



BLACK DIAMOND
GROUP



OUR WAY IS TO CREATE A BETTER WAY

February 2020 Investor Presentation

Investor Relations | investor@blackdiamondgroup.com

Forward Looking Statements



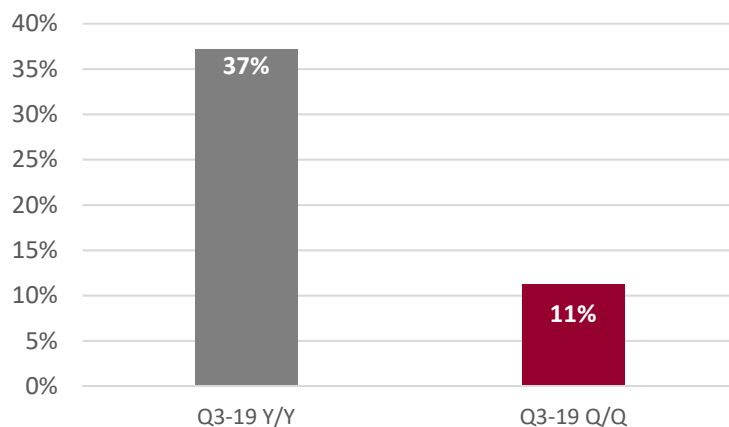
This presentation contains forward-looking statements. The use of the words “anticipate”, “continue”, “estimate”, “expect”, “will”, “project”, “should”, “believe”, “intend” and similar expressions identify forward-looking statements. These statements involve known and unknown risks, uncertainties and 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, 2018 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.

Q3/19 Results Show Increased Diversity

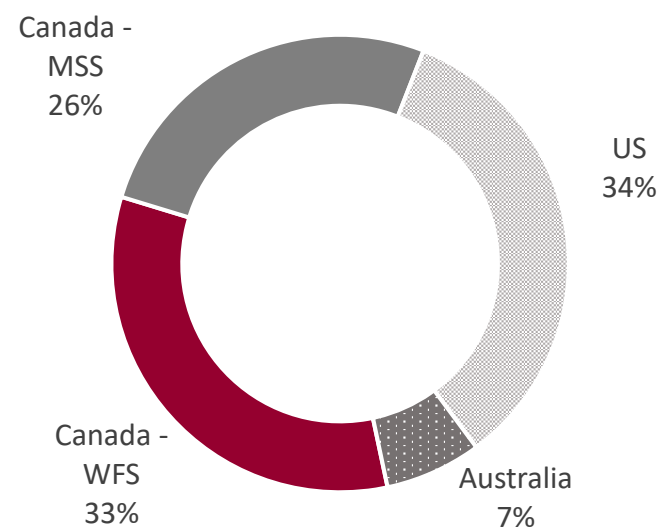


- ~65% of Q3 revenue generated outside of western Canadian energy sector
- Diversification geographically and by industry segment

Q3-19 Rental Revenue Growth



Q3 2019 Geographical Diversification
(% of Total Revenue)

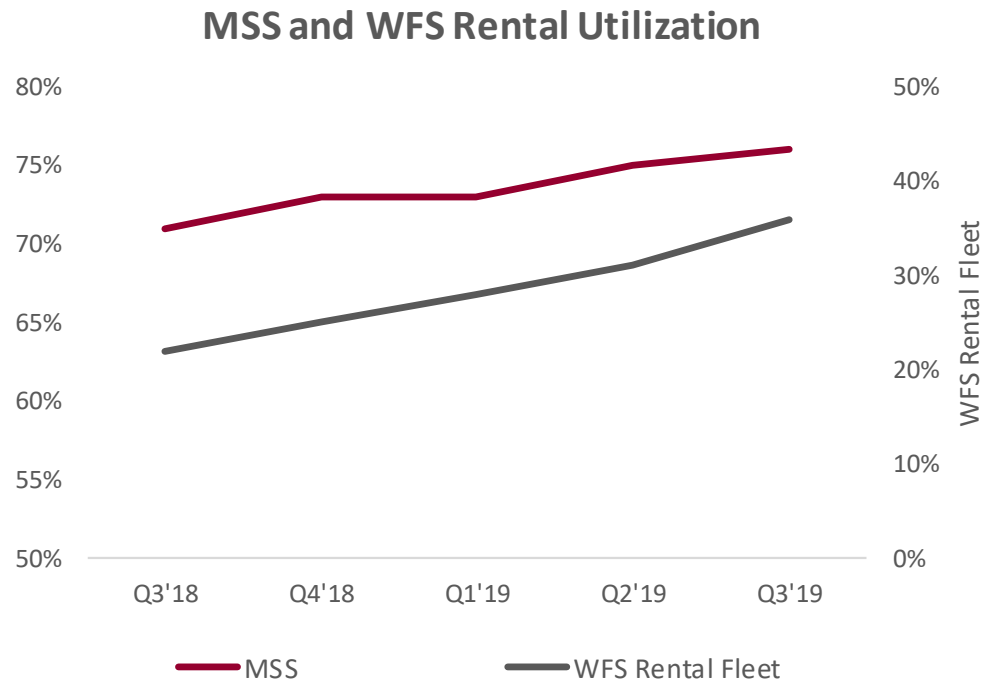


- Continued growth in consolidated rental revenues, both quarter-over-quarter and year-over-year

Q3/19 Result: Rental Utilization Improving



- Utilization in MSS is steadily improving. Alberta branch showing meaningful utilization recovery while other markets continue to be strong
- WFS rental utilization increasing with diversification of assets outside of western Canada
- WFS utilization should continue to be supported by previously announced \$45 mm full turnkey project, with over half the assets mobilized.



Shifting the Business to Growth Mode



Improve Profitability

- Increase economies of scale through fleet expansion in growing markets
- Expansion of VAPS¹ through branch network
- Custom sales and ancillary operational services

Disciplined CAPEX

- Targeting 10% MSS fleet growth per year, over the next several years
- WFS opportunities for organic CAPEX in Australia and the US

Capitalize on Operating Leverage

- Focus on putting idle assets to work



**Drive
Shareholder
Returns**

MSS Overview



Modular Space Solutions

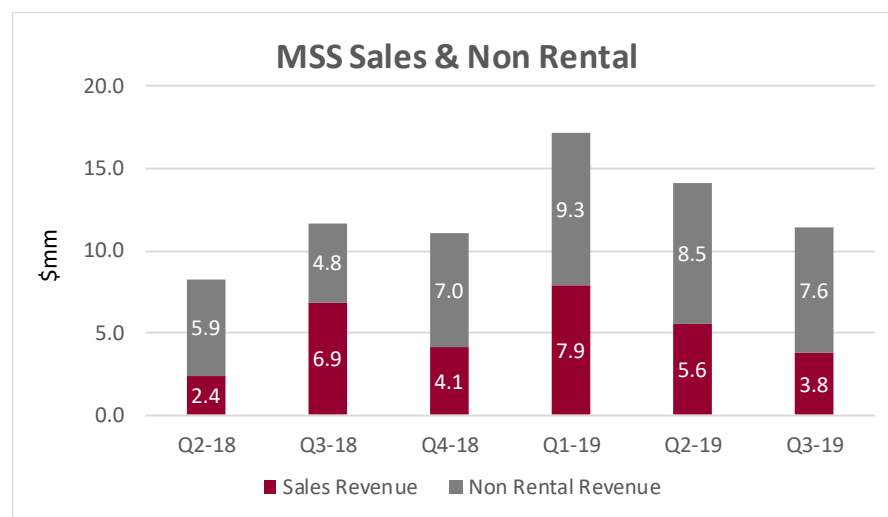
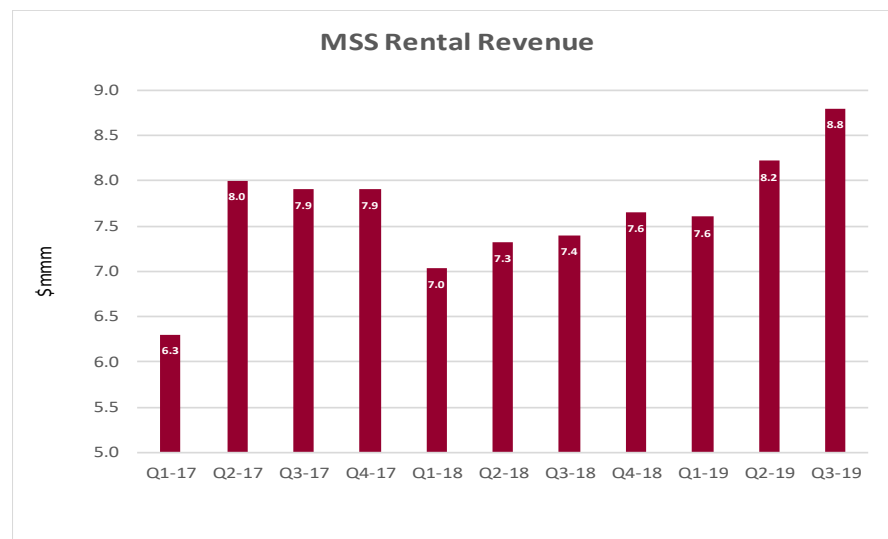
- ~6,100 units across 13 branches in North America with attractive returns on long-lived assets
- Targeting net fleet growth of 10% per year. With added scale and additional product offering, return metrics expected to improve
- Longer term vision to double MSS fleet in 5 years



MSS Overview – Revenue Detail



- Rental revenue continuing to grow. Up 37% Y/Y and 11% Q/Q
- Strengthening rental revenue driven by continued capital investment, higher rates, improving utilization in Canada, and VAPS penetration
- YTD sales revenue up 14% Y/Y
- Non Rental driven by higher install and dismantle activity YTD

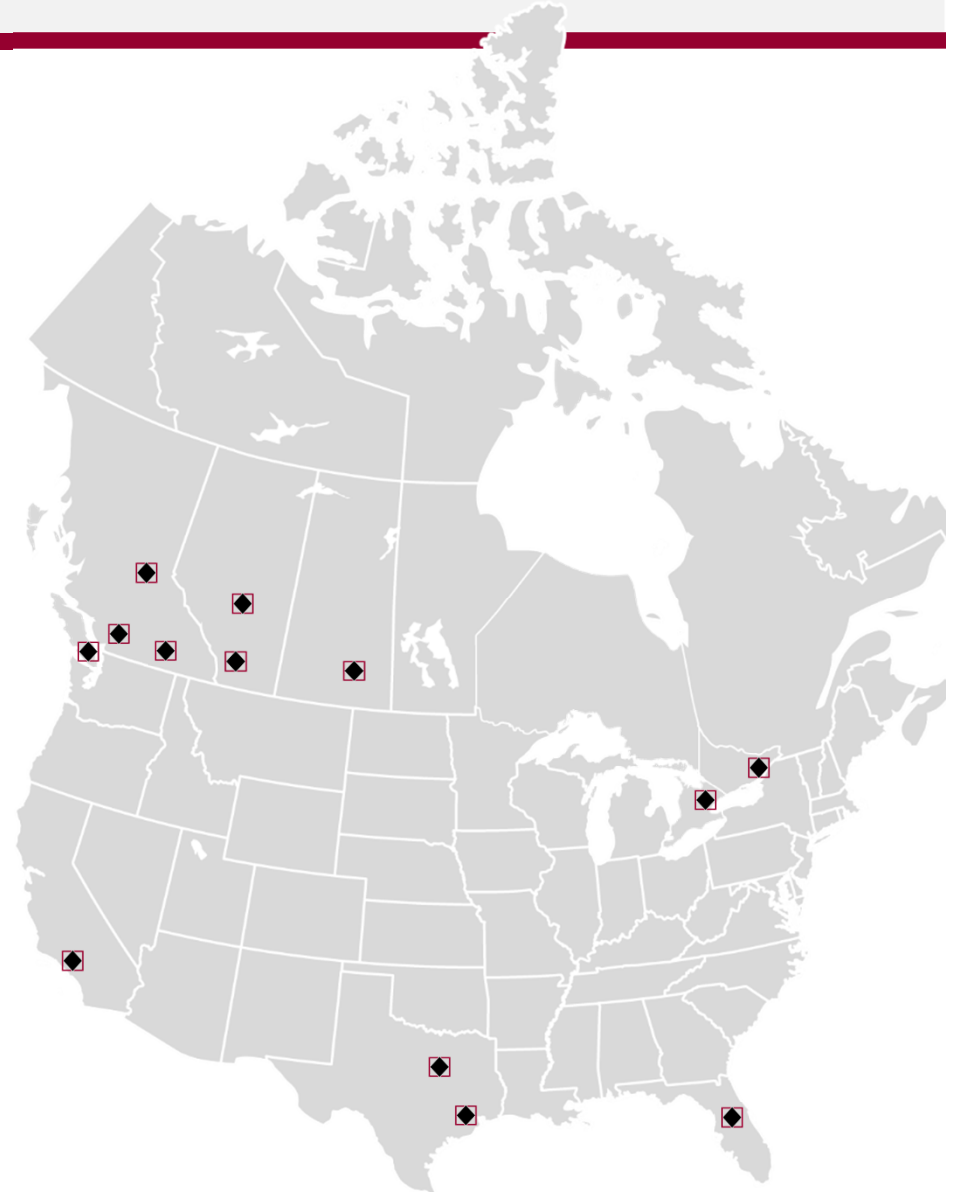


MSS Overview



Modular Space Solutions

- Strong economic tailwinds in BC, Ontario, and the US
- Recovery in Alberta utilization with Y/Y improvement
- As of Sept 30, on track for MSS FY 2019 gross investment of ~\$25 mm into fleet additions



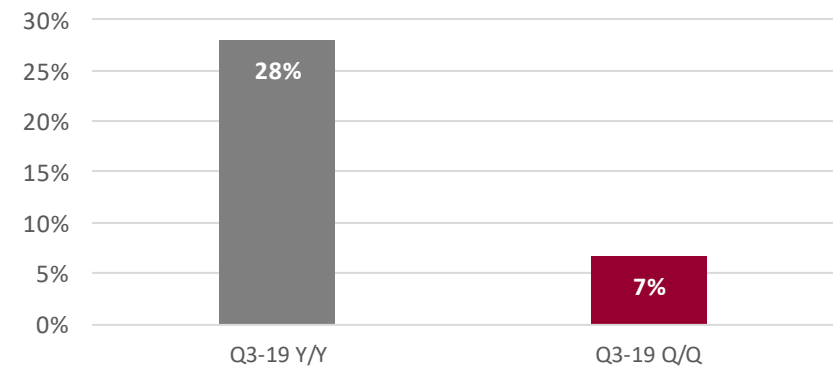
MSS Overview – VAPS Penetration



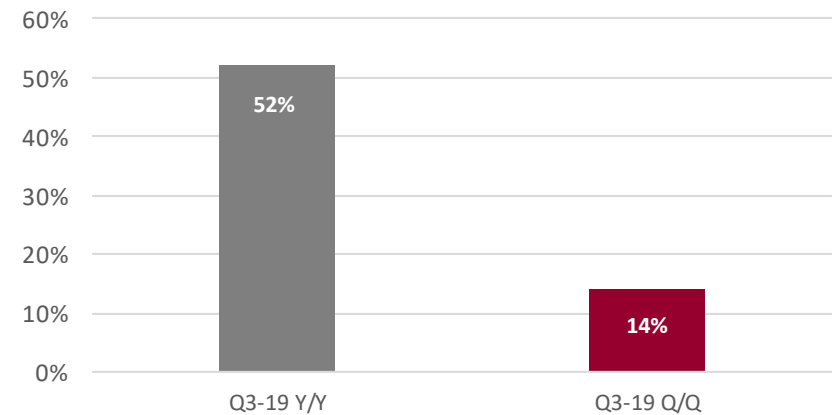
- Value Added Products & Services (VAPS) penetration and revenue growth continues to trend positively



Growth in VAPS as a % of Rental Revenue



VAPS Revenue Growth



WFS Overview



Workforce Solutions

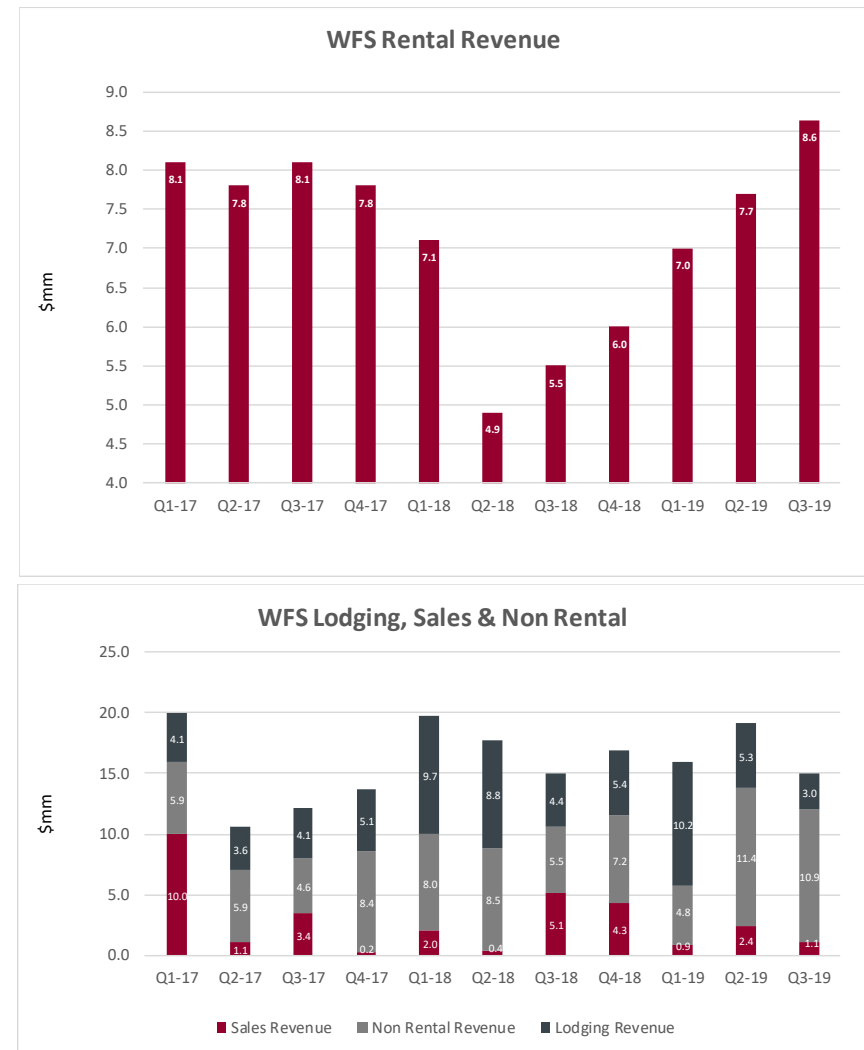
- Continuing to diversify and capitalize on operating leverage
- US and Australia markets remain robust
- LNG Canada is a significant catalyst. A handful of other large energy infrastructure projects in Canada would quickly change supply/demand fundamentals



WFS Overview – Revenue Detail



- Rental revenue recovering off of bottom as utilization improves
- Variety of projects provided customer and geographical diversification, expected to continue into Q4/19
- Lodging challenged in Q3/19 and expected to be muted in Q4/19



WFS – Recently Awarded Major Projects



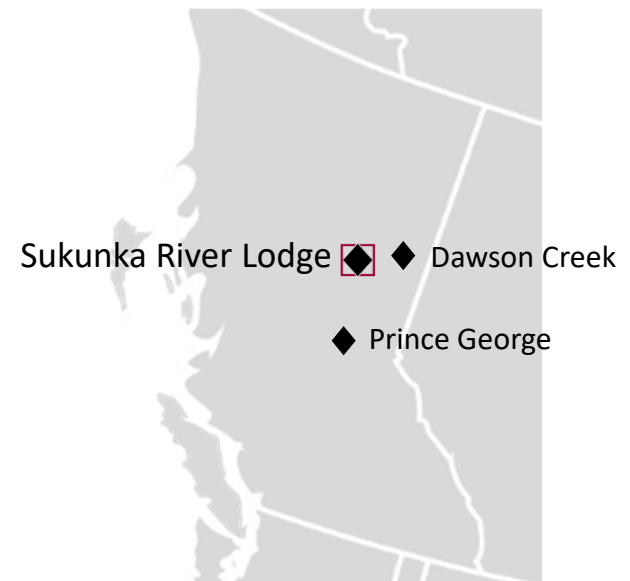
California Workforce Accommodation

- Contract awarded for \$20 mm, including transportation costs
- Initial nine month contract for 1,584 beds to support reconstruction of Paradise, California with option to extend
- 312 truck-loads with transportation delivered over a six week period



Sukunka River Lodge

- Contract awarded for ~\$45 mm with a term of 27 months, through partnership with the Moberly First Nations
- Camp contract for 908-bed turnkey project for Coastal Gas Link project



LodgeLink Gaining Market Traction



Multi-sided B2B platform focused on crew travel

- Custom-built platform to remove inefficiency at every stage of crew travel process.
- Very fragmented market with low-tech tools used by customers and competitors



\$60 -100 billion market opportunity

- Customers exist in extremely diverse industries and geographies share the same challenges. No worldwide market leader in this space.



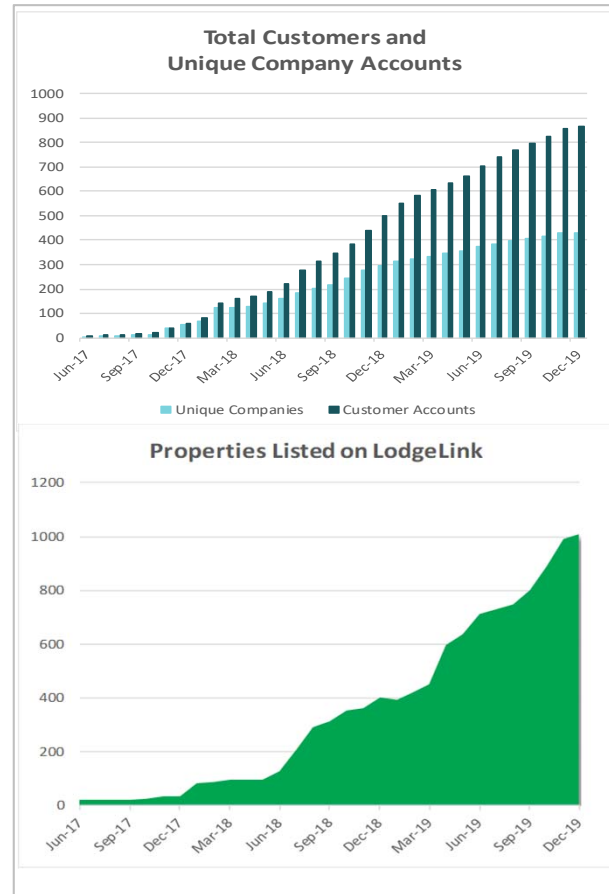
Over 190,000 room nights booked (up until Dec. 31, 2019)

- Operations to date primarily focused on small operating footprint in Western Canada.



Customers validating all aspects of long-term vision

- Meaningful customer growth
- Positive feedback loop developing with certain clients on product improvement and development



As of Dec. 31, 2019

Total Properties Listed	1,001
Total Rooms Listed	112,000
Total Customers	865
Total Unique Customers	432
Employees	32

LodgeLink- What is Crew Travel?



DEMOGRAPHIC CRITERIA	CORPORATE TRAVEL	CREW TRAVEL
Nature of job	White-collar	Blue-collar field workers, tradespeople
Primary places traveled to	Major urban areas	Secondary/tertiary markets
Reason to travel	Meetings, Conferences	They generally don't work on projects where they can sleep at home
Frequency of travel	Typical corporate traveler travels 1-5 days per month	Typical crew member travels 15-20 days per month
Length of stay	1-2 nights	5-45 nights, often with days on/off
Number of people traveling together	1-2 people	5-45 people

The Problem



At LodgeLink, we believe crew travel is a mission critical task that is inherently difficult.

Crew Travel has been largely untouched by recent technology transformation, but now demands a modern platform that removes frustration and inefficiency from the process.

We are on a mission to improve every aspect of crew travel, leading to travelers who delight in a seamless experience and travel program owners who have the visibility and control they've always wanted.



Booking & Searching

- Booking 5 – 45 people at a time
- Finding adequate accommodations and travel services into remote areas
- Managing unpredictable timing for specific jobs or projects and constantly changing shifts

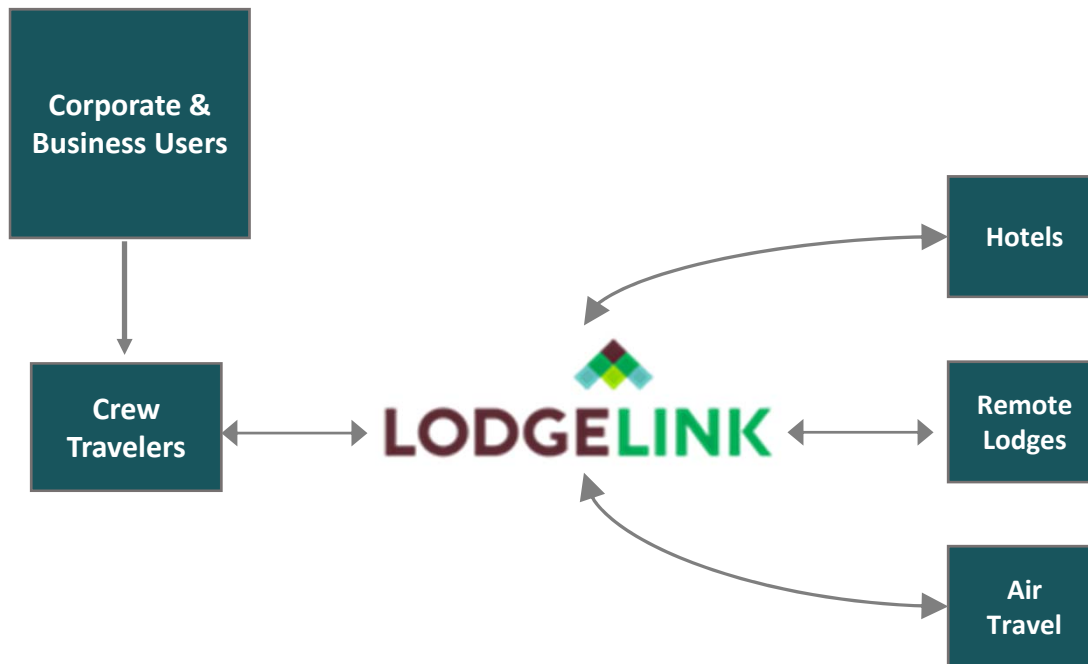
Billing & Administration

- Managing, tracking, and paying travel & accommodation costs by individual/reservation is a large administrative burden
- Lack of transparency between prime and sub contractors can lead to costly mark-ups

LodgeLink – The Value Proposition



Improve every step of the crew travel process



- **B2B Marketplace** to book and manage crew travel
- **Booking Flow** curated to the unique needs of crew travel
- **Powerful Payment Options** for businesses to track and pay invoices more efficiently
- **Interactive Reporting** analyze and understand their spending patterns
- **Efficient Invoicing** gives companies the ability to consolidate into one invoice and/or track by job code or AFE.
- **Extension of Credit:** net 30 payment terms vs. credit cards used at time of booking

LodgeLink Market Opportunity



Global Business Travel
(Globally, Per Year)



Target Market



Workforce Crew Travel
(Globally, Per Year)



Annual Spend (\$billions)	2019	2022 Est.
USA	65	71
Canada	6	7
Australia	6	7
South America	13	14
Rest of World	230	244

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.

LodgeLink Timeline & Evolution



	2017	2018	2019 – Q3 YTD
Status of Product	<p>Concept development, discussions with customers and suppliers.</p> <p>Bought off-the-shelf system for \$500 and customized as necessary.</p>	<p>Continued customization including crew lists, map enhancements to support remote areas.</p> <p>Planning and development of LodgeLink 2.0</p>	<p>Launch of LodgeLink 2.0 with improved foundation. Interactive Reporting. Initial GDS integration.</p> <p>Acquired 3-person travel agency</p>
	\$20K invested	\$1.9m invested	\$2.0 mm invested
Size of Team	3 FTE	6 FTE	32 FTE
Size of Network	<p>60 Customers</p> <p>55 Properties</p> <p>Entirely focused on Western Canada</p>	<p>291 Customers</p> <p>402 Properties</p> <p>Entirely focused on Western Canada</p>	<p>441 Customers</p> <p>1,055 Properties</p> <p>Expand into Texas and select states</p>
	<p>19,500 room nights booked</p> <p>\$3.2 mm Gross Booking Revenue</p>	<p>83,600 room nights booked</p> <p>\$16.4m Gross Booking Revenue</p>	<p>~60,000 room nights booked</p> <p>~\$10 mm Gross Booking Revenue</p>

LodgeLink Gaining Market Traction



Current



Margin on transactions

- LodgeLink profits on the spread between buy and sell price for rooms/flights
- LodgeLink does not currently take any inventory or speculation risk
- Margin on spend at 3rd parties that is paid and tracked through LodgeLink (Current with future expansion capabilities)

Future



Advertising

- **Supplier opportunities:**
 - Preferred placement in search results, similar and feature properties
 - Last-minute deals to crews working in the area
- **3rd party opportunities:**
 - Support services in secondary markets (dining and entertainment, remote refueling stations, equipment rental, etc.)

Future



Subscription model

- **Management fee**
 - Large customers load their own rates and pay monthly service fee
- **Freemium model**
 - A base set of features will be free to use, advanced features will require a subscription (e.g. ERP or HRIS integration, advanced analytics, etc.)

Future



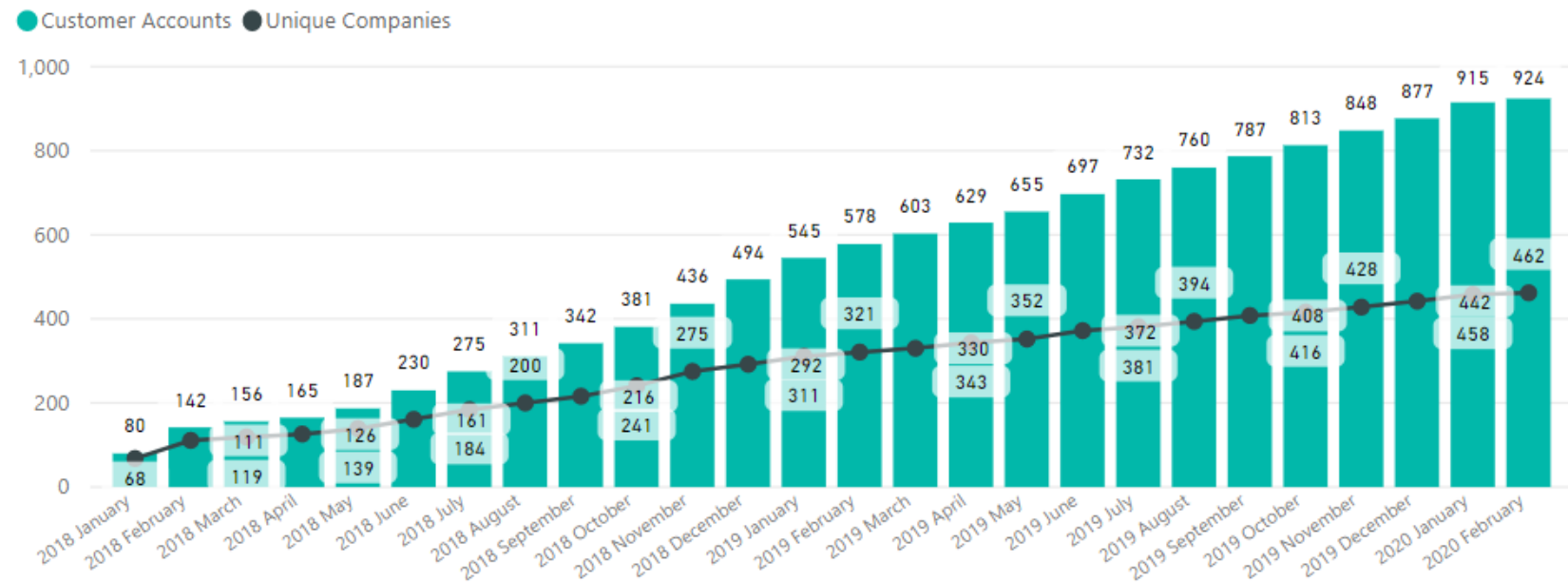
Data

- Data can be monetized by selling to customers, suppliers, 3rd parties, emergency response organizations

LodgeLink Customer Adoption



Total Customer Accounts



EPC's & Construction

Oil & Gas

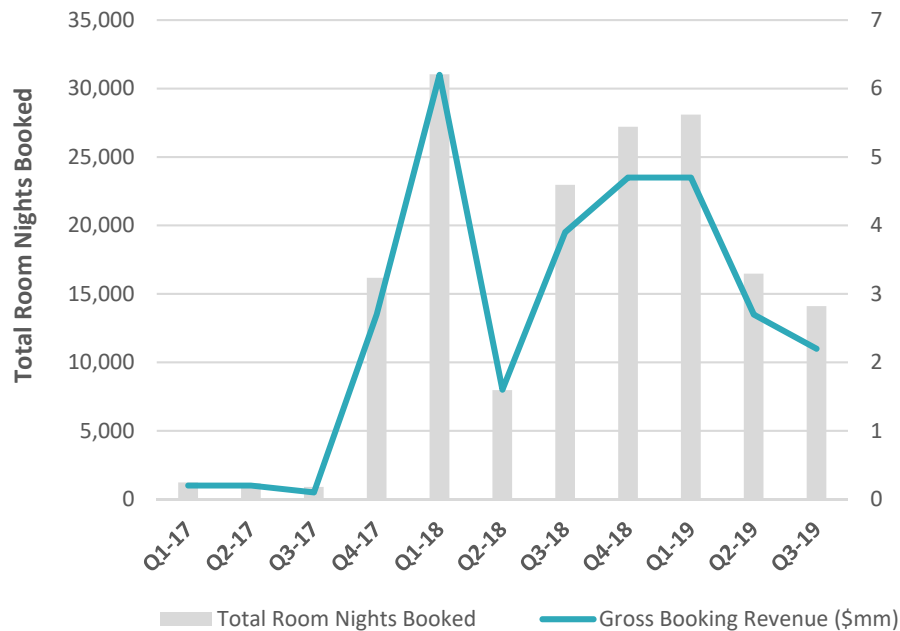
Travel Management & Safety

Transportation

LodgeLink Customer Adoption

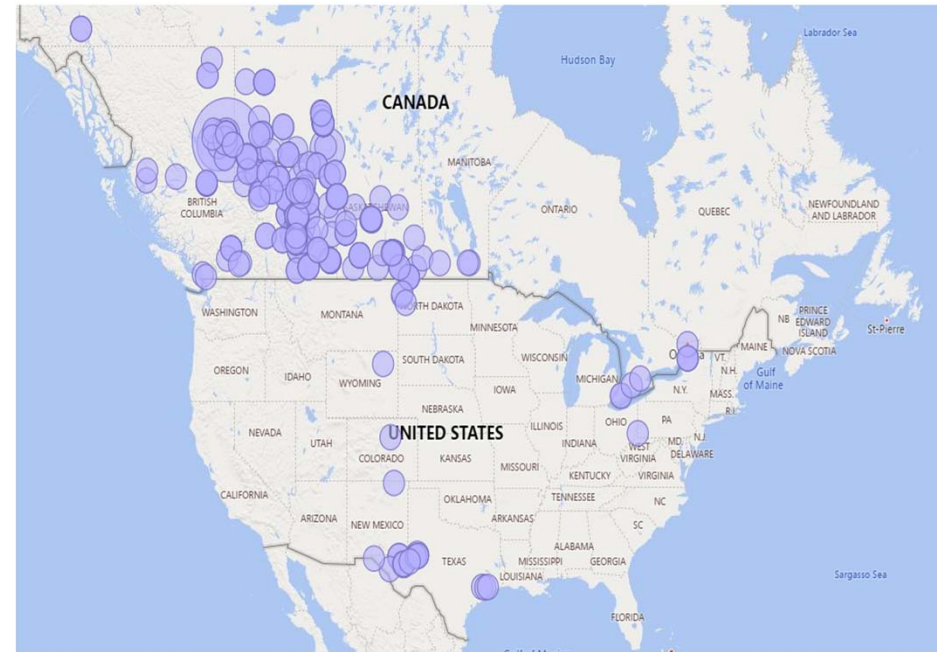


Room Nights Booked & Gross Booking Revenue



- 2018 bookings and gross revenue positively impacted by a handful of customers or specific projects

Room Bookings Heat Map

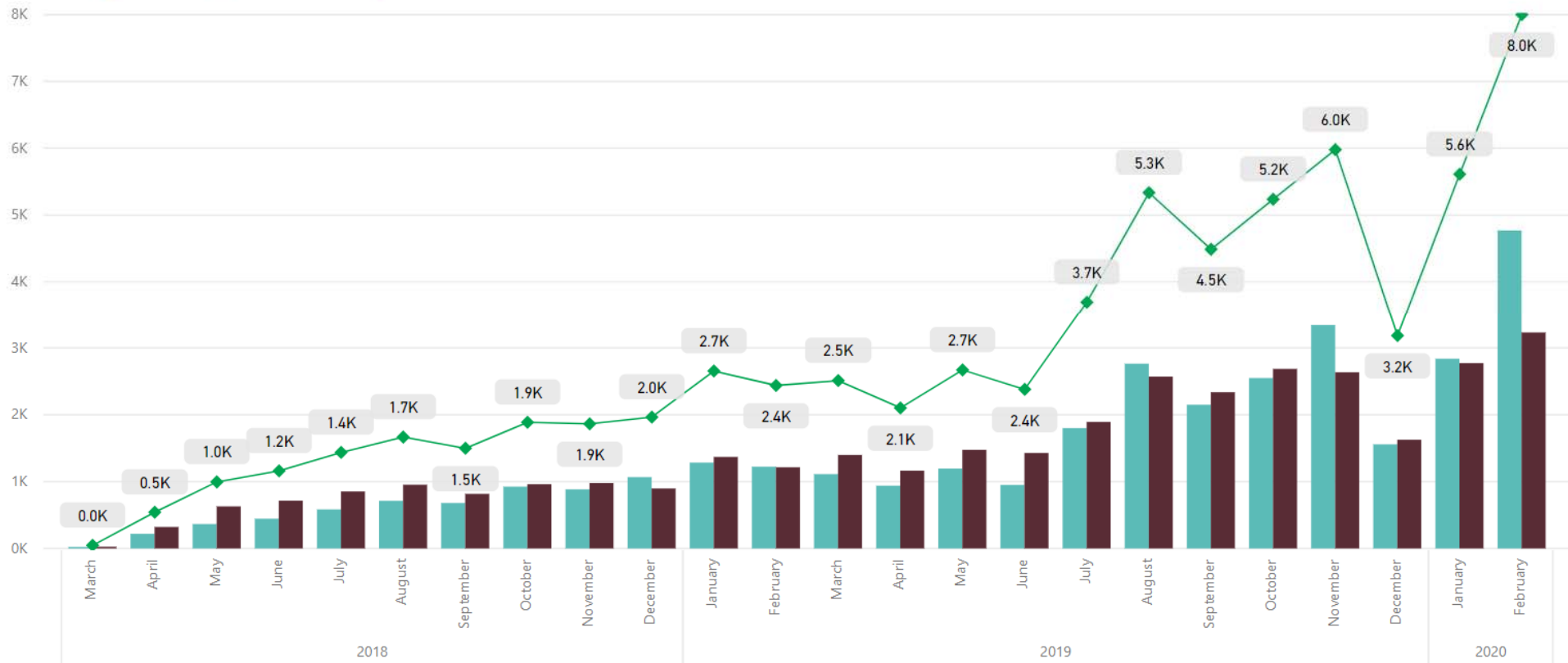


- Recent snapshot of room bookings shows increasing geographic diversification
- Seasonality expected to be reduced as bookings gain traction in Eastern Canada and the U.S.

LodgeLink Website Visits



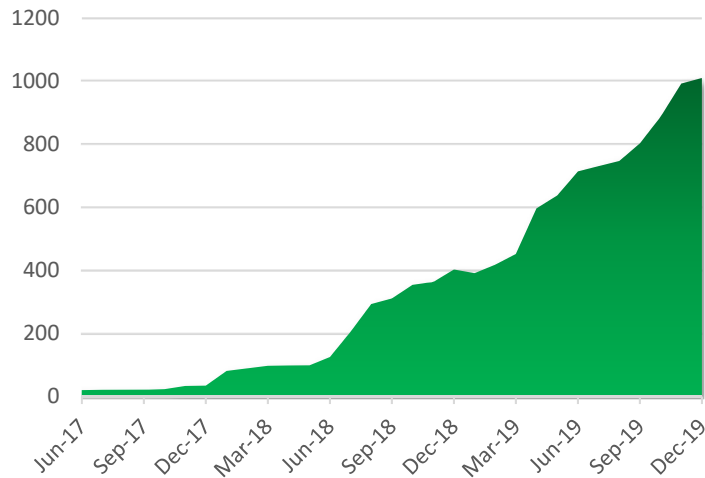
User Type ● New Visitor ● Returning Visitor ◆ Total Visits



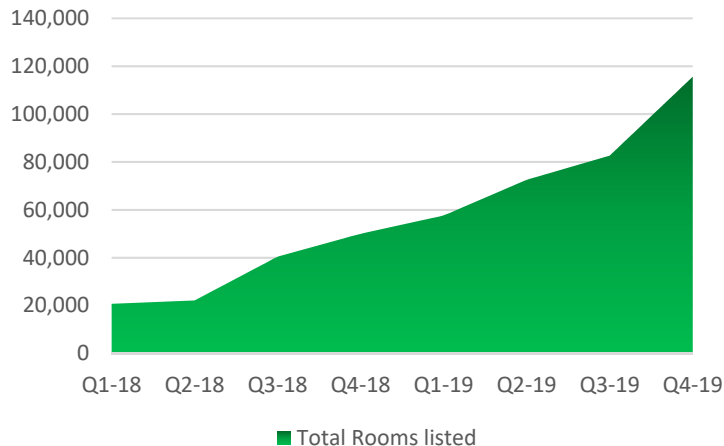
LodgeLink Supplier Adoption



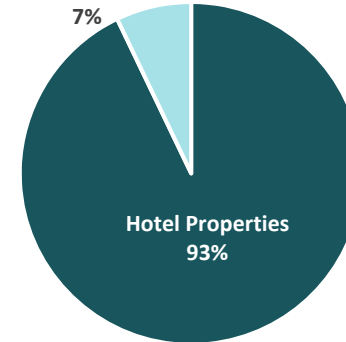
Properties Listed on LodgeLink



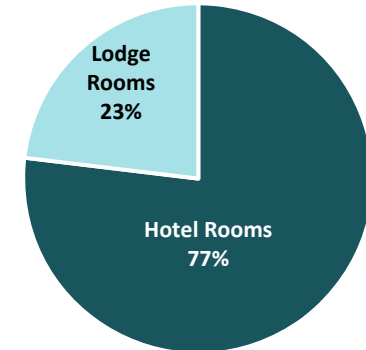
Total Rooms Listed



Lodge Properties



Lodge Rooms



Hotels



Lodges



Ramada by Wyndham, Best Western, Microtel Inn & Suites, Days Inn, Super 8, Canalta, Pomeroy, La Quinta

Civeo, Right Choice, Black Diamond, Aries Residences Suites, Horizon North, GNS, Target Logistics, Permian Lodging

LodgeLink Vision



Today we are...

A two-sided platform for crew accommodations.

Our vision is to be...

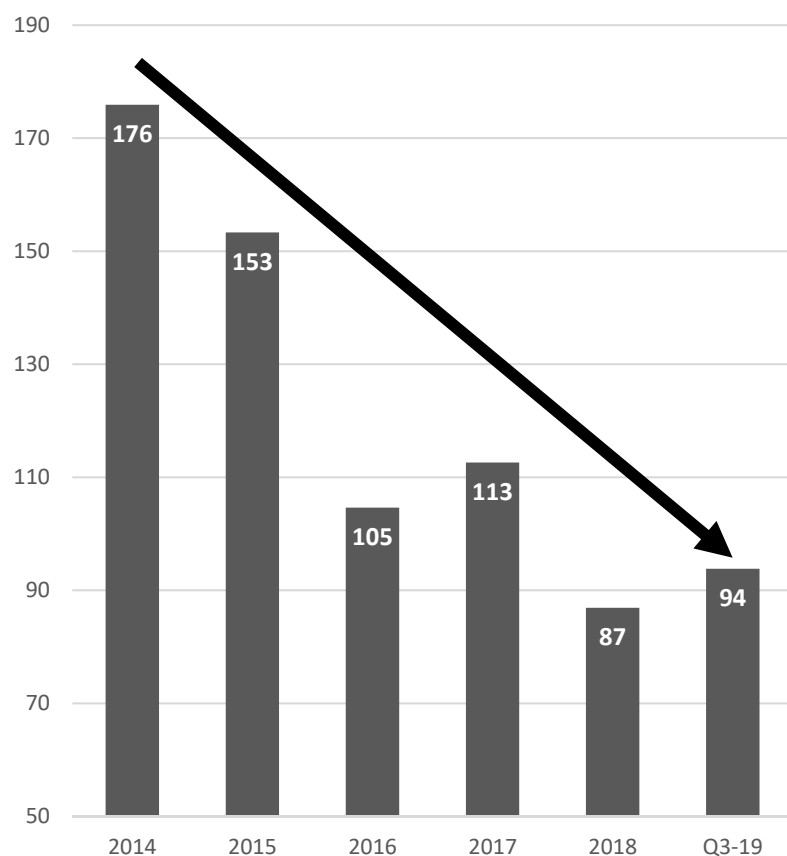
A multi-sided digital platform for crew travel that is fully immersed in the daily operations of our stakeholders.

Members of our community will delight in the efficiencies gained and insights unlocked by our platform.

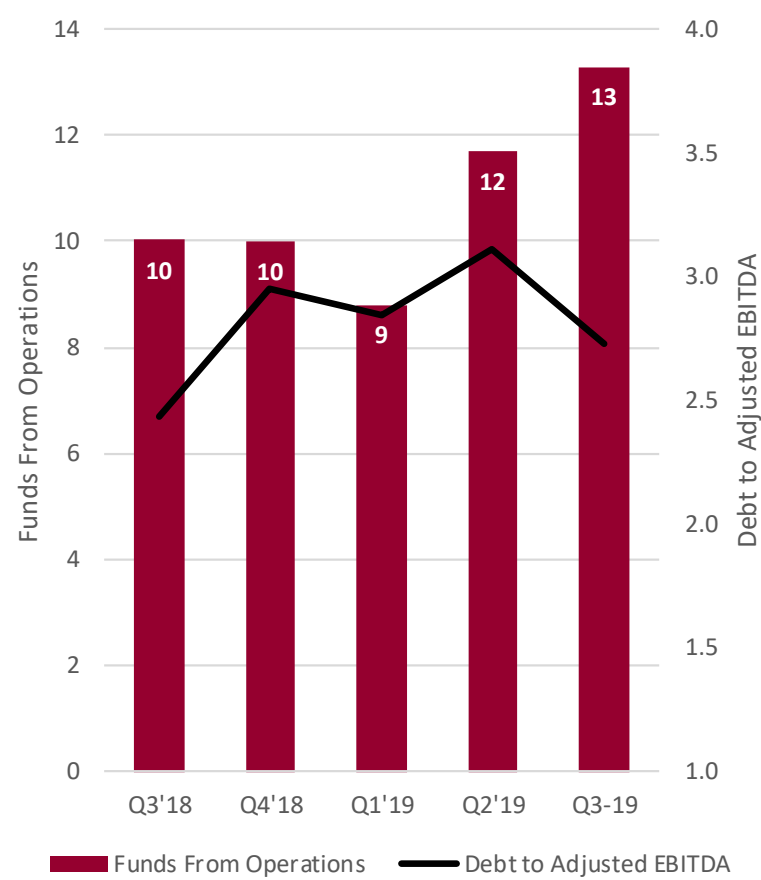
Creating Financial Flexibility



Net Debt¹



FFO and Leverage Ratio

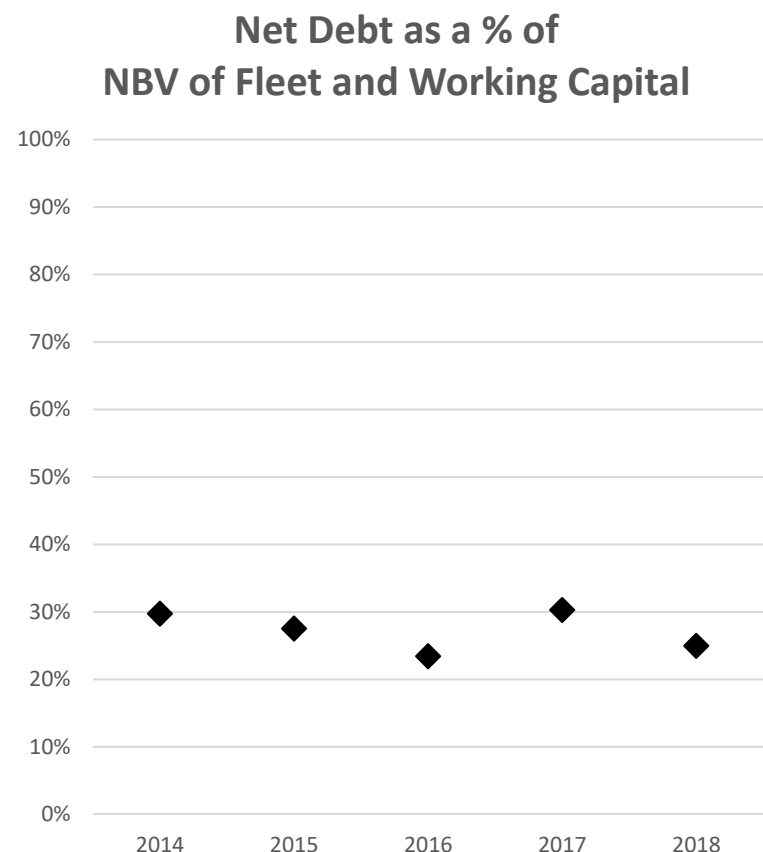
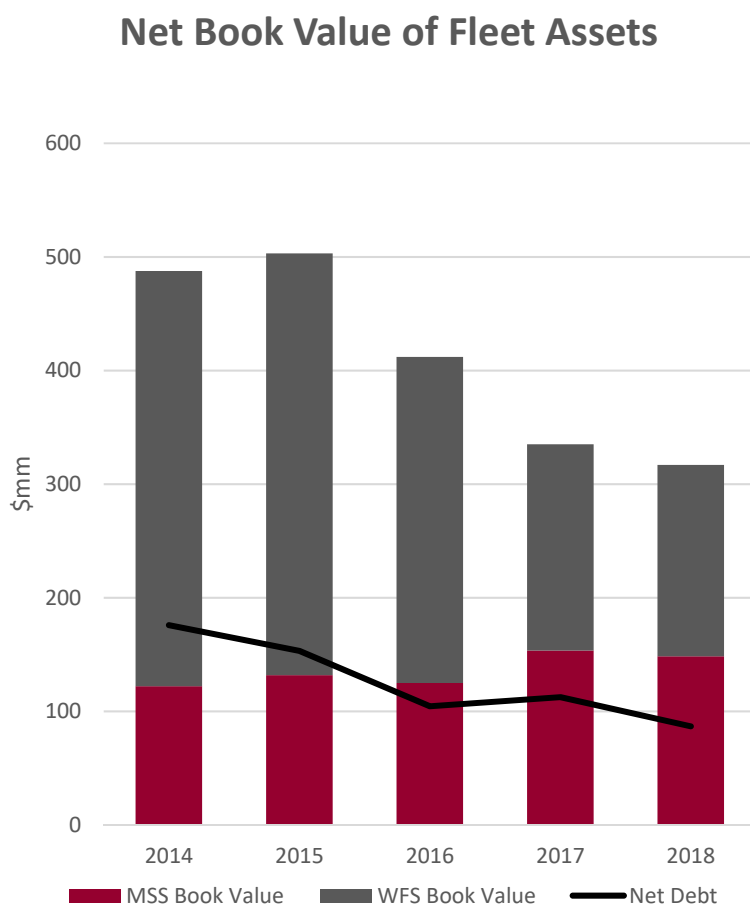


1. See "Non-GAAP Measures" at the end of this document.

Significant Asset Coverage Against Debt



- Net debt¹ remains well below hard asset coverage on a net book value basis



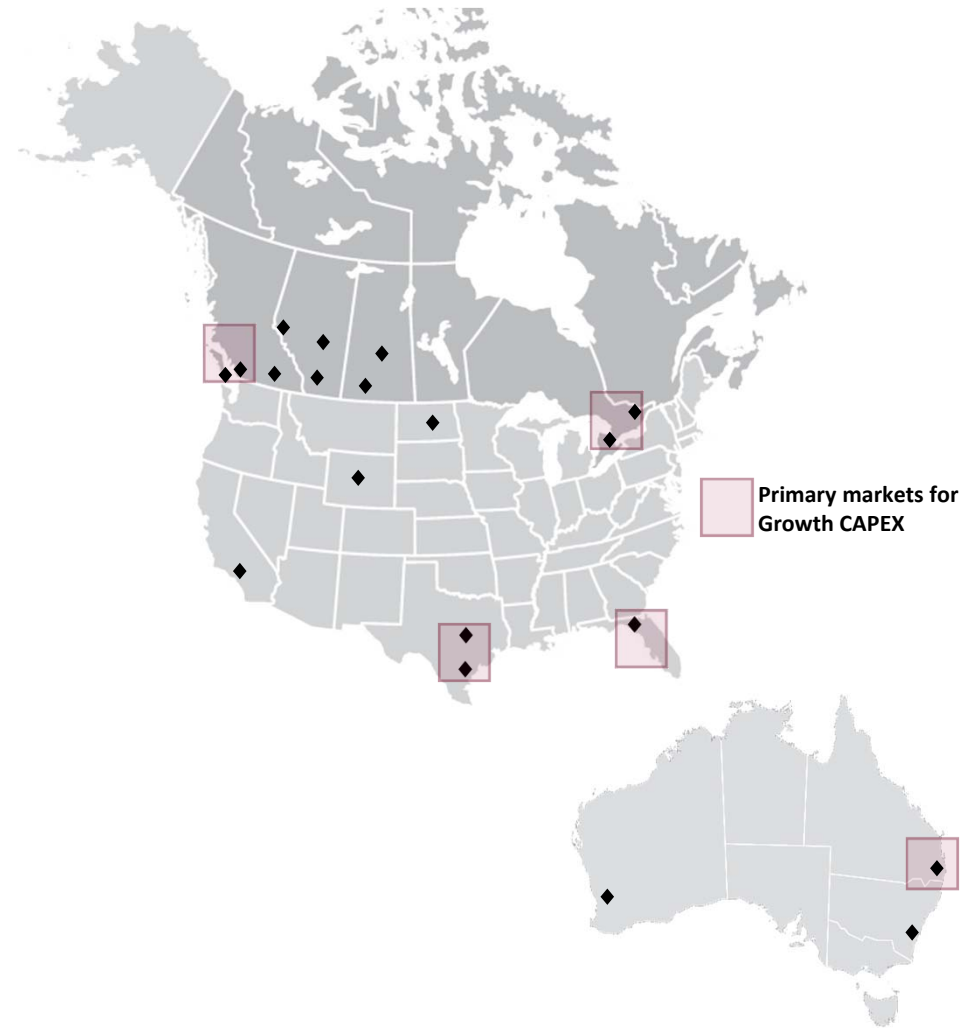
1. See "Non-GAAP Measures" at the end of this document.

Growth Through Disciplined Capex



2020 Capital Program

- Capex budget of ~\$35 mm (gross).
Net capex of \$25 to \$30 mm after
used asset sales.
- MSS: ~\$25 mm (gross) growth capital
to be allocated across North American
footprint
- WFS: \$8 mm growth capital
 - Continued Australian growth
 - US Energy Services initiatives
 - Modest capital for LodgeLink
platform development



Black Diamond Investment Attributes



Grow

- MSS targeting 10% annual fleet growth
- MSS EBITDA growth to outpace fleet growth driven by economies of scale, VAPS and other service offerings
- LodgeLink platform continues to expand

Diversify

- Growing revenue base from US and Australian markets in both MSS and WFS product offerings
- LodgeLink digital marketplace expanded into US, as customers and listed properties continues to grow

Improve Returns

- Addition of capital light products and services to improve rates of return on new and existing capital assets
- Capitalize on significant operating leverage in underutilized Canadian WFS asset base
- Recently closed Asset Based Lending facility provides flexible, low-cost debt to grow MSS business

Non-GAAP Measures



- **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, 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.
- **Funds from Operations** is calculated as the cash flow from operating activities 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 non-cash working capital items have been excluded as such changes are financed using the operating line of Black Diamond's credit facilities.
- **Net Debt** is calculated as long-term debt excluding deferred financing costs minus cash.



BLACK DIAMOND
GROUP

THANK YOU

3/2/2020

Investor Relations | investor@blackdiamondgroup.com