MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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 September 30, 2022 (the "Quarter") with the three months ended September 30, 2021 (the "Comparative Quarter") and the nine months ended September 30, 2022 (the "YTD") with the nine months ended September 30, 2021 (the "Prior YTD"). This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Company for the three and nine months ended September 30, 2022 and 2021 and the audited consolidated financial statements of the Company for the years ended December 31, 2021 and 2020. 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 excluding VAPS Revenue, Gross Bookings and Net Revenue Margin which do not have a standardized meaning under 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" section of this MD&A. This MD&A was prepared as of November 3, 2022 and, unless otherwise indicated, all amounts are stated in Canadian dollars. Black Diamond's common shares are listed on the Toronto Stock Exchange under the symbol "BDI".

Additional information relating to Black Diamond, including Black Diamond's annual information form for the year ended December 31, 2021, may be found on the Black Diamond website at www.blackdiamondgroup.com or Black Diamond's profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com ("SEDAR").

Certain information set forth in this MD&A contains forward-looking statements including, but not limited to, the amount of funds that will be expended on the 2022 capital plan, how such capital will be expended, expectations for asset sales, management's assessment of Black Diamond's future operations and what may have an impact on them, financial performance, business prospects and opportunities, expectations regarding partnership projects, changing operating environment including changing activity levels, particularly in the face of the COVID-19 pandemic and associated restrictions and lifting of restrictions, effects on demand and performance based on the changing operating environment, amount of revenue anticipated to be derived from current contracts, anticipated debt levels, economic life of the Company's assets, future growth and profitability of the Company and realization of the anticipated benefits of acquisitions and sales. With respect to the forward-looking statements in this MD&A, Black Diamond has made assumptions regarding, among other things: future commodity prices, that Black Diamond will continue to raise sufficient capital to fund its business plans in a manner consistent with past operations, 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 impact of general economic conditions, industry conditions, fluctuation of commodity prices, the impact of the COVID-19 pandemic, the Company's ability to attract new customers, failure of counterparties to perform on contracts, industry competition, availability of qualified personnel and management, timely and cost effective access to sufficient capital from internal and external sources, political conditions, dependence on suppliers, inflationary price pressure and stock market volatility. The risks outlined above should not be construed as exhaustive. Additional information on these and other factors that could affect Black Diamond's operations and financial results are included in Black Diamond's annual information form for the year ended December 31, 2021 and other reports on file with the Canadian Securities Regulatory Authorities which can be accessed on 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 Third Quarter of 2022

- Consolidated rental revenue of $31.5 million and Adjusted EBITDA[1] of $26.0 million were up 21% and 32% from the Comparative Quarter, respectively.

- Diluted earnings per share of $0.15, was up 50% from the Comparative Quarter. Return on Assets[1] for the Quarter was 24%, up five percentage points from the Comparative Quarter.

- Long term debt at the end of the Quarter was $160.6 million or $148.3 million of Net Debt[1]. Free Cashflow[1] for the Quarter of $23.9 million, up 40% from the Comparative Quarter. Net Debt to trailing twelve month ("TTM") Adjusted Leverage EBITDA[1] was 1.9x, and available liquidity was $124.7 million at the end of the Quarter.

- Modular Space Solutions ("MSS") rental revenue was a quarterly record of $18.5 million and increased 21% from the Comparative Quarter. Adjusted EBITDA of $17.0 million was also a quarterly record and increased 36% from the Comparative Quarter.

- MSS average monthly rental rate per unit increased 13% from the Comparative Quarter (8% on a constant currency basis), while MSS contracted future rental revenue was $64.6 million at the end of the Quarter, up 21% from the Comparative Quarter.

- Workforce Solutions ("WFS") rental revenue of 13.0 million, increased 21% from the Comparative Quarter. Adjusted EBITDA of $14.6 million increased 16% year-over-year.

- LodgeLink recorded a new quarterly record of 94,640 room nights sold in the Quarter, a 57% increase from the Comparative Quarter.

- During the Quarter, the Company allocated $4.3 million to shareholder returns and the reduction of non-controlling interests, through a combination of $1.2 million of common shares repurchased under the normal course issuer bid ("NCIB"), $0.9 million of dividends declared to common shareholders, and the redemption of $2.2 million of preferred shares of a subsidiary company.

- Subsequent to the Quarter, the Company closed the acquisition of an Ontario based modular rental company with 1,851 units, with a primary focus in the education and government sectors. The purchase price of the acquisition was $54.5 million, including the assumption of debt.

- On November 3, 2022, the Board of Directors approved an increase of 33% to the Company's annual dividend per share payout from $0.06 to $0.08. The Company also declared a fourth quarter dividend of $0.02 payable on or about January 15, 2023 to shareholders of record on December 31, 2022.

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

OUTLOOK

Third Quarter results reflect the Company's growth of its core, high margin, diversified rental revenue stream across various industries and geographies. The outlook for the remainder of 2022 and into 2023 remains constructive owing to contracted rental revenue in place, continued strength in utilization and rates among our core asset rental business units, as well as the continued rapid scaling of the Company's digital crew-travel platform.

MSS business performance continues to track well with the segment reporting a quarterly record in both core rental revenue and Adjusted EBITDA[2]. Management expects the rental revenue run rate into the fourth quarter to remain robust, and expects ongoing year-over-year growth in core, recurring, rental revenue into future quarters. Sales and non-rental revenues are expected to moderate from third quarter levels, but remain above the levels experienced in the first half of 2022.

The WFS segment remains underpinned by existing contracts related to a number of mining projects in eastern Canada and energy infrastructure activity in western Canada. The segment also experienced strong levels of demand for field-related activity in the third quarter and expects this momentum to continue. WFS Australia has remained among the best performing geographies within the rental platform and continues to see strong demand for additional equipment at attractive returns into 2023 and beyond.

LodgeLink set a quarterly record high in booking volumes during the Quarter and continues to experience growing momentum from both new and existing corporate customers. During the Quarter, the Company made additional improvements to customer experience through enhanced functionality and improved back-office technologies, while also continuing to enhance its existing mobile-app. The Company remains highly optimistic on the future growth potential of LodgeLink.

Management expects operating performance heading into 2023 to remain robust given the strength of the current rental platform, diverse customer base, and existing contracts in place. The Company also remains in a strong liquidity position, with a healthy balance sheet, and growing Free Cashflow[2]. In combination, these characteristics are expected to allow for significant flexibility in a rising interest rate and possible recessionary environment. While the Company's growth capex remains fully discretionary (and could be allocated towards shareholder returns or accelerated debt repayment in a scenario where growth becomes muted), Management continues to see several attractive organic and inorganic growth opportunities across its platform, which should result in compounding returns and steady growth in core, recurring, rental-revenues.

[2] Adjusted EBITDA and Free Cashflow are non-GAAP financial measures. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

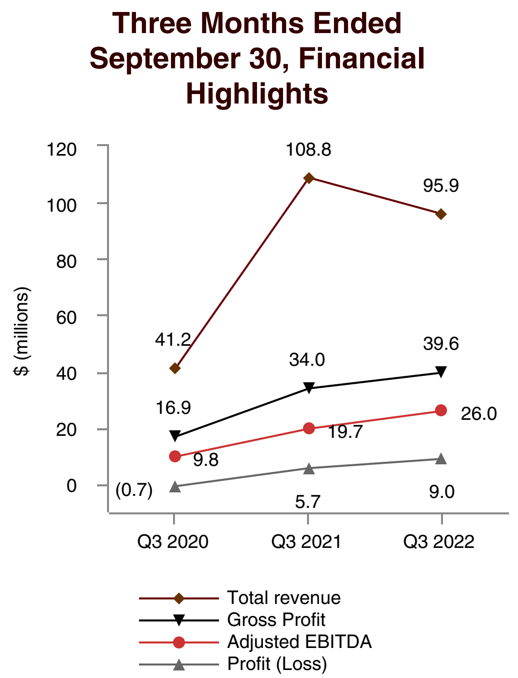
FINANCIAL REVIEW

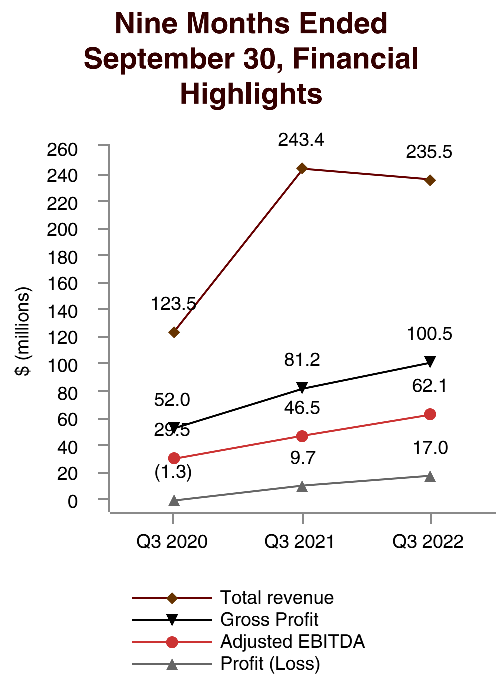
- Revenue for the Quarter was $95.9 million, down 12% or $12.9 million from the Comparative Quarter mainly due to a decrease in non-rental revenue for both MSS and WFS, partially offset by increases in sales and rental revenue.

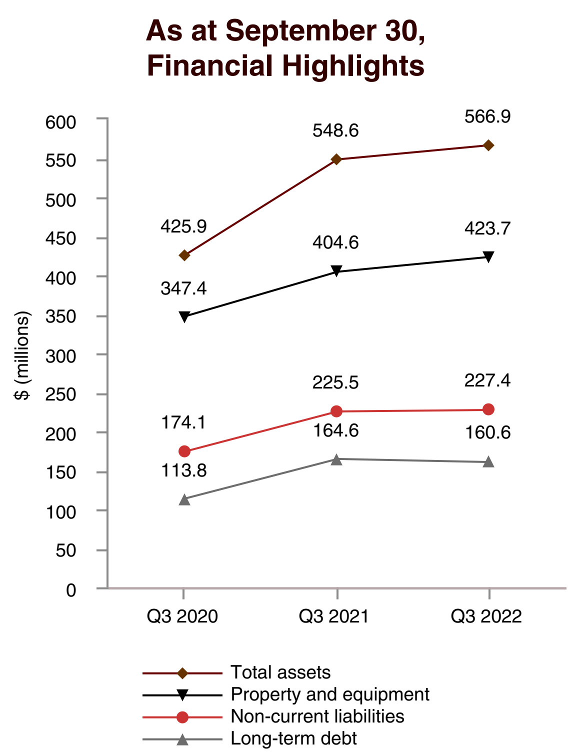
- Adjusted EBITDA[3] for the Quarter was $26.0 million, up 32% or $6.3 million from $19.7 million in the Comparative Quarter primarily due to a higher proportion of rental revenue which generates higher margins, as well as an increase in lodge services revenue and margin.

- The Company exited the Quarter with a Net Debt to TTM Adjusted Leverage EBITDA[3] ratio of 1.9x (September 30, 2021 - 2.7x).

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





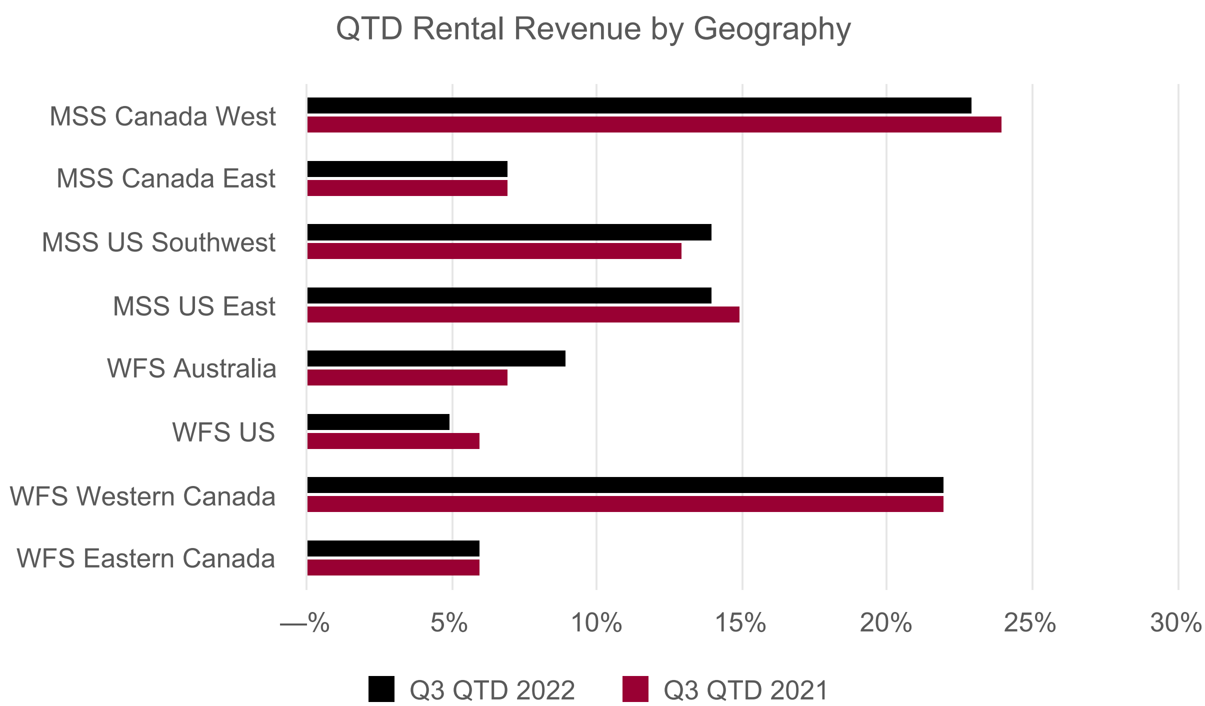


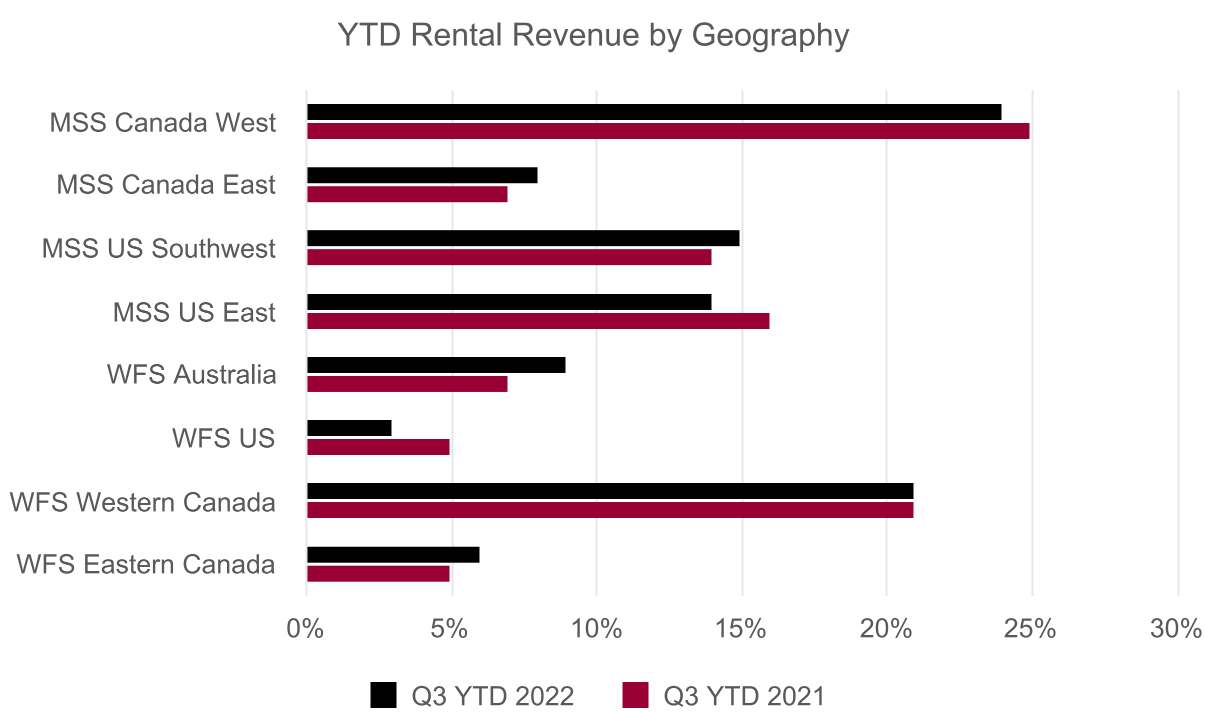
[4] Adjusted EBITDA is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

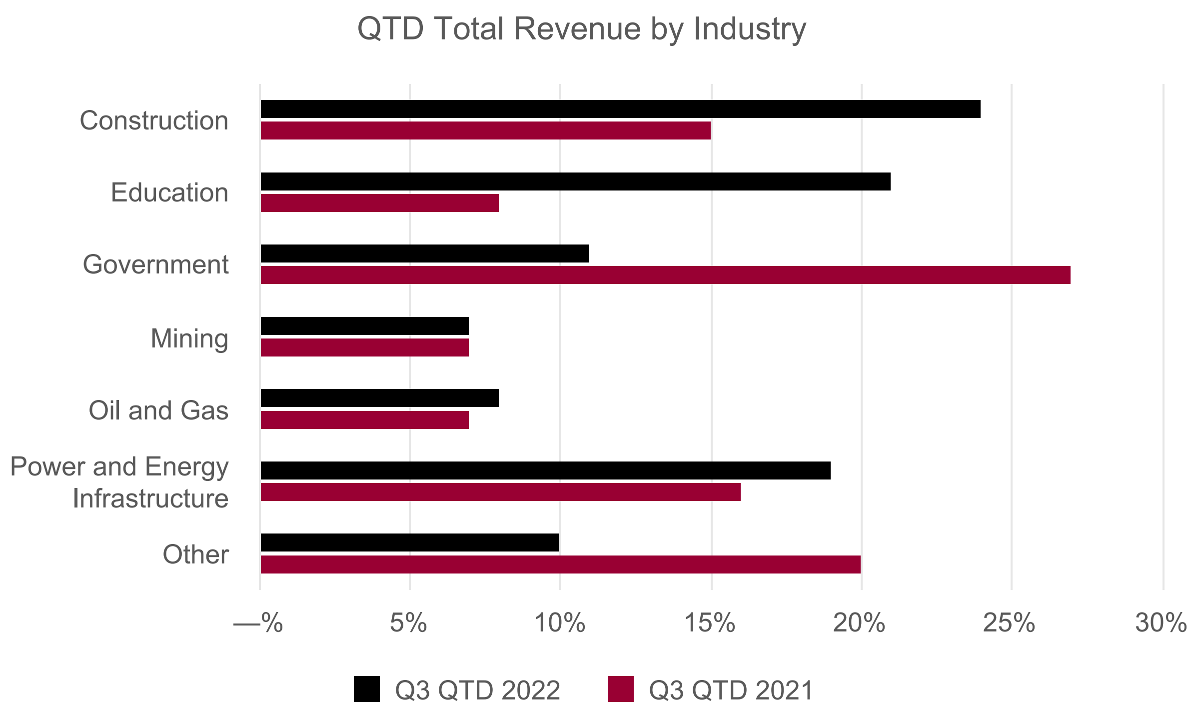
Geographic Revenue Segmentation

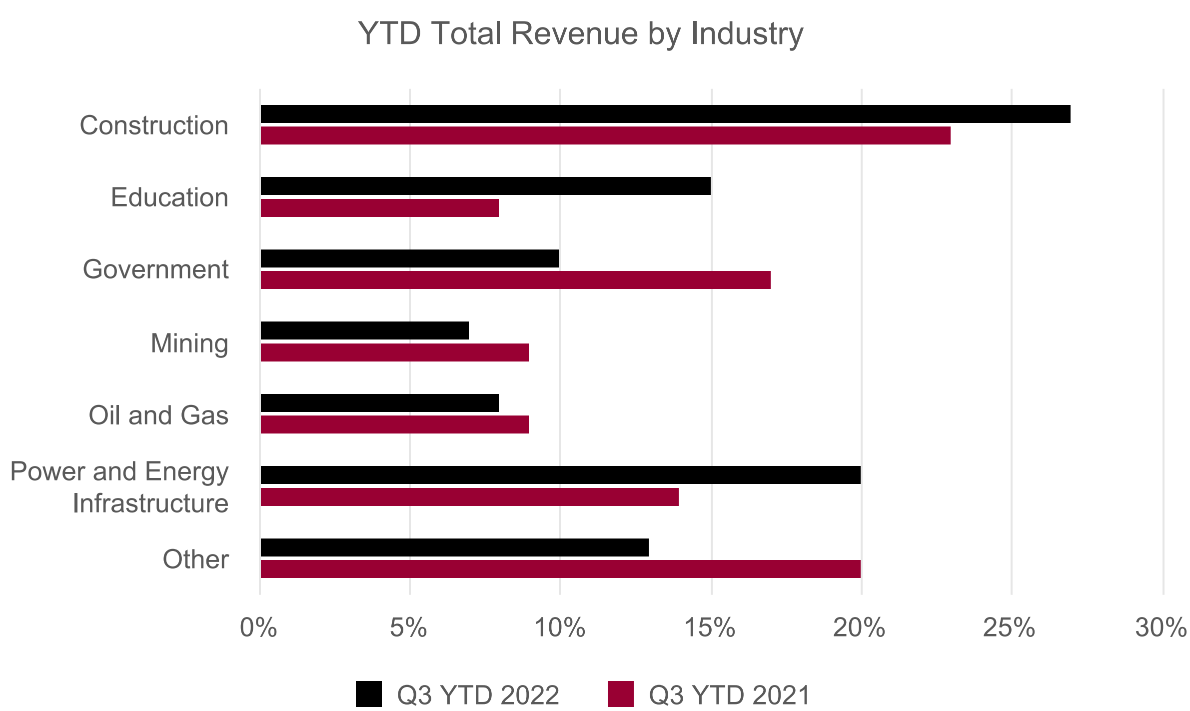
($ millions)	Three months ended September 30, 2022	2021	Change	Nine months ended September 30, 2022	2021	Change
Revenue						
Canada	**47.7**	44.5	7%	**124.8**	112.9	11%
United States	**39.1**	55.4	(29)%	**88.3**	107.7	(18)%
Australia	**9.1**	8.9	2%	**22.4**	22.8	(2)%
Total	**95.9**	108.8	(12)%	**235.5**	243.4	(3)%

Percentage of total revenue	Three months ended September 30, 2022	2021	Change	Nine months ended September 30, 2022	2021	Change
Revenue						
Canada	**50%**	41%	9	**53%**	46%	7
United States	**41%**	51%	(10)	**37%**	44%	(7)
Australia	**9%**	8%	1	**10%**	10%	—
Total	**100%**	100%	—	**100%**	100%	—


QTD Rental Revenue by Geography
MSS Canada West
MSS Canada East
MSS US Southwest
MSS US East
WFS Australia
WFS US
WFS Western Canada
WFS Eastern Canada
—%
5%
10%
15%
20%
25%
30%
Q3 QTD 2022
Q3 QTD 2021


YTD Rental Revenue by Geography
MSS Canada West
MSS Canada East
MSS US Southwest
MSS US East
WFS Australia
WFS US
WFS Western Canada
WFS Eastern Canada
0%
5%
10%
15%
20%
25%
30%
Q3 YTD 2022
Q3 YTD 2021


QTD Total Revenue by Industry
Construction
Education
Government
Mining
Oil and Gas
Power and Energy Infrastructure
Other
—%
5%
10%
15%
20%
25%
30%
Q3 QTD 2022
Q3 QTD 2021


YTD Total Revenue by Industry
Construction
Education
Government
Mining
Oil and Gas
Power and Energy Infrastructure
Other
0%
5%
10%
15%
20%
25%
30%
Q3 YTD 2022
Q3 YTD 2021

Capital Plan

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

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**Change**	**2022**	**2021**	**Change**
(in millions, except as noted)	**$**	**$**	**%**	**$**	**$**	**%**
Gross capital expenditures	**15.1**	12.0	26%	**37.5**	25.8	45%
Used fleet sales revenue	**7.6**	3.8	100%	**14.6**	14.9	(2)%
Net capital expenditures	**7.5**	8.2	(9)%	**22.9**	10.9	110%
Maintenance capital	**1.9**	3.1	(39)%	**5.0**	6.9	(28)%
Capital commitments	**18.8**	14.3	31%	**18.8**	14.3	31%

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 nine months ended September 30, 2022 and 2021.

	Three months ended September 30,			Nine months ended September 30,		
(in millions, except as noted)	2022	2021	Change	2022	2021	Change
Financial Highlights	$	$	%	$	$	%
Total revenue	**95.9**	108.8	(12)%	**235.5**	243.4	(3)%
Gross profit	**39.6**	34.0	16%	**100.5**	81.2	24%
Administrative expenses	**13.6**	14.3	(5)%	**38.5**	34.7	11%
Adjusted EBITDA[1]	**26.0**	19.7	32%	**62.1**	46.5	34%
Adjusted EBIT[1]	**16.7**	10.3	62%	**35.5**	20.3	75%
Funds from Operations[1]	**30.7**	23.4	31%	**70.0**	55.0	27%
Per share ($)	**0.52**	0.40	30%	**1.18**	0.96	23%
Profit before income taxes	**13.5**	7.8	73%	**26.7**	13.5	98%
Profit	**9.0**	5.7	58%	**17.0**	9.7	75%
Earnings per share - Basic ($)	**0.15**	0.10	50%	**0.29**	0.17	71%
Earnings per share - Diluted ($)	**0.15**	0.10	50%	**0.28**	0.16	75%
Capital expenditures	**15.1**	12.0	26%	**37.5**	25.8	45%
Property & equipment	**423.7**	404.6	5%	**423.7**	404.6	5%
Total assets	**566.9**	548.6	3%	**566.9**	548.6	3%
Long-term debt	**160.6**	164.6	(2)%	**160.6**	164.6	(2)%
Cash and cash equivalents	**12.3**	5.1	141%	**12.3**	5.1	141%
Return on Assets (%)[1]	**24%**	19%	5	**19%**	15%	4
Free Cashflow[1]	**23.9**	17.1	40%	**52.0**	38.8	34%

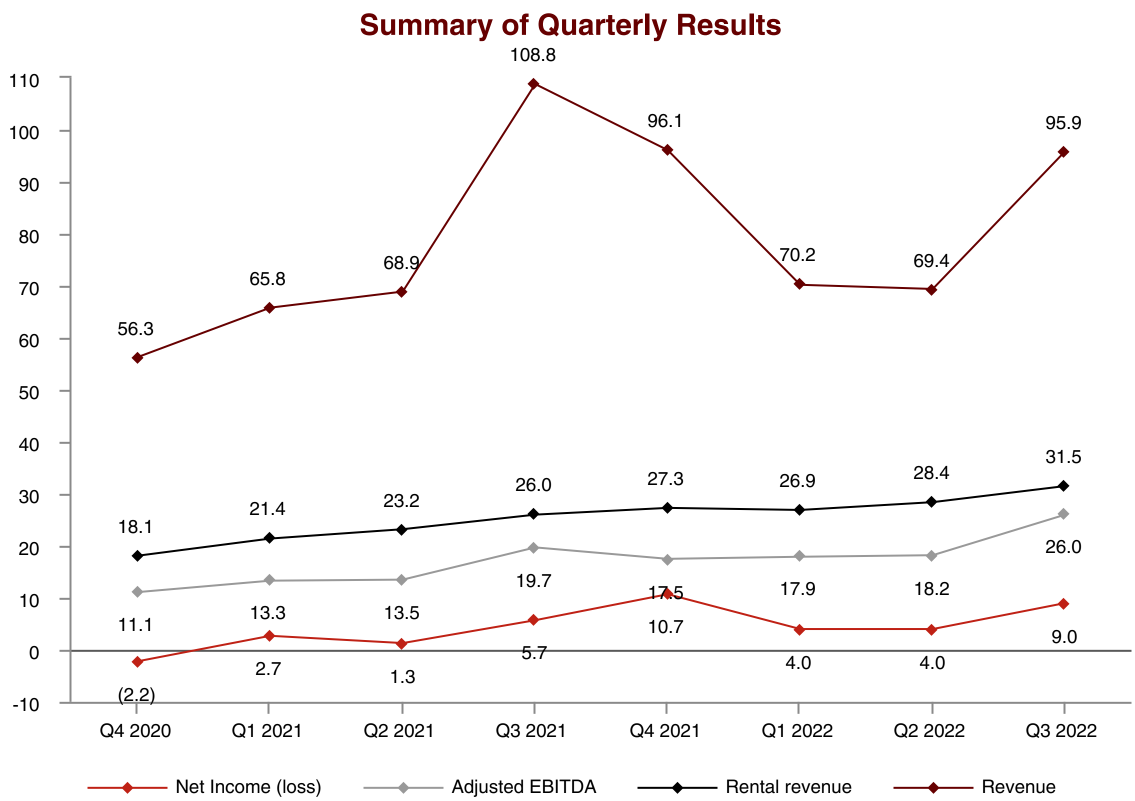
(1) Adjusted EBITDA, Adjusted EBIT, Funds from Operations and Free Cashflow are non-GAAP financial measures. Return on Assets is a non-GAAP ratio. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

Margin Summary	Three months ended September 30,			Nine months ended September 30,		
(Percent of revenue)	2022	2021	Change[1]	2022	2021	Change[1]
Gross profit	**41%**	31%	10	**43%**	33%	10
Administrative expenses	**14%**	13%	1	**16%**	14%	2
Adjusted EBITDA[2]	**27%**	18%	9	**26%**	19%	7

(1) Percentage point basis.
(2) Adjusted EBITDA is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the previous eight quarters:



The net income (loss) and Adjusted EBITDA[5] over the last eight quarters generally trended positively with increasing higher margin rental revenue over the same period. Net loss in Q4 2020 was driven by acquisition costs offset by one month of Vanguard Modular Building Systems ("Vanguard") operations.

In Q3 2021, revenue, Adjusted EBITDA, and net income increased due to a significant increase in non-rental activities in the quarter in both North America and Australia in WFS and increased non-rental margins in WFS and MSS.

In Q4 2021, revenue decreased compared to Q3 2021 due to less non-rental activities in the quarter in WFS and MSS. Net income increased due to the recognition of a deferred tax asset.

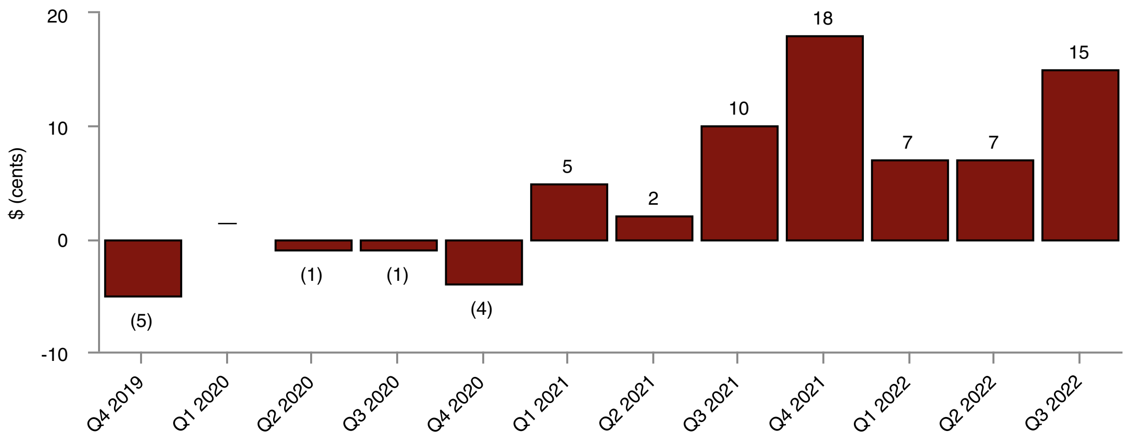
In Q1 2022, revenue decreased compared to Q4 2021 due to less non-rental and sales activities in the quarter in WFS and MSS.

In Q2 2022, rental revenue increased from Q1 2022 due to increased rates and utilization in both MSS and WFS, while revenue and net income was relatively flat compared to Q1 2022.

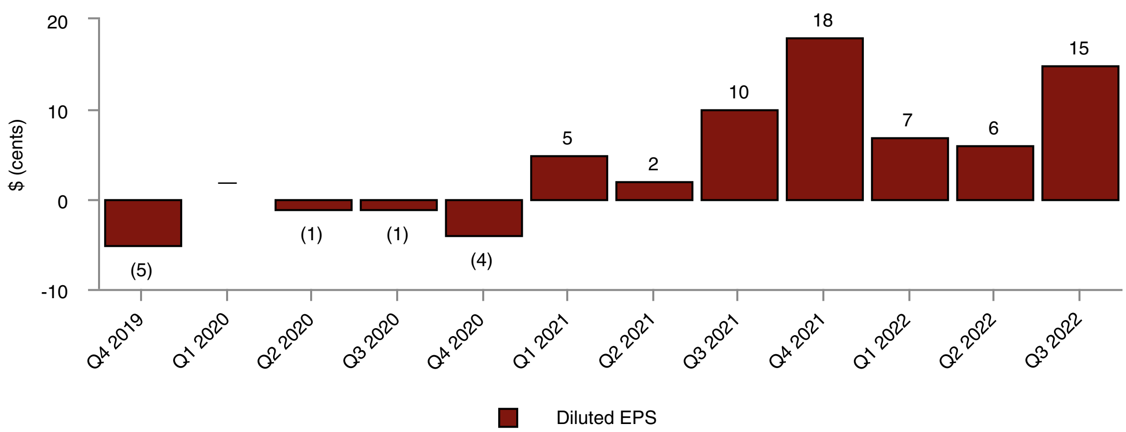
In Q3 2022, revenue, Adjusted EBITDA, and net income increased primarily due to increased rental rates, utilization and custom and used fleet sales in the Quarter in WFS and MSS.

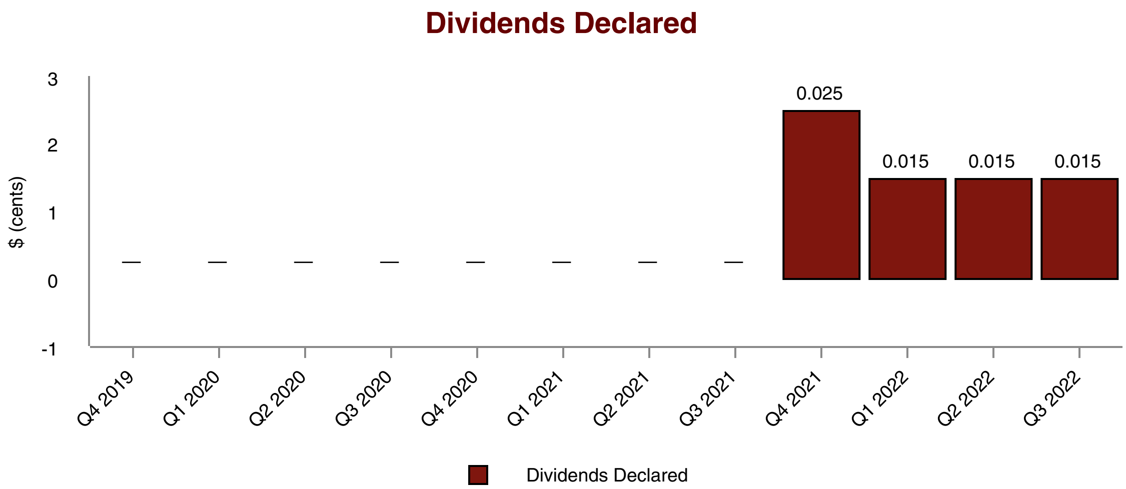
[5] Adjusted EBITDA is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure.

Basic Earnings (Loss) Per Share



Diluted Earnings (Loss) Per Share



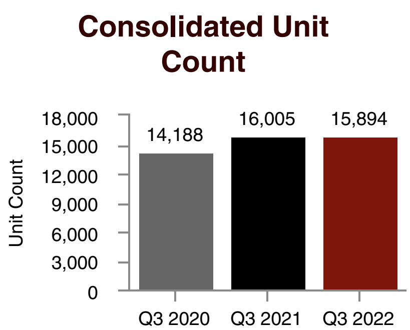


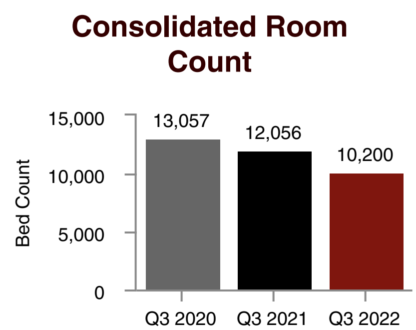
In Q4 2021, the Company declared two dividends on its common shares in the amount of $0.0125 each or $0.0250 per share. In Q1 2022, the Company increased its annual dividend per share payout by 20% from $0.05 to $0.06 and paid quarterly dividends of $0.015 per share in each of the first quarter, second quarter and the Quarter.

CONSOLIDATED FINANCIAL AND OPERATIONAL REVIEW

Consolidated Fleet

The consolidated number of rental units in Black Diamond's global fleet decreased to 15,894 units at the end of the Quarter compared with 16,005 in the Comparative Quarter with an increase of 391 units in MSS offset by a decrease of 502 units in WFS due to used fleet sales. The decrease in units in WFS is part of the Company's strategy to reallocate invested capital from underutilized assets to asset types that are higher in demand. 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 10,200 rooms in the Quarter compared with 12,056 rooms in the Comparative Quarter due to used fleet sales in WFS.





Fleet Utilization Rates

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**Change (1)**	**2022**	**2021**	**Change (1)**
Modular Space Solutions	**86%**	85%	1	**84%**	83%	1
Workforce Solutions	**60%**	51%	9	**53%**	43%	10
Consolidated	**77%**	75%	2	**73%**	71%	2

(1) Percentage point basis.

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.

Q3 2022 vs Q3 2021

Utilization for MSS remains at strong levels though relatively flat compared to the Comparative Quarter. The increase in utilization in WFS is due to increased activity in all regions.

Year to Date 2022 vs 2021

Utilization for MSS remains at strong levels though relatively flat compared to the Comparative YTD. The increase in utilization in WFS is primarily due to increased activity in Canada and Australia, partially offset by a decrease in utilization in the U.S. due to reduced activity on a significant project in the YTD.

Revenue

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

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

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

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

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

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	**2022**	**2021**	**Change**	**2022**	**2021**	**Change**
Rental revenue	**31.5**	26.0	21%	**86.8**	70.7	23%
Sales revenue	**21.8**	15.1	44%	**42.2**	45.4	(7)%
Non-rental revenue	**28.6**	58.3	(51)%	**74.9**	106.0	(29)%
Lodge services revenue	**14.0**	9.4	49%	**31.6**	21.3	48%
Total revenue	**95.9**	108.8	(12)%	**235.5**	243.4	(3)%

	Three months ended September 30,			Nine months ended September 30,		
Percentage of consolidated revenue	**2022**	**2021**	**Change (1)**	**2022**	**2021**	**Change (1)**
Rental revenue	**33%**	24%	9	**37%**	29%	8
Sales revenue	**23%**	14%	9	**18%**	19%	(1)
Non-rental revenue	**29%**	53%	(24)	**32%**	43%	(11)
Lodge services revenue	**15%**	9%	6	**13%**	9%	4

(1) Percentage point basis.

Q3 2022 vs Q3 2021

Rental revenue for the Quarter was $31.5 million, up 21% or $5.5 million from the Comparative Quarter driven by a $3.2 million increase in MSS rental revenue attributed to an increase in average rental rates and utilization, as well as an increase of units in the fleet, and a $2.3 million increase in WFS rental revenue due to increased utilization and rates in all regions.

Sales revenue for the Quarter was $21.8 million, up 44% or $6.7 million from the Comparative Quarter driven by a $3.1 million increase in MSS due to an increase in both custom sales and used fleet sales which tend to be variable in nature, combined with a $3.6 million increase in WFS primarily due to higher used fleet sales in Canada and Australia.

Non-rental revenue for the Quarter was $28.6 million, down 51% or $29.7 million from the Comparative Quarter primarily due to a $24.9 million decrease in sublease activity in the U.S., installation and transportation of significant projects in all regions in WFS combined with a $4.8 million decrease in MSS due to higher contribution from larger installation projects in the Comparative Quarter.

Lodge services revenue for the Quarter was $14.0 million, up 49% or $4.6 million from the Comparative Quarter due to increased occupancy.

Year to Date 2022 vs 2021

Rental revenue for the YTD was $86.8 million, up 23% or $16.1 million from the Prior YTD due to an increase of $8.2 million in MSS rental revenue attributed to an increase in average rental rates as well as an increase of units on rent. This is supplemented by an increase of $7.9 million in WFS rental revenue due to increased utilization and rates in Canada and Australia, partially offset by a decrease in the U.S. due to reduced activity on a significant project in the YTD.

Sales revenue for the YTD was $42.2 million, down 7% or $3.2 million from the Prior YTD primarily due to a $3.5 million decrease in custom sales for MSS which tend to be variable in nature. This is combined with a $0.3 million increase in WFS due to higher used fleet sales in Australia partially offset by lower used fleet sales in Canada.

Non-rental revenue for the YTD was $74.9 million, down 29% or $31.1 million from the Prior YTD primarily due to a $27.0 million decrease in WFS non-rental revenue due to the installation of significant projects in all regions in the Prior YTD, a decrease in sublease activity in the U.S. and a decrease in transportation revenue in Canada and the U.S. region. This is combined with a $4.1 million decrease in MSS non-rental revenue due to a decrease in U.S. installation revenue partially offset by an increase in transportation revenue in the U.S. region.

Lodge services revenue for the YTD was $31.6 million, up 48% or $10.3 million from the Prior YTD due to increased occupancy.

Direct Costs and Gross Profit

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	**2022**	**2021**	**Change**	**2022**	**2021**	**Change**
Direct costs	**56.3**	74.7	(25)%	**135.0**	162.2	(17)%
Gross profit	**39.6**	34.0	16%	**100.5**	81.2	24%

	Three months ended September 30,			Nine months ended September 30,		
Percentage of consolidated revenue	**2022**	**2021**	**Change (1)**	**2022**	**2021**	**Change (1)**
Direct costs	**59%**	69%	(10)	**57%**	67%	(10)
Gross Profit Margin(2)	**41%**	31%	10	**43%**	33%	(10)

(1) Percentage point basis.
(2) Gross Profit Margin is a non-GAAP financial measure. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure.

Gross Profit Margin[6] 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.

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

	Three months ended September 30,			Nine months ended September 30,		
Direct Costs	**2022**	**2021**	**Change**	**2022**	**2021**	**Change**
($ millions, except as noted)	**$**	$		**$**	$	
Construction and transportation services	**17.2**	29.2	(41)%	**42.0**	61.0	(31)%
New sales	**10.4**	9.2	13%	**21.2**	25.0	(15)%
Catering, utilities and other consumable costs	**9.6**	8.1	19%	**22.4**	18.8	19%
Used fleet sales	**5.4**	3.7	46%	**9.3**	9.3	—%
Labour costs	**4.5**	3.7	22%	**13.3**	10.9	22%
Repairs and maintenance	**4.4**	3.9	13%	**11.3**	11.5	(2)%
Subleased equipment	**3.4**	16.1	(79)%	**11.2**	20.4	(45)%
Other direct costs	**0.7**	—	100%	**2.2**	2.5	(12)%
Rent expense - subleased properties	**0.4**	0.2	100%	**1.0**	1.0	—%
Fleet insurance	**0.3**	0.6	(50)%	**1.1**	1.8	(39)%
Total direct costs	**56.3**	74.7	(25)%	**135.0**	162.2	(17)%

Q3 2022 vs Q3 2021

Direct costs for the Quarter were $56.3 million, down 25% or $18.4 million from the Comparative Quarter primarily due to decreases in construction and transportation services as well as subleased equipment, partially offset by an increase in sales and catering, utilities and other consumables costs.

Gross profit for the Quarter was $39.6 million, up 16% or $5.6 million from the Comparative Quarter primarily due to increased rental, lodge services revenue and margins.

Year to Date 2022 vs 2021

Direct costs for the YTD were $135.0 million, down 17% or $27.2 million from the Prior YTD primarily due to decreases in construction and transportation services, new sales, used fleet sales and other direct costs. This is partially offset by an increase in lodge service costs, catering, other consumable costs and labour costs.

Gross profit for the YTD was $100.5 million, up 24% or $19.3 million from the Prior YTD primarily due to increased rental and lodge services revenue and margins.

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

Administrative Expenses

($ millions, except as noted)	Three months ended September 30, 2022	2021	Change	Nine months ended September 30, 2022	2021	Change
Personnel costs	**10.0**	10.1	(1)%	**27.4**	25.2	9%
Other administrative expenses	**2.6**	3.4	(24)%	**8.2**	7.2	14%
Occupancy and insurance	**1.0**	0.8	25%	**2.9**	2.3	26%
Total administrative expenses	**13.6**	14.3	(5)%	**38.5**	34.7	11%
% of consolidated revenue	**14%**	13%	1	**16%**	14%	2

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

Q3 2022 vs Q3 2021

Total administrative expenses for the Quarter were $13.6 million, down 5% or $0.7 million from the Comparative Quarter.

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

- Personnel costs for the Quarter were relatively flat at $10.0 million, down 1% or $0.1 million from the Comparative Quarter.
- Other administrative expenses for the Quarter were $2.6 million, down 24% or $0.8 million from the Comparative Quarter primarily due to a decrease related to a $1.2 million provision for a customer dispute recognized in the Comparative Quarter, offset by an increases in temporary contractors and advertising and promotion.
- Occupancy and insurance costs for the Quarter were $1.0 million, up 25% or $0.2 million from the Comparative Quarter primarily due to increases in insurance expense.

Year to Date 2022 vs 2021

Total administrative expenses for the YTD were $38.5 million, up 11% or $3.8 million from the Prior YTD.

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

- Personnel costs for the YTD were $27.4 million, up 9% or $2.2 million from the Prior YTD primarily due to increased headcount, and higher profit and sales incentives.
- Other administrative expenses for the YTD were $8.2 million, up 14% or $1.0 million from the Prior YTD primarily due to higher employee travel and entertainment, information technology, and advertising and promotions.
- Occupancy and insurance costs for the YTD were $2.9 million, up 26% or $0.6 million from the Prior YTD primarily due to an increase in insurance costs.

Adjusted EBITDA

($ millions, except as noted)	Three months ended September 30, 2022	2021	Change	Nine months ended September 30, 2022	2021	Change
Adjusted EBITDA(1)	**26.0**	19.7	32%	**62.1**	46.5	34%
Adjusted EBITDA as a % of Revenue(1)	**27%**	18%	9	**26%**	19%	7

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

Adjusted EBITDA as a % of Revenue[7] will fluctuate from period to period depending on the proportion of rental revenue compared to ancillary revenue streams such as sales, non-rental and lodge services which generally yield a lower Adjusted EBITDA as a % of Revenue.

Q3 2022 vs Q3 2021

Adjusted EBITDA[7] for the Quarter was $26.0 million, up 32% or $6.3 million from the Comparative Quarter primarily due to a higher proportion of revenue being rental revenue, which generates higher margins as well as an increase in lodge service revenue and margin.

Year to Date 2022 vs 2021

Adjusted EBITDA for the YTD was $62.1 million, up 34% or $15.6 million from the Prior YTD primarily due to an increase in rental revenue and lodge service revenue and margins, partially offset by higher administrative expenses.

Depreciation and Amortization

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	2022	2021	Change	2022	2021	Change
Depreciation and amortization	**9.2**	9.4	(2)%	**26.6**	26.2	2%

Q3 2022 vs Q3 2021

Depreciation and amortization for the Quarter was $9.2 million, relatively flat with the Comparative Quarter.

Year to Date 2022 vs 2021

Depreciation and amortization for the YTD was $26.6 million, up 2% or $0.4 million from the Prior YTD primarily due to an increase in intangible and fleet assets.

Finance Costs

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	2022	2021	Change	2022	2021	Change
Finance costs	**2.1**	1.5	40%	**5.3**	4.4	20%
Long-term debt	**160.6**	164.6	(2)%	**160.6**	164.6	(2)%
Average interest rate(1)	**3.80%**	2.20%	160 bps	**3.01%**	2.08%	93 bps

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

Q3 2022 vs Q3 2021

Finance costs for the Quarter were $2.1 million, up 40% or $0.6 million from the Comparative Quarter due to higher market interest rates charged on the Company's asset-based credit facility (the "ABL Facility").

Year to Date 2022 vs 2021

Finance costs for the YTD were $5.3 million, up 20% or $0.9 million from the Prior YTD due to higher market interest rates charged on the ABL Facility.

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

Income Tax

($ millions, except as noted)	Three months ended September 30, 2022	2021	Change	Nine months ended September 30, 2022	2021	Change
Current tax expense	**—**	—	—%	**0.4**	—	100%
Deferred tax expense	**3.9**	1.7	129%	**7.7**	2.8	175%
Total tax expense	**3.9**	1.7	129%	**8.1**	2.8	189%

Q3 2022 vs Q3 2021

For the Quarter, Black Diamond recognized income tax expense of $3.9 million, a change of $2.2 million from the Comparative Quarter. The tax expense in the Quarter is reflective of earnings in the Quarter, which increased deferred tax liabilities. The tax provision has been calculated at the enacted tax rate of 24% in Canada, 25% in the U.S. and 30% in Australia.

Year to Date 2022 vs 2021

For the YTD, Black Diamond recognized income tax expense of $8.1 million, a change of $5.3 million from the Prior YTD. The YTD tax expense is reflective of the YTD earnings, which increased deferred tax liabilities. The tax provision has been calculated at the enacted tax rate of 24% in Canada, 25% in the U.S. and 30% in Australia.

Non-Controlling Interest

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

In connection with the acquisition of Vanguard, the Company's wholly owned subsidiary, BOXX Modular Holdings Inc. issued 867 preferred shares (the "Preferred Shares") for gross proceeds of approximately US$8.7 million (C$11.3 million). The Preferred Shares have been accounted for as a non-controlling interest within the consolidated financial statements of Black Diamond. In 2021, the Company redeemed 183 Preferred Shares for US$1.8 million (C$2.4 million). In 2022, the Company redeemed 513 Preferred Shares for US$5.1 million (C$6.7 million).

($ millions, except as noted)	Three months ended September 30, 2022	2021	Change	Nine months ended September 30, 2022	2021	Change
Non-controlling interest	**0.5**	0.4	25%	**1.5**	1.0	50%

Q3 2022 vs Q3 2021

The NCI for the Quarter was $0.5 million, up $0.1 million from the Comparative Quarter due to increased net income earned through the limited partnerships, partially offset by a decrease in dividends paid to holders of Preferred Shares.

Year to Date 2022 vs 2021

The NCI for the YTD was $1.5 million, up $0.5 million from the Prior YTD due to an increase in net income earned through the limited partnerships, partially offset by a decrease in dividends paid on the Preferred Shares related to redemption of Preferred Shares.

Net Income

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	**2022**	**2021**	**Change**	**2022**	**2021**	**Change**
Net income	**9.0**	5.7	58%	**17.0**	9.7	75%

Q3 2022 vs Q3 2021

Net income for the Quarter was $9.0 million, an improvement of 58% or $3.3 million from the Comparative Quarter primarily due to an increase in rental revenue and margin and lower administrative expenses, partially offset by higher deferred tax expense.

Year to Date 2022 vs 2021

Net income for the YTD was $17.0 million, an improvement of 75% or $7.3 million from the Prior YTD primarily due to an increase in rental and lodge services revenue and margins, partially offset by higher personnel and tax expense.

SEGMENTED REVIEW OF FINANCIAL PERFORMANCE

The Company's senior management evaluates segment performance based on a variety of financial measures including revenue, profit, operating expenses and Adjusted EBITDA[8].

The following is a summary of the Company's segmented results for the three and nine months ended September 30, 2022 and 2021, detailing revenues and Adjusted EBITDA by each of the Company's business units.

Segmented Revenue

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

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**Change**	**2022**	**2021**	**Change**
(in millions, except where noted)	**$**	**$**	**%**	**$**	**$**	**%**
Revenue						
Modular Space Solutions	**51.7**	50.2	3%	**123.2**	122.6	—%
Workforce Solutions	**44.2**	58.6	(25)%	**112.3**	120.8	(7)%
Total revenue	**95.9**	108.8	(12)%	**235.5**	243.4	(3)%

Segmented Adjusted EBITDA

Adjusted EBITDA[8] by segment excludes finance costs, tax expense, depreciation, amortization, accretion, foreign exchange gains or losses, share-based compensation, acquisition costs, non-controlling interests, write-down of property and equipment, impairment of goodwill, restructuring costs, and gains or losses on the sale of non-fleet assets in the normal course of business.

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**Change**	**2022**	**2021**	**Change**
(in millions, except where noted)	**$**	**$**	**%**	**$**	**$**	**%**
Adjusted EBITDA (1)						
Modular Space Solutions	**17.0**	12.5	36%	**40.2**	33.6	20%
Workforce Solutions	**14.6**	12.6	16%	**36.6**	24.9	47%
Corporate and Other	**(5.6)**	(5.4)	(4)%	**(14.7)**	(12.0)	(23)%
Total Adjusted EBITDA	**26.0**	19.7	32%	**62.1**	46.5	34%

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

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

MODULAR SPACE SOLUTIONS

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

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

Our customers operate in the construction, real estate development, education, manufacturing, health care, financial, government and defense industries. As a result of this diversity in the customer and geographic end markets, MSS generates steady cash flows from its recurring rental revenue.

Financial Highlights

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

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

	Three months ended September 30,			Nine months ended September 30,		
Revenue by Stream ($ millions, except as noted)	**2022**	**2021**	**Change**	**2022**	**2021**	**Change**
Rental revenue	**18.5**	15.3	21%	**52.1**	43.9	19%
Sales revenue	**17.2**	14.1	22%	**33.4**	36.9	(9)%
Non-rental revenue	**16.0**	20.8	(23)%	**37.7**	41.8	(10)%
Total revenue	**51.7**	50.2	3%	**123.2**	122.6	—%
Adjusted EBITDA(1)	**17.0**	12.5	36%	**40.2**	33.6	20%
Adjusted EBITDA as a % of Revenue(1)	**33%**	25%	8	**33%**	27%	6
Return on Assets(1)	**24%**	20%	4	**20%**	18%	2

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

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

Value Added Products & Services ($ millions, except as noted)	Three months ended September 30, **2022**	 2021	 Change	Nine months ended September 30, **2022**	 2021	 Change
Rental revenue	**18.5**	15.3	21%	**52.1**	43.9	19%
Less:						
VAPS revenue within rental revenue	**1.1**	1.0	10%	**3.2**	2.7	19%
Rental revenue excluding VAPS revenue	**17.4**	14.3	22%	**48.9**	41.2	19%
VAPS revenue	**1.7**	1.5	13%	**5.2**	4.7	11%
VAPS as a % of Rental Revenue excluding VAPS Revenue	**10%**	10%	—	**11%**	11%	—

Revenue by Geography ($ millions, except as noted)	Three months ended September 30, **2022**	 2021	 Change	Nine months ended September 30, **2022**	 2021	 Change
Canada	**15.6**	15.6	—%	**45.8**	42.9	7%
United States	**36.1**	34.6	4%	**77.4**	79.7	(3)%
Total revenue	**51.7**	50.2	3%	**123.2**	122.6	—%

Q3 2022 vs Q3 2021

MSS's total revenue for the Quarter was $51.7 million, up 3% or $1.5 million from the Comparative Quarter.

- **Rental revenue** during the Quarter was $18.5 million, up 21% or $3.2 million from the Comparative Quarter due to improved average rental rates and utilization, as well as an increase in units on rent.
- **Sales revenue** during the Quarter was $17.2 million, up 22% or $3.1 million from the Comparative Quarter due to an increase in both custom and used fleet sales. The increase in custom sales was partially driven by abating supply chain issues among manufacturing partners.
- **Non-rental revenue** during the Quarter was $16.0 million, down 23% or $4.8 million from the Comparative Quarter, primarily due to higher installation and transportation revenue from larger projects in the Comparative Quarter.

VAPS revenue within rental revenue during the Quarter was $1.1 million, up 10% from the Comparative Quarter. VAPS as a % of rental revenue excluding VAPS revenue remained relatively flat.

Adjusted EBITDA[9] for the Quarter of $17.0 million increased 36% or $4.5 million from the Comparative Quarter. Adjusted EBITDA as a % of Revenue[9] increased eight percentage points to 33% as compared to the Comparative Quarter. This change was driven by an increase in rental revenue, rental margins, the higher mix of rental revenue, and improved margins on sales revenue. EBITDA margins were also higher due to a $1.2 million provision recognized in the Comparative Quarter related to a customer dispute related to one project.

Return on Assets[9] for the Quarter was 24%, an increase of four percentage points to the Comparative Quarter as the diversified rental platform continues to benefit from increased average monthly rental rates per unit and utilization.

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

Year to Date 2022 vs 2021

MSS's total revenue for the YTD was $123.2 million, up $0.6 million from the Prior YTD.

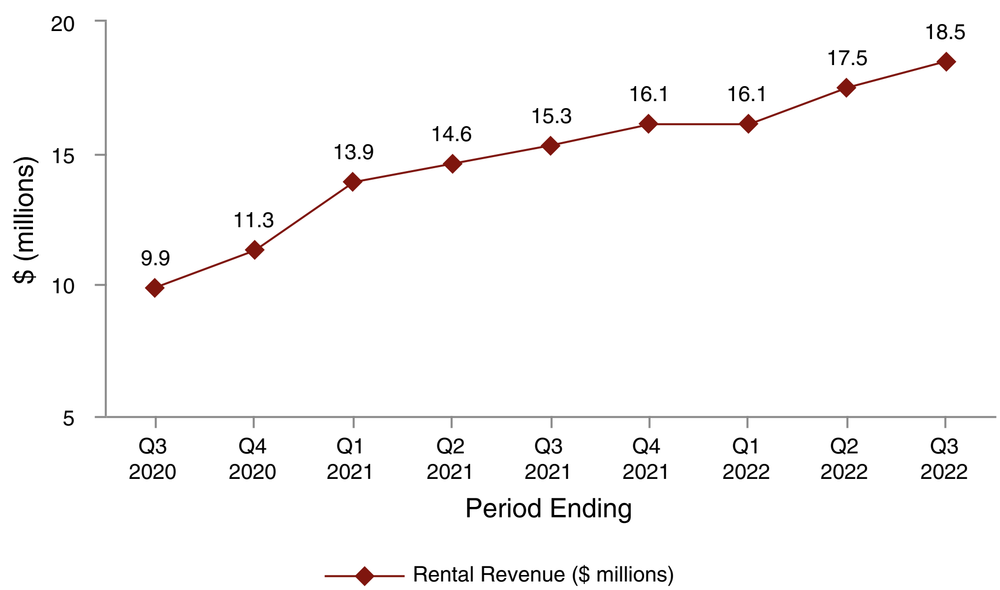
- **Rental revenue** for the YTD was $52.1 million, up 19% or $8.2 million from the Prior YTD due to improved average rental rates and utilization, as well as an increase in units on rent.
- **Sales revenue** for the YTD was $33.4 million, down 9% or $3.5 million from the Prior YTD due to a decrease in custom sales which tends to be variable in nature.
- **Non-rental revenue** for the YTD was $37.7 million, down 10% or $4.1 million from the Prior YTD primarily due to normal fluctuations including a decrease in U.S. installation revenue, partially offset by an increase in transportation revenue in the U.S. region.

Adjusted EBITDA[10] for the YTD was $40.2 million, which increased 20% or $6.6 million from the Prior YTD. Adjusted EBITDA as a % of Revenue[10] increased six percentage points to 33% as compared to the Prior YTD. This change was driven by higher rental revenue and margins as well as a shift in the revenue mix to higher margin rental revenue.

Return on Assets[10] for the YTD was 20% an increase of two percentage points from the prior YTD.

Rental Revenue

Rental revenue for the Quarter continued the positive growth trend over the last two years (36% compound annual growth rate from Q3 2020 to Q3 2022).



Rental Term

Rental durations typically exceed the initial contract terms and are renewable on a month-to-month basis. The average duration of the MSS lease portfolio was 45.1 months as at September 30, 2022, an increase of 3.4 months from 41.7 months as at September 30, 2021.

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

Contracted Future Revenue

Contracted rental revenue for assets on rent is calculated as total value of rental revenue yet to be recognized in the future related to performance obligations unsatisfied at the reporting period. Assets on rent is comprised of only assets that are on rent on or before the reporting period.

Contracted rental revenue for assets on rent as at September 30, 2022 was $64.6 million an increase of $11.3 million or 21% from $53.3 million as at September 30, 2021. The increase is mainly driven by recent deployment of assets with longer duration contracts. Contracted rental revenue for contracted future revenue do not include rental contracts with a month to month term.

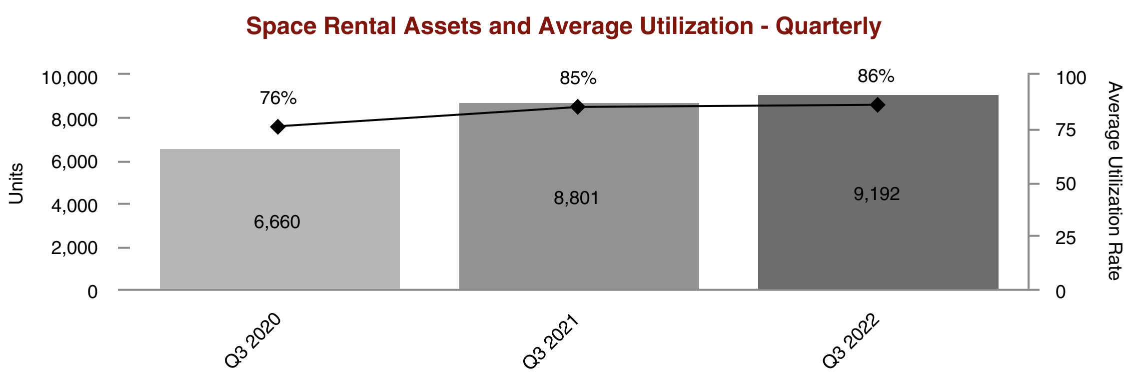
Space Rental Assets and Average Utilization

The MSS fleet consisted of 9,192 units as at September 30, 2022, which increased from 8,801 units as at September 30, 2021. This was due to the addition of 721 new units, of which 150 were from the acquisition of the rental fleet from Cambrian Trailer Rentals Ltd., partially offset by the disposal of 330 units. Disposals were primarily driven by the selective disposal of older units.

MSS Consolidated

	Three months ended September 30,			Nine months ended September 30,		
MSS assets, utilization, and rates	**2022**	**2021**	**Change**	**2022**	**2021**	**Change**
Property and equipment net book value ($ millions)(1)	**271.7**	242.8	12%	**271.7**	242.8	12%
Modular space assets	**9,192**	8,801	4%	**9,192**	8,801	4%
Average utilization(2)	**86%**	85%	1	**84%**	83%	1
Average monthly rental rate per unit	**$768**	$681	13%	**$743**	$665	12%

(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.



Q3 2022 vs Q3 2021

Utilization for the Quarter was 86%, up 1% when compared to the Comparative Quarter. The average monthly rental rate per unit has increased as compared to the Comparative Quarter by 13%, due to higher rates across all regions and favourable foreign exchange rates in the U.S.. On a constant currency basis, average monthly rental rate per unit increased 8% versus the Comparative Quarter.

Year to Date 2022 vs 2021

Utilization for the YTD was 84%, up 1% when compared to Prior YTD.

The average monthly rental rate per unit has increased as compared to the Prior YTD by 12%, due to higher rates across all regions and favourable foreign exchange rates in the U.S. On a constant currency basis, average monthly rental rate per unit increased 9% versus the Prior YTD.

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 and dismantle, and the sale of used fleet assets.

The assets included in WFS are modular accommodation structures that are assembled into large scale camps in a variety of dormitory configurations with kitchen/diner complexes, recreation facilities and single unit or multi-unit complexes. These assets are often necessary for operations related to infrastructure and large-scale construction projects, oil and gas, mining, disaster recovery, government, 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 crew 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 crew travel with a goal to remove inefficiencies at every step of the crew travel process from booking, to management, to payments. LodgeLink's vision is to be the ecosystem for workforce travel, while applying innovative technology to transform the crew travel process.

Financial Highlights

The following is a summary of the key metrics used by management to assess performance. Revenue, Adjusted EBITDA[11], Adjusted EBITDA as a % of Revenue[11] and Return on Assets[11] are key financial measures which fluctuate in direct proportion to utilization, occupancy and rates.

Revenue by Stream ($ millions, except as noted)	**Three months ended September 30,**			**Nine months ended September 30,**		
	2022	**2021**	**Change**	**2022**	**2021**	**Change**
Rental revenue	**13.0**	10.7	21%	**34.7**	26.8	29%
Sales revenue	**4.6**	1.0	360%	**8.8**	8.5	4%
Non-rental revenue	**12.6**	37.5	(66)%	**37.2**	64.2	(42)%
Lodge services revenue	**14.0**	9.4	49%	**31.6**	21.3	48%
Total revenue	**44.2**	58.6	(25)%	**112.3**	120.8	(7)%

Revenue by Geography ($ millions, except as noted)	**Three months ended September 30,**			**Nine months ended September 30,**		
	2022	**2021**	**Change**	**2022**	**2021**	**Change**
Canada	**32.1**	28.9	11%	**78.8**	70.0	13%
United States	**3.0**	20.8	(86)%	**11.1**	28.0	(60)%
Australia	**9.1**	8.9	2%	**22.4**	22.8	(2)%
Total revenue	**44.2**	58.6	(25)%	**112.3**	120.8	(7)%

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

($ millions, except as noted)	Three months ended September 30, 2022	2021	Change	Nine months ended September 30, 2022	2021	Change
Adjusted EBITDA(1)	**14.6**	12.6	16%	**36.6**	24.9	47%
Adjusted EBITDA as a % of Revenue(1)	**33%**	22%	11	**33%**	21%	12
Return on Assets(1)	**42%**	34%	8	**34%**	22%	12

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

Q3 2022 vs Q3 2021

Adjusted EBITDA[12] increased in the Quarter to $14.6 million from $12.6 million, an increase of $2.0 million or 16% due to higher consolidated revenue driven by increased lodge services, sales, and rental revenue. Adjusted EBITDA as a % of Revenue[12] of 33% was above the Comparative Quarter due to a higher proportion of rental revenue which generates higher margins and improved margins in all revenue streams.

Year to Date 2022 vs 2021

Adjusted EBITDA[12] increased to $36.6 million from $24.9 million in the Prior YTD, an increase of $11.7 million or 47%, primarily due to higher rental, sales and lodge service revenue, offset by a decrease in non-rental revenue. Adjusted EBITDA as a % of Revenue[12] of 33% was above the Prior YTD due to a higher proportion of rental revenue which generates higher margins and improved margins in all other revenue streams.

Rental

The following are key metrics used to measure and report on performance of WFS assets. Average asset utilization for the Quarter is calculated by dividing the net book value of assets on rent by the total net book value of the assets.

Average Asset Utilization(1)	Three months ended September 30, 2022	2021	Change(2)	Nine months ended September 30, 2022	2021	Change(2)
Canada	**50%**	43%	7	**47%**	37%	10
United States	**72%**	63%	9	**45%**	48%	(3)
Australia	**94%**	82%	12	**94%**	74%	20
Consolidated WFS average asset utilization	**60%**	51%	9	**53%**	43%	10

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

Fleet Count (Units)	As at September 30, 2022	2021	Change
Canada	**5,089**	5,567	(9)%
United States	**452**	554	(18)%
Australia	**1,161**	1,083	7%
	6,702	7,204	(7)%

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

Consolidated Room Count by Geography	As at September 30, 2022	2021	Change
Canada	**8,812**	9,692	(9)%
United States [1]	**627**	1,200	(48)%
Australia	**761**	1,164	(35)%
	10,200	12,056	(15)%

(1) Consolidated room count in the United States previously included occupants per unit. This has been updated to reflect room count as is presented for Canada and Australia.

Net Book Value by Geography ($ millions)	As at September 30, 2022	2021	Change
Canada	**90.5**	98.5	(8)%
United States	**30.5**	32.1	(5)%
Australia	**16.9**	14.4	17%
	137.9	145.0	(5)%

Q3 2022 vs Q3 2021

Rental revenue during the Quarter was $13.0 million, up 21% or $2.3 million from the Comparative Quarter due to increased utilization and rates in all regions.

Year to Date 2022 vs 2021

Rental revenue for the YTD was $34.7 million, up 29% or $7.9 million from the Prior YTD due to increased utilization and rates in Canada and Australia, partially offset by a decrease in the U.S. due to reduced activity on a significant project in the YTD.

Contracted Future Revenue

Contracted rental revenue for contracts in place is calculated as total value of rental revenue yet to be recognized in the future related to performance obligations unsatisfied at the reporting period. Commencement date of the contracts in place include on or before the reporting period or in some instances future reporting periods.

At September 30, 2022, contracted rental revenue from contracts in place was $20.3 million, a decrease of 23% or $26.3 million from September 30, 2021. 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 rental revenue for contracts in place do not include rental contracts with a month to month term.

Sales

Q3 2022 vs Q3 2021

Sales revenue during the Quarter was $4.6 million, up 360% or $3.6 million from the Comparative Quarter primarily due to higher used fleet sales in Canada and Australia in the Quarter.

Year to Date 2022 vs 2021

Sales revenue during the YTD was $8.8 million, up 4% or $0.3 million from the Prior YTD due to higher used fleet sales in Australia offset by lower used fleet sales in Canada compared to the Prior YTD.

Non-Rental

Q3 2022 vs Q3 2021

Non-rental revenue during the Quarter was $12.6 million, down 66% or $24.9 million from the Comparative Quarter primarily due to a decrease in sublease activity in U.S., installation of significant projects in all regions, and transportation revenue in Canada.

Year to Date 2022 vs 2021

Non-rental revenue for the YTD was $37.2 million, down 42% or $27.0 million from the Prior YTD due to the installation of significant projects in all regions in the Prior YTD, a decrease in sublease activity in the U.S. and a decrease in transportation revenue in Canada and U.S., partially offset by an increase in Australia.

Lodge Services

Q3 2022 vs Q3 2021

Lodge services revenue during the Quarter was $14.0 million, up 49% or $4.6 million from the Comparative Quarter due to increased occupancy in the Quarter.

Year to Date 2022 vs 2021

Lodge services revenue for the YTD was $31.6 million, up 48% or $10.3 million from the Prior YTD due to increased occupancy when compared to the Prior YTD.

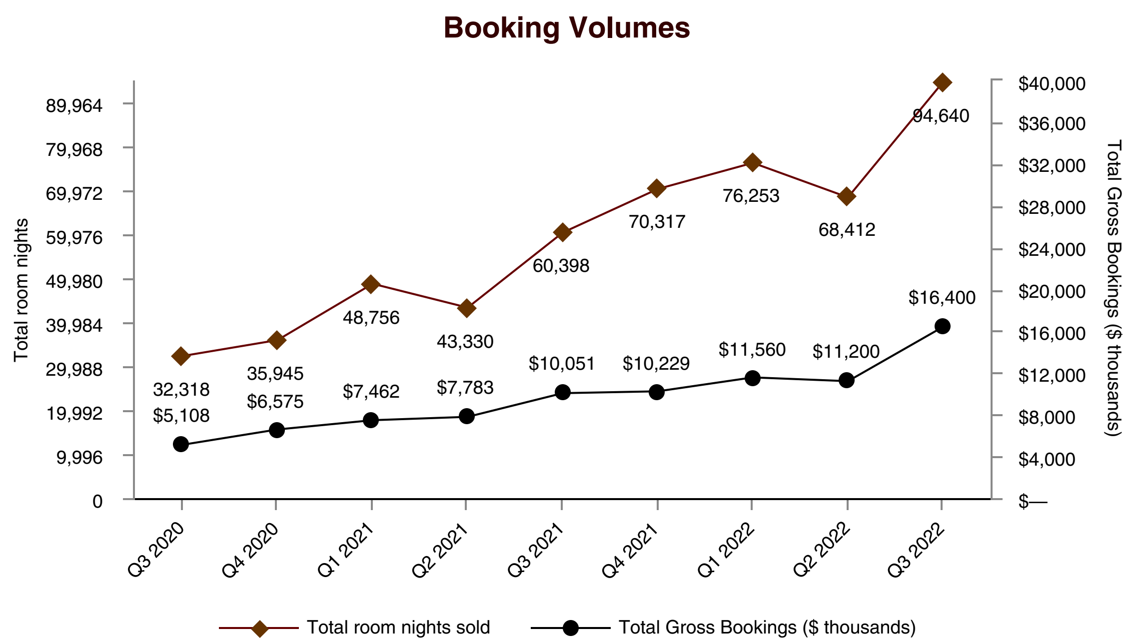
LodgeLink

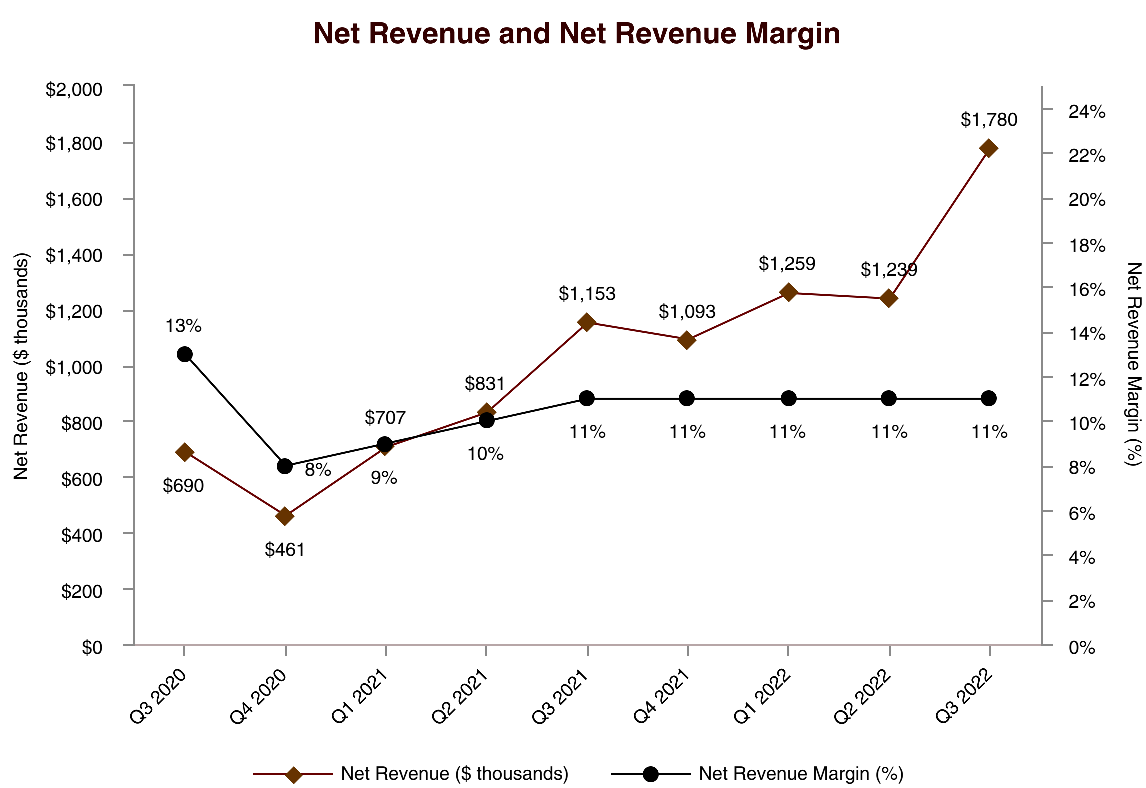
LodgeLink net revenue generated from bookings is typically based on a margin per room booked. When the room is booked in a third-party hotel or lodge the revenue is categorized as non-rental revenue and revenue from bookings at Black Diamond owned lodges is categorized as lodge services revenue.

	Three months ended September 30,			Nine months ended September 30,		
	2022	**2021**	**Change**	**2022**	**2021**	**Change**
Gross Bookings ($ millions)(1)	**16.4**	10.1	62%	**39.2**	25.3	55%
Net revenue ($ millions)	**1.8**	1.2	50%	**4.3**	2.7	59%
Net Revenue Margin(1)	**11%**	12%	(1)	**11%**	11%	—
Total room nights sold	**94,640**	60,398	57%	**239,305**	152,484	57%

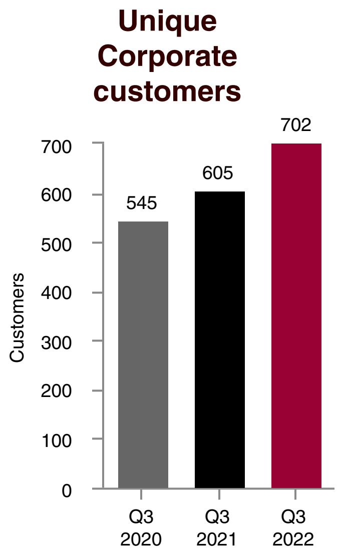
(1) Gross Bookings is a non-GAAP financial measure. Net Revenue Margin is a non-GAAP ratio. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure and ratio.

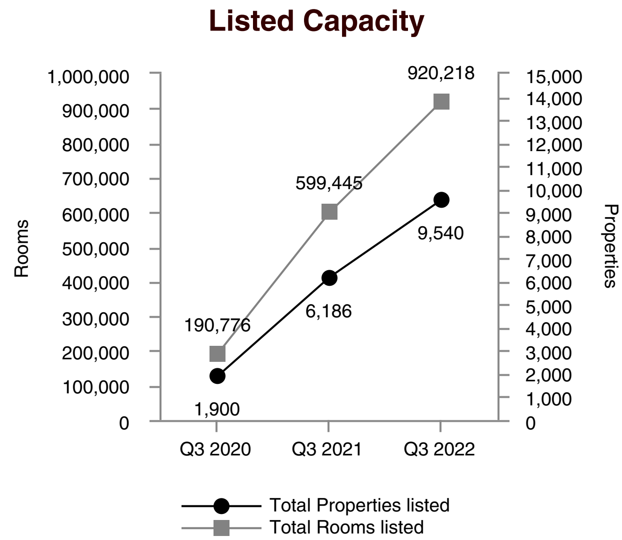
Total room nights sold in the Quarter increased 57% from the Comparative Quarter with U.S. booking volumes increasing 154%. Record volumes in the Quarter were driven by U.S. expansion and increased oilfield activity, and emergency response crew bookings across Western Canada.





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





Unique corporate customers is a count of individual corporate customers. An individual corporate customer typically holds multiple user accounts which is not reflected in this metric.

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 and information technology. Included in the Corporate and Other business unit are non-material revenues that are not significant enough to report on their own.

Financial Highlights

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	**2022**	**2021**	**Change**	**2022**	**2021**	**Change**
Property and equipment net book value	**14.0**	16.8	(17)%	**14.0**	16.8	(17)%
Adjusted EBITDA(1)	**(5.6)**	(5.4)	(4)%	**(14.7)**	(12.0)	(23)%

(1) Adjusted EBITDA is non-GAAP financial measure. Refer to the Non-GAAP Financial Measures section of this MD&A for more information on each non-GAAP financial measure.

Q3 2022 vs Q3 2021

Adjusted EBITDA[14] for the Quarter was negative $5.6 million, a decrease of 4% or $0.2 million, from negative $5.4 million in the Comparative Quarter, primarily due to higher incentives, increased head count, and higher finance costs.

Year to Date 2022 vs 2021

Adjusted EBITDA[14] for the YTD was negative $14.7 million, a decrease of 23% or $2.7 million compared to negative $12.0 million in the Prior YTD due to increased head count, higher incentives, and higher finance costs.

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

LIQUIDITY AND CAPITAL RESOURCES

Cash Requirements

Capital Expenditures

Black Diamond's capital expenditures relate primarily to:

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

For the Quarter, Black Diamond expended $15.1 million (Comparative Quarter – $12.0 million) on additions to property and equipment and intangible assets. The expenditures on additions are set out in the table below.

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	**2022**	**2021**	**Change %**	**2022**	**2021**	**Change %**
Modular Space Solutions	**10.3**	9.9	4%	**27.8**	18.9	47%
Workforce Solutions	**4.5**	1.4	221%	**9.1**	5.9	54%
Corporate and Other	**0.3**	0.7	(57)%	**0.6**	1.0	(40)%
	15.1	12.0	26%	**37.5**	25.8	45%

Sources and Uses of Cash

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

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	**2022**	**2021**	**Change %**	**2022**	**2021**	**Change %**
Cash from operating activities	**27.4**	17.5	57%	**64.4**	50.7	27%
Cash used in investing activities	**(12.3)**	(12.3)	—%	**(39.7)**	(27.9)	(42)%
Cash used in financing activities	**(9.4)**	(3.5)	(169)%	**(17.1)**	(21.2)	19%
Total cash increase	**5.7**	1.7	235%	**7.6**	1.6	375%

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

Cash provided by operating activities was $9.9 million higher in the Quarter than in the Comparative Quarter. The increase in the Quarter is primarily due to an increase in net income and higher used fleet sales.

Cash used in investing activities in the Quarter was comparable to the Comparative Quarter.

Cash used in financing activities was $5.9 million higher than in the Comparative Quarter primarily due to an increase in the net repayment of long-term debt and the redemption of preferred shares.

Working Capital

The following table presents summarized working capital information:

($ millions, except as noted)	September 30, 2022	December 31, 2021	Change $	Change %
Current assets	**94.5**	76.0	18.5	24%
Current liabilities	**73.6**	66.3	7.3	11%
Working capital(1)	**20.9**	9.7	11.2	115%

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

The increase in current assets of $18.5 million from December 31, 2021 was due to an increase in cash of $7.7 million, an increase in accounts receivable of $6.8 million and an increase in other assets of $4.0 million.

The increase in current liabilities of $7.3 million from December 31, 2021 was due to a $7.0 million increase in deferred revenue and a $0.3 million increase in current lease liabilities.

Contractual Obligations and Other Commitments

At September 30, 2022, Black Diamond had capital expenditure commitments in the amount of $18.8 million. Additionally, Black Diamond has a commitment of $5.4 million related to the Company's office and yard leases, which have varying terms over the next ten years. It is management's intention to meet the funding requirements for these commitments through internally generated cash flow.

Principal Debt Instruments

Effective December 17, 2021, the Company renewed the ABL Facility and extended the maturity date of the ABL Facility to October 31, 2026.

The borrowing base, or available amount at any given time under the ABL Facility is based on 85 - 90% of the net orderly liquidation value of eligible rental fleet and qualified receivables, up to $300.0 million.

For the three months ended September 30, 2022, the average interest rate on outstanding debt was 3.80% (2021 - 2.20%). For the nine months ended September 30, 2022, the average interest rate on outstanding debt was 3.01% (2021 - 2.08%).

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.

During Q2 2021 and Q4 2021, the Company entered into risk management assets, or interest rate swap agreements, with the ABL Facility lending syndicate for an aggregate of $55.0 million with termination dates occurring between October 29, 2023 and October 29, 2026. As at September 30, 2022, the total risk management asset was $2.7 million (December 31, 2021 - less than $0.1 million).

Debt Covenants

In accordance with the terms of the ABL Facility, the Company is required to maintain a fixed charge coverage ratio ("FCCR") of 1.1 to 1; however, this covenant is only tested in certain instances, principally when draws under the ABL Facility exceed 90% of the borrowing base. As at September 30, 2022, the Company's draws under the ABL Facility amounted to 59% of the borrowing base of $273.7 million, therefore the FCCR covenant was not applicable.

As at September 30, 2022, Black Diamond was in compliance with all debt covenants.

Share Capital

At September 30, 2022, Black Diamond had 59.3 million (December 31, 2021 - 58.2 million) common shares outstanding, net of 1.0 million (December 31, 2021 - 1.2 million) held in trust to settle equity based compensation plans. In addition, at September 30, 2022, Black Diamond had 3.8 million (December 31, 2021 - 4.7 million) common shares reserved for issuance pursuant to the exercise of options and restricted share units which have been granted pursuant to Black Diamond's share option plan and restricted and performance incentive award plan.

The following table summarizes Black Diamond's equity capitalization as at November 3, 2022 (in thousands):

Common shares (net of shares held in trust)	59,270
Common shares (held in trust)	1,046
Stock options	3,353
Restricted and performance share units	492

Off-Balance Sheet Arrangements

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

Contractual Obligations

The following table summarizes Black Diamond's total contractual obligations as at September 30, 2022:

		Payments due by period		
($ millions, except as noted)	Total	Less than 1 year	1 - 5 years	After 5 years
Long-term debt	161.3	—	161.3	—
Lease obligations, undiscounted	24.7	7.6	17.0	0.1
Commitments	5.4	1.4	4.0	—
Capital commitments	18.8	18.8	—	—
Total contractual obligations	**210.2**	**27.8**	**182.3**	**0.1**

FINANCIAL INSTRUMENTS

All of Black Diamond's financial instruments as at September 30, 2022 relate to standard working capital accounts, credit facility items and risk management contracts.

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

NON-GAAP FINANCIAL MEASURES

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

Adjusted EBITDA is not a measure recognized under IFRS and does not have standardized meanings prescribed by IFRS. Adjusted EBITDA refers to consolidated earnings before finance costs, tax expense, depreciation, amortization, accretion, foreign exchange, share-based compensation, acquisition costs, non-controlling interests, share of gains or losses of an associate, write-down of property and equipment, impairment, restructuring costs, and gains or losses on the sale of non-fleet assets in the normal course of business.

Black Diamond uses Adjusted EBITDA primarily as a measure of operating performance. Management believes that operating performance, as determined by Adjusted EBITDA, is meaningful because it presents the performance of the Company's operations on a basis which excludes the impact of certain non-cash items as well as how the operations have been financed. In addition, management presents Adjusted EBITDA because it considers it to be an important supplemental measure of the Company's performance and believes this measure is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures.

Adjusted EBITDA has limitations as an analytical tool, and readers should not consider this item in isolation, or as a substitute for an analysis of the Company's results as reported under IFRS. Some of the limitations of Adjusted EBITDA are:

- Adjusted EBITDA excludes certain income tax payments and recoveries that may represent a reduction or increase in cash available to the Company;
- Adjusted EBITDA does not reflect the Company's cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, the Company’s working capital needs;
- Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest payments on the Company's debt;
- depreciation and amortization are non-cash charges, thus the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- other companies in the industry may calculate Adjusted EBITDA differently than the Company does, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of the Company's business. The Company compensates for these limitations by relying primarily on the Company's IFRS results and using Adjusted EBITDA only on a supplementary basis. A reconciliation to profit (loss), the most comparable GAAP measure, is provided below.

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 (loss) determined on a GAAP basis as well as Adjusted EBIT. A reconciliation to profit (loss), the most comparable GAAP measure, is provided below.

Adjusted EBITDA as a % of Revenue is calculated by dividing Adjusted EBITDA by total revenue for the period. Black Diamond uses Adjusted EBITDA as a % of Revenue primarily as a measure of operating performance. Management believes this ratio is an important supplemental measure of the Company's performance and believes this measure is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures.

Return on Assets is calculated as annualized Adjusted EBITDA divided by average net book value of property and equipment. Annualized Adjusted EBITDA is calculated by multiplying Adjusted EBITDA for the Quarter and Comparative Quarter by an annualized multiplier. Management believes that Return on Assets is a useful financial measure for investors in evaluating operating performance for the periods presented. When read in conjunction with our profit (loss) and property and equipment, two GAAP measures, this non-GAAP ratio provides investors with a useful tool to evaluate Black Diamonds ongoing operations and management of assets from period-to-period.

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

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	**2022**	**2021**	**Change %**	**2022**	**2021**	**Change %**
Profit	**9.0**	5.7	58%	**17.0**	9.7	75%
Add:						
Depreciation and amortization	**9.2**	9.4	(2)%	**26.6**	26.2	2%
Finance costs	**2.1**	1.5	40%	**5.3**	4.4	20%
Share-based compensation	**1.3**	1.0	30%	**3.6**	2.4	50%
Non-controlling interest	**0.5**	0.4	25%	**1.5**	1.0	50%
Current income taxes	**—**	—	—%	**0.4**	—	100%
Deferred income taxes	**3.9**	1.7	129%	**7.7**	2.8	175%
Adjusted EBITDA	**26.0**	19.7	32%	**62.1**	46.5	34%
Less:						
Depreciation and amortization	**9.2**	9.4	(2)%	**26.6**	26.2	2%
Adjusted EBIT	**16.8**	10.3	63%	**35.5**	20.3	75%
Total revenue	**95.9**	108.8	(12)%	**235.5**	243.4	(3)%
Adjusted EBITDA as a % of Revenue	**27%**	18%	9	**26%**	19%	7
Annualized multiplier	**4**	4		**1.3**	1.3	
Annualized adjusted EBITDA	**104.0**	78.8	32%	**80.7**	60.5	33%
Average net book value of property and equipment	**431.3**	421.4	2%	**426.3**	422.6	1%
Return on Assets	**24%**	19%	5	**19%**	15%	4

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 financial ratio which is calculated as Net Debt divided by trailing twelve months Adjusted EBITDA. **Net Debt**, a non-GAAP financial measure, is calculated as long-term debt minus cash and cash equivalents. A reconciliation to long-term debt, the most comparable GAAP measure, is provided below. Net Debt and Net Debt to TTM Adjusted Leverage EBITDA removes cash and cash equivalents from the Company's debt balance. Black Diamond uses this ratio primarily as a measure of operating performance. Management believes this ratio is an important supplemental measure of the Company's performance and believes this measure is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures. In the June 30, 2022 Quarter, Net Debt to TTM Adjusted EBITDA was renamed Net Debt to TTM Adjusted Leverage EBITDA, to provide further clarity on the composition of the denominator to include pre-acquisition estimates of EBITDA from business combinations. Management believes including the additional information in this calculation helps provide information of the impact of trailing operations from business combinations on the Company's leverage position.

($ millions, except as noted)	2022	2022	2022	2021	2021	2021	2021	2020	Change
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
Profit (loss)	9.0	4.0	4.0	10.7	5.7	1.3	2.7	(2.2)	
Add:									
Depreciation and amortization	9.2	8.8	8.6	8.9	9.4	8.8	8.1	9.0	
Acquisition costs	—	—	—	—	—	—	—	1.9	
Finance costs	2.1	1.7	1.5	1.7	1.5	1.6	1.3	1.6	
Share-based compensation	1.3	1.1	1.2	1.0	1.0	0.8	0.6	0.8	
Non-controlling interest	0.5	0.5	0.5	0.4	0.4	0.4	0.2	0.3	
Current income taxes	—	0.4	—	0.1	—	—	—	0.4	
Gain on sale of real estate assets	—	—	—	(0.7)	—	—	—	—	
Deferred income taxes	3.9	1.7	2.1	(4.6)	1.7	0.6	0.4	(0.7)	
Adjusted EBITDA	26.0	18.2	17.9	17.5	19.7	13.5	13.3	11.1	
Acquisition pro-forma adjustments(1)	—	—	—	—	—	—	—	2.1	
Adjusted Leveraged EBITDA	26.0	18.2	17.9	17.5	19.7	13.5	13.3	13.2	
TTM Adjusted Leverage EBITDA	79.6				59.7				33%
Long-term debt	160.6				164.6				(2)%
Cash and cash equivalents	12.3				5.1				141%
Net Debt	148.3				159.5				(7)%
Net Debt to TTM Adjusted Leverage EBITDA	1.9				2.7				(30)%

(1) Includes pro-forma pre-acquisition EBITDA estimates as if the acquisitions during the YTD and Prior YTD occurred on July 1, 2021.

Funds from Operations is calculated as the cash flow from operating activities, the most comparable GAAP measure, excluding the changes in non-cash working capital. Management believes that Funds from Operations is a useful measure as it provides an indication of the funds generated by the operations before working capital adjustments. Changes in long-term accounts receivables and non-cash working capital items have been excluded as such changes are financed using the operating line of Black Diamond's credit facilities. A reconciliation to cash flow from operating activities, the most comparable GAAP measure, is provided below.

Free Cashflow is calculated as Funds from Operations minus maintenance capital, net interest paid (including lease interest), payment of lease liabilities, net current income tax expense (recovery), distributions declared to non-controlling interest, dividends paid on common shares and dividends paid on preferred shares plus net current income taxes received (paid). Management believes that Free Cashflow is a useful measure as it provides an indication of the funds generated by the operations before working capital adjustments and other items noted above. Management believes this metric is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures. A reconciliation to cash flow from operating activities, the most comparable GAAP measure, is provided below.

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

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	2022	2021	Change	2022	2021	Change
Cash Flow from Operating Activities	**27.3**	17.5	56%	**64.4**	50.7	27%
Add/(Deduct):						
Change in long-term accounts receivable	**(2.5)**	0.1	(2,600)%	**(0.7)**	(0.5)	(40)%
Changes in non-cash operating working capital	**5.9**	5.8	2%	**6.3**	4.8	31%
Funds from Operations	**30.7**	23.4	31%	**70.0**	55.0	27%
Add/(deduct):						
Maintenance capital	**(1.9)**	(3.1)	39%	**(5.0)**	(6.9)	28%
Payment for lease liabilities	**(1.7)**	(1.6)	(6)%	**(4.9)**	(4.7)	(4)%
Interest paid (including lease interest)	**(2.1)**	(1.4)	(50)%	**(5.1)**	(4.2)	(21)%
Net current income tax expense (recovery)	**—**	—	—%	**0.4**	—	100%
Dividends paid on common shares	**(0.9)**	—	(100)%	**(2.5)**	—	(100)%
Distributions declared to non-controlling interest	**(0.1)**	—	(100)%	**(0.5)**	—	(100)%
Dividends paid on preferred shares	**(0.1)**	(0.2)	50%	**(0.4)**	(0.4)	—%
Free Cashflow	**23.9**	17.1	40%	**52.0**	38.8	34%

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

Reconciliation of Gross Profit to Gross Profit Margin:

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	**2022**	2021	Change	**2022**	2021	Change
Total revenue	**95.9**	108.8	(12)%	**235.5**	243.4	(3)%
Direct costs	**56.3**	74.7	(25)%	**135.0**	162.2	(17)%
Gross profit	**39.6**	34.0	16%	**100.5**	81.2	24%
Gross Profit Margin	**41%**	31%	10	**43%**	33%	10

Gross Bookings, a non-GAAP measure, is total revenue billed to the customer which includes all fees and charges. Net revenue, a GAAP measure, is Gross Bookings less costs paid to suppliers. Revenue from bookings at third party lodges and hotels through LodgeLink are recognized on a net revenue basis. LodgeLink is an agent in the transaction as it is not responsible for providing the service to the customer and does not control the service provided by a supplier. Management believes this ratio is an important supplemental measure of LodgeLink's performance and cash generation and believes this ratio is frequently used by interested parties in the evaluation of companies in industries with similar forms of revenue generation.

Net Revenue Margin is calculated by dividing net revenue by Gross Bookings for the period. Management believes this ratio is an important supplemental measure of LodgeLink's performance and profitability and believes this ratio is frequently used by interested parties in the evaluation of companies in industries with similar forms revenue generation where companies act as agents in transactions.

Reconciliation of Net Revenue to Gross Bookings and Net Revenue Margin:

	Three months ended September 30,			Nine months ended September 30,		
($ millions, except as noted)	**2022**	2021	Change	**2022**	2021	Change
Net revenue(1)	**1.8**	1.2	50%	**4.3**	2.7	59%
Costs paid to suppliers(1)	**14.6**	8.9	64%	**34.9**	22.6	54%
Gross Bookings(1)	**16.4**	10.1	62%	**39.2**	25.3	55%
Net Revenue Margin	**11%**	12%	(1)	**11%**	11%	—

(1) Includes intercompany transactions.

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

RELATED PARTY TRANSACTIONS

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

The following table provides the total amount of transactions that have been entered into with related parties during the three and nine months ended September 30, 2022 and 2021, as well as balances with related parties as at September 30, 2022 and December 31, 2021.

	Three months ended September 30,		Nine months ended September 30,		Due to related parties as at	
	2022	2021	**2022**	2021	**September 30, 2022**	December 31, 2021
($ millions, except as noted)	**$**	$	**$**	$	**$**	$
Non-controlling interests						
Limited partners						
Royalties and distributions declared	**726**	407	**1,675**	743	**(744)**	(414)
Other related parties						
Purchases of goods and services	**62**	73	**152**	73	**—**	—

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

RISKS AND UNCERTAINTIES

The operations of Black Diamond face a number of risks and uncertainties in the normal course of business that may be beyond its control, but which could have a material adverse effect on Black Diamond's financial condition, results of operations and cash flows. Many of these risk factors and uncertainties are outlined in the annual information form of Black Diamond for the year ended December 31, 2021 which is available on SEDAR at www.sedar.com. 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 September 30, 2022, 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, 2022 and ended on September 30, 2022 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. With the reduction of restrictions associated to the COVID-19 pandemic, Black Diamond has offered a hybrid work model where some staff continue to work remotely. These measures have not had a impact on Black Diamond's ICFR to date, but will be continually monitored to mitigate any risks associated with changes in the Company's control environment.

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, 2021 is available on SEDAR at www.sedar.com.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS & ESTIMATES

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

Judgments

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

Impairment of non-financial assets

Goodwill is assessed annually for impairment. Property and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment review requires estimates in a variety of areas including the determination of fair value, selling costs, timing and size of forecasted cash flows, long-term growth rates, anticipated gross margin, discount rates, and other valuation variables; the application of these variables in valuation models requires judgment. Judgement is required when determining the use of the exemption that allows the recoverable amount calculated from the preceding year to be used in the current year based on an analysis of events that have occurred and circumstances that have changed since the most recent recoverable amount calculation would not impact the margin from the preceding period.

Determination of a Cash Generating Unit ("CGU")

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

Solutions - Canada ("WFS-Canada"), Workforce Solutions - United States ("WFS-US"), Australia - Workforce Accommodations and Australia - Space Rentals.

Operating lease commitments – Company as lessor

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

Fair value measurement of financial instruments

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

Determination of control and significant influence

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

Income Taxes

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

Aggregation of interest in subsidiaries

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

Estimates and Assumptions

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

Revenue recognition

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

Impairment 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 derived from the Company's forecast for the next year and does not include significant future investments that could enhance the performance of the CGU being tested. Estimates for revenue growth and Adjusted EBITDA margins are 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 are estimated based on the assumed weighted average cost of capital for a notional purchaser of each CGU. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows, margins, and the growth rate used for extrapolation purposes.

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

Asset Retirement Obligations

The Company has recognized a provision for asset retirement obligations associated with land leases held by the Company. In determining the 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, and useful lives of intangible assets. Accordingly, actual results may differ from estimated amounts. Management has also used judgment in the estimates used in pricing its options and long-term share-based compensation plans, assessing the effectiveness of hedging relationships and the determination of functional currency.

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