



BOYD GROUP SERVICES INC.

INTERIM REPORT TO SHAREHOLDERS
Second Quarter and Six Months Ended June 30, 2021

BOYD GROUP SERVICES INC.

REPORT TO SHAREHOLDERS

To our Shareholders,

During the second quarter of 2021, BGSi recorded sales of \$444.6 million, Adjusted EBITDA¹ of \$58.0 million and net earnings of \$10.5 million. Early in the second quarter of 2021, Boyd continued to experience reduced demand in certain markets; however, demand accelerated meaningfully in most U.S. markets as the quarter progressed. By the end of the second quarter, demand in the U.S. was at meaningfully higher levels than were experienced in the first quarter of 2021. By contrast, demand in Canada remained significantly lower than pre-pandemic levels as restrictions continued into the second quarter.

Total sales in the second quarter of 2021 were \$444.6 million, a 44.4% increase when compared to the \$308.0 million achieved in the same period of 2020. Same-store sales increased 34.5% on a days adjusted basis, recognizing the same number of selling and production days in the U.S. and Canada in the second quarter of 2021 when compared to the same period of 2020. Same-store sales increases in Canada were much lower than same-store sales increases in the U.S. While claim volumes increased meaningfully in the U.S., staffing capacity constraints for location level administrative staff and technicians limited same-store sales growth in the second quarter of 2021.

Adjusted EBITDA for the second quarter of 2021 was \$58.0 million, or 13.0% of sales, compared with \$35.6 million, or 11.6% of sales in the same period of 2020. Adjusted EBITDA was positively impacted by the Canada Emergency Wage Subsidy ("CEWS") in the amount of \$3.6 million, as compared to \$3.4 million in the same period of the prior year.

BGSi posted net earnings of \$10.5 million in the second quarter of 2021, compared to a net loss of \$5.0 million in the same period of 2020. Impacting net earnings were acquisition and transaction costs and fair value adjustments on contingent consideration. After adjusting for these items, Adjusted net earnings for the second quarter of 2021 was \$11.4 million or 2.6% of sales. This compares to an Adjusted net loss of \$4.8 million or 1.6% of sales in the same period of 2020. The increase in the Adjusted net earnings for the period is the result of improved sales levels, which also provided improved leveraging of certain operating costs as well as depreciation and amortization, which do not vary directly in relation to sales. Adjusted net earnings for the three months ended June 30, 2021 was \$0.53 per share, compared to an adjusted net loss of \$0.23 per share in the same period of 2020.

With respect to the balance sheet, at June 30, 2021, BGSi held total debt, net of cash, of \$671.1 million, compared to \$539.9 million at March 31, 2021 and \$520.0 million at June 30, 2020. Debt, net of cash, increased when compared to prior periods primarily as a result of acquisition activity, including draws on the revolving credit facility, as well as increased seller notes and lease liabilities.

Boyd continues to execute on our growth plans with 100 locations opened year to date. Our pipeline, including acquisitions as well as greenfield and brownfield locations is healthy and we are confident in our ability to achieve our five-year plan. The recent acquisitions of John Harris Body Shops and Collision Works, which added a combined 51 locations with quality leadership, are strategically opportunistic and better position us to execute on our comprehensive plans for accretive market build out in and around these platforms. For these reasons, Boyd paid

¹ Standardized EBITDA, Adjusted EBITDA, Adjusted net earnings and Adjusted net earnings per share are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that in addition to revenue, net earnings and cash flows, the supplemental measures of Adjusted net earnings, Adjusted net earnings per share, Standardized EBITDA and Adjusted EBITDA are useful as they provide investors with an indication of earnings from operations and cash available. Investors should be cautioned, however, that Standardized EBITDA, Adjusted EBITDA, Adjusted net earnings and Adjusted net earnings per share should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of Boyd's performance. Boyd's method of calculating these measures may differ from other public issuers and, accordingly, may not be comparable to similar measures used by other issuers. For a detailed explanation of how Boyd's non-GAAP measures are calculated, please refer to Boyd's MD&A filing for the period ended June 30, 2021, which can be accessed via the SEDAR Web site (www.sedar.com).

toward the upper end of our historical multiple range for similar strategic growth platforms. In addition to taking time to execute on our build out plans, as with many acquisitions, especially those larger in size, it will also take time to integrate and achieve our expected synergies and resultant earnings from these acquisitions, and other new locations, especially given the impact of the pandemic.

We continue to be well positioned for the future with our leadership position, our growth pipeline and many business initiatives, including our WOW Operating Way, scalable technician development program, scanning and calibration, OE certifications and intake center strategy to name a few.

On behalf of the Directors of Boyd Group Services Inc. and Boyd Group employees, thank you for your continued support.

Sincerely,

(signed)

Timothy O'Day
President & Chief Executive Officer

Management's Discussion & Analysis

OVERVIEW

Boyd Group Services Inc. ("BGSI"), through its operating company, The Boyd Group Inc. and its subsidiaries ("Boyd" or the "Company"), is one of the largest operators of non-franchised collision repair centers in North America in terms of number of locations and sales. The Company currently operates 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. The Company is also 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. In addition, the Company operates a third party administrator, Gerber National Claims Services ("GNCS"), that offers glass, emergency roadside and first notice of loss services.

The following is a geographic breakdown of the collision repair locations by trade name and location. In response to the reduction in demand resulting from the COVID-19 pandemic, certain collision repair locations were temporarily converted to intake locations in order to consolidate collision repair services and to reduce Boyd's operating costs at the temporary intake locations while at the same time maximizing productivity of the staff at the repair locations. The vast majority of such temporary intake locations have been converted back to production facilities. The number of locations and number of intake centers noted in the chart below does not reflect the remaining temporary conversions from production to intake locations in Canada.

		819 locations	
			
49 locations		689 locations	
British Columbia	17	Michigan	73
Alberta	14	Florida	71
Manitoba	14	Illinois	69
Saskatchewan	4	New York	39
		Washington	39
		Indiana	37
		Georgia	33
		North Carolina	32
		Ohio	30
		Arizona	27
		Oklahoma	27
		California	24
		Wisconsin	23
		Colorado	21
		Texas	21
		South Carolina	18
		Kansas	13
		Louisiana	13
		Oregon	12
		Maryland	12
		Tennessee	10
		Nevada	10
		Pennsylvania	8
		Alabama	7
		Missouri	6
		Kentucky	4
		Utah	4
		Hawaii	3
		Arkansas	2
		Idaho	1
			
81 locations			
			
			
			
81			
The above numbers include 35 intake locations.		The above numbers include 36 intake locations and two fleet locations co-located with collision repair centers.	

Boyd provides collision repair services to insurance companies, individual vehicle owners, as well as fleet and lease customers, with a high percentage of the Company's revenue being derived from insurance-paid collision repair services.

BGSI's shares trade on the Toronto Stock Exchange under the symbol TSX: BYD.TO.

The following review of BGSi's operating and financial results for the period ended June 30, 2021, including material transactions and events of BGSi up to and including August 10, 2021, should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2021, as well as the annual audited consolidated financial statements, management discussion & analysis ("MD&A") and annual information form ("AIF") of BGSi, as filed on SEDAR at www.sedar.com.

SIGNIFICANT EVENTS

Effective January 1, 2021, BGSi changed its presentation currency from Canadian dollars to U.S. dollars, to provide shareholders with a better reflection of the Company's business activities. Unless otherwise noted, amounts have been presented in U.S. dollars.

On March 17, 2021, the BGSi Board of Directors declared a cash dividend for the first quarter of 2021 of C\$0.141 per common share. The dividend was paid on April 28, 2021 to common shareholders of record at the close of business on March 31, 2021.

On March 23, 2021, BGSi announced the planned retirement of Allan Davis, Independent Chair of the Board of Directors, subsequent to the Annual General and Special Meeting, to be held on May 12, 2021.

On May 13, 2021, BGSi announced the election of Robert Espey to the Board of Directors, and confirmed the retirement of Allan Davis as well as the appointment of David Brown as Independent Chair of the Board of Directors.

On June 17, 2021, the BGSi Board of Directors declared a cash dividend for the second quarter of 2021 of C\$0.141 per common share. The dividend was paid on July 28, 2021 to common shareholders of record at the close of business on June 30, 2021.

During the first and second quarters of 2021, the Company added 42 locations through acquisition, 13 locations operating as intake centers and six start-up locations, for a total of 61 new locations. From January 1, 2021 up to the reporting date of August 10, 2021, the Company has added 79 locations through acquisition, 15 locations operating as intake centers and six start-up locations, for a total of 100 new locations. These new locations are as follows:

Date	Location	Previously operated as
January 2, 2021	Cathedral City, CA	n/a start-up
January 2, 2021	Schaumburg, IL	n/a intake center
January 6, 2021	Henderson, NV	n/a intake center
January 15, 2021	Wyandotte, MI	Eureka Body and Fender
January 18, 2021	Las Vegas, NV	n/a intake center
January 29, 2021	Longwood, FL	n/a start-up
January 29, 2021	Kirkland, WA	n/a intake center
February 12, 2021	Columbia, SC	Jimmy Rivers Boyd Shop Inc.
February 19, 2021	Mentor & Streetsboro, OH (2 locations)	Frankie & Dylan's, Inc.
February 19, 2021	Fenton, MI	n/a intake center
February 23, 2021	Amarillo, TX	Plains Chevrolet, Ltd.
February 23, 2021	Pensacola, FL	n/a start-up
March 4, 2021	Bellevue, WA	n/a intake center
March 9, 2021	Queen Creek, AZ	n/a start-up
March 12, 2021	Mesa, AZ	n/a intake center
March 26, 2021	Simi Valley, CA	Star Auto Body, Inc.
March 26, 2021	Tallahassee, FL (3 locations)	Universal Collision Center, Inc.
March 31, 2021	Milwaukee, WI	Prestige Auto Works, Inc.
March 31, 2021	Bellevue, WA	n/a intake center
April 9, 2021	Vero Beach, FL	Perfection Paint and Body
April 9, 2021	Highland, IN	n/a intake center
April 17, 2021	Union City, GA	n/a intake center
April 23, 2021	Escondido, CA	Milo Johnson Automotive Service, Inc.
April 27, 2021	Denton and Flour Mound, TX (2 locations)	Pro Care Collision, LLC
April 30, 2021	Green Bay, WI	Williams Auto Body Shop, Inc.
April 30, 2021	Sanford and Southern Pines, NC (2 locations)	Overton Body Shop
May 1, 2021	Thornhill, ON	n/a intake center
May 7, 2021	Kaneohe, Wahiawa & Waipahu, HI (3 locations)	Sigs Collision Centers
May 11, 2021	Buford, GA	n/a start-up
May 14, 2021	Baltimore & Reisterstown, MD (2 locations)	Camden Boyd & Fender
May 14, 2021	Amarillo, TX	n/a start-up
May 21, 2021	Las Vegas, NV	n/a intake center
June 11, 2021	Victor, NY	Austin-Spencer Collision Repair Center
June 15, 2021	Pittsburgh, PA	Wolbert Auto Body, Inc.
June 18, 2021	Austin, TX (2 locations)	Austin Capital Collision
June 19, 2021	Gilbert, AZ	n/a intake center
June 25, 2021	Georgia & South Carolina (16 locations)	John Harris Body Shops
July 9, 2021	La Habra, CA	California Auto Specialist Center
July 16, 2021	Appleton, WI	Peotter's Collision Center
July 31, 2021	Oklahoma, Kansas & Missouri (35 locations)	Collision Works
August 7, 2021	Pensacola, FL	n/a intake center
August 7, 2021	Pensacola, FL	n/a intake center

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

OUTLOOK

Early in the second quarter of 2021, Boyd continued to experience reduced demand in certain markets; however, demand accelerated in most U.S. markets as the quarter progressed. By the end of the second quarter, demand in the U.S. was at meaningfully higher levels than were experienced in the first quarter of 2021. Thus far in the third quarter of 2021, although still below pre-pandemic levels, demand is exceeding capacity in all U.S. markets, which has resulted in high levels of work-in-process. By contrast, demand in Canada remains significantly lower than pre-pandemic levels. Demand in Canada in the third quarter is building very slowly in comparison with the first and second quarters of 2021 as restrictions are eased and removed.

In general, business conditions during the recent recovery have been impacted by three challenges: (i) economic activity and demand for services, (ii) labor shortages, and (iii) supply chain delays. The process of adding sufficient capacity to meet the increasing level of demand, including location level administrative staff and technicians, remains a work in progress and is resulting in increased wage pressure. Supply chain issues have occurred, but have not been significant and have not constrained the ability to process work given the higher levels of work-in-process. The impact of a fourth wave of COVID-19 infections could disrupt the recent improvements in demand.

During 2021, Boyd is focused on the new five year growth strategy, which will see the Company double the size of the business on a constant currency revenue basis from 2021 to 2025, based on 2019 revenues, implying a compound annual growth rate of 15 percent. Boyd will continue to pursue accretive growth through a combination of organic growth (same-store sales growth) as well as adding new locations to the network in the United States and Canada. New location growth will continue to include single location acquisitions, as well as brownfield and greenfield start-ups, and multi-location acquisitions. Thus far in 2021, Boyd has made excellent progress on its growth plan, including the recent acquisitions of John Harris Body Shops and Collision Works. These acquisitions, which added a combined 51 locations with quality leadership, are strategically opportunistic and better position Boyd to execute on comprehensive plans for accretive market build out in and around these platforms. For these reasons, Boyd paid toward the upper end of historical multiple range for similar strategic growth platforms. In addition to taking time to execute on the build out plans, as with many acquisitions, especially those larger in size, it will also take time to integrate and achieve expected synergies and resultant earnings from these acquisitions and other new locations, especially given the impact of the pandemic. Notwithstanding Boyd's strong growth and positioning for the future, the previously mentioned factors are contributing to adjusted EBITDA margin pressure with very modest sequential quarterly same-store sales gains in the third quarter to date.

In the long-term, management remains confident in its business model and its ability to increase market share by expanding its presence in North America through strategic acquisitions alongside organic growth from Boyd's existing operations. Accretive growth will remain the Company's long-term focus whether it is through organic growth, new store development, or acquisitions. The North American collision repair industry remains highly fragmented and offers attractive opportunities for industry leaders to build value through focused consolidation and economies of scale. As a growth company, Boyd's objective continues to be to maintain a conservative dividend policy that will provide the financial flexibility necessary to support growth initiatives while gradually increasing dividends over time. The Company remains confident in its management team, systems and experience. This, along with a strong financial position and financing options, positions Boyd well for success into the future.

BUSINESS ENVIRONMENT & STRATEGY

As at August 10, 2021, the business environment of the Company and strategies adopted by management remain unchanged from those described in BGSI's 2020 annual MD&A.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Statements made in this interim report, other than those concerning historical financial information, may be forward-looking and therefore subject to various risks and uncertainties. Some forward-looking statements may be identified by words like “may”, “will”, “anticipate”, “estimate”, “expect”, “intend”, or “continue” or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on such statements, as actual results may differ materially from those expressed or implied in such statements.

The following table outlines forward-looking information included in this MD&A:

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
The stated objective of generating growth sufficient to double the size of the business over the five year period from 2021 to 2025, based on 2019 revenues	Timing of anticipated return to pre-COVID levels of activity occurs in the short term Opportunities continue to be available and are at acceptable and accretive prices Financing options continue to be available at reasonable rates and on acceptable terms and conditions New and existing customer relationships are expected to provide acceptable levels of revenue opportunities Anticipated operating results would be accretive to overall Company results Growth is defined as revenue on a constant currency basis	Return to pre-COVID levels of activity may occur on a different timeline Acquisition market conditions change and repair shop owner demographic trends change Credit and refinancing conditions prevent or restrict the ability of the Company to continue growth strategies Changes in market conditions and operating environment Significant decline in the number of insurance claims Integration of new stores is not accomplished as planned Increased competition which prevents achievement of acquisition and revenue goals
Boyd remains confident in its business model to increase market share by expanding its presence in North America through strategic and accretive acquisitions alongside organic growth from Boyd's existing operations	Re-emergence of stability in economic conditions and employment rates Pricing in the industry remains stable The Company's customer and supplier relationships provide it with competitive advantages to increase sales over time Market share growth will more than offset systemic changes in the industry and environment Anticipated operating results would be accretive to overall Company results	Economic conditions deteriorate, or economic recovery post-COVID-19 is slow Loss of one or more key customers or loss of significant volume from any customer Decline in the number of insurance claims Inability of the Company to pass cost increases to customers over time Increased competition which may prevent achievement of revenue goals Changes in market conditions and operating environment Changes in weather conditions Inability to maintain, replace or grow same-store technician capacity could impact organic growth

Stated objective to gradually increase dividends over time	Growing profitability of the Company and its subsidiaries The continued and increasing ability of the Company to generate cash available for dividends Balance sheet strength and flexibility is maintained and the dividend level is manageable taking into consideration bank covenants, growth requirements and maintaining a dividend level that is supportable over time	BGSI is dependent upon the operating results of the Company Economic conditions deteriorate, or economic recovery post-COVID-19 is slow Changes in weather conditions Decline in the number of insurance claims Loss of one or more key customers or loss of significant volume from any customer Changes in government regulation
The Company plans to make capital expenditures (excluding those related to acquisition and development of new locations) within the range of 1.6% to 1.8% of sales. In addition, the Company plans to invest \$4 million in environmental initiatives, including LED lighting, in order to reduce energy consumption and enhance the shop work environment, and which is expected to achieve accretive returns on invested capital. Additionally, the Company plans to expand its Wow Operating Way practices to corporate business processes. The related technology and process efficiency project will result in an additional \$2-3 million investment before the end of the year and is expected to streamline various processes as well as generate economic returns after the project is fully implemented.	The actual cost for these capital expenditures agrees with the original estimate The purchase, delivery and installation of the capital items is consistent with the estimated timeline No other new capital requirements are identified or required during the period All identified capital requirements are required during the period Investment in LED lighting and process efficiency projects will generate positive returns	Expected actual expenditures could be above or below 1.6% to 1.8% of sales The timing of the expenditures could occur on a different timeline BGSI may identify additional capital expenditure needs that were not originally anticipated BGSI may identify capital expenditure needs that were originally anticipated; however, are no longer required or required on a different timeline Expected positive returns are not generated due to delays, increased costs, or unanticipated challenges in implementation
Certain operating expenses and personnel costs, along with continued reduced demand for services will continue to impact the levels of Adjusted EBITDA that can be achieved during 2021.	Timing of anticipated return to pre-COVID levels of activity occurs in the short term Re-emergence of stability in economic conditions and employment rates	Return to pre-COVID levels of activity may occur on a different timeline Economic conditions deteriorate, or economic recovery post-COVID-19 is slow Changes in market conditions and operating environment

We caution that the foregoing table contains what BGSI believes are the material forward-looking statements and is not exhaustive. Therefore when relying on forward-looking statements, investors and others should refer to the “Risk Factors” section of BGSI’s Annual Information Form, the “Business Risks and Uncertainties” and other sections of our Management’s Discussion and Analysis and our other periodic filings with Canadian securities regulatory authorities. All forward-looking statements presented herein should be considered in conjunction with such filings.

NON-GAAP FINANCIAL MEASURES

EBITDA AND ADJUSTED EBITDA

Earnings before interest, taxes, depreciation and amortization (“EBITDA”) is not a calculation defined in International Financial Reporting Standards (“IFRS”). EBITDA should not be considered an alternative to net earnings in measuring the performance of BGSi, nor should it be used as an exclusive measure of cash flow. BGSi reports EBITDA and Adjusted EBITDA because it is a key measure that management uses to evaluate performance of the business and to reward its employees. EBITDA is also a concept utilized in measuring compliance with debt covenants. EBITDA and Adjusted EBITDA are measures commonly reported and widely used by investors and lending institutions as an indicator of a company’s operating performance and ability to incur and service debt, and as a valuation metric. While EBITDA is used to assist in evaluating the operating performance and debt servicing ability of BGSi, investors are cautioned that EBITDA and Adjusted EBITDA as reported by BGSi may not be comparable in all instances to EBITDA as reported by other companies.

CPA Canada’s Canadian Performance Reporting Board defined Standardized EBITDA to foster comparability of the measure between entities. Standardized EBITDA represents an indication of an entity’s capacity to generate income from operations before taking into account management’s financing decisions and costs of consuming tangible and intangible capital assets, which vary according to their vintage, technological age and management’s estimate of their useful life. Accordingly, Standardized EBITDA comprises sales less operating expenses before finance costs, capital asset amortization and impairment charges, and income taxes. Adjusted EBITDA is calculated to exclude items of an unusual nature that do not reflect normal or ongoing operations of BGSi and which should not be considered in a valuation metric or should not be included in an assessment of the ability to service or incur debt. Included in this category of adjustments are the fair value adjustments to the non-controlling interest call liability. These items are adjustments that did not have any cash impact on BGSi. Also included as an adjustment to EBITDA are acquisition and transaction costs and fair value adjustments to contingent consideration, which do not relate to the current operating performance of the business units but are typically costs incurred to expand operations. Prior to the adoption of IFRS 16, *Leases* on January 1, 2019, lease expenses were included in operating expenses and were thereby included in the calculation of both Standardized and Adjusted EBITDA. On adoption of IFRS 16, *Leases* on January 1, 2019, lease expenses are no longer included in operating expenses. In 2019, these amounts were deducted in arriving at Adjusted EBITDA to enhance comparability with the prior period. Beginning January 1, 2020, these amounts are no longer deducted in arriving at Adjusted EBITDA for the current and for the prior period. From time to time BGSi may make other adjustments to its Adjusted EBITDA for items that are not expected to recur.

The following is a reconciliation of BGSI's net earnings to Standardized EBITDA and Adjusted EBITDA:

ADJUSTED EBITDA

<i>(thousands of U.S. dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Net earnings (loss)	\$ 10,462	\$ (4,970)	\$ 18,205	\$ 12,006
Add:				
Finance costs	6,050	9,424	12,782	17,696
Income tax expense (recovery)	3,889	(1,546)	6,658	3,605
Depreciation of property, plant and equipment	10,007	9,163	19,566	17,757
Depreciation of right of use assets	20,892	18,742	41,004	37,332
Amortization of intangible assets	5,496	4,624	10,561	9,132
Standardized EBITDA	\$ 56,796	\$ 35,437	\$ 108,776	\$ 97,528
Add (less):				
Fair value adjustments	98	(72)	98	(2,263)
Acquisition and transaction costs	1,102	272	1,870	861
Adjusted EBITDA	\$ 57,996	\$ 35,637	\$ 110,744	\$ 96,126

ADJUSTED NET EARNINGS

In addition to Standardized EBITDA and Adjusted EBITDA, BGSI believes that certain users of financial statements are interested in understanding net earnings excluding certain fair value adjustments and other items of an unusual or infrequent nature that do not reflect normal or ongoing operations of the Company. This can assist these users in comparing current results to historical results that did not include such items. The following is a reconciliation of BGSI's net earnings (loss) to adjusted net earnings (loss):

<i>(thousands of U.S. dollars, except share and per share amounts)</i>	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Net earnings (loss)	\$ 10,462	\$ (4,970)	\$ 18,205	\$ 12,006
Add (less):				
Fair value adjustments (non-taxable)	98	(72)	98	(2,263)
Acquisition and transaction costs (net of tax)	815	201	1,384	637
Adjusted net earnings (loss)	\$ 11,375	\$ (4,841)	\$ 19,687	\$ 10,380
Weighted average number of shares	21,472,194	20,860,546	21,472,194	20,533,870
Adjusted net earnings (loss) per share	\$ 0.53	\$ (0.23)	\$ 0.92	\$ 0.51

Dividends

BGSI declared dividends of C\$0.141 per share in the first quarter of 2021 and C\$0.141 per share in the second quarter of 2021 (2020 - C\$0.138 and C\$0.138 respectively).

Dividends to shareholders of BGSI were declared and paid as follows:

<i>(thousands of U.S. dollars)</i>		
Record date	Payment date	Dividend amount
March 31, 2021	April 28, 2021	\$ 2,408
June 30, 2021	July 28, 2021	2,478
		\$ 4,886

<i>(thousands of U.S. dollars)</i>		
Record date	Payment date	Dividend amount
March 31, 2020	April 28, 2020	\$ 1,999
June 30, 2020	July 29, 2020	2,186
		\$ 4,185

RESULTS OF OPERATIONS

Results of Operations						
<i>(thousands of U.S. dollars, except per share amounts)</i>						
	Three months ended June 30,			Six months ended June 30,		
	2021	% change	2020	2021	% change	2020
Sales - Total	444,643	44.4	307,951	866,286	11.7	775,788
Same-store sales - Total (excluding foreign exchange)	412,038	34.5	306,453	803,121	4.9	765,832
Gross margin %	46.1	(1.5)	46.8	46.1	1.1	45.6
Operating expense %	33.1	(6.0)	35.2	33.3	0.3	33.2
Adjusted EBITDA ⁽¹⁾	57,996	62.7	35,637	110,744	15.2	96,126
Acquisition and transaction costs	1,102	305.1	272	1,870	117.2	861
Depreciation and amortization	36,395	11.9	32,529	71,131	10.8	64,221
Fair value adjustments	98	N/A	(72)	98	N/A	(2,263)
Finance costs	6,050	(35.8)	9,424	12,782	(27.8)	17,696
Income tax expense (recovery)	3,889	N/A	(1,546)	6,658	84.7	3,605
Adjusted net earnings (loss) ⁽¹⁾	11,375	N/A	(4,841)	19,687	89.7	10,380
Adjusted net earnings (loss) per share ⁽¹⁾	0.53	N/A	(0.23)	0.92	80.4	0.51
Net earnings (loss)	10,462	N/A	(4,970)	18,205	51.6	12,006
Basic earnings (loss) per share	0.49	N/A	(0.24)	0.85	46.6	0.58
Diluted earnings (loss) per share	0.49	N/A	(0.24)	0.85	46.6	0.58

⁽¹⁾ As defined in the non- GAAP financial measures section of the MD&A.

Pandemic Impact on the Quarter

The Company moved quickly and decisively at the start of the pandemic to take aggressive action to both preserve liquidity and to reduce expenses in preparation of the demand and revenue decline anticipated as the result of the pandemic. Early in the second quarter of 2021, Boyd continued to experience reduced demand in certain markets; however, demand accelerated in most U.S. markets as the quarter progressed. By the end of the second quarter, demand in the U.S. was at meaningfully higher levels. The process of adding sufficient capacity to meet the increasing level of demand, including location level administrative staff and technicians remains a work in progress. This resulted in capacity constraints during the second quarter of 2021. By contrast, demand in Canada remained significantly lower than pre-pandemic levels.

Canada Emergency Wage Subsidy

The Canada Emergency Wage Subsidy (“CEWS”) was put into place on April 11, 2020, and has now been extended to September 25, 2021, with a proposal to further extend the program until October 23, 2021. As is the objective of the program, Boyd continued to employ and incur cost for employees that would have been laid off or furloughed absent the wage subsidy. During the second quarter of 2021, the estimated CEWS of approximately \$3.6 million was recorded, with \$1.5 million being recorded as a reduction to cost of goods sold and \$2.1 million being recorded as a reduction to operating expenses.

2nd Quarter Comparison - Three months ended June 30, 2021 vs. 2020

Sales

Sales totaled \$444.6 million for the three months ended June 30, 2021, an increase of \$136.7 million or 44.4% when compared to the same period of 2020. The increase in sales was the result of the following:

- Same-store sales excluding foreign exchange increased \$105.6 million or 34.5% and increased \$3.8 million due to the translation of same-store sales at a higher Canadian dollar exchange rate. Same-store sales excluding foreign exchange increased 34.5% on a days adjusted basis, recognizing the same number of selling and production days in the U.S. and Canada in the second quarter of 2021 when compared to the same period of 2020. Same-store sales increases in Canada were much lower than same-store sales increases in the U.S. The second quarter of 2021 continued to be impacted by COVID-19 restrictions, particularly in Canada. Production challenges, including administrative and technician staffing capacity constraints in many markets, also impacted sales levels. The comparative period sales in 2020 also benefited from a drawdown in work-in-process as the Company was able to use excess capacity to complete all available work.
- \$28.3 million of incremental sales were generated from 72 new locations that were not in operation for the full comparative period.
- Sales were affected by the closure of under-performing facilities which decreased sales by \$0.9 million.

Same-store sales are calculated by including sales for locations and businesses that have been in operation for the full comparative period.

Gross Profit

Gross Profit was \$205.1 million or 46.1% of sales for the three months ended June 30, 2021, compared to \$144.2 million or 46.8% of sales for the same period in 2020. Gross profit increased primarily as a result of increased sales due to the reduced impact of the COVID-19 pandemic when compared to the prior period, and included the recognition of the CEWS of approximately \$1.5 million, as compared to \$1.6 million in the same period of the prior year. The gross margin percentage was negatively impacted by reduced parts and labor margins, as well as variability in Direct Repair Program (“DRP”) pricing.

Operating Expenses

Operating Expenses for the three months ended June 30, 2021 increased \$38.6 million to \$147.1 million from \$108.5 million for the same period of 2020. The increase in operating expenses was primarily the result of growth in number of locations, as well as COVID-19 related cost reductions that impacted the second quarter of 2020. In addition to amounts recorded to offset applicable wages recorded in cost of sales, operating expenses benefited from the CEWS of approximately \$2.1 million as compared to \$1.8 million in the same period of the prior year, which helped mitigate incremental COVID-19 indirect wage costs. Excluding the impact of foreign currency translation which increased operating expenses by approximately \$1.6 million, expenses increased \$37.0 million from 2020. Closed locations lowered operating expenses by \$0.4 million.

Operating expenses as a percentage of sales were 33.1% for the three months ended June 30, 2021, which compared to 35.2% for the same period in 2020. The decrease as a percentage of sales was primarily due to increased sales in the second quarter of 2021 as compared to the same period of the prior year, which was significantly impacted by the COVID-19 pandemic. While many operating expenses were managed in relation to the decline in sales during the second quarter of 2020, certain expenses, such as benefits which were extended to staff that was temporarily laid off as well as certain costs that could not be reduced, such as property taxes and utility costs, increased as a percentage of sales. Increased sales levels in the second quarter of 2021 provided improved leveraging of certain costs, such as property taxes and utility costs.

Acquisition and Transaction Costs

Acquisition and Transaction Costs for the three months ended June 30, 2021 were \$1.1 million compared to \$0.3 million recorded for the same period of 2020. The costs relate to various acquisitions, including acquisitions from prior periods, as well as other completed or potential acquisitions.

Adjusted EBITDA

*Earnings before interest, income taxes, depreciation and amortization, adjusted for the non-controlling interest call liability and contingent consideration, as well as acquisition and transaction costs (“Adjusted EBITDA”)*¹ for the three months ended June 30, 2021 totaled \$58.0 million or 13.0% of sales compared to Adjusted EBITDA of \$35.6 million or 11.6% of sales in the same period of the prior year. The \$22.4 million increase was positively impacted by improved sales levels, which also provided improved leveraging of certain operating costs. In total, Adjusted EBITDA in the second quarter benefited from the CEWS in the amount of \$3.6 million, as compared to \$3.4 million in the same period of the prior year; however, as is the objective of the program, Boyd continued to employ and incur cost for employees that would have been laid off or furloughed absent the wage subsidy.

Depreciation and Amortization

Depreciation related to property, plant and equipment totaled \$10.0 million or 2.3% of sales for the three months ended June 30, 2021, an increase of \$0.8 million when compared to the \$9.2 million or 3.0% of sales recorded in the same period of the prior year. The increase in depreciation expense was primarily due to acquisition growth as well as investments in capital equipment. Depreciation as a percentage of sales decreased due to the impact of COVID-19 on sales in the second quarter of 2020.

¹ As defined in the non-GAAP financial measures section of the MD&A.

Depreciation related to right of use assets totaled \$20.9 million, or 4.7% of sales for the three months ended June 30, 2021, as compared to \$18.7 million or 6.1% of sales for the same period of the prior year. The increase in depreciation expense was primarily due to acquisition growth. Depreciation as a percentage of sales decreased due to the impact of COVID-19 on sales in the second quarter of 2020.

Amortization of intangible assets for the three months ended June 30, 2021 totaled \$5.5 million or 1.2% of sales, an increase of \$0.9 million when compared to the \$4.6 million or 1.5% of sales expensed for the same period in the prior year. The increase is primarily the result of the addition of new intangible assets from acquisition growth. Amortization as a percentage of sales decreased due to the impact of COVID-19 on sales in the second quarter of 2020.

Finance Costs

Finance Costs of \$6.1 million or 1.4% of sales for the three months ended June 30, 2021 decreased from \$9.4 million or 3.1% of sales for the same period of the prior year. The decrease in finance costs was primarily due to repayments of borrowings under the credit facility. Finance costs in the second quarter of 2020 were impacted by increased borrowing under the credit facility. Out of an abundance of caution during the uncertainty created by the COVID-19 pandemic, Boyd fully drew on the credit facilities near the end of March 2020, other than under the swing line credit facilities and an accordion feature.

Income Taxes

Current and Deferred Income Tax Expense of \$3.9 million for the three months ended June 30, 2021 compared to an income tax recovery of \$1.5 million for the same period of the prior year. Income tax expense has not been impacted by any significant permanent differences in either of these periods, which would impact the tax computed on accounting income.

Net Earnings (Loss) and Earnings (Loss) Per Share

Net Earnings (Loss) for the three months ended June 30, 2021 was \$10.5 million or 2.4% of sales compared to a net loss of \$5.0 million or (1.6)% of sales in the same period of the prior year. The net earnings amount in 2021 was impacted by acquisition and transaction costs of \$0.8 million (net of tax). Adjusted net earnings² for the second quarter of 2021 was \$11.4 million, or 2.6% of sales. This compares to Adjusted net loss of \$4.8 million or (1.6)% of sales in the same period of 2020. Adjusted net earnings for the period was impacted by improved sales levels, which also provided improved leveraging of certain operating costs as well as depreciation and amortization, which do not vary in relation to sales.

Basic Earnings (Loss) Per Share was \$0.49 per share for the three months ended June 30, 2021 compared to basic loss per share of \$0.24 for the second quarter of 2020. Diluted earnings per share was \$0.49 for the three months ended June 30, 2021 compared to diluted loss per share of \$0.24 for the second quarter of 2020. Adjusted net earnings per share was \$0.53 compared to adjusted net loss per share of \$0.23 for the second quarter of 2020. The increase in adjusted net earnings per share is primarily attributed to improved sales levels, which also provided improved leveraging of certain operating costs and other relatively fixed costs, such as depreciation and amortization, that could not be reduced in relation to the decline in sales due to the COVID-19 pandemic during the second quarter of 2020.

Year-to-date Comparison - Six months ended June 30, 2021 vs. 2020

Sales

Sales totaled \$866.3 million for the six months ended June 30, 2021 an increase of \$90.5 million or 11.7% when compared to the same period of 2020. The increase in sales was the result of the following:

- Same-store sales excluding foreign exchange increased \$37.3 million or 4.9%, and increased \$5.9 million due to the translation of same-store sales at a higher Canadian dollar exchange rate. The improvement in same-store sales was the result of the return of business following the slow down caused by the COVID-19 pandemic that began in mid-

² As defined in the non-GAAP financial measures section of the MD&A.

March of 2020. Same-store sales excluding foreign exchange increased 5.7% on a days adjusted basis, with both Canada and the U.S. recognizing one less selling and production day during the first six months of 2021.

- \$50.1 million of incremental sales were generated from 90 new locations that were not in operation for the full comparative period.
- Sales were affected by the closure of under-performing facilities which decreased sales by \$2.7 million.

Same-store sales are calculated by including sales for locations and businesses that have been in operation for the full comparative period.

Gross Profit

Gross Profit was \$399.1 million or 46.1% of sales for the six months ended June 30, 2021 compared to \$353.7 million or 45.6% of sales for the same period in 2020. Gross profit increased primarily as a result of increased sales due to the reduced impact of the COVID-19 pandemic when compared to the prior period, and included the recognition of CEWS of approximately \$3.0 million, as compared to \$1.6 million in the same period of the prior year. The gross margin percentage was positively impacted by improved retail glass margins and a higher mix of glass sales in relation to collision sales, partially offset by variability in Direct Repair Program (“DRP”) pricing.

Operating Expenses

Operating Expenses for the six months ended June 30, 2021 increased \$30.8 million to \$288.4 million from \$257.5 million for the same period of 2020. The increase in operating expenses was primarily due to the growth in number of locations, as well as COVID-19 related cost reductions that impacted the second quarter of 2020. In addition to amounts recorded to offset applicable wages recorded in cost of sales, operating expenses benefited from the CEWS of approximately \$4.0 million, as compared to \$1.8 million in the same period of the prior year, which helped mitigate incremental COVID-19 indirect wage costs. Excluding the impact of foreign currency translation which increased operating expenses by approximately \$2.3 million, expenses increased \$28.5 million from 2020. Closed locations lowered operating expenses by \$1.1 million.

Operating expenses as a percentage of sales were 33.3% for the six months ended June 30, 2021, which compared to 33.2% for the same period in 2020. The increase as a percentage of sales was primarily due to the impact of the COVID-19 pandemic, which began near the end of the first quarter of 2020. While many operating expenses were managed in relation to the decline in sales, certain expenses, such as benefits which were extended to staff that was temporarily laid off as well as certain costs that could not be reduced, such as property taxes and utility costs, increased as a percentage of sales.

Acquisition and Transaction Costs

Acquisition and Transaction Costs for the six months ended June 30, 2021 were \$1.9 million compared to \$0.9 million recorded for the same period of 2020. The costs relate to various acquisitions, including acquisitions from prior periods, as well as other completed or potential acquisitions.

Adjusted EBITDA

Earnings before interest, income taxes, depreciation and amortization, adjusted for the non-controlling interest call liability and contingent consideration, as well as acquisition and transaction costs (“Adjusted EBITDA”) for the six months ended June 30, 2021 totaled \$110.7 million or 12.8% of sales compared to Adjusted EBITDA of \$96.1 million or 12.4% of sales in the same period of the prior year. The \$14.6 million increase was positively impacted by improved sales levels, which also provided improved leveraging of certain operating costs. In total, Adjusted EBITDA in the six months ended June 30, 2021 benefited from the CEWS in the amount of \$7.0 million, as compared to \$3.4 million in the same period of the prior year; however, as is the objective of the program, Boyd continued to employ and incur cost for employees that would have been laid off or furloughed absent the wage subsidy.

Depreciation and Amortization

Depreciation related to property, plant and equipment totaled \$19.6 million or 2.3% of sales for the six months ended June 30, 2021, an increase of \$1.8 million when compared to the \$17.8 million or 2.3% of sales recorded in the same period of the prior year. The increase in depreciation expense was primarily due to acquisition growth as well as investments in capital equipment.

Depreciation related to right of use assets totaled \$41.0 million, or 4.7% of sales for the six months ended June 30, 2021, as compared to \$37.3 million or 4.8% of sales for the same period of the prior year. The increase in depreciation expense was primarily due to acquisition growth.

Amortization of intangible assets for the six months ended June 30, 2021 totaled \$10.6 million or 1.2% of sales, an increase of \$1.4 million when compared to the \$9.1 million or 1.2% of sales expensed for the same period in the prior year. The increase is primarily the result of the addition of new intangible assets from recent acquisitions.

Finance Costs

Finance Costs of \$12.8 million or 1.5% of sales for the six months ended June 30, 2021 decreased from \$17.7 million or 2.3% of sales for the same period of the prior year. The decrease in finance costs was primarily due to repayments of borrowings under the credit facility. Finance costs in the second quarter of 2020 were impacted by increased borrowing under the credit facility. Out of an abundance of caution during the uncertainty created by the COVID-19 pandemic, Boyd fully drew on the credit facilities near the end of March 2020, other than under the swing line credit facilities and an accordion feature.

Income Taxes

Current and Deferred Income Tax Expense of \$6.7 million for the six months ended June 30, 2021 compared to an expense of \$3.6 million for the same period of the prior year. Income tax expense has not been impacted by significant permanent differences in the current period, but was impacted by permanent differences, which impacted the tax computed on accounting income, in the six month period ended June 30, 2020.

Net Earnings and Earnings Per Share

Net Earnings for the six months ended June 30, 2021 was \$18.2 million or 2.1% of sales compared to \$12.0 million or 1.5% of sales in the same period of the prior year. The net earnings amount for the six months ended June 30, 2021 was impacted by acquisition and transaction costs of \$1.4 million (net of tax). After adjusting for fair value and other unusual items, Adjusted net earnings for the six months ended June 30, 2021 was \$19.7 million, or 2.3% of sales. This compares to Adjusted net earnings of \$10.4 million or 1.3% of sales in the same period of 2020. Adjusted net earnings for the period was impacted by improved sales levels, which also provided improved leveraging of certain operating costs as well as depreciation and amortization, which do not vary in relation to sales.

Basic Earnings Per Share was \$0.85 per share for the six months ended June 30, 2021 compared to basic earnings per share of \$0.58 for the same period of 2020. Diluted earnings per share was \$0.85 for the six months ended June 30, 2021 compared to diluted earnings per share of \$0.58 for the same period of 2020. Adjusted net earnings per share was \$0.92 compared to adjusted net earnings per share of \$0.51 for the same period of 2020. The increase in adjusted net earnings per share is primarily attributed to improved sales levels, which also provided improved leveraging of certain operating costs and other relatively fixed costs, such as depreciation and amortization, that could not be reduced in relation to the decline in sales due to the COVID-19 pandemic during the second quarter of 2020.

Summary of Quarterly Results (in thousands of U.S. dollars, except per share amounts)									
	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	
Sales	\$ 444,643	421,643	\$ 403,747	\$ 381,689	\$ 307,951	\$ 467,837	\$ 443,917	\$ 429,272	
Adjusted EBITDA, pre IFRS 16, Leases basis ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A	42,772	\$ 38,339	
Adjusted EBITDA ⁽¹⁾	\$ 57,996	\$ 52,748	\$ 60,394	\$ 63,514	\$ 35,637	\$ 60,489	63,698	58,589	
Net earnings (loss)	\$ 10,462	\$ 7,743	\$ 16,253	\$ 15,855	\$ (4,970)	\$ 16,976	\$ 10,805	\$ 11,194	
Basic earnings (loss) per share/unit	\$ 0.49	\$ 0.36	\$ 0.76	\$ 0.74	\$ (0.24)	\$ 0.84	\$ 0.54	\$ 0.56	
Diluted earnings (loss) per share/unit	\$ 0.49	\$ 0.36	\$ 0.76	\$ 0.74	\$ (0.24)	\$ 0.71	\$ 0.54	\$ 0.56	
Adjusted net earnings (loss) ⁽¹⁾	\$ 11,375	\$ 8,311	\$ 14,569	\$ 16,403	\$ (4,841)	\$ 15,221	\$ 18,028	\$ 15,640	
Adjusted net earnings (loss) per share/unit ⁽¹⁾	\$ 0.53	\$ 0.39	\$ 0.68	\$ 0.76	\$ (0.23)	\$ 0.75	\$ 0.90	\$ 0.79	

⁽¹⁾ As defined in the non-GAAP financial measures section of the MD&A.

Note: On adoption of IFRS 16, *Leases* on January 1, 2019, lease payments, associated finance costs and depreciation of right of use assets (net of tax) were deducted in arriving at adjusted net earnings to enhance comparability with prior period. Lease payments were also deducted in arriving at Adjusted EBITDA during 2019, to enhance comparability with prior period. Beginning January 1, 2020, these amounts are no longer being adjusted out in calculating adjusted EBITDA, adjusted net earnings and the comparative amounts have been restated for comparability with the current period.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations, together with cash on hand and undrawn credit on existing facilities are expected to be sufficient to meet operating requirements, capital expenditures and dividends. At June 30, 2021, BGSJ had cash, net of outstanding deposits and cheques, held on deposit in bank accounts totaling \$35.6 million (December 31, 2020 - \$61.0 million). The net working capital ratio (current assets divided by current liabilities) was 0.56:1 at June 30, 2021 (December 31, 2020 – 0.67:1).

At June 30, 2021, BGSJ had total debt outstanding, net of cash, of \$671.1 million compared to \$539.9 million at March 31, 2021, \$538.5 million at December 31, 2020, \$503.8 million at September 30, 2020 and \$520.0 million at June 30, 2020. Debt, net of cash, increased when compared to prior periods primarily as a result of acquisition activity, including draws on the revolving credit facility, as well as increased seller notes and lease liabilities. Subsequent to the end of the second quarter of 2021, BGSJ drew an additional \$125.0 million from the credit facility for acquisition activities.

Total debt, net of cash						
(thousands of U.S. dollars)	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	
Revolving credit facility (net of financing costs)	\$ 54,173	\$ —	\$ —	\$ 36,574	\$	318,104
Term Loan A (net of financing costs)	124,641	123,760	123,705	124,623		124,618
Seller notes ⁽¹⁾	59,452	54,580	56,523	50,292		56,472
Total debt before lease liabilities	\$ 238,266	\$ 178,340	\$ 180,228	\$ 211,489	\$	499,194
Cash	35,612	61,477	61,041	106,108		374,378
Total debt, net of cash before lease liabilities	\$ 202,654	\$ 116,863	\$ 119,187	\$ 105,381	\$	124,816
Lease liabilities	468,474	423,001	419,311	398,423		395,211
Total debt, net of cash	\$ 671,128	\$ 539,864	\$ 538,498	\$ 503,804	\$	520,027
⁽¹⁾ Seller notes are loans granted to the Company by the sellers of businesses related to the acquisition of those businesses.						

Operating Activities

Cash flow generated from operations, before considering working capital changes, was \$53.9 million for the three months ended June 30, 2021 compared to \$31.7 million in the same period of 2020.

In the second quarter of 2021, changes in working capital items provided net cash of \$4.6 million compared with \$12.8 million in the same period of 2020. Increases and decreases in accounts receivable, inventory, prepaid expenses, income taxes, accounts payable and accrued liabilities are significantly influenced by timing of collections and expenditures.

Cash flow generated from operations before considering working capital changes, was \$104.5 million for the six months ended June 30, 2021 compared to \$99.2 million for the same period in 2020.

For the six months ended June 30, 2021, changes in working capital items provided net cash of \$17.2 million compared with providing \$13.2 million in the same period of 2020. Increases and decreases in accounts receivable, inventory, prepaid expenses, income taxes, accounts payable and accrued liabilities are significantly influenced by timing of collections and expenditures.

Financing Activities

Cash from financing activities totaled \$20.5 million for the three months ended June 30, 2021 compared to cash used in financing activities of \$66.4 million during the same period of the prior year. During the second quarter of 2021, cash was provided by draws of the revolving credit facility in the amount of \$55.0 million, offset by cash used to repay long-term debt associated with seller notes in the amount of \$5.2 million and to fund interest costs on long-term debt of \$2.2 million. Cash used by financing activities included \$20.4 million in repayments of lease liabilities and cash used to fund interest costs on lease liabilities of \$4.2 million. Cash was also used to pay dividends of \$2.4 million. During the second quarter of 2020, cash was used to repay draws as well as long-term debt associated with seller notes in the amount of \$194.5 million and cash used to fund interest costs on long-term debt of \$5.1 million. In the second quarter of 2020, the Company completed a bought deal financing, resulting in gross proceeds of \$164.3 million, as well as the payment of \$7.1 million in issue costs. Cash used by financing activities included \$17.6 million used to repay lease liabilities and cash used to fund interest costs on lease liabilities of \$4.2 million. Cash was also used to pay dividends totaling \$2.0 million.

Cash used in financing activities totaled \$10.0 million for the six months ended June 30, 2021 compared to cash provided by financing activities of \$278.0 million for the same period of the prior year. During the six months ended June 30, 2021, cash was provided by draws of the revolving credit facility in the amount of \$55.0 million offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of \$7.6 million and to fund interest costs on long-term debt of \$4.5 million. Cash used by financing activities included \$39.7 million in repayments of lease liabilities and cash used to fund interest costs on lease liabilities of \$8.3 million. Cash was also used to pay dividends of \$4.8 million. During 2020, the Company completed a corporate conversion as well as an equity offering, resulting in gross proceeds on the offering of \$164.3 million, as well as the payment of \$8.0 million in issue costs. The Company also amended the revolving credit facility, resulting in the payment of \$1.4 million of financing costs. During 2020, cash was provided by draws of the revolving credit facility in the amount of \$495.5 million offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of \$316.6 million and to fund interest costs on long-term debt of \$9.1 million. Cash used by financing activities included \$35.5 million used to repay lease liabilities and cash used to fund interest costs on lease liabilities of \$8.5 million. Cash was also used to pay dividends totaling \$2.7 million.

Debt Financing

On March 17, 2020, the Company entered into a third amended and restated credit agreement, increasing the revolving credit facility to \$550 million, with an accordion feature which can increase the facility to a maximum of \$825 million (the “revolving credit facility”, or the “facility”). The revolving credit facility is accompanied by a new seven-year fixed-rate Term Loan A in the amount of \$125 million at an interest rate of 3.455%. The revolving credit facility is with a syndicate of Canadian and U.S. banks and is secured by the shares and assets of the Company as well as guarantees by BGSI and subsidiaries, while Term Loan A is with one of the syndicated banks. The interest rate for draws on the revolving credit facility are based on a pricing grid of BGSI’s ratio of total funded debt to EBITDA as determined under the credit agreement. The Company can draw the facility in either the U.S. or in Canada, in either U.S. or Canadian dollars. The Company can make draws in tranches as required. Tranches bear interest only and are not repayable until the maturity date but can be voluntarily repaid at any time. The Company has the ability to choose the base interest rate between Prime, Bankers Acceptances (“BA”), U.S. Prime or London Inter Bank Offer Rate (“LIBOR”). The total syndicated facility includes a swing line up to a maximum of \$10.0 million in Canada and \$30.0 million in the U.S. At June 30, 2021, the Company has drawn \$55.0 million U.S. (December 31, 2020 - \$nil U.S.) and \$nil Canadian (December 31, 2020 - \$nil) on the revolving credit facility and \$125.0 million U.S. (December 31, 2020 - \$125.0 million) on the Term Loan A.

Under the revolving credit facility, the Company is subject to certain financial covenants which must be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants require BGSI to maintain a senior funded debt to EBITDA ratio of less than 3.50 and an interest coverage ratio of greater than 2.75. For four quarters following a material acquisition, the senior funded debt to EBITDA ratio may be increased to less than 4.00. For purposes of covenant calculations, property lease payments are deducted from EBITDA. During the second quarter of 2020, the Company amended certain financial covenants under the revolving credit facility to provide additional covenant headroom, further enhancing the Company’s financial flexibility. While the Company has not breached any covenants, this amendment was intended to prevent the effects of the COVID-19 pandemic from distorting the covenant calculations and distracting the

Company or its lenders from the prudent management of the business over the quarters ahead. The amendments include more flexibility in the calculation of such covenants beginning with the second quarter of 2020 and through the second quarter of 2021. Effective July 1, 2020 to June 30, 2021 inclusive, for the purposes of testing any financial covenants on a trailing twelve month period, the Company is permitted to replace the EBITDA for the second and third quarters of 2020 with the EBITDA for the second and third quarters of 2019. From December 31, 2020 to June 29, 2021, the senior funded debt to EBITDA ratio was no greater than 3.75. For four quarters following a material acquisition during the December 31, 2020 to June 29, 2021 timeframe, the senior debt to EBITDA ratio could be increased to no greater than 4.00.

The Company supplements its debt financing by negotiating with sellers in certain acquisitions to provide financing to the Company in the form of term notes. The notes payable to sellers are typically at favorable interest rates and for terms of one to 15 years. This source of financing is another means of supporting BGSI's growth, at a relatively low cost. During the first and second quarters of 2021, BGSI entered into 17 new seller notes for \$10.5 million. Subsequent to the end of the second quarter of 2021, BGSI drew an additional \$125.0 million from the credit facility for acquisition activities.

Shareholders' Capital

On May 14, 2020, BGSI closed its previously announced equity offering consisting of 1,265,000 shares at a price of C\$183.00 per share, with net proceeds of the offering to fund potential future acquisition opportunities, as well as to further strengthen the Company's balance sheet through either holding cash or debt repayment, and for general corporate purposes.

Investing Activities

Cash used in investing activities totaled \$105.3 million and \$137.8 million for the three months ended June 30, 2021 and for the six months ended June 30, 2021, respectively. This compares to \$16.4 million and \$48.1 million used in the same periods of the prior year, respectively. The investing activity in both periods related primarily to new location growth that occurred during these periods. Subsequent to the end of the second quarter of 2021, BGSI acquired 35 locations previously operating as Collision Works in Oklahoma, Kansas and Missouri.

Acquisitions and Development of Businesses

During the first and second quarters of 2021, the Company added 42 locations through acquisition, 13 locations operating as intake centers and six start-up locations, for a total of 61 new locations. From January 1, 2021 up to the reporting date of August 10, 2021, the Company has added 79 locations through acquisition, 15 locations operating as intake centers and six start-up locations, for a total of 100 new locations. These new locations are as follows:

Date	Location	Previously operated as
January 2, 2021	Cathedral City, CA	n/a start-up
January 2, 2021	Schaumburg, IL	n/a intake center
January 6, 2021	Henderson, NV	n/a intake center
January 15, 2021	Wyandotte, MI	Eureka Body and Fender
January 18, 2021	Las Vegas, NV	n/a intake center
January 29, 2021	Longwood, FL	n/a start-up
January 29, 2021	Kirkland, WA	n/a intake center
February 12, 2021	Columbia, SC	Jimmy Rivers Boyd Shop Inc.
February 19, 2021	Mentor & Streetsboro, OH (2 locations)	Frankie & Dylan's, Inc.
February 19, 2021	Fenton, MI	n/a intake center
February 23, 2021	Amarillo, TX	Plains Chevrolet, Ltd.
February 23, 2021	Pensacola, FL	n/a start-up
March 4, 2021	Bellevue, WA	n/a intake center
March 9, 2021	Queen Creek, AZ	n/a start-up
March 12, 2021	Mesa, AZ	n/a intake center
March 26, 2021	Simi Valley, CA	Star Auto Body, Inc.
March 26, 2021	Tallahassee, FL (3 locations)	Universal Collision Center, Inc.
March 31, 2021	Milwaukee, WI	Prestige Auto Works, Inc.
March 31, 2021	Bellevue, WA	n/a intake center
April 9, 2021	Vero Beach, FL	Perfection Paint and Body
April 9, 2021	Highland, IN	n/a intake center
April 17, 2021	Union City, GA	n/a intake center
April 23, 2021	Escondido, CA	Milo Johnson Automotive Service, Inc.
April 27, 2021	Denton and Flour Mound, TX (2 locations)	Pro Care Collision, LLC
April 30, 2021	Green Bay, WI	Williams Auto Body Shop, Inc.
April 30, 2021	Sanford and Southern Pines, NC (2 locations)	Overton Body Shop
May 1, 2021	Thornhill, ON	n/a intake center
May 7, 2021	Kaneohe, Wahiawa & Waipahu, HI (3	Sigs Collision Centers
May 11, 2021	Buford, GA	n/a start-up
May 14, 2021	Baltimore & Reisterstown, MD (2 locations)	Camden Boyd & Fender
May 14, 2021	Amarillo, TX	n/a start-up
May 21, 2021	Las Vegas, NV	n/a intake center
June 11, 2021	Victor, NY	Austin-Spencer Collision Repair Center
June 15, 2021	Pittsburgh, PA	Wolbert Auto Body, Inc.
June 18, 2021	Austin, TX (2 locations)	Austin Capital Collision
June 19, 2021	Gilbert, AZ	n/a intake center
June 25, 2021	Georgia & South Carolina (16 locations)	John Harris Body Shops
July 9, 2021	La Habra, CA	California Auto Specialist Center
July 16, 2021	Appleton, WI	Peotter's Collision Center
July 31, 2021	Oklahoma, Kansas & Missouri (35 locations)	Collision Works
August 7, 2021	Pensacola, FL	n/a intake center
August 7, 2021	Pensacola, FL	n/a intake center

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

The Company completed the acquisition or start-up of 20 locations from the beginning of 2020 until the second quarter reporting date of August 12, 2020.

Capital Expenditures

Although most of Boyd's repair facilities are leased, funds are required to ensure facilities are properly repaired and maintained to ensure the Company's physical appearance communicates Boyd's standard of professional service and quality. The Company's need to maintain its facilities and upgrade or replace equipment, signage, computers, software and vehicles forms part of the annual cash requirements of the business. The Company manages these expenditures by annually reviewing and determining its capital budget needs and then authorizing major expenditures throughout the year based upon individual business cases. Excluding expenditures related to acquisition and development, the investment in environmental initiatives, including LED lighting, and the investment in the expansion of the Wow Operating Way practices through the corporate applications and process improvement efficiency project, the Company spent approximately \$6.1 million or 1.4% of sales on capital expenditures during the second quarter of 2021, compared to \$5.6 million or 1.8% of sales during the same period of 2020. During the first six months of 2021, excluding these same expenditures, the Company spent approximately \$11.5 million or 1.3% of sales on capital expenditures, compared to \$11.3 million or 1.5% of sales during the same period of 2020.

The Company plans to make cash capital expenditures, excluding those related to acquisition and development of new locations, within the range of 1.6% and 1.8% of sales. In addition to these capital expenditures, the Company plans to invest \$4 million in environmental initiatives, including LED lighting in order to reduce energy consumption and enhance the shop work environment. This investment will not only provide environmental and social benefits but also achieve accretive returns on invested capital. During the six months ended June 30, 2021, the Company has spent approximately \$2.4 million on environmental initiatives, including LED lighting. Additionally, the Company plans to expand its Wow Operating Way practices to corporate business processes. The related technology and process efficiency project will result in an additional \$2-3 million investment before the end of the year and will also be expected to streamline various processes as well as generate economic returns after the project is fully implemented. During the six months ended June 30, 2021, the Company has spent approximately \$3.8 million on the Wow Operating Way expansion to corporate business processes.

LEGAL PROCEEDINGS

Neither BGSI, nor any of its subsidiaries are involved in any legal proceedings which are material in any respect.

RELATED PARTY TRANSACTIONS

Boyd has not entered into any new related party transactions beyond the items disclosed in the 2020 annual report.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements that present fairly the financial position, financial condition and results of operations requires that BGSI make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from these estimates.

The critical accounting estimates are substantially unchanged from those identified in the 2020 annual MD&A.

INTERNAL CONTROL OVER FINANCIAL REPORTING

BGSI's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the second quarter of 2021, there have been no changes in BGSI's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, BGSI's internal control over financial reporting.

BUSINESS RISKS AND UNCERTAINTIES

Risks and uncertainties affecting the business remain substantially unchanged from those identified in the 2020 annual MD&A.

ADDITIONAL INFORMATION

BGSI's shares trade on the Toronto Stock Exchange under the symbol TSX: BYD.TO. Additional information relating to the BGSI is available on SEDAR (www.sedar.com) and the Company website (www.boydgroup.com).

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Timothy O'Day, Chief Executive Officer, Boyd Group Services Inc.**, certify the following:

1. **Review:** I have reviewed the interim financial report and MD&A (together, the "interim filings") of **Boyd Group Services Inc.** (the "issuer") for the interim period ended **June 30, 2021**.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the financial year end
 - a. designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - i. material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and
 - ii. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - b. designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.
- 5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control – Integrated Framework (COSO 2013 Framework), published by The Committee of Sponsoring Organizations of the Treadway Commission.
- 5.2 **ICFR – material weakness relating to design:** N/A
- 5.3 **Limitation on scope of design:** N/A
6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on April 1, 2021 and ended on June 30, 2021 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 11, 2021

(signed)

Tim O'Day
President & Chief Executive Officer

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Narendra Pathipati, Chief Financial Officer, Boyd Group Services Inc.**, certify the following:

1. **Review:** I have reviewed the interim financial report and MD&A (together, the “interim filings”) of **Boyd Group Services Inc.** (the “issuer”) for the interim period ended **June 30, 2021**.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the financial year end
 - a. designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - i. material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and
 - ii. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - b. designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.
- 5.1 **Control framework:** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is the Internal Control – Integrated Framework (COSO 2013 Framework), published by The Committee of Sponsoring Organizations of the Treadway Commission.
- 5.2 **ICFR – material weakness relating to design:** N/A
- 5.3 **Limitation on scope of design:** N/A
6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on April 1, 2021 and ended on June 30, 2021 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: August 11, 2021

(signed)

Narendra Pathipati
Executive Vice President & Chief Financial Officer



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)

	<i>Note</i>	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
			(Note 4)			(Note 4)
	Note			Note		
Sales	15	\$ 444,643	\$ 307,951	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
						(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
			(Note 4)		(Note 4)
	<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.
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)

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)

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 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.
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)

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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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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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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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

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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
		(Note 4)
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
		(Note 4)
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 (Note 4)
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 (Note 4)
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	2021	2020
		(Note 4)		(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

			June 30, 2021		December 31, 2020	
					(Note 4)	
	Classification	Fair value hierarchy	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		<i>(Note 4)</i>		<i>(Note 4)</i>
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, 2021	December 31, 2020
As at		<i>(Note 4)</i>
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
		(Note 4)		(Note 4)
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	
	(Note 4)						
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