BOYD GROUP SERVICES INC.

(formerly reporting as Boyd Group Income Fund)

2020 Annual Report

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REPORT TO SHAREHOLDERS

To our Shareholders,

Financial results in 2020 were significantly impacted by the COVID-19 pandemic, which began near the end of the first quarter. As the pandemic evolved during the year, Boyd Group Services Inc. ("BGSI") continuously adapted to the constantly changing environment and, as a result, has recorded revenue of $2.1 billion, Adjusted EBITDA[1] of $293.6 million and net earnings of $57.7 million.

Annualizing the first quarter of 2020, Boyd achieved its 2015 five-year growth goal of doubling the size of the business on a constant currency basis. Following this, in November, we announced our new five year growth strategy, in which Boyd intends to again double the size of the business over the five year period from 2021 to 2025, based on 2019 constant currency revenues, implying a compound annual growth rate of 15 percent.

I am appreciative of the work done by the Board and very proud of the work done by management and all of our team members to deal with the impact COVID-19 had on our business. We immediately established a project team to define and put in place enhanced safety practices to protect our team members, customers and suppliers. As examples, we increased our use of photo-estimating and implemented no contact repair drop off and delivery to minimize face-to-face contact; we quickly sourced hard to acquire disinfectant products and put new cleaning protocols in place for our facilities and for vehicles;. we added paid leave for those that were exposed to or had fallen ill from COVID-19; where possible, we transitioned many of our centralized functions to working from home, which was a significant effort which was accomplished with almost no disruption to our business. These efforts and initiatives, along with many others allowed us to continue to operate as an essential business while keeping our team members, customers and suppliers safe.

While 2020 had many challenges, we moved some important initiatives forward that we will build on in the coming years. We increased our focus on ESG with investments in energy saving LED lighting, which reduces our energy consumption and improves the work environment. We implemented updated diversity training and are preparing to establish broader diversity goals for our business. As an example, our Board is leading this and has committed that at least 30% of our Board will be women within the next three years.

Due to the COVID-19 pandemic, Boyd temporarily paused on the completion of acquisitions from late March until mid-August. We also converted many repair centers to intake only, which allowed us to serve our customers and keep our team productive. Despite this temporary pause in growth, we still opened 54 new locations in 2020, including 11 intake centers, and we entered the state of Arkansas.

We achieved total sales in 2020 of $2.1 billion, an 8.5% decrease when compared to the $2.3 billion achieved in 2019. Same-store sales declines of 15.6% were partially offset by contributions from new locations that had not been in operation for the full comparative period. Same-store sales declines in Canada were significantly higher than same-store sales declines in the U.S. during 2020, which reflects more significant restrictions as well as the continued slower economic re-opening in Canada when compared to the U.S.

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[1] Standardized EBITDA, Adjusted EBITDA, Adjusted net earnings and Adjusted net earnings per share / unit 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 / unit, 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 / unit 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 December 31, 2020, which can be accessed via the SEDAR Web site (www.sedar.com).

Adjusted EBITDA for 2020 was $293.6 million, or 14.1% of sales, compared with $319.9 million, or 14.0% of sales in 2019. Adjusted EBITDA was positively impacted by the Canada Emergency Wage Subsidy ("CEWS") in the amount of $16.9 million. While many operating expenses were managed in relation to the decline in sales, certain expenses, such as benefits which were extended to staff that was temporarily laid off as well as certain costs that could not be reduced, such as property taxes and utility costs, increased as a percentage of sales, which partially offset these positive impacts.

BGSI posted net earnings of $57.7 million in 2020, compared to $64.1 million in 2019. Impacting net earnings were fair value adjustments to financial instruments, as well as acquisition and transaction costs (net of tax). After adjusting for these items, Adjusted net earnings for 2020 was $54.0 million or 2.6% of sales. This compares to Adjusted net earnings of $96.1 million or 4.2% of sales in 2019. The decrease in the Adjusted net earnings for the year is primarily the result of the negative impact of the COVID-19 pandemic, which resulted in reduced sales levels. In addition, relatively fixed levels of depreciation and amortization, as well as increased finance costs negatively impacted adjusted net earnings in 2020. Adjusted net earnings for the year ended December 31, 2020 was $2.57 per share, compared to $4.83 per unit in 2019.

With respect to the balance sheet, at December 31, 2020, BGSI held total debt, net of cash, of $685.6 million, compared to $893.2 million at December 31, 2019. Total debt, net of cash, includes lease liabilities of $533.9 million at December 31, 2020, compared to $513.4 million at December 31, 2019. Debt, net of cash, decreased when compared to December 31, 2019 as a result of increased cash flow from operations as well as the proceeds received on the equity offering completed on May 14, 2020.

Based on Boyd's continued growth, the strength of and confidence in the business, Boyd announced a dividend increase of 2.2% to 56.4 cents per share annualized, up from 55.2 cents per share.

In order to reduce volatility from exchange rates, effective January 1, 2021, Boyd will begin reporting results in U.S. Dollars. Given almost 90% of Boyd's revenues come from the U.S., this is considered an appropriate currency for reporting purposes.

Our Independent Chair, Allan Davis has announced his upcoming retirement from the Board of Directors. On behalf of our entire Company, as well as all of our Stakeholders, I would like to thank Al for the many years of dedicated service he has provided to Boyd. The Board has nominated David Brown as the incoming Independent Chair, subject to his re-election at the upcoming Annual General and Special Meeting. Additionally, Robert Espey, CEO of Parkland Corporation has been nominated and will stand for election to the Board. I look forward to working with Dave as incoming Independent Chair and Bob as a new member of our Board.

On behalf of myself, the executive team and our Board of Directors, I would like to thank all of our Boyd Group employees for their hard work and dedication, which allowed Boyd to successfully navigate through the impacts of the COVID-19 pandemic during this unprecedented year. And 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

BOYD GROUP SERVICES INC.
(formerly reporting as Boyd Group Income Fund)

MESSAGE FROM THE INDEPENDENT BOARD CHAIR

To our Shareholders,

The 2020 fiscal year began as expected but, due to COVID-19, it unfolded in unprecedented fashion, bringing with it uncertain economic and business conditions and the resultant need for temporary changes in Boyd's operations.

At the beginning of the year, Boyd successfully completed the conversion from an income trust to a corporate structure. Concurrently, and as planned, Tim O'Day succeeded Brock Bulbuck to become President & CEO while Brock moved into the newly created Executive Chair position. Tim's succession to the CEO role and Brock's transition to Executive Chair was intended to provide a seamless transition in leadership of the Company. This transition, despite the incredibly challenging impact of the pandemic on business conditions, has met or exceeded Board expectations.

Just prior to the March 2020 release of the 2019 annual results, a worldwide pandemic was declared, immediately impacting economies and businesses throughout the world, including Boyd. The Board and management worked closely together in the development of an operating plan during the early days of the pandemic. At the onset, the Board's role was to provide appropriate Board level guidance to Senior Management in their plan development with emphasis on key functional areas. Throughout the year, Boyd's management team has been able to successfully adjust and manage through the challenging and ever-changing business conditions brought on by COVID-19. This is a testament to the sense of urgency in the plan development, the weighing of the interests of the Company, its customers, and employees, and, most importantly, the balancing of the short term while maintaining focus on the long-term success of the Company. Management's professionalism exhibited during the execution of the new short term operating plan was, to say the least, very impressive. As a Board, we are incredibly proud of the commitment the Boyd team showed in quickly and continuously adapting to a tremendously challenging environment.

During the second quarter, the Company and its lending syndicate agreed to amend the Credit Facility covenants to provide additional covenant headroom to further enhance the Company's financial flexibility. This allowed management to continue to focus on the prudent management of the business. In May of 2020, Boyd successfully completed an equity offering for gross proceeds of $231.5 million. The temporary conversion of certain collision repair locations to intake locations allowed Boyd to reduce operating costs at the temporary intake locations, while at the same time maximizing productivity of the staff at the repair locations.

Integral to the CEO transition in 2020 was the reassessment and renewal of the strategic plan. As a result of that exercise, Boyd announced a new five-year growth strategy, to double the size of the business on a constant currency revenue basis from 2021 to 2025, based on 2019 revenues. This plan implies a compound annual growth rate of 15 percent. The Board remains confident in management's ability to continue to execute this long-term growth strategy.

The Board, through the Compensation Committee, has advanced compensation practices for executives to increase alignment between shareholders and management. At last year's Annual General Meeting, as part of our commitment to good governance practices, shareholders were asked to vote, on an advisory basis, whether they supported the compensation practices as outlined in the Information Circular. Shareholders showed strong support, casting 99.05% of votes in favor of the approach to executive compensation. At this year's Annual General Meeting, shareholders will again be asked to vote, on an advisory basis, whether they support the compensation practices as outlined in the Information Circular.

The Board has been actively working with management in the development of a comprehensive strategy with respect to Environmental, Social, and Corporate Governance "ESG" matters. In the past year, the Governance and Nominating Committee Charter was amended to include the responsibility of the Committee for ESG with a view towards assisting the Board in its oversight responsibilities for the Company's commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability, diversity and inclusion, and other public policy matters. While the Company is early in its ESG journey there has been progress. The Committee's past and ongoing work has been to identify Company specific key metrics in most of the fundamental ESG attributes, to gather relevant and timely data for those metrics, and to establish future reporting criteria for public consumption. So, while early in the journey, progress is being made in this important Board initiative.

In June of 2020, Gene Dunn retired from the Board of Directors. The Board is grateful for the many years of dedicated service Mr. Dunn provided to the Company. Coincident with Mr. Dunn's retirement, Boyd announced the election of John Hartmann and William Onuwa to the Board of Directors. The Board has an ongoing commitment to diversity and renewal, with a focus on ensuring the Board has the necessary skills and expertise to support the growth of Boyd's business, as defined in the Board Composition, Diversity and Renewal Policy. This year, Robert Espey, CEO of Parkland Corporation, has been nominated and will stand for election to the Board at the Annual General and Special Meeting ("AGM"). The Board has also reaffirmed its commitment to diversity, aspiring to increase from its current 22% to a minimum of 30% gender diversity on the Board by the Annual General Meeting of 2024.

On a personal note, I will not be seeking re-election at the AGM and will retire from the Board at that time. I am incredibly grateful to both my fellow Directors and the management team at Boyd for the many years we have spent working together. I am confident Boyd is in exceptionally good hands. The Board is strong and has built on that strength while implementing its renewal strategy over the last number of years. The Senior leadership transition is well underway with a successful year under very trying conditions and with a renewed and clear strategic mandate to successfully grow the business. With that in mind I am confident the timing for my retirement as Director and Independent Chair is appropriate. The Governance and Nominating Committee has considered my retirement and will recommend that, subject to his re-election at the AGM, the Board appoint David Brown as the Independent Chair of the Board.

On behalf of the Board, I would like to thank the management team and all employees for their continued commitment and hard work, and to our stakeholders for their continued support.

Sincerely,

(signed)

Allan Davis
Independent Chair

Management's Discussion & Analysis

OVERVIEW

Boyd Group Services Inc. ("BGSI"), through its operating company, The Boyd Group Inc. and its subsidiaries ("Boyd" or the "Company"), is one of the largest operators of non-franchised collision repair centers in North America in terms of number of locations and sales. The Company currently operates locations in Canada under the trade name Boyd Autobody & Glass and Assured Automotive, as well as in the U.S. under the trade name Gerber Collision & Glass. The Company is also a major retail auto glass operator in the U.S. under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority and Autoglassonly.com. In addition, the Company operates a third party administrator, Gerber National Claims Services ("GNCS"), that offers glass, emergency roadside and first notice of loss services.

The following is a geographic breakdown of the collision repair locations by trade name and location. In response to the reduction in demand resulting from the COVID-19 pandemic, certain collision repair locations were temporarily converted to intake locations in order to consolidate collision repair services and to reduce Boyd's operating costs at the temporary intake locations while at the same time maximizing productivity of the staff at the repair locations. The majority of these intake locations have been converted back to repair locations. The few remaining temporary intake locations are over and above the number of intake locations set forth in the chart below.

Boyd GROUP SERVICES INC		**741 locations**				
BOYD AUTOBODY & GLASS	**49 locations**	gerber COLLISION & GLASS			**610**	GLASS AMERICA
British Columbia	17	Michigan	73	Oregon	12	
Alberta	14	Illinois	69	Maryland	10	gerber COLLISION & GLASS
Manitoba	14	Florida	65	Tennessee	10	
Saskatchewan	4	New York	38	Nevada	9	
		Washington	38	Alabama	7	AUTO GLASS AUTHORITY Experience the Difference...
Assured	**82 locations**	Indiana	36	Pennsylvania	7	
		Georgia	31	Missouri	5	
		North Carolina	30	Oklahoma	5	
Ontario	82	Ohio	30	South Carolina	5	
		Arizona	26	Kentucky	4	AUTO GLASS only.com
		California	22	Utah	4	
		Colorado	21	Arkansas	2	
		Wisconsin	20	Idaho	1	gerber NATIONAL CLAIM SERVICES
		Texas	16	Kansas	1	
		Louisiana	13			
The above numbers include 36 intake locations.		*The above numbers include 30 intake locations and two fleet locations co-located with collision repair centers.*				

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

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

Prior to January 1, 2020, BGSI operated as Boyd Group Income Fund ("BGIF" or the "Fund"). Pursuant to a plan of arrangement agreement (the "Arrangement"), under the *Canada Business Corporations Act* ("CBCA"), on January 1, 2020, Fund unitholders and Boyd Group Holdings Inc. ("BGHI") Class A common shareholders received one BGSI common share in exchange for each Fund unit and BGHI Class A common share held by them.

As the Arrangement was effective on January 1, 2020, information presented in this MD&A as at, and for periods prior to, or ending December 31, 2019, is provided for the Fund and information provided at January 1, 2020 and later is provided for BGSI. Therefore, as the context requires, references may be made to either the Fund or BGSI.

The following review of BGSI's operating and financial results for the year ended December 31, 2020, including material transactions and events of BGSI up to and including March 23, 2021, as well as management's expectations for the year ahead, should be read in conjunction with the annual audited consolidated financial statements of BGSI for the years ended December 31, 2020, included on pages 49 to 97 of this report, and as filed on SEDAR at www.sedar.com.

SIGNIFICANT EVENTS

On January 2, 2020, BGSI announced the completion of the conversion of the Fund from an income trust to a public corporation, pursuant to the plan of Arrangement under the *Canada Business Corporations Act*.

On January 2, 2020, BGSI announced the appointment of Tim O'Day as President & CEO, pursuant to the previously announced CEO succession plan. Also pursuant to this CEO succession plan and concurrent with this change, Brock Bulbuck moved into the role of Executive Chair.

On March 17, 2020, the BGSI Board of Directors declared a cash dividend for the first quarter of 2020 of $0.138 per common share. The dividend was paid on April 28, 2020 to common shareholders of record at the close of business on March 31, 2020.

On March 18, 2020, BGSI announced an increase to its existing credit agreement to expand the facility to $550 million U.S., with an accordion feature to increase the facility to a maximum of $825 million U.S., accompanied by the addition of a new seven-year fixed-rate Term Loan A in the amount of $125 million U.S., maturing in March 2025 and March 2027, respectively.

On March 27, 2020, BGSI announced a number of business developments related to the COVID-19 pandemic, including changes to activity levels and corresponding Company actions.

On April 28, 2020, BGSI announced preliminary first quarter results, and the initiation of an equity offering which closed on May 14, 2020.

On May 12, 2020, BGSI and its lending syndicate agreed to amend the Credit Facility covenants to provide additional covenant headroom, further enhancing the Company's financial flexibility. The amendments included a suspension to Boyd's requirement to comply with its leverage and interest coverage covenants from July 1, 2020 to December 30, 2020, as well as to provide more flexibility in the calculation of such covenants beginning with the second quarter of 2020 and through the second quarter of 2021. During the suspension period referred to above, the Company was required to meet a minimum liquidity covenant, which was not burdensome.

On May 14, 2020, BGSI closed its previously announced equity offering consisting of 1,265,000 shares at a price of $183.00 per share, for gross proceeds of $231.5 million.

On June 17, 2020, the BGSI Board of Directors declared a cash dividend for the second quarter of 2020 of $0.138 per common share. The dividend was paid on July 29, 2020 to common shareholders of record at the close of business on June 30, 2020.

On June 30, 2020, BGSI announced the election of John Hartmann and William Onuwa to its Board of Directors, as well as Gene Dunn's retirement from the Board of Directors.

On July 31, 2020, the call option transaction to acquire the 21.16% non-controlling interest in Gerber Glass LLC held by a member of the U.S. management team was completed, and BGSI acquired the 21.16% non-controlling interest in Gerber Glass LLC.

On September 17, 2020, the BGSI Board of Directors declared a cash dividend for the third quarter of 2020 of $0.138 per common share. The dividend was paid on October 28, 2020 to common shareholders of record at the close of business on September 30, 2020.

On November 11, 2020, BGSI announced a new five year growth strategy, to double the size of the business on a constant currency basis from 2021 to 2025, based on 2019 revenues. BGSI also announced that it will begin reporting results in U.S. dollars effective January 1, 2021.

On December 17, 2020, the BGSI Board of Directors declared a cash dividend for the fourth quarter of 2020 of $0.141 per common share. The dividend was paid on January 27, 2021 to common shareholders of record at the close of business on December 31, 2020.

On March 17, 2021, the BGSI Board of Directors declared a cash dividend for the first quarter of 2021 of $0.141 per common share. The dividend is payable 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.

During 2020, the Company added 39 locations (including one intake center) through acquisition, 10 locations operating as intake centers and five start-up locations, for a total of 54 new locations. From January 1, 2020 up to the reporting date of March 23, 2021, the Company has added 44 locations through acquisition, 17 locations operating as intake centers and nine start-up locations, for a total of 70 new locations. These new locations are as follows:

Date	Location	Previously operated as
January 2, 2020	Parksville, BC	Crashpad Collision Services
January 6, 2020	Williamsville, NY	n/a intake center
January 17, 2020	Littleton, CO	n/a start-up
March 6, 2020	Indiana & Michigan, (14 locations)	Vision Collision
March 13, 2020	Waukesha, WI	Nagel Auto Body
March 23, 2020	Saanichton, BC	Maysa Ventures Ltd.
July 13, 2020	Kingston, ON	n/a intake center
August 14, 2020	Cornelius, NC	n/a start-up
September 4, 2020	Farmington & Rogers, AR (2 locations)	Northwest Arkansas Collision Center
September 25, 2020	Milwaukee & Hales Corners, WI (2 locations)	Lou's Auto Body & Auto Body Express
October 30, 2020	Escanaba, Kingsford & Marquette, MI (3 locations)	Classic Auto Collision Centers
November 2, 2020	Waterford, MI	n/a start-up
November 2, 2020	Toronto, ON	n/a intake center
November 17, 2020	Oshkosh, WI	Tony's Auto Collision Center
November 21, 2020	Marietta, GA	n/a intake center
November 21, 2020	Pomona, CA	n/a start-up
November 30, 2020	Charlotte, NC	n/a start-up
November 30, 2020	Pflugerville, TX	Masters Auto Craft
December 3, 2020	Downers Grove, IL	n/a intake center
December 4, 2020	Riverside & San Bernadino, CA (11 locations including one intake center)	1st Certified
December 10, 2020	North Riverside, IL	n/a intake center
December 10, 2020	Orland Park, IL	n/a intake center
December 14, 2020	Morrow, GA	Heritage Cadillac Collision Center
December 14, 2020	Tsawwassen, BC	n/a intake center
December 17, 2020	Wyandotte, MI	n/a intake center
December 30, 2020	Hoffman Estates, IL	n/a intake center
December 31, 2020	Avon, CO	Rich's Auto Body
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

OUTLOOK

Boyd continues to focus on steps to keep customers and employees safe, including increased health and safety practices such as contact-free customer drop off & pickup, enhanced cleaning practices, social distancing, and wearing personal protective equipment. Thus far, Boyd has been able to successfully adjust and manage through the challenging situation that has arisen as a result of the COVID-19 pandemic.

The COVID-19 pandemic continues to impact Boyd's business. Thus far in the first quarter of 2021, same-store sales activity is at a similar level to that achieved in the fourth quarter of 2020. Canada continues to have tighter restrictions and a slower economic reopening when compared to the U.S. This has had, and continues to have a significant impact on same-store sales activity in Canada. These declines have been partially offset by the Canada Emergency Wage Subsidy ("CEWS"), which has been extended to June 2021. Boyd will continue to make applications under the CEWS program as long as eligibility criteria are met. However, amounts expected to be received in 2021 will be significantly lower than those recorded in 2020 due to program changes announced to date. In the U.S., sales activity has experienced variability throughout the various states in which Boyd operates. Variability has been caused by different levels of restrictions by state, a significant surge in COVID-19 infections, and unusual weather events in southern states, which contributed to power outages experienced in Texas. Certain operating expenses and personnel costs, along with continued reduced demand for services will continue to impact the levels of Adjusted EBITDA that can be achieved during 2021.

During 2021, Boyd will focus on the new five year growth strategy, which will see the Company double the size of the business on a constant currency revenue basis from 2021 to 2025, based on 2019 revenues, implying a compound annual growth rate of 15 percent. Boyd will continue to pursue accretive growth through a combination of organic growth (same-store sales growth) as well as adding new locations to the network in the United States and Canada. New location growth will continue to include single location acquisitions, as well as brownfield and greenfield start-ups, and multi-location acquisitions. Additionally, as previously announced, to reduce volatility from exchange rates, effective January 1, 2021, Boyd will begin reporting results in U.S. Dollars. Given almost 90% of Boyd's revenues come from the U.S., this is considered an appropriate currency for reporting purposes.

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.

Boyd's primary strategy is to continue to focus on maximizing its opportunities through a commitment to:

- Use of best practices, economies of scale and infrastructure and systems to enhance profitability and achieve operational excellence;
- Expense management through a focus on cost containment and efficiency improvements;
- Optimizing returns from existing operations by achieving same-store sales growth; and
- Growing the business through single location and multi-location acquisitions, along with new location development.

BUSINESS ENVIRONMENT & STRATEGY

The collision repair industry in North America is estimated by Boyd to represent over $40 billion U.S. in annual revenue. The industry is highly fragmented, consisting primarily of small independent family owned businesses operating in local markets.

It is estimated that car dealerships have approximately 18% of the total market. It is believed that multi-unit collision repair operators with greater than $20 million in annual revenues (including multi-unit car dealerships), now have approximately 31% of the total market.

Customer relationship dynamics in the Company's principal markets differ from region to region. In three of the Canadian provinces where Boyd operates, government-owned insurance companies have, by legislation, either exclusive or semi-exclusive rights to provide insurance to automobile owners. Although Boyd's services in these markets are predominantly paid for by government-owned insurance companies, these insurers do not typically refer insured automobile owners to specific collision repair centers. In these markets Boyd focuses its marketing to attract business from individual vehicle owners primarily through consumer based advertising.

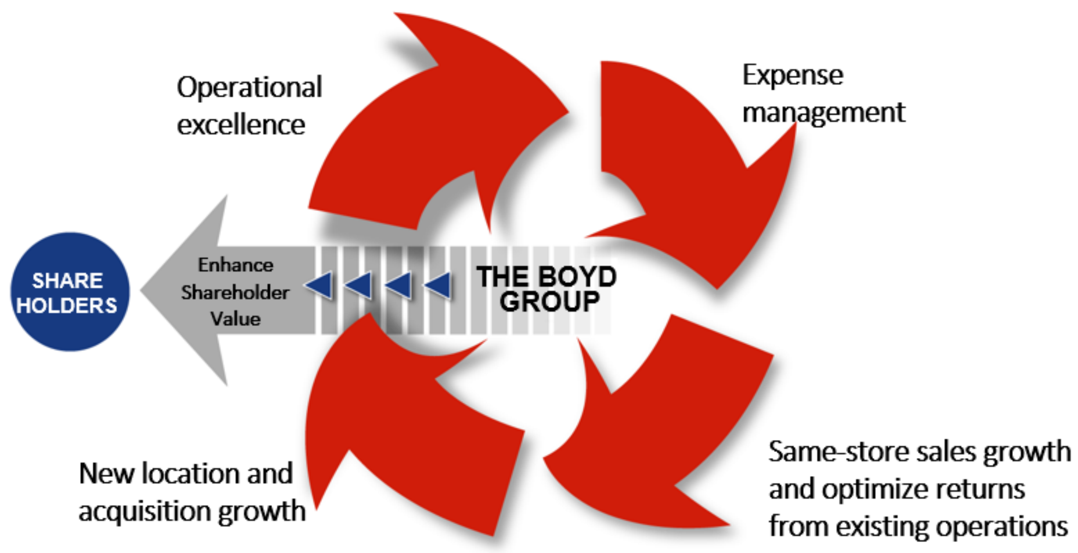
Boyd manages relationships in the government-owned insurance markets through active participation in industry associations. In Alberta, British Columbia, Ontario and in the United States, where private insurers operate, a greater emphasis is placed on establishing and maintaining DRP's and other referral arrangements with insurance, fleet and lease companies. DRP's are established between insurance companies and collision repair shops to better manage automobile repair claims and increase levels of customer satisfaction. Insurance, fleet and lease companies select collision repair operators to participate in their programs based on integrity, convenience and physical appearance of the facility, quality of work, customer service, cost of repair, cycle time and other key performance metrics. There is a continuing trend among insurers in both the public and private insurance markets towards using performance-based criteria for selecting collision repair partners and for referring work to them. Local and regional DRP's, and national and self-managed DRP relationships, represent an opportunity for Boyd to increase its business. Insurers have also moved to consolidate DRP repair volumes with a fewer number of repair shops. There is some preference among some insurance carriers to do business with multi-location collision repairers in order to reduce the number and complexity of contacts necessary to manage their networks of collision repair providers and to achieve a higher level of consistent performance. Boyd continues to develop and strengthen its DRP relationships with insurance carriers in both Canada and the United States and believes it is well positioned to take advantage of these trends.

In addition, Boyd has used consumer based advertising in some of its markets to complement and supplement its DRP growth strategies. The Company believes this strategy is effective in increasing its brand awareness and overall sales. Boyd may continue this strategy and may expand it into other Canadian and U.S. markets, as it achieves sufficient critical mass in these other markets to do so.

As described further under "Business Risks and Uncertainties", operating results are expected to be subject to fluctuations due to a variety of factors including changes in customer purchasing patterns, pricing by insurance companies, general operating effectiveness, automobile technologies, availability of qualified employees, general and regional economic downturns, unemployment rates and weather conditions. A negative economic climate has the potential to affect results negatively. Boyd has worked to mitigate this risk by continuing to focus on meeting insurance companies' performance requirements, and in doing so, grow market share.

Through these strategies, Boyd expects to generate growth sufficient to double the size of the business on a constant currency revenue basis from 2021 to 2025, based on 2019 revenues, implying a compound annual growth rate of 15 percent. Boyd will continue to pursue accretive growth through a combination of organic growth (same store sales growth) as well as adding new locations to the network in the United States and Canada.

BUSINESS STRATEGY



Operational Excellence

Operational excellence has been a key component of Boyd's past success and has contributed to the Company being viewed as an industry leading service provider. Delivering on our customers' expectations related to cost of repair, time to repair, quality and customer service are critical to being successful and being rewarded with same-store sales growth. The Company's commitment to operational excellence is embodied in its mission and goal, which is condensed into a top of mind cheer for its employees which is 'Wow every customer, be the best'. In 2015, Boyd rolled out and implemented its Wow Operating Way process improvement initiative which is now in place at all of its locations, except newly acquired locations, where it will be implemented as part of acquisition integration. In 2020, Boyd began to expand its Wow Operating Way practices to corporate business processes. The Wow Operating Way is a series of systems, processes and measurements that drive excellence in customer satisfaction, repair cycle times and operational metrics.

Boyd also conducts extensive customer satisfaction polling at all operating locations to assist in keeping customer satisfaction at the forefront of its mandate.

Boyd will also continue to invest in its infrastructure, process improvement initiatives and IT systems to contribute to high quality service to its customers and improved operational performance.

Expense Management

Boyd continues to manage its operating expenses as a percentage of sales. By working continuously to identify cost savings and to achieve same-store sales growth, Boyd will continue to manage this expense ratio. Operating expenses have a fixed component and therefore same-store sales growth contributes to a lower percentage of operating expenses to sales.

Same-Store Sales / Optimize Returns

Increasing same-store sales and running shops at or near capacity has a positive impact on financial performance. Boyd continues to seek opportunities to help grow same-store sales.

New Location and Acquisition Growth

In line with stated growth strategies, Boyd was successful in opening 54 new locations in 2020. Boyd will continue to pursue accretive growth through a combination of organic growth (same-store sales growth) as well as acquisitions and new store development. Acquisitions will include both single-location acquisitions as well as multi-location acquisitions. Combined, Boyd expects this strategy to generate growth sufficient to double the size of its business (measured against its 2019 revenue on a constant currency basis) over the five year period from 2021-2025, implying a compound annual growth rate of 15%.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Statements made in this annual 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 Emerging consolidators drive acquisition pricing higher than historical levels
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 continue to deteriorate, or economic recovery post-COVID-19 is slow Loss of one or more key customers or loss of significant volume from any customer Decline in the number of insurance claims Inability of the Company to pass cost increases to customers over time Increased competition which may prevent achievement of revenue goals Changes in market conditions and operating environment Changes in weather conditions Inability to maintain, replace or grow same-store technician capacity could impact organic growth
Stated objective to gradually increase dividends over time	Growing profitability of the Company and its subsidiaries The continued and increasing ability of the Company to generate cash available for dividends Balance sheet strength and flexibility is maintained and the dividend level is manageable taking into consideration bank covenants, growth requirements and maintaining a dividend level that is supportable over time	Economic conditions continue to 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 $5 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 $7-8 million investment over a nine-month period and is expected to streamline various processes as well as generate economic returns after the project is fully implemented.	The actual cost for these capital expenditures agrees with the original estimate The purchase, delivery and installation of the capital items is consistent with the estimated timeline No other new capital requirements are identified or required during the period All identified capital requirements are required during the period Investment in LED lighting and process efficiency projects will generate positive returns	Expected actual expenditures could be above or below 1.6% to 1.8% of sales The timing of the expenditures could occur on a different timeline BGSI may identify additional capital expenditure needs that were not originally anticipated BGSI may identify capital expenditure needs that were originally anticipated; however, are no longer required or required on a different timeline Expected positive returns are not generated due to delays, increased costs, or unanticipated challenges in implementation
Certain operating expenses and personnel costs, along with continued reduced demand for services will continue to impact the levels of Adjusted EBITDA that can be achieved during 2021.	Timing of anticipated return to pre-COVID levels of activity occurs in the short term Re-emergence of stability in economic conditions and employment rates	Return to pre-COVID levels of activity may occur on a different timeline Economic conditions continue to deteriorate, or economic recovery post-COVID-19 is slow Changes in market conditions and operating environment

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

SELECTED ANNUAL INFORMATION

The following table summarizes selected financial information for BGSI over the prior three years:

For the years ended December 31, *(thousands of Canadian dollars, except per unit/share amounts)*	**2020**		2019		2018
Sales	**$2,089,115**		$2,283,325		$1,864,613
Net earnings	**$57,734**		$64,417		$77,639
Adjusted net earnings	**$54,022**		$96,066		$85,607
Basic earnings per share/unit	**$2.75**		$3.23		$3.94
Diluted earnings per share/unit	**$2.60**		$3.12		$3.79
Adjusted net earnings per share/unit	**$2.57**		$4.83		$4.35
Cash dividends/distributions per share/unit declared:					
Share dividends/Trust unit distributions	**$0.56**		$0.54		$0.53
December 31, *(thousands of Canadian dollars)*	**2020**		2019		2018
Total assets	**$2,000,905**	$	1,901,253	$	1,233,483
Total long-term financial liabilities	**$652,425**	$	847,950	$	319,720

Acquisitions and new single location growth had the largest impact on growing sales from 2018 to 2019. In 2019, sales growth was driven primarily by the addition of 108 locations, as well as same-store sales growth of 3.3%. In 2020, financial results, including sales, were significantly impacted by the COVID-19 pandemic.

The net earnings reported in 2018 and 2019 were impacted by fair value adjustments related to financial instruments that mainly arose as the Fund's unit price increased. Excluding these adjustments, net earnings would have increased from 2018 to 2019 as a result of the increase in sales and gross profit. In 2020, financial results, including net earnings and adjusted net earnings, were significantly impacted by the COVID-19 pandemic. Significant actions were taken by management to minimize the financial impact of the COVID-19 pandemic, which resulted in reduced demand for services. These actions included the temporary conversion of certain collision repair locations to intake locations in order to consolidate collision repair services and to reduce Boyd's operating costs at the temporary intake locations, while at the same time maximizing productivity of the staff at the repair locations. The Company also benefited from the Canada Emergency Wage Subsidy ("CEWS"), which was put into place on April 11, 2020, and has been extended to June 2021. As is the objective of the program, Boyd continued to employ and incur costs for employees that would have been laid off or furloughed absent the wage subsidy.

The change in total assets and total long-term financial liabilities was significantly impacted by acquisitions from 2018 to 2019. Total assets and total long-term financial liabilities were also significantly impacted by the adoption of IFRS 16, *Leases* on January 1, 2019, through initial recognition of right of use assets of $452.9 million and lease liabilities of $488.0 million. In addition to these changes, fluctuations in total assets from 2018 to 2019 have primarily related to increases in property, plant and equipment, intangible assets and goodwill as a result of new location growth. During this timeframe, long-term financial liabilities were also impacted by financing of acquisitions. The recognition of exchangeable Class A common shares and the non-controlling interest put options and call liability as financial liabilities under IFRS also contributed to the growth in long-term financial liabilities from 2018 to 2019. The increase in long-term financial liabilities from 2018 to 2019 was primarily the result of the adoption of IFRS 16, *Leases*, as well as financing of acquisitions. The decrease in long-term financial liabilities from 2019 to 2020 was primarily the result of the conversion from an income trust to a public corporation, which resulted in the conversion of the exchangeable Class A common shares to shares of BGSI, and the repayment of long-term debt with proceeds of the public offering which closed on May 14, 2020.

Since the end of 2007 through the end of 2020, BGSI increased dividends/distributions to shareholders/unitholders. As of March 23, 2021 the dividend rate is $0.141 per quarter or $0.564 on an annualized basis.

BOYD GROUP INCOME FUND AND BOYD GROUP SERVICES INC.

On January 1, 2020, Boyd Group Income Fund ("BGIF") was converted from an income trust to a public corporation named Boyd Group Services Inc., pursuant to a plan of arrangement (the "Arrangement") under the *Canada Business Corporations Act.* The Arrangement received all required unitholder, trustee, court, TSX and regulatory approvals, as well as approval from the shareholders of Boyd Group Holdings Inc. ("BGHI").

As a result of the Arrangement, Fund unitholders and BGHI Class A common shareholders received one BGSI common share in exchange for each Fund unit and BGHI Class A common share held by them.

On January 1, 2021, BGHI was amalgamated with the Company. On January 2, 2021, in accordance with the plans detailed in the Arrangement, BGIF was wound up. Immediately prior to the wind-up of BGIF, all property of BGIF was transferred to and all liabilities of BGIF were assumed by, BGSI.

The consolidated financial statements of BGSI and their subsidiaries have been prepared in accordance with International Financial Reporting Standards and contain the consolidated financial position, results of operations and cash flows of BGSI, the Company and the Company's subsidiary companies for the year ended December 31, 2020.

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 prior to January 1, 2020 are the fair value adjustments to exchangeable Class A common shares, the fair value adjustments to unit based payment obligations, and the fair value adjustments to the non-controlling interest call liability / put option. Subsequent to January 1, 2020, included in this category of adjustments are the fair value adjustments to the non-controlling interest call liability / put option. These items are adjustments that did not have any cash impact on BGSI or the Fund. 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

(thousands of Canadian dollars)	Three Months Ended December 31, **2020**	Three Months Ended December 31, 2019	Year Ended December 31, **2020**	Year Ended December 31, 2019
Net earnings	**$ 21,042**	$ 14,253	**$ 57,734**	$ 64,147
Add:				
Finance costs	**8,259**	10,129	**42,596**	38,185
Income tax expense	**6,603**	7,608	**19,737**	29,402
Depreciation of property, plant and equipment	**12,812**	11,740	**49,835**	41,601
Depreciation of right of use assets	**25,581**	24,044	**101,989**	90,890
Amortization of intangible assets	**6,162**	6,489	**24,852**	22,467
Standardized EBITDA	**$ 80,459**	$ 74,263	**$ 296,743**	$ 286,692
Add (less):				
Fair value adjustments	**(2,513)**	8,799	**(5,191)**	28,330
Acquisition and transaction costs	**487**	991	**1,999**	4,850
Adjusted EBITDA	**$ 78,433**	$ 84,053	**$ 293,551**	$ 319,872

Note: On adoption of IFRS 16, *Leases* on January 1, 2019, lease payments were deducted in arriving at Adjusted EBITDA to enhance comparability with prior period. Beginning January 1, 2020, these amounts are no longer being adjusted out in calculating Adjusted EBITDA and the comparative amounts have been restated for comparability with the current period.

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 Canadian dollars, except unit and per unit amounts)	Three Months Ended December 31, **2020**	Three Months Ended December 31, 2019	Year Ended December 31, **2020**	Year Ended December 31, 2019
Net earnings	**$ 21,042**	$ 14,253	**$ 57,734**	$ 64,147
Add (less):				
Fair value adjustments (non-taxable)	**(2,513)**	8,799	**(5,191)**	28,330
Acquisition and transaction costs (net of tax)	**360**	733	**1,479**	3,589
Adjusted net earnings	**$ 18,889**	$ 23,785	**$ 54,022**	$ 96,066
Weighted average number of shares/units	**21,472,194**	19,931,963	**21,005,596**	19,878,567
Adjusted net earnings per share/unit	**$ 0.88**	$ 1.19	**$ 2.57**	$ 4.83

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. Beginning January 1, 2020, these amounts are no longer being adjusted out in calculating adjusted net earnings and the comparative amounts have been restated for comparability with the current period.

Dividends and Distributions

Until December 31, 2019, the Fund and BGHI made monthly distributions, in accordance with their distribution policies, to unitholders of the Fund and dividends to Class A common shareholders of BGHI of record on the last day of each month, payable on or about the last business day of the following month. The amount of cash distributed by the Fund was equal to the pro rata share of interest or principal repayments received on the Notes and distributions received on or in respect of the Class I common shares of the Company held by the Fund, after deducting expenses of the Fund and any cash redemptions of the Fund during the period. The amount of cash distributed by BGHI was equal to the pro rata share of dividends received on or in respect of the Class II common shares of the Company held by BGHI, after deducting expenses of BGHI. All dividends paid or allocated to unitholders of the Fund or Class A shareholders of BGHI were considered to be eligible dividends for Canadian income tax purposes.

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

(thousands of Canadian dollars, except per share amounts)

Record date	Payment date	Dividend per Share	Dividend amount
March 31, 2020	April 28, 2020	$ 0.1380	$ 2,788
June 30, 2020	July 29, 2020	0.1380	2,963
September 30, 2020	October 28, 2020	0.1380	2,963
December 31, 2020	January 27, 2021	0.1410	3,028
		$ 0.5550	$ 11,742

Distributions to unitholders of the Fund and dividends to the BGHI shareholders were declared and paid as follows:

(thousands of Canadian dollars, except per unit/share amounts)

Record date	Payment date	Distribution per Unit / Dividend per Share	Distribution amount	Dividend amount
January 31, 2019	February 26, 2019	$ 0.0450	$ 891	$ 10
February 28, 2019	March 27, 2019	0.0450	892	10
March 31, 2019	April 26, 2019	0.0450	894	9
April 30, 2019	May 29, 2019	0.0450	894	10
May 31, 2019	June 26, 2019	0.0450	894	10
June 30, 2019	July 29, 2019	0.0450	895	9
July 31, 2019	August 28, 2019	0.0450	894	10
August 31, 2019	September 28, 2019	0.0450	894	10
September 30, 2019	October 29, 2019	0.0450	895	9
October 31, 2019	November 27, 2019	0.0450	894	9
November 30, 2019	December 20, 2019	0.0460	921	10
December 31, 2019	January 29, 2020	0.0460	921	10
		$ 0.5420	$ 10,779	$ 116

RESULTS OF OPERATIONS

Results of Operations

(thousands of Canadian dollars, except per unit amounts)

	Three months ended December 31,			Year ended December 31,		
	2020	% change	2019	**2020**	% change	2019
Sales - Total	**526,003**	(10.2)	585,966	**2,089,115**	(8.5)	2,283,325
Same-store sales - Total (excluding foreign exchange)	**507,313**	(12.6)	580,550	**1,771,294**	(15.6)	2,099,505
Gross margin %	**45.8**	1.8	45.0	**46.0**	1.3	45.4
Operating expense %	**30.9**	0.7	30.7	**32.0**	1.9	31.4
Adjusted EBITDA [(1)]	**78,433**	(6.7)	84,053	**293,551**	(8.2)	319,872
Acquisition and transaction costs	**487**	(50.9)	991	**1,999**	(58.8)	4,850
Depreciation and amortization	**44,555**	5.4	42,273	**176,676**	14.0	154,958
Fair value adjustments	**(2,513)**	(128.6)	8,799	**(5,191)**	(118.3)	28,330
Finance costs	**8,259**	(18.5)	10,129	**42,596**	11.6	38,185
Income tax expense	**6,603**	(13.2)	7,608	**19,737**	(32.9)	29,402
Adjusted net earnings [(1)]	**18,889**	(20.6)	23,785	**54,022**	(43.8)	96,066
Adjusted net earnings per share/unit [(1)]	**0.88**	(26.1)	1.19	**2.57**	(46.8)	4.83
Net earnings	**21,042**	47.6	14,253	**57,734**	(10.0)	64,147
Basic earnings per share/unit	**0.98**	36.1	0.72	**2.75**	(14.9)	3.23
Diluted earnings per share/unit	**0.98**	36.1	0.72	**2.60**	(16.6)	3.12

[(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 and adjusted net earnings per unit, 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 adjusted net earnings per share, and the comparative amounts have been restated for comparability with the current period.

Canada Emergency Wage Subsidy

The Canada Emergency Wage Subsidy ("CEWS") was put into place on April 11, 2020, and has now been extended to June 2021. As is the objective of the program, Boyd continued to employ and incur cost for employees that would have been laid off or furloughed absent the wage subsidy. Boyd determined it is eligible and has made an application for the CEWS for the periods commencing April 12 through December 19, 2020. The total estimated CEWS for the year ended December 31, 2020 of $16.9 million has been recorded, with $7.1 million being recorded as a reduction to cost of goods sold and $9.8 million being recorded as a reduction to operating expenses. At December 31, 2020, the Company has $9.4 million accrued for amounts to be received under the CEWS program in Accounts Receivable.

The Company will continue to make applications under the CEWS program as long as it continues to meet the eligibility requirements; however, changes have been made to the program such that the subsidy is now determined by the particular employer's revenue reduction percentage in each qualifying period rather than providing a subsidy amount based on a minimum decline in revenues. These changes will significantly reduce the subsidy to be received with respect to the first half of 2021, in comparison with amounts received in 2020.

Sales

Sales totaled $2.1 billion for the year ended December 31, 2020 a decrease of $194.2 million or 8.5% when compared to the same period of 2019. The decrease in sales was the result of the following:

- Same-store sales excluding foreign exchange decreased $328.2 million or 15.6%, partially offset by an increase of $14.6 million due to the translation of same-store sales at a higher U.S. dollar exchange rate. The decrease in same-store sales percentage was impacted by the business slow down caused by the COVID-19 pandemic that began in mid-March of 2020. Same-store sales excluding foreign exchange decreased 16.0% on a per day basis, recognizing one more selling and production day in Canada and the U.S. in 2020.
- $128.2 million of incremental sales were generated from 101 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 $8.8 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 $961.9 million or 46.0% of sales for the year ended December 31, 2020 compared to $1,036.5 million or 45.4% of sales for the same period in 2019. Gross profit decreased $74.6 million primarily as a result of the negative impact of the COVID-19 pandemic. The gross margin percentage was positively impacted by higher labor margins, primarily due to CEWS in Canada, which more than offset incremental COVID-19 labor costs and workforce management in the U.S., as well as a favorable mix of retail glass sales and normal variability in DRP pricing. The recognition of CEWS related to direct labor was approximately $7.1 million for the year ended December 31, 2020, which positively impacted gross margin percentage.

Operating Expenses

Operating Expenses for the year ended December 31, 2020 decreased $48.2 million to $668.4 million from $716.6 million for the same period of 2019. The decrease in operating expenses was primarily the result of COVID-19 related cost reductions such as staffing reductions, salary and other compensation adjustments, and reductions to other variable expenses. Operating expenses benefited from the CEWS of approximately $9.8 million, recorded as an offset to applicable indirect wages. Excluding the impact of foreign currency translation which increased operating expenses by approximately $6.2 million, expenses decreased $42.0 million from 2019. Closed locations lowered operating expenses by $2.3 million.

Operating expenses as a percentage of sales were 32.0% for the year ended December 31, 2020, which compared to 31.4% for the same period in 2019. The increase as a percentage of sales was primarily due to the negative impact of the COVID-19

pandemic, partially mitigated by the resultant actions taken by management. In addition to CEWS, lower wages as a result of temporary lay offs as well as reduced management compensation impacted operating expenses as a percentage of sales. However, while many operating expenses were managed in relation to the decline in sales, certain expenses, such as benefits which were extended to staff that were temporarily laid off as well as certain costs that could not be reduced, such as property taxes and utility costs, increased as a percentage of sales.

Acquisition and Transaction Costs

Acquisition and Transaction Costs for the year ended December 31, 2020 were $2.0 million compared to $4.9 million recorded for the same period of 2019. The costs relate to various acquisitions, including acquisitions from prior periods, as well as other completed or potential acquisitions. Acquisition and transaction costs decreased due to the pause on completion of acquisitions from the start of the COVID-19 pandemic until mid-August.

Adjusted EBITDA

Earnings before interest, income taxes, depreciation and amortization, adjusted for the non-controlling interest call liability / put option and contingent consideration, as well as acquisition and transaction costs and the 2019 impact of fair value adjustments related to the exchangeable share liability and unit option liability ("Adjusted EBITDA") for the year ended December 31, 2020 totaled $293.6 million or 14.1% of sales compared to Adjusted EBITDA of $319.9 million or 14.0% of sales in the same period of the prior year. The $26.3 million decrease was primarily the result of the business slow down caused by the COVID-19 pandemic, including operating expenses that could not be mitigated, partially offset by proceeds from CEWS. In total, Adjusted EBITDA for the year ended December 31, 2020 benefited from the CEWS in the amount of approximately $16.9 million. Changes in U.S. dollar exchange rates in 2020 increased Adjusted EBITDA by $1.8 million.

Depreciation and Amortization

Depreciation related to property, plant and equipment totaled $49.8 million or 2.4% of sales for the year ended December 31, 2020, an increase of $8.2 million when compared to the $41.6 million or 1.8% 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 in prior periods. Depreciation as a percentage of sales increased due to the impact of COVID-19 on sales.

Depreciation related to right of use assets totaled $102.0 million, or 4.9% of sales for the year ended December 31, 2020, as compared to $90.9 million or 4.0% of sales for the same period of the prior year. The increase in depreciation expense was primarily due to acquisition growth in prior periods. Depreciation as a percentage of sales increased due to the impact of COVID-19 on sales.

Amortization of intangible assets for the year ended December 31, 2020 totaled $24.9 million or 1.2% of sales, an increase of $2.4 million when compared to the $22.5 million or 1.0% 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. Amortization as a percentage of sales increased due to the impact of COVID-19 on sales.

Fair Value Adjustments

Fair Value Adjustment to Non-controlling Interest Call Liability / Put Option resulted in a non-cash recovery of $3.1 million for the year ended December 31, 2020 compared to a non-cash recovery of $2.1 million in the same period of the prior year. The Glass America non-controlling interest call liability transaction was completed on January 31, 2019, with no fair value adjustment recorded during the period ended December 31, 2019. On July 31, 2020, the call option transaction to acquire the 21.16% non-controlling interest in Gerber Glass LLC held by a member of the U.S. management team was completed, and BGSI acquired the 21.16% non-controlling interest in Gerber Glass LLC.

Fair Value Adjustment to Contingent Consideration resulted in a non-cash recovery of $2.1 million for the year ended December 31, 2020 compared to $nil in the same period of the prior year. Contingent consideration is impacted by changes to the estimated payment due to sellers based on the acquisition meeting predetermined earnings targets during specified

periods subsequent to the acquisition date. Post-acquisition performance was significantly impacted by the reduced demand experienced as a result of the COVID-19 pandemic.

Finance Costs

Finance Costs of $42.6 million or 2.0% of sales for the year ended December 31, 2020 increased from $38.2 million or 1.7% of sales for the same period of the prior year. The increase in finance costs was primarily due to increased borrowing under the credit facility. Out of an abundance of caution during the uncertainty created by the COVID-19 pandemic, Boyd fully drew on the credit facilities near the end of March, 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 of $907.4 million for the year ended December 31, 2020 to reduce the level of outstanding debt. During the first quarter, finance costs related to the unamortized deferred financing costs of $0.4 million were expensed as the revolving credit facility was amended and restated.

Income Taxes

Current and Deferred Income Tax Expense of $19.7 million for the year ended December 31, 2020 compared to an expense of $29.4 million for the same period of the prior year. During 2019, income tax expense continued to be impacted by permanent differences, which impacted the tax computed on accounting income. Permanent differences did not have a significant impact on the tax computed on accounting income in 2020.

Net Earnings and Earnings Per Share/Unit

Net Earnings for the year ended December 31, 2020 was $57.7 million or 2.8% of sales compared to $64.1 million or 2.8% of sales in the same period of the prior year. The net earnings amount in 2020 was positively impacted by fair value adjustments to financial instruments of $5.2 million, which were primarily due to the decrease in the EBITDA amount on which the calculation of the call liability was based and the decrease in contingent consideration due to the impact of the COVID-19 pandemic on operating results of acquired entities, and acquisition and transaction costs of $1.5 million (net of tax). After adjusting for fair value and other unusual items, Adjusted net earnings in 2020 was $54.0 million, or 2.6% of sales. This compares to Adjusted net earnings of $96.1 million or 4.2% of sales in 2019. The decrease in the Adjusted net earnings for the period is primarily the result of the negative impact of the COVID-19 pandemic. Certain costs, such as depreciation and amortization, are not variable and finance costs increased as a result of borrowings during 2020 fiscal. These items negatively impacted Adjusted net earnings for the year ended December 31, 2020.

Basic Earnings Per Share was $2.75 per share for the year ended December 31, 2020 compared to basic earnings per unit of $3.23 for the same period of 2019. The decrease in basic earnings per share is primarily attributed to the impact of the COVID-19 pandemic. Diluted earnings per share was $2.60 for the year ended December 31, 2020 compared to diluted earnings per unit of $3.12 for the same period of 2019. Adjusted net earnings per share was $2.57 compared to adjusted net earnings per unit of $4.83 for the same period of 2019. The decrease in adjusted net earnings per share is primarily attributed to the negative impact of the COVID-19 pandemic. Certain costs, such as depreciation and amortization, are not variable and finance costs increased as a result of borrowings during 2020 fiscal. These items negatively impacted Adjusted net earnings per share for the year ended December 31, 2020.

Summary of Quarterly Results *(in thousands of Canadian dollars, except per share/unit amounts)*	**2020 Q4**	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
Sales	**$ 526,003**	508,289	$ 426,473	$ 628,350	$ 585,966	$ 566,957	$ 572,505	$ 557,897
Adjusted EBITDA, pre IFRS 16, *Leases* basis [(1)]	**N/A**	N/A	N/A	N/A	$ 56,430	$ 50,656	$ 54,335	$ 54,175
Adjusted EBITDA [(1)]	**$ 78,433**	$ 84,519	$ 49,182	$ 81,417	$ 84,053	$ 77,398	80,099	78,322
Net earnings (loss)	**$ 21,042**	$ 21,096	$ (7,059)	$ 22,655	$ 14,253	$ 14,766	$ 13,739	$ 21,389
Basic earnings (loss) per share/unit	**$ 0.98**	$ 0.98	$ (0.34)	$ 1.12	$ 0.72	$ 0.74	$ 0.69	$ 1.08
Diluted earnings (loss) per share/unit	**$ 0.98**	$ 0.98	$ (0.34)	$ 0.95	$ 0.72	$ 0.74	$ 0.63	$ 0.95
Adjusted net earnings (loss) [(1)]	**$ 18,889**	$ 21,831	$ (6,874)	$ 20,177	$ 23,786	$ 20,650	$ 23,497	$ 28,134
Adjusted net earnings (loss) per share/unit [(1)]	**$ 0.88**	$ 1.02	$ (0.33)	$ 1.00	$ 1.20	$ 1.04	$ 1.18	$ 1.42

[(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 December 31, 2020, BGSI had cash, net of outstanding deposits and cheques, held on deposit in bank accounts totaling $77.7 million (December 31, 2019 - $35.5 million). The increase in the cash balance as at December 31, 2020 is the result of an increase in cash flows from operations and reduced cash flows used in investing activities due to the temporary pause on acquisitions during 2020 as a result of the uncertainty created by the COVID-19 pandemic. The net working capital ratio (current assets divided by current liabilities) was 0.67:1 at December 31, 2020 (December 31, 2019 – 0.57:1).

At December 31, 2020, BGSI had total debt outstanding, net of cash, of $685.6 million compared to $672.0 million at September 30, 2020, $708.7 million at June 30, 2020, $949.9 million at March 31, 2020 and $893.2 million at December 31, 2019. Debt, net of cash, decreased when compared to December 31, 2019 as a result of increased cash flow from operations as well as the proceeds received on the offering completed on May 14, 2020.

Total debt, net of cash *(thousands of Canadian dollars)*	**December 31, 2020**	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Revolving credit facility (net of financing costs)	**$ —**	$ 48,787	$ 433,511	$ 713,656	$ 339,185
Term Loan A (net of financing costs)	**157,501**	166,234	169,827	176,789	—
Seller notes [(1)]	**71,965**	67,084	76,961	85,426	76,084
Total debt before lease liabilities	**$ 229,466**	$ 282,105	$ 680,299	$ 975,871	$ 415,269
Cash	**77,718**	141,536	510,197	576,493	35,468
Total debt, net of cash before lease liabilities	**$ 151,748**	$ 140,569	$ 170,102	$ 399,378	$ 379,801
Lease liabilities	**533,869**	531,455	538,591	550,501	513,373
Total debt, net of cash	**$ 685,617**	$ 672,024	$ 708,693	$ 949,879	$ 893,174

(1) Seller notes are loans granted to the Company by the sellers of businesses related to the acquisition of those businesses.

The following table summarizes the contractual obligations at December 31, 2020 and required payments over the next five years:

Contractual Obligations *(thousands of Canadian dollars)*	Total	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
Bank indebtedness	$—	$—	$—	$—	$—	$—	$—
Accounts payable and accrued liabilities	267,584	267,584	—	—	—	—	—
Long-term debt	229,466	19,854	13,247	12,311	18,611	4,401	161,042
Lease liability	533,869	99,235	92,243	80,256	65,694	48,563	147,878
Purchase Obligations [(1)]	—	unknown	unknown	unknown	unknown	unknown	unknown
	$1,030,919	$386,673	$105,490	$92,567	$84,305	$52,964	$308,920

(1) Subject to fulfilling certain conditions such as meeting contractual purchase obligations and no change in control the repayment would be nil

Operating Activities

Cash flow generated from operations before considering working capital changes, was $290.5 million for the year ended December 31, 2020 compared to $294.1 million in 2019.

For the year ended December 31, 2020, changes in working capital items provided net cash of $16.4 million compared with using $1.7 million in the same period of 2019. 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 used in financing activities totaled $147.7 million for the year ended December 31, 2020 compared to cash used in financing activities of $40.6 million for the same period of the prior year. During 2020, cash was provided by draws of the revolving credit facility in the amount of $691.4 million offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $907.4 million and to fund interest costs on long-term debt of $20.8 million. On July 31, 2020, the call option transaction to acquire the 21.16% non-controlling interest in Gerber Glass LLC was completed for $1.7 million. Cash used by financing activities included $95.4 million in repayments of lease liabilities and cash used to fund interest costs on lease liabilities of $22.5 million. Cash was also used to pay dividends of $9.6 million. During 2020, the Company completed an equity offering, resulting in gross proceeds on the offering of $231.5 million. During the year ended December 31, 2020 the Company paid $11.0 million in issue costs. The Company also amended the revolving credit facility, resulting in the payment of $1.9 million of financing costs. During 2019, cash was provided by draws of the revolving credit facility in the amount of $182.5 million offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $75.6 million and to fund interest costs on long-term debt of $15.5 million. Cash used by financing activities included $86.0 million used to repay lease liabilities and cash used to fund interest costs on lease liabilities of $22.7 million. Cash was also used to pay distributions to unitholders and dividends to Class A common shareholders totaling $10.9 million. In the first quarter of 2019, the Company completed a call option transaction and paid $13.2 million to acquire the non-controlling interest in Glass America LLC.

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 U.S., with an accordion feature which can increase the facility to a maximum of $825 million U.S. (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 U.S. 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, BGIF, BGHI, 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 U.S. in Canada and $30.0 million U.S. in the U.S. At December 31, 2020, the Company has drawn $nil U.S. (December 31, 2019 - $158.3 million U.S.) and $nil Canadian (December 31, 2019 - $134.0 million) on the revolving credit facility and $125.0 million U.S. (December 31, 2019 - $nil) on the Term Loan A.

Under the revolving credit facility, the Company is subject to certain financial covenants which must be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants require BGSI to maintain a senior funded debt to EBITDA ratio of less than 3.50 and an interest coverage ratio of greater than 2.75. For four quarters following a material acquisition, the senior funded debt to EBITDA ratio may be increased to less than 4.00. For purposes of covenant calculations, property lease payments are deducted from EBITDA. During the second quarter of 2020, the Company amended certain financial covenants under the revolving credit facility to provide additional covenant headroom, further enhancing the Company's financial flexibility. While the Company had not breached any covenants, this amendment was intended to prevent the effects of the COVID-19 pandemic from distorting the covenant calculations and distracting the Company or its lenders from the prudent management of the business. The amendments included a suspension to Boyd's requirement to comply with its leverage and interest coverage covenants from July 1, 2020 to December 30, 2020, as well as providing 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 will be permitted to replace the EBITDA for the second and third quarters of 2020 with the EBITDA for the second and third quarters of 2019. In addition, the senior funded debt to EBITDA ratio was increased to no greater than 4.00 to June 30, 2020. From December 31, 2020 to June 29, 2021, the senior funded debt to EBITDA ratio will be 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 may be increased to no greater than 4.00. During the

suspension period, the Company was required to meet a minimum liquidity covenant of $150 million U.S., which, given the Company's cash position and undrawn facilities, was not burdensome.

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 year ended December 31, 2020, BGSI entered into four new seller notes for an aggregate amount of $51.1 million.

Shareholders' Capital

On January 2, 2020, BGSI announced the completion of the conversion of the Fund from an income trust to a public corporation, pursuant to the plan of Arrangement under the *Canada Business Corporations Act*. As a result of the Arrangement, Fund unitholders and BGHI Class A common shareholders received one BGSI common share in exchange for each Fund unit and BGHI Class A common share held by them.

On May 14, 2020, BGSI completed an equity offering consisting of 1,265,000 shares at a price of $183.00 per share, with net proceeds of the offering to fund potential future acquisition opportunities once the impact of COVID-19 is better understood, 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 $101.1 million for the year ended December 31, 2020. This compares to $282.3 million used in the prior period. The investing activity in both periods related primarily to new location growth that occurred during these periods.

Acquisitions and Development of Businesses

During 2020, the Company added 39 locations (including one intake center) through acquisition, 10 locations operating as intake centers and five start-up locations, for a total of new 54 locations. From January 1, 2020 up to the reporting date of March 23, 2021, the Company has added 43 locations through acquisition, 17 locations operating as intake centers and 10 start-up locations, for a total of 70 new locations. These new locations are as follows:

Date	Location	Previously operated as
January 2, 2020	Parksville, BC	Crashpad Collision Services
January 6, 2020	Williamsville, NY	n/a intake center
January 17, 2020	Littleton, CO	n/a start-up
March 6, 2020	Indiana & Michigan, (14 locations)	Vision Collision
March 13, 2020	Waukesha, WI	Nagel Auto Body
March 23, 2020	Saanichton, BC	Maysa Ventures Ltd.
July 13, 2020	Kingston, ON	n/a intake center
August 14, 2020	Cornelius, NC	n/a start-up
September 4, 2020	Farmington & Rogers, AR (2 locations)	Northwest Arkansas Collision Center
September 25, 2020	Milwaukee & Hales Corners, WI (2 locations)	Lou's Auto Body & Auto Body Express
October 30, 2020	Escanaba, Kingsford & Marquette, MI (3 locations)	Classic Auto Collision Centers
November 2, 2020	Waterford, MI	n/a start-up
November 2, 2020	Toronto, ON	n/a intake center
November 17, 2020	Oshkosh, WI	Tony's Auto Collision Center
November 21, 2020	Marietta, GA	n/a intake center
November 21, 2020	Pomona, CA	n/a start-up
November 30, 2020	Charlotte, NC	n/a start-up
November 30, 2020	Pflugerville, TX	Masters Auto Craft
December 3, 2020	Downers Grove, IL	n/a intake center
December 4, 2020	Riverside & San Bernadino, CA	1st Certified
December 10, 2020	North Riverside, IL	n/a intake center
December 10, 2020	Orland Park, IL	n/a intake center
December 14, 2020	Morrow, GA	Heritage Cadillac Collision Center
December 14, 2020	Tsawwassen, BC	n/a intake center
December 17, 2020	Wyandotte, MI	n/a intake center
December 30, 2020	Hoffman Estates, IL	n/a intake center
December 31, 2020	Avon, CO	Rich's Auto Body
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

The Company completed the acquisition or start-up of 126 locations from the beginning of 2019 until the fourth quarter reporting date of March 18, 2020. Details of these acquisitions can be found in the 2019 Annual Report.

Start-ups

In 2020, the Company commenced operations in five new start-up collision repair facilities. The total combined investment in leaseholds and equipment for these facilities was approximately $2.5 million. The Company commenced operations in four new start-up collision repair facilities in 2019 with a combined investment of approximately $2.4 million. The Company anticipates it will use similar start-up strategies as part of its continued growth in the future.

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 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 $28.7 million, or 1.4% of sales on capital expenditures, compared to $35.9 million or 1.6% of sales during the same period of 2019.

The Company has resumed its capital investment plans and 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 continue to invest $5 million in environmental initiatives, such as LED lighting, in order to reduce energy consumption and enhance the shop work environment. These investments will not only provide environmental and social benefits but also achieve accretive returns on invested capital. During the year ended December 31, 2020, the Company spent approximately $3.5 million on 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 $7-8 million investment over the next nine months and will also be expected to streamline various processes as well as generate economic returns after the project is fully implemented. During the year ended December 31, 2020, the Company spent approximately $2.0 million on the expanded Wow Operating Way.

LEGAL PROCEEDINGS

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

RELATED PARTY TRANSACTIONS

In certain circumstances the Company has entered into property lease arrangements where an employee of the Company is the landlord. In most cases, the Company assumes these property lease arrangements initially in connection with an acquisition. The property leases for these locations do not contain any significant non-standard terms and conditions that would not normally exist in an arm's length relationship, and BGSI has determined that the terms and conditions of the leases are representative of fair market rent values.

The following are the lease payment amounts for facilities under lease with related parties (in thousands of Canadian dollars):

Landlord	Affiliated Person(s)	Location	Lease Expires	**December 31, 2020**	December 31, 2019
Kard Properties Ltd.	Desmond D'Silva	Richmond Hill, ON	2035	$ 191	$ 192
Kard Properties Ltd.	Desmond D'Silva	Ottawa, ON	2035	320	263
Kard Properties Ltd.	Desmond D'Silva	Ajax, ON	2036	85	88
Kard Properties Ltd.	Desmond D'Silva	Mississauga, ON	2032	50	50
Kard Properties Ltd.	Desmond D'Silva	Oakville, ON	2035	191	192
D'Silva Real Estate Holdings Inc.	Desmond D'Silva	Barrie, ON	2032	434	430
Gerber Building No. 1 Ptnrp	Eddie Cheskis, & Tim O'Day	South Elgin, IL	2023	109	127
Kard Properties Ltd.	Desmond D'Silva	Mississauga, ON	2035	107	107
Kard Properties Ltd.	Desmond D'Silva	Hamilton, ON	2036	60	64
Kard Properties Ltd.	Desmond D'Silva	Mississauga, ON	2035	47	51
Kard Properties Ltd.	Desmond D'Silva	Mississauga, ON	2035	317	315
Kard Properties Ltd.	Desmond D'Silva	Mississauga, ON	2036	99	102
Kard Properties Ltd.	Desmond D'Silva	Scarborough, ON	2036	86	89
Kard Properties Ltd.	Desmond D'Silva	Toronto, ON	2023	45	50
Kard Properties Ltd.	Desmond D'Silva	Brampton, ON	2036	99	102
Kard Properties Ltd.	Desmond D'Silva	Hamilton, ON	2035	102	105
Kard Properties Ltd.	Desmond D'Silva	Woodstock, ON	2037	65	69
Kard Properties Ltd.	Desmond D'Silva	Etobicoke, ON	2037	217	217
Kard Properties Ltd.	Desmond D'Silva	Milton, ON	2035	112	115
Kard Properties Ltd.	Desmond D'Silva	Brantford, ON	2020	111	113
Kard Properties Ltd.	Desmond D'Silva	Ottawa, ON	2036	216	217
Kard Properties Ltd.	Desmond D'Silva	Newmarket, ON	2024	260	45

On January 31, 2019, Gerber Glass LLC, a subsidiary of the Fund, completed the call option transaction, and Gerber Glass LLC acquired the 30% non-controlling interest in Glass America LLC.

On November 25, 2019, the Fund completed the settlement of the unit options issued on January 2, 2010. As a result of the settlement 150,000 units were issued at an exercise price of $5.41. The fair value of the unit options at settlement was $28.6 million.

During 2019, the Fund’s subsidiary, The Boyd Group Inc., declared dividends totaling $58 thousand, through BGHI to 4612094 Manitoba Inc., an entity controlled by a senior officer of the Fund. At December 31, 2019, 4612094 Manitoba Inc. owned 107,329 Class A common shares and 30,000,000 common shares of BGHI, representing approximately 30% of the total voting shares of BGHI.

On July 31, 2020, the call option transaction to acquire the 21.16% non-controlling interest in Gerber Glass LLC held by a member of the U.S. management team was completed, and BGSI acquired the 21.16% non-controlling interest in Gerber Glass LLC.

FOURTH QUARTER

Sales for the three months ended December 31, 2020 totaled $526.0 million, a decrease of $60.0 million or 10.2% compared to the same period in 2019. Overall same-store sales excluding foreign exchange decreased $73.2 million, or 12.6% in the fourth quarter of 2020 when compared to the fourth quarter of 2019 and decreased a further $5.9 million due to the translation of same-store sales at a lower U.S. dollar exchange rate. Same-store sales excluding foreign exchange decreased 12.6% on a days adjusted basis, recognizing the same number of selling and production days in the U.S. and Canada in the fourth quarter of 2020 and 2019. Same-store sales in Canada were significantly lower than same-store sales in the U.S. during the fourth quarter of 2020, which reflects the much slower economic re-opening and more significant restrictions in Canada when compared to the U.S. Sales growth of $21.5 million was attributable to incremental sales generated from 56 new locations. The closure of under-performing facilities accounted for a decrease in sales of $2.3 million.

Gross Profit for the fourth quarter increased to 45.8% from 45.0% in the same period in 2019. The gross margin percentage increase is due to improved labor margins as well as variability in DRP performance pricing arrangements. The recognition of CEWS related to direct labor is approximately $1.0 million for the three months ended December 31, 2020.

Adjusted EBITDA for the fourth quarter of 2020 totaled $78.4 million or 14.9% of sales compared to Adjusted EBITDA of $84.1 million or 14.3% of sales in the same period of the prior year. The $5.6 million decrease was primarily the result of the business slow down caused by the COVID-19 pandemic, including operating expenses that could not be mitigated. In total, Adjusted EBITDA for the three months ended December 31, 2020 benefited from the CEWS in the amount of approximately $2.4 million. Changes in U.S. dollar exchange rates increased Adjusted EBITDA by $1.3 million.

Current and Deferred Income Tax Expense of $6.6 million in 2020 compared to an expense of $7.6 million in 2019. Income tax expense continued to be impacted by permanent differences such as mark-to-market adjustments in the fourth quarter of 2019, which impacted the tax computed on accounting income.

Net Earnings for the fourth quarter was $21.0 million or $0.98 per fully diluted share compared to net earnings of $14.3 million or $0.72 per fully diluted unit for the same period in the prior year. The net earnings amount in the fourth quarter of 2020 was positively impacted by fair value adjustments to financial instruments of $2.5 million, which were primarily due to the impact of changes to the estimated payment due to sellers in the form of contingent consideration, and acquisition and transaction costs of $0.4 million (net of tax). After adjusting for fair value and other unusual items, Adjusted net earnings for the fourth quarter of 2020 was $18.9 million, or 3.6% of sales. This compares to Adjusted net earnings of $23.8 million or 4.1% of sales in the fourth quarter of 2019. The decrease in the Adjusted net earnings for the period is primarily due to the impact of the COVID-19 pandemic.

FINANCIAL INSTRUMENTS

In order to limit the variability of earnings due to the foreign exchange translation exposure on the income and expenses of the U.S. operations, the Company may at times enter into foreign exchange contracts. These contracts are marked to market monthly with unrealized gains and losses included in earnings. The Company did not have any such contract in place during 2020 or 2019.

Transactional foreign currency risk also exists in limited circumstances where U.S. denominated cash is received in Canada. The Company monitors U.S. denominated cash flows to be received in Canada and evaluates whether to use forward foreign exchange contracts. No such foreign exchange contracts were used during 2020 or 2019.

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.

Impairment of Goodwill and Intangible Assets

When testing goodwill and intangibles for impairment, BGSI uses a five year forward looking discounted cash flow of the cash generating unit ("CGU") or group of CGU's to which the asset relate. An estimate of the recoverable amount is then calculated as the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The methods used to value intangible assets and goodwill require critical estimates to be made regarding the future cash flows and useful lives of the intangible assets. Goodwill and intangible asset impairments, when recognized, are recorded as a separate charge to earnings, and could materially impact the operating results of BGSI for any particular accounting period.

Impairment of Other Long-lived Assets

BGSI assesses the recoverability of its long-lived assets, other than goodwill and intangibles, after considering the potential impairment indicated by such factors as business and market trends, BGSI's ability to transfer the assets, future prospects, current market value and other economic factors. In performing its review of recoverability, management estimates the future cash flows expected to result from the use of the assets and their potential disposition. If the discounted sum of the expected future cash flows is less than the carrying value of the assets generating those cash flows, an impairment loss would be recognized based on the excess of the carrying amounts of the assets over their estimated recoverable value. The underlying estimates for cash flows include estimates for future sales, gross margin rates and operating expenses. Changes which may impact these estimates include, but are not limited to, business risks and uncertainties and economic conditions. To the extent that management's estimates are not realized, future assessments could result in impairment charges that may have a material impact on BGSI's consolidated financial statements.

Business Combinations

Fair value of assets acquired and liabilities assumed in a business combination is estimated based on information available at the date of acquisition and involves considerable judgment in determining the fair values assigned to property, plant and equipment and intangible assets acquired and liabilities assumed on acquisition. The determination of these fair values involves analysis including the use of discounted cash flows, estimated future margins, future growth rates, market rents and capitalization rates. There is estimation in this analysis and actual results could differ from estimates.

Fair Value of Financial Instruments

BGSI has applied discounted cash flow methods to establish the fair value of certain financial liabilities recorded on the statement of financial position, as well as disclosed in the notes to the financial statements. BGSI also establishes mark-to-market valuations for derivative instruments, which are assumed to represent the current fair value of these instruments. These valuations rely on assumptions regarding future interest and exchange rates as well as other economic indicators, which at the time of establishing the fair value for disclosure, have a high degree of uncertainty. Unrealized gains or losses on these derivative financial instruments may not be realized as markets change.

Income Taxes

BGSI is subject to income tax in several jurisdictions and estimates are used to determine the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, BGSI recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. Uncertain tax liabilities may be recognized when, despite BGSI's belief that its tax return positions are supportable, the

Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. BGSI believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. To the extent that the final tax outcome is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

CHANGES IN ACCOUNTING POLICIES

BGSI has adopted the amendments to IFRS 3, *Business Combinations*. These amendments change the definition of a business and provide entities additional guidance to determine if the set of processes and assets acquired represents a business. The amendments apply to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. BGSI has determined that there is no material impact on adoption.

IFRS 16, Leases, was issued by the IASB on January 13, 2016 and replaced the guidance found in IAS 17, Leases and related interpretations. The new standard has brought most leases onto the statement of financial position through recognition of right of use assets and lease liabilities. IFRS 16 establishes principles for recognition, measurement, presentation and disclosure of leases.

On January 1, 2019, the Fund adopted IFRS 16, Leases. The adoption of this standard had a significant impact on the consolidated statement of financial position, through recognition of additional right of use assets of $452.9 million and lease liabilities of $488.0 million.

CERTIFICATION OF DISCLOSURE CONTROLS

Management's responsibility for financial information contained in this Annual Report is described on page 50. In addition, BGSI's Audit Committee of the Board of Directors has reviewed this Annual Report, and the Board of Directors has reviewed and approved this Annual Report prior to its release. BGSI is committed to providing timely, accurate and balanced disclosure of all material information about BGSI and to providing fair and equal access to such information. As of December 31, 2020, BGSI's management evaluated the effectiveness of the design and operation of its disclosure controls and procedures, as defined under the rules adopted by the Canadian securities regulatory authorities. Disclosure controls are procedures designed to ensure that information required to be disclosed in reports filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis, and is accumulated and communicated to BGSI's management, including the CEO and the CFO, as appropriate, to allow timely decisions regarding required disclosure.

BGSI's management, including the CEO and the CFO, does not expect that BGSI's disclosure controls will prevent or detect all misstatements due to error or fraud. Because of the inherent limitations in all control systems, an evaluation of controls can provide only reasonable, not absolute assurance, that all control issues and instances of fraud or error, if any, within BGSI have been detected. BGSI is continually evolving and enhancing its systems of controls and procedures. Based on the evaluation of disclosure controls, the CEO and the CFO have concluded that, subject to the inherent limitations noted above, BGSI's disclosure controls are effective in ensuring that material information relating to BGSI is made known to management on a timely basis, and is fairly presented in all material respects in this Annual Report.

CERTIFICATION ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for the design and effectiveness of internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles which incorporates International Financial Reporting Standards for publicly accountable enterprises. BGSI's management, including the CEO and the CFO, does not expect that BGSI's internal control over financial reporting will prevent or detect all misstatements due to error or fraud. Because of the inherent limitations in all control systems, an evaluation of controls can provide only reasonable, not absolute assurance, that all control issues and instances of fraud or error, if any, within BGSI have been detected. BGSI is continually evolving and enhancing its systems of internal controls over financial reporting. The CEO and CFO of BGSI have evaluated the design and effectiveness of BGSI's internal control over financial reporting as at the end of the period covered by the annual filings and have concluded that, subject to the inherent limitations noted above, the controls are sufficient to provide reasonable assurance.

In addition, during the fourth quarter of 2020, 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

The following information is a summary of certain risk factors relating to the business of BGSI and its subsidiaries, and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Report and the documents incorporated by reference herein.

BGSI and its subsidiaries are subject to certain risks inherent in the operation of the business. BGSI and its subsidiaries manage risk and risk exposures through a combination of management oversight, insurance, systems of internal controls and disclosures and sound operating policies and practices.

The Board of Directors has the responsibility to identify the principal risks of BGSI's business and ensure that appropriate systems are in place to manage these risks. The Audit Committee has the responsibility to discuss with management BGSI's major financial risk exposures and the steps management has taken to monitor and control such exposures, including BGSI's risk assessment and risk management policies. In order to support these responsibilities, management has a risk and sustainability management committee which meets on an ongoing basis to evaluate and assess BGSI's risks.

The process being followed by the risk and sustainability management committee is a systematic one which includes identifying risks; analyzing the likelihood and consequence of risks; and then evaluating risks as to risk tolerance and control effectiveness. This approach stratifies risks into four risk categories as follows:

Extreme Risks: Immediate/ongoing action is required – involvement of senior management is required. Avoidance of the item may be necessary if risk reduction techniques are insufficient to address the risk.

High Risks: Risk item is significant and management responsibility should be specified and appropriate action taken.

Moderate Risks: Managed by specific monitoring or response procedures. Additional risk mitigation techniques could be considered if benefits exceed the cost.

Low Risks: Managed by routine procedures. No further action is required at this time.

Risks can be reduced by limiting the likelihood or the consequence of a particular risk. This can be achieved by adjusting the Company's activities, implementing additional control/monitoring processes, or insuring/hedging against certain outcomes. Residual risk remains after mitigation and control techniques are applied to an identified risk. Awareness of the residual risk that BGSI ultimately accepts is a key benefit of the risk management process.

The following describes the risks that are most material to BGSI's business; however, this is not a complete list of the potential risks BGSI faces. There may be other risks that BGSI is not aware of, or risks that are not material today that could become material in the future.

Pandemic Risk & Economic Downturn

A local, regional, national or international outbreak of a contagious disease, including the COVID-19 coronavirus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu or any other similar illness, could decrease the willingness of the general population to travel or customers to patronize the Company's facilities, cause shortages of employees to staff the Company's facilities, interrupt supplies from third parties upon which the Company relies, result in governmental regulation adversely impacting the Company's business and otherwise have a material adverse effect on the Company's business, financial condition and results of operations. Disruptions in financial markets, regional economies and the world economy have been caused by the COVID-19 pandemic. This disruption has resulted in, and continues to result in decreased demand for the services the Company provides. The COVID-19 pandemic has resulted in a widespread health crisis that has adversely affected the economies and financial markets of many regions and countries. There can be no assurance that this disruption in financial markets, regional economies and the world economy will not continue to negatively affect the financial performance of the Company.

Historically the auto collision repair industry has proven to be resilient to typical economic downturns along with the accompanying unemployment, and while the Company works to mitigate the effect of current economic downturn on its operations, economic conditions, which are beyond the Company's control, have led to a decrease in accident repair claims volumes due to fewer miles driven or due to vehicle owners being less inclined to have their vehicles repaired. It is difficult to predict the severity and the duration of the decrease in claims volumes resulting from this economic downturn and the accompanying unemployment and what affect it may have on the auto collision repair industry, in general, and the financial performance of the Company in particular. There can be no assurance that the economic downturn will not continue to negatively affect the financial performance of the Company.

Operational Performance

In order to compete in the market place, the Company must consistently meet the operational performance metrics expected by its insurance company clients and its customers. Failing to deliver on metrics such as cycle time, quality of repair, customer satisfaction and cost of repair can, over time, result in reductions to pricing, repair volumes, or both. The Company has implemented processes as well as measuring and monitoring systems to assist it in delivering on these key metrics. However, there can be no assurance that the Company will be able to continue to deliver on these metrics or that the metrics themselves will not change in the future.

The Company's principal source of funds is cash generated from operations. Fluctuations in required capital expenditures, the need to maintain productive capacity, required funding to meet growth targets, and debt repayments expected to be funded by cash flows generated from operations may potentially impact the amount of cash available for dividends to be declared and paid by the Company or its subsidiaries in the future.

Acquisition Risk

The Company plans to continue to increase revenues and earnings through the acquisition of additional collision repair facilities and other businesses. The Company follows a detailed process of due diligence and approvals to limit the possibility of acquiring a non-performing location or business. However, there can be no assurance that the Company will be able to find suitable acquisition targets at acceptable pricing levels without incurring cost overruns, or that the locations acquired will achieve sales and profitability levels to justify the Company's investment.

Boyd views the United States and Canada as having significant potential for further expansion of its business. There can be no assurance that any market for the Company's services and products will develop either at the local, regional or national level. Economic instability, laws and regulations, increasing acquisition valuations and the presence of competition in all or certain jurisdictions may limit the Company's ability to successfully expand operations.

The Company has grown rapidly through multi-location acquisitions as well as single location growth opportunities. Rapid growth can put a strain on managerial, operational, financial, human and other resources. Risks related to rapid growth include administrative and operational challenges such as the management of an expanded number of locations, the assimilation of financial reporting systems, technology and other systems of acquired companies, increased pressure on senior management and increased demand on systems and internal controls. The ability of the Company to manage its operations and expansion effectively depends on the continued development and implementation of plans, systems and controls that meet its operational, financial and management needs. If Boyd is unable to continue to develop and implement these plans, systems or controls or otherwise manage its operations and growth effectively, the Company will be unable to maintain or increase margins or achieve sustained profitability, and the business could be harmed.

A key element of the Company's strategy is to successfully integrate acquired businesses in order to sustain and enhance profitability. There can be no assurance that the Company will be able to profitably integrate and manage additional repair facilities. Successful integration can depend upon a number of factors, including the ability to maintain and grow DRP relationships, the ability to retain and motivate certain key management and staff, retaining and leveraging client and supplier relationships and implementing standardized procedures and best practices. In the event that any significant acquisition cannot be successfully integrated into Boyd's operations or performs below expectations, the business could be materially and adversely affected.

To the extent that the prior owners of businesses acquired by Boyd failed to comply with or otherwise violated applicable laws, the Company, as the successor owner, may be financially responsible for these violations and any associated undisclosed liability. The Company seeks, through systematic investigation and due diligence, and through indemnification by former owners, to minimize the risk of material undisclosed liabilities associated with acquisitions. The discovery of any material liabilities, including but not limited to tax, legal and environmental liabilities, could have a material adverse effect on the Company's business, financial condition and future prospects.

Employee Relations and Staffing

Boyd currently employs approximately 8,956 people, of which 1,168 are in Canada and 7,788 are in the U.S. The current work force is not unionized, except for approximately 30 employees located in the U.S. who are subject to collective bargaining agreements. The automobile collision repair industry typically experiences high employee turnover rates. A shortage of qualified employees can impact the volume and pace at which collision repair shops can fix damaged vehicles. Although the Company believes that it is on good terms with its employees, there are no assurances that a disruption in service would not occur as a result of employee unrest or employee turnover. The collision repair industry is experiencing significant competition for talent, and, in particular, a limited pool of qualified technicians. There is no guarantee that a significant work disruption or the inability to maintain, replace or grow staff levels would not have a material effect on the Company.

Attracting, training, developing and retaining employees at all levels of the organization is required to effectively manage Boyd's operations. The Company has rolled out various retention and recruitment initiatives to mitigate this risk. Failure to attract, train, develop and retain employees at all levels of the organization could lead to a lack of knowledge, skills and experience required to effectively manage the business and could have a material adverse effect on the Company's business, financial condition and future performance.

The outbreak of a contagious illness, such as the recent COVID-19 pandemic could disrupt staffing and impact the volume and pace at which collision repair shops can fix damaged vehicles. Such disruption could result in temporary closure of collision repair facilities. A significant outbreak of contagious disease, such as the recent COVID-19 pandemic, could result in a widespread health crisis that could adversely affect the financial performance of the Company.

Brand Management and Reputation

The Company's success is impacted by its ability to protect, maintain and enhance the value of its brands and reputation. Brand value and reputation can be damaged by isolated incidents, particularly if the incident receives considerable publicity or if it draws litigation. Incidents may occur as a result of events beyond the Company's control or may be isolated to actions that occur in one particular location. Demand for the Company's services could diminish significantly if an incident or other matter damages its brand or erodes the confidence of its insurance company clients or directly with the vehicle owners

themselves. With the advent of the Internet and the evolution of social media there is an increased ability for individuals to adversely affect the brand and reputation of the Company. There can be no assurance that past or future incidents will not negatively affect the Company's brand or reputation.

Market Environment Change

The collision repair industry is subject to continual change in terms of regulations, repair processes and equipment, technology and changes in the strategic direction of clients, suppliers and competitors. The Company endeavors to stay abreast of developments and preferences in the industry and make strategic decisions to manage through these changes and potential disruptions to the traditional business model. In certain situations, the Company is involved in leading change by anticipating or developing new methods to address changing market needs. The Company however, may not be able to correctly anticipate the need for change, may not effectively implement changes, or may be required to increase spending on capital equipment to maintain or improve its relative position with competitors. There can be no assurance that market environment changes will not occur that could negatively affect the financial performance of the Company.

Reliance on Technology

As is the case with most businesses in today's environment, there is a risk associated with Boyd's reliance on computerized operational and reporting systems. Boyd makes reasonable efforts to ensure that back-up systems and redundancies are in place and functioning appropriately. Boyd has disaster recovery programs to protect against significant system failures. Although a computer system failure would not be expected to critically damage the Company in the long term, there can be no assurance that a computer system crash or like event would not have a material impact on its financial results.

Reliance on technology in order to gain or maintain competitive advantage is becoming more significant and therefore the Company is faced with determining the appropriate level of investment in new technology in order to be competitive. There can be no assurance that the Company will correctly identify or successfully implement the appropriate technologies for its operations.

Increased reliance on computerized operational and reporting systems also results in increased cyber security risk, including potential unauthorized access to customer, supplier and employee sensitive information, corruption or loss of data and release of sensitive or confidential information. Disruptions due to cyber security incidents could adversely affect the business, results of operations and financial condition of the Company. Cyber security incidents could result in operational delays, disruption to work flow and reputational harm. There can be no assurance that Boyd will be able to anticipate, prevent or mitigate rapidly evolving types of cyber-attacks.

Changes in Client Relationships

A high percentage of the Company's revenues are derived from insurance companies. Over the past 25+ years, many private insurance companies have implemented customer referral arrangements known as Direct Repair Programs (DRP's) with collision repair operators who have been recognized as consistent high quality, performance based repairers in the industry. The Company's ability to continue to grow its business, as well as maintain existing business volume and pricing, is largely reliant on its ability to maintain these DRP relationships. The Company continues to develop and monitor these relationships through ongoing measurement of the success factors considered critical by insurance clients. The loss of any existing material DRP relationship, or a material component of a significant DRP relationship, could have a material adverse effect on Boyd's operations and business prospects. Of the top five insurance companies that the Company deals with, which in aggregate account for approximately 46% (2019 – 44%) of total sales, one insurance company represents approximately 13% (2019 – 15%) of the Company's total sales, while a second insurance company represents approximately 10% (2019 – 10%).

DRP relationships are governed by agreements that are usually cancellable upon short notice. These relationships can change quickly, both in terms of pricing and volumes, depending upon collision repair shop performance, cycle time, cost of repair, customer satisfaction, competition, insurance company management, program changes and general economic activity. To mitigate this risk, management fosters close working relationships with its insurance company clients and customers and the Company continually seeks to diversify and grow its client base both in Canada and the U.S. There can be no assurance that relationships with insurance company clients will not change in the future, which could impair Boyd's revenues and/or margins, and result in a material adverse effect on the Company's business.

Decline in Number of Insurance Claims

The automobile collision repair industry is dependent on the number of accidents which occur and, for the most part, become repairable insurance claims. The volume of accidents and related insurance claims can be significantly impacted by technological disruption and changes in technology such as ride sharing, collision avoidance systems, driverless vehicles and other safety improvements made to vehicles. Other changes which have and can continue to affect insurance claim volumes include, but are not limited to, weather, general economic conditions, unemployment rates, changing demographics, vehicle miles driven, new vehicle production, insurance policy deductibles and auto insurance premiums. In addition, repairable claims volumes have been and can continue to be impacted by an increased number of non-repairable claims or total loss. Reduced travel due to the COVID-19 pandemic has negatively impacted claim volumes. There can be no assurance that a continued decline in insurance claims will not occur, which could reduce Boyd's revenues and result in a material adverse effect on the Company's business.

Margin Pressure and Sales Mix Changes

The Company's costs to repair vehicles, including the cost of parts, materials and labour are market driven and can fluctuate. Increasing vehicle complexity due to advances in technology may also increase the cost associated with vehicle repair. The Company is not always able to pass these cost increases on to end users in the form of higher selling prices to its customers and/or its insurance company clients. As a result, there can be no assurance that increases in the costs to repair vehicles will ultimately be recoverable from its insurance company clients and customers. While negotiations with insurance companies and other influencing factors over time can result in selling price increases, the timing and extent of such increases is not determinable. In addition, some DRP relationships contain performance based pricing, which can impact margins. There can be no assurance that increases in the costs to repair vehicles will ultimately be recoverable from the Company's clients or customers.

The Company's margin is also impacted by the mix of collision repair, retail glass and glass network sales as well as the mix of parts, labour and materials within each business area. There can be no assurance that changes to sales mix will not occur that could negatively impact the financial performance of the Company.

The Company currently makes its own part sourcing decisions for parts used in the provision of vehicle repair services. The Company's clients could, in the future, decide to source products directly, impose the use of certain parts suppliers on the Company or otherwise change the parts sourcing process. Such a decision could have an adverse effect on the Company's margin.

Environmental, Health and Safety Risk

The nature of the collision repair business means that hazardous substances must be used, which could cause damage to the environment or individuals if not handled properly. The Company's environmental protection policy requires environmental site assessments to be performed on all business locations prior to acquisition, start-up or relocation so that any existing or potential environmental situations can be remedied or otherwise appropriately addressed. It is also Boyd's practice to secure environmental indemnification from landlords and former owners of acquired collision repair businesses, where such indemnification is available. Boyd also engages a private environmental consulting firm to perform regular compliance reviews to ensure that the Company's environmental and health and safety policies are followed.

To date, the Company has not encountered any environmental protection requirements or issues which would be expected to have a material financial or operational effect on its current business and it is not aware of any material environmental issues that could have a material impact on future results or prospects. No assurance can be given, however, that the prior activities of Boyd, or its predecessors, or the activities of a prior owner or lessee, have not created a material environmental problem or that future uses or evolving regulations will not result in the imposition of material environmental, health or safety liability upon Boyd.

The outbreak of a contagious illness, such as the recent COVID-19 pandemic could require the Company to develop and execute revised operating procedures intended to mitigate safety and health risks in the work environment. However, there

can be no assurance that the enhanced protocols put in place will protect against an outbreak that could result in lost time and negatively affect the financial performance of the Company.

Climate Change and Weather Conditions

Climate change is exacerbated in part by the burning of fossil fuels in order to generate electricity for consumers and industry. Greenhouse gasses from fossil fuels is leading to climate change and global warming, which is leading to increased frequency and severity of natural disasters and extreme weather condition events. The collision repair industry is not particularly carbon intensive. The business is focused on the auto repair industry and as such its primary product is providing a service. In providing this service, major inputs include replacement parts, water-based paint, skilled labor, and energy to run spray booths, compressors, lighting, HVAC and other equipment. The industry is highly fragmented with many independent owner operators who are not able to operate at scale. There are efforts to consolidate the industry and the Company is a leader in this effort. By doing so, the industry can operate more efficiently and have the central coordination and capital to invest in sustainability areas to reduce the impact the industry has on the environment.

Transitioning to a low carbon environment and sustainable business model will require additional investments in the long-term. Capital investments in energy saving or renewable energy technologies to operate the shop, can reduce or offset the contribution to carbon emissions that the Company currently emits. Transitioning the various vehicles used by business to electric instead of internal combustion engine based is another action that can be taken by the Company to reduce carbon emissions. Investments could be necessary for sensors and other systems to manage electricity usage or identify future opportunities. Facility management and landscape management are areas of opportunity to improve the impact Boyd's locations have on global warming.

The primary climate related risks for the business relate to the expected increase in extreme weather events, such as blizzards, hurricanes, torrential rain, and tornadoes. These events can cause physical damage to shops or hinder Boyd's ability to process work and also tend to result in higher damage levels that result in more vehicles being unrepairable. Extreme weather can also slow or halt delivery of parts and in some cases prevent employees from attending work which slows down cycle-time and therefore sales.

A number of initiatives related to climate change can benefit the Company. For example investing in LED lighting improves the working conditions for our technicians and can improve the quality of the work they do, as well as lowering operating costs. Continuous improvement and efficiency gains can improve quality and reduce repair cycle time, causing less waste, higher customer satisfaction and generating higher sales with the same level of inputs. A greater focus on repairing damaged parts as opposed to replacing those parts reduces waste and in some cases can improve profitability. Alignment with vehicle owner, insurance company and original equipment manufacturer objectives improves Boyd's customer relationships and demonstrates an ability to align and partner with these stakeholders.

There is good alignment between climate change initiatives and the Company's strategy. Core strategies of operational excellence, expense management and optimizing the business as well as new location and acquisition growth have overlap with sustainability. Being efficient, reducing waste and bringing corporate resources and investment to a fragmented industry supports a long-term alignment with sustainability. Environment, social and governance objectives are being integrated into the Company's strategic projects. There is often a dimension of each business initiative that relates to sustainability. Boyd is committed to identifying those dimensions and bringing awareness throughout the company so that business objectives naturally contribute to our sustainability goals.

The Board is investing more time on sustainability issues and has assigned the oversight responsibility for sustainability, including climate change risk management and disclosure to the Governance & Nominating Committee. The topic is a standing agenda item with internal metrics and reporting being developed. Management has an Enterprise Risk Management Committee that has been renamed the Risk and Sustainability Committee after being tasked with developing sustainability objectives and processes for the company. Its current mandate is to work with the various operating groups to identify the key sustainability metrics with a goal to issue a sustainability report when the metrics are identified and the quality of reporting are sufficiently reliable.

The effect of global warming and its impact on weather conditions may reduce collision repair volume and represents an element of risk to the Company's ability to maintain sales. Historically, extremely mild winters and dry weather conditions have had a negative impact on collision repair sales volumes. Natural disasters resulting in business interruption, or supply chain interruption could also negatively impact the Company's operations. Even with market share gains, weather-related decline in market size can result in sales declines which could have a material impact on the Company's business. Business interruption due to natural disasters and extreme weather condition events, including supply chain interruption, may result in temporary store closures and could adversely impact Boyd's ability to complete repairs, which could have a material adverse effect on the Company's business.

Competition

The collision repair industry in North America, estimated at over $40 billion U.S. is very competitive. The main competitive factors are price, service, quality, customer satisfaction and adherence to various insurance company processes and performance requirements. There can be no assurance that Boyd's competitors will not achieve greater market acceptance due to pricing or other factors.

Although competition exists mainly on a regional basis, Boyd competes with a small number of other multi-location collision repair operators in multiple markets in which it operates.

Given these industry characteristics, existing or new competitors, including other automotive-related businesses, may become significantly larger and have greater financial and marketing resources than Boyd. Competitors may compete with Boyd in rendering services in the markets in which Boyd currently operates and also in seeking existing facilities to acquire, or new locations to open, in markets in which Boyd desires to expand. There can be no assurance that the Company will be able to maintain or achieve its desired market share.

Access to Capital

The Company grows, in part, through future acquisitions or start-up of collision and glass repair and replacement businesses. There can be no assurance that Boyd will have sufficient capital resources available to implement its growth strategy. Inability to raise new capital, in the form of debt or equity, could limit Boyd's future growth through acquisition or start-up.

The Company will endeavour, through a variety of strategies, to ensure in advance that it has sufficient capital for growth. Potential sources of capital that the Company has been successful at accessing in the past include public and private equity placements, convertible debt offerings, using equity securities to directly pay for a portion of acquisitions, capital available through strategic alliances with trading partners, lease financing, seller financing and both senior and subordinate debt facilities or by deferring possible future purchase price payments using contingent consideration and call or put options. There can be no assurance that the Company will be successful in accessing these or other sources of capital in the future.

The Company and its subsidiaries use financial leverage through the use of debt, which have debt service obligations. The Company's ability to refinance or to make scheduled payments of interest or principal on its indebtedness will depend on its future operating performance and cash flow, which are subject to prevailing economic conditions, prevailing interest rates, and financial, competitive, business and other factors, many of which are beyond its control.

The Company's revolving credit facilities contain restrictive covenants that limit the discretion of the Company's management and the ability of the Company to incur additional indebtedness, to make acquisitions of collision repair businesses, to create liens or other encumbrances, to pay dividends, to redeem any equity or debt, or to make investments, capital expenditures, loans or guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the revolving credit facilities contain a number of financial covenants that require BGSI and its subsidiaries to meet certain financial ratios and financial condition tests. A failure to comply with the obligations under these credit facilities could result in an event of default, which, if not cured or waived, could permit acceleration of the relevant indebtedness. If the indebtedness were to be accelerated, there can be no assurance that the assets of the Company and its subsidiaries would be sufficient to repay the indebtedness in full. There can also be no assurance that the Company will be able to refinance the credit facilities as and when they mature. The revolving credit facility is secured by the assets of the Company.

Foreign Currency Risk

In the past, the Company has financed acquisitions of U.S. businesses in part by making U.S. denominated loans available under its credit facilities that could then be serviced and repaid from anticipated future U.S. earnings streams. Although this natural hedging strategy is partially effective in mitigating future foreign currency risks, a substantial portion of Boyd's revenue and cash flow are now, and are expected to continue to be, generated in U.S. dollars. Fluctuations in exchange rates between the Canadian dollar and the U.S. currency may have a material adverse effect on the Company's reported earnings and cash flows and its ability to make future Canadian dollar cash dividends. Fluctuations in the exchange rates between the Canadian dollar and the U.S. currency may also have a material adverse effect on BGSI's share price. To reduce volatility from exchange rates, effective January 1, 2021, Boyd will begin reporting results in U.S. Dollars.

There can be no assurance that fluctuations in the U.S dollar relative to the Canadian dollar can be hedged effectively for long periods of time and there can be no assurances given that any currency hedges or partial hedges in place would remain effective in the future.

Dependence on Key Personnel

The success of the Company is dependent on the services of a number of members of management. The experience and talent of these individuals is a significant factor in Boyd's continued success and growth. The loss of one or more of these individuals could have a material adverse effect on the Company's business operations and prospects. The Company has entered into management agreements with key members of management in order to mitigate this risk.

Tax Position Risk

BGSI and its subsidiaries account for income tax positions in accordance with accounting standards for income taxes, which require that the Company recognize in the financial statements, the impact of a tax position, if that position is more likely than not of being sustained on examination by taxation authorities, based on the technical merits of the position.

Inherent risks and uncertainties can arise over tax positions taken, or expected to be taken, with respect to matters including but not limited to acquisitions, transfer pricing, inter-company charges and allocations, financing charges, fees, related party transactions, tax credits, tax based incentives and stock based transactions. Management uses tax experts to assist in correctly applying and accounting for the tax rules, however there can be no assurance that a position taken will not be challenged by the taxation authorities that could result in an unexpected material financial obligation.

Expenses incurred by BGSI and its subsidiaries are only deductible to the extent they are reasonable. There can be no assurance that the taxation authorities will not challenge the reasonableness of certain expenses. If such a challenge were successful, it may materially and adversely affect the financial results of BGSI and its subsidiaries.

BGSI's shares will be qualified investments for a Registered Plan under the Tax Act as the Shares are listed on a "designated stock exchange" (as defined in the Tax Act).

There can be no assurance that additional changes to the taxation of corporations or changes to other government laws, rules and regulations, either in Canada or the U.S., will not be undertaken which could have a material adverse effect on BGSI's share price and business. There can be no assurance BGSI will benefit from these rules, that the rules will not change in the future or that BGSI will avail itself of them.

Corporate Governance

Securities law imposes statutory civil liability for misrepresentations in continuous disclosure documents including failure to make timely disclosure. Investors have a right of action if they are harmed by a misrepresentation in an issuer's disclosure document or in a public oral statement relating to an issuer, or the failure of an issuer to make timely disclosure of a material change. Potentially liable parties include the issuer, each officer, and each Director of the issuer who authorizes, permits or acquiesces in the release of the document containing a misrepresentation, the making of the public statement containing a misrepresentation or in the failure to make a timely disclosure.

Under the Ontario Securities Act, section 138.4(6), a due diligence defense is available. The due diligence defense requires the following items to be addressed:

- the issuer must have a system designed to ensure the issuer is meeting its disclosure obligations;
- the defendant must have conducted a reasonable investigation to support reliance on the system; and
- defendants must have no reasonable grounds to believe that the document or a public oral statement contained a misrepresentation or that the failure to make the required disclosure would occur.

BGSI is keenly aware of the significance of these laws and the interrelationships between civil liability, disclosure controls and good governance. BGSI has adopted policies, practices and processes to reduce the risk of a governance or control breakdown. A statement of BGSI's governance practices is included in its most recent information circular which can be found at www.sedar.com. Although BGSI believes it follows good corporate governance practices, there can be no assurance that these practices will eliminate or mitigate the impact of a material lawsuit in this area.

The area of governance is growing to encompass not only traditional governance matters, but also environmental and social matters. This area is often referred to as Environmental, Social and Governance, or "ESG". Increased awareness and attention by investors to ESG matters means that the Company needs to become more transparent in developing and reporting on ESG initiatives and increase or add ESG initiatives where there are significant gaps. BGSI is developing and enhancing ESG reporting and initiatives and has adopted policies on reporting and anti-retaliation, occupational health and safety, non-discrimination, human rights, diversity and anti-corruption, which are available on the Boyd website at www.boydgroup.com.

Increased Government Regulation and Tax Risk

BGSI and its subsidiaries are subject to various federal, provincial, state and local laws, regulations and taxation authorities. Various federal, provincial, state and local agencies as well as other governmental departments administer such laws, regulations and their related rules and policies. New laws governing BGSI or its business could be enacted or changes or amendments to existing laws and regulations could be enacted which could have a significant impact on Boyd. For example, privacy legislation continues to evolve rapidly and tariff changes are being introduced with greater frequency. BGSI utilizes the services of professional advisors in the areas of taxation, environmental, health and safety, labour and general business law to mitigate the risk of non-compliance. Failure to comply with the applicable laws, regulations or tax changes may subject BGSI to civil or regulatory proceedings and no assurance can be given that this will not have a material impact on financial results.

A number of jurisdictions in which the Company operates have regulations to limit emissions and pollutants. The Company has adapted its processes in an effort to comply with these regulations. Although to date, there have been no negative consequences as a result of these regulations, there can be no assurance that these regulations will not have a material adverse impact on BGSI's business or financial results. Future emission or pollutant regulation compliance requirements may have a material adverse impact on BGSI's business or financial results.

Fluctuations in Operating Results and Seasonality

The Company's operating results have been and are expected to continue to be subject to quarterly fluctuations due to a variety of factors including changes in customer purchasing patterns, pricing paid to insurance companies, general operating effectiveness, automobile technologies, general and regional economic downturns, unemployment rates, employee vacation timing and weather conditions. These factors can affect Boyd's ability to fund ongoing operations and finance future activities.

Risk of Litigation

BGSI and its subsidiaries could become involved in various legal actions in the ordinary course of business. Litigation loss accruals may be established if it becomes probable that BGSI will incur an expense and the amount can be reasonably estimated. BGSI's management and internal and external experts are involved in assessing the probability of litigation loss and in estimating any amounts involved. Changes in these assessments may lead to changes in recorded litigation loss accruals. Claims are reviewed on a case by case basis, taking into consideration all information available to BGSI.

The actual costs of resolving claims could be substantially higher or lower than the amounts accrued. In certain cases, legal claims may be covered under BGSI's various insurance policies.

Execution on New Strategies

New initiatives are introduced from time to time in order to grow Boyd's business. Initiatives such as entering new markets, introducing and improving related products and services, or identifying new strategies to capture additional market share have the potential to be accretive to the Company's business when the opportunity is accurately identified and executed. There can be no assurance that the Company identifies new strategies that are accretive to the business or that it is successful in implementing such initiatives.

Insurance Risk

BGSI insures its property, plant and equipment, including vehicles, through insurance policies with insurance carriers located in Canada and the U.S. Included within these policies is insurance protection against property loss and general liability. BGSI also insures its directors and officers against liabilities arising from errors, omissions and wrongful acts. Management uses its knowledge, as well as the knowledge of experienced brokers, to ensure that insurable risks are insured appropriately under terms and conditions that would protect BGSI and its subsidiaries from losses. There can be no assurance that all perils would be fully covered or that a material loss would be recoverable under such insurance policies.

Interest Rates

The Company occasionally fixes the interest rate on its debt using interest rate swap contracts or other provisions available in its debt facilities. There can be no guarantee that interest rate swaps or other contract terms that effectively turn variable rate debt into fixed rates will be an effective hedge against long-term interest rate fluctuations.

The Company has not fixed interest rates within its revolving credit facility. There can be no assurance that interest rates either in Canada or the U.S. will not increase in the future, which could result in a material adverse effect on the Company's business.

U.S. Health Care Costs and Workers Compensation Claims

BGSI accrues for the estimated amount of U.S. health care claims and workers compensation claims that may have occurred but were not reported at the end of the reporting period under its health care and workers compensation plans. The accruals are based upon the Company's knowledge of current claims as well as third party estimates derived from past experience. Significant claim occurrences which remain unreported for a number of months could materially impact this accrual. In addition, as U.S health care costs increase, there can be no assurance given that the Company can continue to offer health care insurance to its employees at a reasonable cost.

Low Capture Rates

Sales growth can be enhanced if the Company is effective at booking repair orders for all sales opportunities that are identified. The Company is exposed to missed jobs to the extent employees are ineffective at capturing all sales opportunities. Measurement of capture rates, management support and training are methods that are employed to enhance capture rates. However, it is possible that the Company may not be able to capture sales effectively enough to maximize sales.

Supply Chain Risk

The Company requires access to parts, materials and paint in order to complete repairs. Certain of the Company's suppliers operate in unionized environments, where their workers are subject to collective bargaining agreements. A prolonged strike at a supplier could adversely impact Boyd's ability to complete repairs. It is possible that a prolonged strike could disrupt the Company's supply chain, which could have a material impact on the Company's financial results.

The Company sources certain parts and materials from overseas vendors. Global issues, such as outbreak and spread of contagious disease, political instability or other disruptive events can negatively impact global supply chains, which could adversely impact Boyd's ability to complete repairs. It is possible that global issues could disrupt the Company's supply chain, which could have a material impact on the Company's financial results.

Capital Expenditures

The business of the Company requires ongoing capital maintenance. Moreover, opportunities may arise for capital upgrades providing returns or cost savings that may not be realized in the immediate future, but rather over several years. As vehicle technology advances and market needs change, the capital intensity of the industry is changing, requiring expenditures in excess of historical capital maintenance levels. To the extent that capital expenditures are in excess of amounts budgeted, the amounts of cash available for dividends may decrease.

Energy Costs

The Company is exposed to fluctuations in the price of energy. These costs not only impact the costs associated with occupying and operating collision repair facilities but may also affect costs of parts and materials used in the repair process as well as miles driven by automobile owners. There can be no assurance that escalating costs which cannot be offset by energy conservation practices, price increases to clients and customers or productivity gains, would not result in materially lower operating margins. As well, there can be no assurance that escalating energy costs will not materially reduce automobile miles driven and in turn reduce the number of collisions.

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 52-109F1
CERTIFICATION OF ANNUAL FILINGS
FULL CERTIFICATE

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

1. ***Review:*** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of **Boyd Group Services Inc.** (the "issuer") for the financial year ended **December 31, 2020**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the annual 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 annual filings.
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with other financial information included in the annual filings present fairly 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 annual 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. ***Evaluation***: The issuer's other certifying officer(s) and I have
   a. evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's DC&P at the financial year end and the issuer has disclosed in its annual MD&A our conclusions about the effectiveness of DC&P at the financial year end based on that evaluation; and
   b. evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's ICFR at the financial year end and the issuer has disclosed in its annual MD&A
      i. our conclusions about the effectiveness of ICFR at the financial year end based on that evaluation; and
      ii. N/A

c. N/A

7. ***Reporting changes in ICFR:*** The issuer has disclosed in its annual MD&A any change in the issuer's ICFR that occurred during the period beginning on October 1, 2020 and ended on December 31, 2020 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.
8. ***Reporting to the issuer's auditors and board of directors or audit committee:*** The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of ICFR, to the issuer's auditors, and the board of directors or the audit committee of the board of directors any fraud that involves management or other employees who have a significant role in the issuer's ICFR.

Date: March 24, 2021

(signed)

Timothy O'Day
President & Chief Executive Officer

FORM 52-109F1
CERTIFICATION OF ANNUAL FILINGS
FULL CERTIFICATE

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

1. ***Review:*** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of **Boyd Group Services Inc.** (the "issuer") for the financial year ended **December 31, 2020**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the annual 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 annual filings.
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with other financial information included in the annual filings present fairly 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 annual 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. ***Evaluation***: The issuer's other certifying officer(s) and I have
   a. evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's DC&P at the financial year end and the issuer has disclosed in its annual MD&A our conclusions about the effectiveness of DC&P at the financial year end based on that evaluation; and
   b. evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's ICFR at the financial year end and the issuer has disclosed in its annual MD&A
      i. our conclusions about the effectiveness of ICFR at the financial year end based on that evaluation; and
      ii. N/A

c. N/A

7. ***Reporting changes in ICFR:*** The issuer has disclosed in its annual MD&A any change in the issuer's ICFR that occurred during the period beginning on October 1, 2020 and ended on December 31, 2020 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.
8. ***Reporting to the issuer's auditors and board of directors or audit committee:*** The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of ICFR, to the issuer's auditors, and the board of directors or the audit committee of the board of directors any fraud that involves management or other employees who have a significant role in the issuer's ICFR.

Date: March 24, 2021

(signed)

Narendra Pathipati
Executive Vice President & Chief Financial Officer

BOYD GROUP SERVICES INC.

(formerly reporting as Boyd Group Income Fund)

Consolidated Financial Statements

Year Ended December 31, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Management is responsible for their integrity, objectivity and reliability, and for the maintenance of financial and operating systems, which include effective controls, to provide reasonable assurance that Boyd Group Services Inc.'s assets are safeguarded and that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting, disclosure control and internal control. The Board exercises these responsibilities through its Audit Committee, all members of which are not involved in the daily activities of Boyd Group Services Inc. The Audit Committee meets with management and, as necessary, with the independent auditors, Deloitte LLP, to satisfy itself that management's responsibilities are properly discharged and to review and report to the Board on the consolidated financial statements.

In accordance with Canadian generally accepted auditing standards, the independent auditors conduct an examination each year in order to express a professional opinion on the consolidated financial statements.

(signed)

Tim O'Day
President & Chief Executive Officer

(signed)

Narendra Pathipati
Executive Vice President & Chief Financial Officer

Winnipeg, Manitoba
March 23, 2021

Deloitte LLP
360 Main Street
Suite 2300
Winnipeg MB R3C 3Z3
Canada

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Independent Auditor's Report

To the Shareholders of Boyd Group Services Inc.,

Opinion

We have audited the consolidated financial statements of Boyd Group Services Inc.(the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of earnings, comprehensive earnings, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of customer relationship intangible assets within acquisitions — Refer to Financial Statement Notes 2 and 6.

Key Audit Matter Description

The Company, pursuant to its growth strategy, completes acquisitions of single and multi-shop operators throughout the year. These acquisitions are accounted for using the acquisition method of accounting. The fair values of certain customer relationships are determined using the multi-period excess earning method. This requires management to make significant estimates and assumptions related to discount rates, customer attrition rates and forecasted EBITDA margins attributable to the customer relationships.

Given the significant judgments made by management to determine the fair value of these customer relationships, performing audit procedures to evaluate the reasonableness of the estimates and assumptions related to discount rates, customer attrition rates and forecasted EBITDA margins required a high degree of auditor judgments and an increased extent of audit effort, including the need to involve fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to discount rates, customer attrition rates and forecasted EBITDA margins included the following, among others:

- Evaluated the reasonableness of management's forecasts of EBITDA margins of the acquired company by comparing forecasts to:
  - Historical EBITDA margins;
  - Actual cash flows of revenue and EBITDA after acquisition;
  - Internal communications from management to the board of directors; and
  - Underlying analyses detailing business strategies and growth plans.
- With the assistance of our fair value specialists:
  - Evaluated the reasonableness of the customer relationships discount rates based on the overall business rates of return (the weighted average cost of capital and the internal rate of return) and the risk of the customer relationships intangible relative to the overall business.
  - Evaluated the reasonableness of the attrition rates by considering historical customer sales data as available, precedent transaction benchmarking, and qualitative considerations with respect to future customer expectations.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael Boucher.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 23, 2021

BOYD GROUP SERVICES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31,
(thousands of Canadian dollars)

	Note	**2020**	2019
Assets			
Current assets:			
Cash		**$ 77,718**	$ 35,468
Accounts receivable	*19*	**110,714**	112,748
Income taxes recoverable		**7,749**	1,267
Inventory	*7*	**40,843**	47,912
Prepaid expenses		**25,811**	30,172
		262,835	227,567
Property, plant and equipment	*8*	**302,955**	295,584
Right of use assets	*9*	**486,319**	472,818
Deferred income tax asset	*10*	**826**	—
Intangible assets	*11*	**351,891**	347,367
Goodwill	*12*	**590,430**	554,601
Other long-term assets	*13*	**5,649**	3,316
		$ 2,000,905	$ 1,901,253
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities		**$ 267,584**	$ 269,769
Distributions and dividends payable	*14*	**3,028**	931
Current portion of long-term debt	*15*	**19,854**	22,122
Current portion of lease liabilities	*16*	**99,235**	109,559
		389,701	402,381
Long-term debt	*15*	**209,612**	393,147
Lease liabilities	*16*	**434,634**	403,814
Deferred income tax liability	*10*	**52,653**	39,010
Unearned rebates	*17*	**8,179**	9,142
Exchangeable Class A common shares	*19*	**—**	37,332
Non-controlling interest put option	*19*	**—**	4,515
		1,094,779	1,289,341
Equity			
Accumulated other comprehensive earnings	*21*	**39,696**	52,164
Retained earnings		**90,495**	44,504
Shareholders' / Unitholders' capital	*22*	**771,933**	511,242
Contributed surplus	*23*	**4,002**	4,002
		906,126	611,912
		$ 2,000,905	$ 1,901,253

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

Approved by the Board:

TIM O'DAY
Director

ALLAN DAVIS
Director

BOYD GROUP SERVICES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(thousands of Canadian dollars except share / unit amounts)

	Note	Shareholders' / Unitholders' Capital		Contributed Surplus	Accumulated Other Comprehensive Earnings	Retained Earnings	Total Equity
		Shares/Units	Amount				
Balances - January 1, 2019		19,823,475	$ 475,424	$ 4,002	$ 77,637	$ 14,038	$ 571,101
Issue costs (net of tax of $nil)			(126)				(126)
Units issued in connection with acquisition	6	45,371	5,537				5,537
Units issued from treasury in connection with options exercised		150,000	29,456				29,456
Retractions		5,971	951				951
Cancellation of units held by a subsidary		(2,436)	—				—
Other comprehensive loss					(25,473)		(25,473)
Net earnings						64,147	64,147
Comprehensive earnings					(25,473)	64,147	38,674
Adjustment on adoption of IFRS 16 (net of tax of $8,442)						(22,902)	(22,902)
Distribution to unitholders	14					(10,779)	(10,779)
Balances - December 31, 2019		20,022,381	$ 511,242	$ 4,002	$ 52,164	$ 44,504	$ 611,912
Issue costs (net of tax of $2,894)	22		(8,136)				(8,136)
Shares issued through public offering	22	1,265,000	231,495				231,495
Shares issued in connection with conversion to corporate form	5, 22	184,813	37,332				37,332
Other comprehensive loss					(12,468)		(12,468)
Net earnings						57,734	57,734
Comprehensive earnings					(12,468)	57,734	45,266
Dividends to shareholders	14					(11,743)	(11,743)
Balance - December 31, 2020		21,472,194	$ 771,933	$ 4,002	$ 39,696	$ 90,495	$ 906,126

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

BOYD GROUP SERVICES INC.
CONSOLIDATED STATEMENTS OF EARNINGS
For the years ended December 31,
(thousands of Canadian dollars, except share / unit and per share / unit amounts)

	Note		2020		2019
Sales	26	$	**2,089,115**	$	2,283,325
Cost of sales			**1,127,185**		1,246,845
Gross profit			**961,930**		1,036,480
Operating expenses			**668,379**		716,608
Acquisition and transaction costs			**1,999**		4,850
Depreciation of property, plant and equipment	8		**49,835**		41,601
Depreciation of right of use assets	9		**101,989**		90,890
Amortization of intangible assets	11		**24,852**		22,467
Fair value adjustments	18		**(5,191)**		28,330
Finance costs			**42,596**		38,185
			884,459		942,931
Earnings before income taxes			**77,471**		93,549
Income tax expense					
Current	10		**2,052**		20,237
Deferred	10		**17,685**		9,165
			19,737		29,402
Net earnings		$	**57,734**	$	64,147

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

Basic earnings per share / unit	31	$	**2.75**	$	3.23
Diluted earnings per share / unit	31	$	**2.60**	$	3.12
Basic weighted average number of shares / units outstanding	31		**21,005,596**		19,878,567
Diluted weighted average number of shares / units outstanding	31		**21,014,859**		19,902,469

BOYD GROUP SERVICES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
For the years ended December 31,
(thousands of Canadian dollars)

		2020		2019
Net earnings	$	**57,734**	$	64,147
Other comprehensive loss				
Items that may be reclassified subsequently to Consolidated Statements of Earnings				
Change in unrealized earnings on translating financial statements of foreign operations		**(12,468)**		(25,473)
Other comprehensive loss		**(12,468)**		(25,473)
Comprehensive earnings	$	**45,266**	$	38,674

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

BOYD GROUP SERVICES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31,
(thousands of Canadian dollars)

	Note	**2020**	2019
Cash flows from operating activities			
Net earnings		**$ 57,734**	$ 64,147
Adjustments for			
Fair value adjustments	*18*	**(5,191)**	28,330
Deferred income taxes		**17,685**	9,165
Finance costs		**42,596**	38,185
Amortization of intangible assets	*11*	**24,852**	22,467
Depreciation of property, plant and equipment	*8*	**49,835**	41,601
Depreciation of right of use assets	*9*	**101,989**	90,890
Other		**1,033**	(637)
		290,533	294,148
Changes in non-cash working capital items	*32*	**16,449**	1,738
		306,982	295,886
Cash flows used in financing activities			
Shares issued through public offering	*22*	**231,495**	—
Fund units issued from treasury in connection with options exercised		**—**	812
Issue costs		**(11,031)**	(126)
Increase in obligations under long-term debt	*15*	**691,373**	182,453
Repayment of long-term debt, principal	*15*	**(907,431)**	(75,603)
Repayment of obligations under property leases, principal	*16*	**(92,618)**	(82,092)
Repayment of obligations under vehicle and equipment leases, principal	*16*	**(2,818)**	(3,874)
Interest on long-term debt	*15*	**(20,776)**	(15,456)
Interest on property leases	*16*	**(22,145)**	(22,184)
Interest on vehicle and equipment leases	*16*	**(380)**	(474)
Acquisition of non-controlling interest	*19*	**(1,743)**	(13,152)
Dividends and distributions paid		**(9,646)**	(10,867)
Payment of financing costs	*15*	**(1,947)**	—
		(147,667)	(40,563)
Cash flows used in investing activities			
Proceeds on sale of equipment, software and sale / leaseback agreements	*8*	**14,234**	392
Equipment purchases and facility improvements		**(31,571)**	(33,911)
Acquisition and development of businesses (net of cash acquired)		**(78,683)**	(246,700)
Software purchases and licensing	*11*	**(2,681)**	(2,017)
Increase in other long-term assets		**(2,402)**	(64)
		(101,103)	(282,300)
Effect of foreign exchange rate changes on cash		**(15,962)**	(2,031)
Net increase (decrease) in cash position		**42,250**	(29,008)
Cash, beginning of year		**35,468**	64,476
Cash, end of year		**$ 77,718**	$ 35,468
Income taxes paid		**$ 9,456**	$ 18,538
Interest paid		**$ 42,787**	$ 37,647

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

1. GENERAL INFORMATION

Boyd Group Services Inc. ("BGSI") is a Canadian corporation and controls The Boyd Group Inc. and its subsidiaries. Prior to January 1, 2020 BGSI operated as Boyd Group Income Fund ("the Fund"). Additional information regarding the corporate conversion can be found in Note 5.

Information presented in these financial statements as at, and for periods prior to, or ending on December 31, 2019, is provided for Boyd Group Income Fund, and information provided as at January 1, 2020 and later is provided for Boyd Group Services Inc. Therefore, as the context requires, references to "Boyd" or the "Company" mean, collectively, Boyd Group Services Inc, Boyd Group Income Fund and Boyd Group Holdings Inc.

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 consolidated financial statements for the year ended December 31, 2020 (including comparatives) were approved and authorized for issue by the Board of Directors on March 23, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

The consolidated financial statements of BGSI have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements are presented in thousands of Canadian dollars, except unit, share and per share/unit amounts.

b) Revenue recognition

BGSI is in the business of collision repair. The Company recognizes revenue upon completion and delivery of the repair to the customer, which has been determined to be the performance obligation that is distinct and the point at which control of the asset passes to the customer. Revenue is measured at the fair value of the consideration received.

c*) Inventory*

Inventory is valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

d) Property, plant and equipment

Property, plant and equipment assets are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is calculated using the declining balance and straight line rates as disclosed in the property, plant and equipment note. Leasehold improvements are amortized on the straight line basis over the period of estimated benefit.

An item of property, plant and equipment is reclassified as held for sale or derecognized upon disposal, or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the Consolidated Statement of Earnings.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for property, plant and equipment and any changes arising from the assessment are applied by BGSI prospectively.

e) Consolidation

The financial statements of the Company consolidate the accounts of the Company and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries are those entities which the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

f) Business combinations, goodwill and other intangible assets

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method of accounting. The cost of the acquisition is measured at the aggregate of the fair values (at the acquisition date) of assets transferred, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquired company. Acquisition costs are expensed as incurred. The acquired company's identifiable assets (including previously unrecognized intangible assets), liabilities and contingent liabilities are recognized at their fair values at the acquisition date.

Goodwill represents the excess of the cost of an acquisition over the fair value of BGSI's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is carried at cost less accumulated impairment losses.

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to the Company and the cost can be reliably measured. Intangible assets acquired in a business combination are recorded at fair value. Intangible assets that do not have indefinite lives are amortized over their useful lives using an amortization method which reflects the economic benefit of the intangible asset. Customer relationships are amortized on a straight-line basis over the expected period of benefit of 20 years. Contractual rights, which consist of non-compete agreements and favourable lease agreements, are amortized on a straight-line basis over the term of the contract.

Computer software is amortized on a straight-line basis over periods of three and five years. Brand names which the Company continues to use in the conduct of its business are considered indefinite life because their value is not expected to degrade over time. To the extent the Company decides to discontinue the use of a certain brand, an estimate of the remaining useful life is made and the intangible asset is amortized over the remaining period.

g) Impairment of non-financial assets

Property, plant and equipment and definite life intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating unit or "CGU"). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Goodwill and indefinite lived intangible assets are reviewed for impairment annually or at any time if an indicator of impairment exists. As well, newly acquired goodwill is reviewed for impairment at the end of the year in which it was acquired.

Goodwill acquired through a business combination is allocated to each CGU, or group of CGUs, that are expected to benefit from the related business combination. A group of CGUs represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, which is not higher than an operating segment. Impairment losses on goodwill are not reversed.

The Company evaluates impairment losses, other than goodwill impairment, for potential reversals when events or circumstances warrant such consideration.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

i) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the Consolidated Statement of Earnings except to the extent that it relates to items recognized directly in equity, in which case the income tax is recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by BGSI and it is probable that the temporary difference will not reverse in the foreseeable future.

j) Unearned rebates

Prepaid purchase rebates are recorded as unearned rebates on the statement of financial position and amortized, as a reduction of the cost of purchases, on a straight-line basis over the term of the contract.

k) Shareholders' / Unitholders' capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Under IAS 32, a financial instrument that gives the holder the right to put the instrument back to the issuer for cash or another financial asset (a 'puttable instrument') is a financial liability, except for those instruments that meet the exceptions to be classified as equity instruments. The trust units of the Fund met the puttable equity exceptions and therefore were classified as equity as at December 31, 2019.

The Fund's declaration of trust allowed a unitholder to tender their units for cash redemption. This cash redemption right was restricted, at the Fund's option, to an aggregate cash amount of $25 per month. The Fund was not asked to redeem units for cash.

l) Earnings per share / unit

Basic earnings per share / unit ("EPS") is calculated by dividing the net earnings for the period attributable to equity owners of the Company / the Fund by the weighted average number of shares / units outstanding during the period.

Diluted EPS is calculated by adjusting the weighted average number of shares / units outstanding and corresponding earnings impact for dilutive instruments. The Company's dilutive instruments comprise exchangeable shares, and non-controlling interest put option and call liability. The exchangeable Class A shares are evaluated as to whether or not they are dilutive based on the effect on earnings per unit of eliminating the liability adjustment for the period and increasing the weighted average number of units outstanding for the units that would be exchanged for the Class A shares. The dilutive impact of the non-controlling interest put option and call liability is calculated using the "if converted" method.

m) Foreign currency translation

Items included in the financial statements of each subsidiary are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. The financial statements of entities that have a functional currency different from that of the Company are translated into Canadian dollars. Assets and liabilities are translated into Canadian dollars at the noon rate of exchange prevailing at the statement of financial position dates and income and expense items are translated at the average exchange rate during the period (as this is considered a reasonable approximation to actual rates). The adjustment arising from the translation of these accounts is recognized in other comprehensive earnings (loss) as cumulative translation adjustments.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive earnings (loss) related to the foreign operation are recognized in earnings. If an entity

disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive earnings related to the subsidiary are reallocated between controlling and non-controlling interests.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in earnings.

n) Financial instruments

Recognition
Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Classification
BGSI classifies its financial assets and liabilities in the following categories depending on the Company's business model for managing the financial assets and the contractual terms of the cash flows:

- Those to be measured subsequently at fair value, either through profit or loss ("FVPL") or through OCI, and
- Those to be measured at amortized cost

Cash and accounts receivable are classified as amortized cost. After their initial fair value measurement, they are measured at amortized cost using the effective interest method, as reduced by appropriate allowances for estimated lifetime expected credit losses.

Accounts payable and accrued liabilities, dividends and distributions payable, and long-term debt are classified as amortized cost and are net of any related financing fees or issue costs. After their initial fair value measurement, they are measured at amortized cost using the effective interest method.

Derivative contracts including the non-controlling interest put option and call liability are classified as financial assets or financial liabilities at FVPL with mark-to-market adjustments being recorded to net earnings at each period end.

As a result of the Fund's units being redeemable for cash, the exchangeable Class A shares of the Fund's subsidiary BGHI, are presented as financial liabilities and classified as financial assets or financial liabilities at FVPL. Exchangeable Class A shares are measured at the market price of the units of Fund as of the statement of financial position date.

Measurement
At initial recognition, BGSI measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

For those financial instruments where fair value is recognized in the Consolidated Statement of Financial Position the methods and assumptions used to develop fair value measurements have been classified into one of the three levels of the fair value hierarchy for financial instruments:

- Level 1 includes quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 includes inputs that are observable other than quoted prices included in Level 1
- Level 3 includes inputs that are not based on observable market data

o) Non-controlling interests

The Company accounts for transactions where a non-controlling interest exists, and where a put option has been granted to third parties under IFRS 10 whereby the non-controlling interest is initially recognized at fair value and then immediately derecognized upon the issuance and recognition of the put option. Differences between the put option liability recognized at fair value and the amount of any non-controlling interest derecognized is recognized directly in equity.

When there is no allocation of profit or loss to non-controlling partners, no non-controlling interest is recognized in the Consolidated Statement of Financial Position. Distributions to non-controlling partners are recognized as an expense when paid or payable based on the distribution formula of the agreement.

p) Pensions and other post-retirement benefits

The Company contributes to defined contribution pension plans of employees. Contributions are recognized within operating expenses at an amount equal to contributions payable for the period. Any outstanding contributions are recognized as liabilities within accrued liabilities.

q) Provisions

Provisions are recognized when BGSI has a present legal or constructive obligation that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is significant. The increase in the provision due to the passage of time is recognized as a finance cost.

r) Segment reporting

The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the joint responsibility of the President and Chief Executive Officer of BGSI and the Executive Vice President and Chief Financial Officer of BGSI.

The Company's primary line of business is automotive collision and glass repair and related services, with the majority of revenues relating to this group of similar services. This line of business operates in Canada and the U.S. and both regions exhibit similar long-term economic characteristics. In this circumstance, IFRS requires the Company to provide specific geographical disclosure. For the years reported, the Company's revenues were derived within Canada or the U.S. and all property, plant and equipment, right of use assets, goodwill and intangible assets are located within these two geographic areas.

s) Government assistance

Government grants are recognized at their fair value in accordance with *IAS 20, Accounting for Government Grants and Disclosure of Government Assistance*, when there is reasonable assurance that the grant will be received and any specified conditions are met.

Grants received in relation to COVID-19 relief are recorded in the Consolidated Statement of Earnings as a reduction of cost of sales, operating expenses and finance costs when it is determined there is reasonable assurance the grants will be received.

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 the remainder of 2020. 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 December 31, 2020, 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 described further in this note 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 consolidated financial statements.

Critical accounting estimates

BGSI makes estimates, including the assumptions applied therein, concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of Goodwill and Intangible Assets

When testing goodwill and intangibles for impairment, BGSI uses a five year forward looking discounted cash flow of the cash generating unit ("CGU") or group of CGU's to which the asset relate. An estimate of the recoverable amount is then calculated as the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The methods used to value intangible assets and goodwill require critical estimates to be made regarding the future cash flows and useful lives of the intangible assets. Goodwill and intangible asset impairments, when recognized, are recorded as a separate charge to earnings, and could materially impact the operating results of the Company for any particular accounting period. 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.; however, BGSI concluded that there was no impairment of goodwill or intangible assets as a result of the assessment as at December 31, 2020.

Impairment of Other Long-lived Assets

BGSI assesses the recoverability of its long-lived assets, other than goodwill and intangibles, after considering the potential impairment indicated by such factors as business and market trends, the Company's ability to transfer the assets, future prospects, current market value and other economic factors. In performing its review of recoverability, management estimates the future cash flows expected to result from the use of the assets and their potential disposition. If the discounted sum of the expected future cash flows is less than the carrying

value of the assets generating those cash flows, an impairment loss would be recognized based on the excess of the carrying amounts of the assets over their estimated recoverable value. The underlying estimates for cash flows include estimates for future sales, gross margin rates and operating expenses. Changes which may impact these estimates include, but are not limited to, business risks and uncertainties and economic conditions. To the extent that management's estimates are not realized, future assessments could result in impairment charges that may have a material impact on the Company's consolidated financial statements.

Business Combinations

Fair value of assets acquired and liabilities assumed in a business combination is estimated based on information available at the date of acquisition and involves considerable judgment in determining the fair values assigned to property, plant and equipment and intangible assets acquired and liabilities assumed on acquisition. The determination of these fair values involves analysis including the use of discounted cash flows, estimated future margins, future growth rates, market rents and capitalization rates. There is estimation in this analysis and actual results could differ from estimates.

Fair Value of Financial Instruments

BGSI has applied discounted cash flow methods to establish the fair value of certain financial liabilities recorded on the Consolidated Statement of Financial Position, as well as disclosed in the notes to the consolidated financial statements. BGSI also establishes mark-to-market valuations for derivative instruments, which are assumed to represent the current fair value of these instruments. These valuations rely on assumptions regarding interest and exchange rates as well as other economic indicators, which at the time of establishing the fair value for disclosure, have a high degree of uncertainty. Unrealized gains or losses on these derivative financial instruments may not be realized as markets change.

Income Taxes

BGSI is subject to income tax in several jurisdictions and estimates are used to determine the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. Uncertain tax liabilities may be recognized when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

4. CHANGES IN ACCOUNTING POLICIES

BGSI has adopted the amendments to IFRS 3, *Business Combinations*. These amendments change the definition of a business and provide entities additional guidance to determine if the set of processes and assets acquired represents a business. The amendments apply to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. BGSI has determined that there is no material impact on adoption.

5. CORPORATE CONVERSION

On January 1, 2020, Boyd Group Income Fund was converted from an income trust to a public corporation named Boyd Group Services Inc., pursuant to a plan of arrangement (the "Arrangement") under the Canada Business Corporations Act. The Arrangement received all required unitholder, trustee, court, TSX and regulatory approvals, as well as approval from the shareholders of Boyd Group Holdings Inc. ("BGHI").

The trust units were previously traded on the TSX under the symbol "BYD.UN" and were delisted as part of the Arrangement. The shares of the Company began trading on the TSX on January 2, 2020 and are listed under the symbol "BYD.TO".

As a result of the Arrangement, unitholders of the Fund received one BGSI common share for each Fund unit held by the unitholder as at December 31, 2019. BGHI Class A common shareholders also received one BGSI common share for each BGHI Class A common share held as at December 31, 2019.

All assets and liabilities of the Company have been recorded at their previous carrying amounts at the date of conversion and the consolidated financial statements as at, and for the years ended December 31, 2020 and December 31, 2019 reflect the financial position, operating results and cash flows as if the Company had always carried on the business formerly carried on by the Fund.

6. ACQUISITIONS

The Company completed 12 acquisitions that added 39 locations during the year ended December 31, 2020 as follows:

Acquisition Date	Location
January 2, 2020	Parksville, BC
March 6, 2020	Indiana & Michigan (14 locations)
March 13, 2020	Waukesha, WI
March 23, 2020	Saanichton, BC
September 4, 2020	Farmington & Rogers, AR (2 locations)
September 25, 2020	Milwaukee & Hales Corners, WI (2 locations)
October 30, 2020	Escanaba, Kingsford & Marquette, MI (3 locations)
November 17, 2020	Oshkosh, WI
November 30, 2020	Pflugerville, TX
December 4, 2020	Riverside & San Bernadino, CA (11 locations including one intake center)
December 14, 2020	Morrow, GA
December 31, 2020	Avon, CO

BGSI has accounted for the 2020 acquisitions using the acquisition method as follows:

Acquisitions in 2020		Total acquisitions
Identifiable net assets acquired at fair value:		
Other currents assets	$	1,043
Property, plant and equipment		17,241
Right of use assets		29,074
Identified intangible assets		
Customer relationships		30,025
Non-compete agreements		1,699
Lease liabilities		(29,074)
Identifiable net assets acquired	$	50,008
Goodwill		45,348
Total purchase consideration	$	95,356
Consideration provided		
Cash paid or payable	$	44,208
Seller notes		51,148
Total consideration provided	$	95,356

The Fund completed 29 acquisitions that added 97 locations during the year ended December 31, 2019 as follows:

Acquisition Date	Location
January 9, 2019	Cayce, SC
January 11, 2019	Peoria, AZ
February 28, 2019	New York (18 locations)
March 8, 2019	Michigan (11 locations)
March 15, 2019	Guelph, ON
March 18, 2019	Richland, WA
March 25, 2019	Bullhead City, AZ
March 29, 2019	Oregon & Washington (7 locations)
April 15, 2019	New York (3 locations)
May 14, 2019	Trussville, AL
May 14, 2019	Nevada & Arizona (4 locations)
June 7, 2019	Louisville, KY (2 locations)
June 10, 2019	Watauga, TX
June 24, 2019	Austin, TX
July 19, 2019	Rochester, NY (16 locations)
July 29, 2019	Steinbach, MB
August 19, 2019	Moody & Anniston, AL (2 locations)
September 6, 2019	Evansville, IN (4 locations)
September 13, 2019	Columnbia, Irmo & Lexington, SC (3 locations)
September 30, 2019	Port Orchard & Gig Harbor, WA (2 locations)
October 8, 2019	Gonzales, LA
November 1, 2019	Hunstville, AL
November 1, 2019	Pelham, AL
November 22, 2019	Nashville, TN
December 2, 2019	Tacoma, WA
December 6, 2019	California (6 locations)
December 6, 2019	California (3 locations)
December 13, 2019	Utica, MI
December 13, 2019	Kingston, ON

The Fund has accounted for the 2019 acquisitions using the acquisition method as follows:

Acquisitions in 2019		Total acquisitions
Identifiable net assets acquired at fair value:		
Cash	$	1,332
Other currents assets		7,744
Property, plant and equipment		41,208
Right of use assets		94,866
Identified intangible assets		
Customer relationships		79,751
Non-compete agreements		3,802
Liabilities assumed		(18,804)
Lease liability		(94,866)
Identifiable net assets acquired	$	115,033
Goodwill		133,425
Total purchase consideration	$	248,458
Consideration provided		
Cash paid or payable	$	212,133
Units Issued		5,537
Seller notes		30,788
Total consideration provided	$	248,458

The preliminary purchase prices for the 2020 acquisitions may be revised as additional information becomes available. Further adjustments may be recorded in future periods as purchase price adjustments are finalized.

Funding for the February 28, 2019 transaction was a combination of cash and the issuance of 45,371 units to the sellers at a unit price of $122.05.

U.S. acquisition transactions are initially recognized in Canadian 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 2020 is expected to be deductible for tax purposes.

The results of operations reflect the revenues and expenses of acquired operations from the date of acquisition. During 2020, revenue contributed by 2020 acquisitions since being acquired were $29,191. Net losses incurred by 2020 acquisitions since being acquired were $1,657. If 2020 acquisitions had been acquired on January 1, 2020, BGSI's revenue and net earnings for the year ended December 31, 2020 would have been $2,192,326 and $59,535 (unaudited), respectively.

7. INVENTORY

As at		**December 31, 2020**		December 31, 2019
Parts and materials	**$**	**18,838**	$	18,556
Work in process		**22,005**		29,356
		40,843	$	47,912

Included in cost of sales for the year ended December 31, 2020 are parts and material costs of $658,239 (2019 – $719,294) and labour costs of $325,444 (2019 – $369,238) with the balance of cost of sales primarily made up of sublet charges.

8. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Shop Equipment	Office Equipment	Computer Hardware	Signage	Vehicles	Leasehold Improvements	Total
Depreciation rates		5%	15%	20%	30%	15%	30%	10 to 25 years straight line	
As at January 1, 2020									
Cost	$13,299	$32,690	$207,789	$18,407	$27,913	$16,398	$8,710	$167,604	$492,810
Accumulated depreciation	—	(3,714)	(91,411)	(9,763)	(15,147)	(7,116)	(6,774)	(63,301)	(197,226)
Net book value	$13,299	$28,976	$116,378	$8,644	$12,766	$9,282	$1,936	$104,303	$295,584
For the year ended December 31, 2020									
Acquired through business combinations	715	2,977	6,971	—	—	—	274	6,304	17,241
Additions	6,136	4,875	22,854	1,621	5,973	1,767	172	17,196	60,594
Proceeds on disposal	(6,443)	(5,639)	(18)	(4)	—	—	(524)	(1,606)	(14,234)
Gain (loss) on disposal	(296)	141	(362)	(21)	(11)	(12)	412	(200)	(349)
Transfers from right of use assets	—	1,503	511	—	—	—	38	(1,662)	390
Depreciation	—	(1,835)	(21,658)	(1,953)	(4,922)	(1,555)	(614)	(17,298)	(49,835)
Foreign exchange	(489)	(771)	(2,454)	(133)	(237)	(184)	(24)	(2,144)	(6,436)
Net book value	$12,922	$30,227	$122,222	$8,154	$13,569	$9,298	$1,670	$104,893	$302,955
As at December 31, 2020									
Cost	$12,922	$34,647	$233,030	$19,612	$33,109	$17,758	$8,590	$182,259	$541,927
Accumulated depreciation	—	(4,420)	(110,808)	(11,458)	(19,540)	(8,460)	(6,920)	(77,366)	(238,972)
Net book value	**$12,922**	**$30,227**	**$122,222**	**$8,154**	**$13,569**	**$9,298**	**$1,670**	**$104,893**	**$302,955**

During 2020, BGSI completed sale leaseback transactions for six properties for total proceeds of $13,675, which resulted in the recognition of a loss on sale of $41. The properties will continue to operate under 15-year leases entered into under this sale-leaseback agreement.

	Land	Buildings	Shop Equipment	Office Equipment	Computer Hardware	Signage	Vehicles	Leasehold Improvements	Total
Depreciation rates		5%	15%	20%	30%	15%	30%	10 to 25 years straight line	
As at January 1, 2019									
Cost	$11,789	$29,016	$175,704	$15,801	$23,009	$13,284	$24,625	$133,876	$427,104
Accumulated depreciation	—	(2,311)	(77,848)	(8,445)	(12,402)	(6,136)	(15,586)	(51,273)	(174,001)
Net book value	$11,789	$26,705	$97,856	$7,356	$10,607	$7,148	$9,039	$82,603	$253,103
For the year ended December 31, 2019									
IFRS 16 opening net book value	—	—	(2,633)	—	—	—	(7,625)	(124)	(10,382)
Acquired through business combinations	1,237	3,252	17,843	153	253	—	613	17,857	41,208
Additions	788	2,165	23,812	3,171	6,281	3,711	652	22,429	63,009
Proceeds on disposal	—	—	—	—	—	—	(23)	(369)	(392)
Gain (loss) on disposal	—	—	(9)	—	(1)	—	3	(4)	(11)
Transfers from right of use assets	—	—	1,937	—	—	—	31	—	1,968
Depreciation	—	(1,544)	(17,594)	(1,733)	(3,956)	(1,283)	(656)	(14,835)	(41,601)
Foreign exchange	(515)	(1,602)	(4,834)	(303)	(418)	(294)	(98)	(3,254)	(11,318)
Net book value	$13,299	$28,976	$116,378	$8,644	$12,766	$9,282	$1,936	$104,303	$295,584
As at December 31, 2019									
Cost	$13,299	$32,690	$207,789	$18,407	$27,913	$16,398	$8,710	$167,604	$492,810
Accumulated depreciation	—	(3,714)	(91,411)	(9,763)	(15,147)	(7,116)	(6,774)	(63,301)	(197,226)
Net book value	$13,299	$28,976	$116,378	$8,644	$12,766	$9,282	$1,936	$104,303	$295,584

9. RIGHT OF USE ASSETS

As at	Property	Vehicles	Equipment	December 31, 2020
Balance, beginning of period	$ 465,069	$ 7,231	$ 518	$ 472,818
Acquired through business combinations	29,074	—	—	29,074
Additions and modifications	93,134	2,967	(30)	96,071
Depreciation	(99,682)	(2,275)	(32)	(101,989)
Loss on disposal	—	(336)	—	(336)
Transfers to property, plant and equipment	—	(33)	(357)	(390)
Foreign exchange	(8,740)	(141)	(48)	(8,929)
Net book value	**$ 478,855**	**$ 7,413**	**$ 51**	**$ 486,319**

	Property	Vehicles	Equipment	December 31, 2019
Balance, beginning of period	$ 442,557	$ 7,624	$ 2,757	$ 452,938
Acquired through business combinations	94,866	—	—	94,866
Additions and modifications	27,250	2,723	—	29,973
Depreciation	(88,148)	(2,510)	(232)	(90,890)
Loss on disposal	—	(229)	(2)	(231)
Transfers to property, plant and equipment	—	(31)	(1,937)	(1,968)
Foreign exchange	(11,456)	(346)	(68)	(11,870)
Net book value	**$ 465,069**	**$ 7,231**	**$ 518**	**$ 472,818**

10. INCOME TAXES

BGSI accounts for deferred income tax assets and liabilities in respect of accounting and tax basis differences. Deferred income tax assets and liabilities which relate to the same jurisdiction are netted on the Consolidated Statement of Financial Position.

a. The reconciliation between income tax expense and the accounting earnings multiplied by the combined basic Canadian and U.S. federal, provincial and state tax rates is as follows:

	For the years ended December 31,			
		2020		2019
Earnings before income taxes	**$**	**77,471**		93,549
Earnings subject to tax in the hands of unitholders		**—**		(10,779)
Income subject to income taxes	**$**	**77,471**	$	82,770
Combined basic Canadian and U.S. federal, provincial and state tax rates		**26.02 %**		24.96 %
Income tax expense at combined statutory tax rates	**$**	**20,158**	$	20,659
Adjustments for the tax effect of:				
Other non-deductible expenses		**371**		452
Dividends treated as interest		**—**		1,273
Non-deductible fair value adjustments		**(1,340)**		7,622
Other		**548**		(604)
Income tax expense	**$**	**19,737**	$	29,402

Prior to the Arrangement, the structure of the Fund at December 31, 2019 was such that a portion of the Fund's earnings continued to be subject to tax in the hands of the unitholders, not the Fund. This permitted the Company to reduce its tax obligation. The Company benefitted from an interest deduction in the amount of $8,301 in 2019. This amount was received by the Fund who was then permitted to reduce its taxable income for the distributions declared in the year.

b. Deferred income taxes consist of the Canadian and U.S. tax jurisdictions, respectively, as follows:

As at		**December 31, 2020**		December 31, 2019
Intangible assets	**$**	**(4,593)**	$	(3,813)
Non-capital losses carried forward		**1,336**		915
Accrued liabilities		**(157)**		(81)
Property, plant and equipment		**(930)**		(846)
Issue costs		**2,327**		67
Right of use assets net of lease liabilities		**1,715**		1,386
Other		**1,128**		(38)
Deferred income tax asset (liability)	**$**	**826**	$	(2,410)

As at		**December 31, 2020**		December 31, 2019
Intangible assets		36,927	$	30,901
Accrued liabilities		(12,625)		(10,579)
Property, plant and equipment		43,589		28,563
Acquisition costs		(3,698)		(3,783)
Right of use assets net of lease liabilities		(10,802)		(8,234)
Other		(738)		(268)
Deferred income tax liability	$	52,653	$	36,600

c. The movement in deferred income tax assets and liabilities in Canada and U.S. tax jurisdictions, respectively, during the year is as follows:

Deferred income tax asset (liability) as at		**December 31, 2020**		December 31, 2019
Balance, beginning of year	**$**	**(2,410)**	$	(3,004)
Adjustment on adoption of IFRS 16		**—**		1,021
Issue costs		**2,894**		—
Deferred income tax recovery (expense)		**342**		(427)
Balance, end of year	**$**	**826**	$	(2,410)

Deferred income tax liability as at		**December 31, 2020**		December 31, 2019
Balance, beginning of year	**$**	**36,600**	$	36,878
Adjustment on adoption of IFRS 16		**—**		(7,421)
Deferred income tax expense		**18,027**		8,738
Foreign exchange		**(1,974)**		(1,595)
Balance, end of year	**$**	**52,653**	$	36,600

d. Deferred income tax assets are recognized to the extent it is probable that sufficient future taxable income will be available to allow a deferred income tax asset to be realized. At December 31, 2020 BGSI has recognized all of its deferred income tax assets with the exception of $7,510 (2019 - $7,510) in capital losses available in Canada. At December 31, 2020 the Company has non-capital losses in Canada of $5,082 (2019 - $1,172) and net operating losses in the U.S. of $nil (2019 - $nil)

The losses expire as follows:

Year of expiry		
2038	$	384
2039	$	1,845
2040	$	2,853

11. INTANGIBLE ASSETS

	Customer Relationships	Brand Name	Computer Software	Non-compete Agreements	Favourable Lease Agreements	Total
As at January 1, 2019						
Cost	$314,260	$29,772	$6,763	$20,585	$8,601	$379,981
Accumulated amortization	(58,667)	(6,768)	(5,435)	(11,602)	(1,720)	(84,192)
Net book value	$255,593	$23,004	$1,328	$8,983	$6,881	$295,789
For the year ended December 31, 2019						
Acquired through business combinations	79,751	—	—	3,802	—	83,553
Additions	—	—	2,017	—	—	2,017
Amortization	(17,858)	—	(951)	(3,100)	(558)	(22,467)
Foreign exchange	(10,420)	(432)	(176)	(179)	(318)	(11,525)
Net book value	$307,066	$22,572	$2,218	$9,506	$6,005	$347,367
As at December 31, 2019						
Cost	$380,722	$29,015	$7,731	$23,744	$8,189	$449,401
Accumulated amortization	(73,656)	(6,443)	(5,513)	(14,238)	(2,184)	(102,034)
Net book value	$307,066	$22,572	$2,218	$9,506	$6,005	$347,367
For the year ended December 31, 2020						
Acquired through business combinations	30,025	—	—	1,699	—	31,724
Additions	—	—	2,681	—	—	2,681
Amortization	(19,771)	—	(1,148)	(3,368)	(565)	(24,852)
Foreign exchange	(4,685)	(169)	(30)	(56)	(89)	(5,029)
Net book value	$312,635	$22,403	$3,721	$7,781	$5,351	$351,891
As at December 31, 2020						
Cost	$403,970	$28,719	$10,241	$25,106	$8,027	$476,063
Accumulated amortization	(91,335)	(6,316)	(6,520)	(17,325)	(2,676)	(124,172)
Net book value	$312,635	$22,403	$3,721	$7,781	$5,351	$351,891

12. GOODWILL

As at	**December 31, 2020**	December 31, 2019
Balance, beginning of year	**$ 554,601**	$ 439,867
Acquired through business combination	**45,348**	133,425
Purchase price allocation adjustments within the measurement period	**—**	(789)
Foreign exchange	**(9,519)**	(17,902)
Balance, end of period	**$ 590,430**	$ 554,601

The COVID-19 pandemic has brought significant disruption to the worldwide economy and significantly impacted the Company's sales as demand for services decreased. COVID-19 continues to have an impact on operations which has resulted in lower financial performance than initial budgeted expectations. As such, the ongoing impact of COVID-19 continues to be a trigger to assess the carrying amount of goodwill as at December 31, 2020.

BGSI has used the fair value less costs to sell method to evaluate the carrying amount of goodwill. The key assumptions used in the assessment include an estimate of current and future cash flows, taxes, future acquisition growth, future capital expenditures, a terminal growth rate of 2% and a weighted average cost of capital of 7% to 9%. After this evaluation, BGSI concluded that there was no impairment to the carrying amount of goodwill as at December 31, 2020.

The purchase price allocation adjustments represent balance sheet reclassifications between property, plant and equipment and goodwill within the measurement period for certain 2019 acquisitions.

13. OTHER LONG TERM ASSETS

Other long term assets consist primarily of rent deposits in the amount of $3,686 (2019 - $3,316), which are long term in nature.

Investments which do not qualify for equity treatment are recorded as other long term assets at cost. Any derivatives associated with such investments are recorded at fair value, with fair value adjustments recorded to earnings. The value of such derivatives was $nil as at December 31, 2020 (2019 - $nil).

14. DISTRIBUTIONS AND 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. As of January 2, 2020, the Company's dividend has changed from monthly to quarterly dividend to all BGSI common shareholders. Prior to the Arrangement, Boyd's policy was to declare and pay monthly distributions to unitholders and monthly dividends on the exchangeable Class A shares.

Dividends to shareholders were declared and paid as follows:

Record date	Payment date	Dividend per Share	Dividend amount
March 31, 2020	April 28, 2020	$ 0.1380	$ 2,788
June 30, 2020	July 29, 2020	0.1380	2,963
September 30, 2020	October 28, 2020	0.1380	2,963
December 31, 2020	January 27, 2021	0.1410	3,028
		$ 0.5550	$ 11,742

Distributions to unitholders of the Fund and dividends on the exchangeable Class A shares were declared and paid as follows:

Record date	Payment date	Distribution per Unit / Dividend per Share	Distribution amount	Dividend amount
January 31, 2019	February 26, 2019	$ 0.0450	$ 891	$ 10
February 28, 2019	March 27, 2019	0.0450	892	10
March 31, 2019	April 26, 2019	0.0450	894	9
April 30, 2019	May 29, 2019	0.0450	894	10
May 31, 2019	June 26, 2019	0.0450	894	10
June 30, 2019	July 29, 2019	0.0450	895	9
July 31, 2019	August 28, 2019	0.0450	894	10
August 31, 2019	September 28, 2019	0.0450	894	10
September 30, 2019	October 29, 2019	0.0450	895	9
October 31, 2019	November 27, 2019	0.0450	894	9
November 30, 2019	December 20, 2019	0.0460	921	10
December 31, 2019	January 29, 2020	0.0460	921	10
		$ 0.5420	$ 10,779	$ 116

15. LONG-TERM DEBT

The Company has a credit facility agreement expiring in March 2025 which consists of a revolving credit facility of $550,000 U.S. with an accordion feature which can increase the facility to a maximum of $825,000 U.S. (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 $125,000 U.S. 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, BGIF, BGHI, 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 $10,000 U.S. in Canada and $30,000 U.S. in the U.S. At December 31, 2020, the Company has drawn $nil U.S. (December 31, 2019 - $158,300 U.S.) and $nil Canadian (December 31, 2019 - $134,000) on the revolving credit facility and $125,000 U.S. (December 31, 2019 - $nil) on the Term Loan A.

Under the revolving credit facility, the Company is subject to certain financial covenants which must be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants require BGSI to maintain a senior funded debt to EBITDA ratio of less than 3.50 and an interest coverage ratio of greater than 2.75. For four quarters following a material acquisition, the senior funded debt to EBITDA ratio may be increased to less than 4.00. For purposes of covenant calculations, property lease payments are deducted from EBITDA.

During the second quarter of 2020, the Company amended certain financial covenants under the revolving credit facility to provide additional covenant headroom. While the Company had not breached any covenants, this amendment was intended to prevent the effects of the COVID-19 pandemic from distorting the covenant calculations and distracting the Company or its lenders from the prudent management of the business. The amendments included a suspension to Boyd's requirement to comply with its leverage and interest coverage covenants from July 1, 2020 to December 30, 2020, as well as providing 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 will be permitted to replace the EBITDA for the second and third quarters of 2020 with the EBITDA for the second and third quarters of 2019. In addition, the senior funded debt to EBITDA ratio was increased to no greater than 4.00 to June 30, 2020. From December 31, 2020 to June 29, 2021, the senior funded debt to EBITDA ratio will be 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 may be increased to no greater than 4.00. During the suspension period, the Company was required to meet a minimum liquidity covenant of $150,000 U.S., which, given the Company's cash position and undrawn facilities, was not burdensome.

Deferred finance costs of $859 were incurred in 2017 to complete the second amended and restated credit agreement. These fees were amortized to finance costs on a straight line basis over the five year term of the second amended and restated credit agreement until March 17, 2020 when the third amended and restated credit agreement was signed. At that time, the unamortized deferred financing costs of $415 were recorded as finance costs. Financing costs of $1,947 incurred during 2020 to complete the third amended and restated credit agreement have been deferred. These fees are amortized to finance costs on a straight line basis over the five year term of the third amended and restated credit agreement and over the seven year term for fees incurred related to Term Loan A. The unamortized deferred financing costs of $1,649 have been netted against the debt drawn as at December 31, 2020.

As at December 31, 2020, the Company was in compliance with all financial covenants.

Seller notes payable of $71,965 (of which $71,678, or $56,298 U.S., are U.S. denominated) on the financing of certain acquisitions are unsecured, at interest rates ranging from 1% to 8%. The notes are repayable from January 2021 to January 2027 in the same currency as the related note.

Long-term debt is comprised of the following:

As at	**December 31, 2020**	December 31, 2019
Revolving credit facility (net of financing costs)	**$ —**	$ 339,185
Term Loan A (net of financing costs)	**157,501**	—
Seller notes	**71,965**	76,084
	$ 229,466	$ 415,269
Current portion	**19,854**	22,122
	$ 209,612	$ 393,147

The following is the continuity of long-term debt:

As at	**December 31, 2020**	December 31, 2019
Balance, beginning of period	**$ 415,269**	$ 288,159
Consideration on acquisition	**51,148**	30,788
Draws	**691,373**	182,453
Repayments	**(907,431)**	(75,603)
Deferred financing costs	**(1,947)**	—
Amortization of deferred finance costs	**713**	172
Foreign exchange	**(19,659)**	(10,700)
Balance, end of period	**$ 229,466**	$ 415,269

The following table summarizes the repayment schedule of the long-term debt:

Principal Payments	**December 31, 2020**
Less than 1 year	**$ 19,854**
1 to 5 years	**48,570**
Greater than 5 years	**161,042**
	$ 229,466

Included in finance costs for the year ended December 31, 2020 is interest on long-term debt of $20,776 (2019 - $15,456).

16. LEASE LIABILITIES

The following is the continuity of lease liabilities:

	December 31, 2020	December 31, 2019
Balance, beginning of period	**$ 513,373**	$ 487,986
Assumed on acquisition	**29,074**	94,866
Additions and modifications	**96,071**	29,973
Repayments	**(117,961)**	(108,624)
Financing costs	**22,524**	22,658
Foreign exchange	**(9,212)**	(13,486)
Balance, end of period	**$ 533,869**	$ 513,373
Current portion	**$ 99,235**	$ 109,559
	$ 434,634	**$ 403,814**

Lease expenses are presented in the Consolidated Statement of Earnings as follows:

	Year ended December 31,			
		2020		2019
Operating expenses	**$**	**4,777**	$	4,556
Depreciation of right of use assets	**$**	**101,989**	$	90,890
Finance costs	**$**	**22,525**	$	22,658

The following table summarizes the repayment schedule of the lease liabilities:

Less than 1 year	$	99,235
1 to 5 years		286,756
Greater than 5 years		147,878
	$	533,869

Included in operating expenses are short-term and low-value asset lease expenses of $4,706 for the year ended December 31, 2020 (2019 - $4,431).

17. UNEARNED REBATES

In connection with a 2019 acquisition, the Company recognized prepaid rebates received from a trading partner of $7,500 U.S. These rebates have been deferred as unearned rebates. Under the terms of this agreement, the Company will amortize the unearned rebate on a straight line basis over a term of 12 years, as a reduction of cost of sales.

The Company is obliged to purchase the suppliers' products on an exclusive basis over this term. In exchange for this exclusive arrangement, and subject to certain conditions, the trading partners are required to continue to price their products competitively to the Company. Termination of the arrangement by the Company, the occurrence of an event of default or a change in control, as defined by the agreement, require the Company to repay all unamortized balances and all other amounts as outlined within the agreement.

At December 31, 2020, the Company has unearned rebates of $8,179 (December 31, 2019 – $9,142).

18. FAIR VALUE ADJUSTMENTS

	Year ended December 31,	
	2020	2019
Exchangeable Class A common shares	**$ —**	$ 16,734
Unit based payment obligation	**—**	13,708
Non-controlling interest call liability / put option	**(3,053)**	(2,128)
Contingent consideration	**(2,138)**	16
Total fair value adjustments	**$ (5,191)**	$ 28,330

19. FINANCIAL INSTRUMENTS

Carrying value and estimated fair value of financial instruments

			December 31, 2020		December 31, 2019	
	Classification	Fair value hierarchy	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets						
Cash	Amortized cost	n/a	**77,718**	77,718	35,468	35,468
Accounts receivable	Amortized cost	n/a	**110,714**	110,714	112,748	112,748
Financial liabilities						
Accounts payable and accrued liabilities	Amortized cost	n/a	**267,584**	267,584	269,769	269,769
Distributions and dividends payable	Amortized cost	n/a	**3,028**	3,028	931	931
Long-term debt	Amortized cost	n/a	**229,466**	229,506	415,269	415,269
Exchangeable Class A common shares	FVPL [1]	1	**—**	—	37,332	37,332
Non-controlling interest call liability / put option	FVPL [1]	3	**—**	—	4,515	4,515

(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 distributions 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 the BGSI's other long-term debt, the fair value has been estimated using the discounted cash flow method. The fair value for the non-controlling interest call liability / put option is based on the estimated cash payment or receipt necessary to settle the contract at the Statement of Financial Position date. Cash payments or receipts are based on discounted cash flows using current market rates and prices and adjusted for credit risk.

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 December 31, 2020 was approximately $188,432 (December 31, 2019 - $148,216).

Interest rate risk

The Company's operating line and syndicated loan facility are exposed to interest rate fluctuations and the Company does not hold any financial instruments to mitigate this risk. Seller notes and Term Loan A are at fixed interest rates.

Foreign currency risk

The Company's operations in the U.S. are more closely tied to its domestic currency. Accordingly, the U.S. operations are measured in U.S. dollars and the Company's foreign exchange translation exposure relates to these operations. When the U.S. operation's net asset values are converted to Canadian dollars, currency fluctuations result in period to period changes in those net asset values. BGSI's equity position reflects these changes in net asset values as recorded in accumulated other comprehensive earnings. The income and expenses of the U.S. operations are translated into Canadian dollars at the average rate for the period in order to include their financial results in the consolidated financial statements. Period to period changes in the average exchange rates cause translation effects that have an impact on net earnings. Unlike the effect of exchange rate fluctuations on transaction exposure, the exchange rate translation risk does not affect local currency cash flows.

Transactional foreign currency risk also exists in circumstances where U.S. denominated cash is received in Canada. The Company monitors U.S. denominated cash flows to be received in Canada and evaluates whether to use forward foreign exchange contracts. No forward foreign exchange contracts were used during 2020 or 2019.

BGSI earns interest on promissory notes issued to The Boyd Group (U.S.) Inc., the parent of the Company's U.S. operations. As at December 31, 2020 and December 31, 2019, promissory notes denominated in Canadian dollars are as follows:

Promissory notes As at	**December 31, 2020**	December 31, 2019
Promissory note at 5.0% due September 29, 2027	$ 108,000	$ 108,000
Promissory note at 5.75% due January 1, 2030	41,800	41,800
Promissory note at 8.58% due January 1, 2024	6,800	6,800
Promissory note at 8.58% due January 1, 2024	25,000	25,000
Promissory note at 8.58% due January 1, 2024	30,000	30,000
Promissory note at 4.3% due December 30, 2030	50,000	—
	$ 261,600	$ 211,600

BGSI's U.S. operations purchase Canadian dollars at market rates to fund the monthly interest payments.

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. Cash is in the form of deposits on demand with major financial institutions that have strong long-term credit ratings. BGSI is subject to risk of non-payment of accounts receivable; however, the Company's receivables are largely collected from the insurers of its customers. Accordingly, the Company's accounts receivable comprises mostly amounts due from national and international insurance companies or provincial crown corporations.

Aging of accounts receivable As at	**December 31, 2020**	December 31, 2019
Neither impaired nor past due	**$ 106,511**	$ 108,746
Past due:		
Over 90 days	**6,654**	5,386
	$ 113,165	$ 114,132
Allowance for doubtful accounts	**(2,451)**	(1,384)
Accounts receivable	**$ 110,714**	$ 112,748

BGSI uses an allowance account to record an estimate of potential impairment for accounts receivables.

Allowance for doubtful accounts As at	**December 31, 2020**	December 31, 2019
Balance, beginning of period	**$ 1,384**	$ 1,479
Increase (decrease) in the allowance (net of recoveries and amounts written off)	**1,067**	(95)
Balance, end of period	**$ 2,451**	$ 1,384

Liquidity risk

The following table details the Company's remaining contractual maturities for its financial liabilities.

	Total	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
Accounts payable and accrued liabilities	$267,584	$267,584	$—	$—	$—	$—	$—
Long-term debt	229,466	19,854	13,247	12,311	18,611	4,401	161,042
Lease liabilities	533,869	99,235	92,243	80,256	65,694	48,563	147,878
	$1,030,919	$386,673	$105,490	$92,567	$84,305	$52,964	$308,920

Obligations of the Company are generally satisfied through future operating cash flows and the collection of accounts receivable.

Market Risk and Sensitivity Analysis

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Components of market risk to which the Company is exposed are interest rate risk and foreign exchange rate risk as discussed above.

BGSI has used a sensitivity analysis technique that measures the estimated change to net earnings and equity of a 1% (100 basis points) difference in market interest rates. The sensitivity analysis assumes that changes in market interest rates only affect interest income or expense of variable financial instruments not covered by hedging instruments. For the year ended December 31, 2020 it is estimated that the impact of a 1% increase to market rates would result in a $3,614 decrease (2019 – $3,097 decrease) to net earnings as well as comprehensive earnings.

The currency risk sensitivity analysis is based on a 5% strengthening or weakening of the Canadian Dollar against the U.S. Dollar and assumes that all other variables remain constant. Under this assumption, net earnings for the year ended December 31, 2020 as well as comprehensive earnings would have changed by $nil due to no foreign exchange contracts being in place at the end of 2020 and 2019.

Exchangeable Class A Common Shares

The Class A common shares of BGHI were exchangeable into units of the Fund until January 1, 2020. To facilitate the exchange, BGHI issued one Class B common share to the Fund for each Class A common share that had been retracted. The Fund in turn issued a trust unit to the Class A common shareholder. The exchangeable feature resulted in the Class A common shares of BGHI being presented as financial liabilities of the Fund. Exchangeable Class A shares were measured at the market price of the units of the Fund as at the statement of financial position date. Exchanges were recorded at carrying value. Pursuant to the Arrangement, BGHI Class A common shareholders received one BGSI common share for each BGHI Class A common share held as at December 31, 2019. At December 31, 2020 there were nil (2019 – 184,813) shares outstanding with a carrying value of $nil (2019 – $37,332). Total retractions for the year were nil (2019 – $5,971) for $nil (2019 – $951).

Non-controlling interest call liability / put option

On May 31, 2013, in connection with the acquisition of Glass America, the Company amended and restated the limited liability company agreement of Gerber Glass LLC (the "Gerber Glass Company Agreement") which provides a member of its U.S. management team the opportunity to participate in the future growth of the

Company's U.S. glass business. Within the agreement was a put option held by the non-controlling member that provided the member an option to put the business back to the Company according to a valuation formula defined in the agreement. On October 31, 2016, the Company amended the Gerber Glass Company Agreement. The put option held by the non-controlling member continued to provide the member an option to put the business back to the Company according to a valuation formula defined in the Gerber Glass Company Agreement until June 26, 2020 when the Company provided notice of exercise of the call option. All fair value changes in the estimated liability are recorded in earnings.

On July 31, 2020, the call option transaction to acquire the 21.16% non-controlling interest in Gerber Glass LLC held by a member of the U.S. management team was completed, and BGSI acquired the 21.16% non-controlling interest in Gerber Glass LLC.

The change in the non-controlling interest call liability / put option is summarized as follows:

	December 31, 2020		December 31, 2019	
	Glass-business operating partner	**Glass America non-controlling interest**	Glass-business operating partner	Glass America non-controlling interest
Balance, beginning of period	**$ 4,515**	**$ —**	$ 6,905	$ 13,651
Fair value adjustments	**(3,053)**	**—**	(2,128)	—
Payment to non-controlling interests	**(1,743)**	**—**	—	(13,152)
Foreign exchange	**281**	**—**	(262)	(499)
Balance, end of period	**$ —**	**$ —**	$ 4,515	$ —

During 2020, a fair value adjustment recovery in the amount of $3,053 (2019 – recovery of $2,128) was recorded to earnings related to the non-controlling interest put option and call liability.

20. CONTINGENCIES

BGSI has two U.S. denominated letters of credit for $225 U.S. (2019 –$225 U.S.).

21. ACCUMULATED OTHER COMPREHENSIVE EARNINGS

	December 31, 2020	December 31, 2019
Balance, beginning of period	**$ 52,164**	$ 77,637
Unrealized loss on translating financial statements of foreign operations	**(12,468)**	(25,473)
Balance, end of period	**$ 39,696**	$ 52,164

There is no tax impact of translating the financial statements of the foreign operation.

22. CAPITAL

Shareholders' Capital

Authorized:
Unlimited number of common shares

An unlimited number of common shares are authorized and may be issued pursuant to the Articles of Incorporation of BGSI. All common shares have equal rights and privileges. Each common share is redeemable and transferable. A common share entitles the holder thereof to participate equally in dividends, including the dividends of net earnings and net realized capital gains of BGSI and dividends on termination or winding-up of BGSI, is fully paid and non-assessable and entitles the holder thereof to one vote at all meetings of shareholders for each share held.

On January 2, 2020, BGSI announced the completion of the conversion of the Fund from an income trust to a public corporation, pursuant to the plan of Arrangement under the Canada Business Corporations Act. Issuance costs, net of tax, of $864 have been deducted from equity as a result of the Arrangement. A total of 184,813 BGHI Class A common shares were exchanged for BGSI common shares as a result of the Arrangement increased equity by $37,332.

On May 14, 2020, BGSI completed a bought deal public offering where it sold to an underwriting syndicate 1,265,000 common shares out of treasury at a price of $183.00 per share for gross proceeds of $231,495. Issuance costs, net of tax, of $7,272 were netted against the gross proceeds.

23. CONTRIBUTED SURPLUS

Units purchased under the Fund's Normal Course Issuer Bid for a value below their carrying amount represent a contribution to the benefit of the remaining unitholders and the difference is credited to contributed surplus. The Fund purchased units for cancellation under Normal Course Issuer Bids in 2009, 2008, and 2007.

24. CAPITAL STRUCTURE

The Company's objective when managing capital is to maintain a flexible capital structure which optimizes the cost of capital at acceptable risk. The Company includes in its definition of capital: equity, long-term debt, convertible debentures, convertible debenture conversion features, non-controlling interest put options and call liability, share based payment obligations, non-property obligations under lease liabilities, and unearned rebates, net of cash.

The Company manages the capital structure and make adjustments to it by taking into account changing economic conditions, operating performance and growth opportunities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends it pays, purchase shares for cancellation pursuant to a normal course issuer bid, issue new shares, issue new debt or replace existing debt with different characteristics, issue convertible debentures, issue share options, expand the revolver, increase or decrease its non-property lease liabilities, pursue alternative structuring of acquisitions, trigger call options on certain acquisition obligations, negotiate unearned rebates, or settle certain acquisition obligations using a greater amount of cash, or shares.

The Company monitors capital on a number of bases, including an interest coverage ratio, total debt to Adjusted EBITDA ratios, return on invested capital, a debt to capital ratio, a current ratio, diluted earnings per share/unit and dividends/distributions per share/unit. The fixed charge coverage ratio is the ratio of Adjusted EBITDA, adding back rental expense, less unfunded capital expenditures, less income tax expense, less

dividends and distributions to debt, rental expense and non-property lease liability payments. Total debt to Adjusted EBITDA is calculated as the Company's total debt and non-property lease liabilities but excluding convertible debentures divided by Adjusted EBITDA. Return on invested capital is the ratio of Adjusted EBITDA to average invested capital. Adjusted EBITDA is a non-GAAP measure, whose nearest GAAP measure is Cash Flow from Operations.

The Company's strategy has been to maintain a strong statement of financial position including its cash position and financial flexibility while maintaining consistent distributions in order to capitalize on growth opportunities. In addition, the Company believes that, from time to time, the market price of the shares/units may not fully reflect the underlying value of the shares/units and that at such times the purchase of shares/units would be in the best interest of BGSI. Such purchases increase the proportionate ownership interest of all remaining shareholders/unitholders.

The Company grows, in part, through the acquisition or start-up of collision and glass repair and replacement businesses, or other businesses. Sources of capital that the Company has been successful at accessing in the past include public and private equity placements, convertible debt offerings, the use of equity securities to directly pay for a portion of acquisitions, capital available through strategic alliances with trading partners, non-property lease financing, seller financing and both senior and subordinate debt facilities or by deferring possible future purchase price payments using contingent consideration and call or put options.

25. RELATED PARTY TRANSACTIONS

In certain circumstances the Company has entered into property lease arrangements where an employee of the Company is the landlord. In most cases, the Company assumes these property lease arrangements initially in connection with an acquisition. The property leases for these locations do not contain any significant non-standard terms and conditions that would not normally exist in an arm's length relationship, and the Company has determined that the terms and conditions of the leases are representative of fair market rent values.

The following are the lease payment amounts for facilities under lease with related parties:

Landlord	Affiliated Person(s)	Location	Lease Expires	**December 31, 2020**	December 31, 2019
Kard Properties Ltd.	Desmond D'Silva	Richmond Hill, ON	2035	**$ 191**	$ 192
Kard Properties Ltd.	Desmond D'Silva	Ottawa, ON	2035	**320**	263
Kard Properties Ltd.	Desmond D'Silva	Ajax, ON	2036	**85**	88
Kard Properties Ltd.	Desmond D'Silva	Mississauga, ON	2032	**50**	50
Kard Properties Ltd.	Desmond D'Silva	Oakville, ON	2035	**191**	192
D'Silva Real Estate Holdings Inc.	Desmond D'Silva	Barrie, ON	2032	**434**	430
Gerber Building No. 1 Ptnrp	Eddie Cheskis, & Tim O'Day	South Elgin, IL	2023	**109**	127
Kard Properties Ltd.	Desmond D'Silva	Mississauga, ON	2035	**107**	107
Kard Properties Ltd.	Desmond D'Silva	Hamilton, ON	2036	**60**	64
Kard Properties Ltd.	Desmond D'Silva	Mississauga, ON	2035	**47**	51
Kard Properties Ltd.	Desmond D'Silva	Mississauga, ON	2035	**317**	315
Kard Properties Ltd.	Desmond D'Silva	Mississauga, ON	2036	**99**	102
Kard Properties Ltd.	Desmond D'Silva	Scarborough, ON	2036	**86**	89
Kard Properties Ltd.	Desmond D'Silva	Toronto, ON	2023	**45**	50
Kard Properties Ltd.	Desmond D'Silva	Brampton, ON	2036	**99**	102
Kard Properties Ltd.	Desmond D'Silva	Hamilton, ON	2035	**102**	105
Kard Properties Ltd.	Desmond D'Silva	Woodstock, ON	2037	**65**	69
Kard Properties Ltd.	Desmond D'Silva	Etobicoke, ON	2037	**217**	217
Kard Properties Ltd.	Desmond D'Silva	Milton, ON	2035	**112**	115
Kard Properties Ltd.	Desmond D'Silva	Brantford, ON	2020	**111**	113
Kard Properties Ltd.	Desmond D'Silva	Ottawa, ON	2036	**216**	217
Kard Properties Ltd.	Desmond D'Silva	Newmarket, ON	2024	**260**	45
Kard Properties Ltd.	Desmond D'Silva	Toronto, ON	2035	**8**	—

26. 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 sales 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.

	Year ended December 31,	
Sales	**2020**	2019
Canada	**$ 213,053**	$ 285,490
United States	**1,876,062**	1,997,835
	$ 2,089,115	$ 2,283,325

Reportable Assets As at	**December 31, 2020**	December 31, 2019
Canada	**$ 295,075**	$ 305,946
United States	**1,436,520**	1,364,424
	$ 1,731,595	$ 1,670,370

BGSI's revenues are largely derived from the insurers of its customers, who are generally automobile owners. Formal relationships with insurance companies such as Direct Repair Programs ("DRPs") play an important role in generating sales volumes for the Company. Although automobile owners still have the freedom of choice of repair provider, insurance companies may educate the owner on the benefits of choosing a repairer in their DRP network. Of the top five insurance companies that BGSI deals with, which in aggregate account for approximately 46% (2019 – 44%) of total sales, one insurance company represents approximately 13% (2019 – 15%) of the Company's total sales, while a second insurance company represents approximately 10% (2019 – 10%).

27. COMPENSATION OF KEY MANAGEMENT

	For the years ended December 31,	
	2020	2019
Salaries and short-term employee benefits	**$ 5,213**	$ 5,743
Post-employment benefits	**103**	99
Long-term incentive plan	**2,898**	2,466
Share / Unit options	**—**	13,708
	$ 8,214	$ 22,016

Key management includes BGSI's Directors as well as the most senior offices of the Company and Subsidiary Companies.

28. SHARE-BASED COMPENSATION

Certain members of the management team of the Company, as well as the Board of Directors of the Company participate in share-based compensation plans. These plans are cash-settled, with compensation expense determined based on the fair value of the associated liability at the end of the reporting period until the awards are settled.

Long-term incentive plan

On January 1, 2018, January 1, 2019, and January 1, 2020, Performance Share Unit awards were granted to certain executive officers for the 2018, 2019 and 2020 grant years. Performance Share Units are tied to unit/ share value from date of grant to the date of vesting and will be paid out in cash over a three-year period, subject to the terms of the plan. Performance Share Units represent the right to receive payments linked to BGSI's share value, conditional upon the achievement of one or more objective performance goals. The dividend rate declared by BGSI on issued and outstanding shares of the Company is also applied to the Performance Share Units. The dividend amount on the Performance Share Units is converted into additional Performance Share Units based on the market value of the Company's shares at the time of the dividend. These additional Performance Share Units vest at the same time as the Performance Share Units that the dividend rate was applied on.

The 2018, 2019, and 2020 awards granted include non-market performance conditions. The impact of market and non-market performance conditions is recognized through the adjustment of the award that is expected to vest. At the end of each reporting period, BGSI re-assesses its estimates of the number of Performance Share Units that are expected to vest and recognizes the impact of the revision to compensation expense in earnings over the vesting period.

The fair value of each outstanding Performance Share Unit is estimated based on the fair market value of the Company's units/shares at the grant date, subsequently adjusted for additional shares granted based on the reinvestment of notional dividends and the market value of the shares at the end of each reporting period. The associated compensation expense is recognized over the vesting period, factoring in the probability of the performance criteria being met during that period.

Directors Deferred Share Unit Plan

A Directors Deferred Share Unit Plan ("DSUP") is administered through BGSI and requires independent Directors, to receive at least 60% of their Director compensation in the form of deferred shares, which are essentially notional shares of BGSI and are redeemable for cash on termination. Directors may elect to receive up to 100% of their Director compensation in the form of deferred shares. The number of deferred shares to which a Director is entitled will be adjusted for the payment of dividends.

The fair value of each outstanding Director Deferred Share Unit is estimated based on the fair market value of the BGSI's shares at the grant date, subsequently adjusted for additional shares granted based on the reinvestment of notional dividends and the market value of the shares at the end of each reporting period.

29. EMPLOYEE EXPENSES

	For the years ended December 31,	
	2020	2019
Salaries and short-term employee benefits	**$ 781,659**	$ 858,696
Post-employment benefits	**103**	99
Long-term incentive plan	**3,527**	7,880
Share / Unit options	**—**	13,708
	$ 785,289	$ 880,383

During the year ended December 31, 2020, the Company was eligible for the Canada Emergency Wage Subsidy ("CEWS"). The total estimated CEWS for the year ended December 31, 2020 of $16,899 has been recorded, with $7,077 being recorded as a reduction to cost of sales and $9,822 being recorded as a reduction to operating expenses. At December 31, 2020, the Company has $9,431 accrued for amounts to be received under the CEWS program in Accounts Receivable.

30. DEFINED CONTRIBUTION PENSION PLANS

The Company has defined contribution pension plans for certain employees. The Company matches U.S. employee contributions at rates up to 6.0% of the employees' salary. The expense and payments for the year were $2,942 (2019 - $2,584). The Company has established a Retirement Defined Contribution Arrangement Trust Agreement for the Executive Chair which qualifies as retirement compensation arrangement as defined in the Income Tax Act (Canada), RSC 1985, c.1 (5th Supplement), as amended. The agreement specifies that quarterly contributions are to be made until the end of 2024. During 2020, $103 (2019 - $99) was paid related to these arrangements.

31. EARNINGS PER SHARE / UNIT

	Year ended December 31,	
	2020	2019
Net earnings	**$ 57,734**	$ 64,147
Less:		
Non-controlling interest call liability / put option	**(3,053)**	(2,128)
Net earnings - diluted basis	**$ 54,681**	$ 62,019
Basic weighted average number of shares / units	**21,005,596**	19,878,567
Add:		
Non-controlling interest call liability / put option	**9,263**	23,902
Average number of shares / units outstanding - diluted basis	**21,014,859**	19,902,469
Basic earnings per share / unit	**$ 2.75**	$ 3.23
Diluted earnings per share / unit	**$ 2.60**	$ 3.12

Exchangeable class A shares and unit options are instruments that could have potentially diluted basic earnings per unit for the years ended December 31, 2019, but were not included in the calculation of diluted earnings per unit because they were anti-dilutive for the period.

32. CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS

	For the years ended December 31,	
	2020	2019
Accounts receivable	**$ 1,757**	$ (6,820)
Inventory	**7,760**	(2,694)
Prepaid expenses	**3,959**	(3,832)
Accounts payable and accrued liabilities	**9,792**	1,618
Income taxes, net	**(6,819)**	13,466
	$ 16,449	$ 1,738

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

As at			Non-cash changes				
	December 31, 2019	Cash Flows	Acquisition	Other items	Fair value changes	Foreign exchange	**December 31, 2020**
Long-term debt	$ 415,269	(238,781)	51,148	21,489	—	(19,659)	**$ 229,466**
Lease liabilities	513,373	(117,961)	29,074	118,595	—	(9,212)	**533,869**
Dividends and distributions	931	(9,646)	—	11,743	—	—	**3,028**
Non-controlling interest put option and call liability	4,515	(1,743)	—	—	(3,053)	281	**—**
Issue costs	—	(11,031)	—	—	—	—	**—**
Shares issued through public offering	—	231,495	—	—	—	—	**—**
	$ 934,088	(147,667)	80,222	151,827	(3,053)	(28,590)	**$ 766,363**

As at			Non-cash changes				
	December 31, 2018	Cash Flows	Acquisition	Other items	Fair value changes	Foreign exchange	**December 31, 2019**
Fund units issued from treasury in connection with options exercised	—	812	—	—	—	—	**—**
Long-term debt	$ 288,159	91,394	30,788	15,628	—	(10,700)	**$ 415,269**
Obligations under finance leases	8,407	—	—	(8,407)	—	—	**—**
Lease liabilities	—	(108,624)	94,866	540,617	—	(13,486)	**513,373**
Dividends and distributions	902	(10,867)	—	10,896	—	—	**931**
Non-controlling interest put option and call liability	20,556	(13,152)	—	—	(2,128)	(761)	**4,515**
Issue costs	—	(126)	—	—	—	—	**—**
	$ 318,024	(40,563)	125,654	558,734	(2,128)	(24,947)	**$ 934,088**

34. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current period financial presentation. Deferred tax assets and deferred tax liabilities have been presented separately in Note 10.

35. SUBSEQUENT EVENTS

Effective January 1, 2021, BGSI consolidated financial statements will be presented in U.S. dollars. The change in reporting currency will reduce volatility from exchange rates. The change will be implemented prospectively, with comparative financial information previously expressed in Canadian dollars to be expressed in U.S. dollars, beginning the three months ended March 31, 2021.

BOARD OF DIRECTORS

Boyd Group Services Inc. Board of Directors consists of eight members – two that are officers of BGSI and six that are independent Directors. The Independent Chair of the Board is Allan Davis. Boyd Group Services Inc. Board of Directors has established three standing committees: The Corporate Governance and Nomination Committee, The Audit Committee, and the Executive Compensation Committee.

The Corporate Governance and Nomination Committee is chaired by Sally Savoia and includes Robert Gross, Allan Davis and Violet (Vi) A.M. Konkle. The Audit Committee is chaired by David Brown and includes Allan Davis, John Hartmann and William Onuwa. The Executive Compensation Committee is chaired by Violet (Vi) A.M. Konkle and includes David Brown, Robert Gross and Sally Savoia.

David Brown is currently Executive Vice President of Richardson Financial Group Limited and Managing Director of RBM Capital Limited. Previously, he was President and CEO of Richardson Capital Limited, Corporate Secretary of James Richardson & Sons, Limited, and a partner in the independent law and accounting firm of Gray & Brown. In addition to serving on the Board of Directors of BGSI, he also serves as a Director of RF Capital Group Inc., Richardson Financial Group and Pollard Banknote Limited. He graduated from the University of Manitoba law school, and is a Chartered Professional Accountant.

Brock Bulbuck is the Executive Chair of BGSI. Since joining Boyd in 1993, he has played a leading role in the development and growth of the business, including serving as CEO from 2010 to 2019. He is a Chartered Professional Accountant. In addition to serving on the Board of Directors of BGSI, he also serves as a Director on the Board of The North West Company and as a Director of Pan Am Clinic Foundation. He is also a former Chair of the Board of The Winnipeg Football Club and a former Governor of the Canadian Football League.

Allan Davis is the Independent Chair of BGSI's Board of Directors. He is also President and Director of AFD Investments Inc., a Winnipeg based management consulting firm specializing in corporate finance, mergers and acquisitions, and strategic development. Mr. Davis is a past Director, Audit Committee member and Compensation Committee member of Exchange Income Corporation (a TSX listed public company). Mr. Davis is a Chartered Professional Accountant and holds a Bachelor of Commerce (Honours) degree from the University of Manitoba

Robert Gross is the past Executive Chair of Monro, Inc., the largest chain of company-operated automotive undercar repair and tire service facilities in the United States. He served as CEO of Monro from 1999 until October 2012 and as Executive Chair from October 2012 to August 2017. Prior to his time at Monro, he served as Chair and CEO at Tops Appliance City, Inc. and before that as President and COO at Eye Care Centers of America, Inc., a Sears, Roebuck & Co. company. In addition to serving on the Board of Directors of BGSI, Mr. Gross is also a member of the Core-Mark Holding Company, Inc. Board of Directors.

John Hartmann is currently the COO of Bed Bath & Beyond and President of buybuyBaby. Prior to recently joining Bed Bath & Beyond in 2020, he held the position of President & Chief Executive Officer at True Value Company, a privately owned U.S. hardware wholesaler for seven years. Mr. Hartmann also led New Zealand-based cooperative Mitre 10 as Chief Executive Officer from 2010 to 2013. Mr. Hartmann recently served on the Audit Committee of AmeriGas, prior to UGI's acquisition.

Violet (Vi) A.M. Konkle is the past President and Chief Executive Officer of The Brick Ltd. Prior to joining The Brick in 2010 as President, Business Support, she held a number of positions with Walmart Canada, including Chief Operating Officer and Chief Customer Officer. Ms. Konkle also held a number of senior executive positions with Loblaw Companies Ltd., including Executive Vice President, Atlantic Wholesale Division. Ms. Konkle is a director of The North West Company Inc. and GFL Environmental, as well as three privately held companies including Bailey Metal Products, Elswood Investment Corporation and Abarta. Ms. Konkle previously served on the Advisory Board of Longo's Brothers Fruit Markets Inc., a privately held company. She is a past director of Dare Foods, The

Brick Ltd., Trans Global Insurance, the Canadian Chamber of Commerce and the National Board of Habitat for Humanity.

Timothy O'Day is the President and CEO of BGSI. He joined Gerber Collision & Glass in February 1998. With Boyd Group's acquisition of Gerber in 2004, he was appointed COO for Boyd's U.S Operations. In 2008, he was appointed President and COO for U.S. Operations. On January 2, 2020, he was appointed President and CEO of BGSI. Earlier in his career, he was with Midas International, where he was elevated to Vice President–Western Division, responsible for a territory that encompassed 500 Midas locations. Mr. O'Day also serves on the I-Car Board as Immediate Past Chair and served on the Board of the Collision Repair Education Foundation until March 2016 for a period of six years.

William Onuwa is currently EVP and Chief Audit Executive at Royal Bank of Canada ("RBC"). Prior to this role, he was the SVP & Chief Risk Officer for Wealth Management, RBC Georgia and the Insurance Group. He held a number of executive positions for GE Capital Corporation in both the U.S. and the U.K. before joining RBC in 2007. He holds a Doctorate degree from the University of Surrey, U.K. Mr. Onuwa was recently the Chair of two not-for-profit boards, Yonge Street Mission and Holland Bloorview Kids Rehabilitation Hospital, and had also served on the subsidiary boards of various RBC insurance companies as a director from 2007 to 2016.

Sally Savoia is a former Vice President and Chief Human Resource Officer for Praxair Inc. Subsequent to her retirement in 2014, and until 2020, Ms. Savoia served as an independent corporate consultant. Ms. Savoia's human resources experience includes diversity and inclusion efforts, executive compensation design and implementation, executive level succession planning, global talent management, leadership development, and global benefits design.

CORPORATE DIRECTORY

COMPANY OFFICERS & PRIMARY SUBSIDIARY COMPANY OFFICERS

Timothy O'Day
President & Chief Executive Officer

Brock Bulbuck
Executive Chair

Narendra (Pat) Pathipati
Executive Vice President,
Chief Financial Officer &
Secretary-Treasurer

Jeff Murray
Vice President,
Finance

Gary Bunce *
Senior Vice President,
Sales
US Operations

Kevin Burnett *
Chief Operating Officer,
U.S. Collision

Eddie Cheskis *
Chief Executive Officer,
Glass America and Gerber National
Claim Services

Vince Claudio *
Senior Vice President,
U.S. Collision

Eric Olhava*
Senior Vice President,
U.S. Collision

Srikanth Venkataraman*
Vice President,
Information Services

Susie Frausto*
Vice President,
Marketing

Kim Morin *
Vice President & Chief Human
Resources Officer

Peter Toni
Assistant Secretary

Tony Canade*
Chief Operating Officer, Canadian
Operations

Jason Hope *
Vice President, Corporate
Development and Strategic
Projects

**Officers of subsidiary companies only*

CORPORATE OFFICE

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For location information, please visit us at ***www.boydgroup.com***

SHAREHOLDER INFORMATION

BOYD GROUP SERVICES INC. SHARES AND EXCHANGE LISTING

Shares of BGSI are listed on the Toronto Stock Exchange under the symbol BYD.

Registrar, Transfer Agents and Distribution Agents	**Legal Counsel**	**Auditors**
Computershare Trust Company 8th Floor, 100 University Avenue Toronto, Ontario M5J 2Y1	Thompson Dorfman Sweatman LLP 1700-242 Hargrave Street Winnipeg, Manitoba R3C 0V1	Deloitte LLP 2200 – 360 Main Street Winnipeg, Manitoba R3C 3Z3
Bank Syndicate Lead Member	**Additional Bank Syndicate Members**	
Toronto-Dominion Bank TD North Tower 77 King Street West, 25th Floor Toronto, Ontario M5K 1A2	Bank of America N.A. The Bank of Nova Scotia National Bank of Canada	

Annual General and Special Meeting
www.virtualshareholdermeeting.com/BOYD2021
Wednesday, May 12, 2021
1:00 p.m. (CT)