



## **BOYD GROUP SERVICES INC.**

Interim Condensed Consolidated Financial Statements

Three Months Ended March 31, 2021

**Notice:** These interim condensed consolidated financial statements have not been audited or reviewed by BGSi's independent external auditors, Deloitte LLP.

**BOYD GROUP SERVICES INC.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)**  
*(thousands of U.S. dollars)*

		March 31, 2021	December 31, 2020 <i>(Note 4)</i>	January 1, 2020 <i>(Note 4)</i>
	<i>Note</i>			
<b>Assets</b>				
Current assets:				
Cash		\$ 61,477	\$ 61,041	\$ 27,308
Accounts receivable		72,986	86,957	86,808
Income taxes recoverable		3,982	6,087	975
Inventory		32,925	32,079	36,889
Prepaid expenses		27,366	20,272	23,230
		<b>198,736</b>	206,436	175,210
Property, plant and equipment	6	248,471	237,945	227,579
Right of use assets	7	384,579	381,966	364,042
Deferred income tax asset		1,129	649	—
Intangible assets	8	279,928	276,381	267,449
Goodwill	9	470,076	463,734	427,005
Other long-term assets		4,547	4,436	2,554
		<b>\$ 1,587,466</b>	\$ 1,571,547	\$ 1,463,839
<b>Liabilities and Equity</b>				
Current liabilities:				
Accounts payable and accrued liabilities		\$ 214,536	\$ 210,185	\$ 207,710
Distributions and dividends payable	10	2,408	2,364	717
Current portion of long-term debt	11	14,911	15,594	17,033
Current portion of lease liabilities	12	79,780	77,941	84,354
		<b>311,635</b>	306,084	309,814
Long-term debt	11	163,429	164,634	302,694
Lease liabilities	12	343,221	341,370	310,911
Deferred income tax liability		43,657	41,355	30,036
Unearned rebates		6,270	6,424	7,039
Exchangeable Class A common shares		—	—	28,742
Non-controlling interest put option		—	—	3,477
		<b>868,212</b>	859,867	992,713
<b>Equity</b>				
Accumulated other comprehensive earnings		67,396	65,157	47,088
Retained earnings		48,207	42,872	7,548
Shareholders' capital		600,047	600,047	412,886
Contributed surplus		3,604	3,604	3,604
		<b>719,254</b>	711,680	471,126
		<b>\$ 1,587,466</b>	\$ 1,571,547	\$ 1,463,839

*The accompanying rows are an integral part of these interim condensed consolidated financial statements*

Approved by the Board:

TIMOTHY O'DAY  
Director

ALLAN DAVIS  
Director

**BOYD GROUP SERVICES INC.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)**  
*(thousands of U.S. dollars, except share amounts)*

	Note	Shareholders' Capital		Contributed Surplus	Accumulated Other Comprehensive Earnings	Retained Earnings	Total Equity
		Shares	Amount				
Balances - January 1, 2020	4	20,022,381	\$ 412,886	\$ 3,604	\$ 47,088	\$ 7,548	\$ 471,126
Issue costs (net of tax of \$2,106)			(5,871)				(5,871)
Shares issued through public offering		1,265,000	164,297				164,297
Shares issued in connection with conversion to corporate form		184,813	28,735				28,735
Other comprehensive earnings					18,069		18,069
Net earnings						44,114	44,114
Comprehensive earnings					18,069	44,114	62,183
Dividends to shareholders						(8,790)	(8,790)
Balances - December, 31 2020	4	21,472,194	\$ 600,047	\$ 3,604	\$ 65,157	\$ 42,872	\$ 711,680
Other comprehensive earnings					2,239		2,239
Net earnings						7,743	7,743
Comprehensive earnings					2,239	7,743	9,982
Dividends to shareholders	10					(2,408)	(2,408)
Balance - March 31, 2021		21,472,194	\$ 600,047	\$ 3,604	\$ 67,396	\$ 48,207	\$ 719,254
Balances - January 1, 2020	4	20,022,381	\$ 412,886	\$ 3,604	\$ 47,088	\$ 7,548	\$ 471,126
Issue costs (net of tax of \$216)			(613)				(613)
Shares issued in connection with conversion to corporate form		184,813	28,735				28,735
Other comprehensive loss					(6,236)		(6,236)
Net earnings						16,976	16,976
Comprehensive earnings					(6,236)	16,976	10,740
Dividends to shareholders	10					(1,999)	(1,999)
Balances - March 31, 2020	4	20,207,194	\$ 441,008	\$ 3,604	\$ 40,852	\$ 22,525	\$ 507,989

*The accompanying notes are an integral part of these interim condensed consolidated financial statements*

**BOYD GROUP SERVICES INC.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF STATEMENTS OF EARNINGS (Unaudited)**  
*(thousands of U.S. dollars, except share and per share amounts)*

	Note	Three months ended March 31,	
		2021	2020 <i>(Note 4)</i>
Sales	15	\$ 421,643	\$ 467,837
Cost of sales		227,686	258,346
Gross profit		193,957	209,491
Operating expenses		141,209	149,002
Acquisition and transaction costs		768	589
Depreciation of property, plant and equipment	6	9,559	8,594
Depreciation of right of use assets	7	20,112	18,590
Amortization of intangible assets	8	5,065	4,508
Fair value adjustments		—	(2,191)
Finance costs		6,732	8,272
		183,445	187,364
Earnings before income taxes		10,512	22,127
Income tax expense (recovery)			
Current		939	(7,416)
Deferred		1,830	12,567
		2,769	5,151
Net earnings		\$ 7,743	\$ 16,976

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

<b>Basic earnings per share</b>	16	\$ 0.36	\$ 0.84
<b>Diluted earnings per share</b>	16	\$ 0.36	\$ 0.71
<b>Basic weighted average number of shares outstanding</b>	16	21,472,194	20,207,194
<b>Diluted weighted average number of shares outstanding</b>	16	21,472,518	20,214,223

**BOYD GROUP SERVICES INC.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS**  
**(Unaudited)**

*(thousands of U.S. dollars)*

	Three months ended March 31,	
	2021	2020 <i>(Note 4)</i>
Net earnings	\$ 7,743	\$ 16,976
<b>Other comprehensive earnings (loss)</b>		
Items that may be reclassified subsequently to Interim Condensed Consolidated Statements of Earnings		
Change in unrealized earnings on foreign currency translation	2,239	(6,236)
<b>Other comprehensive earnings (loss)</b>	2,239	(6,236)
<b>Comprehensive earnings</b>	\$ 9,982	\$ 10,740

*The accompanying notes are an integral part of these interim condensed consolidated financial statements*

**BOYD GROUP SERVICES INC.**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**  
*(thousands of U.S. dollars)*

		<b>Three months ended</b>	
		<b>March 31,</b>	
		<b>2021</b>	2020
		<i>(Note 4)</i>	
<i>Note</i>			
<b>Cash flows from operating activities</b>			
Net earnings		\$ 7,743	\$ 16,976
Adjustments for			
Fair value adjustments		—	(2,191)
Deferred income taxes		1,830	12,567
Finance costs		6,732	8,272
Amortization of intangible assets	8	5,065	4,508
Depreciation of property, plant and equipment	6	9,559	8,594
Depreciation of right of use assets	7	20,112	18,590
Other		(363)	150
		<b>50,678</b>	<b>67,466</b>
Changes in non-cash working capital items		<b>12,585</b>	<b>336</b>
		<b>63,263</b>	<b>67,802</b>
<b>Cash flows (used in) from financing activities</b>			
Issue costs		—	(829)
Increase in obligations under long-term debt	11	—	495,502
Repayment of long-term debt, principal	11	(2,456)	(122,082)
Repayment of obligations under property leases, principal		(18,707)	(17,266)
Repayment of obligations under vehicle and equipment leases, principal		(510)	(588)
Interest on long-term debt	11	(2,332)	(3,933)
Interest on property leases		(4,097)	(4,275)
Interest on vehicle and equipment leases		(77)	(86)
Dividends paid		(2,379)	(711)
Payment of financing costs		—	(1,320)
		<b>(30,558)</b>	<b>344,412</b>
<b>Cash flows used in investing activities</b>			
Proceeds on sale of equipment and software	6	212	156
Equipment purchases and facility improvements		(6,667)	(6,990)
Acquisition and development of businesses (net of cash acquired)		(24,080)	(24,661)
Software purchases and licensing	8	(1,933)	(159)
Increase in other long-term assets		(91)	(67)
		<b>(32,559)</b>	<b>(31,721)</b>
Effect of foreign exchange rate changes on cash		290	(1,446)
Net (decrease) increase in cash position		436	379,047
Cash beginning of period		61,041	27,308
Cash, end of period		\$ 61,477	\$ 406,355
Income taxes (recovered) paid		\$ (1,169)	\$ 279
Interest paid		\$ 6,692	\$ 8,003

*The accompanying notes are an integral part of these interim condensed consolidated financial statements*

**BOYD GROUP SERVICES INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

For the three months ended March 31, 2021 and 2020  
(thousands of U.S. dollars, except share and share amounts)

**1. GENERAL INFORMATION**

Boyd Group Services Inc. (“BGSI”) is a Canadian corporation and controls The Boyd Group Inc. and its subsidiaries.

The Company’s business consists of the ownership and operation of autobody/autoglass repair facilities and related services. At the reporting date, the Company operated locations in Canada under the trade name Boyd Autobody & Glass and Assured Automotive, as well as in the U.S. under the trade name Gerber Collision & Glass. In addition, the Company is a major retail auto glass operator in the U.S. under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority and Autoglassonly.com. The Company also operates Gerber National Claim Services (“GNCS”), that offers glass, emergency roadside and first notice of loss services.

The shares of the Company are listed on the Toronto Stock Exchange and trade under the symbol “BYD.TO”. The head office and principal address of the Company are located at 1745 Ellice Avenue, Winnipeg, Manitoba, Canada, R3H 1A6.

The policies applied in these interim condensed consolidated financial statements are based on International Financial Reporting Standards (“IFRS”) issued and effective as of May 11, 2021, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in BGSI’s annual consolidated financial statements for the year ending December 31, 2021 could result in restatement of these interim condensed consolidated financial statements.

**2. BASIS OF PRESENTATION**

These interim condensed consolidated financial statements for the three months ended March 31, 2021 have been prepared in accordance with IAS 34, *Interim financial reporting* using the same accounting policies and methods of computation followed in the consolidated financial statements for the year ended December 31, 2020, except as disclosed below. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2020, which have been prepared in accordance with IFRS.

The functional currency of Boyd Group Services Inc. is the Canadian dollar (“CAD”). These consolidated financial statements are presented in US dollars (“USD”).

Effective January 1, 2021, the Company changed its presentation currency from the CAD to USD to better reflect the Company’s business activities, given the significance of revenues denominated in USD. Further detail is provided in Note 4 Change in Accounting Policies. Assets and liabilities are translated at the closing rate at the end of each reporting period. Profit or loss items are translated at average exchange rates for all the relevant periods. All resulting translation differences are recognized as a component of other comprehensive earnings (loss) and as a component of accumulated other comprehensive earnings in equity.

**BOYD GROUP SERVICES INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

For the three months ended March 31, 2021 and 2020

*(thousands of U.S. dollars, except share and share amounts)*

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*COVID-19 Impact*

On March 11, 2020, the World Health Organization declared the novel Coronavirus (COVID-19) as a global pandemic. In response, governments worldwide enacted emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses resulting in a global economic slowdown as well as significant volatility in equity markets. The pandemic impacted the demand for collision repair services throughout 2020 and has continued to impact demand in 2021. A slower economic re-opening, as well as greater restrictions, caused a more significant decline in demand for services in Canada when compared to the U.S.

As at March 31, 2021, BGSi is not able to reliably forecast the severity or duration of the impact that COVID-19 will have on the economy, or on BGSi's operations. The extent to which the impacts of the COVID-19 pandemic affects the judgments and estimates depend on future developments, which are highly uncertain and cannot be predicted. Management will continue to monitor and assess the impact of the pandemic on its judgments, estimates, accounting policies and amounts recognized in these interim condensed consolidated financial statements.

**4. CHANGES IN ACCOUNTING POLICIES**

Effective January 1, 2021, the Company changed its presentation currency from Canadian dollars ("CAD") to US dollars ("USD"). This change will provide shareholders with a better reflection of the Company's business activities, given the significance of revenues denominated in USD. The change in presentation currency represents a voluntary change in accounting policy. The Company has applied the presentation currency change retrospectively. All periods presented in the unaudited interim condensed consolidated financial statements have been translated into the new presentation currency, in accordance with the guidance in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

The interim condensed consolidated statements of earnings and the interim condensed consolidated statements of cash flows have been translated into the presentation currency using the average exchange rates prevailing during each reporting period. In the interim condensed consolidated statements of financial position, all assets and liabilities have been translated using the period-end exchange rates, and all resulting exchange differences have been recognized in accumulated other comprehensive earnings. Asset and liability amounts previously reported in CAD have been translated into USD as at January 1, 2020, and December 31, 2020 using the period-end exchange rates below and shareholders' equity balances have been translated using historical rates in effect on the date of the transactions.

USD/CAD Exchange Rate	March 31, 2021	December 31, 2020	March 31, 2020	January 1, 2020
Closing rate at the reporting date	0.7952	0.7854	0.7049	0.7699
Average rate for the period	0.7896	0.7456	0.7439	0.7537

**BOYD GROUP SERVICES INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

For the three months ended March 31, 2021 and 2020

(thousands of U.S. dollars, except share and share amounts)

The change in presentation currency resulted in the following impact on the January 1, 2020, opening consolidated statement of financial position:

	Previously reported in CAD January 1, 2020	Presentation currency change	Reported in USD January 1, 2020
Total assets	\$ 1,901,253	\$ (437,414)	\$ 1,463,839
Total liabilities	1,289,341	(296,628)	992,713
Total equity	611,912	(140,786)	471,126

The change in presentation currency resulted in the following impact on the December 31, 2020, consolidated statement of financial position:

	Previously reported in CAD December 31, 2020	Presentation currency change	Reported in USD December 31, 2020
Total assets	\$ 2,000,905	\$ (429,358)	\$ 1,571,547
Total liabilities	1,094,779	(234,912)	859,867
Total equity	906,126	(194,446)	711,680

The change in presentation currency resulted in the following impact on the three months ended March 31, 2020 consolidated statements of statement of earnings and comprehensive earnings:

	Previously reported in CAD March 31, 2020	Presentation currency change	Reported in USD March 31, 2020
Sales	\$ 628,350	\$ (160,513)	\$ 467,837
Gross profit	281,380	(71,889)	209,491
Operating expenses	199,963	(50,961)	149,002
Net earnings	22,655	(5,679)	16,976
Comprehensive earnings	75,079	(64,339)	10,740

The change in presentation currency resulted in the following impact on the year ended December 31, 2020 consolidated statements of statement of earnings and comprehensive income:

	Previously reported in CAD at December 31, 2020	Impact of the presentation currency change	Reported in USD at December 31, 2020
Sales	\$ 2,089,115	\$ (527,891)	\$ 1,561,224
Gross profit	961,930	(243,051)	718,879
Operating expenses	668,379	(169,534)	498,845
Net earnings	57,734	(13,620)	44,114
Comprehensive earnings	45,266	16,917	62,183



**BOYD GROUP SERVICES INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

For the three months ended March 31, 2021 and 2020

(thousands of U.S. dollars, except share and share amounts)

The change in presentation currency resulted in the following impact on the year ended December 31, 2020 basic and diluted earnings per share:

	Previously reported in CAD December 31, 2020	Presentation currency change	Reported in USD December 31, 2020
Basic earnings per share for the year ended	\$2.75	\$(0.65)	\$2.10
Diluted earnings per share for the year ended	\$2.60	\$(0.60)	\$2.00

*Stock Option Plan*

During the period, the Company adopted a stock option plan, subject to shareholder approval on May 12, 2021, for senior management. Options are awarded and vest over a five year period. The fair value of each option is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the option vesting period, based on the number of options expected to vest, with the offset credited to contributed surplus.

**5. ACQUISITIONS**

The Company completed seven acquisitions that added 10 locations during the three months ended March 31, 2021 as follows:

Acquisition Date	Location
January 15, 2021	Wyandotte, MI
February 12, 2021	Columbia, SC
February 19, 2021	Mentor & Streetsboro, OH (2 locations)
February 23, 2021	Amarillo, TX
March 26, 2021	Simi Valley, CA
March 26, 2021	Tallahassee, FL (3 locations)
March 31, 2021	Milwaukee, WI

**BOYD GROUP SERVICES INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

For the three months ended March 31, 2021 and 2020

(thousands of U.S. dollars, except share and share amounts)

BGSI has accounted for the 2021 acquisitions using the acquisition method as follows:

<b>Acquisitions in 2021</b>	Total acquisitions
<b>Identifiable net assets acquired at fair value:</b>	
Other current assets	\$ 285
Property, plant and equipment	6,229
Right of use assets	6,629
Identified intangible assets	
Customer relationships	5,616
Non-compete agreements	299
Lease liabilities	(6,629)
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Identifiable net assets acquired	\$ 12,429
Goodwill	5,102
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Total purchase consideration	\$ 17,531
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<b>Consideration provided</b>	
Cash paid or payable	\$ 15,691
Seller notes	1,840
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Total consideration provided	\$ 17,531

The preliminary purchase prices for the 2021 acquisitions may be revised as additional information becomes available. Further adjustments may be recorded in future periods as purchase price adjustments are finalized.

Canadian acquisition transactions are initially recognized in U.S. dollars at the rates of exchange in effect on the transaction dates. Subsequently, the assets and liabilities are translated at the rate in effect at the Statement of Financial Position date.

A significant part of the goodwill recorded on the acquisitions can be attributed to the assembled workforce and the operating know-how of key personnel. However, no intangible assets qualified for separate recognition in this respect.

Goodwill recognized during 2021 is expected to be deductible for tax purposes.

**BOYD GROUP SERVICES INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

For the three months ended March 31, 2021 and 2020  
*(thousands of U.S. dollars, except share and share amounts)*

**6. PROPERTY, PLANT AND EQUIPMENT**

As at	<b>March 31, 2021</b>	December 31, 2020 <i>(Note 4)</i>
Balance, beginning of year	\$ 237,945	\$ 227,579
Acquired through business combination	6,229	13,030
Additions	13,726	45,222
Proceeds on disposal	(212)	(11,097)
Loss on disposal	121	(252)
Transfers from right of use assets	—	(491)
Depreciation	(9,559)	(37,183)
Foreign exchange	221	1,137
Balance, end of period	<b>\$ 248,471</b>	<b>\$ 237,945</b>

**7. RIGHT OF USE ASSETS**

As at	<b>March 31, 2021</b>	December 31, 2020 <i>(Note 4)</i>
Balance, beginning of year	\$ 381,966	364,042
Acquired through business combinations	6,629	22,130
Additions and modifications	15,583	71,569
Depreciation	(20,112)	(76,080)
Loss on disposal	(115)	(251)
Transfers to property, plant and equipment	—	491
Foreign exchange	628	65
Balance, end of period	<b>\$ 384,579</b>	<b>\$ 381,966</b>

**BOYD GROUP SERVICES INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

For the three months ended March 31, 2021 and 2020  
*(thousands of U.S. dollars, except share and share amounts)*

**8. INTANGIBLE ASSETS**

As at	<b>March 31, 2021</b>	December 31, 2020 <i>(Note 4)</i>
Balance, beginning of year	\$ 276,381	\$ 267,449
Acquired through business combination	5,915	24,330
Additions	1,933	2,063
Amortization	(5,065)	(18,527)
Foreign exchange	764	1,066
Balance, end of period	<b>\$ 279,928</b>	<b>\$ 276,381</b>

**9. GOODWILL**

As at	<b>March 31, 2021</b>	December 31, 2020 <i>(Note 4)</i>
Balance, beginning of year	\$ 463,734	\$ 427,005
Acquired through business combination	5,102	34,711
Foreign exchange	1,240	2,018
Balance, end of period	<b>\$ 470,076</b>	<b>\$ 463,734</b>

**BOYD GROUP SERVICES INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

For the three months ended March 31, 2021 and 2020  
*(thousands of U.S. dollars, except share and share amounts)*

**10. DIVIDENDS**

The Company's Directors have discretion in declaring dividends. The Company declares and pays dividends from its available cash from operations taking into account current and future performance amounts necessary for principal and interest payments on debt obligations, amounts required for maintenance capital expenditures and amounts allocated to reserves.

The Company declared dividends of C\$0.141 per share in the first quarter of 2021 (2020 - C\$0.138).

Dividends to shareholders were declared and paid as follows:

<b>Record date</b>	<b>Payment date</b>	<b>Dividend amount</b>
March 31, 2021	April 28, 2021	\$ 2,408
		<hr/>
		\$ 2,408

<b>Record date</b>	<b>Payment date</b>	<b>Dividend amount</b> <i>(Note 4)</i>
March 31, 2020	April 28, 2020	\$ 1,999
		<hr/>
		\$ 1,999

**11. LONG-TERM DEBT**

Long-term debt is comprised of the following:

<b>As at</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b> <i>(Note 4)</i>
Term Loan A (net of financing costs)	\$ 123,760	\$ 123,705
Seller notes	54,580	56,523
	<hr/>	<hr/>
	\$ 178,340	\$ 180,228
Current portion	14,911	15,594
	<hr/>	<hr/>
	\$ 163,429	\$ 164,634

**BOYD GROUP SERVICES INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

For the three months ended March 31, 2021 and 2020

(thousands of U.S. dollars, except share and share amounts)

The following is the continuity of long-term debt:

As at	<b>March 31, 2021</b>	December 31, 2020 <i>(Note 4)</i>
Balance, beginning of period	\$ 180,228	\$ 319,727
Consideration on acquisition	1,840	39,635
Draws	—	495,502
Repayments	(2,456)	(673,009)
Deferred financing costs	—	(1,395)
Amortization of deferred finance costs	71	520
Foreign exchange	(1,343)	(752)
Balance, end of period	<b>\$ 178,340</b>	<b>\$ 180,228</b>

Included in finance costs for the three months ended March 31, 2021 is interest on long-term debt of \$2,332 (2020 - \$3,925).

**12. LEASE LIABILITIES**

The following is the continuity of lease liabilities:

As at	<b>March 31, 2021</b>	December 31, 2020 <i>(Note 4)</i>
Balance, beginning of period	\$ 419,311	\$ 395,265
Assumed on acquisition	6,629	22,130
Additions and modifications	15,583	72,094
Repayments	(23,391)	(87,972)
Financing costs	4,174	16,796
Foreign exchange	695	998
Balance, end of period	<b>\$ 423,001</b>	<b>\$ 419,311</b>
Current portion	<b>79,780</b>	<b>77,941</b>
	<b>\$ 343,221</b>	<b>\$ 341,370</b>

**BOYD GROUP SERVICES INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

For the three months ended March 31, 2021 and 2020

(thousands of U.S. dollars, except share and share amounts)

Lease expenses are presented in the consolidated statement of earnings as follows:

	Three Months Ended March 31,	
	2021	2020 (Note 4)
Operating expenses	\$ 1,045	\$ 908
Depreciation of right of use assets	\$ 20,112	\$ 18,590
Finance costs	\$ 4,174	\$ 4,361

Included in operating expenses are short-term and low-value asset lease expenses of \$1,045 for the three months ended March 31, 2021 (2020 - \$908).

**13. FINANCIAL INSTRUMENTS**

**Carrying value and estimated fair value of financial instruments**

	Classification	Fair value hierarchy	March 31, 2021		December 31, 2020 (Note 4)	
			Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Cash	Amortized cost	n/a	61,477	61,477	61,041	61,041
Accounts receivable	Amortized cost	n/a	72,986	72,986	86,957	86,957
<b>Financial liabilities</b>						
Accounts payable and accrued liabilities	Amortized cost	n/a	214,536	214,536	210,185	210,185
Dividends payable	Amortized cost	n/a	2,408	2,408	2,364	2,364
Long-term debt	Amortized cost	n/a	178,340	178,368	180,228	180,259

(1) Fair Value Through Profit or Loss

For the Company's current financial assets and liabilities, including accounts receivable, accounts payable and accrued liabilities, and dividends payable, which are short term in nature and subject to normal trade terms, the carrying values approximate their fair value. The fair value of BGSI's long-term debt has been determined by calculating the present value of the interest rate spread that exists between the actual Term Loan A and the rate that would be negotiated with the economic conditions at the reporting date. As there is no ready secondary market for BGSI's other long-term debt, the fair value has been estimated using the discounted cash flow method.

**BOYD GROUP SERVICES INC.**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

For the three months ended March 31, 2021 and 2020

(thousands of U.S. dollars, except share and share amounts)

**Collateral**

The Company's syndicated loan facility is collateralized by a General Security Agreement. The carrying amount of the financial assets pledged as collateral for this facility at March 31, 2021 was approximately \$134,463 (December 31, 2020 - \$147,998).

**14. SEASONALITY**

BGSI's financial results for any individual quarter are not necessarily indicative of results to be expected for the full year. Interim period revenues, operating expenses and earnings are typically sensitive to regional and local weather, market conditions, and in particular, to cyclical variations in economic activity and market demand.

**15. SEGMENTED REPORTING**

BGSI has one reportable line of business, being automotive collision repair and related services, with all revenues relating to a group of similar services. In this circumstance, IFRS requires BGSI to provide geographical disclosure. For the periods reported, all of BGSI's revenues were derived within Canada or the United States of America. Reportable assets include property, plant and equipment, right of use assets, goodwill and intangible assets which are all located within these two geographic areas.

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		<i>(Note 4)</i>
Canada	\$ 37,277	\$ 56,569
United States	<b>384,366</b>	411,268
	<b>\$ 421,643</b>	\$ 467,837

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
<b>Reportable Assets</b>		<i>(Note 4)</i>
As at		
Canada	\$ 232,869	\$ 231,751
United States	<b>1,150,185</b>	1,128,275
	<b>\$ 1,383,054</b>	\$ 1,360,026



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**(Unaudited)**

For the three months ended March 31, 2021 and 2020  
(thousands of U.S. dollars, except share and share amounts)

**16. EARNINGS PER SHARE**

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b> <i>(Note 4)</i>
Net earnings	\$ 7,743	\$ 16,976
Less:		
Non-controlling interest put option	—	(2,530)
<b>Net earnings - diluted basis</b>	<b>\$ 7,743</b>	<b>\$ 14,446</b>
Basic weighted average number of shares	<b>21,472,194</b>	20,207,194
Add:		
Non-controlling interest put option	—	7,029
Stock option plan	<b>324</b>	—
<b>Average number of shares outstanding - diluted basis</b>	<b>21,472,518</b>	<b>20,214,223</b>
<b>Basic earnings per share</b>	<b>\$ 0.36</b>	<b>\$ 0.84</b>
<b>Diluted earnings per share</b>	<b>\$ 0.36</b>	<b>\$ 0.71</b>

**17. STOCK OPTION PLAN**

During the period, the Company instituted a stock option plan, subject to shareholder approval on May 12, 2021, for senior management. The Company's stock option plan allows for the granting of options up to an amount of 250,000 Common shares under this plan. Each tranche of the options vests equally over two, three, four and five year periods.

On March 31, 2021 the Company issued 13,831 options under the share option plan with a grant date fair value of \$56.99 per option and an exercise price of \$219.21 per option. None of the options are exercisable at period end.

**18. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

As at	December 31, 2020 <i>(Note 4)</i>	Cash Flows	Non-cash changes				March 31, 2021
			Acquisition	Other items	Fair value changes	Foreign exchange	
Long-term debt	\$ 180,228	(4,788)	1,840	2,403	—	(1,343)	<b>\$ 178,340</b>
Lease liabilities	419,311	(23,391)	6,629	19,757	—	695	<b>423,001</b>
Dividends	2,364	(2,379)	—	2,408	—	15	<b>2,408</b>
	<b>\$ 601,903</b>	<b>(30,558)</b>	<b>8,469</b>	<b>24,568</b>	<b>—</b>	<b>(633)</b>	<b>\$ 603,749</b>