2024 STAKEHOLDER REPORT

OUR WAY IS TO CREATE A BETTER WAY

BLACK DIAMOND GROUP

04/02/24

TABLE OF CONTENTS

2 CONSOLIDATED BUSINESS PERFORMANCE

3 **MODULAR SPACE SOLUTIONS**

5 **WORKFORCE SOLUTIONS**

7 **LODGELINK**

9 FINANCIAL POSITION

9 PEOPLE, PARTNERS, COMMUNITY & VALUES

10 BUSINESS SUMMARY & VISION FOR THE FUTURE

10 FORWARD-LOOKING STATEMENTS

APPENDIX

11 **NON-GAAP FINANCIAL MEASURES:** ADJUSTED EBITDA

12 **NON-GAAP FINANCIAL MEASURES:** NET DEBT TO TTM ADJUSTED LEVERAGE EBITDA

13 **NON-GAAP FINANCIAL MEASURES:** FUNDS FROM OPERATIONS & FREE CASH FLOW

14 **NON-GAAP FINANCIAL MEASURES:** GROSS BOOKINGS

NOTE FROM CHAIRMAN & CEO

Black Diamond Group has a unique portfolio of businesses that provide products and services to solve the space, accommodation and travel needs of organizations.

In 2023, we celebrated Black Diamond Group's 20th year in business and reflected on this meaningful milestone and the many achievements, successes, challenges and growth we have experienced over the years. While 20 years in itself is not remarkable, as the time would have passed regardless, what we've accomplished together in those 20 years is nothing short of remarkable. From a cold start up ordering 12 rental units with 44 beds of capacity, we have grown to over ~17,500 rental units and ~9,500 rooms. From $1 million of initial capitalization made up of $600,000 of debt and $400,000 of equity from the founders, we went on to complete a $53 million IPO and seven follow-on equity financings to raise a total of $275 million. We've paid out ~$245 million in dividends and bought back ~$57 million in shares. That's correct, we have returned more money to shareholders than we have raised! We've incurred ~$100 million in interest and $425+ million in employee compensation.

Today, we've built three distinct business platforms, completed 31 acquisitions and expanded across three countries (Canada, United States and Australia), while building a unique set of business planning, accountability, execution and mid-office processes including a best-in-class safety program with top-decile performance ratings for many years running.

At one point, the Company lost ~90% of its primary revenue and Adjusted EBITDA‡ streams due to macro factors, yet we were able to rebalance, reposition and grow back stronger than ever. As a result of the strategic pivot and years of hard work from a team of the best and brightest in the industry, we currently have a 5-year Adjusted EBITDA‡ Compound Annual Growth Rate (CAGR) of 29% and are in a strong position to continue delivering compounding returns and value to you, our shareholders.

As we look ahead to the future, our commitment to our stakeholders – team, customers, partners, communities, and shareowners alike – remains steadfast. We will continue executing with the same excellence, dedication and integrity that we have since day one, and intend on further compounding our stakeholders' interest through profitable growth, diversification and scaling of all three of our businesses.

Thank you for your support and trust.

Trevor Haynes
Chairman & CEO, Black Diamond Group Limited

Report Date: 04/02/24

‡ Indicate Non-GAAP financial data. Refer to the Non-GAAP Financial Measures section of this report for more information on each Non-GAAP financial measure and ratio.

CONSOLIDATED BUSINESS PERFORMANCE

2023 was a record-setting year for the Company.

We are pleased to report that 2023, Black Diamond Group's 20th year in business was another very strong year for the Company consistent with our five-year Compound Annual Growth Rate (CAGR) of 22% for rental revenue and 29% for Adjusted EBITDA‡. Our portfolio of speciality rental businesses focused on modular buildings, which provide remote accommodation and temporary modular space solutions, along with our digital marketplace for workforce travel, continues to deliver high growth and stable recurring cashflows generating a compounding return to shareholders.

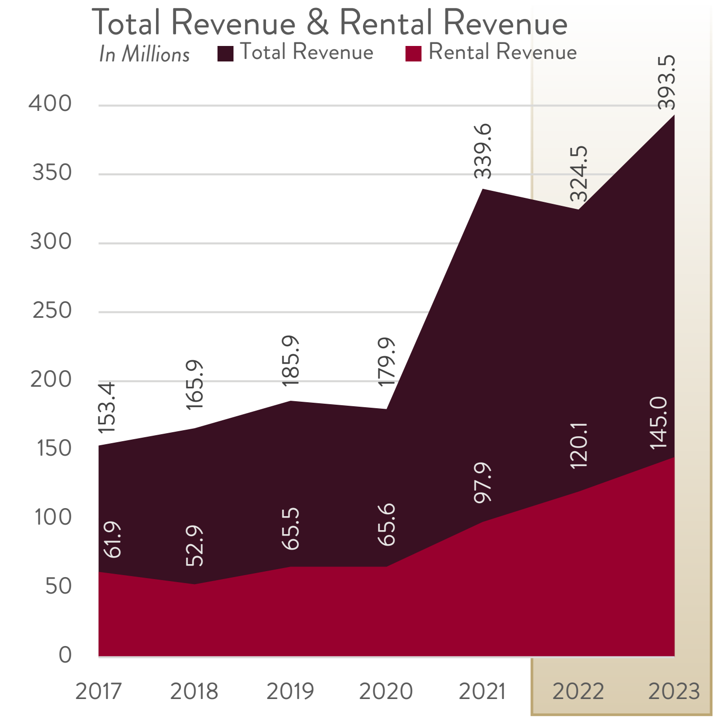
On a consolidated basis, our core, high-margin rental revenue grew 21% over 2022 to $145.0 million. LodgeLink gross bookings grew 33% to $78.4 million compared to 2022. Diluted earnings per share came in at $0.49 an increase of 11% from 2022 driven by revenue of $393.5 million, and Adjusted EBITDA‡ of $106.6 million for 2023.

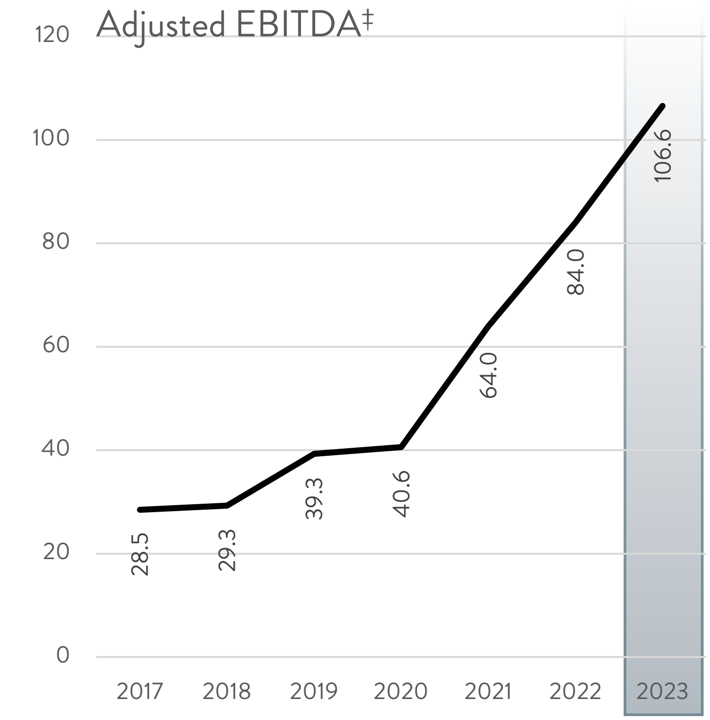
Following several years of steadily improving performance for the Company, this past year again produced very strong results across all areas of our business. We have been disciplined in executing a three-part strategy: to scale our Modular Space Solutions ("MSS") business unit in terms of total fleet size, as well as geographies and end markets served; to realize the operating leverage in our Workforce Solutions ("WFS") business unit by increasing utilization on existing non-producing assets by serving mining, infrastructure, energy, disaster recovery, government and military end markets; and to scale LodgeLink through enhanced software solutions and more customers across diverse industries and geographies.

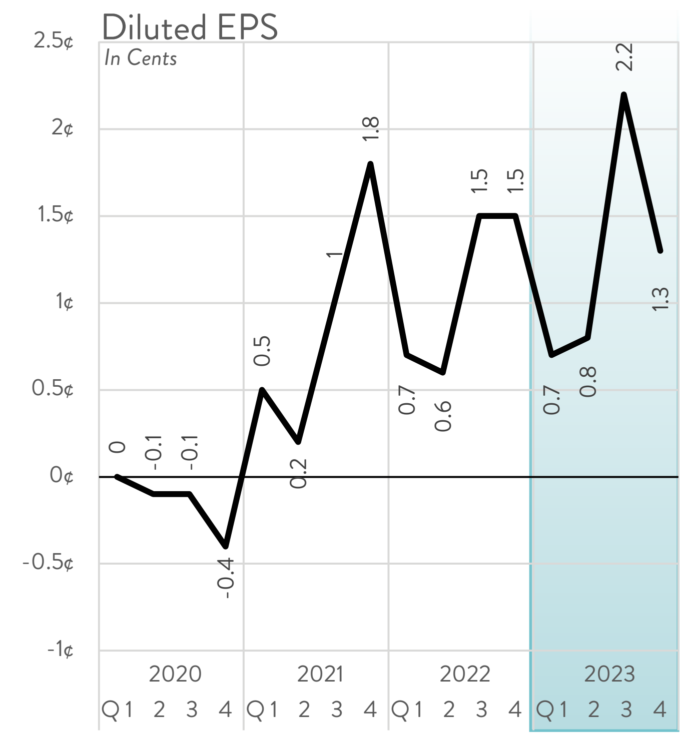
On a consolidated basis our businesses generated revenue of $393.5 million and Adjusted EBITDA‡ growth of 27% to $106.6 million versus the prior year.

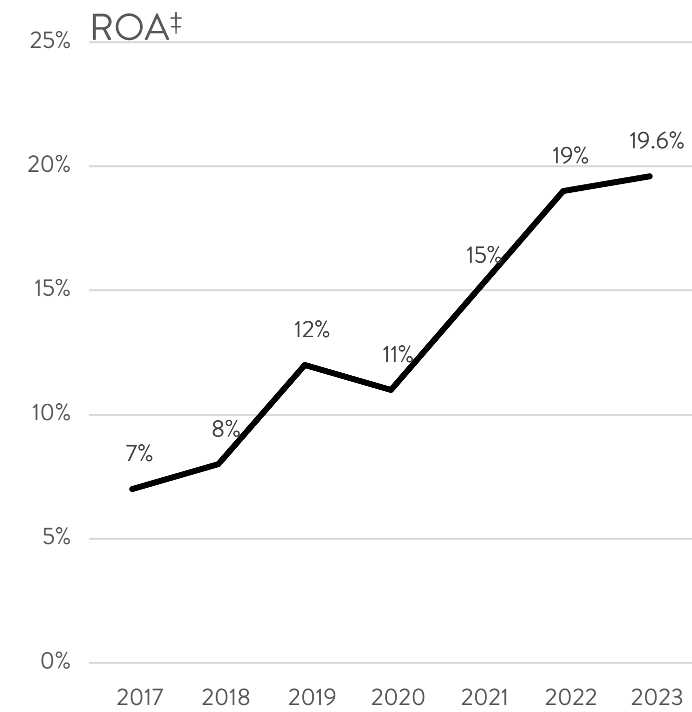
Simply put these strategies, coupled with the hard work and dedication of our best-in-class team, are working, and we are increasing returns to shareholders as a result. On the back of stable recurring and diversified cashflows and primarily recurring rental revenue, coupled with a healthy balance sheet, we were able to re-introduce a dividend in 2021, and have increased it three times since its return, with the most recent 50% increase announced in November 2023. Nonetheless, the payout ratio remains low, as our current preference is to invest in growing the business at relatively low risk and with attractive rates of return. With continued strong performance and growth of cashflows, we will prudently consider future dividend increases.

Development and maintenance of public infrastructure is a significant driver for our rental businesses. Roads, bridges, rail transit systems, urban waste and water-treatment facilities require temporary workspace, project offices, security buildings and so on. With large public-funding programs announced recently in each the United States, Canada, and Australia public infrastructure spending is expected to strengthen for several years to come. Likewise, the public education sector continues to be a significant user of modular classrooms for temporary and permanent space. The private sector construction and infrastructure sectors are expected to maintain current levels of activity. Whether electrical power facilities, refining, chemical, industrial process or remote resource-extraction projects, we see strong activity across all three of our operating countries and most product categories and customer verticals.









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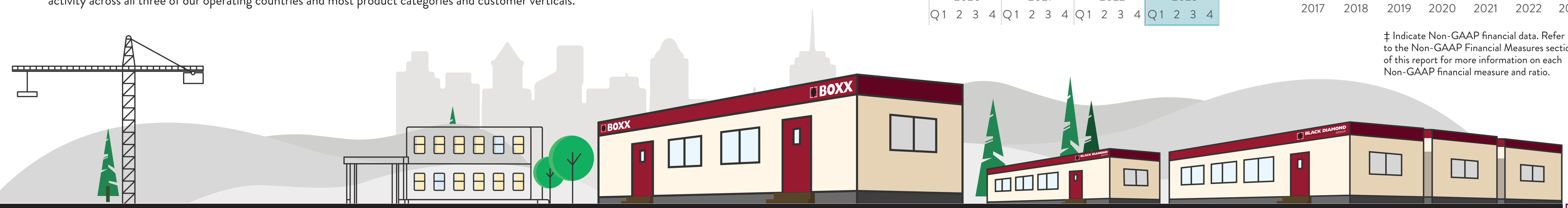


MODULAR SPACE SOLUTIONS

MODULAR BUILDING SYSTEMS DESIGNED FOR ALL

| *Our MSS business rents and sells temporary and permanent modular buildings.*

An expansive fleet of 11,000+ units

Serving 3,200+ customers across North America

CANADA

- *Langley, BC*
- *Nanaimo, BC*
- *Kelowna, BC*
- *Prince George, BC*
- *Edmonton, AB*
- *Calgary, AB*
- *Regina, SK*
- *Toronto, ON*
- *Kitchener/ Waterloo, ON*
- *Ottawa, ON*
- *Montréal, QC*
- *Moncton, NB*

USA

- *Baton Rouge, LA*
- *Los Angeles, CA*
- *Dallas, TX*
- *Houston, TX*
- *Philadelphia, PA*
- *Charlotte, NC*
- *Raleigh, NC*
- *Atlanta, GA*
- *Oxford, ME*

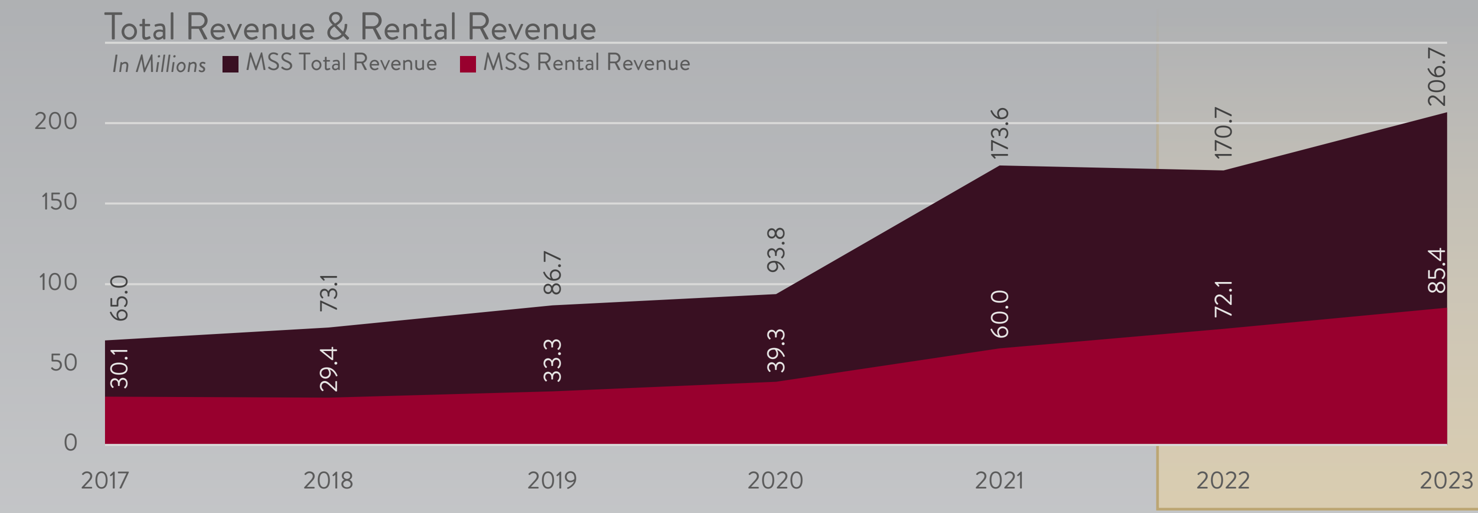
MODULAR SPACE SOLUTIONS

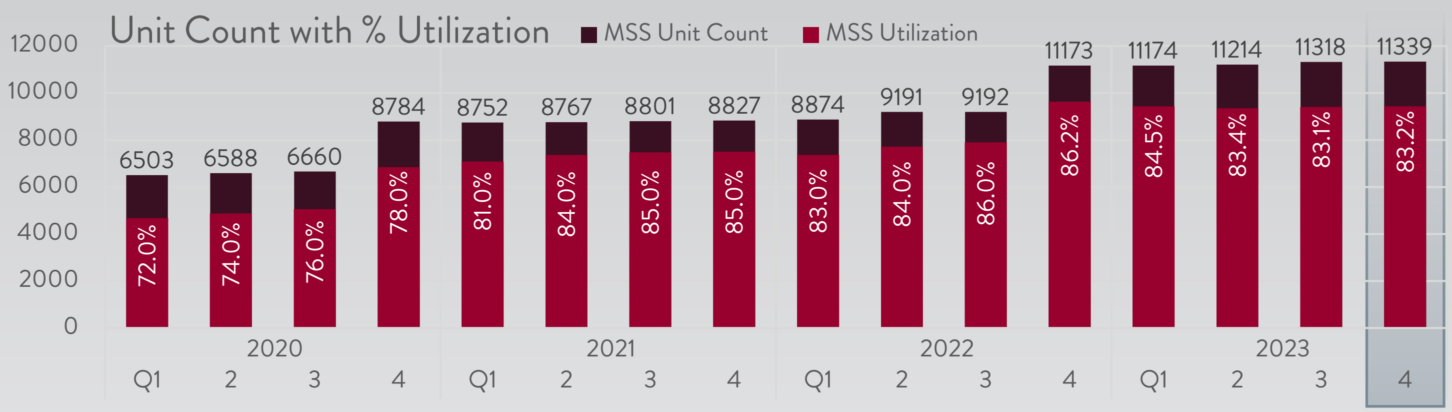
> ***Our MSS average rental rates increased 9% on a constant currency basis last year.†***

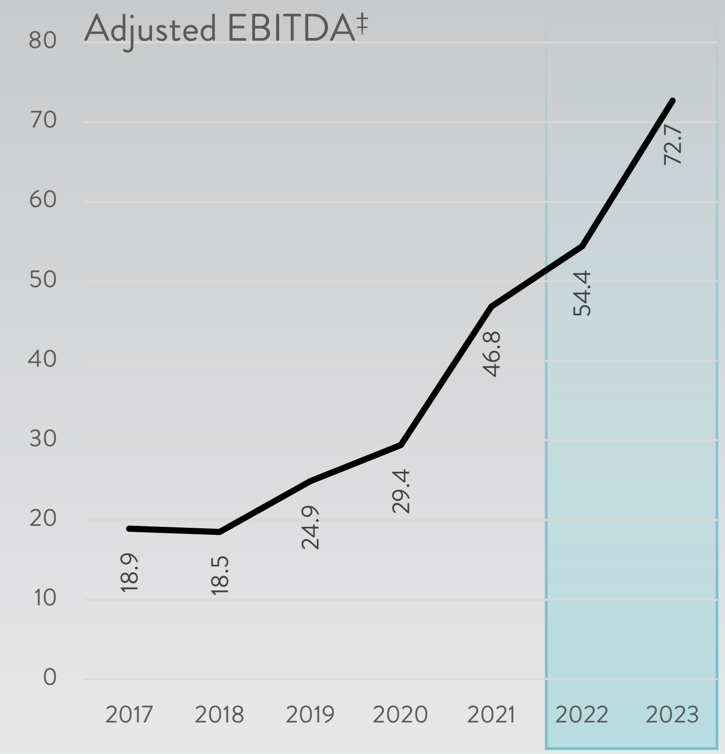
DUE TO strong end markets, the organic and in-organic growth of our fleets, the expansion of our Value Added Products and Services (VAPS) offerings, and inflation of our average rental rates, our MSS business grew rental revenue 18% and Adjusted EBITDA‡ by 34% year over year. We expect each of these will again be growth factors in 2024.

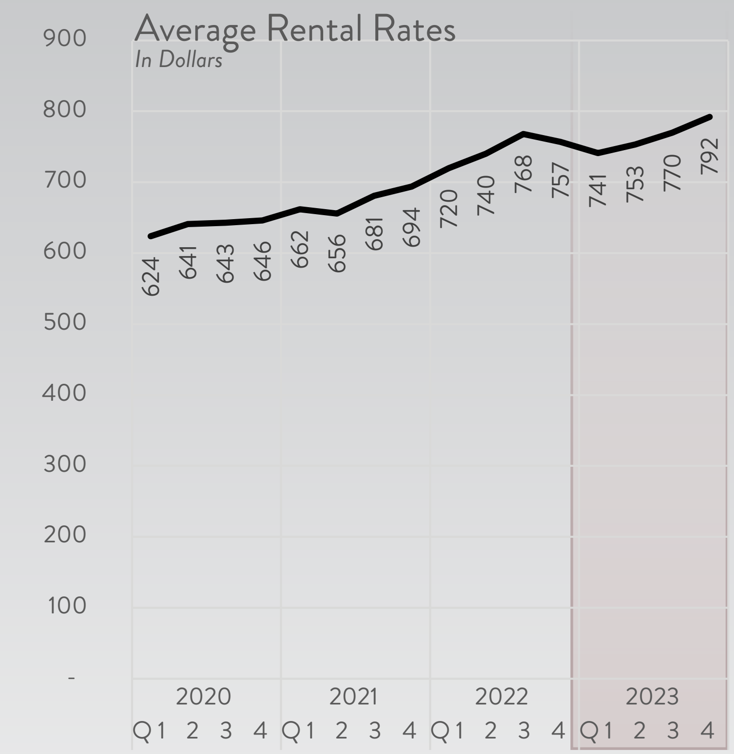
While we have seen a stabilization with the demands on our manufacturing partners, the overall industry trend of increasing rental rates has continued. Our MSS average rental rates increased 9% on a constant currency basis last year and are expected to continue to rise in 2024. Given our cost of buildings is fixed at the time of purchase, the effect of increasing rates is very powerful in terms of ROA and net earnings. Consider it a strong inflation hedge to own over 11,000 existing buildings!

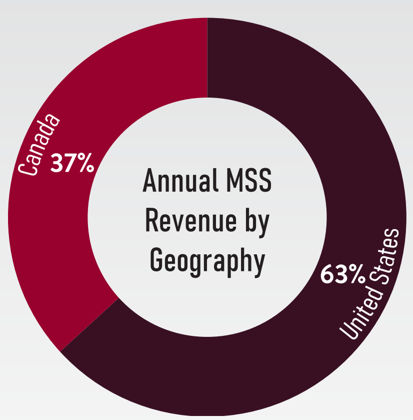
Throughout 2023, Black Diamond focused on the successful integration of the two acquisitions (Cambrian Trailer Rentals and C.L. Martin) from the year prior that expanded our service offering in our Alberta and Ontario markets. We remain pleased with the caliber of these businesses and began to realize the benefits of these acquisitions in the year.

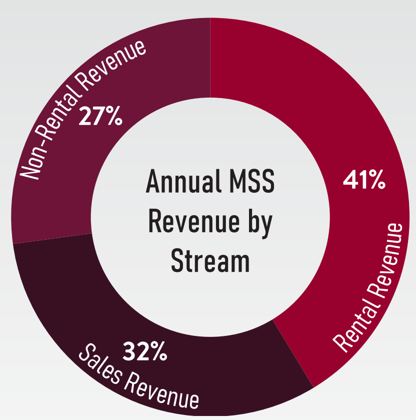


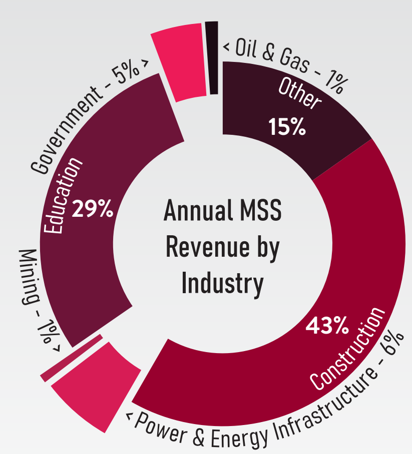












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† Excluding the impact of the acquisitions made in 2022, versus the Comparative Fourth Quarter

WORKFORCE SOLUTIONS

FULL TURNKEY MODULAR ACCOMMODATION FOR THE WORKFORCE

Our WFS business provides remote accommodation and complementary services for a diverse client base across our three operating countries.

9,500+ rooms of capacity across North America and Australia

Six equity based Indigenous Partnerships

WORKFORCE SOLUTIONS

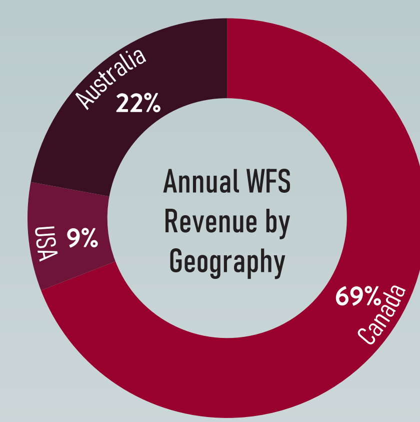
THE GROWTH in mining, government emergency housing, and disaster recovery has led the substantial improvement in our WFS business unit over the past several years. We now have approximately 12% of our North American large format fleet and 20% of our utilized North American large-format assets working on mining-related projects. Given the strength in many of the base and precious metals commodity prices, we expect this trend will continue. Likewise, remote infrastructure and disaster services remain meaningful and a growing component of our WFS revenue mix.

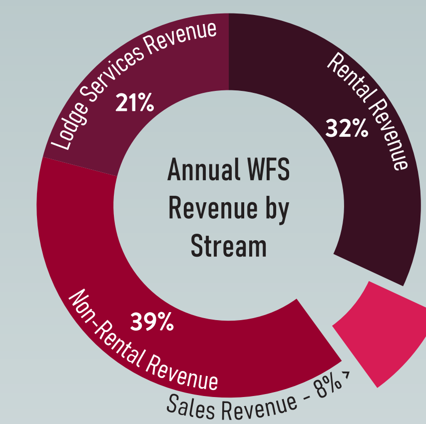
> ***Our WFS customers are increasingly diversified as we've established ourselves as reliable partners to our government, education, and military clients.***

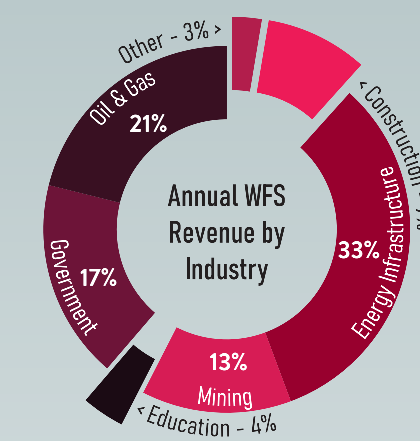
In Australia, the business continued to show strength with high utilization and attractive returns on assets across the in-country business. We expect performance in this area of the business to continue along the same trend in 2024 as the sales opportunity pipeline remains robust.

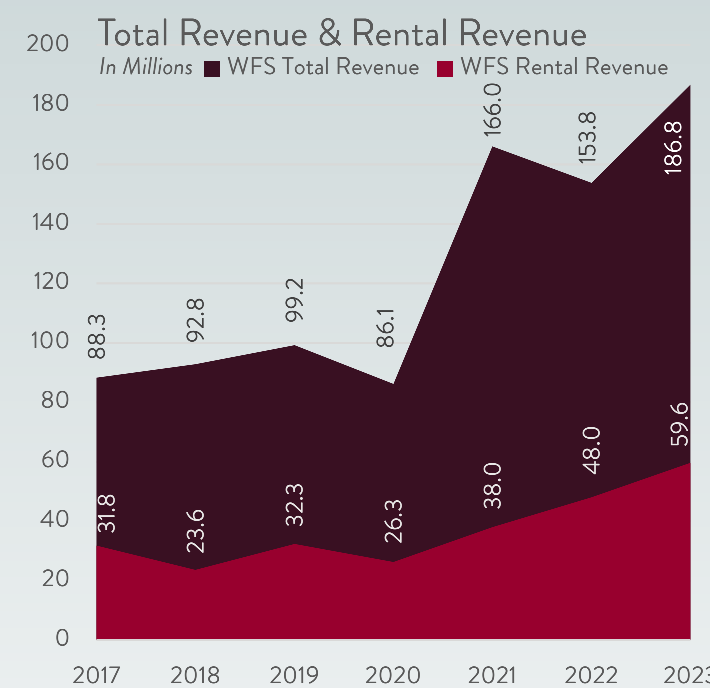
Our long-term relationship with the upstream, midstream, and downstream sectors of the oil and gas industry remains strong. Even with the large workforce camps we had deployed on the two significant Canadian pipeline builds coming to an end, we are still seeing strong activity in these sectors and anticipate this will continue for the foreseeable future. The result should be continued strength in WFS fleet utilizations, gradual rate improvements, and in the case of Australia, continued investment in additional capacity at strong returns on investment.

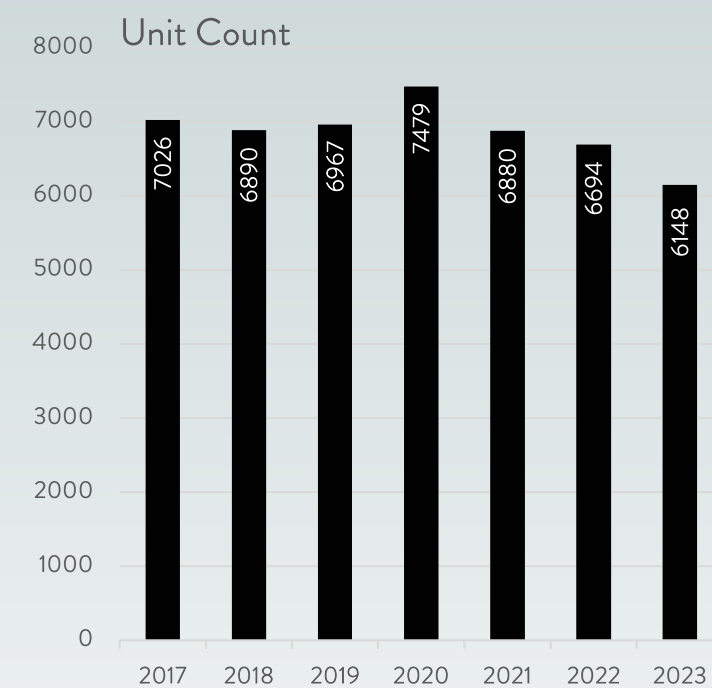
> ***The growth and success of our WFS business is underpinned by meaningful and long-standing indigenous partnerships that we continue to foster to the benefit of both our business and partners.***

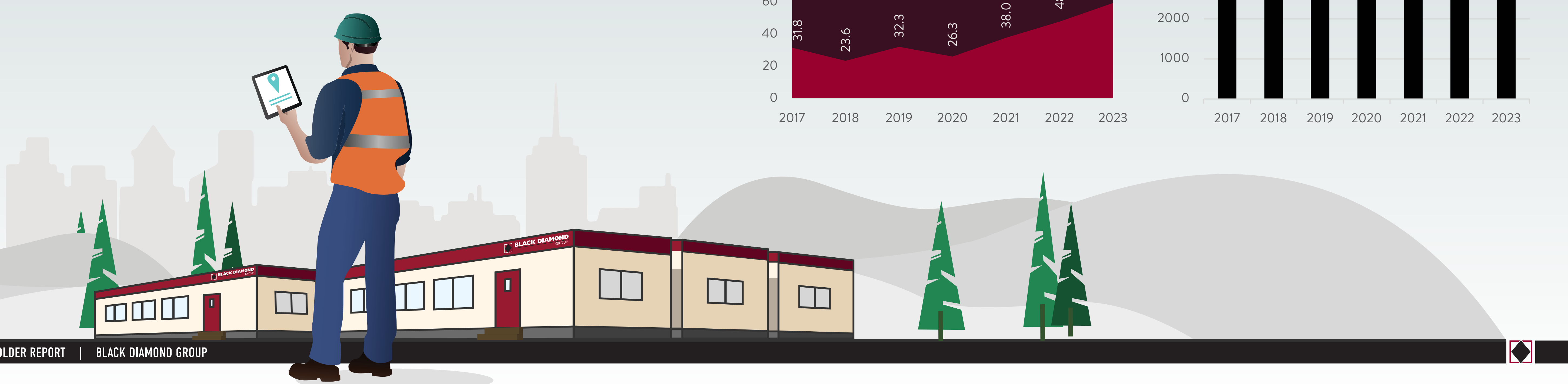


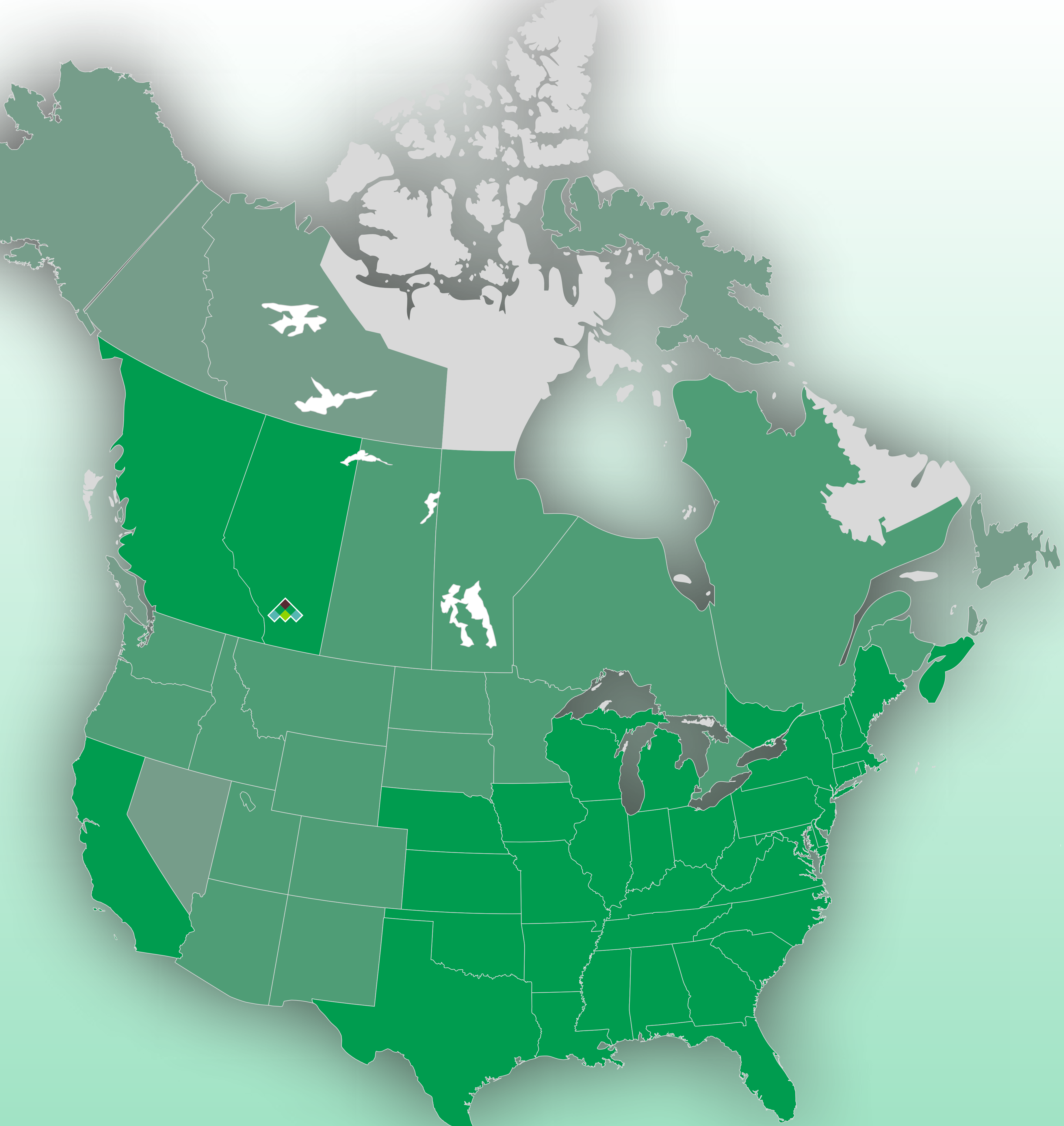












LODGELINK

END-TO-END WORKFORCE TRAVEL SOLTUIONS

LodgeLink leverages Black Diamond Group's extensive knowledge of remote workforce travel and logistics to support businesses with their end-to-end workforce travel management.

~ 14,000 properties & 1,000,000 + rooms available for booking

Extensive travel network solutions across North America

Trusted by 900+ unique corporate customers

COVERAGE MAP

MAP LEGEND

HIGHER PROPERTY COUNT

⟷

LOWER PROPERTY COUNT

N/A

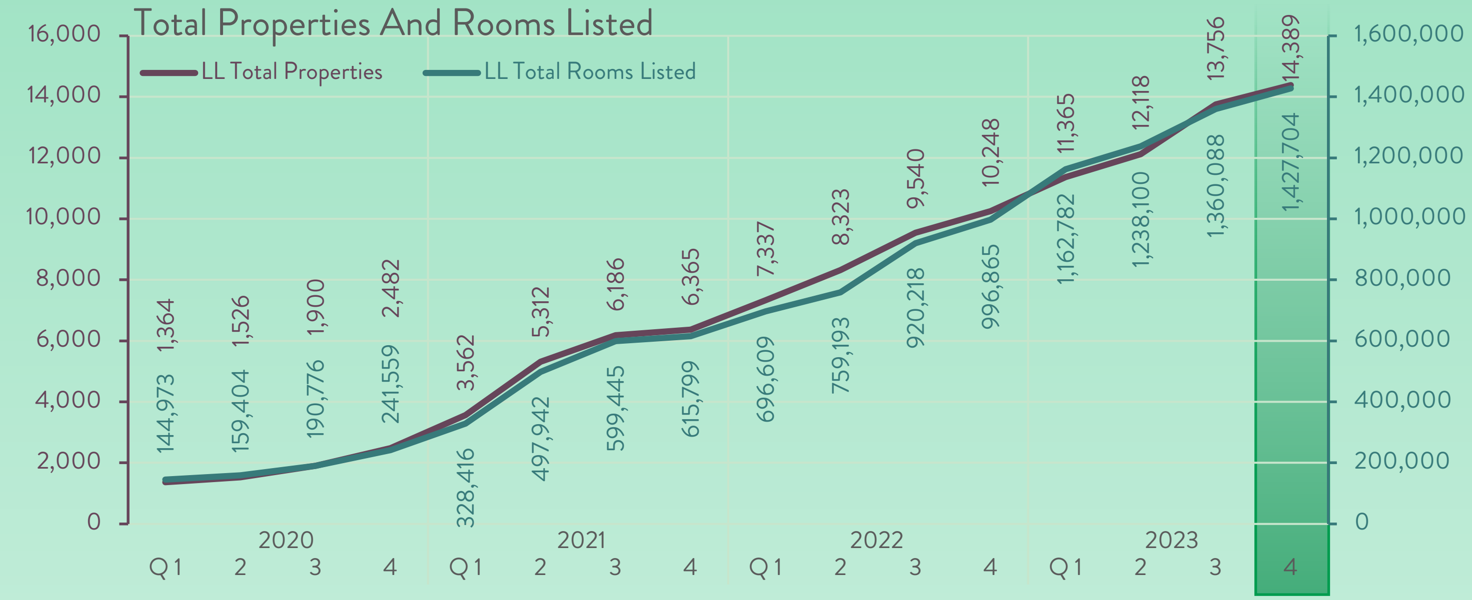
LODGELINK

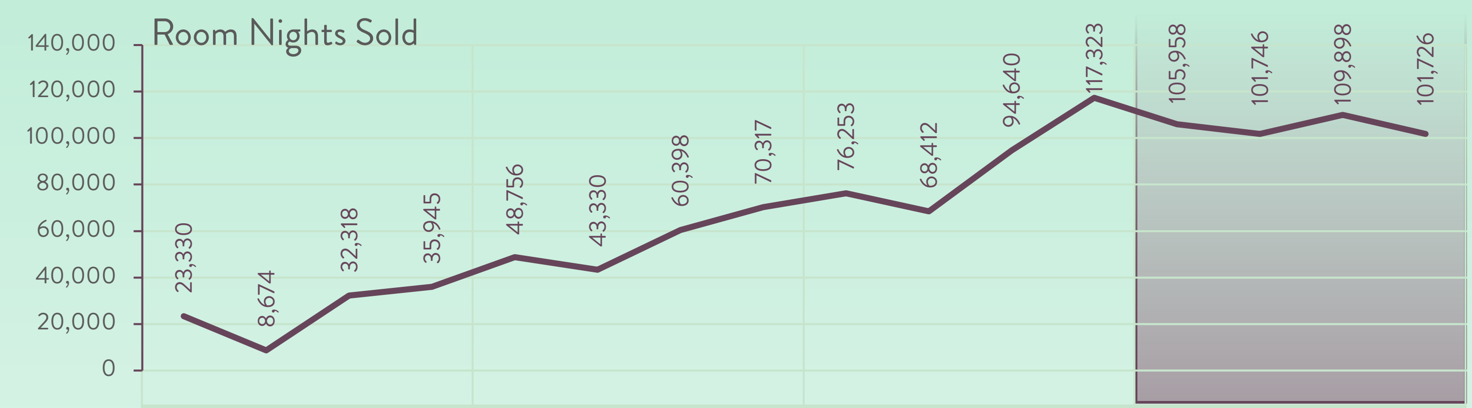
> *In 2024, we will continue investing in and scaling the LodgeLink platform to underpin the exponential growth we've seen and expect to see continue.*

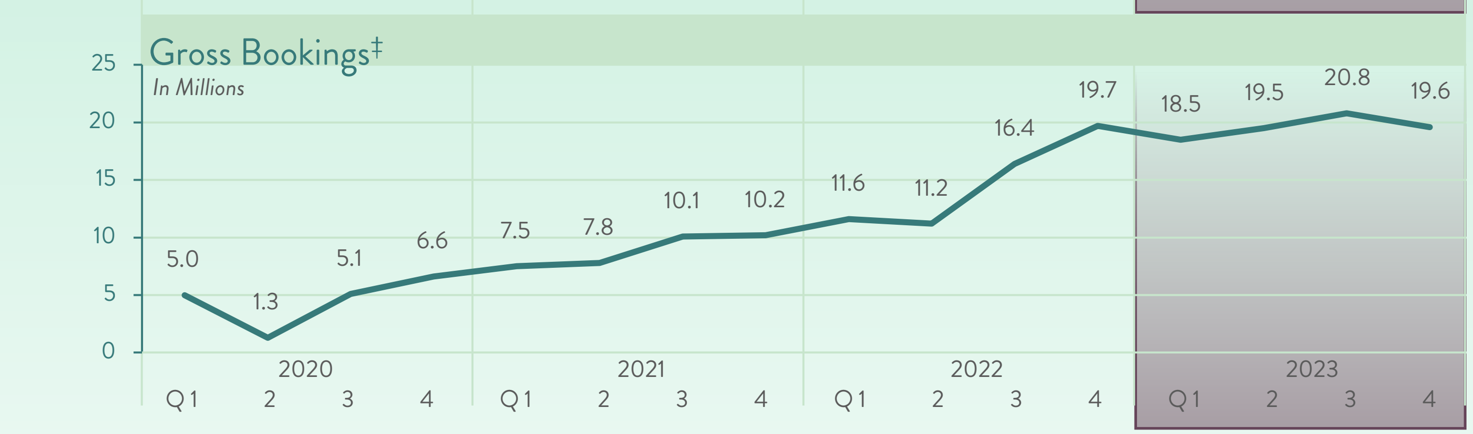
The LodgeLink platform solves our clients' challenges related to logistics, cost- management, and the administration of workforce travel. We do this using our innovative software to mitigate the inefficiencies and to speed up the booking, editing, cost tracking, reconciliation, payment, and billing cycle for our business customers.

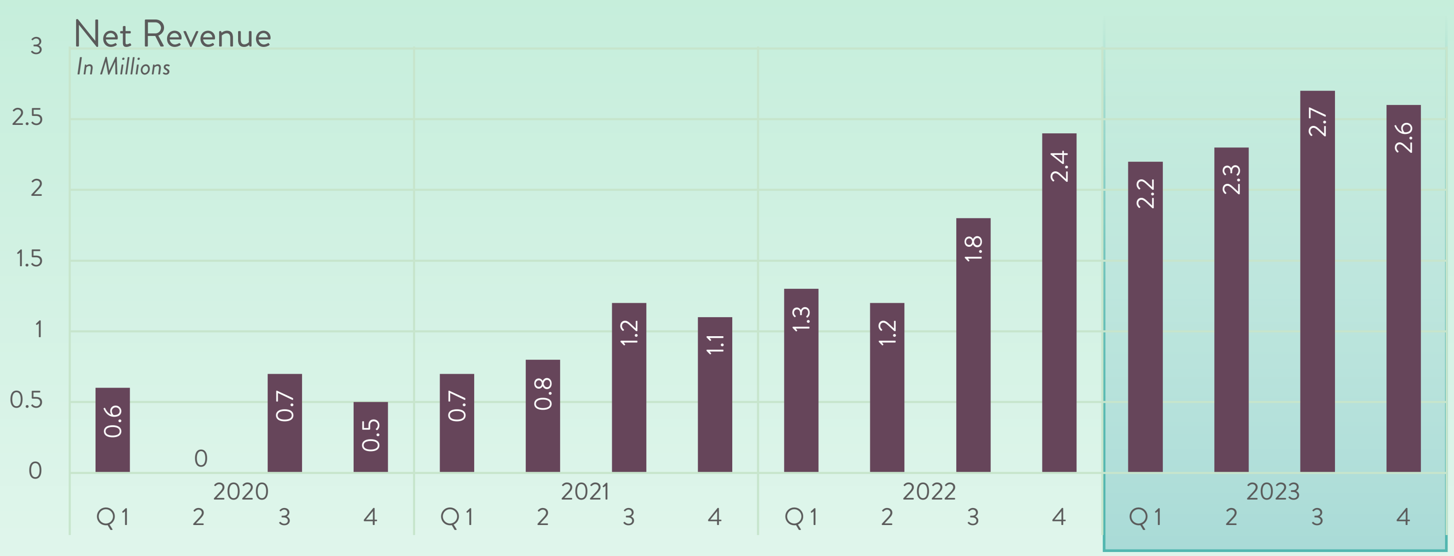
The platform has over 14,000 active hotel and lodging properties, and hundreds of unique corporate customers and their thousands of crew members accessing the marketplace. In 2023, we handled over 419,000 room night transactions generating $78.4 million of gross bookings‡ up 33% year over year and $9.8 million of net revenue, which is up 48% year-over-year.

According to the Global Business Travel Association's (GBTA) August 2023 forecast, global business travel is expected to reach $1.4 trillion USD in 2024. Specifically, the opportunity for workforce travel is significant with an estimated $70 billion USD addressable market. We believe the LodgeLink ecosystem offers meaningful value through reduced costs, increased spend control and enhanced cash cycles. The value proposition will enable us to continue to grow significantly as we expand market coverage, offer increasing capacity on the supply side of the marketplace, and more powerful software tools, features, and analytics.









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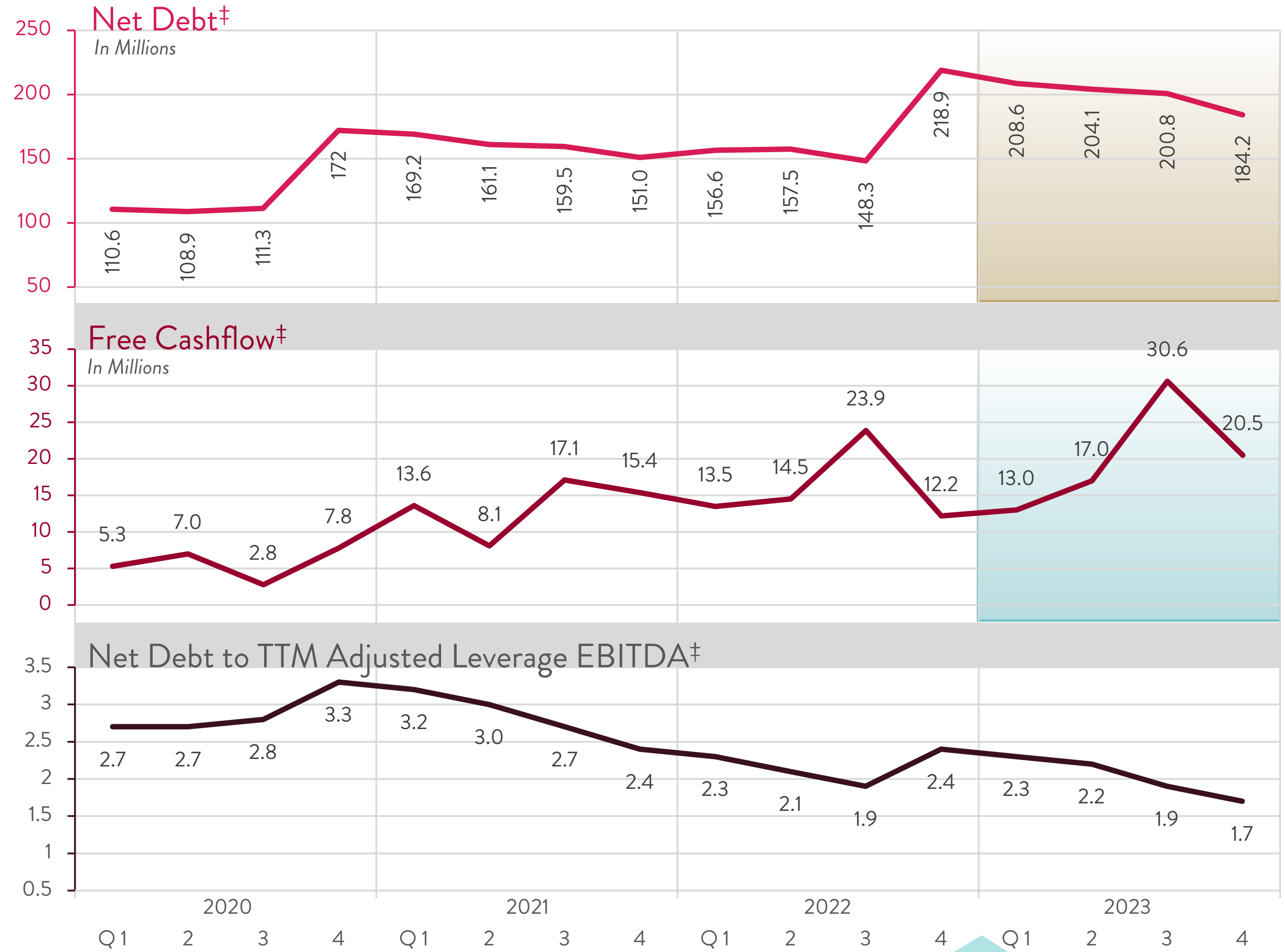
FINANCIAL POSITION

> ***The Company remains in a very strong financial position and will continue investing in support of our further growth.***

WE UTILIZE an Asset-Based Lending Facility (ABL), which allows us to borrow against the appraised liquidation value of certain assets. The facility size is $325.0 million. As of December 31st, 2023, we had Net Debt‡ of $184.2 million and available liquidity of ~$142.6 million. We paid an average annual interest rate of 5.7% in 2023 and have swapped nearly a third of the amount drawn to lock in low interest rates for a number of years.

With Free Cashflow‡ of $81.3 million for full year 2023 and the excess liquidity on our debt facilities, the Company remains in a very strong financial position, with the ability to fund further growth.



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PEOPLE, PARTNERS, COMMUNITY & VALUES

> ***At Black Diamond, Our Way is to Create A Better Way and we know integrity and trust are key to our success and that keeping a safety-first mindset is critical in everything we do.***

> ***We recognize our responsibility to the local communities we operate in and are passionate about doing good where we work and live.***

WHILE THE performance across the Company last year was record-setting in many respects, what truly differentiates Black Diamond and allows us to successfully execute our strategy and consistently deliver profitable returns is our high-performing team and unique approach to conducting our business. We believe our collective behaviours influence and drive our values-based culture. It takes a special set of circumstances to make a Black Diamond – under high pressure, unique properties are forged to create something known for its strength and brilliance. We've built a culture around these qualities, and the traits and attributes that set our best-in-class team apart are growth, collaboration, accountability, innovation, and commitment, to name just a few.

We make data-based decisions, with transparency a key part of our operations, and are vigilant of risk and aware of the tools for managing and mitigating it. We have measurable objectives and are disciplined in our execution to drive us towards our long-term goals. To our team, we strive to be fair in how rewards and recognition are earned. We celebrate our individual and collective successes together, just as we also share the responsibility for our occasional shortfalls.

We intentionally say We at Black Diamond and refer to ourselves as a Company as it implies people coming together, and while it primarily refers to the employees of Black Diamond it also includes our broad network of suppliers, partners, customers, and communities in which we operate.

For many years we have been an active participant in initiatives that impact the communities where we live and work, with sport, families and youth often taking centre stage. We are proud to support impactful initiatives that align with our values such as our collaboration with the Canada's Sports Hall of Fame as Presenting Sponsor of the Indigenous Sports Heroes Education Experience. This program harnesses the power of storytelling to inspire youth in thousands of schools across Canada through interactive engagement with Indigenous Hall of Fame athletes. We believe inspiring youth through the values of sport, which reaches across all segments of our community, is aligned with our values and our vision to improve the world through our work.

Thank you to the talented and dedicated team here at Black Diamond, for our success is their success!

BUSINESS SUMMARY & VISION FOR THE FUTURE

> *We are proud of our twenty years of focused progress and remarkable accomplishments, but we also have our sight set on the future.*

At Black Diamond Group, we know we're living in an ever-changing world; disruption, macro-economics, end-market volatility, and government policy changes impact a company's ability to plan for growth in the future. At the same time, innovation, technology advancements, government spending, and emerging markets present immense opportunity for businesses to capitalize on.

We have outlined the value proposition, market conditions, and market positioning strategies of the Company, which we believe are vital to our performance as a business, and we have a clear vision for our future growth.

We have a vision to grow our MSS business in terms of fleet size, but also in terms of VAPS, innovative new products, increasing rates, and effective operational excellence.

We have a vision of further unlocking the operating leverage in our WFS business by increasing utilization of our substantial asset base through greater geographic and end -market diversification.

We have a vision to scale up our transformational workforce travel tech platform as it becomes the ecosystem for crew-based travel.

And, we have and will continue to enhance our values-based culture where the customer, supplier, employee, community, and shareholders contribute and receive value from everything we do.

ONWARD!

Trevor Haynes
Chairman & CEO, Black Diamond Group Limited

FORWARD-LOOKING STATEMENTS

Report Date: 04/02/24

Certain information set forth in this report contains forward-looking statements including, but not limited to, management's assessment of Black Diamond's future operations and what may have an impact on them, financial performance, business prospects and opportunities, changing operating environment including changing activity levels, effects on demand and performance based on the changing operating environment, consideration of future dividend increases, amount of revenue anticipated to be derived from current contracts, anticipated debt levels, economic life of the Company's assets, future growth, future shareholder returns and profitability of the Company and realization of the anticipated benefits of acquisitions and sales. With respect to the forward-looking statements in this report, 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 counter parties 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 report, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurances that such expectations or assumptions will prove to be correct. Readers are cautioned that assumptions used in the preparation of such statements may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of Black Diamond. These risks include, but are not limited to: volatility of industry conditions, dependence on agreements and contracts, competition, credit risk, information technology systems and cyber security, vulnerability to market changes, operating risks and insurance, weakness in industrial construction and infrastructure developments, weakness in natural resource industries, access to additional financing, dependence on suppliers and manufacturers, reliance on key personnel, and workforce availability. The risks outlined above should not be construed as exhaustive. Additional information on these and other factors that could affect Black Diamond's operations and financial results are included in Black Diamond's annual information form for the year ended December 31, 2023 and other reports on file with the Canadian Securities Regulatory Authorities which can be accessed on Black Diamond's profile on SEDAR+. Readers are cautioned not to place undue reliance on these forward- looking statements. Furthermore, the forward-looking statements contained in this report are made as at the date of this report 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.

NON-GAAP FINANCIAL MEASURES: ADJUSTED EBITDA

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

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

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

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

Return on assets ("ROA") 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 ROA 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, it provides investors with a useful tool to evaluate Black Diamonds ongoing operations and management of assets from period-to-period.

YTD ($ millions, except as noted)	2018	2019	2020	2021	2022	2023
Profit (loss)	(11.4)	(7.5)	(3.5)	20.4	26.4	30.4
Add:						
Depreciation and amortization	36.9	39.3	33.0	35.2	35.2	44.2
Acquisition Costs	-	0.2	1.9	-	1.2	-
Finance costs	6.3	7.6	5.7	6.0	8.9	14.1
Share-based compensation	1.9	3.1	2.9	3.3	4.9	6.2
Non-controlling interest	(0.2)	0.4	1.1	1.4	1.9	1.1
Current income taxes	(0.1)	-	0.4	0.1	0.4	0.2
Gain on sale of real estate assets and other	(0.4)	-	-	(0.6)	-	-
Deferred income taxes	(3.6)	(6.2)	(0.9)	(1.8)	11.4	8.9
Debt Retirement Costs	-	2.4	-	-	-	-
Restructuring costs	-	-	-	-	-	-
Impairment Loss or (Reversal)	-	-	-	-	(6.3)	-
Non-recurring items						
Acquisition Costs	-	0.2	1.9	-	1.2	-
ERP implementation and related costs [1]	-	-	-	-	-	1.5
Adjusted EBITDA	29.3	39.3	40.6	64.0	84.0	106.6
Adjusted EBITDA by segment						
MSS	18.5	24.9	29.4	46.8	54.4	72.7
WFS	22.3	25.7	22.1	34.6	50.5	59.1
Corporate	(11.5)	(11.3)	(10.9)	(17.4)	(20.9)	(25.2)
Adjusted EBITDA	29.3	39.3	40.6	64.0	84.0	106.6
Average net book value of property and equipment						
MSS	147.1	147.2	196.5	255.9	286.5	367.4
WFS	187.3	159.4	163.8	150.3	142.5	152.4
Corporate	18.6	16.2	16.5	16.2	14.6	15.3
Consolidated average NBV of property and equipment	353.0	322.8	376.8	422.4	443.6	535.0
Return on Assets						
MSS	13%	17%	15%	18%	19%	20%
WFS	12%	16%	14%	23%	35.6%	39%
Corporate	-62%	-70%	-66%	-107%	-143%	-196%
Consolidated Return on Assets	8%	12%	11%	15%	19%	19%

(1) This relates to the corporate structure reorganization costs that have been incurred in preparation of a new ERP system.

NON-GAAP FINANCIAL MEASURES: 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 Leverage EBITDA. Net Debt, a non-GAAP financial measure, is calculated as long-term debt minus cash and cash equivalents.

A reconciliation to long-term debt, the most comparable GAAP measure, is provided to the right. Black Diamond uses this ratio primarily as a measure of operating performance and leverage. 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 leveraged position.

	2020				2021				2022				2023			
QTD ($ millions, except as noted)	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Profit (loss)	(0.1)	(0.4)	(0.7)	(2.2)	2.7	1.3	5.7	10.7	4.0	4.0	9.0	9.4	4.4	4.6	13.6	7.8
Add:																
Depreciation and amortization	7.4	8.1	8.4	9.0	8.1	8.8	9.4	8.9	8.6	8.8	9.2	8.6	9.8	10.6	12.6	11.2
Acquisition Costs				1.9				-				1.2	-	-	-	-
Finance costs	1.6	1.2	1.2	1.6	1.3	1.6	1.5	1.7	1.5	1.7	2.1	3.6	2.9	3.7	3.7	3.7
Debt retirement costs																
Share-based compensation	0.6	0.8	0.8	0.8	0.6	0.8	1.0	1.0	1.2	1.1	1.3	1.3	2.2	1.3	1.6	1.1
Non-controlling interest	0.3	0.3	0.3	0.3	0.2	0.4	0.4	0.4	0.5	0.5	0.5	0.4	0.3	0.3	0.2	0.3
Current income taxes				0.4				0.1	-	0.4	-	0.1	-	0.1	-	0.1
Gain on sale of real estate assets and other				-				(0.7)					-	-	-	-
Deferred income taxes	0.1	(0.1)	(0.2)	(0.7)	0.4	0.6	1.7	(4.6)	2.1	1.7	3.9	3.7	1.8	1.9	4.8	0.4
Impairment Loss or (Reversal)												(6.3)	-	-	-	-
Non-recurring items																
Acquisition Costs				1.9				-				1.2	-	-	-	-
ERP implementation and related costs (1)													-	-	-	1.5
Adjusted EBITDA	9.9	9.9	9.8	11.1	13.3	13.5	19.7	17.5	17.9	18.2	26.0	22.0	21.4	22.5	36.5	26.1
Acquisition pro-forma adjustments	2.4	2.5	3.7	2.1					1.5	2.2	2.3	0.5	-	-	-	-
Adjusted Leveraged EBITDA	12.3	12.4	13.5	13.2	13.3	13.5	19.7	17.5	19.4	20.4	28.3	22.5	21.4	22.5	36.5	26.1
TTM Adjusted Leveraged EBITDA	41.1	41.0	40.3	51.4	52.4	53.5	59.7	64.0	68.6	73.3	79.6	90.6	92.6	94.7	103.0	106.6
Long Term Debt	120.2	112.2	113.8	175.7	172.2	164.5	164.6	155.6	160.5	163.9	160.6	226.9	214.8	219.2	206.1	190.4
Current Portion of Long Term Debt												0.3	0.3	0.3	0.3	0.3
Cash and Cash equivalents	9.6	3.3	2.5	3.7	3	3.4	5.1	4.6	3.9	6.4	12.3	8.3	6.5	15.4	5.6	6.5
Net Debt	110.6	108.9	111.3	172.0	169.2	161.1	159.5	151.0	156.6	157.5	148.3	218.9	208.6	204.1	200.8	184.2
Net Debt to annualised adjusted leveraged EBITDA	2.7	2.7	2.8	3.3	3.2	3.0	2.7	2.4	2.3	2.1	1.9	2.4	2.3	2.2	1.9	1.7

(1) This relates to the corporate structure reorganization costs that have been incurred in preparation of a new ERP system.

	2020				2021				2022				2023			
QTD ($ millions, except as noted)	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Net cash flows from operating activities:																
Add/(deduct):	10.4	14.2	10.8	14.7	13.5	19.7	17.5	20.4	13.0	24.0	27.3	6.4	31.6	32.7	33.5	35.1
Change in long-term accounts receivable	(0.0)	-	0.0	(1.3)	(0.3)	(0.2)	0.1	(0.2)	1.3	0.5	(2.5)	0.1	(0.2)	(0.2)	0.5	0.5
Change in non-cash working capital relating to operating activities	(0.1)	(2.7)	(2.2)	(1.2)	4.1	(5.2)	5.8	1.4	4.9	(4.5)	5.9	14.5	(10.0)	(6.5)	5.2	(5.5)
Funds from operations	10.3	11.5	8.6	12.2	17.3	14.3	23.4	21.6	19.2	20.0	30.7	21.0	21.4	26.0	39.2	30.1
Add/(deduct):																
Maintenance capital	(2.2)	(1.8)	(3.1)	(2.1)	(1.0)	(2.8)	(3.1)	(2.4)	(1.6)	(1.5)	(1.9)	(2.6)	(2.3)	(2.0)	(1.8)	(2.2)
Net interest paid (including lease interest)	(1.4)	(1.2)	(1.1)	(1.5)	(1.3)	(1.5)	(1.4)	(1.4)	(1.4)	(1.6)	(2.1)	(3.2)	(1.8)	(1.9)	(2.0)	(2.1)
Payment of lease liabilities	(1.3)	(1.2)	(1.4)	(1.3)	(1.3)	(1.7)	(1.6)	(1.6)	(1.6)	(1.6)	(1.7)	(1.8)	(2.8)	(3.6)	(3.6)	(3.5)
Net current income tax expense (recovery)	-	-	-	0.4	-	-	-	0.1		0.4		0.1	-	-	-	0.1
Net current income taxes received (paid)	-	-	-	0.5	-	-	-	0.1								
Distributions declared to non-controlling interest	(0.1)	(0.3)	(0.2)	(0.4)	-	-	-	(0.1)	(0.2)	(0.2)	(0.1)	(0.3)	(0.3)	(0.3)	-	(0.7)
Dividends paid on preferred shares	-	-	-	-	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	-	-	-	-
Dividends paid on common shares	-	-	-	-	-	-	-	(0.7)	(0.7)	(0.9)	(0.9)	(0.9)	(1.2)	(1.2)	(1.2)	(1.2)
Free Cashflow ("FCF")	5.3	7.0	2.8	7.8	13.6	8.1	17.1	15.4	13.5	14.5	23.9	12.2	13.0	17.0	30.6	20.5

NON-GAAP FINANCIAL MEASURES: FUNDS FROM OPERATIONS & FREE CASH FLOW

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 above.

Free Cash flow (FCF) 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 Cash flow 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 above.

	2020				2021				2022				2023			
QTD ($ millions, except as noted)	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Net Revenue	0.6	(0.0)	0.7	0.5	0.7	0.8	1.2	1.1	1.3	1.2	1.8	2.4	2.2	2.3	2.7	2.6
Costs paid to Suppliers	4.4	1.3	4.4	6.1	6.8	7.0	8.9	9.1	10.3	10	14.6	17.3	16.3	17.2	18.1	17.0
Gross Revenue	5.0	1.3	5.1	6.6	7.5	7.8	10.1	10.2	11.6	11.2	16.4	19.7	18.5	19.5	20.8	19.7
Net Revenue Margin	12%	0%	14%	8%	9%	10%	12%	11%	11%	11%	11%	12%	12%	12%	13%	13%

NON-GAAP FINANCIAL MEASURES: GROSS BOOKINGS

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. Net Revenue is provided above.

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. Net Revenue Margin is provided above.

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.

BLACK DIAMOND GROUP

2024 STAKEHOLDER REPORT

REPORT DATE: 04/02/24

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