

March 23, 2020

Dear Fellow Shareholder,

As we look back over 2019, we reflect on a year of growth and innovation for Black Diamond with diversification of our business achieved through several notable accomplishments. We believe the progress made and important steps taken towards achieving our long-term vision and strategy serve us well as we now collectively face risk, uncertainty and market turmoil caused by the global COVID-19 pandemic. The safety and well-being of our people is, and will always be, our first priority as we navigate the changing situation. Throughout this crisis, we have seen the entire Black Diamond family mobilize to institute disaster recovery and contingency plans; all the while continuing to closely look out for one another and service our customers and partners. We believe we are well positioned to overcome this crisis and emerge from it stronger than ever.

In 2019, we generated Adjusted EBITDA of \$38.4 million, which was up 31% from 2018. Consolidated revenue of \$186 million was up 12% from 2018, but our higher margin rental revenues increased to \$65.5 million, which was up 24% compared to year-ago levels. We view this to be indicative of continued growth and improvement in our core, asset-focused rental platform.

Key Highlights for 2019

- Executed a \$20 million workforce accommodation contract in California for 1,584 beds starting in April of 2019.
- Negotiated a \$200 million asset-based credit facility (“**ABL**”) in October 2019, increasing our financial flexibility, while lowering borrowing costs.
- Opened the Sukunka River Lodge in the fourth quarter; a full-service turn-key camp, providing 908 beds for the construction of the Coastal GasLink Pipeline Project. The contract value of roughly \$47 million is expected to last approximately 27 months and is serviced through the Workforce Solutions (“**WFS**”) segment.
- Increased Modular Space Solutions (“**MSS**”) rental rates and Value-added Products (“**VAPS**”) throughout the year, supported by growth in our MSS fleet of 338 units in 2019, up 6% from December 31, 2018. MSS rental revenue for 2019 was up 13% year-over-year.

2020 Core Objectives

In 2020, Black Diamond and our executive team will drive toward these five core objectives:

- **Drive Profitability of WFS:** through additional markets and diversification of the WFS assets. The business unit will continue to look to market our large format camps to non-traditional industries, such as disaster recovery, infrastructure, power, mining and government. Geographically, we are expanding sales and business development focus in Eastern Canada, the U.S. and Australia.
- **Scale and Diversify MSS:** significant growth opportunities within MSS for new products and custom, major project sales, as well as an expected increase in VAPS.
- **LodgeLink Growth:** As we continue to ramp up our digital workforce travel and accommodation platform, the Company’s key priority is to increase booking volumes, particularly in the U.S. market.
- **Operational Excellence:** Black Diamond is focused on operational efficiencies, which allow our Company to build on our strengths by advancing product standardization, reducing repairs and maintenance costs and increasing the life of our assets.
- **Shareholder Value:** Management will demonstrate and communicate the true diversified nature of the cash flows generated by Black Diamond.

Key Highlights Thus Far In 2020

- **Scale and Diversification of MSS:** In January 2020, the Company announced the acquisition of Spectrum Modular, located in Gainesville, Georgia. This expanded our U.S. Southeast region to over 400 units in the area and provides a platform for ongoing growth in an active market.
- **Shareholder Value:** In January 2020, Black Diamond announced a Normal Course Issuer Bid (“**NCIB**”).

Black Diamond's 2020 Capital Spending Plan of \$35 million (gross) consists of \$25 million for MSS, \$8 million for WFS and \$2 million for leasehold improvement and infrastructure. In the normal course of business, the Company will sell used or previously rented assets to existing customers. The average annual proceeds from asset sales has been in the range of \$5 million to \$10 million over the last several years. Net capital investment after asset sales is expected to be in the range of \$25 to \$30 million in 2020. It is important to note that we will continue to closely monitor our investment returns as we deploy capital and that there is substantial flexibility for our Company to adjust the pace of our capital investments depending on market conditions. Should our markets begin to see persistent softening, we will adjust our capital allocation decisions accordingly.

Our four-year committed ABL credit facility gives us ample financial flexibility in uncertain times, with over \$75 million of available liquidity at December 31, 2019, light covenants, and low borrowing costs. At the end of the year, we had approximately \$98 million of net debt against a book value of rentable assets of approximately \$305 million. While the overall business environment has recently been disrupted by macro-economic shocks in the form of viral infections, quarantines, and oil price wars, we remain confident in the growing, diversified platform being built at the Company. Our cash-flow streams are also more predictable than they have been for some time, driven not only by the diversification efforts undertaken in MSS and WFS, but also by contracts in place. As such, we believe the Company is well-equipped to weather any potential, or prolonged weakness in the markets in which we operate.

In the current environment, we also believe Black Diamond is well positioned to provide valuable products and solutions such as modular quarantine, testing and medical facilities, among other asset rental service offerings. We are actively engaged with numerous levels of government throughout our operating regions and continue to work on creative solutions throughout this unprecedented time.

In closing, we would like to once again thank our employees for their ongoing commitment to health, safety and market-leading customer service, as we continue to carry out our long-term vision into 2020 and beyond. We thank you for your continued support and confidence.

Respectfully, on behalf of Management and the Board,

(Signed) Trevor Haynes

Chairman, President & Chief Executive Officer

Cautionary Note Regarding Forward-Looking Statements

Certain information or statements in this letter may contain forward-looking statements. The reader is directed to the Cautionary Statement Regarding Forward-Looking Statements in Black Diamond's Annual Information Form for the year ended December 31, 2019, which cautionary statement is deemed to be incorporated by reference herein.