



**BOYD GROUP SERVICES INC.**

Interim Condensed Consolidated Financial Statements

Three and Six Months Ended June 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)*

	<i>Note</i>	<b>June 30, 2022</b>	December 31, 2021
<b>Assets</b>			
Current assets:			
Cash		\$ 28,336	\$ 27,714
Accounts receivable		124,560	103,024
Income taxes recoverable		9,799	7,576
Inventory	5	77,786	66,784
Prepaid expenses		30,486	29,554
		<b>270,967</b>	234,652
Property, plant and equipment	6	297,606	332,189
Right of use assets	7	570,760	502,036
Deferred income tax asset		2,051	1,737
Intangible assets	8	341,144	348,727
Goodwill	9	602,571	601,991
Other long-term assets		5,915	5,795
		<b>\$ 2,091,014</b>	<b>\$ 2,027,127</b>
<b>Liabilities and Equity</b>			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 293,020	\$ 258,423
Dividends payable	10	2,400	2,439
Current portion of long-term debt	11	14,113	13,887
Current portion of lease liabilities	12	96,844	92,924
		<b>406,377</b>	367,673
Long-term debt	11	371,199	428,186
Lease liabilities	12	519,845	450,423
Deferred income tax liability		54,467	48,602
Unearned rebates		5,501	5,809
		<b>1,357,389</b>	1,300,693
<b>Equity</b>			
Accumulated other comprehensive earnings		62,971	65,987
Retained earnings		66,772	56,720
Shareholders' capital		600,047	600,047
Contributed surplus		3,835	3,680
		<b>733,625</b>	726,434
		<b>\$ 2,091,014</b>	<b>\$ 2,027,127</b>

*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			155			155
Other comprehensive earnings				(3,016)		(3,016)
Net earnings					14,906	14,906
Comprehensive earnings				(3,016)	14,906	11,890
Dividends to shareholders	<i>10</i>				(4,854)	(4,854)
Balances - June 30, 2022	21,472,194	\$ 600,047	\$ 3,835	\$ 62,971	\$ 66,772	\$ 733,625
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			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	<i>10</i>				(4,886)	(4,886)
Balances - June 30, 2021	21,472,194	\$ 600,047	\$ 3,579	\$ 70,209	\$ 56,191	\$ 730,026

*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 June 30,		Six months ended June 30,	
		2022	2021	2022	2021
Sales	15	\$ 612,806	\$ 444,643	\$ 1,169,561	\$ 866,286
Cost of sales		335,296	239,500	646,679	467,186
Gross profit		277,510	205,143	522,882	399,100
Operating expenses		205,507	147,147	397,117	288,356
Acquisition and transaction costs		352	1,102	881	1,870
Depreciation of property, plant and equipment	6	12,276	10,007	23,799	19,566
Depreciation of right of use assets	7	25,174	20,892	49,317	41,004
Amortization of intangible assets	8	6,669	5,496	13,749	10,561
Fair value adjustments		—	98	146	98
Finance costs		9,097	6,050	17,410	12,782
		259,075	190,792	502,419	374,237
Earnings before income taxes		18,435	14,351	20,463	24,863
Income tax expense (recovery)					
Current		(736)	3,165	46	4,104
Deferred		5,873	724	5,511	2,554
		5,137	3,889	5,557	6,658
Net earnings		\$ 13,298	\$ 10,462	\$ 14,906	\$ 18,205

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

Basic earnings per share	16	\$ 0.62	\$ 0.49	\$ 0.69	\$ 0.85
Diluted earnings per share	16	\$ 0.62	\$ 0.49	\$ 0.69	\$ 0.85
Basic weighted average number of shares outstanding	16	21,472,194	21,472,194	21,472,194	21,472,194
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 June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net earnings	\$ 13,298	\$ 10,462	\$ 14,906	\$ 18,205
Other comprehensive earnings				
Items that may be reclassified subsequently to Interim Condensed Consolidated Statements of Earnings				
Change in unrealized earnings on foreign currency translation	(5,704)	2,842	(3,016)	5,052
Other comprehensive (loss) earnings	(5,704)	2,842	(3,016)	5,052
Comprehensive earnings	\$ 7,594	\$ 13,304	\$ 11,890	\$ 23,257

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

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

		<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
		<b>2022</b>	2021	<b>2022</b>	2021
	<i>Note</i>				
<b>Cash flows from operating activities</b>					
Net earnings		\$ 13,298	\$ 10,462	\$ 14,906	\$ 18,205
Adjustments for					
Fair value adjustments		—	98	146	98
Deferred income taxes		5,873	724	5,511	2,554
Finance costs		9,097	6,050	17,410	12,782
Amortization of intangible assets	8	6,669	5,496	13,749	10,561
Depreciation of property, plant and equipment	6	12,276	10,007	23,799	19,566
Depreciation of right of use assets	7	25,174	20,892	49,317	41,004
Other		555	136	24	(227)
		<b>72,942</b>	53,865	<b>124,862</b>	104,543
Changes in non-cash working capital items		<b>(7,303)</b>	4,636	<b>1,014</b>	17,221
		<b>65,639</b>	58,501	<b>125,876</b>	121,764
<b>Cash flows (used in) from financing activities</b>					
Issue costs		—	(105)	—	(105)
Increase in obligations under long-term debt	11	6,000	55,000	43,000	55,000
Repayment of long-term debt, principal	11	(52,227)	(5,158)	(100,573)	(7,614)
Repayment of obligations under property leases, principal		(22,837)	(19,922)	(45,345)	(38,629)
Repayment of obligations under vehicle and equipment leases, principal		(711)	(515)	(1,379)	(1,025)
Interest on long-term debt	11	(3,582)	(2,192)	(6,919)	(4,524)
Interest on property leases		(5,422)	(4,100)	(10,317)	(8,197)
Interest on vehicle and equipment leases		(94)	(65)	(177)	(142)
Dividends paid		(2,448)	(2,423)	(4,899)	(4,802)
Payment of financing costs	11	—	—	(514)	—
		<b>(81,321)</b>	20,520	<b>(127,123)</b>	(10,038)
<b>Cash flows from (used in) investing activities</b>					
Proceeds on sale of equipment and software	6	166	340	1,533	552
Equipment purchases and facility improvements		(9,161)	(6,966)	(15,564)	(13,633)
Acquisition and development of businesses (net of cash acquired)	4	(12,869)	(96,317)	(34,835)	(120,397)
Software purchases and licensing	8	(15)	(2,122)	(41)	(4,055)
(Increase) decrease in other long-term assets		670	(209)	(172)	(300)
Proceeds on sale / leaseback agreements	6	21,254	—	51,027	—
		<b>45</b>	(105,274)	<b>1,948</b>	(137,833)
Effect of foreign exchange rate changes on cash		<b>(302)</b>	388	<b>(79)</b>	678
Net (decrease) increase in cash position		<b>(15,939)</b>	(25,865)	<b>622</b>	(25,429)
Cash beginning of period		<b>44,275</b>	61,477	<b>27,714</b>	61,041
Cash, end of period		<b>\$ 28,336</b>	\$ 35,612	<b>\$ 28,336</b>	\$ 35,612
Income taxes paid		<b>\$ 1,488</b>	\$ 1,533	<b>\$ 2,277</b>	\$ 384
Interest paid		<b>\$ 8,965</b>	\$ 6,001	<b>\$ 17,235</b>	\$ 12,693

*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, 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 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, 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 August 9, 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 six months ended June 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”).

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

For the three and six months ended June 30, 2022 and 2021

(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*

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 quarter 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.

As at June 30, 2022, 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. ACQUISITIONS**

The Company completed eight acquisitions that added 11 locations during the six months ended June 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

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

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

For the three and six months ended June 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:

<b>Acquisitions in 2022</b>	Total acquisitions
<b>Identifiable net assets acquired at fair value:</b>	
Other currents assets	\$ 393
Property, plant and equipment	5,944
Right of use assets	8,828
Identified intangible assets	
Customer relationships	6,875
Non-compete agreements	232
Liabilities assumed	
Lease liabilities	(8,828)
Identifiable net assets acquired	\$ 13,444
Goodwill	2,220
<b>Total purchase consideration</b>	<b>\$ 15,664</b>
<b>Consideration provided</b>	
Cash paid or payable	\$ 14,554
Seller notes	1,110
<b>Total consideration provided</b>	<b>\$ 15,664</b>

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 six months ended June 30, 2022 and 2021

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

**5. INVENTORY**

As at	<b>June 30, 2022</b>	December 31, 2021
Parts and materials	\$ 20,971	\$ 20,837
Work in process	56,815	45,947
Balance, end of period	\$ 77,786	\$ 66,784

**6. PROPERTY, PLANT AND EQUIPMENT**

As at	<b>June 30, 2022</b>	December 31, 2021
Balance, beginning of year	\$ 332,189	\$ 237,945
Acquired through business combination	5,944	44,231
Additions	35,701	92,997
Proceeds on disposal	(52,560)	(1,145)
Gain on disposal	382	327
Transfers from right of use assets	6	328
Depreciation	(23,799)	(42,602)
Foreign exchange	(257)	108
Balance, end of period	\$ 297,606	\$ 332,189

During the first and second quarter of 2022, BGSi completed sale leaseback transactions for 34 properties for total proceeds of \$51,027. 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 10 relate to start-up locations currently under development.

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

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

**7. RIGHT OF USE ASSETS**

As at	<b>June 30, 2022</b>	December 31, 2021
Balance, beginning of year	\$ 502,036	\$ 381,966
Acquired through business combinations	8,828	140,273
Additions and modifications	110,276	68,461
Depreciation	(49,317)	(88,523)
Loss on disposal	(176)	—
Transfers to property, plant and equipment	(6)	(328)
Foreign exchange	(881)	187
Balance, end of period	\$ 570,760	\$ 502,036

**8. INTANGIBLE ASSETS**

As at	<b>June 30, 2022</b>	December 31, 2021
Balance, beginning of year	\$ 348,727	\$ 276,381
Acquired through business combination	7,107	89,762
Additions	41	4,917
Amortization	(13,749)	(22,569)
Foreign exchange	(982)	236
Balance, end of period	\$ 341,144	\$ 348,727

**9. GOODWILL**

As at	<b>June 30, 2022</b>	December 31, 2021
Balance, beginning of year	\$ 601,991	\$ 463,734
Acquired through business combination	2,220	137,836
Foreign exchange	(1,640)	421
Balance, end of period	\$ 602,571	\$ 601,991

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

For the three and six months ended June 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 the first quarter of 2022 and C\$0.144 per share in the second quarter of 2022 (2021 - C\$0.141 and C\$0.141 respectively).

Dividends to shareholders were declared and paid as follows:

<b>Record date</b>	<b>Payment date</b>	<b>Dividend amount</b>	
March 31, 2022	April 27, 2022	\$	2,441
June 30, 2022	July 27, 2022		2,413
		\$	4,854

<b>Record date</b>	<b>Payment date</b>	<b>Dividend amount</b>	
March 31, 2021	April 28, 2021	\$	2,408
June 30, 2021	July 28, 2021		2,478
		\$	4,886

**11. LONG-TERM DEBT**

Long-term debt is comprised of the following:

<b>As at</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Revolving credit facility & swing line (net of financing costs)	\$ 212,970	\$ 263,802
Term Loan A (net of financing costs)	124,716	124,680
Seller notes	47,626	53,591
	\$ 385,312	\$ 442,073
Current portion	14,113	13,887
	\$ 371,199	\$ 428,186

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

For the three and six months ended June 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	<b>June 30, 2022</b>	December 31, 2021
Balance, beginning of period	\$ 442,073	\$ 180,228
Consideration on acquisition	1,110	14,570
Draws	43,000	330,500
Repayments	(100,573)	(83,504)
Deferred financing costs	(514)	—
Amortization of deferred finance costs	195	286
Foreign exchange	21	(7)
Balance, end of period	\$ 385,312	\$ 442,073

Included in finance costs for the three and six months ended June 30, 2022 is interest on long-term debt of \$3,582 and \$6,919 respectively (2021 - \$2,192 and \$4,524 respectively).

**12. LEASE LIABILITIES**

The following is the continuity of lease liabilities:

As at	<b>June 30, 2022</b>	December 31, 2021
Balance, beginning of period	\$ 543,347	\$ 419,311
Assumed on acquisition	8,828	140,273
Additions and modifications	112,218	68,461
Repayments	(57,218)	(102,996)
Financing costs	10,494	18,099
Foreign exchange	(980)	199
Balance, end of period	\$ 616,689	\$ 543,347
Current portion	96,844	92,924
	\$ 519,845	\$ 450,423

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

For the three and six months ended June 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 June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Operating expenses	\$ 1,831	\$ 1,198	\$ 3,169	\$ 2,243
Depreciation of right of use assets	\$ 25,174	\$ 20,892	\$ 49,317	\$ 41,004
Finance costs	\$ 5,516	\$ 4,165	\$ 10,494	\$ 8,340

**13. FINANCIAL INSTRUMENTS**

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

	Classification	Fair value hierarchy	June 30, 2022		December 31, 2021	
			Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Cash	Amortized cost	n/a	28,336	28,336	27,714	27,714
Accounts receivable	Amortized cost	n/a	124,560	124,560	103,024	103,024
<b>Financial liabilities</b>						
Accounts payable and accrued liabilities	Amortized cost	n/a	293,020	293,020	258,423	258,423
Dividends payable	Amortized cost	n/a	2,400	2,400	2,439	2,439
Long-term debt	Amortized cost	n/a	385,312	378,457	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 June 30, 2022 was approximately \$152,896 (December 31, 2021 - \$130,738).

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

For the three and six months ended June 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 June 30,		Six months ended June 30,	
	2022	2021	2022	2021
<b>Revenues</b>				
Canada	\$ 50,450	\$ 33,332	\$ 96,280	\$ 70,609
United States	562,356	411,311	1,073,281	795,677
	\$ 612,806	\$ 444,643	\$ 1,169,561	\$ 866,286

Reportable Assets	June 30,	December 31,
As at	2022	2021
Canada	\$ 226,959	\$ 233,024
United States	1,585,122	1,551,919
	\$ 1,812,081	\$ 1,784,943

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

For the three and six months ended June 30, 2022 and 2021

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

**16. EARNINGS PER SHARE**

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net earnings	\$ 13,298	\$ 10,462	\$ 14,906	\$ 18,205
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	\$ 0.62	\$ 0.49	\$ 0.69	\$ 0.85
Diluted earnings per share	\$ 0.62	\$ 0.49	\$ 0.69	\$ 0.85

The stock options are instruments that could have potentially diluted basic earnings per share for the three and six months ended June 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				June 30, 2022
			Acquisition	Other items	Fair value changes	Foreign exchange	
Long-term debt	\$ 442,073	(65,006)	1,110	7,114	—	21	\$ 385,312
Lease liabilities	543,347	(57,218)	8,828	122,712	—	(980)	616,689
Dividends	2,439	(4,899)	—	4,854	—	6	2,400
	\$ 987,859	(127,123)	9,938	134,680	—	(953)	\$ 1,004,401