

MARKET STATISTICS

Exchange / Symbol	TSX: BDI
Price:	\$1.33
Market Cap (\$mm):	\$73.93
Enterprise Value (\$mm):	\$210.10
Shares Outstanding (mm):	55.59
Float:	77%
Volume (3 Month Average):	46,298
52 Week Range:	\$0.90-\$2.37
Industry:	Industrials

BALANCE SHEET

(\$mm, except per sh data)	3/31/20
Total Cash:	\$9.57
Total Assets:	\$452.5
Debt:	\$125.4
Equity:	\$224.4
Equity per share:	\$4.07

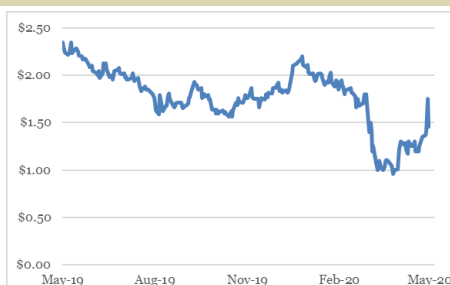
INCOME STATEMENT

(\$mm, except per sh data)				
FY - 12/31	Rev	EBITDA	Net Inc.	EPS
FY19	\$185.9	\$39.1	\$(7.0)	\$(0.14)
FY20E	\$167.9	\$34.9	\$(5.2)	\$(0.09)
FY21E	\$174.6	\$39.0	\$(2.1)	\$(0.04)

LARGEST INSTITUTIONAL HOLDERS

Kernwood Limited	6,813,600
Trevor Haynes	2,821,451
QV Investors, Inc.	2,723,919
Dimensional F und Advisers	2,153,367
Edward Kernaghan	1,145,200
Steven Stein	1,015,280
Claryn Equities	944,302
Robert Wagemakers	645,311
Edward Redmond	123,550
Toby Labrie	121,781

STOCK CHART



COMPANY DESCRIPTION

Black Diamond Group Limited (TSX: BDI) rents and sells modular workspace and remote workforce accommodations solutions from 22 strategic locations across Canada, the United States, and Australia. The Company operates in two segments, Modular Space Solutions, which provides office units, lavatories, storage units, multi-unit office complexes, and classroom facilities and Workforce Solutions, which provides temporary and intermediate-stay workforce housing and lodging equipment. The Company provides services to a wide array of industries including construction, mining, power, oil, natural gas, engineering, military, government, and education. The Company was founded in 2003 and is headquartered in Calgary, Alberta.

SUMMARY

- Improving Profitability Through Scale**— Black Diamond will continue expanding their Modular Space Solutions (MSS) rental fleet through investment into new units and acquisitions of existing fleets. The Company is targeting net fleet growth in MSS of 10% per year and is targeting to double the fleet in 5 years.
- Significant Operating Leverage** — The Company has a significant amount of underutilized assets in the workforce segment and the ability to mobilize them quickly and deploy the assets to areas in need.
- Value Added Products & Services** — The Company is planning to continue to increase revenue and margins by offering customers additional onsite services, hospitality services and auxiliary rental options. The Company has seen a greater than 30% growth in Value Added Products & Services (VAPS) from 2018 to 2019.
- LodgeLink Market Traction** — BDI has developed an online digital marketplace for matching available rooms with workforces and companies in need of rooms for work crews in the U.S. and Canada. The Company has been scaling the platform and most recently reported 485 unique customers and almost 1,400 properties which represented 145,000 rooms of capacity.
- Disciplined Capital Expenditure Approach**— Black Diamond is focused on growing their current fleet and services using the cash from current operations and sale of underutilized assets as opposed to growing capex. This strategy should help maximize efficiency and increase cash flow over time
- Geographic Diversification** — The Company currently conducts business throughout 22 strategic locations in Canada, United States and Australia with plans to continue expanding through establishment of additional branches and growth of existing fleets.
- New Markets for Development** — Black Diamond has historically been focused on providing solutions for the oil, natural gas, mining and construction markets. However, given the slowdown in several of these sectors, BDI is committed to marketing and developing additional end markets such as education.
- Valuation** - Using a sum of the parts EBITDA multiple framework we arrive at a valuation range of \$1.71-\$2.96. Additional Details can be found on pages 8-10.

BUSINESS OVERVIEW

Black Diamond rents and sells modular buildings and remote workforce accommodation and housing solutions throughout Canada, U.S., and Australia. The Company provides an array of products and services to a wide spectrum of industries that tend to operate throughout the locations or locales without adequate housing or office needs. These industries consist of construction, mining, power, oil, natural gas, engineering, financial institutions, military, government and education sectors. The Company currently operates in 22 locations across these three countries, with plans to continue to expand into other geographic locations.

Exhibit 1: Geographic Diversification



Source: Company Reports

Black Diamond was founded in 2003 by a small group of individuals who acquired 12 rental units for remote work camps in Western Canada. The Company went public on the Toronto Stock Exchange in 2006. Black Diamond expanded into the United States in 2009 and Australia in 2012. After an internal restructuring in 2017, the Company combined four different business segments into two: Modular Space Solutions (MSS) and Workforce Solutions (WFS).

The Modular Space Solutions business segment offers diversified structures for general office purposes including single wide office units, lavatories, storage units, multi-unit office complexes, classroom facilities, high security modular buildings, and blast resistant structures. These turnkey products are designed for use in either temporary or permanent capacities with the opportunity to rent additional items such as furniture and office equipment.

The Workforce Solutions Segment (WFS) provides temporary accommodation and lodging for workers in remote locations or locales where appropriate lodging is not available. Black

Diamond is able to deliver and install ancillary products such as kitchen/diner complexes, recreation facilities and utility assets wherever the customer needs. The WFS segment also consists of LodgeLink, an online marketplace for remote lodging that connects remote accommodation providers with workforces and companies that require lodging. LodgeLink was launched in 2017 and has begun to gain traction.

The Company's goal is to grow its MSS fleet and increase the utilization rate while keeping the rental rate as high as possible. In order to accomplish this, the Company is committed to keeping a high-quality fleet, selling off nonproducing assets and developing quality long term relationships with its customer base.

Black Diamond's management team consists of industry veterans with a wide array of experience and expertise in remote services, asset management and project execution. The Company is led by their CEO and co-founder, Trevor Haynes, who has been responsible for the growth of Black Diamond from the original site to the 22 locations today. Mr. Haynes has over 30 years of experience in the workforce accommodation, energy services, and modular building industries. He has also launched several successful construction and energy services companies. In addition to Mr. Haynes, Toby Labrie, the company's Chief Financial Officer, has been with the Company since 2009 and is responsible for cost control measures, evaluating capital structure, and efficiently minimizing tax and interest expenses.

The Company recently announced their Q1 results in which they reported a decrease in revenue of approximately 1%, however adjusted EBITDA was up 22% from Q1 2019. The increase in EBITDA margin was driven largely by increases in higher margin rental revenue in both the WFS and MSS segments. Additionally, during the quarter, the company announced the acquisition of Spectrum Modular. Spectrum's assets included 202 high-quality modular buildings in the Gainesville, Georgia area.

Exhibit 2: Breakdown of Black Diamond Business



Source: Company Reports

MODULAR SPACE SOLUTIONS

The Modular Space Solutions business unit is categorized by offering diversified temporary and permanent structures for general office purposes in locations that do not have adequate office space or the necessary square footage. The MSS division lists a wide range of products including single wide office units, lavatories, storage units, multi-unit office complexes, classroom facilities, high security modular buildings, and blast resistant structures. MSS currently operates in the U.S. and Canada and has grown through organic growth as well as acquisitions of existing fleet equipment. The MSS business unit consists of the brands BOXX Modular, Britco, and MPA Systems. As of Q1, 2020 the MSS rental fleet consisted of 6,503 units which is up 9% from the same period in 2020.

Exhibit 3: MSS Products

BOXX
MODULAR



britco



mpa
SYSTEMS, LLC



Source: Company Reports

The MSS segment serves a diversified client base of general contractors, construction, real estate developers, manufacturers, commercial businesses, education providers, financial institutions, government agencies, and various companies relating to the resource industry. As one of these companies moves into a new location for a job, or expands within an existing job, there becomes a demand for additional square footage that go along with running a business such as office

space, storage space, and lavatories among other things. In many locations where these businesses operate, there is not adequate infrastructure to support these workers. Where this demand has developed, Black Diamond is able to step in and supply these necessities. BDI will usually sign a contract with the company requiring these products to rent the equipment for a typical period of 18-36 months. After agreement, a third-party installation team will deliver and install the products at the designated worksite. When the contract period is up, the renter has an option to continue renting the equipment month to month. Alternatively, if the needs of the renter become more permanent or much longer in length, the company can choose to purchase the equipment from Black Diamond. The MSS business unit will also offer new units or used units for sale. Lastly, the Company will also rent ancillary products such as furniture and office equipment to ensure a turnkey operation for the consumer. These value-added products and services (VAPS) have been a growing source of revenue from the Company.

The MSS buildings are either wood or steel framed structures that are mounted on chassis with axles or steel channel skids that allow for easy transportation, delivery and set up between job sites. The units are usually equipped with heating and air conditioning, electrical panels, plumbing, windows, doors and hardware. The units are constructed so that reconfiguration of the interior, addition of washrooms, and outright connection to other units is possible for the needs of the customer. The Company believes that this added versatility and enhanced desirability will extend the life of the units.

Exhibit 4: MSS Office Interior



Source: Company Reports

The MSS segment currently has roughly 6,500 units across North America with solid returns on long-lived assets. The Company recognizes a continuing opportunity in this market and is targeting a 10% growth in the fleet each year and a doubling in the size of the fleet over the next 5 years. Additionally, BDI is committed to improving overall utilization rates and continue their penetration into the value-added products and services.

The MSS segment struggled slightly in 2018, after a large customer rolled over a large number of their units at one time. This caused utilization rates among their available units to

decline. However, the Company rebounded in 2019 with revenue increasing 19% and adjusted EBITDA from MSS increasing 35% due to higher rental revenue and higher margins from non-rental revenue. In Q1 2020 the segment's adjusted EBITDA was essentially flat due to increased margins from a favorable product mix but offset by decreases in sales and non-rental revenue.

WORKFORCE SOLUTIONS

The workforce solution (WFS) segment provides businesses with accommodation and lodging solutions for their workforce when working on or near job sites. The WFS business unit consists of the brands Black Diamond Camps and Black Diamond Energy Services. In addition, the WFS segment also rents oilfield surface equipment, oil field drilling accommodation equipment, and installation and maintenance services. The average room counts with respect to WFS' workforce accommodations fleet for the quarter ended March 31, 2020 in Canada, the United States and Australia were 9,757, 2,410 and 1,010, respectively.

Exhibit 5: WFS Products



Source: Company Reports

The WFS segment further breaks itself down into three business components detailed below:

Large Format Workforce Accommodation – Provides workforce housing and services to clients historically in Western Canada, however, recently these assets have been moving to the U.S. and Eastern Canada due to demand. The products are listed as relocatable dormitories, kitchen/diner complexes, recreation facilities and supporting utility assets. These units are typically fully furnished with bedroom, recreation amenities and cooking equipment. These products are provided in remote locations where the infrastructure is not sufficient to meet the needs of the incoming workforce. The Company owns five open lodges which provide lodging services to customers on a non-dedicated basis.

Small Format Workforce Accommodation – The WFS segment also caters specifically to the needs of oilfield drilling and services companies. The Company provides single and multi-unit complexes that are highly mobile which can be assembled to create a small community-like atmosphere which houses, feeds, and provides additional amenities for drilling crews and support staff. These highly specialized units tend to relocate often which can create some cyclical to this small portion of the segment's revenue. The WFS segment also consists of oilfield rental equipment that supports drilling, completion and production. These are products such as 400-barrel tanks, Large format frac tanks, Shale bins, Fluids management and transfer equipment, Light towers, Power generation equipment

LodgeLink – An online marketplace for remote workforce lodging that connects workforces and individuals seeking temporary, remote accommodation rooms to a variety of providers of remote camps, lodges, and hotels. This website provides an online directory of 1,400 properties that allows corporate customers to seamlessly find and book lodging for workforces. The Company has an internal sales team that reaches out to lodges and hotels that would be a good fit for the site in order to host their rooms on LodgeLink. The site will then advertise the room and charge the hotel or lodge 10%-12% of the revenue generated, once booked. This means that there is no charge to those companies booking rooms and the hotel host does not pay until after they have generated sales. LodgeLink was recently launched in 2017 and could be a large source of growth for the company going forward. There are several advantages that have helped the growth of the platform, however, the biggest differentiators are the ability to reduce a company's resources dedicated to moving workforces as well as customization. The companies that need to move these large workforces dedicate a considerable amount of resources to tracking, deploying, and paying these employees. LodgeLink simplifies this process by providing a "one stop shop" for a variety of workforce solutions. In addition to simplicity, LodgeLink also only sends one invoice once a month for every employee as opposed to the traditional method which is an invoice for each employee. Lastly, companies using LodgeLink can also keep track of their employees and workforce movement by having the ability to search the site by employee, location, job site ID, well ID, etc. making record keeping simpler.

Exhibit 6: LodgeLink Home Page

Where you need to be.

Book accommodations for yourself or your workforce using one of the largest databases of hotels and remote lodges in North America.

Search by lat/long, Well ID, City or Venue

Dates
 Mar 26 - Mar 31, 2020

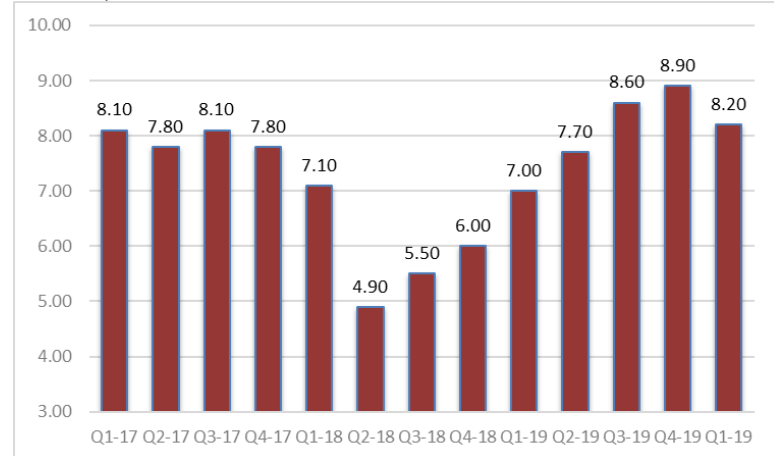
Rooms
 1

Source: Company Reports, <https://lodgeline.com/en>

GROWTH STRATEGY

Black Diamond's growth strategy is dependent on a few different revenue drivers. Firstly, the rental business is dependent upon utilization and rental rates. While rental revenue for the MSS business has been consistent, the WFS business has been plagued by weakness in the resource sector that encompasses a considerable portion its revenue. Reduced prices for oil and natural gas along with changes in the government in Canada have caused delays and uncertainty in gaining approval to build pipelines and other facilities in Western Canada, which directly affects the revenue of WFS. However, despite the headwinds from the oil and natural gas industry, future prospects appear to be improving. The Company is focused on reducing its dependence on the O&G sector by diversifying into other sectors and capitalizing on operating leverage. The Company is using their existing sales team to actively target additional sectors such as construction, mining, and education where the economic outlook is strong. Additionally, while rental revenue in the WFS segment were lower than expected in 2018, utilization rates improved in 2019 and into Q1 2020 with a number of projects that have provided customer and geographic diversification. As the Company is able to continue to diversify into additional sectors and geographies, we would expect to see more normalized utilization and rental rates going forward.

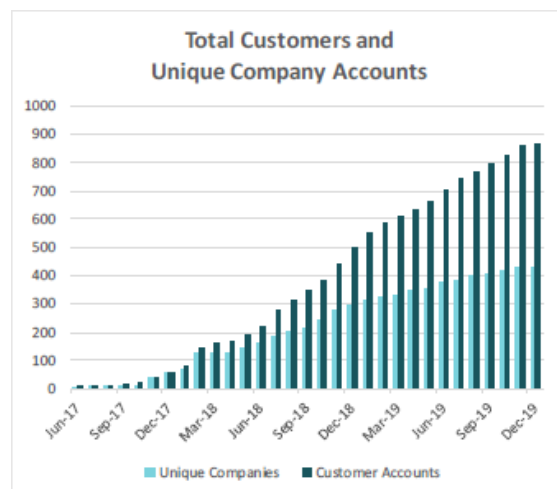
Exhibit 7: WFS Rental Revenue

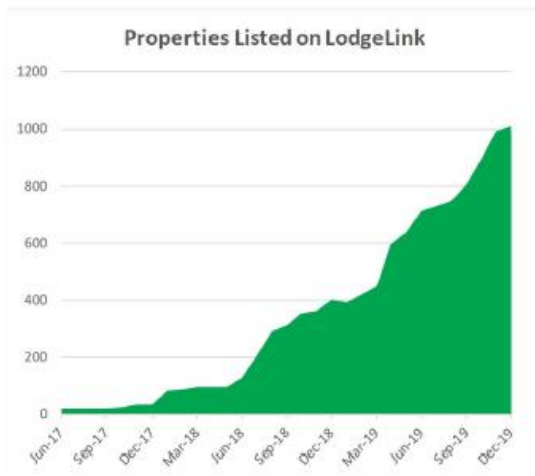


Source: Company Reports, StoneGate Capital Partners

In addition to increasing diversification and utilization rates, the Company has also been investing for incremental software development for LodgeLink. LodgeLink has begun to gain significant traction since inception in 2017. LodgeLink generates revenue from charging a fee per room booked. In Q1 2020, BDI noted that LodgeLink booked rooms from 485 unique customers and almost 1,400 properties listed on the site. In Q1 2020 LodgeLink reported total gross bookings at \$5.0 million increased 6% from Q1 2019 despite the negative impact from COVID-19. We expect COVID-19 to continue to be headwind through Q2 and Q3 as travel restrictions and fears will reduce bookings. However, the Company believes that increases in unique customers will lead to significant growth in both bookings and revenue as LodgeLink continues to expand throughout Canada and the United States over the long term. Over time, LodgeLink will also offer ancillary services to complement existing services.

Exhibit 8: LodgeLink Growth





Source: Company Reports

The Company is also anticipating steady growth in its MSS fleet. The Company is targeting MSS fleet growth of 10% per year and aiming to double their fleet in the next 5 years. This growth is anticipated to come from both organic growth and acquisitions with \$25 million of their gross \$35 million capital budget allocated to growing the MSS segment. Q1 saw the company add 549 units or 9% to their MSS fleet, of which, 202 units were from the acquisition of Spectrum Modular. Black Diamond is also planning on increasing their ancillary services within the MSS segment such as additional site services, hospitality services, and rental equipment. With economies of scale and the continuation of these value-added products and services the Company is expecting MSS EBITDA growth to outpace their fleet growth.

Lastly, Black Diamond was awarded a \$42.5 million contract with LNG Canada in July 2018. The contract calls for BDI to provide remote workforce accommodations for construction of the Coastal GasLink pipeline in British Columbia. Due to several delays, the Company has recently begun deploying their equipment and beds and will continue to deploy until they fulfill the 908-bed camp. The contract calls for the project to take 27 months with additional growth opportunities as the project develops.

RECENT RESULTS

On April 6th, Black Diamond reported their Q1 results. Consolidated revenue for Q1 2020 was down 1% from \$45.4 million in Q1 2019 to \$45.1 million in Q1 2020. However, the Company's adjusted EBITDA increased 22% from Q1 2019 to \$9.9 million in Q1 2020 due to a higher rental revenue in both the WFS and MSS segments.

In the MSS segment, Black Diamond reported a decrease of 27% in revenue from \$22.5 million in Q1 2019 to \$16.5 million in Q1 2020. The decrease in revenue was due to decreased sales and non-rental revenue, which tend to vary

from quarter to quarter. However, the higher quality rental revenue increased 17% driven by higher average rental rates, which contributed to a higher Adjusted EBITDA margin of 28% vs 22% in the first quarter of 2019. Despite the margin increase, adjusted EBITDA was still down slightly in the segment from \$4.9 million in Q1 2019 to \$4.6 million in Q1 2020.

The WFS segment improved year over year increasing revenue 25% to \$28.6 million. In addition, rental revenue increased 17% in Q1 2020 due to the opening of Sukunka Lodge and increased utilization across workforce housing and surface equipment. Adjusted EBITDA also increased 30% to \$7.8 million as a result of increased revenue and improved revenue mix.

In response to COVID-19 the Company has implemented safety and distancing measures to ensure that employees can be as safe as possible. Additionally, the Company has elected to defer most of their uncommitted capital investments in their 2020 capital plan to the second half of the year. This amounts to roughly 1/3 of their stated \$35 million gross capital plan, where the remainder has been spent or committed. The MSS division should remain relatively stable over the next few quarters with softness in the sales type revenues being offset by their core rental revenue. The Company has also seen demand for additional square footage at existing facilities as employers look to enact distancing policies.

The WFS segment is expected to weaken in the near-term with COVID-19 impacts combining with the typical slowdown seen in Q2. In addition, we would expect to see a decrease in revenue from the LodgeLink platform as travel to due the virus decreases. The Company still remains bullish on the platform as noted by the redoubling of efforts to improve the technology, operating process, and user experience in anticipation of an easing of travel restrictions.

RISKS

As with any investment, there are certain risks associated with Black Diamond's operations as well as with the surrounding economic and regulatory environments common to the industry as a whole. We note that this is not an exhaustive list of risks, but view these as the highest risks to Black Diamond's business.

- Black Diamond's business is dependent on the natural resources industries. Depressed oil and natural gas prices could result in declined levels of investment and activity in oil and natural gas mining which would result in decreased revenue to the Company.
- Any outbreak of the Novel COVID-19 virus, or the like, could result in an economic decline in any of the areas where Black Diamond operates or holds assets. The shutdown of any of these job sites from government or authority figures would pose a severe risk to the Company's cash flows.
- The Company is subject to several laws, building codes, occupancy codes, and guidelines related to its products. Any regulatory changes that change these codes or regulations relating to building codes, environmental restrictions or disposal of waste, among others, could have an adverse effect on the Company's revenues from the oil and natural gas sector as well as profit from being forced to make changes to its own products.
- BDI depends on the execution of written contracts with its customers that are generally only cancellable for non-performance. The Corporation generally grants unsecured credit to its customers. If a customer breaks an agreement and is not able to recover the receivables owed, could have an adverse effect on the Company's financial position.

VALUATION

To help frame our valuation, we have created two separate methodologies for looking at Black Diamond. The first method consists of a liquidation valuation. Since the bulk of the Company's assets are the modular buildings and workforce accommodation buildings and these assets are typically sold within the regular course of business for a 20%-25% premium, we feel it would be possible to sell these assets at a reasonable rate. In addition, the Company's lending sources agree and use their assets as a measure of credit quality.

We have listed a quick breakdown of our liquidation valuation below:

Exhibit 9: Liquidation Valuation

Assets	Amount	Recovery Ratio	Recovery Value
Cash	\$ 9.57	100%	\$ 9.57
Accounts Receivable	48.39	75%	\$ 36.30
Prepaid Expenses and Other Current A	5.88	0%	\$ -
Total Current Assets	57.05		\$ 45.87
Other LT Assets	0.17	75%	0.12
Property and Equipment	349.47	90%	314.53
Right-of-use assets	18.45	100%	18.45
Goodwill and Intangibles	20.58	0%	-
Total Assets	\$ 422.56		\$ 378.96
Liabilities			
			Amounts Payable
Current Liabilities			\$ 46.39
Amount Available for Debt Holders			\$ 332.57
LT Debt			120.21
Asset Retirement Obligations			17.79
LT Lease Liabilities			17.59
Deferred Taxes			26.15
Amount Available for Equity Shareholders			\$ 150.82
Shares Outstanding			55.59
Implied Liquidation Share Price			2.71

In addition to our analysis we have also chosen a comparative company analysis below. For our valuations we have taken the business into two separate divisions, the MSS division and WFS division. We have split the corporate costs evenly between the two divisions.

WFS Division

Exhibit 10: Comparable Company Analysis

Name	Ticker	Price (1)	S/O	Mrkt Cap	EV	EV/EBITDA (2) 2020E
Civeo Corporation	CVEO	\$ 0.53	170.6	\$ 90.5	\$ 475.7	4.8x
Horizon North Logistics Inc.	TSX:HNL	\$ 0.58	163.1	\$ 94.6	\$ 256.6	8.3x
Triton International Limited	TRTN	\$ 30.03	70.3	\$ 2,110.4	\$ 9,149.9	7.4x
Average						6.8x
Median						7.4x

Black Diamond Group Limited	TSX:BDI	\$ 1.42	55.6	\$ 78.9	\$ 215.1	nm
------------------------------------	----------------	----------------	-------------	----------------	-----------------	-----------

For the WFS division, we take in to account current valuations as well as historical three-year trading multiples and have arrived at an EBITDA multiple of 6.0x-8.0x. Using our forecasted EBITDA for WFS of \$22.1M in 2020 less their share of the corporate expenses, gives us a value of \$16.1M. After applying our multiple this gives us an enterprise value of \$96.35 - \$128.46 for the WFS Division.

EV/EBITDA Multiple		
EBITDA	16.1	16.1
Multiple	6x	8x
Enterprise Value	96.35	128.46

MSS Division

Exhibit 11: Comparable Company Analysis

Name	Ticker	Price (1)	S/O	Mrkt Cap	EV	EV/EBITDA (2) 2020E
Mobile Mini, Inc.	MINI	\$ 28.99	43.9	\$ 1,273.3	\$ 2,236.2	9.3x
McGrath RentCorp	MGRC	\$ 50.79	24.1	\$ 1,226.6	\$ 1,517.8	6.6x
WillScot Corporation	WSC	\$ 11.94	110.6	\$ 1,320.0	\$ 3,174.9	8.8x
Average						8.2x
Median						8.8x

Black Diamond Group Limited	TSX:BDI	\$ 1.42	55.6	\$ 78.9	\$ 215.1	nm
------------------------------------	----------------	----------------	-------------	----------------	-----------------	-----------

(1) Previous day's closing price

(2) Estimates are from Capital IQ except for BDI revenues, EBITDA and EPS, which are Stonegate estimates

Source: Company Reports, Capital IQ, Stonegate Capital Partners

For the MSS division we take in to account current valuations as well as three-year historical trading multiples and have arrived at an EBITDA multiple of 7.0x – 9.0x. Using our forecasted EBITDA for MSS of \$24.9M less the MSS share of corporate expenses, gives us a value of \$18.9M. After applying our multiple we arrive at an enterprise value of \$142.67 - \$183.43.

EV/EBITDA Multiple		
EBITDA	18.85	18.85
Multiple	7x	9x
Enterprise Value	131.95	169.65

Combined

Below we combine the businesses to determine a value of the entire business based on the EBITDA multiples above.

Combined Valuation		
	Low	High
Enterprise Value	228.30	298.11
Less: Net Debt	133.41	133.41
Equity Value	94.89	164.71
S/O	55.6	55.6
Share Price	\$1.71	\$2.96

Using a sum of the parts EBITDA multiple we arrive at a range of \$1.71 to \$2.96 for BDI. We note that this does assume historical trading ranges for comparable companies holds constant and Black Diamond receives a reasonable multiple for each business segment.

BALANCE SHEETS

Black Diamond Consolidated Balance Sheets (CAD\$ 000s) Fiscal Year: December				
ASSEIS	FY2017	FY2018	FY2019	Q1 Mar-20
Assets				
Cash	\$ 2.50	\$ 3.18	\$ 4.29	\$ 9.57
Accounts Receivable	28.93	34.46	45.78	48.39
Prepaid Expenses and Other Current Assets	10.32	6.04	6.98	5.88
Total Current Assets	41.75	43.68	57.05	63.85
Other LT Assets	1.70	0.81	0.19	0.17
Property and Equipment	369.29	339.89	327.49	349.47
Right-of-use assets	-	-	19.74	18.45
Goodwill and Intangibles	18.17	18.88	18.10	20.58
Total Assets	\$ 430.90	\$ 403.27	\$ 422.56	\$ 452.51
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accounts Payable and accrued liabilities	\$ 35.32	\$ 28.73	\$ 35.21	\$ 33.58
Deferred Revenue	3.81	6.80	4.02	7.63
Current Portion of Lease Liabilities	-	-	5.20	5.18
Total Current Liabilities	\$ 39.13	\$ 35.53	\$ 44.44	\$ 46.39
Long Term Liabilities				
LT Debt	115.06	90.08	102.42	120.21
Asset Retirement Obligations	9.92	18.88	17.73	17.79
LT Lease Liabilities	-	-	18.72	17.59
Other LT Liabilities	3.83	2.60	-	-
Deferred Income Taxes	34.82	31.40	24.06	26.15
Total Long Term Liabilities	163.63	142.97	162.93	181.75
Total Liabilities	\$ 202.78	\$ 178.50	\$ 207.37	\$ 228.14
Shareholders' Equity				
Share Capital	377.81	377.57	378.82	379.82
Contributed Surplus	14.91	16.44	17.66	16.48
Accumulated other Comprehensive income (loss)	9.88	17.32	11.78	19.90
Accumulated Defecit	(176.52)	(187.91)	(194.47)	(194.59)
Total Stockholders loss attributable to Aemetis	226.07	223.41	213.79	221.61
Non-Controlling Interest	2.04	1.36	1.41	2.76
Total Shareholders' Equity (deficit)	\$ 228.12	\$ 224.77	\$ 215.20	\$ 224.37
Total Liabilities and Shareholders' Equity	\$ 430.90	\$ 403.27	\$ 422.56	\$ 452.51
Ratios				
Liquidity				
Current Ratio	1.1x	1.2x	1.3x	1.4x
Quick Ratio	0.8x	1.1x	1.1x	1.2x
Total Liabilities to Total Assets	47.1%	44.3%	49.1%	50.4%

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENTS

Black Diamond

Consolidated Statements of Income (in millions \$, except per share amounts)

Fiscal Year: December

	FY 2018	FY 2019	FY 2020E	FY 2021E
Total revenues	\$ 165.93	\$ 185.94	\$ 167.88	\$ 174.63
Cost of Goods Sold	98.00	108.95	101.81	101.88
Gross Profit	67.93	76.99	66.07	72.74
Operating expenses				
Administrative Expenses	38.61	37.86	31.16	33.76
Depreciation and Amortization	36.87	39.30	33.21	35.77
Share Based Compensation	1.86	3.06	2.70	2.80
Total operating expenses	77.34	80.22	67.07	72.33
Operating Income	\$ (9.4)	\$ (3.2)	\$ (1.0)	\$ 0.4
Finance Expense	6.3	7.6	6.4	4.9
Gain (loss) on Sale of Assets	(0.4)	-	-	-
Other	-	2.4	-	-
Impairment Charges	-	-	-	-
Income (Loss) Before Income Tax	(15.3)	(13.2)	(7.4)	(4.4)
Income Tax Expense	(3.73)	(6.12)	(2.16)	(2.33)
Net income (loss)	\$ (11.62)	\$ (7.04)	\$ (5.19)	\$ (2.12)
Net loss attributable to non-controlling	(0.24)	0.44	(0.02)	0.18
Net Loss Attributable to Shareholders	(11.38)	(7.49)	(5.18)	(2.30)
Cumulative Translation Adjustment	7.4	(5.5)	-	-
Comprehensive income (loss)	(4.2)	(13.0)	(5.2)	(2.1)
Basic EPS (loss)	\$ (0.21)	\$ (0.14)	\$ (0.09)	\$ (0.04)
Diluted EPS (loss)	\$ (0.21)	\$ (0.14)	\$ (0.09)	\$ (0.04)
Basic shares outstanding	55.1	55.3	55.5	56.5
Diluted shares outstanding	55.1	55.3	55.5	56.5
EBITDA	\$ 29.3	\$ 39.1	\$ 34.9	\$ 39.0
Growth Rate Analysis Y/Y				
Total revenues	8.2%	12.1%	-9.7%	4.0%
Administrative Expenses	-0.9%	-1.9%	-17.7%	8.3%
Depreciation and Amortization	-21.7%	6.6%	-15.5%	7.7%
Total operating expenses	-12.7%	3.7%	-16.4%	7.8%
Net income	87.6%	39.4%	26.3%	59.2%
EPS - fully diluted	-293.9%	34.6%	30.8%	59.9%
Share count - fully diluted	4.2%	0.5%	0.2%	1.9%

Source: Company Reports, Stonegate Capital Partners estimates

IN THE NEWS

January 2020 – BDI, through its subsidiary BOXX Modular, has acquired 100% of Spectrum Building Systems, Inc. and Spectrum Leasing, LLC.

January 2020 – Black Diamond announces an equity buyback for 4.18 million shares, representing 7.48% of its issued share capital.

November 2019 – BDI has agreed to terms with respect to a four-year secured asset-based revolving credit facility. The lending syndicate for the Facility is co-lead by The Bank of Nova Scotia and Bank of Montreal with a maximum \$200 million revolving line, plus an uncommitted \$50 million accordion.

April 2019 – The Company announced that the company's US Workforce Solutions business unit has been awarded a \$20 million rental contract. The contract has the company supplying 1,584 beds to support the reconstruction of Paradise, California, where one of the largest fires in state history devastated the town and local infrastructure.

January 2019 – Black Diamond announced the company's Workforce Solutions business unit has received a notice to proceed on a previously announced 908-bed turnkey camp contract.

July 2018 – The Company announced the company's Workforce Solutions business unit has been conditionally awarded a \$42.5 million camp contract. The camp will provide remote workforce accommodations for the construction of the proposed Coastal GasLink Pipeline Project (the "Project"). The contract award is conditional upon a positive final investment decision by the Joint Venture Participants of LNG Canada. The Company has conditionally secured a 908-bed turnkey camp contract for 27 months to service the construction of the Project.

April 2018 – BDI announced that it has entered into an agreement to assume the land lease and ongoing operations of its currently owned 1,244-room Sunset Prairie Lodge located between Fort St. John, BC and Dawson Creek, BC. The camp, which was previously rented to a dedicated customer, will be converted into an open lodge and operated by the company's award-winning Cygnus partnership with the West Moberly First Nations to service demand for workforce accommodations from multiple customers in the area.

CORPORATE GOVERNANCE

Trevor Haynes, Chairman and Chief Executive Officer

Mr. Trevor Haynes cofounded Black Diamond Group in 2003 and has served as its President and CEO since inception. He served as a Principal and the President of Kettleby Investment Management Corporation, from January 2003 to May 2005, and from February 1992 to December 2002, he served as the Director of International Sales and Division Management at ATCO Structures & Logistics Ltd. He has over 20 years of experience in the workforce accommodation, energy services and modular building industries, in various business development and leadership roles, both in North America and internationally. Mr. Haynes graduated from the University of Toronto with a Bachelor of Arts degree in 1991.

Toby Labrie, Executive Vice President and Chief Financial Officer

Mr. Toby Labrie has been the Chief Financial Officer and Executive Vice President at Black Diamond Group Limited since March 3, 2016. He also served as the Corporate Controller in 2009 and served as VP of Finance and Controller between 2010 and 2015. Prior to joining Black Diamond Group, Toby was Team Lead of Management Reporting and Budgeting at First Calgary Petroleum, a Calgary-based international oil and gas exploration company. Before that, he held positions in both the audit and financial advisory group at Deloitte. Toby is a CA, CPA and has been a member of the Chartered Professional Accountants of Alberta since 2005. He holds a Bachelor of Commerce degree from the University of Alberta.

Patrick Melanson, Executive Vice President and Chief Information Officer

Mr. Patrick Melanson has served as Chief Information Officer at Black Diamond Group Limited since July 20, 2017 and serves as Chief Technology Officer of Lodge Link at Black Diamond Group Limited. Prior to joining Black Diamond Group, Patrick worked with two large multinational steel and tubulars manufacturers for whom he held North America roles as Senior VP of Product and Resource Management, and VP and CIO. Prior, he worked in senior roles at both Andersen Consulting and Deloitte Consulting. Mr. Melanson received his Bachelor of Commerce degree with a specialization in Management of Information Systems from the University of Calgary, Alberta, Canada and Program Management Certification from American Graduate University in 1994.

Board of Directors:

Trevor Haynes – *Chairman of the Board*

Robert Herdman – *Independent Director*

David Olsson – *Independent Director*

Robert Wagemakers – *Lead Independent Director*

Barbara Kelley – *Independent Director*

Edward Kernaghan – *Independent Director*

Steven Stein – *Director*

IMPORTANT DISCLOSURES AND DISCLAIMERS

The following disclosures are related to Stonegate Capital Partners “SCP” research reports.

The information used for the creation of this report has been obtained from sources we considered to be reliable, but we can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice and SCP does not undertake to advise you of any such changes. In preparing this research report, SCP analysts obtain facts and opinions from a variety of sources, including to but not limited to, the issuing Company, a variety of outside sources, public filings, the principals of SCP and outside consultants. SCP and its analyst may engage outside contractors with the preparation of this report. The information contained in this report by the SCP analyst is believed to be factual, but we can neither guarantee nor represent the completeness or accuracy of the information herewith. While SCP endeavors to update the information contained herein on a reasonable basis, there may be regulatory, compliance, or other reasons that prevent us from doing so. The opinions or information expressed are believed to be accurate as of the date of this report; no subsequent publication or distribution of this report shall mean or imply that any such opinions or information remains current at any time after the date of this report. Reproduction or redistribution of this report without the expressed written consent of SCP is prohibited. Additional information on any securities mentioned is available on request. SCP does not rate the securities covered in its research. SCP does not have, nor has previously had, a rating for any securities of the Company. SCP does not have a price target for any securities of the Company.

Recipients of this report who are not market professionals or institutional investors should seek the advice of their independent financial advisor prior to making any investment decision based on this report or for any necessary explanation of its contents. Because the objectives of individual clients may vary, this report is not to be construed as an offer or the solicitation of an offer to sell or buy the securities herein mentioned. This report is the independent work of SCP and is not to be construed as having been issued by, or in any way endorsed or guaranteed by, any issuing companies of the securities mentioned herein.

SCP does not provide, nor has it received compensation for investment banking services on the securities covered in this report. SCP does not expect to receive compensation for investment banking services on the securities covered in this report. SCP has a non-exclusive Advisory Services agreement to provide research coverage, retail and institutional awareness, and overall Investor Relations support and for which it is compensated \$5,000 per month. SCP’s equity affiliate, Stonegate Capital Markets (SCM) - member FINRA/SIPC - may seek to provide investment banking services on the securities covered in this report for which it could be compensated.

SCP Analysts are restricted from holding or trading securities in the issuers which they cover. Research Analyst and/or a member of the Analyst’s household do not own shares of this security. Research Analyst, employees of SCP, and/or a member of the Analyst’s household do not serve as an officer, director, or advisory board member of the Company. SCP and SCM do not make a market in any security nor do they act as dealers in securities.

SCP Analysts are paid in part based on the overall profitability of SCP and SCM. Such profitability is derived from a variety of sources and includes payments received from issuers of securities covered by SCP for services described above. No part of Analyst compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in any report or article. This security is eligible for sale in one or more states. This security may be subject to the Securities and Exchange Commission’s Penny Stock Rules, which may set forth sales practice requirements for certain low-priced securities.

CONTACT INFORMATION

Black Diamond Corp.

Jason Zhang, Director
2nd Avenue S.W. Suite 1000, 440
Calgary, Alberta T2P 5E9
Phone: (403) 206-4739
www.blackdiamondgroup.com

Investor Relations

Stonegate Capital Partners
8201 Preston Road, Ste. 325
Dallas, TX 75225
Phone: (214) 987-4121
www.stonegateinc.com