

# UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended March 31, 2020 and 2019



**BLACK DIAMOND**  

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**GROUP**

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
 as at March 31, 2020 and December 31, 2019

(Expressed in thousands)	2020 \$	2019 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	9,571	4,291
Accounts receivable	48,394	45,775
Prepaid expenses and other current assets	5,881	6,980
<b>Total Current Assets</b>	<b>63,846</b>	<b>57,046</b>
<b>Non-Current</b>		
Other long-term assets	165	185
Property and equipment <sup>(note 3 &amp; 4)</sup>	349,473	327,493
Right-of-use assets	18,446	19,736
Goodwill and intangible assets <sup>(note 3)</sup>	20,580	18,103
<b>Total Non-Current Assets</b>	<b>388,664</b>	<b>365,517</b>
<b>Total Assets</b>	<b>452,510</b>	<b>422,563</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	33,583	35,212
Deferred revenue	7,631	4,021
Current portion of lease liabilities	5,179	5,203
<b>Total Current Liabilities</b>	<b>46,393</b>	<b>44,436</b>
<b>Non-Current</b>		
Long-term debt <sup>(note 5)</sup>	120,207	102,422
Asset retirement obligations	17,792	17,731
Long-term lease liabilities	17,592	18,719
Deferred income taxes <sup>(note 3)</sup>	26,154	24,058
<b>Total Non-Current Liabilities</b>	<b>181,745</b>	<b>162,930</b>
<b>Total Liabilities</b>	<b>228,138</b>	<b>207,366</b>
<b>Shareholders' Equity</b>		
Share capital <sup>(note 6)</sup>	379,823	378,823
Contributed surplus	16,477	17,657
Accumulated other comprehensive income	19,895	11,779
Accumulated deficit	(194,585)	(194,471)
<b>Total Shareholders' Equity</b>	<b>221,610</b>	<b>213,788</b>
Non-controlling interests	2,762	1,409
<b>Total Equity</b>	<b>224,372</b>	<b>215,197</b>
<b>Total Liabilities and Equity</b>	<b>452,510</b>	<b>422,563</b>

*See accompanying notes to the unaudited interim condensed consolidated financial statements*

Refer to Commitments in Note 10.

**UNAUDITED CONSOLIDATED STATEMENT OF NET LOSS**  
 for the three month periods ended March 31,

(Expressed in thousands, except per share amounts)	2020 \$	2019 Restated <sup>(note 2)</sup> \$
<b>Revenue</b> <sup>(note 9)</sup>	<b>45,099</b>	45,377
<b>Direct costs</b>	<b>27,382</b>	29,557
<b>Gross profit</b>	<b>17,717</b>	15,820
<b>Expenses</b>		
Administrative expenses <sup>(note 7)</sup>	7,832	7,708
Depreciation and amortization	7,422	9,495
Share based compensation <sup>(note 6)</sup>	603	593
Finance costs	1,621	1,888
<b>Profit (loss) before income taxes</b>	<b>239</b>	<b>(3,864)</b>
<b>Income tax expense (recovery)</b>		
Current	13	7
Deferred	89	(1,274)
<b>Total income taxes</b>	<b>102</b>	<b>(1,267)</b>
<b>Profit (loss) before non-controlling interest</b>	<b>137</b>	<b>(2,597)</b>
Profit attributable to non-controlling interest	251	133
<b>Loss for the period</b>	<b>(114)</b>	<b>(2,730)</b>
<b>Loss per share - basic and diluted</b> <sup>(note 8)</sup>	<b>—</b>	<b>(0.05)</b>

*See accompanying notes to the unaudited interim condensed consolidated financial statements.*

**UNAUDITED CONSOLIDATED STATEMENT OF  
 COMPREHENSIVE INCOME (LOSS)**  
 for the three month periods ended March 31,

(Expressed in thousands)	2020	2019
	\$	\$
<b>Loss for the period</b>	<b>(114)</b>	<b>(2,730)</b>
<b>Other comprehensive income (loss) to be reclassified to Consolidated Statement of Net Income in subsequent period:</b>		
Translation adjustments	8,116	(2,361)
<b>Total comprehensive income (loss)</b>	<b>8,002</b>	<b>(5,091)</b>

*See accompanying notes to the unaudited interim condensed consolidated financial statements*

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 for the three month period ended March 31, 2020 and 2019

(Expressed in thousands)	Issued Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Shareholders' Equity	Non- Controlling interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$
<b>As at January 1, 2019</b>	377,567	16,436	17,317	(187,908)	223,412	1,362	224,774
IFRS 16 transition adjustments	—	—	—	922	922	—	922
Loss for the period	—	—	—	(2,730)	(2,730)	133	(2,597)
Translation adjustments	—	—	(2,361)	—	(2,361)	—	(2,361)
Distributions declared to partners	—	—	—	—	—	(88)	(88)
Vesting of shares in trust	1,625	(1,625)	—	—	—	—	—
Share based compensation expense <sup>(note 6)</sup>	—	597	—	—	597	—	597
<b>As at March 31, 2019</b>	<b>379,192</b>	<b>15,408</b>	<b>14,956</b>	<b>(189,716)</b>	<b>219,840</b>	<b>1,407</b>	<b>221,247</b>
<b>As at December 31, 2019</b>	378,823	17,657	11,779	(194,471)	213,788	1,409	215,197
Loss for the period	—	—	—	(114)	(114)	251	137
Translation adjustments	—	—	8,116	—	8,116	—	8,116
Partners' contributions	—	—	—	—	—	1,216	1,216
Distributions declared to partners	—	—	—	—	—	(114)	(114)
Purchase of shares in trust <sup>(note 6)</sup>	(606)	—	—	—	(606)	—	(606)
Purchase of shares under NCIB <sup>(note 6)</sup>	(200)	—	—	—	(200)	—	(200)
Vesting of shares in trust <sup>(note 6)</sup>	1,806	(1,806)	—	—	—	—	—
Share based compensation expense <sup>(note 6)</sup>	—	626	—	—	626	—	626
<b>As at March 31, 2020</b>	<b>379,823</b>	<b>16,477</b>	<b>19,895</b>	<b>(194,585)</b>	<b>221,610</b>	<b>2,762</b>	<b>224,372</b>

*See accompanying notes to the unaudited interim condensed consolidated financial statements*

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
 for the three month periods ended March 31,

(Expressed in thousands)	2020 \$	2019 \$
<b>Operating activities</b>		
Loss for the period	(114)	(2,730)
Add (deduct) non-cash / non-operating activities:		
Share based compensation expense <sup>(note 6)</sup>	626	597
Depreciation and amortization	7,422	9,495
Finance costs	1,621	1,888
Deferred income taxes	89	(1,274)
Settlement of ARO liability	(277)	(635)
Profit attributable to non-controlling interest	251	133
Book value of used fleet sales <sup>(note 4)</sup>	658	1,374
	<b>10,276</b>	<b>8,848</b>
Change in long-term accounts receivable	20	306
Change in non-cash working capital related to operating activities	70	2,823
<b>Net cash flows from operating activities</b>	<b>10,366</b>	<b>11,977</b>
<b>Investing activities</b>		
Purchase of property and equipment <sup>(note 4)</sup>	(12,380)	(7,846)
Additions to intangible assets	(91)	(426)
Business acquisition <sup>(note 3)</sup>	(6,591)	—
Change in non-cash working capital related to investing activities	(93)	(1,844)
<b>Net cash flows from (used in) investing activities</b>	<b>(19,155)</b>	<b>(10,116)</b>
<b>Financing activities</b>		
Proceeds from long-term debt	47,335	550
Repayment of long-term debt	(29,620)	(2,422)
Net interest paid, including lease liability interest	(1,416)	(1,783)
Payment of lease liabilities	(1,293)	(1,022)
Distributions declared to non-controlling interest	(114)	(87)
Net purchase of shares <sup>(note 6)</sup>	(806)	—
Change in non-cash working capital related to financing activities	(84)	(74)
<b>Net cash flows from (used in) financing activities</b>	<b>14,002</b>	<b>(4,838)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>5,213</b>	<b>(2,977)</b>
Cash and cash equivalents, beginning of the period	4,291	3,175
Effect of foreign currency rate changes on cash and cash equivalents	67	48
<b>Cash and cash equivalents, end of the period</b>	<b>9,571</b>	<b>246</b>

*See accompanying notes to the unaudited interim condensed consolidated financial statements*

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended March 31, 2020 and 2019

### 1. GENERAL INFORMATION

The unaudited interim condensed consolidated financial statements ("interim financial statements") of Black Diamond Group Limited, its subsidiaries, and its controlled limited partnerships (collectively "Black Diamond" or the "Company") for the three month periods ended March 31, 2020 and 2019 were authorized for issuance in accordance with a resolution of the Board of Directors on May 5, 2020. Black Diamond is headquartered in Calgary, Alberta. The Company was incorporated in Alberta on October 7, 2009. The address of the Company's registered office is Suite 4600, 525 – 8th Avenue S.W., Calgary, Alberta, Canada.

The common shares of the Company are listed on the Toronto Stock Exchange (TSX: BDI).

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Statement of Compliance

The interim financial statements for the three month periods ended March 31, 2020 and 2019 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

#### Basis of Presentation and Measurement

These interim financial statements have been prepared on a going concern basis.

Except as otherwise disclosed and for taxes on income, the same accounting policies and methods of computation were followed in the preparation of these interim financial statements as were applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2019 ("2019 Financial Statements"). Taxes on income in interim periods are accrued using the tax rate that would be applicable to the expected total annual profit. These interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the 2019 Financial Statements.

These interim financial statements are presented in Canadian dollars and all amounts are rounded to the nearest thousand (\$'000), except per share amounts or as otherwise noted.

During the current quarter, the Company completed an assessment of the application of its accounting policy for directly attributable costs. This analysis resulted in \$2,119 of costs being reclassified from administrative expenses to direct costs. Prior periods have been restated to conform with the current period presentation resulting in \$1,530 being reclassified from administrative expenses to direct costs.

**NOTES TO UNAUDITED INTERIM  
 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
 For the three month periods ended March 31, 2020 and 2019

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Change in accounting estimate

During the first quarter of 2020, the Company conducted a review of its estimates regarding property and equipment, which resulted in changes in the estimated residual values of its space rentals fleet equipment and workforce accommodation rental equipment. It was previously estimated that space rentals fleet equipment and workforce accommodation rental equipment had a residual value of \$nil at the end of their useful lives, whereas it is now estimated that these assets will have residual values of 25% of cost and 10% of cost, respectively.

This change in estimate has been accounted for prospectively from January 1, 2020, and has resulted in a decrease in depreciation expense of \$1,846 in the three months ended March 31, 2020.

## 3. BUSINESS COMBINATIONS

In a transaction that closed on January 28, 2020 (effective date of January 1, 2020), Black Diamond acquired 100% of Spectrum Building Systems, Inc. and Spectrum Leasing, LLC (combined "Spectrum") for cash consideration of US\$5,000 (C\$6,591). The acquisition has been accounted for as a business combination in the Modular Space Solutions business unit, in accordance with IFRS 3 *Business combinations*.

The acquisition gives the Company control over 202 space rentals assets in Gainesville, Georgia, the Spectrum brand name, customer relationships and working capital.

The allocation of the purchase consideration has preliminarily been allocated to the fair value of the net assets acquired and liabilities assumed as follows:

	<b>January 1, 2020</b>
Fair value of net assets acquired:	<b>\$</b>
Cash and cash equivalents	97
Accounts receivable	527
Property and equipment	5,964
Intangible assets <sup>(1)</sup>	2,224
Accounts payable and accrued liabilities	(165)
Deferred revenue	(403)
Deferred tax liability	(1,653)
<b>Net assets</b>	<b>6,591</b>

(1) Intangible assets include a brand name, customer relationships, customer contracts and permits.

Since the acquisition date, Black Diamond has recognized revenue and profit contributed by Spectrum of approximately \$504 and \$100, respectively. Acquisition costs of \$17 are included in administrative expenses for the three months ended March 31, 2020 (\$177 for the year ended December 31, 2019).



**NOTES TO UNAUDITED INTERIM  
 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
 For the three month periods ended March 31, 2020 and 2019

#### 4. PROPERTY AND EQUIPMENT

The Company added property and equipment of \$12,380 (2019 - \$7,846 ) during the three month period ended March 31, 2020, substantially all of which were fleet assets. There were also disposals of fleet assets with a net book value of \$658 (2019 - \$1,374) during the three month period ended March 31, 2020, which is included in direct costs. The net realizations from the sale of fleet assets is included in gross profit.

At March 31, 2020, the Company evaluated all of its cash-generating units ("CGUs") for indicators of any potential impairment of long lived assets. As part of these assessments, the Company considered the macro-economic impact of the global COVID-19 pandemic. As a result of these assessments, no indicators were identified and no impairment was recorded on the Company's CGUs.

#### 5. LONG-TERM DEBT

	March 31, 2020	December 31, 2019
	\$	\$
Asset-based revolving credit facility	121,097	103,228
Costs associated with issue and restructuring of long-term debt	(890)	(806)
<b>Total long-term debt</b>	<b>120,207</b>	<b>102,422</b>

For a full description of the Company's debt instruments, refer to the annual audited consolidated financial statements.

##### Debt covenants

The Company is required to maintain a Fixed Charge Coverage Ratio ("FCCR") of 1.1 to 1; however, the covenant is only tested in certain instances, principally when draws under the asset-based revolving credit facility ("ABL Facility") exceed 90% of the borrowing base. As at March 31, 2020, the Company's draws under the ABL Facility amounted to 63% of a borrowing base of \$191,908, therefore the FCCR covenant was not applicable.

#### 6. SHARE CAPITAL

##### a) Share capital

Authorized: An unlimited number of voting common shares with no par value and an unlimited number of preferred shares, issuable in series.

Issued - Common shares	Number of shares	\$
<b>January 1, 2019</b>	54,956	377,567
Purchase of shares in trust	(299)	(530)
Vesting of share awards	554	1,786
<b>December 31, 2019</b>	<b>55,211</b>	<b>378,823</b>
Purchase of shares in trust	(292)	(606)
Purchase of shares under NCIB	(88)	(200)
Vesting of share awards	759	1,806
<b>March 31, 2020</b>	<b>55,590</b>	<b>379,823</b>

**NOTES TO UNAUDITED INTERIM  
 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
 For the three month periods ended March 31, 2020 and 2019

**6. SHARE CAPITAL (continued)**

b) Share-Based Compensation Plans

(i) Share option plan

As at March 31, 2020, there were 4,249 common shares (December 31, 2019 - 3,911) reserved for issuance from treasury upon the exercise of share options granted pursuant to the Company's Share Option Plan. The exercise price of each option equals the weighted average trading price of the common shares for the five trading days preceding the date of the grant. Outstanding options granted under the Share Option Plan generally vest on a straight line basis over three years and the option term is five years from the date of grant.

(expressed in thousands except per share amounts and years)

Grant date	Number of options outstanding	Exercise price per share	Remaining contractual life (years)	Number exercisable	Fair value at grant date
		\$			\$
March 11, 2016	339	4.72	0.94	339	1.03
March 21, 2017	638	3.60	1.97	638	0.81
August 14, 2017	411	1.74	2.37	274	0.74
September 12, 2017	120	1.91	2.45	80	0.83
September 22, 2017	60	1.86	2.48	40	1.00
March 15, 2018	699	2.53	2.95	466	0.86
March 14, 2019	1,079	1.96	3.95	557	0.86
October 1, 2019	120	1.77	4.5	—	0.89
March 16, 2020	783	1.29	4.96	—	0.62
<b>Balance March 31, 2020</b>	<b>4,249</b>			<b>2,394</b>	
<b>Weighted average</b>		2.37	3.24	2.87 <sup>(1)</sup>	

(1) Amount refers to the weighted average exercise price of the exercisable options as at March 31, 2020.

**NOTES TO UNAUDITED INTERIM  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
 For the three month periods ended March 31, 2020 and 2019

## 6. SHARE CAPITAL (continued)

Black Diamond recorded the following share option activity during 2020 and 2019:

	Number of options outstanding	Weighted average exercise price per share	\$
<b>January 1, 2019</b>	2,722		4.53
Granted	1,199		1.96
Expired	(10)		(12.35)
<b>December 31, 2019</b>	3,911		3.72
Granted	783		1.29
Expired	(445)		12.35
<b>March 31, 2020</b>	4,249		2.37

The Black-Scholes option pricing model was used in determining the fair values of these options using a forfeiture rate of 5%, based on historical experience and future expectations, and the following assumptions:

Date of grant	Dividend yield	Expected average volatility	Average risk-free rate
	%	%	%
March 11, 2016	11.61	52	0.49
March 21, 2017	8.33	51	1.02
August 14, 2017	—	54	1.52
September 12, 2017	—	54	1.76
September 22, 2017	—	54	1.81
March 15, 2018	—	61	1.78
March 14, 2019	—	60	1.65
October 1, 2019	—	60	1.38
March 16, 2020	—	59	0.59

The expected life of the options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may not occur.

Included in share-based compensation expense for the three month periods ended March 31, 2020 was \$268 (2019 - \$118) for costs related to the Share Option Plan.

**NOTES TO UNAUDITED INTERIM  
 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
 For the three month periods ended March 31, 2020 and 2019

## 6. SHARE CAPITAL (continued)

(ii) Other share-based plans

Changes in the number of units, with their weighted average fair value, are summarized below:

	Incentive Award Plan		Share Award Plan		Deferred Share Unit Plan <sup>(1)</sup>	
	Number of units	Weighted fair value per unit \$	Number of units	Weighted fair value per unit \$	Number of units	Weighted fair value per unit \$
<b>January 1, 2019</b>	386	3.18	879	2.87	173	3.30
Granted	902	2.00	642	1.95	60	1.95
Forfeited	(105)	2.33	(60)	2.53	(15)	2.24
Vested	(190)	3.81	(364)	3.36	(22)	4.18
<b>December 31, 2019</b>	993	2.08	1,097	2.19	196	2.87
Granted	1,445	1.29	483	1.29	47	1.31
Forfeited	(21)	1.96	(118)	2.25	—	—
Vested	(373)	2.30	(387)	2.39	(18)	3.50
<b>March 31, 2020</b>	2,044	1.48	1,075	1.71	225	2.49

(1) DSU's are reported as fully vested once settled.

The fair value of awards granted under these share-based plans is equal to the weighted average trading price of the Company's shares for the five trading days immediately preceding the date of grant.

As at March 31, 2020, these share-based plans include 17 units (December 31, 2019 - 59) that are expected to be settled in cash. A liability is included in accounts payable and accrued liabilities in the amount of \$24 related to these units (December 31, 2019 - \$71).

Included in share-based compensation expense for the three month period ended March 31, 2020 was \$358 (2019 - \$475) for costs related to the other share-based plans.

The Company established the Incentive Award Plan Trust and the Deferred Share Unit Plan Trust (collectively the "Trusts") which are consolidated in the Company's financial statements. Any shares held in the Trusts are accounted for as a reduction of share capital. As at March 31, 2020 there are 617 shares held in the Trusts (December 31, 2019 - 697).

**NOTES TO UNAUDITED INTERIM  
 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
 For the three month periods ended March 31, 2020 and 2019

## 7. ADMINISTRATIVE EXPENSES

	Three months ended March 31,	
	2020	2019 Restated <sup>(1)</sup>
	\$	\$
Personnel costs	5,350	4,831
General administrative expenses	1,893	2,215
Occupancy and insurance	589	662
<b>Total administrative expenses</b>	<b>7,832</b>	<b>7,708</b>

(1) See note 2.

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

## 8. LOSS PER SHARE

Basic and diluted loss per share is calculated on the loss attributable to Black Diamond for the period.

Reconciliation of weighted average number of shares	Three months ended March 31,	
	2020	2019
Weighted average common shares outstanding - basic and diluted	55,113	55,006

Excluded from diluted weighted average number of shares are 4,249 anti-dilutive options for the three months ended March 31, 2020 (2019 - 3,801). Also excluded from diluted weighted average number of shares are 1,075 anti-dilutive Share Award Plan units for the three months ended March 31, 2020 (2019 - 1,122).

**NOTES TO UNAUDITED INTERIM  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the three month periods ended March 31, 2020 and 2019

## **9. SEGMENTED INFORMATION**

Black Diamond has two operating segments: Modular Space Solutions and Workforce Solutions.

The Modular Space Solutions business unit provides high quality, cost effective, modular space rentals to customers throughout North America. These customers operate in the construction, real estate development, manufacturing, education and resource industries, and also include government agencies. Products include office units, lavatories, storage units, large multi-unit office complexes, health care facilities, classroom facilities, custom manufactured modular facilities and blast resistant structures. Modular Space Solutions sells both new and used space rentals units which helps the Company replenish its fleet with newer assets to maintain a relatively newer average age of fleet. Modular Space Solutions also provides delivery, installation, project management and ancillary products and services.

The Workforce Solutions business unit provides complete workforce housing solutions including rental of accommodations and surface equipment, provision of full turnkey lodging and provision of travel management logistics through the Company's online digital marketplace, LodgeLink. Workforce Solutions operates in Canada, the United States and Australia. The primary service offerings in Workforce Solutions are asset rental, lodging and travel management logistics. To support the core rental business, Workforce Solutions also offers associated services such as installation, transportation and dismantlement and at times, management will sell used fleet to maintain a relatively newer average age of the fleet.

The Corporate and Other business unit includes costs related to administrative activities that support all segments. Included in Corporate and Other are revenues generated from subleasing of real estate properties.

**NOTES TO UNAUDITED INTERIM  
 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
 For the three month periods ended March 31, 2020 and 2019

**9. SEGMENTED INFORMATION (continued)**

	Three months ended March 31,	
	2020	2019
	\$	\$
<b>Revenue</b>		
Modular Space Solutions	16,463	22,523
Workforce Solutions	28,636	22,854
<b>Total Revenue</b>	<b>45,099</b>	<b>45,377</b>
<b>Depreciation of Property and Equipment</b>		
Modular Space Solutions	1,848	2,508
Workforce Solutions	3,366	5,125
Corporate and Other	245	238
<b>Total Depreciation</b>	<b>5,459</b>	<b>7,871</b>
<b>Profit (loss)</b>		
Modular Space Solutions	1,673	1,241
Workforce Solutions	3,308	185
Corporate and Other	(5,095)	(4,156)
<b>Total Profit (Loss)</b>	<b>(114)</b>	<b>(2,730)</b>
<b>Capital Expenditures (Additions)</b>		
Modular Space Solutions <sup>(1)</sup>	9,778	4,790
Workforce Solutions <sup>(2)</sup>	2,141	3,387
Corporate and Other	552	95
<b>Total Capital Expenditures</b>	<b>12,471</b>	<b>8,272</b>

(1) Amount does not include property and equipment added through business acquisitions.

(2) Amount includes intangible asset additions.



**NOTES TO UNAUDITED INTERIM  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the three month periods ended March 31, 2020 and 2019

**9. SEGMENTED INFORMATION (continued)**

	March 31, 2020	December 31, 2019
	\$	\$
<b>Property and Equipment</b>		
Modular Space Solutions	167,173	148,527
Workforce Solutions	165,520	163,060
Corporate and Other	16,780	15,906
<b>Total Property and Equipment</b>	<b>349,473</b>	<b>327,493</b>
<b>Intangible Assets</b>		
Modular Space Solutions	7,490	5,271
Workforce Solutions	2,716	2,886
<b>Total Intangible Assets</b>	<b>10,206</b>	<b>8,157</b>
<b>Goodwill</b>		
Modular Space Solutions	10,374	9,946
<b>Total Goodwill</b>	<b>10,374</b>	<b>9,946</b>
<b>Assets</b>		
Modular Space Solutions	211,981	196,541
Workforce Solutions	208,603	199,125
Corporate and Other	31,926	26,897
<b>Total Assets</b>	<b>452,510</b>	<b>422,563</b>



**NOTES TO UNAUDITED INTERIM  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
 For the three month periods ended March 31, 2020 and 2019

## 9. SEGMENTED INFORMATION (continued)

### Geographic and customer information

	Three months ended March 31,	
	2020	2019
	\$	\$
<b>Revenue</b>		
Canada	29,441	27,781
United States	12,397	14,255
Australia	3,261	3,341
<b>Total Revenue</b>	<b>45,099</b>	<b>45,377</b>

The allocation of revenues to the geographic segments is based upon the customer location where the product is utilized.

	March 31, 2020	December 31, 2019
	\$	\$
<b>Property and Equipment, Intangibles and Goodwill</b>		
Canada	234,891	230,674
United States	122,600	101,603
Australia	12,562	13,319
<b>Total Property and Equipment, Intangibles and Goodwill</b>	<b>370,053</b>	<b>345,596</b>

## 10. COMMITMENTS

At March 31, 2020, Black Diamond had made capital expenditure commitments with key manufacturers of modular structures in the amount of \$7,023 (December 31, 2019 - \$10,664).

Black Diamond rents head office space, Workforce Solutions accommodations and equipment, Modular Space Solutions rental premises, office equipment and vehicles under multiple operating leases with varying expiration dates. No arrangements have been entered into for contingent rental payments. The minimum lease payments over the next five fiscal years and thereafter, including lease payments on lease liabilities, are as follows:

	March 31, 2020	December 31, 2019
	\$	\$
Due within one year	7,966	7,886
Due later than one year and less than five	20,952	21,562
Due after five years	7,233	8,456
	<b>36,151</b>	<b>37,904</b>

**NOTES TO UNAUDITED INTERIM  
 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
 For the three month periods ended March 31, 2020 and 2019

## 11. 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 following table provides the total amount of transactions that have been entered into with related parties during the three month periods ended March 31, 2020 and 2019, as well as balances with related parties as at March 31, 2020 and December 31, 2019.

	For the three months ended March 31,		Due from (to) related parties as at	
	2020	2019	March 31, 2020	December 31, 2019
	\$	\$	\$	\$
<b>Non-controlling interests</b>				
Limited partners				
Royalties and distributions declared	272	344	(37)	(365)
Sale of fleet assets	1,216	—	582	—
Capital contribution of fleet assets	1,216	—	—	—

During the first quarter of 2020, a limited partner purchased surface rental units from the Company and contributed these units as a capital contribution to a partnership controlled by Black Diamond.

## 12. RECENT DEVELOPMENTS

In March 2020, the Company has seen macro-economic uncertainty as a result of the global COVID-19 pandemic. The outbreak and subsequent measures intended to limit the spread of the virus contributed to significant volatility in financial markets. Furthermore, recent global developments and uncertainty in oil supply in March have caused further abnormally large volatility in commodity markets. The scale and duration of these developments remain uncertain but could impact the Company's earnings, cash flow and financial condition.