BOYD GROUP SERVICES INC.

INTERIM REPORT TO SHAREHOLDERS
Third Quarter and Nine Months Ended September 30, 2021

BOYD GROUP SERVICES INC.

REPORT TO SHAREHOLDERS

To our Shareholders,

During the third quarter of 2021, BGSI recorded sales of $490.2 million, Adjusted EBITDA[1] of $51.5 million and net earnings of $0.4 million.

Total sales in the third quarter of 2021 were $490.2 million, a 28.4% increase when compared to the $381.7 million achieved in the same period of 2020. Same-store sales increased 10.7% on a days adjusted basis, recognizing the same number of selling and production days in the U.S. and Canada in the third 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 third quarter of 2021.

Adjusted EBITDA for the third quarter of 2021 was $51.5 million, or 10.5% of sales, compared with $63.5 million, or 16.6% of sales in the same period of 2020. Adjusted EBITDA was positively impacted by the Canada Emergency Wage Subsidy ("CEWS") in the amount of $0.5 million, as compared to $7.5 million in the same period of the prior year. The amount of the CEWS has decreased as the program phases out, ending on October 23, 2021. Our 2021 third quarter Adjusted EBITDA margin of 10.5% was significantly lower than our historical levels achieved over the last several years and was therefore very disappointing.

BGSI posted net earnings of $0.4 million in the third quarter of 2021, compared to $15.9 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 third quarter of 2021 was $2.4 million or 0.5% of sales. This compares to Adjusted net earnings of $16.4 million or 4.3% of sales in the same period of 2020. Adjusted net earnings for the period was impacted by the lower gross margin percentage due to reduced parts and labor margins, as well as variability in Direct Repair Program ("DRP") pricing, a higher mix of parts sales in relation to labor, and higher levels of operating expenses. Adjusted net earnings for the three months ended September 30, 2021 was $0.11 per share, compared to $0.76 per share in the same period of 2020.

With respect to the balance sheet, at September 30, 2021, BGSI held total debt, net of cash, of $896.9 million, compared to $671.1 million at June 30, 2021 and $503.8 million at September 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.

While the COVID-19 pandemic significantly impacted Boyd's business over the past year, demand for services is exceeding capacity in all U.S. markets and demand in Canada is increasing slowly and gradually, although remaining well below pre-pandemic levels. The ability to service this demand has been constrained by labor availability and parts supply chain issues. These transitory market conditions caused a rapid reduction to the margins we were able to deliver in the third quarter. Thus far, in the fourth quarter of 2021, we have continued to experience a tight labor market and resulting wage pressure as well as supply chain disruption. We are committed to aggressively addressing these challenges.

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[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 September 30, 2021, which can be accessed via the SEDAR Web site (www.sedar.com).

The long-term solution to the staffing shortage is through internal training and development programs. We have strengthened our people development processes with a number of formal training programs, including our Technician Development Program. While we suspended this program during the pandemic, we have been successful at growing this program during the past nine months and have recently committed to growing it further by doubling the number of trainees in the program to help meet our future needs.

Through various actions to address the tight labor market and resulting wage pressure, along with the normalization of the supply chain issues, we expect our revenue throughput as well as gross margins and Adjusted EBITDA margins to recover in the coming quarters; however, the actions noted are unlikely to have a material impact on the fourth quarter. We are committed to driving the needed change aggressively. There is no question that the current environment is the most challenging of my more than 20 years in this industry, but despite these near-term market challenges, our leadership position and strong balance sheet position us well to successfully execute on our plan to double the size of our business by 2025 and deliver attractive returns to our shareholders.

During the first quarter of 2022, Boyd intends to publish an inaugural sustainability roadmap report. This sustainability roadmap report will outline our ambitions in the areas of environmental, social and governance matters. This is an important area that will be critical in positioning us well for success into the future.

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. All temporary intake locations in the U.S. 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.

Boyd Group Services Inc

836 locations

Boyd Autobody & Glass	**49 locations**
British Columbia	17
Alberta	14
Manitoba	14
Saskatchewan	4

Assured	**82 locations**
Ontario	82

The above numbers include 35 intake locations.

Gerber Collision & Glass		**705 locations**	
Michigan	74	Louisiana	14
Illinois	71	Kansas	13
Florida	70	Maryland	12
New York	40	Oregon	12
Washington	38	Nevada	10
Indiana	37	Tennessee	10
Georgia	33	Pennsylvania	9
North Carolina	32	Alabama	7
Ohio	32	Missouri	7
Arizona	27	Kentucky	4
Oklahoma	27	Utah	4
Wisconsin	27	Hawaii	3
California	25	Arkansas	2
Texas	24	Idaho	1
Colorado	21	Iowa	1
South Carolina	18		

The above numbers include 35 intake locations and two fleet locations co-located with collision repair centers.

Glass America

Gerber Collision & Glass

Auto Glass Authority
Experience the Difference...

Auto Glass only.com

Gerber National Claim Services

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 September 30, 2021, including material transactions and events of BGSI up to and including November 9, 2021, should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine months ended September 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.

On September 17, 2021, the BGSI Board of Directors declared a cash dividend for the third quarter of 2021 of C$0.141 per common share. The dividend was paid on October 27, 2021 to common shareholders of record at the close of business on September 30, 2021.

During the first nine months of 2021, the Company added 90 locations through acquisition, 15 locations operating as intake centers and eight start-up locations, for a total of 113 new locations. From January 1, 2021 up to the reporting date of November 9, 2021, the Company has added 96 locations through acquisition, 16 locations operating as intake centers and eight start-up locations, for a total of 120 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.

Date	Location	Previously operated as
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
August 10, 2021	Round Rock, TX	n/a start-up
August 13, 2021	Eagle River, Minocqua, Rhinelander & Tomahawk, WI (4 locations)	Quality Collision Center
August 13, 2021	San Diego, CA	Qualtech Collision Center
August 20, 2021	Springfield, MO	St. Louis Street Auto Body
August 31, 2021	Austin, TX	Don's Paint & Body Shop, Inc.
September 7, 2021	Jacksonville, FL	n/a start-up
September 7, 2021	Ankeny, IA	Smith's Collision & Paint
September 17, 2021	Shreveport, LA	Crown Collision, LLC
September 17, 2021	Burbank, IL	Millenium Auto Exchange, Inc.
September 27, 2021	Erie, PA	Jensen's Target Collision
October 1, 2021	Clarence, NY	Stevens Collision, LLC
October 8, 2021	Brighton, MI	Campbell Collision, Inc.
October 15, 2021	Medina & North Ridgeville, OH (2 locations)	South of the Square Collision Center
October 22, 2021	Sycamore, IL	Hayes' Boyd Shop, Inc.
October 29, 2021	Cornwall, ON	Seaway Chevrolet Cadillac Buick GMC Ltd.
November 8, 2021	Amarillo, TX	n/a intake center

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

OUTLOOK

Boyd’s 2021 third quarter Adjusted EBITDA margin of 10.5% was significantly lower than the historical levels achieved over the last several years and was therefore very disappointing. In the U.S., although demand approached pre-pandemic levels, the highly competitive labor market translated into significant wage pressure and labor margin compression as the quarter progressed. Additionally, the early signs of supply chain constraints that were reported in the second quarter became progressively worse as the quarter unfolded and compounded the overall gross margin compression as Boyd needed to source parts and materials from non-primary suppliers, along with a higher mix of original equipment (“OE”) versus alternative parts, all at lower margins in order to complete repairs and serve clients and customers. Boyd also experienced a shift in mix to higher part content repairs as labor capacity constraints necessitated that repairs with higher labor and lower part content be scheduled out.

In addition to this gross margin compression, the Adjusted EBITDA margin decline has been exacerbated by a lack of fixed cost absorption due to lower sales per location than pre-pandemic levels. As Boyd has commented since early this year, in preparation for claim volumes returning to pre-pandemic levels, the administrative resources needed were brought back in order to effectively operate and manage the business as it recovered from the pandemic, but the Company has not yet been able to add sufficient technician labor capacity to service the work that is available in the U.S. and the Company continues to experience a slower recovery in demand in the Canadian business. Boyd has also added more than 160 locations to the network in the past two years, which, given market conditions, are experiencing the same gross margin challenges as well as sales per location levels that are below historical levels. Boyd is confident that as the Company continues to build revenue, fixed costs will be in line and result in improving Adjusted EBITDA margins.

Despite market claim volume in the third quarter approaching but still being below pre-pandemic levels, demand for services exceeded labor capacity in all U.S. markets, which resulted in high levels of work-in-process and reduced sales capture rates. Adding and retaining location level administrative staff and technician capacity to address this capacity constraint has been challenging in an extraordinarily tight labor market and Boyd has taken specific actions to address this. These actions include investing in and growing our Technician Development Program (“TDP”), increasing recruitment support staff to improve lead generation and follow-up, proactively evaluating compensation levels and making appropriate adjustments to ensure the Company remains competitive in the rapidly changing environment, and driving high levels of execution for on-boarding and orientation programs to increase retention. These actions are making a difference, but have resulted in increased wage costs to both retain and recruit, resulting in near-term pressure on labor margins and operating expenses. Additionally, Boyd completed the implementation of the WOW Operating Way Human Resources systems during the quarter and is beginning to leverage this process.

Historically, Boyd and the industry generally, have recovered labor cost increases through selling rate increases from clients. However, to retain and recruit talent in the current labor environment it has been necessary to rapidly adjust wages at levels not previously experienced. Management is committed to aggressively addressing this challenge and is having constructive discussions with large key clients about the urgent need for price increases to reflect the current environment. However, given how significantly and rapidly wage costs have increased and the key business relationships these clients represent, it may take some time to achieve all of the needed price adjustments and margins may therefore continue to be impacted in the near-term, however the Company is moving with a great sense of urgency on this matter. In the meantime, Boyd is not relying solely on these key client price increases. Given the excessive levels of work, Boyd is endeavoring to prioritize production towards higher margin business, as well as raising prices where possible and suspending business relationships with a few lower margin clients that are not willing to increase pricing, in order to better serve core clients and accelerate margin recovery efforts. Boyd believes that these actions will result in labor margins returning to historical levels, however this may take several quarters.

The long-term solution to the staffing shortage is through internal training and development programs. Boyd has strengthened its people development processes with a number of formal training programs, including the Technician Development Program, which Boyd assesses as being industry leading. While the Company suspended this program during the pandemic, Boyd has been successful at growing this program during the past nine months and has recently committed to growing it further by doubling the number of trainees in the program to help meet future needs. The Company is very pleased with this program, but the costs associated with it negatively impacts margin for several quarters, primarily due to unproductive wage costs during the first several months of the trainees' employment. As the Company achieves a balance of TDP’s across experience levels (entry to near graduation) the margin impact will be softened and Boyd is confident that the long-term benefits significantly outweigh the short-term costs.

Boyd believes that the part availability and related margin challenges related to the supply chain disruption is transitory and will normalize as the underlying manufacturing and distribution issues are resolved. In the meantime, Boyd is working with key suppliers to source parts at normal margins, but will continue to use non-primary suppliers when necessary to complete repairs for clients. Boyd also expects sales mix to return to historical levels as the Company builds labor capacity.

Through these actions outlined and along with the normalization of the supply chain issues, Boyd expects revenue throughput as well as gross margins and Adjusted EBITDA margins to recover in the coming quarters; however, the actions noted are unlikely to have a material impact on the fourth quarter. Boyd is committed to driving the needed change aggressively. Despite these near-term market challenges, Boyd's leadership position and strong balance sheet position the Company well to successfully execute on the plan to double the size of the business by 2025 and deliver attractive returns to shareholders.

During the first quarter of 2022, Boyd intends to publish an inaugural sustainability roadmap report. This sustainability roadmap report will outline Boyd's ambitions in the areas of environmental, social and governance matters. This is an important area that will be critical in positioning Boyd well for success into the future.

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 November 9, 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

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
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 $2.0-2.5 million investment before the project is complete in the second quarter of 2022. The project is expected to streamline various processes as well as generate economic returns once 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
Boyd believes that margins will return to historical levels, however this may take several quarters.	Price increases will be negotiated and agreed upon by key clients Demand for services will continue to grow, allowing Boyd to focus on higher margin business Wage inflation will return to historical levels and will not outpace pricing increases Supply chain disruption is transitory and will normalize as underlying issues are resolved Internal training and development programs, including the Technician Development Program, will improve staffing availability	Inability of the Company to pass cost increases to customers over time Decline in the number of insurance claims Loss of one or more key customers or loss of significant volume from any customer Changes in market conditions and operating environment Wage inflation continues in excess of historical levels and outpaces pricing increases Supply chain remains disrupted Internal training and development programs do not improve staffing availability

In previous periods, Boyd provided forward-looking information surrounding the levels of Adjusted EBITDA that would be achieved during 2021 based on continuing to incur certain operating expenses and personnel costs, along with continued reduced demand for services. Boyd has experienced this impact during the first nine months of 2021; therefore, this forward-looking information has been withdrawn.

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

	Three months ended September 30,		Nine months ended September 30,	
(thousands of U.S. dollars)	**2021**	2020	**2021**	2020
Net earnings	**$ 434**	$ 15,855	**$ 18,639**	$ 27,861
Add:				
Finance costs	**7,198**	7,598	**19,980**	25,294
Income tax expense	**206**	6,078	**6,864**	9,683
Depreciation of property, plant and equipment	**11,313**	9,592	**30,879**	27,349
Depreciation of right of use assets	**23,342**	19,109	**64,346**	56,441
Amortization of intangible assets	**6,383**	4,666	**16,944**	13,798
Standardized EBITDA	**$ 48,876**	$ 62,898	**$ 157,652**	$ 160,426
Add (less):				
Fair value adjustments	**50**	353	**148**	(1,910)
Acquisition and transaction costs	**2,574**	263	**4,444**	1,124
Adjusted EBITDA	**$ 51,500**	$ 63,514	**$ 162,244**	$ 159,640

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 to adjusted net earnings:

(thousands of U.S. dollars, except share and per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	**2021**	2020
Net earnings	**$ 434**	$ 15,855	**$ 18,639**	$ 27,861
Add (less):				
Fair value adjustments (non-taxable)	**50**	353	**148**	(1,910)
Acquisition and transaction costs (net of tax)	**1,905**	195	**3,289**	832
Adjusted net earnings	**$ 2,389**	$ 16,403	**$ 22,076**	$ 26,783
Weighted average number of shares	**21,472,194**	21,472,194	**21,472,194**	20,848,928
Adjusted net earnings per share	**$ 0.11**	$ 0.76	**$ 1.03**	$ 1.28

Dividends

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

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

(thousands of U.S. dollars)

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**

(thousands of U.S. dollars)

Record date	**Payment date**		**Dividend amount**
March 31, 2020	April 28, 2020	$	1,999
June 30, 2020	July 29, 2020		2,186
September 30, 2020	October 28, 2020		2,241
		$	6,426

RESULTS OF OPERATIONS

Results of Operations

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

	Three months ended September 30,			Nine months ended September 30,		
	2021	% change	2020	**2021**	% change	2020
Sales - Total	**490,178**	28.4	381,689	**1,356,464**	17.2	1,157,477
Same-store sales - Total (excluding foreign exchange)	**419,979**	10.7	379,271	1,215,545	6.7	1,139,416
Gross margin %	**44.0**	(6.8)	47.2	**45.3**	(1.7)	46.1
Operating expense %	**33.5**	9.5	30.6	**33.4**	3.4	32.3
Adjusted EBITDA (1)	**51,500**	(18.9)	63,514	**162,244**	1.6	159,640
Acquisition and transaction costs	**2,574**	878.7	263	**4,444**	295.4	1,124
Depreciation and amortization	**41,038**	23.0	33,367	**112,169**	14.9	97,588
Fair value adjustments	**50**	(85.8)	353	**148**	N/A	(1,910)
Finance costs	**7,198**	(5.3)	7,598	**19,980**	(21.0)	25,294
Income tax expense	**206**	(96.6)	6,078	**6,864**	(29.1)	9,683
Adjusted net earnings (1)	**2,389**	(85.4)	16,403	**22,076**	(17.6)	26,783
Adjusted net earnings per share (1)	**0.11**	(85.5)	0.76	**1.03**	(19.5)	1.28
Net earnings	**434**	(97.3)	15,855	**18,639**	(33.1)	27,861
Basic earnings per share	**0.02**	(97.3)	0.74	**0.87**	(35.1)	1.34
Diluted earnings per share	**0.02**	(97.3)	0.74	**0.87**	(29.3)	1.23

(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. Demand for services has increased throughout 2021 and exceeded capacity in all U.S. markets during the third quarter, which resulted in high levels of work-in-process. Adding and retaining location level administrative staff and technician capacity to address this constraint has been challenging in an extraordinarily tight labor market, exacerbated by COVID related absenteeism. This has resulted in increased wage costs to both retain and recruit, resulting in near-term pressure on labor margins and operating expenses. Demand in Canada increased slowly and gradually during the third quarter of 2021 as restrictions were eased and removed, but throughout the third quarter and thus far into the fourth quarter, demand remains well below pre-pandemic levels. In addition to a tight labor market in the U.S. and the slow recovery of demand in Canada, during the third quarter, Boyd faced rapidly increasing supply chain disruptions for OE and aftermarket parts in both the Canadian and U.S. markets, which quickly resulted in a negative impact on margins as a higher percentage of parts had to be sourced from non-primary suppliers in order to complete repairs.

Canada Emergency Wage Subsidy

The Canada Emergency Wage Subsidy ("CEWS") was put into place on April 11, 2020 and remained in place until October 23, 2021. As was 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. Boyd determined it is eligible and has made applications for the CEWS for the periods commencing on April 12, 2020 to June 5, 2021. Boyd determined that it will continue to be eligible and make applications for the CEWS up to October 23, 2021. The total estimated CEWS for the nine months ended September 30, 2021 of $7.5 million has been recorded, with $3.2 million being recorded as a reduction to cost of goods sold and $4.3 million being recorded as a reduction to operating expenses. During the third quarter of 2021, the estimated CEWS of approximately $0.5 million was recorded, with $0.2 million being recorded as a reduction to cost of goods sold and $0.3 million being recorded as a reduction to operating expenses.

3rd Quarter Comparison - Three months ended September 30, 2021 vs. 2020

Sales

Sales totaled $490.2 million for the three months ended September 30, 2021, an increase of $108.5 million or 28.4% 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 $40.7 million or 10.7% and increased $1.9 million due to the translation of same-store sales at a higher Canadian dollar exchange rate. Same-store sales excluding foreign exchange increased 10.7% on a days adjusted basis, recognizing the same number of selling and production days in the U.S. and Canada in the third 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. Production challenges, including administrative and technician staffing capacity constraints and supply chain disruption, impacted sales levels during the third quarter of 2021.
- $67.8 million of incremental sales were generated from 121 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 $1.9 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 $215.7 million or 44.0% of sales for the three months ended September 30, 2021, compared to $180.3 million or 47.2% of sales for the same period in 2020. Gross profit increased primarily as a result of increased sales due to location growth, as well as the reduced impact of the COVID-19 pandemic when compared to the prior period, and included the recognition of the CEWS of approximately $0.2 million, as compared to $2.9 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 and a higher mix of parts sales in relation to labor. During the third quarter of 2021, Boyd faced rapidly increasing supply chain disruptions for OE and aftermarket parts in both the Canadian and U.S. markets, which quickly resulted in a negative impact on margins as a higher percentage of parts had to be sourced from non-primary suppliers in order to complete repairs. Labor margins were negatively impacted by the extraordinarily tight labor market, which resulted in increased wage costs to both retain and recruit staff. The shortage of labor also resulted in a higher mix of parts sales in relation to labor.

Operating Expenses

Operating Expenses for the three months ended September 30, 2021 increased $47.4 million to $164.2 million from $116.8 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 third 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 $0.3 million as compared to $4.5 million in the same period of the prior year, which helped mitigate incremental COVID-19 indirect wage costs. Operating expenses were negatively impacted by the extraordinarily tight labor market, which resulted in increased wage costs to both retain and recruit staff. Excluding the impact of foreign currency translation which increased operating expenses by approximately $0.8 million, expenses increased $46.6 million from 2020. Closed locations lowered operating expenses by $0.1 million.

Operating expenses as a percentage of sales were 33.5% for the three months ended September 30, 2021, which compared to 30.6% for the same period in 2020. The increase as a percentage of sales was due to capacity constraints and supply chain disruptions, which impacted the sales level that could be achieved during the third quarter of 2021, as well as the addition of new locations with fixed operating costs, such as property taxes. In addition, the prior period was impacted by wage reductions, which included higher levels of the CEWS, reduced management compensation, and lower wages as a result of temporary layoffs. In the third quarter of 2020, Boyd took a cautious approach to bringing back resources as revenue began to grow, which resulted in lower expenses, but which was not sustainable.

Acquisition and Transaction Costs

Acquisition and Transaction Costs for the three months ended September 30, 2021 were $2.6 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. During the third quarter of 2020, acquisition and transaction costs were low due to the pause on completion of acquisitions from the onset of the pandemic until mid-August 2020.

Adjusted EBITDA

Earnings before interest, income taxes, depreciation and amortization, adjusted for contingent consideration, as well as acquisition and transaction costs ("Adjusted EBITDA")[1] for the three months ended September 30, 2021 totaled $51.5 million or 10.5% of sales compared to Adjusted EBITDA of $63.5 million or 16.6% of sales in the same period of the prior year. The $12.0 million decrease was primarily the result of a lower gross margin percentage and higher levels of operating expenses. In total, Adjusted EBITDA in the third quarter benefited from the CEWS in the amount of $0.5 million, as compared to $7.5 million in the same period of the prior year.

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

Depreciation and Amortization

Depreciation related to property, plant and equipment totaled $11.3 million or 2.3% of sales for the three months ended September 30, 2021, an increase of $1.7 million when compared to the $9.6 million or 2.5% 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 $23.3 million, or 4.8% of sales for the three months ended September 30, 2021, as compared to $19.1 million or 5.0% 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 three months ended September 30, 2021 totaled $6.4 million or 1.3% of sales, an increase of $1.7 million when compared to the $4.7 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 acquisition growth.

Finance Costs

Finance Costs of $7.2 million or 1.5% of sales for the three months ended September 30, 2021 decreased from $7.6 million or 2.0% 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 during the third quarter of 2020 included pandemic related costs, as Boyd fully drew on the credit facilities near the end of March 2020 as the pandemic began, with amounts being repaid during the third quarter of 2020. By contrast, finance costs during the third quarter of 2021 included primarily acquisition related costs.

Income Taxes

Current and Deferred Income Tax Expense of $0.2 million for the three months ended September 30, 2021 compared to an income tax expense of $6.1 million for the same period of the prior year. Income tax expense has not been impacted by significant permanent differences in the current period.

Net Earnings and Earnings Per Share

Net Earnings for the three months ended September 30, 2021 was $0.4 million or 0.1% of sales compared to net earnings of $15.9 million or 4.2% of sales in the same period of the prior year. The net earnings amount in 2021 was impacted by acquisition and transaction costs of $1.9 million (net of tax). Adjusted net earnings[2] for the third quarter of 2021 was $2.4 million, or 0.5% of sales. This compares to Adjusted net earnings of $16.4 million or 4.3% of sales in the same period of 2020. Adjusted net earnings for the period was impacted by the lower gross margin percentage and higher levels of operating expenses as well as location growth. These new locations are subject to the same labor and supply challenges Boyd is currently facing across its business. These market conditions are impacting the results that can be achieved in the short-term, while new location growth has resulted in increased levels of depreciation and amortization.

Basic Earnings Per Share was $0.02 per share for the three months ended September 30, 2021 compared to $0.74 for the third quarter of 2020. Diluted earnings per share was $0.02 for the three months ended September 30, 2021 compared to $0.74 for the third quarter of 2020. Adjusted net earnings per share was $0.11 compared to $0.76 for the third quarter of 2020. The decrease in adjusted net earnings per share is primarily attributed to the lower gross margin percentage and higher levels of operating expenses as well the impact of location growth.

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

Year-to-date Comparison - Nine months ended September 30, 2021 vs. 2020

Sales

Sales totaled $1,356.5 million for the nine months ended September 30, 2021 an increase of $199.0 million or 17.2% 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 $76.1 million or 6.7%, and increased $7.8 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-March of 2020. Same-store sales increases in Canada were much lower than same-store sales increases in the U.S. Same-store sales excluding foreign exchange increased 7.2% on a days adjusted basis, with both Canada and the U.S. recognizing one less selling and production day during the first nine months of 2021.
- $119.7 million of incremental sales were generated from 139 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 $4.7 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 $614.8 million or 45.3% of sales for the nine months ended September 30, 2021 compared to $533.9 million or 46.1% of sales for the same period in 2020. Gross profit increased primarily as a result of new location growth as well as 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 $3.2 million, as compared to $4.5 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 DRP pricing and a higher mix of parts sales in relation to labor, partially offset by a higher mix of glass sales in relation to collision sales. During the third quarter of 2021, Boyd faced rapidly increasing supply chain disruptions for OE and aftermarket parts in both the Canadian and U.S. markets, which quickly resulted in a negative impact on margins as a higher percentage of parts had to be sourced from non-primary suppliers in order to complete repairs. Labor margins were negatively impacted by the extraordinarily tight labor market, which resulted in increased wage costs to both retain and recruit staff. The shortage of labor also resulted in a higher mix of parts sales in relation to labor.

Operating Expenses

Operating Expenses for the nine months ended September 30, 2021 increased $78.2 million to $452.5 million from $374.3 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 and third quarters of 2020. In addition to amounts recorded to offset applicable wages recorded in cost of sales, operating expenses benefited from the CEWS of approximately $4.3 million, as compared to $6.3 million in the same period of the prior year, which helped mitigate incremental COVID-19 indirect wage costs. Operating expenses were negatively impacted by the extraordinarily tight labor market, which resulted in increased wage costs to both retain and recruit staff. Excluding the impact of foreign currency translation which increased operating expenses by approximately $3.1 million, expenses increased $75.1 million from 2020. Closed locations lowered operating expenses by $0.9 million.

Operating expenses as a percentage of sales were 33.4% for the nine months ended September 30, 2021, which compared to 32.3% for the same period in 2020. The increase as a percentage of sales was due to capacity constraints and supply chain disruptions, which impacted the sales level that could be achieved during the third quarter of 2021, as well as the addition of new locations with fixed operating costs, such as property taxes. In addition, the prior period was impacted by wage reductions, which included higher levels of the CEWS, reduced management compensation, and lower wages as a result of temporary layoffs. In the third quarter of 2020, Boyd took a cautious approach to bringing back resources as revenue began to grow, which resulted in lower expenses, but which was not sustainable.

Acquisition and Transaction Costs

Acquisition and Transaction Costs for the nine months ended September 30, 2021 were $4.4 million compared to $1.1 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 nine months ended September 30, 2021 totaled $162.2 million or 12.0% of sales compared to Adjusted EBITDA of $159.6 million or 13.8% of sales in the same period of the prior year. The $2.6 million increase was positively impacted by improved sales levels. In total, Adjusted EBITDA in the nine months ended September 30, 2021 benefited from the CEWS in the amount of $7.5 million, as compared to $10.8 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 $30.9 million or 2.3% of sales for the nine months ended September 30, 2021, an increase of $3.5 million when compared to the $27.3 million or 2.4% 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 $64.3 million, or 4.7% of sales for the nine months ended September 30, 2021, as compared to $56.4 million or 4.9% 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 nine months ended September 30, 2021 totaled $16.9 million or 1.2% of sales, an increase of $3.1 million when compared to the $13.8 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 $20.0 million or 1.5% of sales for the nine months ended September 30, 2021 decreased from $25.3 million or 2.2% of sales for the same period of the prior year. The decrease in finance costs was primarily due to increased borrowing under the credit facility during the prior period. 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 of 2020, other than under the swing line credit facilities and an accordion feature. As conditions improved and the impact of COVID-19 was better understood, Boyd made repayments to reduce the level of outstanding debt.

Income Taxes

Current and Deferred Income Tax Expense of $6.9 million for the nine months ended September 30, 2021 compared to an expense of $9.7 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 nine months ended September 30, 2020.

Net Earnings and Earnings Per Share

Net Earnings for the nine months ended September 30, 2021 was $18.6 million or 1.4% of sales compared to $27.9 million or 2.4% of sales in the same period of the prior year. The net earnings amount for the nine months ended September 30, 2021 was impacted by acquisition and transaction costs of $3.3 million (net of tax). After adjusting for fair value and other unusual items, Adjusted net earnings for the nine months ended September 30, 2021 was $22.1 million, or 1.6% of sales. This compares to Adjusted net earnings of $26.8 million or 2.3% of sales in the same period of 2020. Adjusted net earnings for the period was impacted by a lower gross margin percentage and higher levels of operating expenses, as well as location growth. These new locations are subject to the same labor and supply challenges Boyd is currently facing across its business. These market conditions are impacting the results that can be achieved in the short-term, while new location growth has resulted in increased levels of depreciation and amortization.

Basic Earnings Per Share was $0.87 per share for the nine months ended September 30, 2021 compared to $1.34 for the same period of 2020. Diluted earnings per share was $0.87 for the nine months ended September 30, 2021 compared to $1.23 for the same period of 2020. Adjusted net earnings per share was $1.03 compared to $1.28 for the same period of 2020. The decrease in adjusted net earnings per share is primarily attributed to a lower gross margin percentage and higher levels of operating expenses as well the impact of location growth.

Summary of Quarterly Results *(in thousands of U.S. dollars, except per share amounts)*	**2021 Q3**	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4
Sales	**$ 490,178**	$ 444,643	$ 421,643	$ 403,747	$ 381,689	$ 307,951	$ 467,837	$ 443,917
Adjusted EBITDA, pre IFRS 16, *Leases* basis (1)	**N/A**	N/A	N/A	N/A	N/A	N/A	N/A	$ 42,772
Adjusted EBITDA (1)	**$ 51,500**	$ 57,996	$ 52,748	$ 60,394	$ 63,514	$ 35,637	$ 60,489	$ 63,698
Net earnings (loss)	**$ 434**	$ 10,462	$ 7,743	$ 16,253	$ 15,855	$ (4,970)	$ 16,976	$ 10,805
Basic earnings (loss) per share/unit	**$ 0.02**	$ 0.49	$ 0.36	$ 0.76	$ 0.74	$ (0.24)	$ 0.84	$ 0.54
Diluted earnings (loss) per share/unit	**$ 0.02**	$ 0.49	$ 0.36	$ 0.76	$ 0.74	$ (0.24)	$ 0.71	$ 0.54
Adjusted net earnings (loss) (1)	**$ 2,389**	$ 11,375	$ 8,311	$ 14,569	$ 16,403	$ (4,841)	$ 15,221	$ 18,028
Adjusted net earnings (loss) per share/unit (1)	**$ 0.11**	$ 0.53	$ 0.39	$ 0.68	$ 0.76	$ (0.23)	$ 0.75	$ 0.90

(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 September 30, 2021, BGSI had cash, net of outstanding deposits and cheques, held on deposit in bank accounts totaling $31.2 million (December 31, 2020 - $61.0 million). The net working capital ratio (current assets divided by current liabilities) was 0.60:1 at September 30, 2021 (December 31, 2020 – 0.67:1).

At September 30, 2021, BGSI had total debt outstanding, net of cash, of $896.9 million compared to $671.1 million at June 30, 2021, $539.9 million at March 31, 2021, $538.5 million at December 31, 2020 and $503.8 million at September 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 lease liabilities.

Total debt, net of cash *(thousands of U.S. dollars)*	**September 30, 2021**	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Revolving credit facility & swing line (net of financing costs)	**$ 204,250**	$ 54,173	$ —	$ —	$ 36,574
Term Loan A (net of financing costs)	**124,667**	124,641	123,760	123,705	124,623
Seller notes [(1)]	**56,168**	59,452	54,580	56,523	50,292
Total debt before lease liabilities	**$ 385,085**	$ 238,266	$ 178,340	$ 180,228	$ 211,489
Cash	**31,228**	35,612	61,477	61,041	106,108
Total debt, net of cash before lease liabilities	**$ 353,857**	$ 202,654	$ 116,863	$ 119,187	$ 105,381
Lease liabilities	**543,046**	468,474	423,001	419,311	398,423
Total debt, net of cash	**$ 896,903**	$ 671,128	$ 539,864	$ 538,498	$ 503,804

(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 $51.4 million for the three months ended September 30, 2021 compared to $60.4 million in the same period of 2020.

In the third quarter of 2021, changes in working capital items used net cash of $10.4 million compared with $1.2 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.

Cash flow generated from operations before considering working capital changes, was $155.9 million for the nine months ended September 30, 2021 compared to $159.6 million for the same period in 2020.

For the nine months ended September 30, 2021, changes in working capital items provided net cash of $6.8 million compared with providing $11.9 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 $112.4 million for the three months ended September 30, 2021 compared to cash used in financing activities of $320.0 million during the same period of the prior year. During the third quarter of 2021, cash was provided by draws of the revolving credit facility and swing line, primarily to fund acquisition activity, in the amount of $170.0 million, offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $25.5 million and to fund interest costs on long-term debt of $2.6 million. Cash used by financing activities included $22.2 million in repayments of lease liabilities and cash used to fund interest costs on lease liabilities of $4.8 million. Cash was also used to pay dividends of $2.4 million. During the third quarter of 2020, cash was used to repay draws as well as long-term debt associated with seller notes in the amount of $291.6 million and cash used to fund interest costs on long-term debt of $3.6 million. Cash used by financing activities included $17.2 million used to repay lease liabilities and cash used to fund interest costs on lease liabilities of $4.1 million. Cash was also used to pay dividends totaling $2.2 million. On July 31, 2020, the call option transaction to acquire the 21.16% non-controlling interest in Gerber Glass LLC was completed for $1.3 million.

Cash from financing activities totaled $102.4 million for the nine months ended September 30, 2021 compared to cash used by financing activities of $42.0 million for the same period of the prior year. During the nine months ended September 30, 2021, cash was provided by draws of the revolving credit facility and swing line, primarily to fund acquisition activity, in the amount of $225.0 million offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $33.1 million and to fund interest costs on long-term debt of $7.1 million. Cash used by financing activities included $61.9 million in repayments of lease liabilities and cash used to fund interest costs on lease liabilities of $13.2 million. Cash was also used to pay dividends of $7.2 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 $608.2 million and to fund interest costs on long-term debt of $12.7 million. Cash used by financing activities included $52.7 million used to repay lease liabilities and cash used to fund interest costs on lease liabilities of $12.6 million. Cash was also used to pay dividends totaling $4.9 million. On July 31, 2020, the call option transaction to acquire the 21.16% non-controlling interest in Gerber Glass LLC was completed for $1.3 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 September 30, 2021, the Company has drawn $190.0 million U.S. (December 31, 2020 - $nil U.S.) and $nil Canadian (December 31, 2020 - $nil) on the revolving credit facility, $125.0 million U.S. (December 31, 2020 - $125.0 million) on the Term Loan A and $15.0 million U.S. (December 31, 2020 - $nil) on the swing line.

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 did not breach 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. The amendments included 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 was 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, second and third quarters of 2021, BGSI entered into 26 new seller notes for $12.8 million.

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 $157.0 million and $294.8 million for the three months ended September 30, 2021 and for the nine months ended September 30, 2021, respectively. This compares to $11.9 million and $60.0 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.

Acquisitions and Development of Businesses

During the first, second and third quarters of 2021, the Company added 90 locations through acquisition, 15 locations operating as intake centers and eight start-up locations, for a total of 113 new locations. From January 1, 2021 up to the reporting date of November 9, 2021, the Company has added 96 locations through acquisition, 16 locations operating as intake centers and eight start-up locations, for a total of 120 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
August 10, 2021	Round Rock, TX	n/a start-up
August 13, 2021	Eagle River, Minocqua, Rhinelander & Tomahawk, WI (4 locations)	Quality Collision Center

Date	Location	Previously operated as
August 13, 2021	San Diego, CA	Qualtech Collision Center
August 20, 2021	Springfield, MO	St. Louis Street Auto Body
August 31, 2021	Austin, TX	Don’s Paint & Body Shop, Inc.
September 7, 2021	Jacksonville, FL	n/a start-up
September 7, 2021	Ankeny, IA	Smith’s Collision & Paint
September 17, 2021	Shreveport, LA	Crown Collision, LLC
September 17, 2021	Burbank, IL	Millenium Auto Exchange, Inc.
September 27, 2021	Erie, PA	Jensen’s Target Collision
October 1, 2021	Clarence, NY	Stevens Collision, LLC
October 8, 2021	Brighton, MI	Campbell Collision, Inc.
October 15, 2021	Medina & North Ridgeville, OH (2 locations)	South of the Square Collision Center
October 22, 2021	Sycamore, IL	Hayes’ Boyd Shop, Inc.
October 29, 2021	Cornwall, ON	Seaway Chevrolet Cadillac Buick GMC Ltd.
November 8, 2021	Amarillo, TX	n/a intake center

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

The Company completed the acquisition or start-up of 30 locations from the beginning of 2020 until the third quarter reporting date of November 11, 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 $4.4 million or 0.9% of sales on capital expenditures during the third quarter of 2021, compared to $4.2 million or 1.1% of sales during the same period of 2020. During the first nine months of 2021, excluding these same expenditures, the Company spent approximately $15.9 million or 1.2% of sales on capital expenditures, compared to $15.5 million or 1.3% 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 nine months ended September 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 $2.0-2.5 million investment before the project is complete in the second quarter of 2022. The project will also be expected to streamline various processes as well as generate economic returns once fully implemented. During the nine months ended September 30, 2021, the Company has spent approximately $5.3 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 third 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, except as follows:

Employee Relations and Staffing

The collision repair industry is experiencing significant and unprecedented competition for talent, and, in particular, a limited pool of qualified technicians. This is resulting in significant wage pressure, which is adversely impacting the Company's financial results.

Supply Chain Risk

Disruptive events have negatively impacted supply chains, which are adversely impacting Boyd's ability to complete repairs due to availability of original equipment and aftermarket parts. This is resulting in high levels of work-in-process and decreased margins as parts are sourced from non-primary suppliers in order to complete repairs, which is adversely impacting the Company's financial results.

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 **September 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 July 1, 2021 and ended on September 30, 2021 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: November 10, 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 **September 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 July 1, 2021 and ended on September 30, 2021 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: November 10, 2021

(signed)

Narendra Pathipati
Executive Vice President & Chief Financial Officer

BOYD GROUP SERVICES INC.

Interim Condensed Consolidated Financial Statements

Three and Nine Months Ended September 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)

	Note	**September 30, 2021**	December 31, 2020 *(Note 4)*	January 1, 2020 *(Note 4)*
Assets				
Current assets:				
Cash		**$ 31,228**	$ 61,041	$ 27,308
Accounts receivable		**103,183**	86,957	86,808
Income taxes recoverable		**8,789**	6,087	975
Inventory	*6*	**52,468**	32,079	36,889
Prepaid expenses		**31,818**	20,272	23,230
		227,486	206,436	175,210
Property, plant and equipment	*7*	**295,985**	237,945	227,579
Right of use assets	*8*	**503,034**	381,966	364,042
Deferred income tax asset		**2,667**	649	—
Intangible assets	*9*	**346,700**	276,381	267,449
Goodwill	*10*	**595,798**	463,734	427,005
Other long-term assets		**5,201**	4,436	2,554
		$ 1,976,871	$ 1,571,547	$ 1,463,839
Liabilities and Equity				
Current liabilities:				
Accounts payable and accrued liabilities		**$ 268,931**	$ 210,185	$ 207,710
Distributions and dividends payable	*11*	**2,376**	2,364	717
Current portion of long-term debt	*12*	**14,404**	15,594	17,033
Current portion of lease liabilities	*13*	**91,748**	77,941	84,354
		377,459	306,084	309,814
Long-term debt	*12*	**370,681**	164,634	302,694
Lease liabilities	*13*	**451,298**	341,370	310,911
Deferred income tax liability		**48,528**	41,355	30,036
Unearned rebates		**5,963**	6,424	7,039
Exchangeable Class A common shares		**—**	—	28,742
Non-controlling interest put option		**—**	—	3,477
		1,253,929	859,867	992,713
Equity				
Accumulated other comprehensive earnings		**65,028**	65,157	47,088
Retained earnings		**54,237**	42,872	7,548
Shareholders' capital		**600,047**	600,047	412,886
Contributed surplus		**3,630**	3,604	3,604
		722,942	711,680	471,126
		$ 1,976,871	$ 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	DAVID BROWN
Director	Director

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

		Shareholders' Capital					
	Note	**Shares**	**Amount**	**Contributed Surplus**	**Accumulated Other Comprehensive Earnings**	**Retained Earnings**	**Total Equity**
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				102			102
Other comprehensive loss					(129)		(129)
Net earnings						18,639	18,639
Comprehensive earnings					(129)	18,639	18,510
Dividends to shareholders	*11*					(7,274)	(7,274)
Balances - September 30, 2021		21,472,194	$ 600,047	$ 3,630	$ 65,028	$ 54,237	$ 722,942
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					6,892		6,892
Net earnings						27,861	27,861
Comprehensive earnings					6,892	27,861	34,753
Dividends to shareholders	*11*					(6,426)	(6,426)
Balances - September 30, 2020	*4*	21,472,194	$ 600,047	$ 3,604	$ 53,980	$ 28,983	$ 686,614

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)

		Three months ended September 30,		**Nine months ended September 30,**	
		2021	2020	**2021**	2020
			(Note 4)		*(Note 4)*
	Note				
Sales	*16*	**$ 490,178**	$ 381,689	**$ 1,356,464**	$ 1,157,477
Cost of sales		**274,520**	201,422	**741,706**	623,549
Gross profit		**215,658**	180,267	**614,758**	533,928
Operating expenses		**164,158**	116,753	**452,514**	374,288
Acquisition and transaction costs		**2,574**	263	**4,444**	1,124
Depreciation of property, plant and equipment	*7*	**11,313**	9,592	**30,879**	27,349
Depreciation of right of use assets	*8*	**23,342**	19,109	**64,346**	56,441
Amortization of intangible assets	*9*	**6,383**	4,666	**16,944**	13,798
Fair value adjustments		**50**	353	**148**	(1,910)
Finance costs		**7,198**	7,598	**19,980**	25,294
		215,018	158,334	**589,255**	496,384
Earnings before income taxes		**640**	21,933	**25,503**	37,544
Income tax expense (recovery)					
Current		**(2,407)**	2,986	**1,697**	(778)
Deferred		**2,613**	3,092	**5,167**	10,461
		206	6,078	**6,864**	9,683
Net earnings		**$ 434**	$ 15,855	**$ 18,639**	$ 27,861

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

Basic earnings per share	*17*	**$ 0.02**	$ 0.74	**$ 0.87**	$ 1.34
Diluted earnings per share	*17*	**$ 0.02**	$ 0.74	**$ 0.87**	$ 1.23
Basic weighted average number of shares outstanding	*17*	**21,472,194**	21,472,194	**21,472,194**	20,848,928
Diluted weighted average number of shares outstanding	*17*	**21,472,194**	21,472,194	**21,472,194**	20,858,191

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

(thousands of U.S. dollars)

	Three months ended September 30,		**Nine months ended September 30,**	
	2021	2020	**2021**	2020
				(Note 4)
Net earnings	**$ 434**	$ 15,855	**$ 18,639**	$ 27,861
Other comprehensive earnings				
Items that may be reclassified subsequently to Interim Condensed Consolidated Statements of Earnings				
Change in unrealized earnings on foreign currency translation	**(5,181)**	4,965	**(129)**	6,892
Other comprehensive (loss) earnings	**(5,181)**	4,965	**(129)**	6,892
Comprehensive (loss) earnings	**$ (4,747)**	$ 20,820	**$ 18,510**	$ 34,753

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,**	
		2021	2020	**2021**	2020
			(Note 4)		*(Note 4)*
	Note				
Cash flows from operating activities					
Net earnings		**$ 434**	$ 15,855	**$ 18,639**	$ 27,861
Adjustments for					
Fair value adjustments		**50**	353	**148**	(1,910)
Deferred income taxes		**2,613**	3,092	**5,167**	10,461
Finance costs		**7,198**	7,598	**19,980**	25,294
Amortization of intangible assets	*9*	**6,383**	4,666	**16,944**	13,798
Depreciation of property, plant and equipment	*7*	**11,313**	9,592	**30,879**	27,349
Depreciation of right of use assets	*8*	**23,342**	19,109	**64,346**	56,441
Other		**37**	116	**(190)**	282
		51,370	60,381	**155,913**	159,576
Changes in non-cash working capital items		**(10,403)**	(1,239)	**6,818**	11,922
		40,967	59,142	**162,731**	171,498
Cash flows from (used in) financing activities					
Shares issued through public offering		**—**	—	**—**	164,297
Issue costs		**—**	(4)	**(105)**	(7,977)
Increase in obligations under long-term debt	*12*	**170,000**	—	**225,000**	495,502
Repayment of long-term debt, principal	*12*	**(25,497)**	(291,562)	**(33,111)**	(608,175)
Repayment of obligations under property leases, principal		**(21,594)**	(16,774)	**(60,223)**	(51,147)
Repayment of obligations under vehicle and equipment leases, principal		**(646)**	(464)	**(1,671)**	(1,588)
Interest on long-term debt	*12*	**(2,586)**	(3,598)	**(7,110)**	(12,655)
Interest on property leases		**(4,728)**	(4,027)	**(12,925)**	(12,411)
Interest on vehicle and equipment leases		**(86)**	(64)	**(228)**	(220)
Acquisition of non-controlling interest		**—**	(1,300)	**—**	(1,300)
Dividends paid		**(2,417)**	(2,195)	**(7,219)**	(4,890)
Payment of financing costs		**—**	—	**—**	(1,395)
		112,446	(319,988)	**102,408**	(41,959)
Cash flows used in investing activities					
Proceeds on sale of equipment and software	7	**211**	84	**763**	315
Equipment purchases and facility improvements		**(4,374)**	(4,478)	**(18,007)**	(17,708)
Acquisition and development of businesses (net of cash acquired)		**(150,764)**	(7,004)	**(271,161)**	(41,959)
Software purchases and licensing	9	**(1,582)**	(155)	**(5,637)**	(397)
Increase in other long-term assets		**(465)**	(367)	**(765)**	(267)
		(156,974)	(11,920)	**(294,807)**	(60,016)
Effect of foreign exchange rate changes on cash		**(823)**	4,496	**(145)**	9,277
Net (decrease) increase in cash position		**(4,384)**	(268,270)	**(29,813)**	78,800
Cash beginning of period		**35,612**	374,378	**61,041**	27,308
Cash, end of period		**$ 31,228**	$ 106,108	**$ 31,228**	$ 106,108
Income taxes paid		**$ 4,044**	$ 8,238	**$ 4,428**	$ 8,564
Interest paid		**$ 7,003**	$ 7,985	**$ 19,696**	$ 24,871

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

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 November 9, 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 nine months ended September 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.

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 and second quarter of 2021 in both Canada and the U.S. During the third quarter of 2021, the pandemic continued to impact demand for collision services in Canada. 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 September 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	September 30, 2021	December 31, 2020	September 30, 2020	January 1, 2020
Closing rate at the reporting date	0.7849	0.7854	0.7497	0.7699
Average rate for the period	0.7936	0.7456	0.7510	0.7537

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 September 30, 2020 consolidated statements of statement of earnings and comprehensive earnings:

	Previously reported in CAD September 30, 2020	Presentation currency change	Reported in USD September 30, 2020
Sales	$ 508,289	$ (126,600)	$ 381,689
Gross profit	240,048	(59,781)	180,267
Operating expenses	155,529	(38,776)	116,753
Net earnings	21,096	(5,241)	15,855
Comprehensive earnings	8,439	12,381	20,820

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

	Previously reported in CAD September 30, 2020	Presentation currency change	Reported in USD September 30, 2020
Sales	$ 1,563,112	$ (405,635)	$ 1,157,477
Gross profit	720,990	(187,062)	533,928
Operating expenses	505,872	(131,584)	374,288
Net earnings	36,692	(8,831)	27,861
Comprehensive earnings	51,974	(17,221)	34,753

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.

5. ACQUISITIONS

The Company completed 29 acquisitions that added 90 locations during the nine months ended September 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)
July 9, 2021	La Habra, CA
July 16, 2021	Appleton, WI
July 31, 2021	Oklahoma, Kansas & Missouri (35 locations)
August 13, 2021	Eagle River, Minocqua, Rhinelander & Tomahawk, WI (4 locations)
August 13, 2021	San Diego, CA
August 20, 2021	Springfield, MO
August 31, 2021	Austin, TX
September 7, 2021	Ankeny, IA
September 17, 2021	Shreveport, LA
September 17, 2021	Burbank, IL
September 27, 2021	Erie, PA

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

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:		
Cash	$	2,180
Other currents assets		9,677
Property, plant and equipment		41,397
Right of use assets		133,440
Identified intangible assets		
Customer relationships		77,226
Non-compete agreements		3,396
Brand name		1,077
Liabilities assumed		(10,240)
Lease liabilities		(133,440)
Identifiable net assets acquired	$	124,713
Goodwill		132,127
Total purchase consideration	$	256,840
Consideration provided		
Cash paid or payable	$	244,085
Seller notes		12,755
Total consideration provided	$	256,840

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.

6. INVENTORY

As at	**September 30, 2021**	December 31, 2020 *(Note 4)*
Parts and materials	**$ 16,175**	$ 14,796
Work in process	**36,293**	17,283
Balance, end of period	**$ 52,468**	$ 32,079

7. PROPERTY, PLANT AND EQUIPMENT

As at	**September 30, 2021**	December 31, 2020 *(Note 4)*
Balance, beginning of year	**$ 237,945**	$ 227,579
Acquired through business combination	**41,397**	13,030
Additions	**47,840**	45,222
Proceeds on disposal	**(763)**	(11,097)
Gain (loss) on disposal	**433**	(252)
Transfers from right of use assets	**(84)**	(491)
Depreciation	**(30,879)**	(37,183)
Foreign exchange	**96**	1,137
Balance, end of period	**$ 295,985**	$ 237,945

8. RIGHT OF USE ASSETS

As at	**September 30, 2021**	December 31, 2020 *(Note 4)*
Balance, beginning of year	**$ 381,966**	364,042
Acquired through business combinations	**133,440**	22,130
Additions and modifications	**52,237**	71,569
Depreciation	**(64,346)**	(76,080)
Loss on disposal	**(251)**	(251)
Transfers to property, plant and equipment	**84**	491
Foreign exchange	**(96)**	65
Balance, end of period	**$ 503,034**	$ 381,966

9. INTANGIBLE ASSETS

As at	**September 30, 2021**	December 31, 2020 *(Note 4)*
Balance, beginning of year	**$ 276,381**	$ 267,449
Acquired through business combination	**81,699**	24,330
Additions	**5,637**	2,063
Amortization	**(16,944)**	(18,527)
Foreign exchange	**(73)**	1,066
Balance, end of period	**$ 346,700**	$ 276,381

10. GOODWILL

As at	**September 30, 2021**	December 31, 2020 *(Note 4)*
Balance, beginning of year	**$ 463,734**	$ 427,005
Acquired through business combination	**132,127**	34,711
Foreign exchange	**(63)**	2,018
Balance, end of period	**$ 595,798**	$ 463,734

11. 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, second and third 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
September 30, 2021	October 27, 2021		2,388
		$	7,274

Record date	**Payment date**		**Dividend amount** *(Note 4)*
March 31, 2020	April 28, 2020	$	1,999
June 30, 2020	July 29, 2020		2,186
September 30, 2020	October 28, 2020		2,241
		$	6,426

12. LONG-TERM DEBT

Long-term debt is comprised of the following:

As at		**September 30, 2021**		December 31, 2020 *(Note 4)*
Revolving credit facility & swing line (net of financing costs)	**$**	**204,250**	$	—
Term Loan A (net of financing costs)		**124,667**		123,705
Seller notes		**56,168**		56,523
	$	**385,085**	$	180,228
Current portion		**14,404**		15,594
	$	**370,681**	$	164,634

The following is the continuity of long-term debt:

As at	**September 30, 2021**	December 31, 2020 *(Note 4)*
Balance, beginning of period	**$ 180,228**	$ 319,727
Consideration on acquisition	**12,755**	39,635
Draws	**225,000**	495,502
Repayments	**(33,111)**	(673,009)
Deferred financing costs	**—**	(1,395)
Amortization of deferred finance costs	**215**	520
Foreign exchange	**(2)**	(752)
Balance, end of period	**$ 385,085**	$ 180,228

Included in finance costs for the three and nine months ended September 30, 2021 is interest on long-term debt of $2,586 and $7,110 respectively (2020 - $3,598 and $12,655 respectively).

13. LEASE LIABILITIES

The following is the continuity of lease liabilities:

As at	**September 30, 2021**	December 31, 2020 *(Note 4)*
Balance, beginning of period	**$ 419,311**	$ 395,265
Assumed on acquisition	**133,440**	22,130
Additions and modifications	**52,237**	72,094
Repayments	**(75,047)**	(87,972)
Financing costs	**13,153**	16,796
Foreign exchange	**(48)**	998
Balance, end of period	**$ 543,046**	$ 419,311
Current portion	**91,748**	77,941
	$ 451,298	$ 341,370

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

	Three months ended September 30,		**Nine months ended September 30,**	
	2021	2020 *(Note 4)*	**2021**	2020 *(Note 4)*
Operating expenses	**$ 1,321**	$ 766	**$ 3,564**	$ 2,770
Depreciation of right of use assets	**$ 23,342**	$ 19,109	**$ 64,346**	$ 56,441
Finance costs	**$ 4,814**	$ 4,091	**$ 13,153**	$ 12,631

14. FINANCIAL INSTRUMENTS

Carrying value and estimated fair value of financial instruments

			September 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	**31,228**	31,228	61,041	61,041
Accounts receivable	Amortized cost	n/a	**103,183**	103,183	86,957	86,957
Financial liabilities						
Accounts payable and accrued liabilities	Amortized cost	n/a	**268,931**	268,931	210,185	210,185
Dividends payable	Amortized cost	n/a	**2,376**	2,376	2,364	2,364
Long-term debt	Amortized cost	n/a	**385,085**	385,109	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.

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, 2021 was approximately $134,411 (December 31, 2020 - $147,998).

15. 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.

16. 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,**	
	2021	2020	**2021**	2020
Revenues		*(Note 4)*		*(Note 4)*
Canada	**$ 35,980**	$ 34,986	**$ 106,589**	$ 119,428
United States	**454,198**	346,703	**1,249,875**	1,038,049
	$ 490,178	$ 381,689	**$ 1,356,464**	$ 1,157,477

Reportable Assets	**September 30, 2021**	December 31, 2020
As at		*(Note 4)*
Canada	**$ 228,129**	$ 231,751
United States	**1,513,388**	1,128,275
	$ 1,741,517	$ 1,360,026

17. EARNINGS PER SHARE

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020 *(Note 4)*	**2021**	2020 *(Note 4)*
Net earnings	**$ 434**	$ 15,855	**$ 18,639**	$ 27,861
Less:				
Non-controlling interest call liability	**—**	—	**—**	(2,177)
Net earnings - diluted basis	**$ 434**	$ 15,855	**$ 18,639**	$ 25,684
Basic weighted average number of shares	**21,472,194**	21,472,194	**21,472,194**	20,848,928
Add:				
Non-controlling interest call liability	**—**	—	**—**	9,263
Average number of shares outstanding - diluted basis	**21,472,194**	21,472,194	**21,472,194**	20,858,191
Basic earnings per share	**$ 0.02**	$ 0.74	**$ 0.87**	$ 1.34
Diluted earnings per share	**$ 0.02**	$ 0.74	**$ 0.87**	$ 1.23

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

18. 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.

19. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

As at			Non-cash changes				
	December 31, 2020 *(Note 4)*	Cash Flows	Acquisition	Other items	Fair value changes	Foreign exchange	**September 30, 2021**
Long-term debt	$ 180,228	184,779	12,755	7,325	—	(2)	**$ 385,085**
Lease liabilities	419,311	(75,047)	133,440	65,390	—	(48)	**543,046**
Dividends	2,364	(7,219)	—	7,274	—	(43)	**2,376**
Issue costs	—	(105)	—	—	—	—	**—**
	$ 601,903	102,408	146,195	79,989	—	(93)	**$ 930,507**