Construction and transportation services	18.9	16.9	12%	36.7	29.0	27%
Custom sales	12.7	9.5	34%	27.9	14.5	92%
Catering, utilities and other consumable costs	6.6	5.0	32%	13.9	10.2	36%
Labour costs	5.8	5.6	4%	11.6	11.3	3%
Repairs and maintenance	5.7	4.2	36%	10.6	8.9	19%
Subleased equipment	2.8	2.6	8%	5.9	4.8	23%
Used fleet sales	3.3	4.1	(20)%	5.3	5.9	(10)%
Other direct costs	1.3	1.1	18%	2.5	1.8	39%
Fleet insurance	0.3	0.2	50%	0.7	0.4	75%
Rent expense - subleased properties	0.2	0.3	(33)%	0.4	0.5	(20)%
Total direct costs	57.6	49.5	16%	115.5	87.3	32%

Q2 2025 vs Q2 2024

Direct costs for the Quarter were \$57.6 million, up 16% or \$8.1 million from the Comparative Quarter primarily due to increases in custom sales, construction and transportation services, catering, utilities and other consumable costs, and used fleet sales, which is in line with the changes in the related revenue streams.

Gross profit for the Quarter was \$47.8 million, up 4% or \$1.8 million from the Comparative Quarter primarily due to an increase in all revenue streams, partially offset by a decline in margins for sales, rental and non-rental revenue due to a change in revenue mix.

Year to Date 2025 vs 2024

Direct costs for the Year were \$115.5 million, up 32% or \$28.2 million from the Prior Year primarily due to increases in custom sales, construction and transportation services, and catering, utilities and other consumable costs, which is in line with the changes in the related revenue streams.

Gross profit for the Year was \$92.1 million, up 13% or \$10.3 million from the Prior Year primarily due to increases in all revenue streams, partially offset by a decline in margins for sales and rental revenue due to a change in revenue mix.

Administrative Expenses

(\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Personnel costs	12.7	12.9	(2)%	25.3	25.4	—%
General administrative expenses	5.0	4.0	25%	8.9	6.8	31%
Occupancy and insurance	0.9	1.2	(25)%	2.2	2.3	(4)%
ERP implementation and related costs	1.8	1.8	—%	3.4	2.3	48%
Total administrative expenses	20.4	19.9	3%	39.8	36.8	8%
<i>% of consolidated revenue</i>	19.4%	20.8%	(140) bps	19.2%	21.8%	(260) bps

General administrative expenses include costs related to professional fees, information technology, advertising and promotions, travel and accommodations, and office administration and communication.

The ERP implementation and related costs are in relation to the ERP upgrade project, which is expected to improve operational efficiency and enable the Company's long-term growth objectives. This project continues to progress on time and within budget, with \$4.6 million invested and approximately \$7.3 million remaining to expend prior to the scheduled go-live for this phase of the project in the first half of 2026.

Q2 2025 vs Q2 2024

Total administrative expenses for the Quarter were \$20.4 million, up 3% or \$0.5 million from the Comparative Quarter. The total administrative expenses for the Quarter have increased in line with the increase in gross profit for the Quarter.

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

- Personnel costs for the Quarter were \$12.7 million, relatively consistent with the Comparative Quarter.
- General administrative expenses for the Quarter were \$5.0 million, up 25% or \$1.0 million from the Comparative Quarter primarily due to an increase in travel and accommodations, professional fees, advertising and promotions and events.
- Occupancy and insurance costs for the Quarter were \$0.9 million, down 25% or \$0.3 million from the Comparative Quarter.
- ERP implementation and related costs for the Quarter were \$1.8 million, consistent with the Comparative Quarter.

Year to Date 2025 vs 2024

Total administrative expenses for the Year were \$39.8 million, up 8% or \$3.0 million from the Prior Year. The total administrative expenses for the Year have increased at a slightly lower rate than the increase in gross profit for the Year.

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

- Personnel costs for the Year were \$25.3 million, relatively consistent with the Prior Year.
- General administrative expenses for the Year were \$8.9 million, up 31% or \$2.1 million from the Prior Year primarily due to increases in professional fees, travel and accommodations, advertising and promotions, and information technology expenses.
- Occupancy and insurance costs for the Year were \$2.2 million, down 4% or \$0.1 million from the Prior Year.
- ERP implementation and related costs for the Year were \$3.4 million, up 48% from the Prior Year primarily due to the commencement of the second phase of the implementation of the ERP upgrade on October 1, 2024, which resulted in increased development costs from the initial implementation in the Comparative Quarter.

Adjusted EBITDA

(\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Adjusted EBITDA ⁽⁸⁾	29.2	27.9	5%	55.7	47.3	18%
Adjusted EBITDA as a % of Revenue ⁽⁸⁾	27.7%	29.2%	(150) bps	26.8%	28.0%	(120) bps

Adjusted EBITDA as a % of Revenue⁸ 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 Revenue⁸.

Q2 2025 vs Q2 2024

Adjusted EBITDA⁸ for the Quarter was \$29.2 million, up 5% or \$1.3 million from the Comparative Quarter primarily due to increases in all revenue streams, partially offset by increased direct costs and administrative expenses. Adjusted EBITDA⁸ excludes \$1.8 million of non-recurring items related to ongoing ERP implementation and related costs. Adjusted EBITDA as a % of Revenue⁸ decreased 150 basis points to 27.7% primarily as a result of lower margins on sales revenue.

Year to Date 2025 vs 2024

Adjusted EBITDA⁸ for the Year was \$55.7 million, up 18% or \$8.4 million from the Prior Year primarily due to increases in all revenue streams, partially offset by increased direct costs and administrative expenses. Adjusted EBITDA⁸ excludes \$3.4 million of ongoing ERP implementation and related costs for the Year. Adjusted EBITDA as a % of Revenue⁸ decreased 120 basis points primarily as a result of lower margins on sales revenue, partially offset by higher margins on lodge services revenue.

Depreciation and Amortization

(\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Depreciation and amortization	12.0	11.1	8%	24.4	21.8	12%

Q2 2025 vs Q2 2024

Depreciation and amortization for the Quarter was \$12.0 million, up 8% or \$0.9 million from the Comparative Quarter primarily due to fleet growth.

Year to Date 2025 vs 2024

Depreciation and amortization for the Year was \$24.4 million, up 12% or \$2.6 million from the Prior Year primarily due to fleet growth and an increase in right-of-use assets.

⁸Adjusted 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", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections 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,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Finance costs	3.6	3.4	6%	7.4	7.2	3%
Long-term debt	238.8	239.7	—%	238.8	239.7	—%
Average interest rate ⁽¹⁾	4.64%	6.27%	(163) bps	4.71%	6.27%	(156) bps

(1) Average interest rate does not include lease interest.

Q2 2025 vs Q2 2024

Finance costs for the Quarter were \$3.6 million, up 6% or \$0.2 million from the Comparative Quarter primarily due to the disposal of an asset retirement obligation through accretion expense in the Comparative Quarter, partially offset by lower average interest rates in the Quarter.

Year to Date 2025 vs 2024

Finance costs for the Year were \$7.4 million, up 3% or \$0.2 million from the Prior Year primarily due to the disposal of an asset retirement obligation through accretion expense in the Prior Year, partially offset by lower average interest rates during the Year.

Income Tax

(\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Current tax expense	0.5	—	100%	0.9	0.2	350%
Deferred tax expense	2.6	2.1	24%	3.5	2.5	40%
Total tax expense	3.1	2.1	48%	4.4	2.7	63%

Q2 2025 vs Q2 2024

For the Quarter, Black Diamond recognized an income tax expense of \$3.1 million, an increase of \$1.0 million from the Comparative Quarter which is reflective of the higher earnings in the Quarter. This was partially offset by a decrease in the annual effective tax rate in the U.S. from the Comparative Quarter.

Year to Date 2025 vs 2024

For the Year, Black Diamond recognized income tax expense of \$4.4 million, an increase of \$1.7 million from the Prior Year which is reflective of the higher earnings in the Year. This was partially offset by a decrease in the annual effective tax rate in Canada and the U.S. from the Prior Year.

Non-Controlling Interests

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.

(\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Non-controlling interests	0.3	0.4	(25)%	0.7	0.7	—%

Q2 2025 vs Q2 2024

The NCI for the Quarter was \$0.3 million, down 25% or \$0.1 million primarily due to a decrease in profit earned through the limited partnerships.

Year to Date 2025 vs 2024

The NCI for the Year was \$0.7 million, consistent with the Prior Year.

Profit

(\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Profit	9.2	7.5	23%	15.0	9.0	67%

Q2 2025 vs Q2 2024

Profit for the Quarter was \$9.2 million, an improvement of 23% or \$1.7 million from the Comparative Quarter primarily due to an increase in gross profit and the net impact of wildfires in Northern British Columbia which resulted in the derecognition of a portion of asset retirement obligations, the write-off of destroyed assets and the recognition of the initial insurance proceeds. This was partially offset by increases in income taxes, depreciation and amortization, and administrative expenses.

Year to Date 2025 vs 2024

Profit for the Year was \$15.0 million, an improvement of 67% or \$6.0 million from the Prior Year primarily due to an increase in gross profit and the net impact of wildfires in Northern British Columbia which resulted in the derecognition of a portion of asset retirement obligations, the write-off of destroyed assets and the recognition of the initial insurance proceeds. This was partially offset by increases in administrative expenses, depreciation and amortization, and income taxes.

SEGMENTED REVIEW OF FINANCIAL PERFORMANCE

The Company's senior management evaluates segment performance based on a variety of financial measures including Return on Assets⁹, revenue, profit, operating expenses and Adjusted EBITDA⁹.

The following is a summary of the Company's segmented results for the three and six months ended June 30, 2025 and 2024, detailing revenue and Adjusted EBITDA⁹ by each of the Company's business units.

Segmented Revenue

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

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
(\$ millions, except where noted)	\$	\$	%	\$	\$	%
Revenue						
Modular Space Solutions	58.7	51.5	14%	108.0	88.5	22%
Workforce Solutions	46.7	44.0	6%	99.6	80.6	24%
Total revenue	105.4	95.5	10%	207.6	169.1	23%

Segmented Adjusted EBITDA

Adjusted EBITDA⁹ presented by segment in the tables below exclude inter-segment Adjusted EBITDA⁹.

	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
(\$ millions, except where noted)	\$	\$	%	\$	\$	%
Adjusted EBITDA⁽⁹⁾						
Modular Space Solutions	20.2	17.1	18%	39.7	31.6	26%
Workforce Solutions	15.1	17.3	(13)%	27.9	28.2	(1)%
Corporate and Other	(6.1)	(6.5)	6%	(11.9)	(12.5)	5%
Total Adjusted EBITDA⁽⁹⁾	29.2	27.9	5%	55.7	47.3	18%

⁹Adjusted EBITDA is a non-GAAP financial measure. Return on Assets is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections of this MD&A for more information on each non-GAAP financial measure and ratio.

MODULAR SPACE SOLUTIONS

MSS has a network of branches in key geographic areas across North America where it provides 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. MSS provides delivery, installation and dismantlement of these modules as support to the primary rental or sales of equipment.

MSS provides ancillary products and services that are complementary to the modular buildings and provides 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.

MSS 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 the locations and customers that MSS contracts 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 revenue are lower than margins for rental revenue due to the direct costs associated with non-rental revenue and building costs associated with sales 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 Revenue¹⁰ between periods.

Revenue by Stream (\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Rental revenue	26.4	22.2	19%	51.9	43.7	19%
Sales revenue	14.9	13.2	13%	26.4	19.7	34%
Non-rental revenue	17.4	16.1	8%	29.7	25.1	18%
Total revenue	58.7	51.5	14%	108.0	88.5	22%
Adjusted EBITDA ⁽¹⁰⁾	20.2	17.1	18%	39.7	31.6	26%
Adjusted EBITDA as a % of Revenue ⁽¹⁰⁾	34.4%	33.2%	120 bps	36.8%	35.7%	110 bps
Return on Assets ⁽¹⁰⁾	18.0%	17.4%	60 bps	17.8%	16.4%	140 bps

¹⁰Adjusted 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", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections of this MD&A for more information on each non-GAAP financial measure and ratio.

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 financial 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.

Value Added Products & Services (\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Rental revenue	26.4	22.2	19%	51.9	43.7	19%
Less:						
VAPS revenue within rental revenue	1.6	1.3	23%	3.0	2.5	20%
Rental revenue excluding VAPS revenue	24.8	20.9	19%	48.9	41.2	19%
VAPS revenue	2.3	2.0	15%	4.3	3.7	16%
VAPS as a % of Rental Revenue ⁽¹¹⁾	9.3%	9.6%	(30) bps	8.8%	9.0%	(20) bps

Revenue by Geography (\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Canada	22.4	19.5	15%	41.5	37.5	11%
United States	36.3	32.0	13%	66.5	51.0	30%
Total revenue	58.7	51.5	14%	108.0	88.5	22%

Q2 2025 vs Q2 2024

MSS total revenue for the Quarter was \$58.7 million, up 14% or \$7.2 million from the Comparative Quarter.

- **Rental revenue** during the Quarter was \$26.4 million, up 19% or \$4.2 million from the Comparative Quarter due to improved average rental rates in all regions and an increase in the number of units for rent in all regions due to organic growth capital expenditures.
- **Sales revenue** during the Quarter was \$14.9 million, up 13% or \$1.7 million from the Comparative Quarter due to an increase in custom and used fleet sales. These sales can be variable from quarter to quarter depending on the number and timing of projects reaching completion in a given period.
- **Non-rental revenue** during the Quarter was \$17.4 million, up 8% or \$1.3 million from the Comparative Quarter primarily due to higher installation revenue.

VAPS revenue within rental revenue during the Quarter was \$1.6 million, up 23% from the Comparative Quarter as additional units went on rent.

Adjusted EBITDA¹¹ for the Quarter was \$20.2 million, up 18% or \$3.1 million from the Comparative Quarter due to increased total revenue and rental gross margin.

¹¹Adjusted EBITDA is a non-GAAP financial measure. VAPS as a % of Rental Revenue is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections of this MD&A for more information on each non-GAAP financial measure and ratio.

Adjusted EBITDA as a % of Revenue¹² increased 120 basis points to 34.4% as compared to the Comparative Quarter. This increase was driven by higher rental revenue and margins on rental and non-rental revenue, partially offset by increased sales and non-rental revenue, which typically has a lower margin percentage.

Return on Assets¹² for the Quarter was 18.0%, an increase of 60 basis points from the Comparative Quarter primarily due to increased contribution margin from rental, sales and non-rental revenue.

Year to Date 2025 vs 2024

MSS total revenue for the Year was \$108.0 million, up 22% or \$19.5 million from the Prior Year.

- **Rental revenue** for the Year was \$51.9 million, up 19% or \$8.2 million from the Prior Year due to improved average rental rates as well as an increase in the size of the fleet.
- **Sales revenue** for the Year was \$26.4 million, up 34% or \$6.7 million from the Prior Year primarily due to an increase in custom and used fleet sales in the U.S., partially offset by a decrease in custom and used fleet sales in Canada.
- **Non-rental revenue** for the Year was \$29.7 million, up 18% or \$4.6 million from the Prior Year primarily due to an increase in installation revenue.

VAPS revenue within rental revenue for the Year was \$3.0 million, up 20% from the Prior Year.

Adjusted EBITDA¹² for the Year was \$39.7 million, which increased 26% or \$8.1 million from the Prior Year. This change was due to increased total revenue and margins.

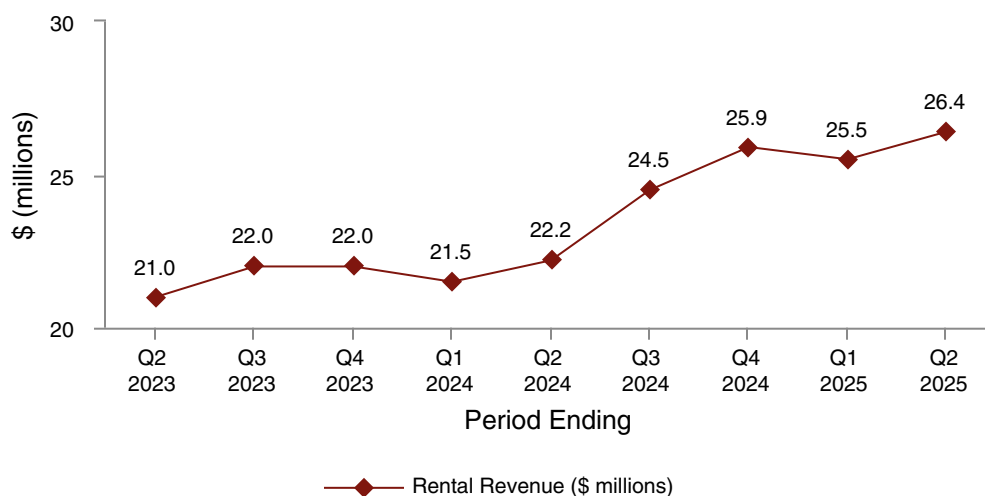
Adjusted EBITDA as a % of Revenue¹² increased 110 basis points to 36.8% as compared to the Prior Year. This increase was driven by higher rental revenue, margins on rental and non-rental revenue, partially offset by increased sales and non-rental revenue, which typically has a lower margin percentage.

Return on Assets¹² for the Year was 17.8%, an increase of 140 basis points from the Prior Year, due to increased Adjusted EBITDA¹².

¹²Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA as a % of Revenue, Return on Assets and VAPS as a % of Rental Revenue are non-GAAP ratios. Refer to the "Non-GAAP Financial Measures", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections of this MD&A for more information on each non-GAAP financial measure and ratio.

Rental Revenue

Rental revenue continued to show positive quarter over comparative quarter growth. This is a continuation of the growth trend from quarter to comparative quarter that MSS has seen over the last two plus years. Rental revenue grew at a 12.1% compound annual growth rate from Q2 2023 to Q2 2025.



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 51.1 months as at June 30, 2025, a decrease of 7.6 months from 58.7 months as at June 30, 2024. The primary driver of the decrease was the addition of space rental units that were acquired as part of an asset purchase on June 28, 2024, which does not include the rental terms prior to the purchase.

Contracted Future Rental Revenue

Contracted future rental revenue for assets on rent 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. Assets on rent is comprised of only assets that are on rent as at the reporting date.

Contracted future rental revenue for assets on rent as at June 30, 2025 was \$120.2 million, an increase of \$12.5 million or 12% from \$107.7 million as at June 30, 2024. This increase is mainly driven by growth in the average rental rates and the addition of assets. Contracted future rental revenue does not include rental contracts with a month-to-month term.

Space Rental Assets and Average Utilization

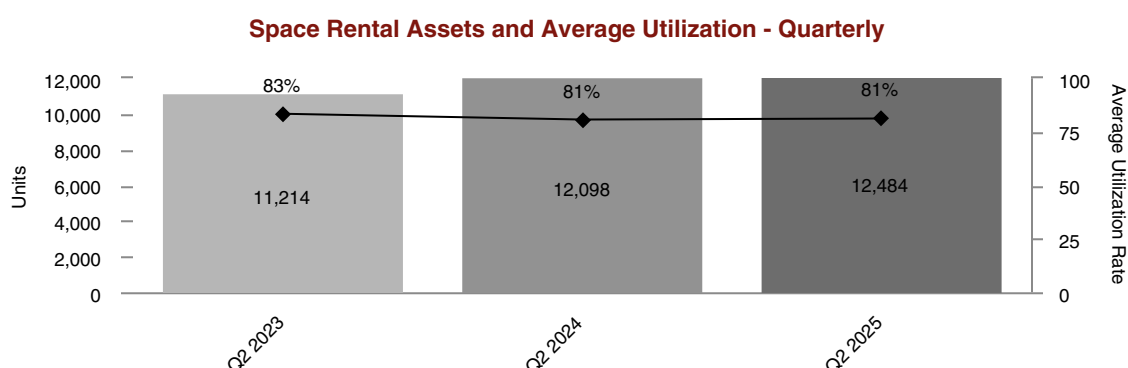
The MSS fleet consisted of 12,484 units as at June 30, 2025, which increased from 12,098 units as at June 30, 2024. This was due to the addition of 803 new units, partially offset by dispositions of 417 units, primarily driven by fleet management and customer demand for used fleet sales.

MSS Consolidated

MSS assets, utilization, and rates	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Property and equipment net book value (\$ millions) ⁽¹⁾	429.3	400.7	7%	429.3	400.7	7%
Modular space assets	12,484	12,098	3%	12,484	12,098	3%
Average utilization ⁽²⁾	81.2%	80.7%	50 bps	81.0%	81.0%	— bps
Average monthly rental rate per unit	\$881	\$819	8%	\$886	\$810	9%

(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 2025 vs Q2 2024

Utilization for the Quarter was 81.2%, up 50 basis points when compared to the Comparative Quarter. Utilization remains at healthy consolidated levels across the platform relative to long term industry trends. Asset additions were focused selectively on highly utilized unit types in specific geographic markets that are typically pre-contracted on long term contracts.

The average monthly rental rate per unit has increased as compared to the Comparative Quarter by 8% due to higher rates across all regions as assets on expiring long term contracts continue to renew at the higher rates. On a constant currency basis, the average monthly rental rate per unit has also increased by 6% as compared to the Comparative Quarter.

Year to Date 2025 vs 2024

Utilization for the Year was 81.0%, flat when compared to the Prior Year, however, utilization remains at healthy consolidated levels across the platform relative to long term industry trends. Asset additions were focused selectively on highly utilized unit types in specific geographic markets that are typically pre-contracted on long term contracts.

The average monthly rental rate per unit has increased as compared to the Prior Year by 9% due to higher rates across all regions as assets on expiring long term contracts continue to renew at the higher rates. On a constant currency basis, the average monthly rental rate per unit also increased by 7% as compared to 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, dismantlement, the sale of used fleet assets, sublease of third-party equipment and various forms of hospitality services.

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 EBITDA¹³, Adjusted EBITDA as a % of Revenue¹³ and Return on Assets¹³ are key financial measures used by management 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,		
	2025	2024	Change	2025	2024	Change
Rental revenue	12.2	13.1	(7)%	24.5	26.7	(8)%
Sales revenue	7.0	7.8	(10)%	17.2	11.8	46%
Non-rental revenue	15.5	14.0	11%	33.8	26.0	30%
Lodge services revenue	12.0	9.1	32%	24.1	16.1	50%
Total revenue	46.7	44.0	6%	99.6	80.6	24%

¹³Adjusted 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", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections of this MD&A for more information on each non-GAAP financial measure and ratio.

Revenue by Geography (\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Canada	32.6	30.7	6%	68.1	56.3	21%
United States	7.5	4.9	53%	13.2	9.2	43%
Australia	6.6	8.4	(21)%	18.3	15.1	21%
Total revenue	46.7	44.0	6%	99.6	80.6	24%

Adjusted EBITDA and Return on Assets (\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Adjusted EBITDA ¹⁴	15.1	17.3	(13)%	27.9	28.2	(1)%
Adjusted EBITDA as a % of Revenue ¹⁴	32.3%	39.3%	(700) bps	28.0%	35.0%	(700) bps
Return on Assets ¹⁴	42.2%	46.0%	(380) bps	39.1%	37.5%	160 bps

Q2 2025 vs Q2 2024

Adjusted EBITDA¹⁴ for the Quarter was \$15.1 million, down 13% or \$2.2 million from the Comparative Quarter primarily due to lower sales and rental margins. Sales margins can fluctuate depending on the sales mix of fleet sold and lower rental margins were due to the timing of completion of some major projects and the redeployment of assets. Additionally, higher administrative expenses resulted in a decrease in Adjusted EBITDA¹⁴ due to the ongoing investment in LodgeLink. These decreases were slightly offset by an increase in lodging services revenue for the Quarter.

Year to Date 2025 vs 2024

Adjusted EBITDA¹⁴ for the Year was \$27.9 million, a slight decrease of 1% or \$0.3 million from the Prior Year, primarily due to lower contribution from rental and sales revenue, offset by higher lodging services and non-rental revenue.

Workforce Solutions Fleet

The following are key metrics used to measure and report on the 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.

¹⁴Adjusted 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", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections of this MD&A for more information on each non-GAAP financial measure and ratio.

Average Asset Utilization by Geography	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Canada	51.7%	49.9%	180 bps	52.7%	51.0%	170 bps
Rental Assets ⁽¹⁾	34.5%	35.0%	(50) bps	34.5%	37.0%	(250) bps
Lodge Services ⁽²⁾	17.2%	14.9%	230 bps	18.2%	14.1%	410 bps
United States	78.0%	79.7%	(170) bps	74.6%	80.8%	(620) bps
Australia	72.1%	76.2%	(410) bps	69.7%	74.6%	(490) bps
Consolidated WFS average asset utilization	63.4%	62.4%	100 bps	62.5%	62.9%	(40) 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.

Fleet Count (Units) by Geography	As at June 30,		
	2025	2024	Change
Canada	3,594	4,104	(12)%
United States	525	500	5%
Australia	1,614	1,463	10%
Total Fleet Count	5,733	6,067	(6)%

Consolidated Room Count by Geography	As at June 30,		
	2025	2024	Change
Canada	5,340	7,446	(28)%
United States	1,004	926	8%
Australia	873	825	6%
Total Room Count	7,217	9,197	(22)%

Net Book Value by Geography (\$ millions)	As at June 30,		
	2025	2024	Change
Canada	67.8	79.5	(15)%
United States	33.0	33.1	—%
Australia	41.0	33.8	21%
	141.8	146.4	(3)%

Rental

Q2 2025 vs Q2 2024

Rental revenue during the Quarter was \$12.2 million, down 7% or \$0.9 million from the Comparative Quarter. In Canada, rental revenue was impacted by certain assets redeploying within eastern Canada and ongoing mobilization and installation of assets onto new projects in western Canada. In the U.S., rental revenue was relatively flat compared to the Comparative Quarter. This is offset by higher rental revenue in Australia despite lower utilization compared to the Comparative Quarter as assets are redeployed in a higher rate environment.

Year to Date 2025 vs 2024

Rental revenue for the Year was \$24.5 million, down 8% or \$2.2 million from the Prior Year primarily due to lower utilization in the U.S. and Australia.

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, 2025, contracted future rental revenue from contracts in place was \$32.4 million, an increase of 2% or \$0.5 million 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 does not include rental contracts with a month-to-month term.

Sales

Q2 2025 vs Q2 2024

Sales revenue during the Quarter was \$7.0 million, down 10% or \$0.8 million from the Comparative Quarter due to lower used fleet sales in all regions and custom sales in Australia. This is slightly offset by higher custom sales in the U.S. and Canada. Sales volumes can be variable quarter to quarter and while management expects custom sales to be generally range bound on an annual basis, used fleet sales are expected to decline given the right-sizing of the rental fleet and anticipated demand for rental.

Year to Date 2025 vs 2024

Sales revenue during the Year was \$17.2 million, up 46% or \$5.4 million from the Prior Year due to higher custom sales in all regions.

Non-Rental

Q2 2025 vs Q2 2024

Non-rental revenue during the Quarter was \$15.5 million, up 11% or \$1.5 million from the Comparative Quarter primarily due to an increase in installation activity of significant projects, higher sublease activity in Canada, and increased net revenue from LodgeLink. This is slightly offset by reduced transportation activity in all regions.

Year to Date 2025 vs 2024

Non-rental revenue for the Year was \$33.8 million, up 30% or \$7.8 million from the Prior Year due to higher installation activity in Canada, sublease activity in Canada and Australia, higher transportation activity in all regions, as well as growing net revenue from LodgeLink.

Lodge Services

Q2 2025 vs Q2 2024

Lodge services revenue during the Quarter was \$12.0 million, up 32% or \$2.9 million from the Comparative Quarter due to increased occupancy and average rates.

Year to Date 2025 vs 2024

Lodge services revenue for the Year was \$24.1 million, up 50% or \$8.0 million from the Prior Year due to increased occupancy, average rates, and contribution from amounts related to contracted occupancy levels that had not been met by a customer in prior periods.

LodgeLink

LodgeLink net revenue is generated 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,		
	2025	2024	Change	2025	2024	Change
Gross Bookings (\$ millions) ⁽¹⁵⁾	25.7	24.4	5%	47.2	45.9	3%
Net revenue (\$ millions)	3.3	2.9	14%	6.0	5.5	9%
Net Revenue Margin ⁽¹⁵⁾	12.8%	11.9%	90 bps	12.7%	12.0%	70 bps
Total room nights sold	135,815	129,737	5%	259,385	244,800	6%

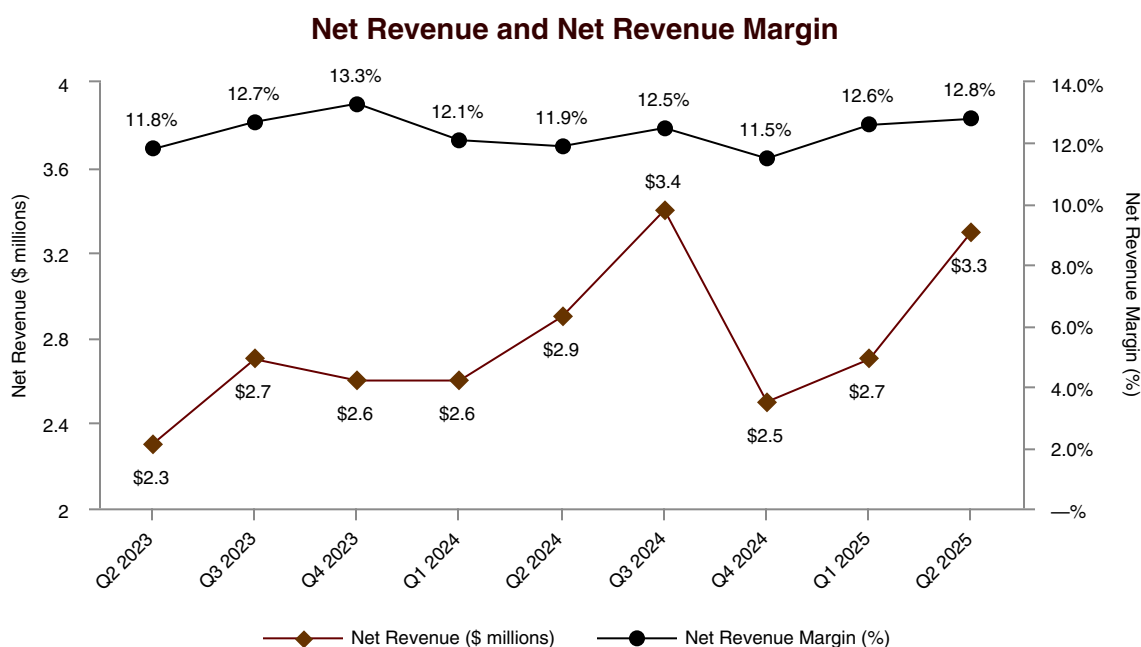
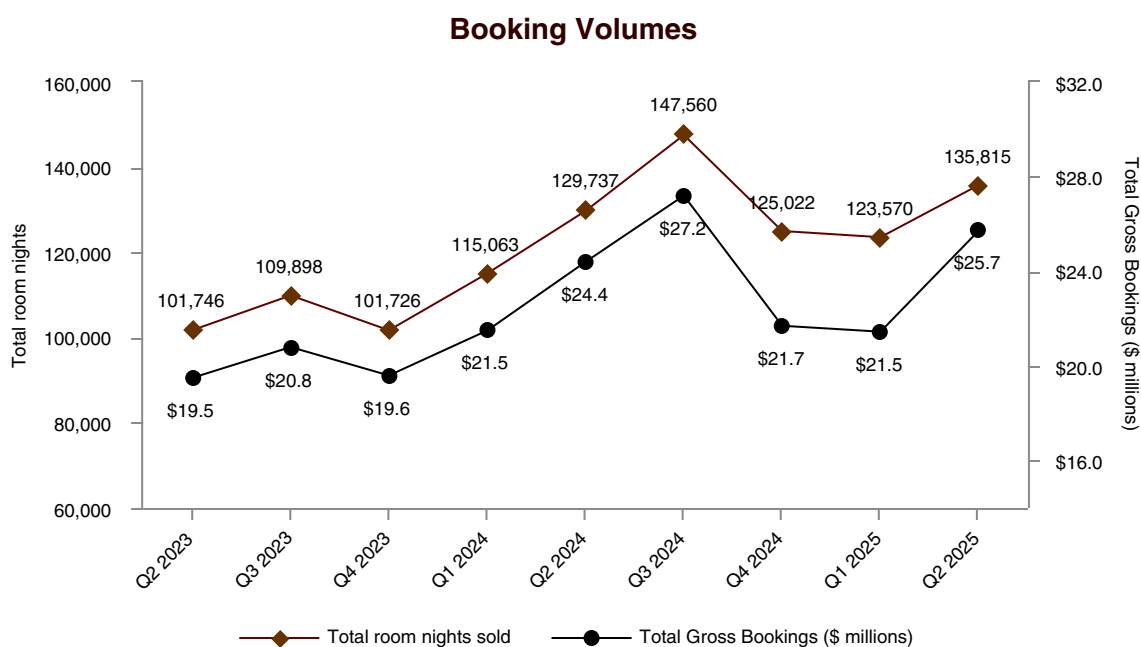
Q2 2025 vs Q2 2024

Total room nights sold in the Quarter was 135,815, an increase of 5% from the Comparative Quarter. Net revenue during the Quarter was \$3.3 million, up 14% or \$0.4 million from the Comparative Quarter due to customer and revenue mix. Net Revenue Margin¹⁵ of 12.8% for the Quarter increased by 90 basis points compared to the Comparative Quarter due to an increase in average daily room rate and total room nights sold.

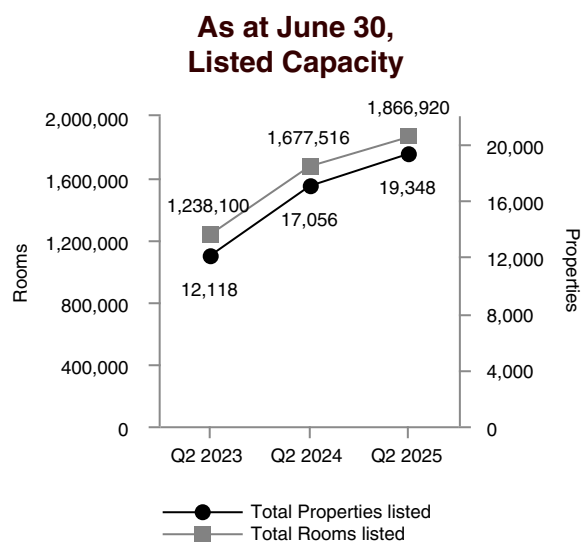
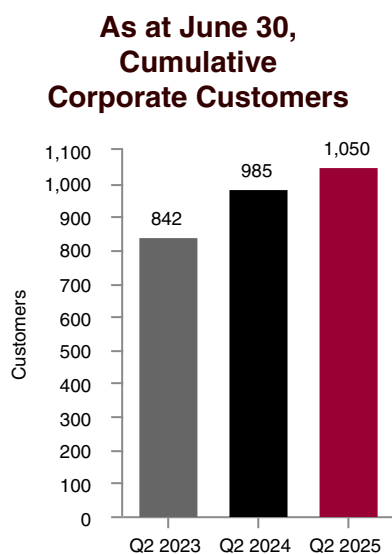
Year to Date 2025 vs 2024

Net revenue for the Year was \$6.0 million, up 9%, or \$0.5 million from the Prior Year, resulting from record high total room nights sold of 259,385, which increased by 6%, and Gross Bookings¹⁵ of \$47.2 million, which increased by 3%, from the Prior Year. The increase over the Prior Year demonstrates continued growth and record activity. For the Year, Net Revenue Margin¹⁵ increased by 70 basis points driven by an increase in average daily room rate and total room nights sold.

¹⁵Gross Bookings is a non-GAAP financial measure. Net Revenue Margin is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections of this MD&A for more information on each non-GAAP financial measure and ratio.



¹⁶Gross Bookings is a non-GAAP financial measure. Net Revenue Margin is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections of this MD&A for more information on each non-GAAP ratio.



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 is non-material revenue that is not significant enough to report on its own.

Financial Highlights

(\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Property and equipment net book value	16.8	16.1	4%	16.8	16.1	4%
Adjusted EBITDA ¹⁷	(6.1)	(6.5)	6%	(11.9)	(12.5)	5%

Q2 2025 vs Q2 2024

Property and equipment net book value was \$16.8 million, an increase of 4% or \$0.7 million from the Comparative Quarter, primarily due to the purchase of land in the Quarter.

Adjusted EBITDA¹⁷ for the Quarter was negative \$6.1 million, an increase of 6% or \$0.4 million compared to negative \$6.5 million in the Comparative Quarter, primarily due to lower personnel expenses as a result of lower estimated annual profit incentives, and a reduction of occupancy and insurance expenses. This was partially offset by an increase in administrative expenses such as travel and accommodations and professional fees in the Quarter.

Year to Date 2025 vs 2024

Property and equipment net book value was \$16.8 million, an increase of 4% or \$0.7 million from the Prior Year, primarily due to the purchase of land in the Year.

Adjusted EBITDA¹⁷ for the Year was negative \$11.9 million, an increase of 5% or \$0.6 million compared to negative \$12.5 million in the Prior Year due to lower personnel expenses as a result of lower estimated annual profit incentives, partially offset by higher administrative expenses such as professional fees in the Year.

¹⁷Adjusted EBITDA is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures", "Financial Review - Capital Plan" and "Modular Space Solutions - Financial Highlights" sections 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 \$32.5 million (Comparative Quarter – \$53.5 million) on additions to property and equipment and intangible assets. The expenditures on additions are set out in the table below.

(\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change %	2025	2024	Change %
Modular Space Solutions	22.6	45.9	(51)%	35.9	60.1	(40)%
Workforce Solutions	7.7	7.3	5%	11.5	10.2	13%
Corporate and Other	2.2	0.3	633%	2.4	0.5	380%
Total capital expenditures	32.5	53.5	(39)%	49.8	70.8	(30)%

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:

(\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change %	2025	2024	Change %
Cash from operating activities	28.5	27.2	5%	64.4	49.7	30%
Cash used in investing activities	(31.0)	(53.1)	(42)%	(49.9)	(70.8)	(30)%
Cash (used in) from financing activities	(1.2)	28.1	104%	(18.9)	29.0	(165)%
Total cash (decrease) increase	(3.7)	2.2	(268)%	(4.4)	7.9	(156)%

Liquidity needs can be met through a variety of sources, depending on specific circumstances, including: available cash, cash generated from operations, draw downs under its asset-based revolving credit facility ("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, dividends and distributions and principal debt repayments.

Cash from operating activities was \$1.3 million higher in the Quarter than in the Comparative Quarter primarily due to a decrease in non-cash working capital and an increased level of operating activities in the Quarter.

Cash used in investing activities was \$22.1 million lower in the Quarter than in the Comparative Quarter primarily due to the asset purchase of \$20.5 million of space rental units that took place in the Comparative Quarter.

Cash used in financing activities was \$29.3 million higher in the Quarter than in the Comparative Quarter primarily due to increased net repayments of long-term debt.

Working Capital

The following table presents summarized working capital information:

(\$ millions, except as noted)	June 30, 2025	December 31, 2024	Change \$	Change %
Current assets	108.1	108.6	(0.5)	—%
Current liabilities	92.8	83.4	9.4	11%
Working capital ⁽¹⁾	15.3	25.2	(9.9)	(39)%

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

The decrease in current assets of \$0.5 million from December 31, 2024 was due to a decrease in cash of \$4.7 million and a decrease in prepaid expenses and other current assets of \$2.2 million, partially offset by an increase in accounts receivable of \$6.4 million.

The increase in current liabilities of \$9.4 million from December 31, 2024 was due to a \$12.5 million increase in accounts payable. This was partially offset by a \$2.9 million decrease in lease liabilities and a \$0.3 million decrease in deferred revenue.

Contractual Obligations and Other Commitments

As at June 30, 2025, Black Diamond had capital expenditure commitments in the amount of \$27.5 million. Additionally, Black Diamond has a commitment of \$42.6 million related to the Company's office, equipment and yard leases, which have varying terms over the next six years. It is management's intention to meet the funding requirements for these commitments through internally generated cash flow.

Principal Debt Instruments

Effective February 20, 2025, the Company reached an agreement with its lenders to extend and amend the ABL Facility, increasing the maximum revolving line from \$325 million to \$425 million while also providing advance rates against categories of rental assets that were previously excluded from the borrowing base. The maturity date was extended to February 20, 2030 and all other material terms remained the same. The ABL Facility has an uncommitted accordion of \$75 million.

The amount available for borrowing at any given time under the ABL Facility is based on 85 - 90% of the Net Orderly Liquidation Value (as defined in the ABL Facility) of eligible rental fleet and qualified receivables plus certain other qualifying assets, less specified reserves, up to a maximum of \$425 million.

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

For the Quarter, the average interest rate on outstanding debt was 4.64% (Comparative Quarter - 6.27%). For the Year, the average interest rate on outstanding debt was 4.71% (Prior Year - 6.27%).

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 has entered into interest rate swap agreements, which are recognized as risk management assets or liabilities, with the ABL Facility lending syndicate for an aggregate of \$80.0 million, with termination dates between October 29, 2026 and August 29, 2029. As at June 30, 2025, the total value of the risk management liabilities were \$0.3 million (December 31, 2024 - \$0.1 million risk management assets).

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, 2025, the Company's draws under the ABL Facility amounted to 51% of the borrowing base of \$472.9 million, therefore the FCCR covenant was not applicable. Draws under the ABL Facility are limited to the lesser of the borrowing base and the authorization limit of \$425.0 million.

As at June 30, 2025, Black Diamond was in compliance with all debt covenants.

Share Capital

As at June 30, 2025, Black Diamond had 61.2 million (December 31, 2024 - 61.2 million) common shares outstanding, net of 0.9 million (December 31, 2024 - 1.0 million) held in trust to settle equity-based compensation plans. In addition, as at June 30, 2025, Black Diamond had 5.1 million (December 31, 2024 - 3.2 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.

Subsequent to the Quarter, the Company closed a bought deal equity financing arrangement with a syndicate of underwriters for the issuance of approximately 4.7 million common shares of the Company, including over-allotment, at a price of \$9.10 per common share for gross proceeds to the Company of \$42.4 million and net proceeds of \$40.7 million.

The following table summarizes Black Diamond's equity capitalization as at August 7, 2025 (in thousands):

Common shares (net of shares held in trust)	65,888
Common shares (held in trust)	931
Stock options	4,729
Restricted and performance share units	308

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on the Company's financial condition, revenue 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, 2025:

(\$ millions, except as noted)	Payments due by period			
	Total	Less than 1 year	1 - 5 years	After 5 years
Accounts payable and accrued liabilities	54.0	54.0	—	—
Long-term debt	240.6	1.8	238.8	—
Lease obligations, undiscounted	31.7	7.7	21.4	2.6
Commitments	10.9	3.1	5.7	2.1
Capital commitments	27.5	27.5	—	—
Total contractual obligations	364.7	94.1	265.9	4.7

FINANCIAL INSTRUMENTS

All of Black Diamond's financial instruments as at June 30, 2025 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 financial 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, VAPS as a % of Rental Revenue, Gross Bookings, Net Revenue Margin and Net Capital Expenditures.

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 and amortization, accretion, foreign exchange, share-based compensation, non-controlling interests, write-down of property and equipment, impairment, gain on disposal of assets and non-recurring costs.

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 financial 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 financial 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 the Company's profit and property and equipment, two GAAP financial 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,			Six months ended June 30,		
	2025	2024	Change %	2025	2024	Change %
Profit	9.2	7.5	23%	15.0	9.0	67%
Add:						
Depreciation and amortization	12.0	11.1	8%	24.4	21.8	12%
Finance costs	3.6	3.4	6%	7.4	7.2	3%
Share-based compensation	1.9	1.6	19%	3.1	3.0	3%
Non-controlling interests	0.3	0.4	(25)%	0.7	0.7	—%
Current income taxes	0.5	—	100%	0.9	0.2	350%
Deferred income taxes	2.6	2.1	24%	3.5	2.5	40%
Non-recurring costs						
ERP implementation and related costs ⁽¹⁾	1.8	1.8	—%	3.4	2.3	48%
Acquisition costs	0.1	—	100%	0.1	0.6	(83)%
Gain on disposal of assets	(2.8)	—	(100)%	(2.8)	—	(100)%
Adjusted EBITDA	29.2	27.9	5%	55.7	47.3	18%
Less:						
Depreciation and amortization	12.0	11.1	8%	24.4	21.8	12%
Adjusted EBIT	17.2	16.8	2%	31.3	25.5	23%
Total revenue	105.4	95.5	10%	207.6	169.1	23%
Adjusted EBITDA as a % of Revenue	27.7%	29.2%	(150) bps	26.8%	28.0%	(120) bps
Annualized multiplier	4	4		2	2	
Annualized adjusted EBITDA	116.8	111.6	5%	111.4	94.6	18%
Average net book value of property and equipment	615.3	562.6	9%	612.6	553.8	11%
Return on Assets	19.0%	19.9%	(90) bps	18.2%	17.1%	110 bps

(1) This relates to the costs incurred for implementation of a new ERP system and are included in administrative expenses; the first phase of the implementation went live on May 1, 2024 and the second phase commenced on October 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 TTM 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 financial 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. 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)	2025	2025	2024	2024	2024	2024	2023	2023	Change
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	
Profit	9.2	5.8	9.3	7.4	7.5	1.5	7.8	13.6	
Add:									
Depreciation and amortization	12.0	12.4	14.6	12.6	11.1	10.7	11.2	12.6	
Finance costs	3.6	3.8	3.8	4.3	3.4	3.8	3.7	3.7	
Share-based compensation	1.9	1.2	1.3	1.2	1.6	1.5	1.1	1.6	
Non-controlling interests	0.3	0.4	0.5	0.4	0.4	0.3	0.3	0.3	
Current income taxes	0.5	0.4	0.9	—	—	0.2	0.1	—	
Deferred income taxes	2.6	0.9	5.4	2.6	2.1	0.3	0.4	4.8	
Non-recurring costs									
ERP implementation and related costs ⁽¹⁾	1.8	1.6	1.4	0.3	1.8	0.5	1.5	—	
Acquisition costs	0.1	—	—	—	—	0.6	—	—	
Gain on disposal of assets	(2.8)	—	—	—	—	—	—	—	
Adjusted EBITDA	29.2	26.5	37.2	28.8	27.9	19.4	26.1	36.6	
TTM Adjusted Leverage EBITDA	121.7				110.0				11%
Long-term debt	238.8				239.7				—%
Cash and cash equivalents	8.6				14.1				(39)%
Current portion of long-term debt ⁽²⁾	1.8				0.3				500%
Net Debt	232.0				225.9				3%
Net Debt to TTM Adjusted Leverage EBITDA	1.9				2.1				(10)%

(1) This relates to the costs incurred for the implementation of a new ERP system and are included in administrative expenses; the first phase of the implementation went live on May 1, 2024 and the second phase commenced on October 1, 2024.

(2) 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 financial 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 receivable 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 financial 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 interests and dividends paid on common 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 financial measure, is provided below.

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

(\$ millions, except as noted)	Three months ended June 30,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Cash Flow from Operating Activities	28.5	27.3	4%	64.4	49.7	30%
Add (deduct):						
Change in other long-term assets	1.4	(1.1)	227%	2.0	(1.6)	225%
Changes in non-cash operating working capital	(0.1)	3.7	(103)%	(10.1)	1.2	(942)%
Funds from Operations	29.8	29.9	—%	56.3	49.3	14%
Add (deduct):						
Maintenance capital	(2.2)	(3.4)	35%	(3.9)	(6.1)	36%
Payment for lease liabilities	(2.0)	(2.1)	5%	(4.7)	(4.2)	(12)%
Interest paid (including lease interest)	(3.4)	(3.7)	8%	(7.0)	(7.3)	4%
Net current income tax expense	0.5	—	100%	0.9	0.2	350%
Dividends paid on common shares	(2.2)	(1.8)	(22)%	(4.3)	(3.6)	(19)%
Distributions paid to non-controlling interests	(1.0)	(0.6)	(67)%	(1.0)	(0.6)	(67)%
Free Cashflow	19.5	18.3	7%	36.3	27.7	31%

Gross Profit Margin is a non-GAAP financial measure which is calculated by dividing gross profit, a GAAP financial 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,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Total revenue	105.4	95.5	10%	207.6	169.1	23%
Direct costs	57.6	49.5	16%	115.5	87.3	32%
Gross profit	47.8	46.0	4%	92.1	81.8	13%
Gross Profit Margin	45.4%	48.2%	(280) bps	44.4%	48.4%	(400) bps

Gross Bookings is a non-GAAP financial measure and is calculated as the total revenue billed to the customer which includes all fees and charges. Net revenue, a GAAP financial measure, is Gross Bookings less costs paid to suppliers. Revenue from bookings at third-party lodges and hotels through LodgeLink is 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 non-GAAP financial measure is an important supplemental measure of LodgeLink's performance and cash generation and believes this non-GAAP financial measure 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 of 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,			Six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Net revenue ⁽¹⁾	3.3	2.9	14%	6.0	5.5	9%
Costs paid to suppliers ⁽¹⁾	22.4	21.5	4%	41.2	40.4	2%
Gross Bookings ⁽¹⁾	25.7	24.4	5%	47.2	45.9	3%
Net Revenue Margin	12.8%	11.9%	90 bps	12.7%	12.0%	70 bps

(1) Includes intercompany transactions.

Readers are cautioned that the non-GAAP financial 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 financial 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, 2025 and 2024, as well as balances with related parties as at June 30, 2025 and December 31, 2024.

	Three months ended June 30,		Six months ended June 30,		Due to related parties as at	
	2025	2024	2025	2024	June 30, 2025	December 31, 2024
(\$ millions, except as noted)	\$	\$	\$	\$	\$	\$
Non-controlling interests						
Limited partners						
Royalties and distributions declared	0.6	0.6	1.5	0.9	(0.7)	(0.7)
Other related parties						
Purchases of goods and services	0.3	0.2	0.5	0.4		

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, and 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, 2024 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, 2025, 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, 2025 and ended on June 30, 2025 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, 2024 is available on SEDAR+ at www.sedarplus.ca.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS & ESTIMATES AND ASSUMPTIONS

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

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 that an impairment loss recognized in prior periods may no longer exist or may have decreased. 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.

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 the 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, Workforce Solutions - Australia, and LodgeLink.

Fair value measurement of financial instruments

Financial assets and financial liabilities that are measured at fair value are classified into levels reflecting the method used to make the measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant inputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. The inputs to these valuations 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.

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 judgment on 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.

Depreciation of property and equipment and amortization of intangible assets

For purposes of determining depreciation and amortization expense, estimates and judgments are required to establish depreciation methods, useful lives, and residual values for the Company's assets. Determining depreciation methods requires management to make judgments that most appropriately reflect the pattern of an asset's future economic benefit expected to be realized by the Company. Useful life estimates include management's assumptions regarding the period over which the asset is expected to be available for use over their physical and economic useful lives. Depreciation methods, useful lives and residual values are reviewed on an annual basis and, if necessary, any changes are accounted for prospectively.

Impairment 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. 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 estimated based on historical trends including consideration of the Company's budget 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 an impairment or impairment reversal at each reporting date by evaluating conditions specific to the organization that may lead to the impairment loss or impairment reversal 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 fair value 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.

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.

Changes in Accounting Policy and Disclosure

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which will replace IAS 1 *Presentation of Financial Statements*. IFRS 18 will establish a revised structure for the consolidated statements of comprehensive income and improve comparability across entities and reporting periods. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. The new standard is required to be adopted retroactively, with certain transition provisions. The Company is evaluating the impact of adopting IFRS 18 on the consolidated financial statements.

IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*, to provide further guidance on the timing of recognition and derecognition of financial instruments at settlement date, except for regular way purchases or sales of financial assets, and certain financial liabilities meeting conditions for a new exception which permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. Additional guidance was also provided on assessing whether a financial asset meets the solely payments of principal and interest criterion, and issued new disclosure requirements. This amendment is effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is evaluating the impact of the standard on the Company's consolidated financial statements.

The Company has not adopted these nor any other standard, interpretation or amendment that has been issued but is not yet effective.