



BLACK DIAMOND GROUP

OUR WAY IS TO CREATE A BETTER WAY



INVESTOR UPDATE
March 2022

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INVESTOR RELATIONS
investor@blackdiamondgroup.com

Forward Looking Statements



This presentation contains forward-looking statements. The use of the words “anticipate”, “continue”, “estimate”, “expect”, “will”, “project”, “should”, “believe”, “intend” and similar expressions identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Management believes the expectations reflected in those forward-looking statements are reasonable but cannot give any assurance these expectations will prove to be correct. Additional information on risk 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 presentation are made as at the date of this presentation 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.



Black Diamond Group rents and sells modular space and workforce accommodation solutions to customers in Canada, the United States and Australia. We serve diverse sectors including construction, education, engineering, resources, financial institutions, military, and government.

Ticker	TSX:BDI	Insider Ownership	24%
Shares Outstanding	59.3 mm	52 Wk Range	\$3.15 - \$5.65
Market Cap (03/04/2022)	\$264 mm	Enterprise Value	\$415 mm



LL

LodgeLink

- Disruptive digital platform
- Rapidly scaling
- Unique solution focused on essential workforce travel

MSS

Modular Space Solutions

- Diversified, steady growth
- Predictable and improving returns
- Strong free cash flow characteristics
- Long-lived rental assets
- Low maintenance capital

WFS

**Workforce
Solutions**

- Significant operating leverage
- Improving utilization & diversification of projects
- Long-lived rental assets
- Low maintenance capital



Modular Space Solutions (MSS) Fleet

\$246 mm NBV¹ **8,827** Units¹

Workforce Solutions (WFS) Fleet

\$142 mm NBV¹ **6,800** Units¹

Consolidated Rentable Square Feet

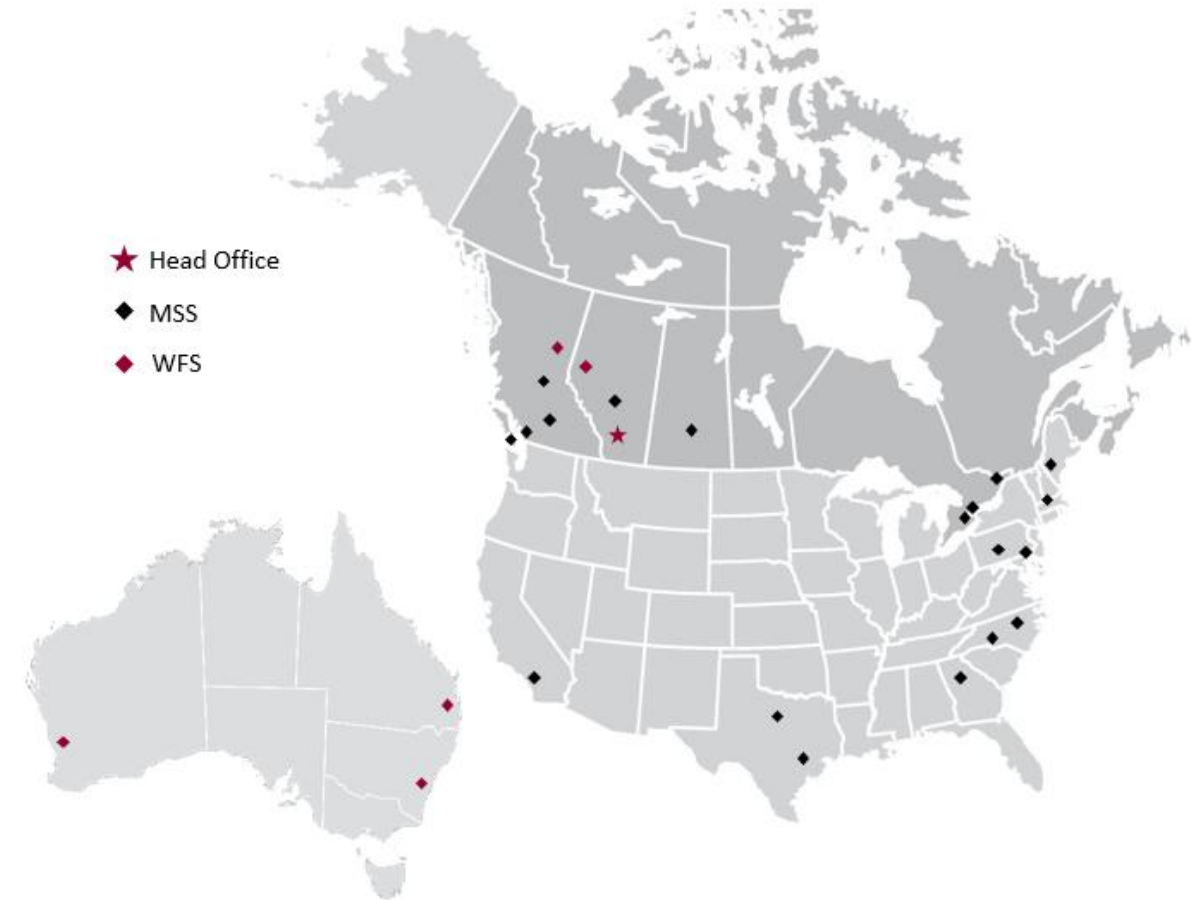
~6.8 mm

222,801 TTM LodgeLink Bookings²

\$20.4 mm TTM Net Income or Profit

\$64.0 mm TTM Adjusted EBITDA^{1,2,3}

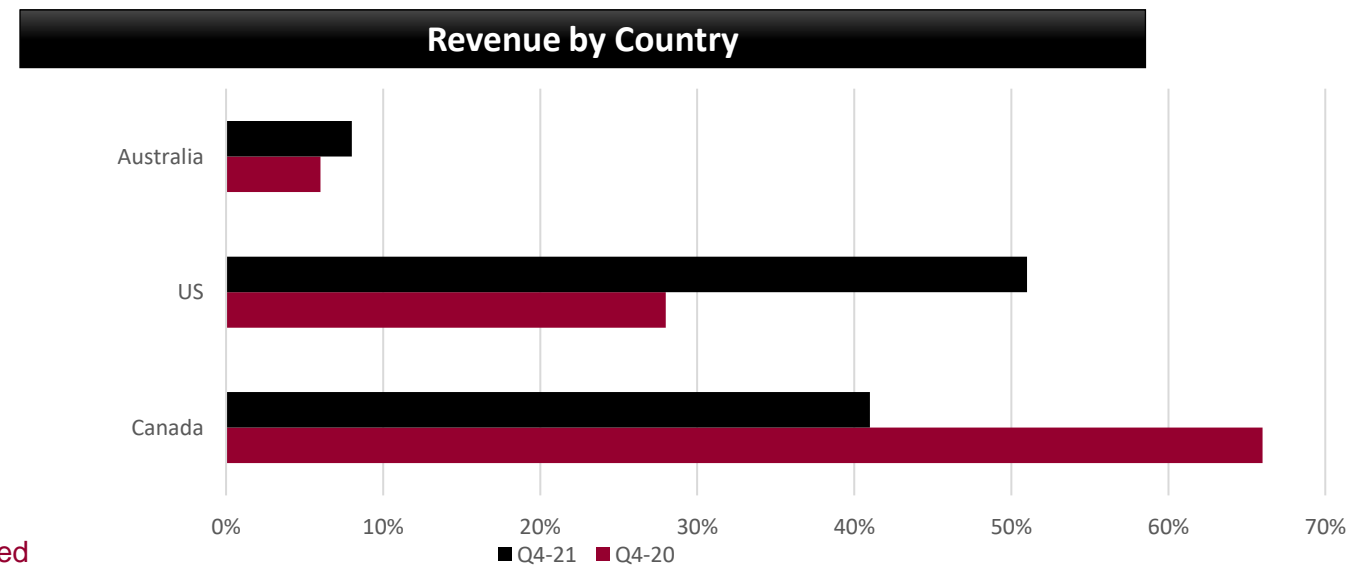
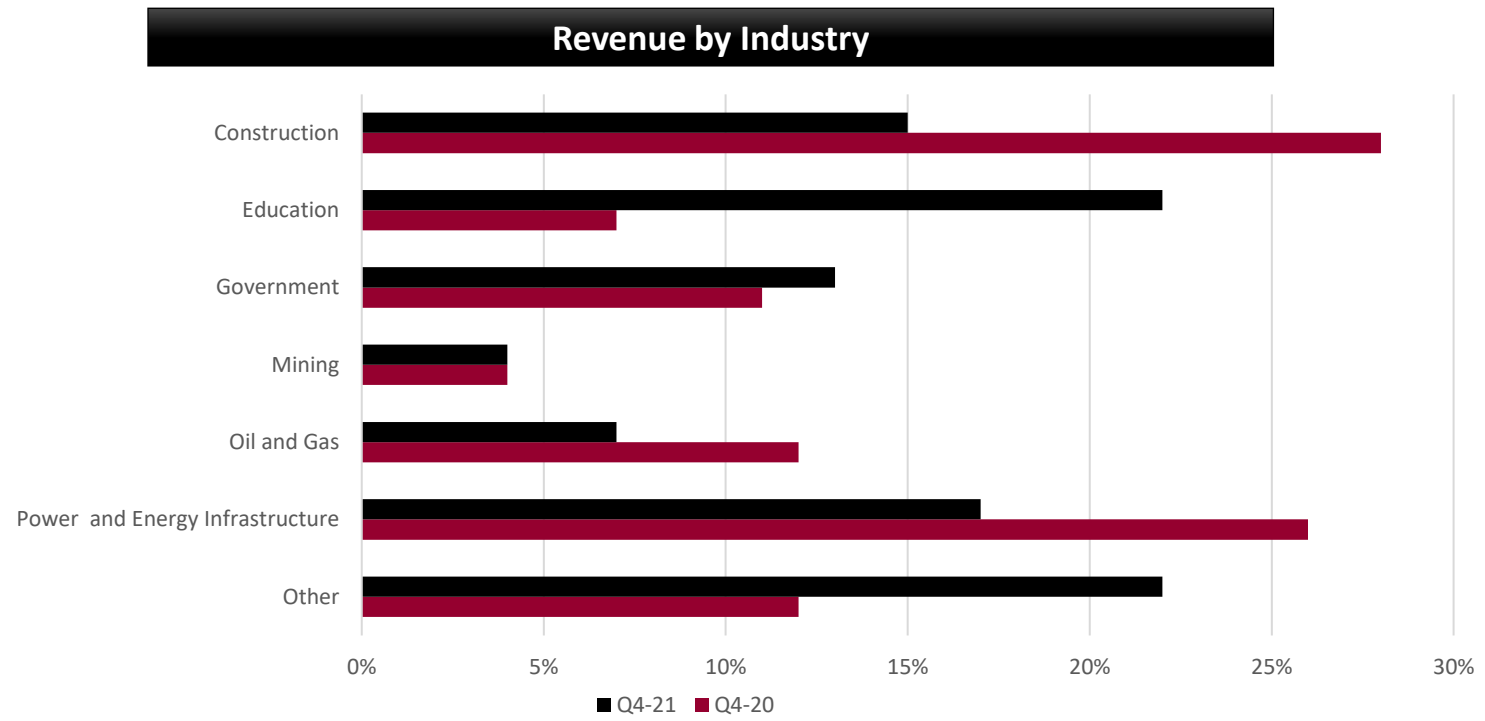
\$405 mm PP&E Book Value¹



1. Source data: Q4 2021 Financial Statements, Management, Discussion and Analysis

2. As at December 31, 2021

3. Non- GAPP financial measure. Refer to advisory at the end of this document



Black Diamond Group - Who We Are



Specialty rentals and industrial services provider organized into two business units

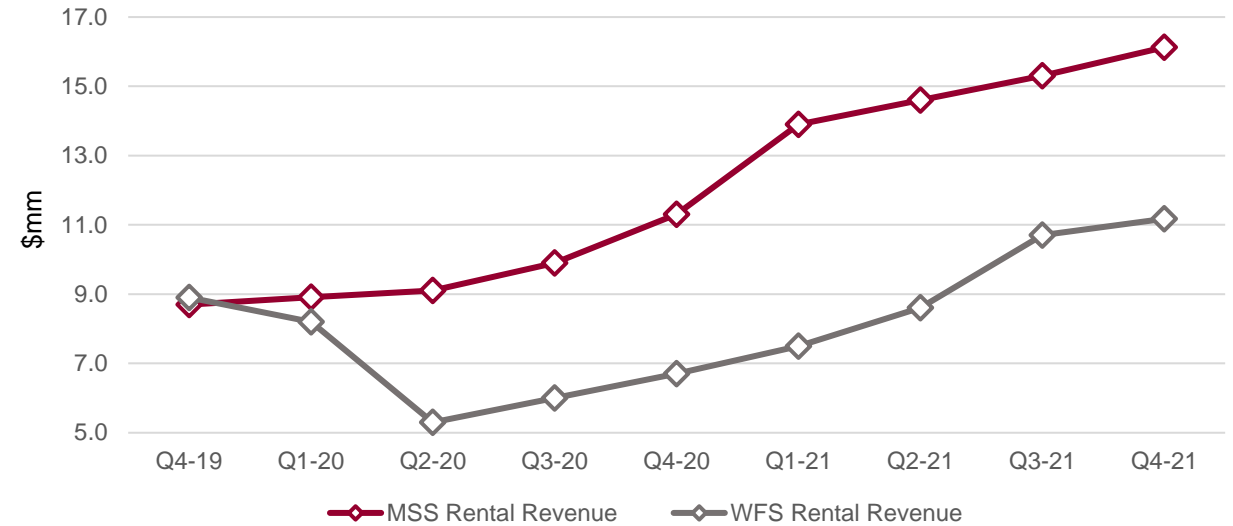
MSS: Modular Space Solutions

- Diversified Rental
- Custom, Major Project or Used Sales
- Ancillary, Value Added Products & Services (VAPS)

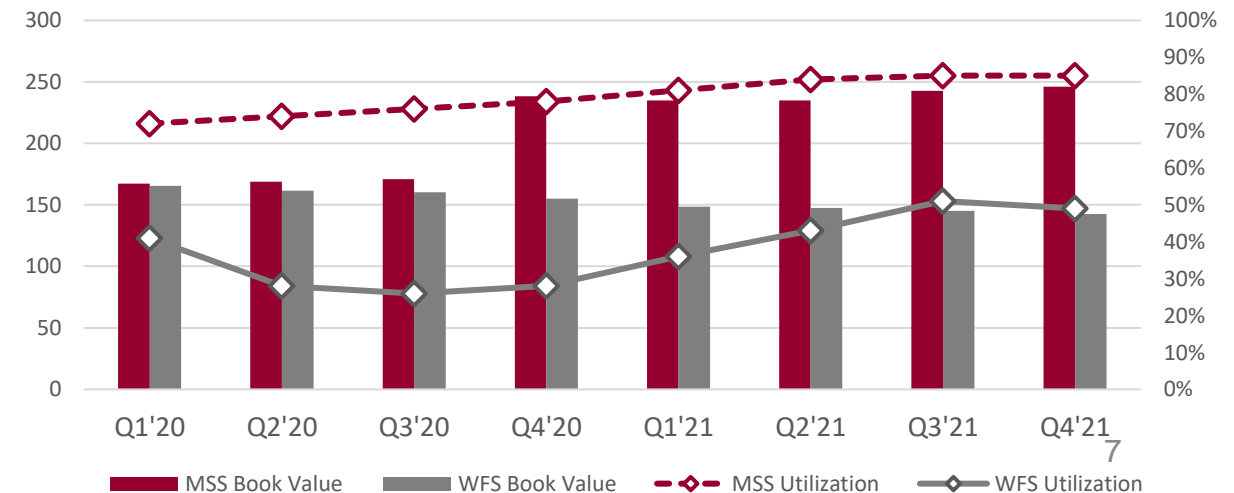
WFS: Workforce Solutions

- Rental of small and large format accommodations in Canada, Australia, U.S. with ancillary services
- Turnkey lodge services
- LodgeLink

Consolidated Rental Revenue



Rental Fleet NBV and Utilization





Modular Space Solutions

- 8,827 units across 19 branches in North America with attractive returns on long-lived assets
- With added scale and additional product offering, return metrics are improving. Rental revenue growth expected to outpace fleet growth
- Y/Y, rental rates have increased by an average of 9% across the fleet (on a constant currency basis)

B  **XX**
MODULAR



 **britco**



 **mpa**
SYSTEMS, LLC



SCHIAVI
A **B**  **XX** Modular Company

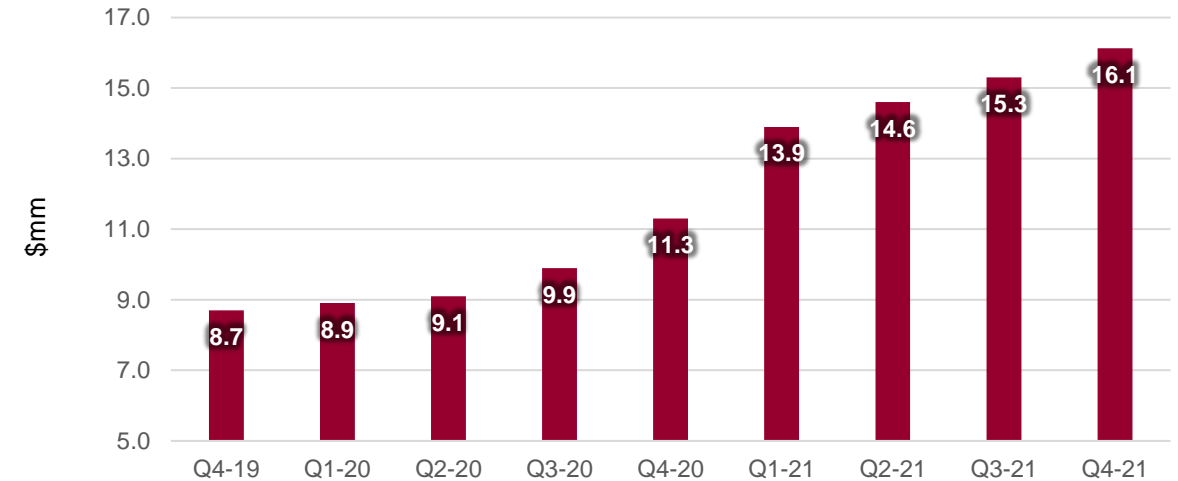




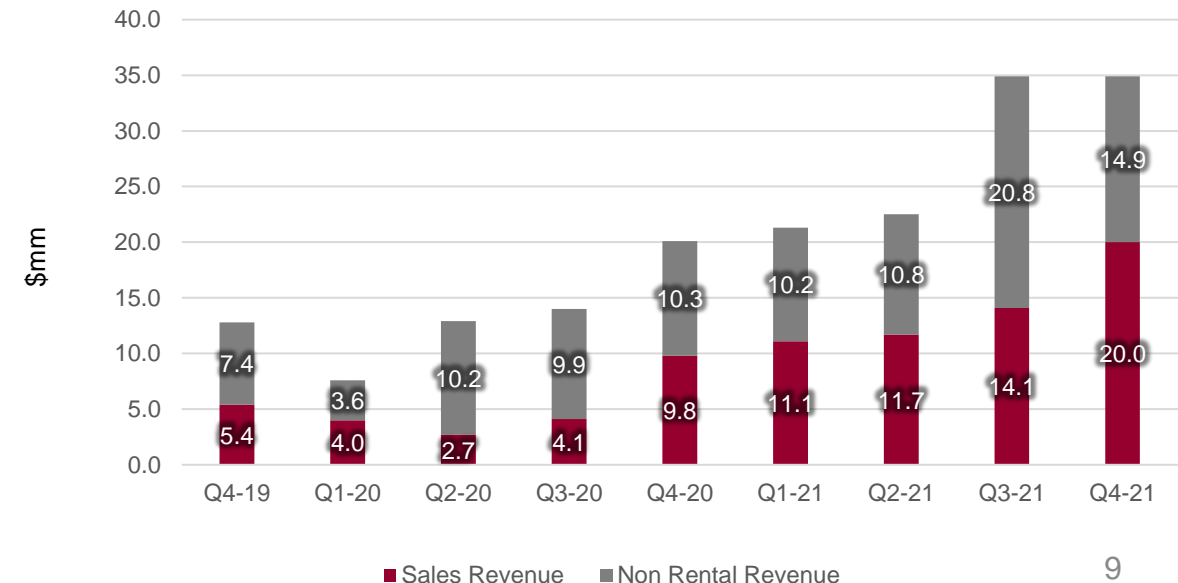
Modular Space Solutions

- Q4/21 Rental revenue up 42% Y/Y
- Strengthening rental revenue driven by continued capital investment, higher rates, improving utilization, and VAPS penetration. Expect continued strength in rental revenue
- Sales and non rental revenue also continuing to grow in conjunction with fleet growth and additional custom sales in an active modular building market

MSS Rental Revenue



MSS Sales & Non Rental





Workforce Solutions

- Includes large and small format accommodation rentals, ancillary surface rentals and services across Canada, U.S. and Australia.
- LodgeLink, the Company's digital travel platform is also within the WFS segment
- **Geographic Diversification**
 - U.S.
 - Eastern Canada
 - Continued growth in Australia
- **Industry Diversification**
 - Disaster Relief
 - Homeless Initiatives
 - Mining
 - Green Energy

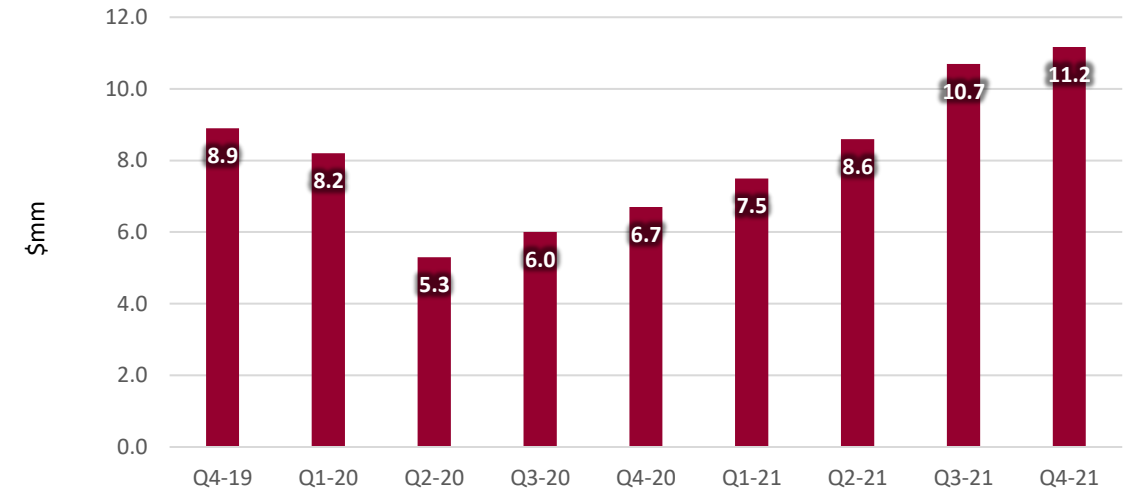




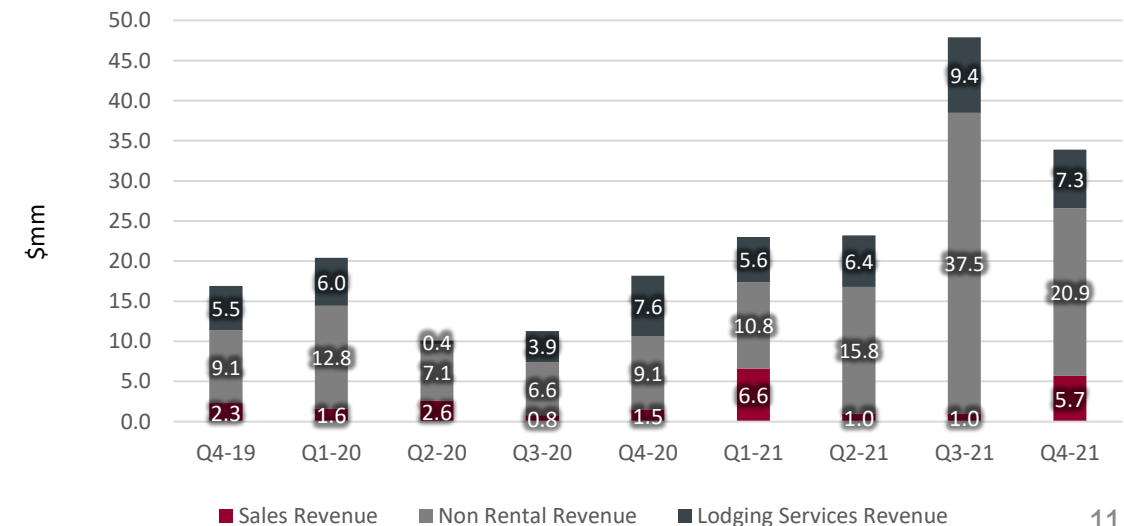
Workforce Solutions

- Constructive outlook into 2022 based on contracted rental revenue in place, recent growth in eastern Canada, and improving field-level activity from energy customers.
- Increase in non-rental revenue in Q4/21 from non-recurring work on several projects. Expecting a more normalized cadence for 2022

WFS Rental Revenue



WFS Lodging Services, Sales & Non Rental

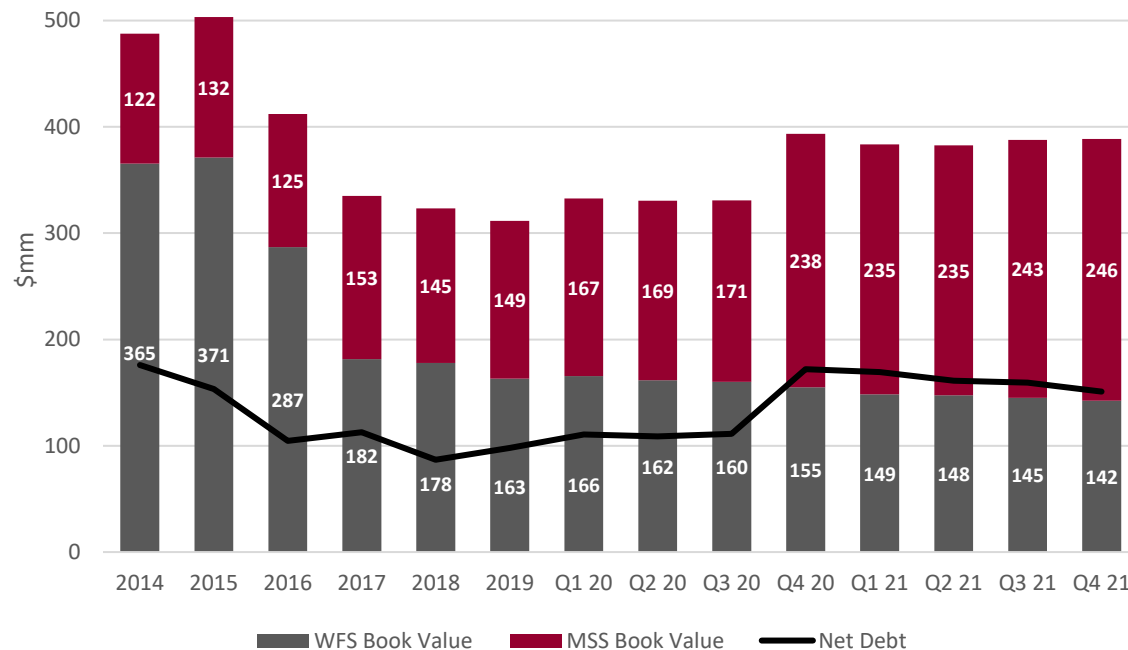


Significant Asset Coverage Against Debt

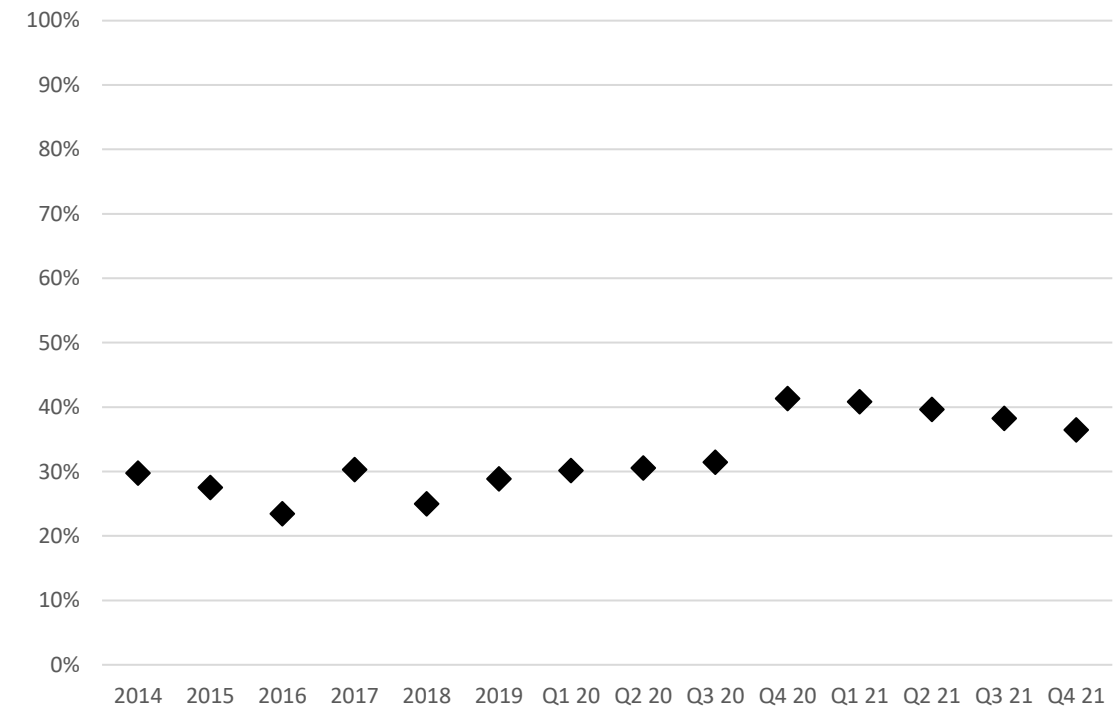


- Q4/2021 Net Debt¹ of \$151 mm and Long Term Debt of \$155.6 remains well below hard asset coverage on a net book value and third-party appraisal basis
- Recently renewed Asset Based Lending (“ABL”) facility with extension out to fall of 2026. Average cost of debt in 2021 was 2.1%.
- Roughly \$113 million of available liquidity under ABL facility

Net Debt Vs Net Book Value
of Fleet Assets

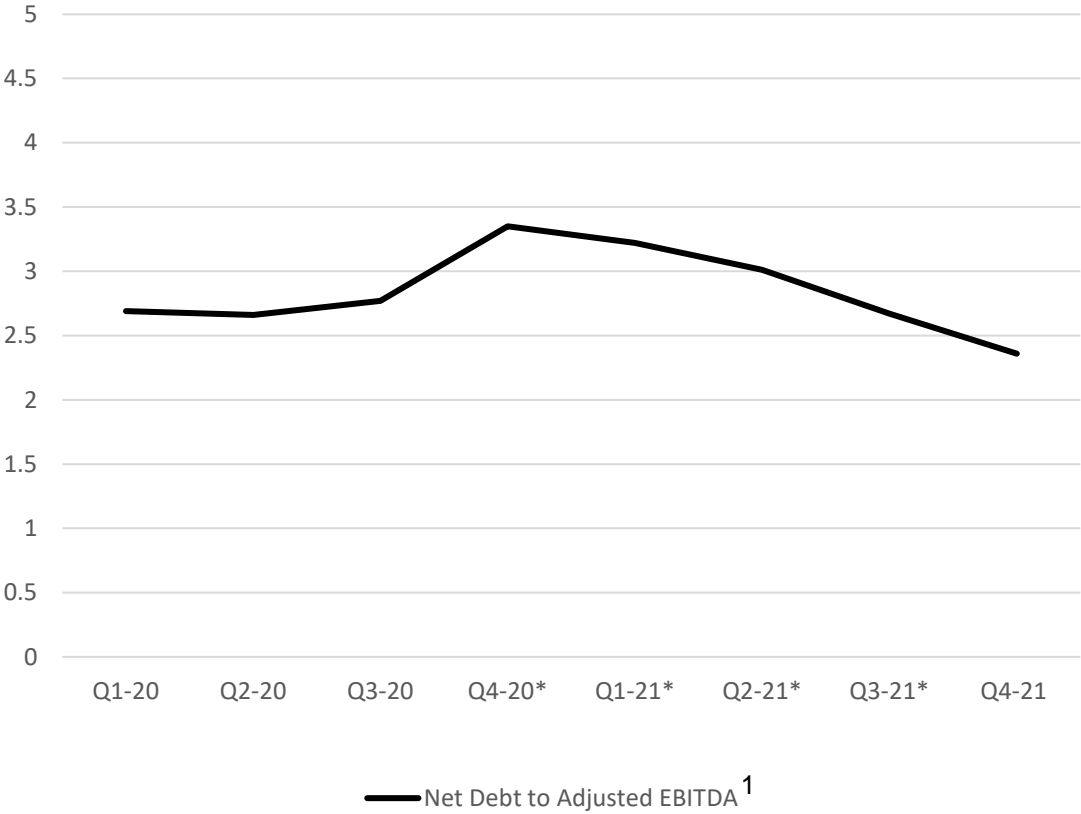


Net Debt as a % of
Property and Equipment and Working Capital¹



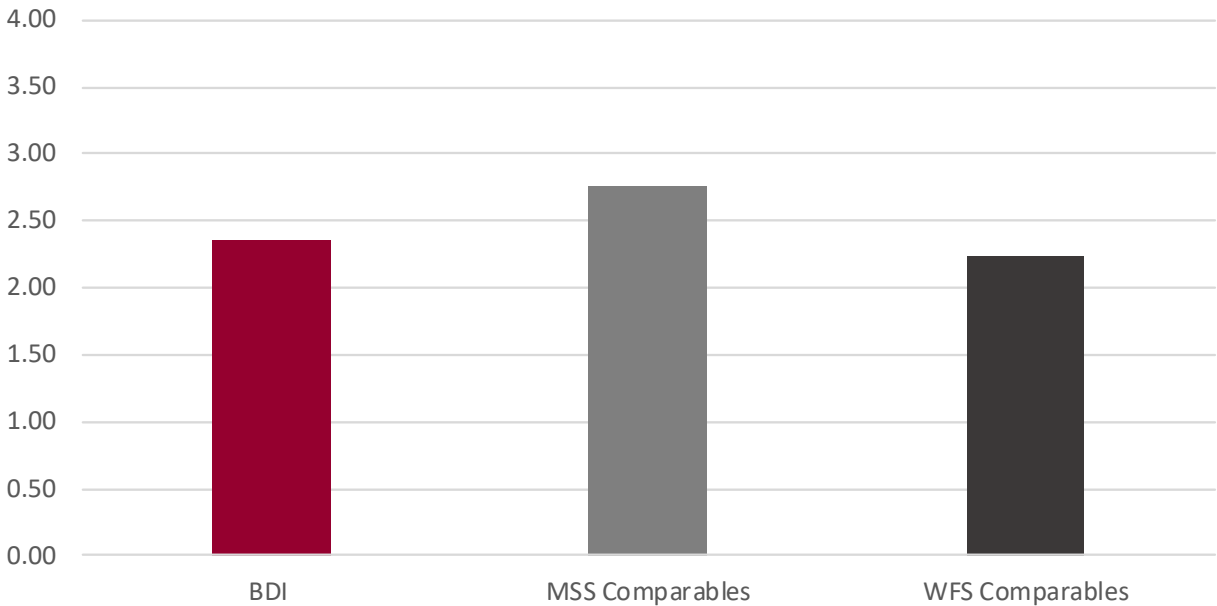


Leverage Ratio



*BDI Pro Forma Vanguard includes trailing 12 months of EBITDA from Vanguard

Net Debt/EBITDA (TTM as at last reported Quarter)



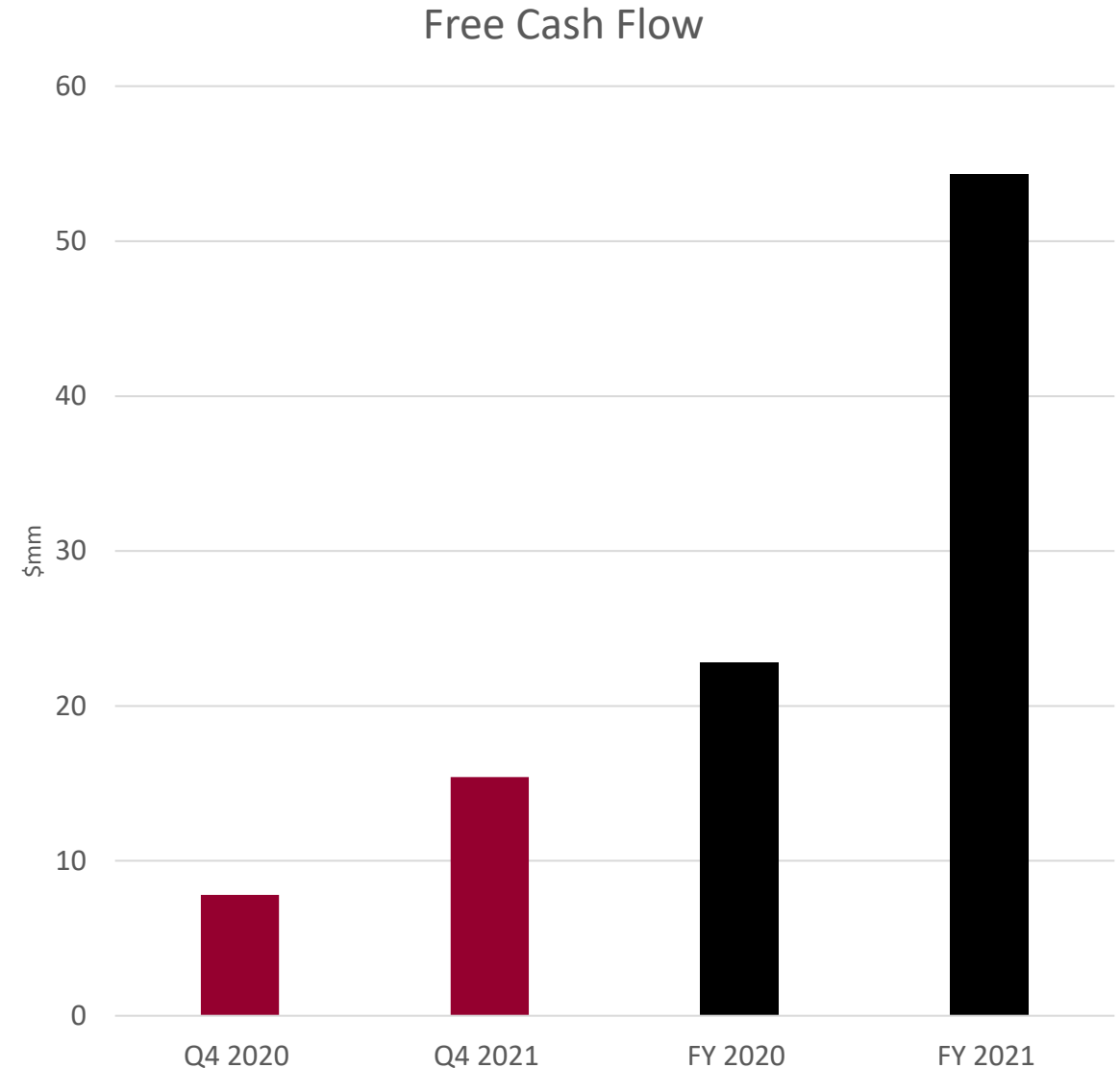
Source: Factset

MSS Comparables: MGRC, WSC
WFS Comparables: CVEO, TH, DXT

Strong Free Cash Flow Generation



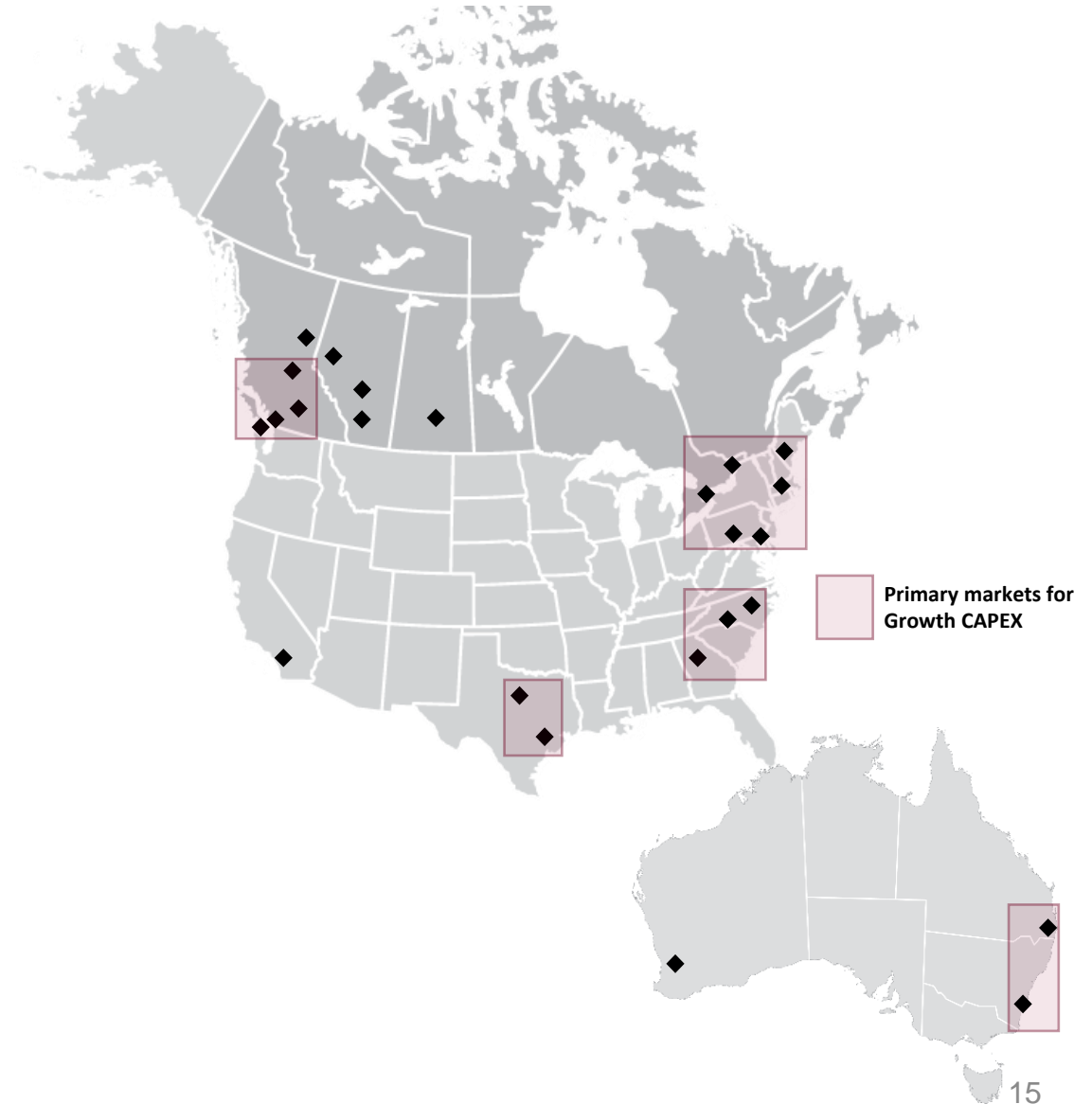
- Asset rental model has continued to provide a strong base of Free Cash Flow¹, generating over \$15 million in Q4/2021 and Cash flow from operating Activities of \$20.4 million
- The company announced a 20% increase to its quarterly dividend, up to of \$0.015 per share, or \$0.06 per share on an annualized basis last quarter and
- Base of diversified asset rentals represents an attractive hedge in the current inflationary environment





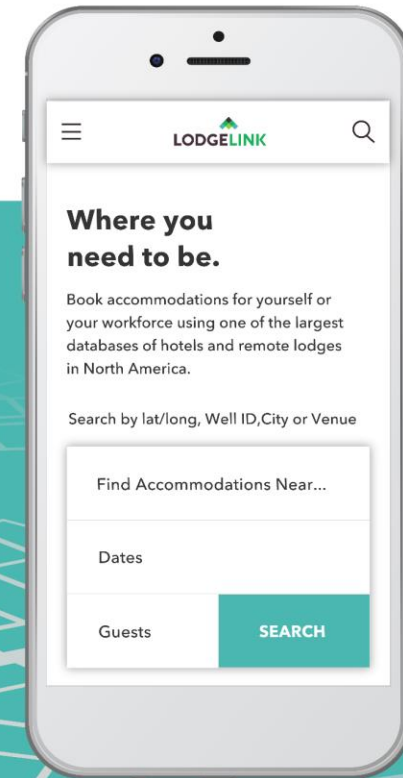
Organic Growth Capex

- Annual organic growth capex of ~\$25 to \$30 mm after used asset sales
- Realizing strong returns for new capital investment. Reported consolidated ROA¹ of 17% in Q4/2021
- Vast majority of capex targeted for organic growth in MSS with opportunities in WFS Australia and select refurb opportunities across WFS North America





Helping you find, book and manage crew accommodations.



WHERE YOU NEED TO BE™



LODGE.LINK.COM

Digital B2B Platform for Workforce Travel

LodgeLink is a multi-sided marketplace for the \$320 billion of crew travel and related goods and services consumed by crews each year.

LodgeLink Gaining Market Traction

Multi-sided B2B Platform focused on crew travel

- Efficiently connect the supply/demand of room and accommodation bookings for companies employing field crews
- Custom-built platform to remove inefficiency at every stage of the crew travel process

\$320 billion market opportunity

- Customers exist in diverse industries and geographies and share the same challenges
- No global leader in the space
- Fragmented market with low-tech tools used by customers and competitors

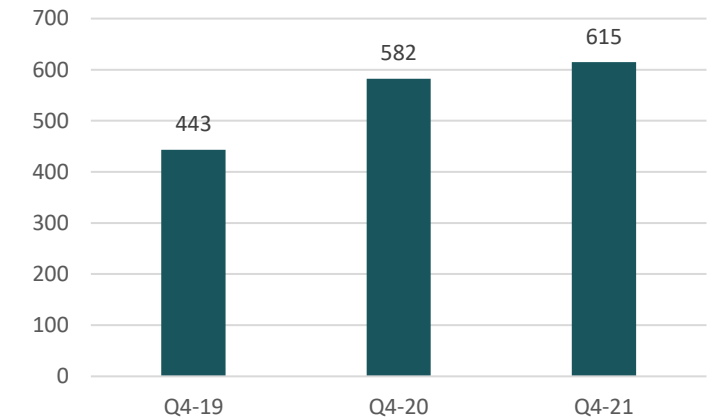
Over 514,000 room nights booked to date (Dec 31, 2021)

- LodgeLink room bookings grew 96% to 70,317 from Q4 2020
- Continued customer and geographic expansion with a growing presence in the U.S.

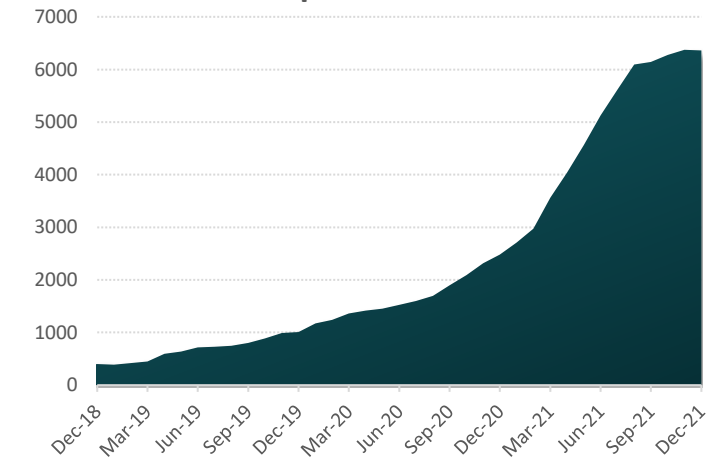
Customers & Suppliers validating all aspects of long-term vision

- Meaningful customer growth
- Both sides of the platform showing a desire to integrate their operations with LodgeLink to remove inefficiencies and enhance the experience

Total Unique Customer Accounts

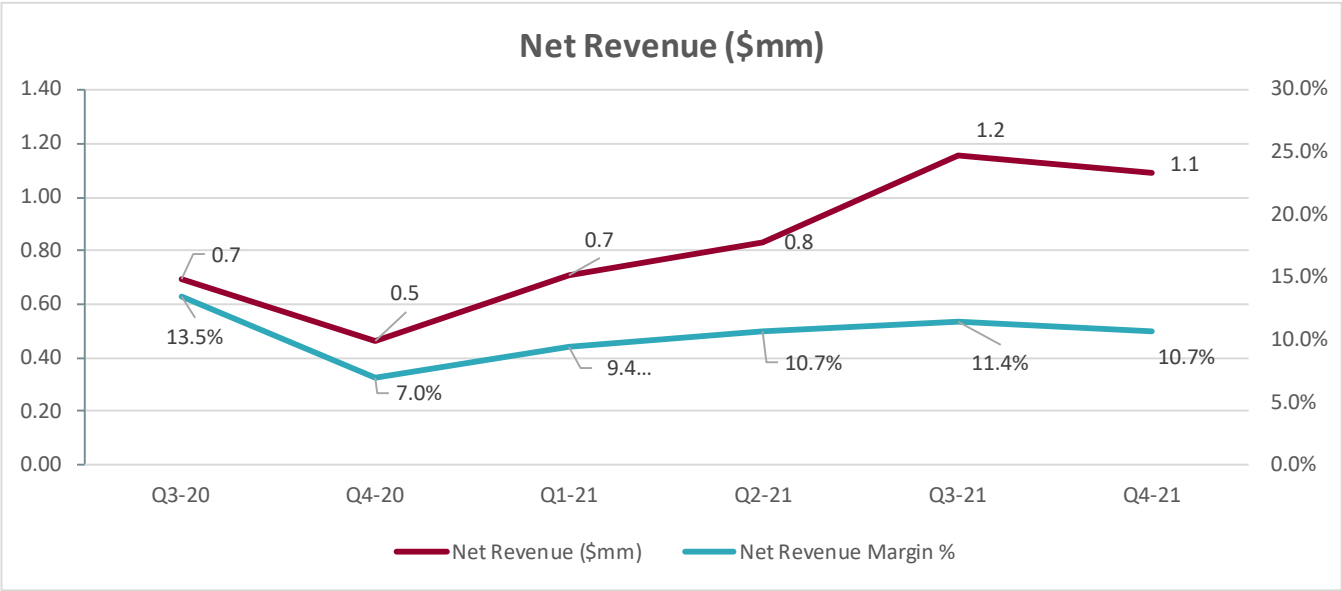
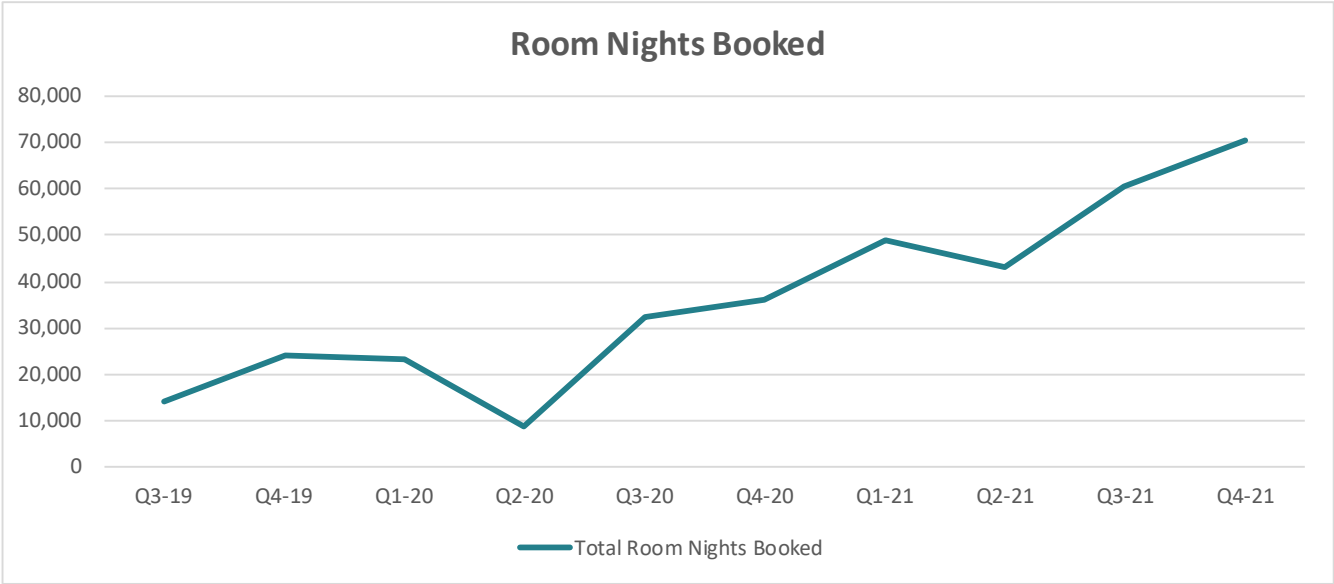


Properties Listed

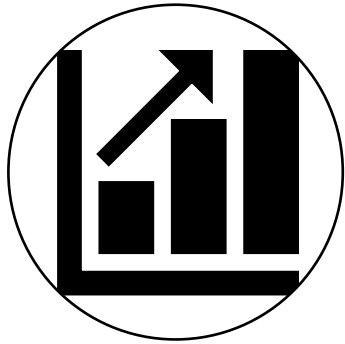


As of Dec 31, 2021

Total Properties Listed	6,365
Total Rooms Listed	615,799
Total Unique Customers	615
Employees (Permanent full time)	56



- Continued growth in unique customer accounts
- Growing share of travel wallet within existing customer base
- Since Q2/2020, have set quarterly, sequential records in booking volumes.
- Strong momentum into 2022 with strong booking volumes experienced over first two months of the year.



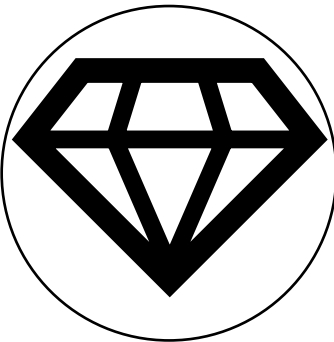
Growth

- MSS fleet growth ahead of plan as a result of Spectrum and Vanguard acquisitions in 2020
- MSS EBITDA growth to outpace fleet growth driven by stronger rental revenue as a result of rising rates and utilization, economies of scale, VAPS and other service offerings
- LodgeLink platform is scaling quickly with a view towards accelerating growth in 2022 and beyond



Diversification

- Growing revenue base from U.S., Eastern Canada, and Australian markets in both MSS and WFS product offerings
- Growing presence in U.S. education rentals sector
- LodgeLink digital marketplace continuing to expand in the U.S.



Value

- Capitalize on significant operating leverage in underutilized Western Canadian WFS asset base
- Asset Based Lending facility provides flexible, low-cost debt to fund growth with considerable available liquidity
- Approximately \$400 mm of high quality, long-lived assets on the balance sheet



LODGE LINK



CAMPS RENTAL



ENERGY SERVICES



AUSTRALIA



MODULAR SPACE



VAPS



MSS Business Unit

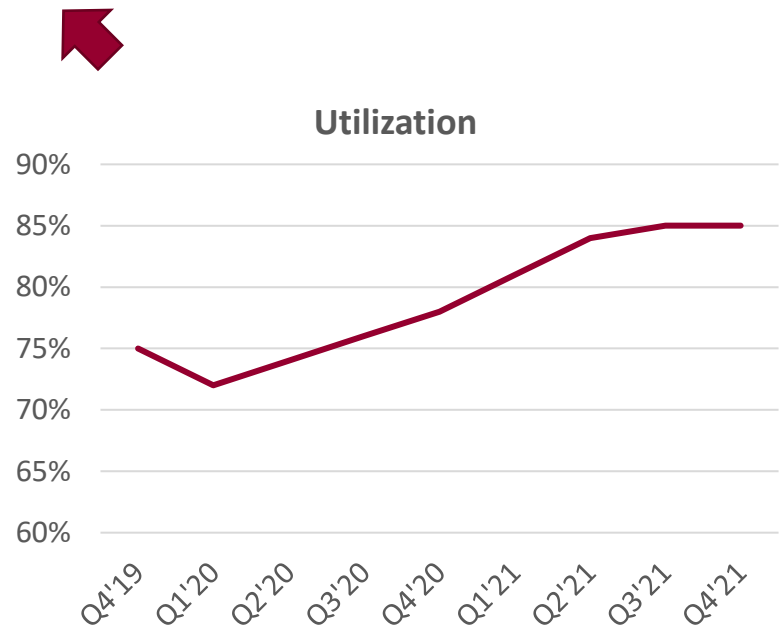
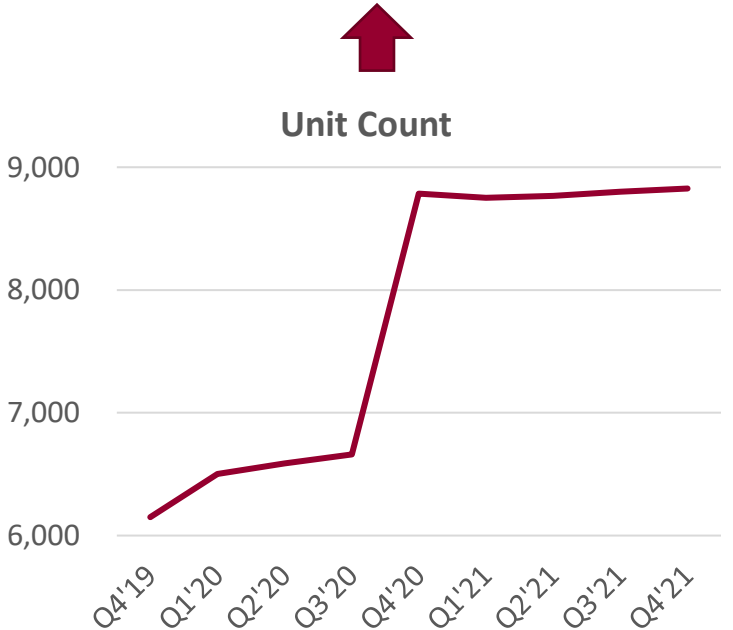
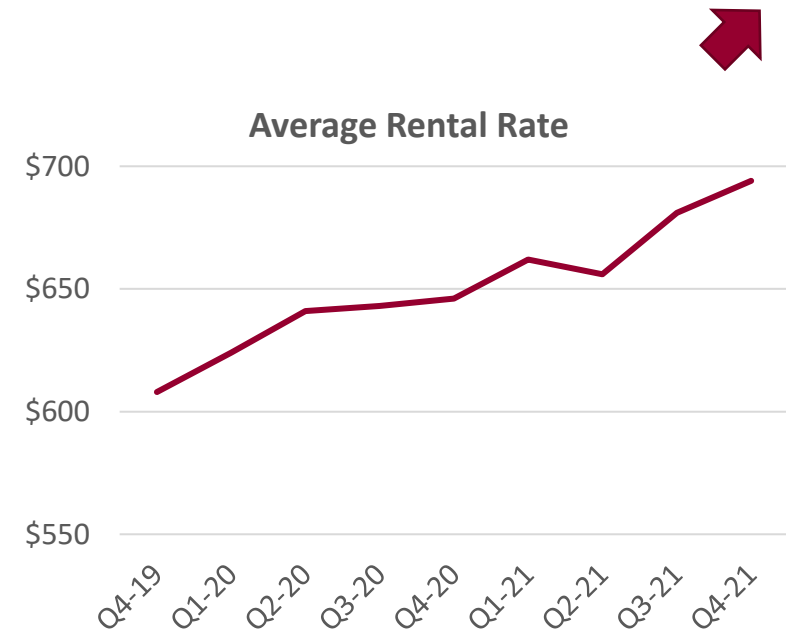
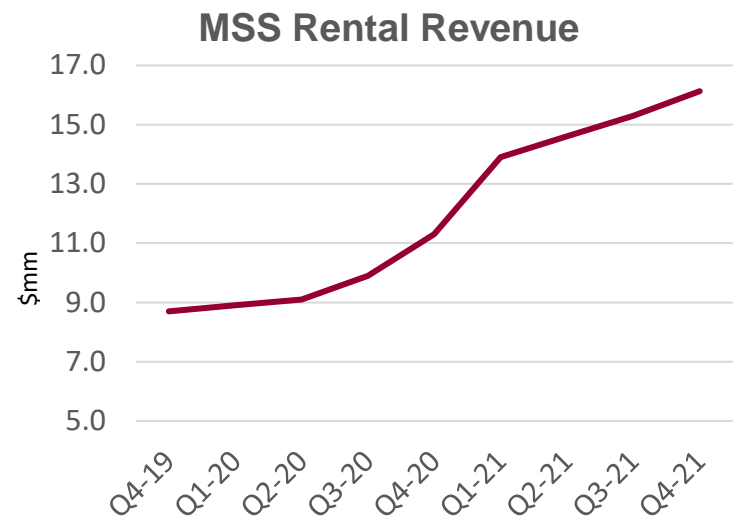
- Rental Revenue
- Sales Revenue
- Non-Rental Revenue

WFS Business Unit

- Rental Revenue
- Sales Revenue
- Non-Rental Revenue
- Lodge Services Revenue



MSS – Drivers Behind Rental Revenue Growth

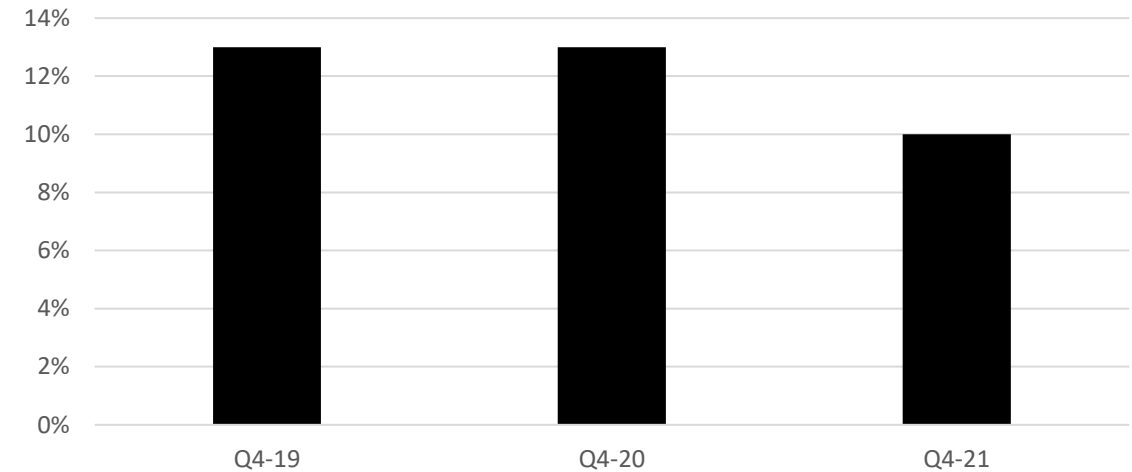




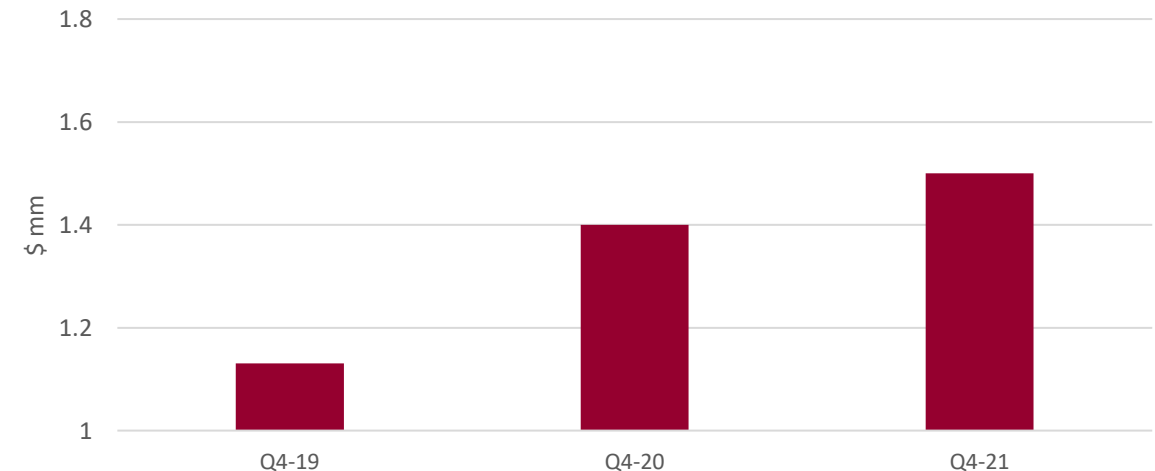
- Value Added Products & Services (VAPS) revenue continuing to grow
- VAPS as a % of revenue down in Q4/21 due to addition of Vanguard rental revenue which currently has comparatively lower penetration



VAPS as a % of Rental Revenue

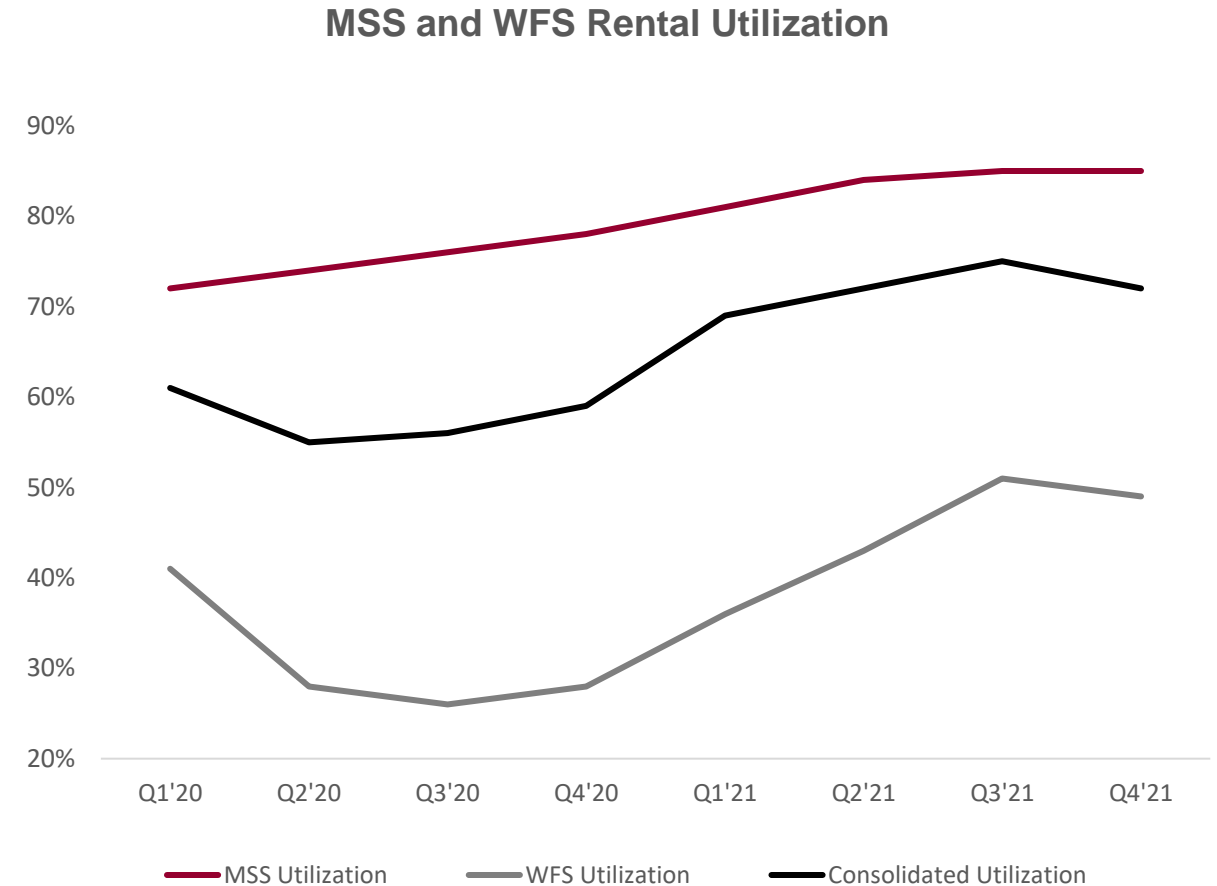


VAPS Revenue





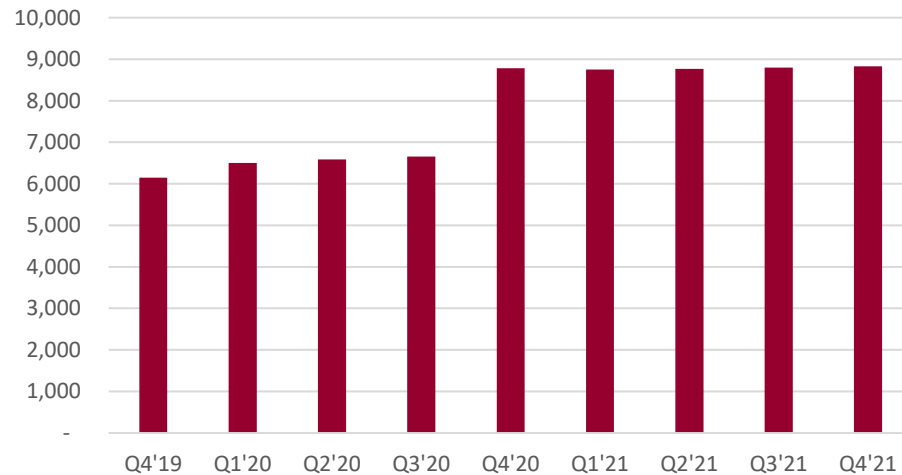
- Utilization showing further improvement after pandemic low in Q2 2020
- MSS rental fleet maintaining utilization above 80%
- WFS improvement in utilization supported by diversification of assets outside of western Canada



MSS & WFS Fleet Overview

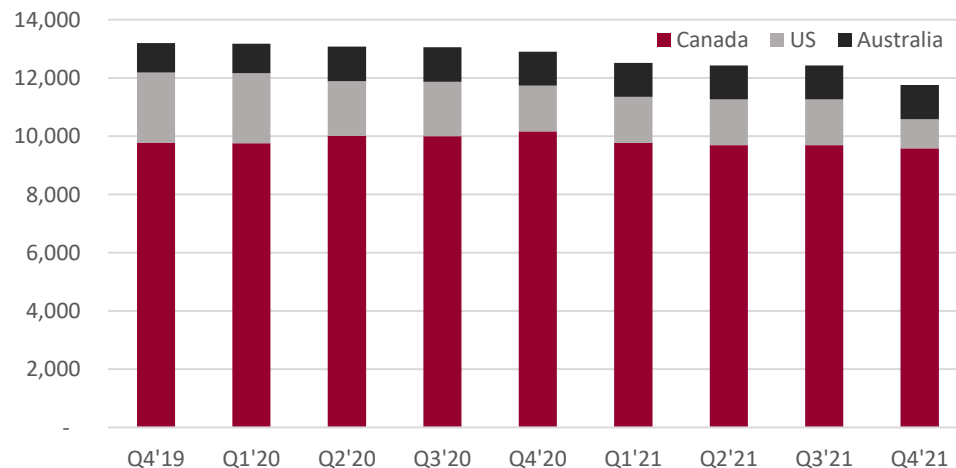


MSS Fleet Unit Count



- Continued growth in MSS rental fleet, supported by organic investment and recent acquisition of Vanguard

WFS Room Count

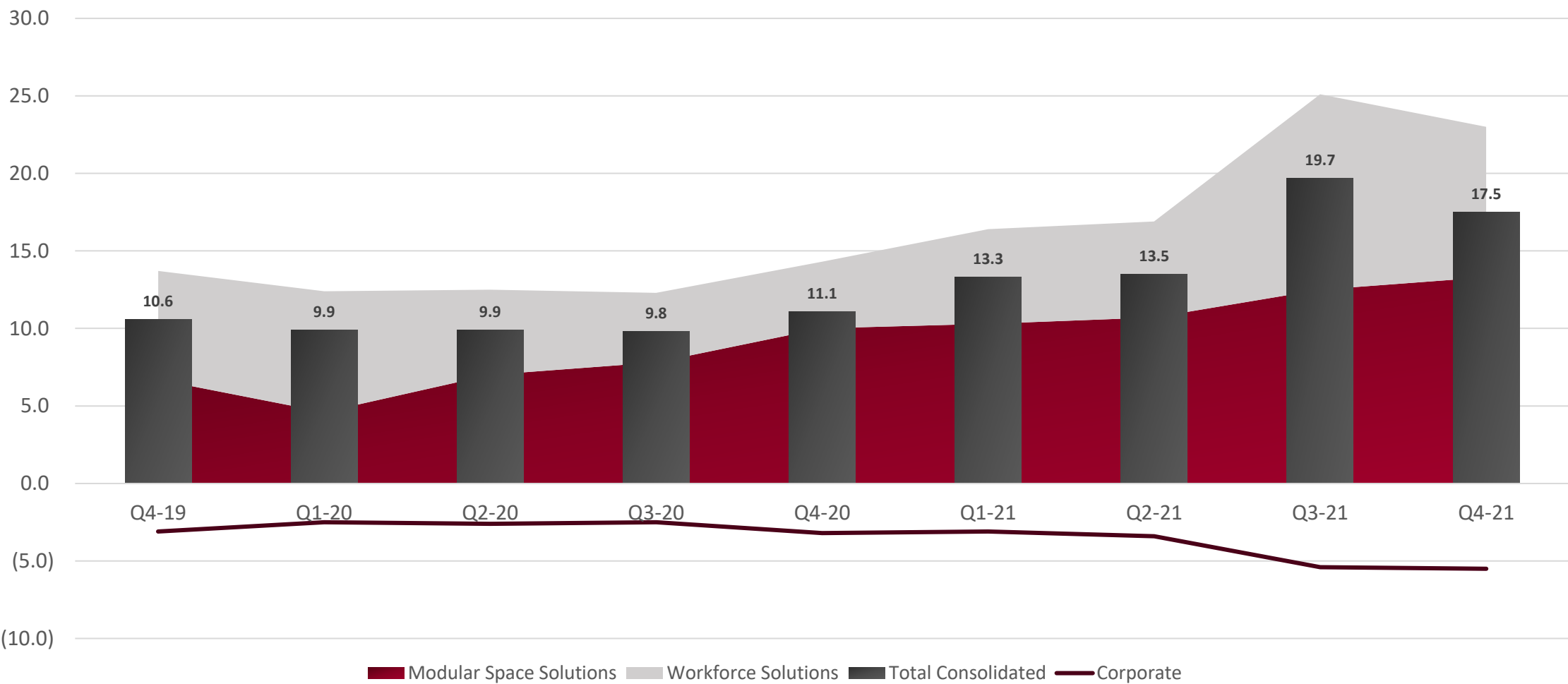


- WFS camps rental fleet has seen some assets move to the U.S for contracted work. Moderate decline in rooms as older assets have been sold

Adjusted EBITDA¹ Detail By Quarter



Quarterly EBITDA Detail

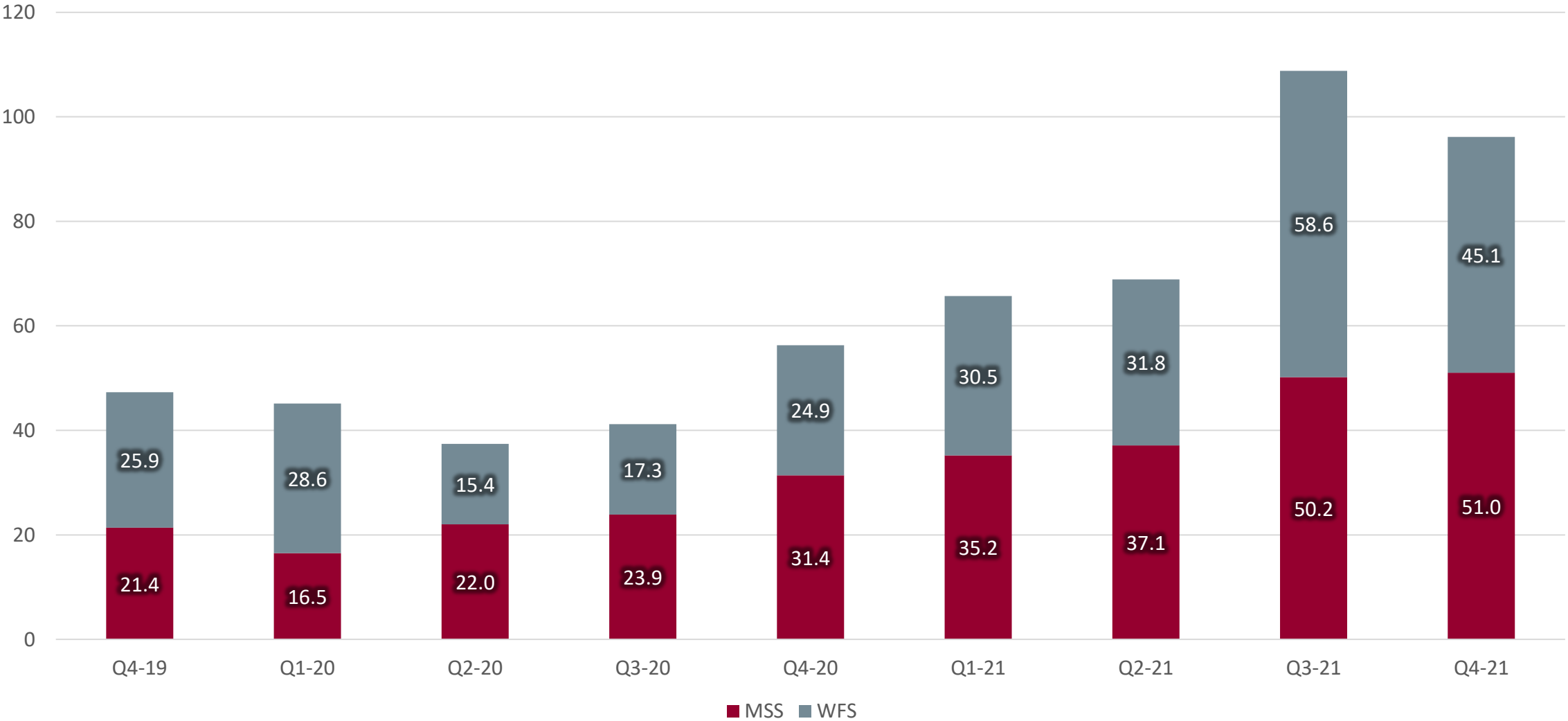


1. See “Non-GAAP Measures” at the end of this document.

Revenue Detail by Quarter



Consolidated Revenue by Quarter



Crew (workforce) travel is a complex task that adds costs to running a business

- When groups or crews are required to travel for work, finding, booking and managing travel and accommodations is challenging
- Solutions for consumer travel exist, however, they ignore the added complexity for group travel



Search, Book & Manage

- Search for accommodations close to a worksite by searching the location, coordinates, city name and more
- LodgeLink can facilitate booking accommodations for 1-100+ people in a few clicks
- Manage reservations for crews including changing schedules, project delays, extensions, etc. from the LodgeLink dashboard

Pay & Report

- All accommodations will be secured and paid by LodgeLink with a consolidated invoice sent regularly
- LodgeLink allows for cost tracking by crew, project or as required by our customers
- Additional cost and personnel tracking available to our clients

LodgeLink addresses many of the problems faced by companies needing to book crew travel accommodations and the crew members themselves

Company Perspective

- Booking and managing travel and accommodations adds unnecessary cost / administrative burden
- Lack of single-point interface often results in over- or under-booking rooms, paying for scheduling mix-ups
- Lack of corporate buying power when travel accommodation booked ad-hoc

Crew Member Perspective

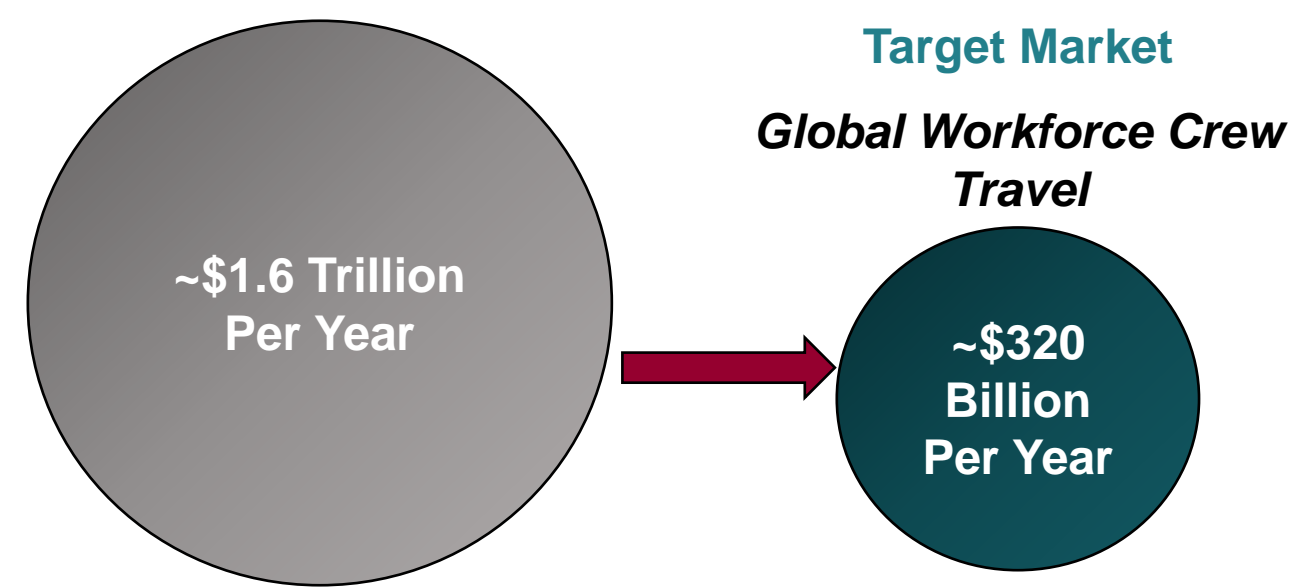
- Managing bookings and payment by crew members in addition to regular duties and 10-14 hour workdays
- Burden of paying and expensing travel and accommodations

Property Owner Perspective

- Crews are a highly desirable customer base for property owners given steady volume, longer-term length of stay and diversification from corporate and leisure customers

	LODGE LINK	TRAVEL MANAGEMENT COMPANY	EMPLOYEE SELF BOOKING	DIRECT HOTEL GROUP BOOKING
Self-serve online	✓	✓	✓	
Customer service and support	✓	✓	✓	✓
Access to hotels	✓	✓	✓	✓
Access to lodges	✓			
Accommodations across North America	✓	✓	✓	✓
Crew list	✓			
Custom scheduling	✓			
Flexible cost tracking codes	✓			
Interactive on-demand reporting	✓	✓		
Simple, consolidated administration	✓			

Global Business Travel Market



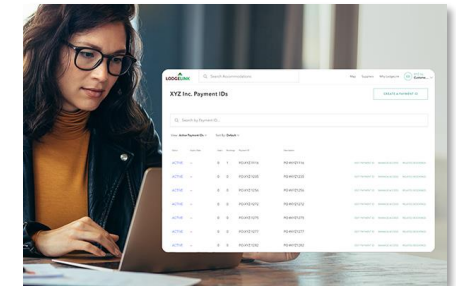
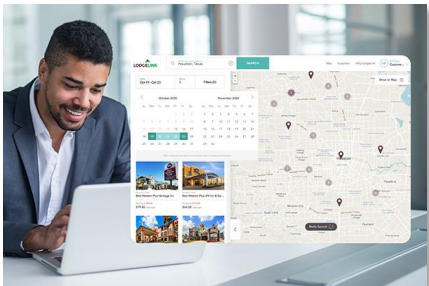
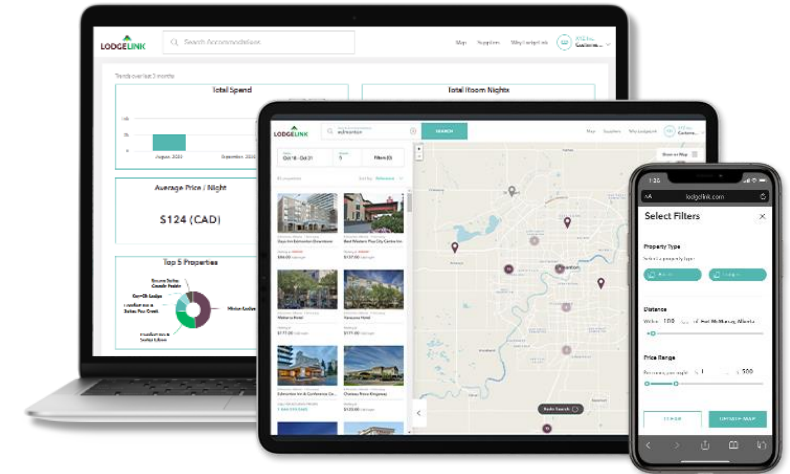
Annual Spend (\$billions)	2019
U.S.	65
Canada	6
Australia	6
South America	13
Rest of World	230

Countries listed above are areas where LL Management team has extensive knowledge and experience with crew travel

Estimates of market size are based on Energy Resource Marine sub-sector of Global Business Travel Association. Addressable market is larger than estimated above to the extent that general construction, transportation, and sports teams are considered crews.

Save time. Control costs.

- **A web-based solution for workforce travel management**
 - *LodgeLink is an end-to-end solution focused on the needs of crews*
 - *The platform applies web-based technology that simplifies the crew travel process*
- **Delivering efficiency and cost control for complex workforce travel**
 - *Through LodgeLink, administrative costs for customers are reduced*
 - *Time consuming activities are replaced with efficient web-based technology*



Current



Margin On Transactions

- LodgeLink profits on the spread between buy and sell price for rooms/flights
- LodgeLink does not take any inventory or speculation risk
- Leverage economies of scale to drive buying discounts and increase margins

Future



Advertising

- Advertise travel support services (dining and entertainment, remote refueling stations, equipment rental, etc.)
- Preferred placement in search results, similar and feature properties
- Last-minute deals to crews working in the area

Future



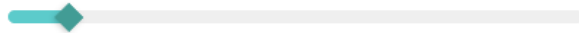
Data & Other Services

- SAAS Application - Potential for enhanced features, data & reporting through a licensing fee model

Cost Savings Calculator

Gain insight into how much you can save by partnering with LodgeLink using the calculator below.

Annual accommodation spend **\$510,000**



How many hours does your team spend per week creating and managing travel bookings? **10**



How many properties do you utilize in a week? **7**



Number of hotel invoices reconciled each week **30**



Use negotiated rates?

☒ Yes ☐ No

Mode of payment

☒ Credit Card ☐ Direct Billing

Total Costs

Annual accommodation administrative costs

\$249,500.00

Annual accommodation spend

+ \$510,000.00

= \$759,500.00

Estimated Savings

Administrative savings

\$216,080.00

Negotiated rate savings

+ \$25,500.00

Savings with LodgeLink

= \$241,580.00 (31.81%)

Assumptions:

- Approximately 4,700 room nights @ \$108/night
- 3 rooms per transaction
- results in 1,560 transactions per year (or 30 per week)
- Assumes no additional savings on negotiated rates or direct billing

Non-GAAP & Supplementary Financial Measures



- **Adjusted EBITDA** is a non-GAAP financial measure, 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, stock-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.
- **Free Cashflow ("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 noncontrolling interest and dividends paid on common shares and on preferred shares, plus net current income taxes received (paid). Management believes that FCF 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.
- **Net Debt to Adjusted EBITDA** is a non-GAAP financial measure which is calculated as net debt divided by Adjusted EBITDA. Net Debt, a supplementary 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 Adjusted EBITDA removes cash and cash equivalents from the Company's debt balance. Black Diamond uses these ratios primarily as measures of operating performance. Management believes these ratios are important supplemental measures of the Company's performance and believes these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in industries with similar capital structures.
- **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.

For further information and discussion on Non-GAAP financial measures, as well as a reconciliation to the most comparable GAAP measure, please refer to the Company's Management Discussion and Analysis for the year ended December 31, 2021 which is available on the Company's website at www.blackdiamondgroup.com, or on the SEDAR website at www.sedar.com.

- **Net Debt** is a supplementary financial measure and is calculated as long-term debt minus cash and cash equivalents. A reconciliation to long-term debt, the most comparable GAAP measure, is provided in the Company's MD&A.
- **Working Capital** is a supplementary financial measure and is calculated as current assets minus current liabilities.



BLACK DIAMOND GROUP

OUR WAY IS TO CREATE A BETTER WAY



THANK YOU

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investor@blackdiamondgroup.com