



BOYD GROUP SERVICES INC.

Interim Condensed Consolidated Financial Statements

Three and Six Months Ended June 30, 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)

| | | June 30, 2021 | December 31, 2020 <i>(Note 4)</i> | January 1, 2020 <i>(Note 4)</i> |
|--|-------------|---------------------|---|---------------------------------------|
| | <i>Note</i> | | | |
| Assets | | | | |
| Current assets: | | | | |
| Cash | | \$ 35,612 | \$ 61,041 | \$ 27,308 |
| Accounts receivable | | 87,250 | 86,957 | 86,808 |
| Income taxes recoverable | | 2,368 | 6,087 | 975 |
| Inventory | | 39,667 | 32,079 | 36,889 |
| Prepaid expenses | | 26,546 | 20,272 | 23,230 |
| | | 191,443 | 206,436 | 175,210 |
| Property, plant and equipment | 6 | 271,029 | 237,945 | 227,579 |
| Right of use assets | 7 | 429,485 | 381,966 | 364,042 |
| Deferred income tax asset | | 1,203 | 649 | — |
| Intangible assets | 8 | 312,418 | 276,381 | 267,449 |
| Goodwill | 9 | 516,648 | 463,734 | 427,005 |
| Other long-term assets | | 4,751 | 4,436 | 2,554 |
| | | \$ 1,726,977 | \$ 1,571,547 | \$ 1,463,839 |
| Liabilities and Equity | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities | | \$ 237,207 | \$ 210,185 | \$ 207,710 |
| Distributions and dividends payable | 10 | 2,478 | 2,364 | 717 |
| Current portion of long-term debt | 11 | 15,980 | 15,594 | 17,033 |
| Current portion of lease liabilities | 12 | 84,900 | 77,941 | 84,354 |
| | | 340,565 | 306,084 | 309,814 |
| Long-term debt | 11 | 222,286 | 164,634 | 302,694 |
| Lease liabilities | 12 | 383,574 | 341,370 | 310,911 |
| Deferred income tax liability | | 44,410 | 41,355 | 30,036 |
| Unearned rebates | | 6,116 | 6,424 | 7,039 |
| Exchangeable Class A common shares | | — | — | 28,742 |
| Non-controlling interest put option | | — | — | 3,477 |
| | | 996,951 | 859,867 | 992,713 |
| Equity | | | | |
| Accumulated other comprehensive earnings | | 70,209 | 65,157 | 47,088 |
| Retained earnings | | 56,191 | 42,872 | 7,548 |
| Shareholders' capital | | 600,047 | 600,047 | 412,886 |
| Contributed surplus | | 3,579 | 3,604 | 3,604 |
| | | 730,026 | 711,680 | 471,126 |
| | | \$ 1,726,977 | \$ 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

DAVID BROWN
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 |
| Issue costs - other (net of tax of \$29) | | | | (76) | | | (76) |
| Stock option accretion | | | | 51 | | | 51 |
| Other comprehensive earnings | | | | | 5,052 | | 5,052 |
| Net earnings | | | | | | 18,205 | 18,205 |
| Comprehensive earnings | | | | | 5,052 | 18,205 | 23,257 |
| Dividends to shareholders | 10 | | | | | (4,886) | (4,886) |
| Balance - June 30, 2021 | | 21,472,194 | \$ 600,047 | \$ 3,579 | \$ 70,209 | \$ 56,191 | \$ 730,026 |
| Balances - January 1, 2020 | 4 | 20,022,381 | \$ 412,886 | \$ 3,604 | \$ 47,088 | \$ 7,548 | \$ 471,126 |
| Issue costs (net of tax of \$2,103) | | | (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 | | | | | 1,927 | | 1,927 |
| Net earnings | | | | | | 12,006 | 12,006 |
| Comprehensive earnings | | | | | 1,927 | 12,006 | 13,933 |
| Dividends to shareholders | 10 | | | | | (4,185) | (4,185) |
| Balances - June 30, 2020 | 4 | 21,472,194 | \$ 600,047 | \$ 3,604 | \$ 49,015 | \$ 15,369 | \$ 668,035 |

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

| | Three months ended June 30, | | | | Six months ended June 30, | | | |
|---|-----------------------------|------------|------------|---------|---------------------------|------------|--|------|
| | | 2021 | 2020 | | 2021 | 2020 | | 2020 |
| | | | (Note 4) | | | (Note 4) | | |
| Sales | Note 15 | \$ 444,643 | \$ 307,951 | Note 15 | \$ 866,286 | \$ 775,788 | | |
| Cost of sales | | 239,500 | 163,781 | | 467,186 | 422,127 | | |
| Gross profit | | 205,143 | 144,170 | | 399,100 | 353,661 | | |
| Operating expenses | | 147,147 | 108,533 | | 288,356 | 257,535 | | |
| Acquisition and transaction costs | | 1,102 | 272 | | 1,870 | 861 | | |
| Depreciation of property, plant and equipment | 6 | 10,007 | 9,163 | 6 | 19,566 | 17,757 | | |
| Depreciation of right of use assets | 7 | 20,892 | 18,742 | 7 | 41,004 | 37,332 | | |
| Amortization of intangible assets | 8 | 5,496 | 4,624 | 8 | 10,561 | 9,132 | | |
| Fair value adjustments | | 98 | (72) | | 98 | (2,263) | | |
| Finance costs | | 6,050 | 9,424 | | 12,782 | 17,696 | | |
| | | 190,792 | 150,686 | | 374,237 | 338,050 | | |
| Earnings (loss) before income taxes | | 14,351 | (6,516) | | 24,863 | 15,611 | | |
| Income tax expense (recovery) | | | | | | | | |
| Current | | 3,165 | 3,652 | | 4,104 | (3,764) | | |
| Deferred | | 724 | (5,198) | | 2,554 | 7,369 | | |
| | | 3,889 | (1,546) | | 6,658 | 3,605 | | |
| Net earnings (loss) | | \$ 10,462 | \$ (4,970) | | \$ 18,205 | \$ 12,006 | | |

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

| | | | | | | | | |
|---|----|------------|------------|----|------------|------------|--|--|
| Basic earnings (loss) per share | 16 | \$ 0.49 | \$ (0.24) | 16 | \$ 0.85 | \$ 0.58 | | |
| Diluted earnings (loss) per share | 16 | \$ 0.49 | \$ (0.24) | 16 | \$ 0.85 | \$ 0.58 | | |
| Basic weighted average number of shares outstanding | 16 | 21,472,194 | 20,860,546 | 16 | 21,472,194 | 20,533,870 | | |
| Diluted weighted average number of shares outstanding | 16 | 21,472,194 | 20,860,546 | 16 | 21,472,194 | 20,533,870 | | |

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

(thousands of U.S. dollars)

| | Three months ended June 30, | | | | Six months ended June 30, | | | |
|--|-----------------------------|-----------|------------|--|---------------------------|-----------|--|------|
| | | 2021 | 2020 | | 2021 | 2020 | | 2020 |
| | | | | | | (Note 4) | | |
| Net earnings (loss) | | \$ 10,462 | \$ (4,970) | | \$ 18,205 | \$ 12,006 | | |
| Other comprehensive earnings | | | | | | | | |
| Items that may be reclassified subsequently to Interim Condensed Consolidated Statements of Earnings | | | | | | | | |
| Change in unrealized earnings on foreign currency translation | | 2,842 | 8,163 | | 5,052 | 1,927 | | |
| Other comprehensive earnings | | 2,842 | 8,163 | | 5,052 | 1,927 | | |
| Comprehensive earnings | | \$ 13,304 | \$ 3,193 | | \$ 23,257 | \$ 13,933 | | |

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)

| | | Three months ended June 30, | | Six months ended June 30, | |
|--|-------------|------------------------------------|-----------------|----------------------------------|-----------------|
| | | 2021 | 2020 | 2021 | 2020 |
| | | | <i>(Note 4)</i> | | <i>(Note 4)</i> |
| | <i>Note</i> | | | | |
| Cash flows from operating activities | | | | | |
| Net earnings (loss) | | \$ 10,462 | \$ (4,970) | \$ 18,205 | \$ 12,006 |
| Adjustments for | | | | | |
| Fair value adjustments | | 98 | (72) | 98 | (2,263) |
| Deferred income taxes | | 724 | (5,198) | 2,554 | 7,369 |
| Finance costs | | 6,050 | 9,424 | 12,782 | 17,696 |
| Amortization of intangible assets | 8 | 5,496 | 4,624 | 10,561 | 9,132 |
| Depreciation of property, plant and equipment | 6 | 10,007 | 9,163 | 19,566 | 17,757 |
| Depreciation of right of use assets | 7 | 20,892 | 18,742 | 41,004 | 37,332 |
| Other | | 136 | 16 | (227) | 166 |
| | | 53,865 | 31,729 | 104,543 | 99,195 |
| Changes in non-cash working capital items | | 4,636 | 12,825 | 17,221 | 13,161 |
| | | 58,501 | 44,554 | 121,764 | 112,356 |
| Cash flows (used in) from financing activities | | | | | |
| Shares issued through public offering | | — | 164,297 | — | 164,297 |
| Issue costs | | (105) | (7,144) | (105) | (7,973) |
| Increase in obligations under long-term debt | 11 | 55,000 | — | 55,000 | 495,502 |
| Repayment of long-term debt, principal | 11 | (5,158) | (194,531) | (7,614) | (316,613) |
| Repayment of obligations under property leases, principal | | (19,922) | (17,107) | (38,629) | (34,373) |
| Repayment of obligations under vehicle and equipment leases, principal | | (515) | (536) | (1,025) | (1,124) |
| Interest on long-term debt | 11 | (2,192) | (5,124) | (4,524) | (9,057) |
| Interest on property leases | | (4,100) | (4,109) | (8,197) | (8,384) |
| Interest on vehicle and equipment leases | | (65) | (70) | (142) | (156) |
| Dividends paid | | (2,423) | (1,984) | (4,802) | (2,695) |
| Payment of financing costs | | — | (75) | — | (1,395) |
| | | 20,520 | (66,383) | (10,038) | 278,029 |
| Cash flows used in investing activities | | | | | |
| Proceeds on sale of equipment and software | 6 | 340 | 75 | 552 | 231 |
| Equipment purchases and facility improvements | | (6,966) | (6,240) | (13,633) | (13,230) |
| Acquisition and development of businesses (net of cash acquired) | | (96,317) | (10,294) | (120,397) | (34,955) |
| Software purchases and licensing | 8 | (2,122) | (83) | (4,055) | (242) |
| Increase in other long-term assets | | (209) | 167 | (300) | 100 |
| | | (105,274) | (16,375) | (137,833) | (48,096) |
| Effect of foreign exchange rate changes on cash | | 388 | 6,227 | 678 | 4,781 |
| Net (decrease) increase in cash position | | (25,865) | (31,977) | (25,429) | 347,070 |
| Cash beginning of period | | 61,477 | 406,355 | 61,041 | 27,308 |
| Cash, end of period | | \$ 35,612 | \$ 374,378 | \$ 35,612 | \$ 374,378 |
| Income taxes (recovered) paid | | \$ 1,533 | \$ 47 | \$ 384 | \$ 326 |
| Interest paid | | \$ 6,001 | \$ 8,883 | \$ 12,693 | \$ 16,886 |

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 and six months ended June 30, 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 August 10, 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 and six months ended June 30, 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.
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(Unaudited)

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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 continued to impact demand in the first quarter of 2021 in both Canada and the U.S. During the second quarter of 2021, the pandemic continued to impact demand for collision services in Canada, while demand in the U.S. increased throughout the quarter. 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 June 30, 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 | June 30, 2021 | December 31, 2020 | June 30, 2020 | January 1, 2020 |
|------------------------------------|---------------|-------------------|---------------|-----------------|
| Closing rate at the reporting date | 0.8068 | 0.7854 | 0.7338 | 0.7699 |
| Average rate for the period | 0.8145 | 0.7456 | 0.7216 | 0.7537 |

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

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(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 June 30, 2020 consolidated statements of statement of earnings and comprehensive earnings:

| | Previously reported in CAD June 30, 2020 | Presentation currency change | Reported in USD June 30, 2020 |
|-------------------------------|--|---------------------------------|-------------------------------------|
| Sales | \$ 426,473 | \$ (118,522) | \$ 307,951 |
| Gross profit | 199,562 | (55,392) | 144,170 |
| Operating expenses | 150,380 | (41,847) | 108,533 |
| Net loss | (7,059) | 2,089 | (4,970) |
| Comprehensive (loss) earnings | (31,544) | 34,737 | 3,193 |

The change in presentation currency resulted in the following impact on the six months ended June 30, 2020 consolidated statements of statement of earnings and comprehensive earnings:

| | Previously reported in CAD June 30, 2020 | Presentation currency change | Reported in USD June 30, 2020 |
|------------------------|--|---------------------------------|-------------------------------------|
| Sales | \$ 1,054,823 | \$ (279,035) | \$ 775,788 |
| Gross profit | 480,942 | (127,281) | 353,661 |
| Operating expenses | 350,343 | (92,808) | 257,535 |
| Net earnings | 15,596 | (3,590) | 12,006 |
| Comprehensive earnings | 43,535 | (29,602) | 13,933 |

BOYD GROUP SERVICES INC.
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(Unaudited)

For the three and six months ended June 30, 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 consolidated statements of statement of earnings and comprehensive income:

| | Previously reported in CAD December 31, 2020 | Presentation currency change | Reported in USD 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 |

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 first quarter of 2021, the Company adopted a stock option plan, which was approved by shareholders 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.

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(Unaudited)

For the three and six months ended June 30, 2021 and 2020

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

5. ACQUISITIONS

The Company completed 18 acquisitions that added 42 locations during the six months ended June 30, 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 |
| April 9, 2021 | Vero Beach, FL |
| April 23, 2021 | Escondido, CA |
| April 27, 2021 | Denton and Flour Mound, TX (2 locations) |
| April 30, 2021 | Green Bay, WI |
| April 30, 2021 | Sanford and Southern Pines, NC (2 locations) |
| May 7, 2021 | Kaneohe, Wahiawa & Waipahu, HI (3 locations) |
| May 14, 2021 | Baltimore & Reisterstown, MD (2 locations) |
| June 11, 2021 | Victor, NY |
| June 15, 2021 | Pittsburgh, PA |
| June 18, 2021 | Austin, TX (2 locations) |
| June 25, 2021 | Georgia & South Carolina (16 locations) |

During the second quarter of 2021, the Company acquired a mobile scanning and calibration business.

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(Unaudited)

For the three and six months ended June 30, 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:

| Acquisitions in 2021 | Total acquisitions |
|--|-----------------------|
| Identifiable net assets acquired at fair value: | |
| Other currents assets | \$ 1,550 |
| Property, plant and equipment | 20,241 |
| Right of use assets | 60,327 |
| Identified intangible assets | |
| Customer relationships | 38,636 |
| Non-compete agreements | 1,656 |
| Brandname | 577 |
| Lease liabilities | (60,327) |
| Identifiable net assets acquired | \$ 62,660 |
| Goodwill | 50,206 |
| Total purchase consideration | \$ 112,866 |
| Consideration provided | |
| Cash paid or payable | \$ 102,328 |
| Seller notes | 10,538 |
| Total consideration provided | \$ 112,866 |

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.

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

6. PROPERTY, PLANT AND EQUIPMENT

| As at | June 30, 2021 | December 31, 2020 |
|---------------------------------------|--------------------------|----------------------|
| | | <i>(Note 4)</i> |
| Balance, beginning of year | \$ 237,945 | \$ 227,579 |
| Acquired through business combination | 20,241 | 13,030 |
| Additions | 32,202 | 45,222 |
| Proceeds on disposal | (552) | (11,097) |
| Gain (loss) on disposal | 299 | (252) |
| Transfers from right of use assets | (90) | (491) |
| Depreciation | (19,566) | (37,183) |
| Foreign exchange | 550 | 1,137 |
| Balance, end of period | \$ 271,029 | \$ 237,945 |

7. RIGHT OF USE ASSETS

| As at | June 30, 2021 | December 31, 2020 |
|--|--------------------------|----------------------|
| | | <i>(Note 4)</i> |
| Balance, beginning of year | \$ 381,966 | 364,042 |
| Acquired through business combinations | 60,327 | 22,130 |
| Additions and modifications | 26,984 | 71,569 |
| Depreciation | (41,004) | (76,080) |
| Loss on disposal | (180) | (251) |
| Transfers to property, plant and equipment | 90 | 491 |
| Foreign exchange | 1,302 | 65 |
| Balance, end of period | \$ 429,485 | \$ 381,966 |

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

For the three and six months ended June 30, 2021 and 2020
(thousands of U.S. dollars, except share and share amounts)

8. INTANGIBLE ASSETS

| As at | June 30, 2021 | December 31, 2020 <i>(Note 4)</i> |
|---------------------------------------|--------------------------|---|
| Balance, beginning of year | \$ 276,381 | \$ 267,449 |
| Acquired through business combination | 40,869 | 24,330 |
| Additions | 4,055 | 2,063 |
| Amortization | (10,561) | (18,527) |
| Foreign exchange | 1,674 | 1,066 |
| Balance, end of period | \$ 312,418 | \$ 276,381 |

9. GOODWILL

| As at | June 30, 2021 | December 31, 2020 <i>(Note 4)</i> |
|---------------------------------------|--------------------------|---|
| Balance, beginning of year | \$ 463,734 | \$ 427,005 |
| Acquired through business combination | 50,206 | 34,711 |
| Foreign exchange | 2,708 | 2,018 |
| Balance, end of period | \$ 516,648 | \$ 463,734 |

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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 and second quarters of 2021 (2020 - C\$0.138).

Dividends to shareholders were declared and paid as follows:

| Record date | Payment date | Dividend amount | |
|--------------------|---------------------|------------------------|-------|
| March 31, 2021 | April 28, 2021 | \$ | 2,408 |
| June 30, 2021 | July 28, 2021 | | 2,478 |
| | | \$ | 4,886 |

| Record date | Payment date | Dividend amount | |
|--------------------|---------------------|------------------------|-------|
| | | <i>(Note 4)</i> | |
| March 31, 2020 | April 28, 2020 | \$ | 1,999 |
| June 30, 2020 | July 29, 2020 | | 2,186 |
| | | \$ | 4,185 |

11. LONG-TERM DEBT

Long-term debt is comprised of the following:

| As at | June 30, 2021 | December 31, 2020 |
|--|--------------------------|------------------------------|
| | | <i>(Note 4)</i> |
| Revolving credit facility (net of financing costs) | \$ 54,173 | \$ — |
| Term Loan A (net of financing costs) | 124,641 | 123,705 |
| Seller notes | 59,452 | 56,523 |
| | \$ 238,266 | \$ 180,228 |
| Current portion | 15,980 | 15,594 |
| | \$ 222,286 | \$ 164,634 |

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The following is the continuity of long-term debt:

| As at | June 30, 2021 | December 31, 2020 <i>(Note 4)</i> |
|--|--------------------------|---|
| Balance, beginning of period | \$ 180,228 | \$ 319,727 |
| Consideration on acquisition | 10,538 | 39,635 |
| Draws | 55,000 | 495,502 |
| Repayments | (7,614) | (673,009) |
| Deferred financing costs | — | (1,395) |
| Amortization of deferred finance costs | 144 | 520 |
| Foreign exchange | (30) | (752) |
| Balance, end of period | \$ 238,266 | \$ 180,228 |

Included in finance costs for the three and six months ended June 30, 2021 is interest on long-term debt of \$2,192 and \$4,524 respectively (2020 - \$5,124 and \$9,057 respectively).

12. LEASE LIABILITIES

The following is the continuity of lease liabilities:

| As at | June 30, 2021 | December 31, 2020 <i>(Note 4)</i> |
|------------------------------|--------------------------|---|
| Balance, beginning of period | \$ 419,311 | \$ 395,265 |
| Assumed on acquisition | 60,327 | 22,130 |
| Additions and modifications | 26,984 | 72,094 |
| Repayments | (47,993) | (87,972) |
| Financing costs | 8,340 | 16,796 |
| Foreign exchange | 1,505 | 998 |
| Balance, end of period | \$ 468,474 | \$ 419,311 |
| Current portion | 84,900 | 77,941 |
| | \$ 383,574 | \$ 341,370 |

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

| | Three months ended June 30, | | Six months ended June 30, | |
|-------------------------------------|-----------------------------|------------------|---------------------------|------------------|
| | 2021 | 2020 (Note 4) | 2021 | 2020 (Note 4) |
| Operating expenses | \$ 1,198 | \$ 1,096 | \$ 2,243 | \$ 2,004 |
| Depreciation of right of use assets | \$ 20,892 | \$ 18,742 | \$ 41,004 | \$ 37,332 |
| Finance costs | \$ 4,165 | \$ 4,179 | \$ 8,340 | \$ 8,540 |

13. FINANCIAL INSTRUMENTS

Carrying value and estimated fair value of financial instruments

| | Classification | Fair value hierarchy | June 30, 2021 | | December 31, 2020 (Note 4) | |
|--|----------------|----------------------|-----------------|------------|-------------------------------|------------|
| | | | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | | | |
| Cash | Amortized cost | n/a | 35,612 | 35,612 | 61,041 | 61,041 |
| Accounts receivable | Amortized cost | n/a | 87,250 | 87,250 | 86,957 | 86,957 |
| Financial liabilities | | | | | | |
| Accounts payable and accrued liabilities | Amortized cost | n/a | 237,207 | 237,207 | 210,185 | 210,185 |
| Dividends payable | Amortized cost | n/a | 2,478 | 2,478 | 2,364 | 2,364 |
| Long-term debt | Amortized cost | n/a | 238,266 | 238,291 | 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.

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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 June 30, 2021 was approximately \$122,862 (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.

| | Three months ended June 30, | | Six months ended June 30, | |
|-----------------|------------------------------------|-------------------|----------------------------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Revenues | | (Note 4) | | (Note 4) |
| Canada | \$ 33,332 | \$ 27,873 | \$ 70,609 | \$ 84,442 |
| United States | 411,311 | 280,078 | 795,677 | 691,346 |
| | \$ 444,643 | \$ 307,951 | \$ 866,286 | \$ 775,788 |

| Reportable Assets | June 30, | December 31, |
|--------------------------|---------------------|---------------------|
| As at | 2021 | 2020 |
| Canada | \$ 235,696 | \$ 231,751 |
| United States | 1,293,884 | 1,128,275 |
| | \$ 1,529,580 | \$ 1,360,026 |

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16. EARNINGS (LOSS) PER SHARE

| | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|-----------------|---------------------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | | <i>(Note 4)</i> | | <i>(Note 4)</i> |
| Net earnings (loss) | \$ 10,462 | \$ (4,970) | \$ 18,205 | \$ 12,006 |
| Net earnings (loss) - diluted basis | \$ 10,462 | \$ (4,970) | \$ 18,205 | \$ 12,006 |
| Basic weighted average number of shares | 21,472,194 | 20,860,546 | 21,472,194 | 20,533,870 |
| Average number of shares outstanding - diluted basis | 21,472,194 | 20,860,546 | 21,472,194 | 20,533,870 |
| Basic earnings (loss) per share | \$ 0.49 | \$ (0.24) | \$ 0.85 | \$ 0.58 |
| Diluted earnings (loss) per share | \$ 0.49 | \$ (0.24) | \$ 0.85 | \$ 0.58 |

The stock options are instruments that could have potentially diluted basic earnings per share for the three and six months ended June 30, 2021, but were not included in the calculation of diluted earnings per share because they were anti-dilutive for the periods.

17. STOCK OPTION PLAN

During the first quarter of 2021, the Company instituted a stock option plan for senior management, which was approved by shareholders on May 12, 2021. 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 stock 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. Issue costs of \$105 were incurred with respect to the stock option plan.

18. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

| As at | December 31, 2020 | Cash Flows | Non-cash changes | | | | June 30, 2021 |
|-------------------|-------------------|------------|------------------|-------------|--------------------|------------------|---------------|
| | | | Acquisition | Other items | Fair value changes | Foreign exchange | |
| | <i>(Note 4)</i> | | | | | | |
| Long-term debt | \$ 180,228 | 42,862 | 10,538 | 4,668 | — | (30) | \$ 238,266 |
| Lease liabilities | 419,311 | (47,993) | 60,327 | 35,324 | — | 1,505 | 468,474 |
| Dividends | 2,364 | (4,802) | — | 4,886 | — | 30 | 2,478 |
| Issue costs | — | (105) | — | — | — | — | — |
| | \$ 601,903 | (10,038) | 70,865 | 44,878 | — | 1,505 | \$ 709,218 |