



BOYD GROUP SERVICES INC.

Interim Condensed Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022

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)

		September 30, 2022	December 31, 2021
	<i>Note</i>		
Assets			
Current assets:			
Cash		\$ 13,867	\$ 27,714
Accounts receivable		110,496	103,024
Income taxes recoverable		6,902	7,576
Inventory	5	75,236	66,784
Prepaid expenses		37,701	29,554
		244,202	234,652
Property, plant and equipment	6	309,423	332,189
Right of use assets	7	578,766	502,036
Deferred income tax asset		2,821	1,737
Intangible assets	8	335,726	348,727
Goodwill	9	598,612	601,991
Other long-term assets		5,946	5,795
		\$ 2,075,496	\$ 2,027,127
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 320,899	\$ 258,423
Dividends payable	10	2,256	2,439
Current portion of long-term debt	11	14,466	13,887
Current portion of lease liabilities	12	97,391	92,924
		435,012	367,673
Long-term debt	11	313,984	428,186
Lease liabilities	12	528,822	450,423
Deferred income tax liability		59,647	48,602
Unearned rebates		5,348	5,809
		1,342,813	1,300,693
Equity			
Accumulated other comprehensive earnings		52,375	65,987
Retained earnings		76,323	56,720
Shareholders' capital		600,047	600,047
Contributed surplus		3,938	3,680
		732,683	726,434
		\$ 2,075,496	\$ 2,027,127

The accompanying notes 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)

	Shareholders' Capital		Contributed Surplus	Accumulated Other Comprehensive Earnings	Retained Earnings	Total Equity
	Shares	Amount				
	<i>Note</i>					
Balances - January 1, 2021	21,472,194	\$ 600,047	\$ 3,604	\$ 65,157	\$ 42,872	\$ 711,680
Issue costs (net of tax of \$29)			(76)			(76)
Stock option accretion			152			152
Other comprehensive earnings				830		830
Net earnings					23,540	23,540
Comprehensive earnings				830	23,540	24,370
Dividends to shareholders					(9,692)	(9,692)
Balances - December 31, 2021	21,472,194	\$ 600,047	\$ 3,680	\$ 65,987	\$ 56,720	\$ 726,434
Stock option accretion			258			258
Other comprehensive earnings				(13,612)		(13,612)
Net earnings					26,778	26,778
Comprehensive earnings				(13,612)	26,778	13,166
Dividends to shareholders	<i>10</i>				(7,175)	(7,175)
Balances - September 30, 2022	21,472,194	\$ 600,047	\$ 3,938	\$ 52,375	\$ 76,323	\$ 732,683
Balances - January 1, 2021	21,472,194	\$ 600,047	\$ 3,604	\$ 65,157	\$ 42,872	\$ 711,680
Issues costs - other (net of tax of \$29)			(76)			(76)
Stock option accretion			102			102
Other comprehensive earnings				(129)		(129)
Net earnings					18,639	18,639
Comprehensive earnings				(129)	18,639	18,510
Dividends to shareholders	<i>10</i>				(7,274)	(7,274)
Balances - September 30, 2021	21,472,194	\$ 600,047	\$ 3,630	\$ 65,028	\$ 54,237	\$ 722,942

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

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

	Note	Three months ended September 30,		Nine months ended September 30,	
		2022	2021	2022	2021
Sales	15	\$ 625,663	\$ 490,178	\$ 1,795,224	\$ 1,356,464
Cost of sales		343,361	274,520	990,040	741,706
Gross profit		282,302	215,658	805,184	614,758
Operating expenses		209,260	164,158	606,377	452,514
Acquisition and transaction costs		243	2,574	1,124	4,444
Depreciation of property, plant and equipment	6	11,824	11,313	35,623	30,879
Depreciation of right of use assets	7	25,798	23,342	75,115	64,346
Amortization of intangible assets	8	6,345	6,383	20,094	16,944
Fair value adjustments		—	50	146	148
Finance costs		9,931	7,198	27,341	19,980
		263,401	215,018	765,820	589,255
Earnings before income taxes		18,901	640	39,364	25,503
Income tax expense (recovery)					
Current		2,768	(2,407)	2,814	1,697
Deferred		4,261	2,613	9,772	5,167
		7,029	206	12,586	6,864
Net earnings		\$ 11,872	\$ 434	\$ 26,778	\$ 18,639

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

Basic and diluted earnings per share	16	\$ 0.55	\$ 0.02	\$ 1.25	\$ 0.87
Basic and diluted weighted average number of shares outstanding	16	21,472,194	21,472,194	21,472,194	21,472,194

BOYD GROUP SERVICES INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (Unaudited)
(thousands of U.S. dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net earnings	\$ 11,872	\$ 434	\$ 26,778	\$ 18,639
Other comprehensive earnings				
Items that may be reclassified subsequently to Interim Condensed Consolidated Statements of Earnings				
Change in unrealized earnings on foreign currency translation	(10,596)	(5,181)	(13,612)	(129)
Other comprehensive loss	(10,596)	(5,181)	(13,612)	(129)
Comprehensive earnings (loss)	\$ 1,276	\$ (4,747)	\$ 13,166	\$ 18,510

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 September 30,		Nine months ended September 30,	
		2022	2021	2022	2021
	<i>Note</i>				
Cash flows from operating activities					
Net earnings		\$ 11,872	\$ 434	\$ 26,778	\$ 18,639
Adjustments for					
Fair value adjustments		—	50	146	148
Deferred income taxes		4,261	2,613	9,772	5,167
Finance costs		9,931	7,198	27,341	19,980
Amortization of intangible assets	8	6,345	6,383	20,094	16,944
Depreciation of property, plant and equipment	6	11,824	11,313	35,623	30,879
Depreciation of right of use assets	7	25,798	23,342	75,115	64,346
Other		(402)	37	(378)	(190)
		69,629	51,370	194,491	155,913
Changes in non-cash working capital items		40,470	(10,403)	41,484	6,818
		110,099	40,967	235,975	162,731
Cash flows (used in) from financing activities					
Issue costs		—	—	—	(105)
Increase in obligations under long-term debt	11	—	170,000	43,000	225,000
Repayment of long-term debt, principal	11	(58,598)	(25,497)	(159,171)	(33,111)
Repayment of obligations under property leases, principal		(23,084)	(21,594)	(68,429)	(60,223)
Repayment of obligations under vehicle and equipment leases, principal		(808)	(646)	(2,187)	(1,671)
Interest on long-term debt	11	(4,002)	(2,586)	(10,921)	(7,110)
Interest on property leases		(5,693)	(4,728)	(16,010)	(12,925)
Interest on vehicle and equipment leases		(125)	(86)	(302)	(228)
Dividends paid		(2,389)	(2,417)	(7,288)	(7,219)
Payment of financing costs	11	—	—	(514)	—
		(94,699)	112,446	(221,822)	102,408
Cash flows used in investing activities					
Proceeds on sale of equipment and software	6	713	211	2,246	763
Equipment purchases and facility improvements		(13,728)	(4,374)	(29,292)	(18,007)
Acquisition and development of businesses (net of cash acquired)	4	(17,995)	(150,764)	(52,830)	(271,161)
Software purchases and licensing	8	(87)	(1,582)	(128)	(5,637)
Increase in other long-term assets		(217)	(465)	(389)	(765)
Proceeds on sale / leaseback agreements	6	2,377	—	53,404	—
		(28,937)	(156,974)	(26,989)	(294,807)
Effect of foreign exchange rate changes on cash		(932)	(823)	(1,011)	(145)
Net decrease in cash position		(14,469)	(4,384)	(13,847)	(29,813)
Cash beginning of period		28,336	35,612	27,714	61,041
Cash, end of period		\$ 13,867	\$ 31,228	\$ 13,867	\$ 31,228
Income taxes (recovered) paid		\$ (98)	\$ 4,044	\$ 2,179	\$ 4,428
Interest paid		\$ 9,857	\$ 7,003	\$ 27,092	\$ 19,696

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 nine months ended September 30, 2022 and 2021

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

1. GENERAL INFORMATION

Boyd Group Services Inc. (“BGSI” or the “Company”) 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 names 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, Unit C1, 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 November 8, 2022, 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, 2022 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 nine months ended September 30, 2022 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, 2021. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS. These consolidated financial statements are presented in U.S. dollars (“USD”).

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, Inflationary Cost Environment and Supply Chain Disruption

The COVID-19 pandemic impacted the demand for collision repair services throughout 2020 and 2021 and continued to impact demand in Canada during the first and second quarters of 2022. 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.

During 2022, the ability to service demand has been impacted by supply chain disruption, which has delayed the completion of many repairs and has resulted in high levels of work in process.

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

For the three and nine months ended September 30, 2022 and 2021

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

As at September 30, 2022, BGSJ is not able to reliably forecast the severity or duration of the impact that the COVID-19 pandemic or related issues, including staffing constraints, wage and parts inflation, and supply chain disruptions, will have on the economy, or on BGSJ's operations. The extent to which the impacts of these disruptions affect 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. ACQUISITIONS

The Company completed 14 acquisitions that added 17 locations during the nine months ended September 30, 2022 as follows:

Acquisition Date	Location
January 3, 2022	Springhill & Thompson's Station, TN (2 locations)
February 11, 2022	Signal Hill, CA
March 18, 2022	Bossier City & Shreveport, LA (2 locations)
March 28, 2022	New Smyrna Beach, FL
March 31, 2022	Eau Claire and Plover, WI (2 locations)
April 29, 2022	Indian Trail, NC
May 13, 2022	Marion, NC
May 31, 2022	Elkhorn, WI
July 8, 2022	Roseville, CA
July 29, 2022	Orangevale, CA
September 2, 2022	La Crosse, WI
September 6, 2022	Brownwood, TX
September 9, 2022	Yakima, WA
September 30, 2022	Sacramento, CA

During the first quarter of 2022, the Company acquired a single location glass business in Minnesota. During the third quarter of 2022, the Company acquired a four location glass business in Florida.

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

For the three and nine months ended September 30, 2022 and 2021
(thousands of U.S. dollars, except share and share amounts)

BGSI has accounted for the 2022 acquisitions using the acquisition method as follows:

Acquisitions in 2022	Total acquisitions
Identifiable net assets acquired at fair value:	
Other currents assets	\$ 572
Property, plant and equipment	8,532
Right of use assets	11,676
Identified intangible assets	
Customer relationships	11,075
Non-compete agreements	372
Liabilities assumed	
Lease liabilities	(11,676)
Identifiable net assets acquired	\$ 20,551
Goodwill	4,214
Total purchase consideration	\$ 24,765
Consideration provided	
Cash paid or payable	\$ 22,096
Seller notes	2,669
Total consideration provided	\$ 24,765

The preliminary purchase prices for the 2022 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 2022 is expected to be deductible for tax purposes.

On the statement of cash flows, included as part of cash used for acquisition and development of business were costs related to the acquisition of businesses, as well as the development of businesses which consisted primarily of property, plant and equipment additions.

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

For the three and nine months ended September 30, 2022 and 2021

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

5. INVENTORY

As at	September 30, 2022	December 31, 2021
Parts and materials	\$ 20,934	\$ 20,837
Work in process	54,302	45,947
Balance, end of period	\$ 75,236	\$ 66,784

6. PROPERTY, PLANT AND EQUIPMENT

As at	September 30, 2022	December 31, 2021
Balance, beginning of year	\$ 332,189	\$ 237,945
Acquired through business combination	8,532	44,231
Additions	60,334	92,997
Proceeds on disposal	(55,650)	(1,145)
Gain on disposal	717	327
Transfers from right of use assets	6	328
Depreciation	(35,623)	(42,602)
Foreign exchange	(1,082)	108
Balance, end of period	\$ 309,423	\$ 332,189

During the first, second and third quarter of 2022, BGSi completed sale leaseback transactions for 35 properties for total proceeds of \$53,404. The properties will continue to operate under 15-year leases entered into under these sale-leaseback agreements. The increase in start-up locations resulted in a build up of real estate assets. The Company's strategy has been to not hold real estate. The sale leaseback transactions allowed the Company to replenish capital while continuing to use these properties. Of the sale leaseback transactions, 24 relate to properties that are current operating locations for the Company and 11 relate to start-up locations currently under development.

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

For the three and nine months ended September 30, 2022 and 2021
(thousands of U.S. dollars, except share and share amounts)

7. RIGHT OF USE ASSETS

As at	September 30, 2022	December 31, 2021
Balance, beginning of year	\$ 502,036	\$ 381,966
Acquired through business combinations	11,676	140,273
Additions and modifications	144,501	68,461
Depreciation	(75,115)	(88,523)
Loss on disposal	(211)	—
Transfers to property, plant and equipment	(6)	(328)
Foreign exchange	(4,115)	187
Balance, end of period	\$ 578,766	\$ 502,036

8. INTANGIBLE ASSETS

As at	September 30, 2022	December 31, 2021
Balance, beginning of year	\$ 348,727	\$ 276,381
Acquired through business combination	11,447	89,762
Additions	128	4,917
Amortization	(20,094)	(22,569)
Foreign exchange	(4,482)	236
Balance, end of period	\$ 335,726	\$ 348,727

9. GOODWILL

As at	September 30, 2022	December 31, 2021
Balance, beginning of year	\$ 601,991	\$ 463,734
Acquired through business combination	4,214	137,836
Foreign exchange	(7,593)	421
Balance, end of period	\$ 598,612	\$ 601,991

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

For the three and nine months ended September 30, 2022 and 2021
(thousands of U.S. dollars, except share and share amounts)

10. DIVIDENDS

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

The Company declared dividends of C\$0.144 per share in each of the first, second and third quarters of 2022, (2021 - C\$0.141).

Dividends to shareholders were declared and paid as follows:

Record date	Payment date	Dividend amount
March 31, 2022	April 27, 2022	\$ 2,441
June 30, 2022	July 27, 2022	2,413
September 30, 2022	October 27, 2022	2,321
		\$ 7,175

Record date	Payment date	Dividend amount
March 31, 2021	April 28, 2021	\$ 2,408
June 30, 2021	July 28, 2021	2,478
September 30, 2021	October 27, 2021	2,388
		\$ 7,274

11. LONG-TERM DEBT

Long-term debt is comprised of the following:

As at	September 30, 2022	December 31, 2021
Revolving credit facility & swing line (net of financing costs)	\$ 158,120	\$ 263,802
Term Loan A (net of financing costs)	124,747	124,680
Seller notes	45,583	53,591
	\$ 328,450	\$ 442,073
Current portion	14,466	13,887
	\$ 313,984	\$ 428,186

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

For the three and nine months ended September 30, 2022 and 2021

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

The following is the continuity of long-term debt:

As at	September 30, 2022	December 31, 2021
Balance, beginning of period	\$ 442,073	\$ 180,228
Consideration on acquisition	2,669	14,570
Draws	43,000	330,500
Repayments	(159,171)	(83,504)
Deferred financing costs	(514)	—
Amortization of deferred finance costs	302	286
Foreign exchange	91	(7)
Balance, end of period	\$ 328,450	\$ 442,073

Included in finance costs for the three and nine months ended September 30, 2022 is interest on long-term debt of \$4,002 and \$10,921 respectively (2021 - \$2,586 and \$7,110 respectively).

12. LEASE LIABILITIES

The following is the continuity of lease liabilities:

As at	September 30, 2022	December 31, 2021
Balance, beginning of period	\$ 543,347	\$ 419,311
Assumed on acquisition	11,676	140,273
Additions and modifications	146,407	68,461
Repayments	(86,928)	(102,996)
Financing costs	16,312	18,099
Foreign exchange	(4,601)	199
Balance, end of period	\$ 626,213	\$ 543,347
Current portion	97,391	92,924
	\$ 528,822	\$ 450,423

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

For the three and nine months ended September 30, 2022 and 2021
(thousands of U.S. dollars, except share and share amounts)

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Operating expenses	\$ 1,447	\$ 1,321	\$ 4,616	\$ 3,564
Depreciation of right of use assets	\$ 25,798	\$ 23,342	\$ 75,115	\$ 64,346
Finance costs	\$ 5,818	\$ 4,814	\$ 16,312	\$ 13,153

13. FINANCIAL INSTRUMENTS

Carrying value and estimated fair value of financial instruments

	Classification	Fair value hierarchy	September 30, 2022		December 31, 2021	
			Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Cash	Amortized cost	n/a	\$ 13,867	\$ 13,867	\$ 27,714	\$ 27,714
Accounts receivable	Amortized cost	n/a	110,496	110,496	103,024	103,024
Financial liabilities						
Accounts payable and accrued liabilities	Amortized cost	n/a	320,899	320,899	258,423	258,423
Dividends payable	Amortized cost	n/a	2,256	2,256	2,439	2,439
Long-term debt	Amortized cost	n/a	328,450	315,833	442,073	437,717

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.

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 September 30, 2022 was approximately \$124,363 (December 31, 2021 - \$130,738).

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

For the three and nine months ended September 30, 2022 and 2021
(thousands of U.S. dollars, except share and share amounts)

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 September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Revenues				
Canada	\$ 49,350	\$ 35,980	\$ 145,630	\$ 106,589
United States	576,313	454,198	1,649,594	1,249,875
	\$ 625,663	\$ 490,178	\$ 1,795,224	\$ 1,356,464

Reportable Assets	September 30,	December 31,
As at	2022	2021
Canada	\$ 211,968	\$ 233,024
United States	1,610,559	1,551,919
	\$ 1,822,527	\$ 1,784,943

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

For the three and nine months ended September 30, 2022 and 2021
(thousands of U.S. dollars, except share and share amounts)

16. EARNINGS PER SHARE

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net earnings	\$ 11,872	\$ 434	\$ 26,778	\$ 18,639
Basic weighted average number of shares	21,472,194	21,472,194	21,472,194	21,472,194
Average number of shares outstanding - diluted basis	21,472,194	21,472,194	21,472,194	21,472,194
Basic earnings per share	\$ 0.55	\$ 0.02	\$ 1.25	\$ 0.87
Diluted earnings per share	\$ 0.55	\$ 0.02	\$ 1.25	\$ 0.87

The stock options are instruments that could have potentially diluted basic earnings per share for the three and nine months ended September 30, 2022 and 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. The term of an option shall be determined and approved by the People, Culture and Compensation Committee; provided that the term shall be no longer than ten years from the grant date.

On March 31, 2021 the Company issued 13,831 options under the stock option plan with a grant date fair value of C\$56.99 per option and an exercise price of C\$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.

On March 31, 2022 the Company issued 18,878 options under the stock option plan with a grant date fair value of C\$47.08 per option and an exercise price of C\$164.68 per option. None of the options are exercisable at period end. Issue costs of \$nil were incurred with respect to the 2022 options issued under the stock option plan.

18. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

As at	December 31, 2021	Cash Flows	Non-cash changes				September 30, 2022
			Acquisition	Other items	Fair value changes	Foreign exchange	
Long-term debt	\$ 442,073	(127,606)	2,669	11,223	—	91	\$ 328,450
Lease liabilities	543,347	(86,928)	11,676	162,719	—	(4,601)	626,213
Dividends	2,439	(7,288)	—	7,175	—	(70)	2,256
	\$ 987,859	(221,822)	14,345	181,117	—	(4,580)	\$ 956,919