BOYD GROUP SERVICES INC.

(formerly reporting as Boyd Group Income Fund)

INTERIM REPORT TO SHAREHOLDERS
Three Months Ended March 31, 2020

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

REPORT TO SHAREHOLDERS

To our Shareholders,

During the last two to three weeks of the first quarter, the COVID-19 pandemic brought significant disruption to the worldwide economy. During the final weeks of the first quarter, the COVID-19 pandemic significantly impacted sales as demand for services decreased in the range of 40% to 50% of normal levels. To address this decline in sales, at the end of the first quarter, Boyd implemented various initiatives. These initiatives included staffing reductions, salary and other compensation adjustments, lease payment deferrals, reductions to other variable expenses, restrictions on capital expenditures, and pausing on closing and funding of acquisitions, that are resulting in operating expense reductions and preservation of cash in the immediate term, with additional flexibility to drop even lower as future market conditions require. Boyd also focused on enhancing liquidity to sustain the business through this pandemic and to prepare for the opportunities that lie ahead. Out of an abundance of caution, Boyd fully drew down on the recently expanded credit facilities available, other than under the swing line credit facilities and the accordion feature, providing significant available cash of approximately $576 million at the end of the first quarter. Subsequent to the end of the first quarter, Boyd has amended certain financial covenants under the credit facility to provide additional covenant headroom, and announced the issuance on a “bought-deal” basis, of 1,265,000 common shares at a price of $183.00 per share for gross proceeds of approximately $231.5 million, including the over-allotment option which was exercised on May 11, 2020. These actions, combined with the Company’s flexible financial model and strong liquidity, provide the Boyd Group the ability to move through this unprecedented period with resilience.

In the first quarter of 2020, BGSI recorded revenue of $628.4 million and Adjusted EBITDA[1] of $81.4 million. Growth to the end of the first quarter of 2020 brought BGSI to within 97% of achieving its 2015 five-year growth goal of doubling the size of the business based on trailing twelve-month revenues, on a constant currency basis. However, annualizing the most recent quarter, Boyd has effectively achieved this long-term growth goal.

During the first quarter of 2020, we added 19 locations. Although Boyd’s strategy continues to be one that includes growth, there will be a short-term pause in Boyd’s further growth until the impacts of COVID-19 have passed and we can safely resume execution of our growth strategy.

Total sales in the first quarter of 2020 were $628.4 million, a 12.6% increase over the $557.9 million achieved in the same period of 2019. The increase in sales was largely the result of contributions from new locations, offset by same-store sales decreases of 1.5%, or 3.1% on a days adjusted basis, recognizing one additional selling and production day in both Canada and the U.S. in the first quarter of 2020. The decrease in same-store sales percentage was negatively impacted by approximately 4 percentage points or $21 million due to the business slow down caused by the COVID-19 pandemic.

Adjusted EBITDA grew to $81.4 million, or 13.0% of sales, compared with $78.3 million, or 14.0% of sales in the same period of 2019. Contributions from new locations contributed to the 4.0% increase, partially offset by same-store sales decreases. Adjusted EBITDA was negatively impacted by approximately $8 million due to the business slow down caused by the COVID-19 pandemic. As previously stated, we are no longer adjusting out the impact of IFRS 16 in calculating Adjusted EBITDA.

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 March 31, 2020, which can be accessed via the SEDAR Web site (www.sedar.com).

BGSI had net earnings of $22.7 million in the first quarter of 2020, compared to $21.4 million in the same period of 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[1] for the first quarter of 2020 was $20.2 million or 3.2% of sales. This compares to Adjusted net earnings[1] of $28.1 million or 5.0% of sales in the same period of 2019. Adjusted net earnings was impacted by negative same-store sales growth and resulting negative leverage on the fixed component of operating expenses, along with increased finance costs based on additional borrowing under the credit facility, as well as increased depreciation and amortization as a result of acquisition activity of prior periods. Adjusted net earnings for the period were negatively impacted by approximately $6 million due to the business slow down caused by the COVID-19 pandemic. Adjusted net earnings[1] for the three months ended March 31, 2020 was $1.00 per unit, compared to $1.42 in the same period of 2019.

With respect to the balance sheet, at March 31, 2020, BGSI held total debt, net of cash, of $949.9 million, compared to $893.2 million at December 31, 2019. Total debt, net of cash, included lease liabilities of $550.5 million at March 31, 2020 and $513.4 million at December 31, 2019. Total debt was impacted in the first quarter of 2020 by draws on the revolving credit facility. As previously noted, Boyd has fully drawn on the credit facilities available, other than under the swing line credit facilities and the accordion feature.

We continue to adjust and adapt to ongoing changes as a result of the COVID-19 pandemic. Rapidly flexing Boyd's operating expenses and effectively managing working capital, capital and growth investments has enabled us to navigate this challenging environment, while preserving our ability to scale our business lower if necessary, and higher as our demand increases. Our pending capital raise, combined with our scalable reopening plan, will allow us to quickly bring back our valued team members and to take advantage of other market opportunities as they present themselves. Boyd team members have demonstrated exceptional perseverance and entrepreneurial spirit to adapt our operational excellence strategy by developing and executing revised operating procedures that provide a safe and healthful work environment while maximizing the business opportunities that exist. We are incredibly proud of the commitment our team has made to adapt to this challenging environment.

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

Sincerely,

(signed)

Tim O'Day
President & Chief Executive Officer

Management's Discussion & Analysis

OVERVIEW

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

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

Boyd Autobody & Glass	49 locations	Gerber Collision & Glass	566 locations		
British Columbia	16	Michigan	67	Oregon	12
Manitoba	15	Illinois	64	Tennessee	11
Alberta	14	Florida	62	Maryland	10
Saskatchewan	4	New York	38	California	9
		Washington	37	Alabama	7
		Indiana	36	Nevada	7
Assured	**83 locations**	Georgia	30	Pennsylvania	7
		North Carolina	28	Missouri	5
		Ohio	28	Oklahoma	5
Ontario	83	Arizona	24	Utah	4
		Colorado	20	Kentucky	4
		Wisconsin	18	South Carolina	4
		Texas	14	Idaho	1
		Louisiana	13	Kansas	1

The above numbers include 34 intake locations.

The above numbers include 19 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. In Canada, government-owned insurers operating in Manitoba, Saskatchewan and British Columbia dominate the insurance-paid collision repair markets in which they operate. In the U.S. and Canadian markets other than Manitoba and Saskatchewan, private insurance carriers compete for consumer policyholders, and in many cases significantly influence the choice of collision repairer through Direct Repair Programs ("DRP's").

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

Prior to January 1, 2020, BGSI operated as Boyd Group Income Fund (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 period ended March 31, 2020, including material transactions and events of BGSI up to and including May 12, 2020, should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2020, as well as the annual audited consolidated financial statements, management discussion & analysis ("MD&A") and annual information form ("AIF") of Boyd Group Services Inc. (formerly reporting as Boyd Group Income Fund), 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 $550.0 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 a bought deal public offering, where it will issue to an underwriting syndicate, approximately 1,100,000 common shares at a price of $183.00 per share. On May 11, 2020, the over-allotment option was exercised, and the underwriters committed to purchase an additional 165,000 shares at a price of $183.00 per share, resulting in total gross proceeds of approximately $231.5 million. The offering is expected to close May 14, 2020, 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.

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 include 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 is required to meet a minimum liquidity covenant, which, given the Company's cash position and undrawn facilities, is not expected to be burdensome.

BGSI added 19 new collision locations since January 1, 2020 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 Ventured Ltd.

OUTLOOK

Boyd has taken proactive steps to adapt to the current economic environment, and to maintain a strong financial position. Boyd has been able to adjust to manage through the challenging situation that has arisen as a result of the COVID-19 pandemic, while preparing to ramp back up as demand for collision repair services begins to rise and growth opportunities emerge.

Just prior to the end of the first quarter, the impacts of COVID-19 began to significantly impact Boyd's business, with reductions in demand in the range of 40% to 50% from normal levels. However, in April sales were down slightly less than 40% as the Company drew down on the available work-in-process, and thus far in May the Company is seeing new demand at similar levels of sales, down slightly less than 40%. To address this decline in sales, at the end of the first quarter, Boyd implemented various initiatives. These initiatives included staffing reductions, salary and other compensation adjustments, lease payment deferrals, reductions to other variable expenses, restrictions on capital expenditures, and pausing on closing and funding of acquisitions, that are resulting in operating expense reductions and preservation of cash in the immediate term, with additional flexibility to drop even lower as future market conditions require. These operating actions, combined with the Company's flexible financial model and strong liquidity, provide the Company with the ability to move through this unprecedented period with resilience. Notwithstanding the actions taken by Boyd, with significant fixed costs and personnel costs, the current level of sales will make it challenging for the Company to consistently achieve more than modest levels of Adjusted EBITDA in a given period.

While long-term, the Company will continue to pursue accretive growth through a combination of organic growth (same-store sales growth) as well as acquisitions and new store development, Boyd has taken a near-term pause on closing and funding acquisitions. After the pause, acquisitions will resume and will continue to include both single location acquisitions as well as multi-location acquisitions. The Company continues to evaluate strategic investments as they become available. Growth to the end of the first quarter of 2020 brought BGSI to within 97% of achieving its 2015 five-year growth goal of doubling the size of the business based on trailing twelve-month revenues, on a constant currency basis. However, annualizing the most recent quarter, Boyd has effectively achieved this long-term growth goal.

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 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 statement of financial position and financing options, positions Boyd well for success into the future.

BUSINESS ENVIRONMENT & STRATEGY

As at May 12, 2020, the business environment of the Company and strategies adopted by management remain unchanged from those described in BGSI's 2019 annual MD&A, except for the disruption caused by the COVID-19 pandemic as further described under the heading of "Business Risks and Uncertainties".

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

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

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

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
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	BGSI is dependent upon the operating results of the Company 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
Subject to adjustments that may be necessary due to the COVID-19 pandemic, for 2020, 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 may invest $5 million in LED lighting which is expected to achieve accretive returns on invested capital. Additionally, the Company may expand its Wow Operating Way practices to corporate business processes. The related technology and process efficiency project would result in a total $9-10 million investment and would also be expected to generate economic returns after the project is fully implemented as well as streamline various processes.	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

In previous periods, Boyd provided forward-looking information surrounding the Company's objective of generating growth sufficient to double the size of the business over the five-year period ending in 2020 based on revenues on a constant currency basis. Growth to the end of the first quarter of 2020 brought BGSI to within 97% of achieving this long-term goal. However, during the last two to three weeks of the first quarter, the COVID-19 pandemic brought significant disruption to the worldwide economy. Notwithstanding this significant disruption, annualizing the most recent quarter, Boyd has effectively achieved this long-term growth goal; therefore, this forward-looking information has been withdrawn. While long-term, the Company will continue to pursue accretive growth through a combination of organic growth (same-store sales growth) as well as acquisitions and new store development, Boyd has taken a near-term pause on closing and funding acquisitions.

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

NON-GAAP FINANCIAL MEASURES

EBITDA AND ADJUSTED EBITDA

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

CPA Canada's Canadian Performance Reporting Board defined Standardized EBITDA to foster comparability of the measure between entities. Standardized EBITDA represents an indication of an entity's capacity to generate income from operations before taking into account management's financing decisions and costs of consuming tangible and intangible capital assets, which vary according to their vintage, technological age and management's estimate of their useful life. Accordingly, Standardized EBITDA comprises sales less operating expenses before finance costs, capital asset amortization and impairment charges, and income taxes. Adjusted EBITDA is calculated to exclude items of an unusual nature that do not reflect normal or ongoing operations of BGSI and which should not be considered in a valuation metric or should not be included in assessment of 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 put option and call liability. Subsequent to January 1, 2020, included in this category of adjustments are the fair value adjustments to the non-controlling interest 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. 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)	**For the three months ended March 31, 2020**	For the three months ended March 31, 2019
Net earnings	**$ 22,655**	$ 21,389
Add:		
Finance costs	**11,198**	7,929
Income tax expense	**7,187**	7,035
Depreciation of property, plant and equipment	**11,555**	9,075
Depreciation of right of use assets	**24,990**	21,004
Amortization of intangible assets	**6,106**	4,818
Standardized EBITDA	**$ 83,691**	$ 71,250
Add (less):		
Fair value adjustments	**(3,060)**	5,813
Acquisition and transaction costs	**786**	1,259
Adjusted EBITDA	**81,417**	78,322

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 share/unit and per share/unit amounts)	**For the three months ended March 31, 2020**	For the three months ended March 31, 2019
Net earnings	**$ 22,655**	$ 21,389
Add (less):		
Fair value adjustments (non-taxable)	**(3,060)**	5,813
Acquisition and transaction costs (net of tax)	**582**	932
Adjusted net earnings	**$ 20,177**	$ 28,134
Weighted average number of shares/units	**20,207,194**	19,839,203
Adjusted net earnings per share/unit	**$ 1.00**	$ 1.42

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 are considered to be eligible dividends for Canadian income tax purposes.

For the three months ended March 31, 2020, BGSI has declared a quarterly dividend to shareholders of record on March 31, 2020. The dividend was paid on April 28, 2020. Dividends paid to shareholders of BGSI are 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
		$ 0.1380	$ 2,788

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 amounts)		**Distribution per Unit /**	**Distribution**	**Dividend**
Record date	**Payment date**	**Dividend per Share**	**amount**	**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
		$ 0.1350	$ 2,677	$ 29

RESULTS OF OPERATIONS

Results of operations, including sales, profitability and cash flows for the first quarter of 2020 were negatively impacted by the business slow down caused by the COVID-19 pandemic that began in mid-March of 2020.

Results of Operations			
	For the three months ended March 31,		
(thousands of Canadian dollars, except per unit amounts)	**2020**	% change	2019
Sales - Total	**628,350**	12.6	557,897
Same-store sales - Total (excluding foreign exchange)	**538,324**	(1.5)	546,416
Gross margin %	**44.8**	(1.1)	45.3
Operating expense %	**31.8**	1.6	31.3
Adjusted EBITDA [(1)]	**81,417**	4.0	78,322
Acquisition and transaction costs	**786**	(37.6)	1,259
Depreciation and amortization	**42,651**	22.2	34,897
Fair value adjustments	**(3,060)**	(152.6)	5,813
Finance costs	**11,198**	41.2	7,929
Income tax expense	**7,187**	2.2	7,035
Adjusted net earnings [(1)]	**20,177**	(28.3)	28,134
Adjusted net earnings per share/unit [(1)]	**1.00**	(29.6)	1.42
Net earnings	**22,655**	5.9	21,389
Basic earnings per share/unit	**1.12**	3.7	1.08
Diluted earnings per share/unit	**0.95**	0.0	0.95

(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.

Sales

Sales totaled $628.4 million for the three months ended March 31, 2020, an increase of $70.5 million or 12.6% when compared to the same period of 2019. The increase in sales was the result of the following:

- $75.4 million of incremental sales were generated from 119 new locations that were not in operation for the full comparative period.
- Same-store sales excluding foreign exchange decreased $8.1 million or 1.5% and increased $4.9 million due to the translation of same-store sales at a higher U.S. dollar exchange rate. Same-store sales excluding foreign exchange decreased 3.1% on a days adjusted basis, recognizing an additional selling and production day in the U.S. and Canada in 2020 compared to the same period of 2019. The decrease in same-store sales percentage was negatively impacted by approximately 4 percentage points or $21 million due to the business slow down caused by the COVID-19 pandemic that began in mid-March of 2020.
- Sales were affected by the closure of under-performing facilities which decreased sales by $1.7 million.

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

Gross Profit

Gross Profit was $281.4 million or 44.8% of sales for the three months ended March 31, 2020 compared to $253.0 million or 45.3% of sales for the same period in 2019. Gross profit increased primarily as a result of higher sales due to acquisition growth compared to the prior period. The gross margin percentage is impacted by fluctuations in DRP pricing as well as lower parts and labor margins, partially offset by the favorable mix of parts sales in relation to labor. Certain DRP performance pricing arrangements have changed in a way that is resulting in slightly greater pricing variability. The gross margin percentage is within normal ranges for mix and margin changes period to period.

Operating Expenses

Operating Expenses for the three months ended March 31, 2020 increased $25.3 million to $200.0 million from $174.7 million for the same period of 2019, primarily due to the acquisition of new locations. Excluding the impact of foreign currency translation which increased operating expenses by approximately $1.8 million, expenses increased $23.5 million from 2019. Closed locations lowered operating expenses by $0.3 million.

Operating expenses as a percentage of sales were 31.8% for the three months ended March 31, 2020, which compared to 31.3% for the same period in 2019. The increase as a percentage of sales was primarily due to the impact of negative same-store sales levels on the fixed component of operating expenses.

Acquisition and Transaction Costs

Acquisition and Transaction Costs for the three months ended March 31, 2020 were $0.8 million compared to $1.3 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.

Adjusted EBITDA

Earnings before interest, income taxes, depreciation and amortization, adjusted for the non-controlling interest 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")[1] for the three months ended March 31, 2020 totaled $81.4 million or 13.0% of sales compared to Adjusted EBITDA of $78.3 million or 14.0% of sales in the same period of the prior year. The $3.1 million increase was primarily the result of incremental EBITDA contribution from new location growth, as well as changes in U.S. dollar exchange rates in 2020, which increased Adjusted EBITDA by $0.9 million. Adjusted EBITDA was negatively impacted by approximately $8 million due to the business slow down caused by the COVID-19 pandemic.

Depreciation and Amortization

Depreciation related to property, plant and equipment totaled $11.6 million or 1.8% of sales for the three months ended March 31, 2020, an increase of $2.5 million when compared to the $9.1 million or 1.6% of sales recorded in the same period of the prior year. The increase in depreciation expense was primarily due to acquisition growth as well as investments in capital equipment.

Depreciation related to right of use assets totaled $25.0 million, or 4.0% of sales for the three months ended March 31, 2020, as compared to $21.0 million or 3.8% of sales for the same period of the prior year.

Amortization of intangible assets for the three months ended March 31, 2020 totaled $6.1 million or 1.0% of sales, an increase of $1.3 million when compared to the $4.8 million or 0.9% 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.

Fair Value Adjustments

Fair Value Adjustment to Non-controlling Interest Put Option resulted in a non-cash recovery of $3.5 million for the first three months of 2020 compared to a non-cash recovery of $2.5 million in the same period of the prior year. The non-controlling interest call liability transaction was completed on January 31, 2019, with no fair value adjustment recorded during the period ended March 31, 2019. The non-controlling interest put option has been calculated based on the Gerber Glass LLC Company Agreement. Revisions to the EBITDA amount on which the calculation is based resulted in a decrease in the put option liability and a corresponding non-cash recovery in 2020.

Fair Value Adjustment to Contingent Consideration resulted in a non-cash expense of $0.5 million for the first three months of 2020 compared to a non-cash recovery of $0.2 million 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.

Finance Costs

Finance Costs of $11.2 million or 1.8% of sales for the three months ended March 31, 2020 increased from $7.9 million or 1.4% 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. 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.

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

Income Taxes

Current and Deferred Income Tax Expense of $7.2 million for the three months ended March 31, 2020 compared to an expense of $7.0 million for the same period of the prior year. Income tax expense continues to be impacted by permanent differences such as mark-to-market adjustments which impact the tax computed on accounting income. During the first quarter of 2019, a permanent difference on the completion of the call option transaction reduced income tax expense. During the first quarter of 2020, based on the CARES act, a bonus depreciation tax benefit of approximately $9.9 million U.S. has been recorded as income tax receivable, which has resulted in an increase to the deferred income tax liability as well as a reclassification between current and deferred income tax expense.

Net Earnings and Earnings Per Share/Unit

Net Earnings for the three months ended March 31, 2020 was $22.7 million or 3.6% of sales compared to $21.4 million or 3.8% 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 $3.0 million, which were primarily due to the decrease in the EBITDA amount on which the calculation of the put option liability is based, and acquisition and transaction costs of $0.6 million (net of tax). After adjusting for fair value and other unusual items, Adjusted net earnings[1] for the first three months of 2020 was $20.2 million, or 3.2% of sales. This compares to Adjusted net earnings of $28.1 million or 5.0% of sales in the same period of 2019. The decrease in the Adjusted net earnings for the period is the result of negative same-store sales growth and resulting negative leverage on the fixed component of operating expenses, along with increased finance and depreciation and amortization costs. Adjusted net earnings for the period were negatively impacted by approximately $6 million due to the business slow down caused by the COVID-19 pandemic.

Basic Earnings Per Share was $1.12 per share for the three months ended March 31, 2020 compared to basic earnings per unit of $1.08 for the first three months of 2019. The increase in basic earnings per share is primarily attributed to the impact of fair value adjustments on both periods. Diluted earnings per share was $0.95 for the three months ended March 31, 2020 compared to diluted earnings per unit of $0.95 for the first three months of 2019. Adjusted net earnings per share[1] was $1.00 compared to adjusted net earnings per unit of $1.42 for the first three months of 2019. The decrease in adjusted net earnings per share is primarily attributed to the impact of negative same-store sales growth and resulting negative leverage on the fixed component of operating expenses, along with increased finance and depreciation and amortization costs. Adjusted net earnings per share were negatively impacted by approximately $0.30 per share due to the business slow down caused by the COVID-19 pandemic.

Summary of Quarterly Results *(in thousands of Canadian dollars, except per share/unit amounts)*	**2020 Q1**	2019 Q4	2019 Q3	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2
Sales	**$ 628,350**	$ 585,966	$ 566,957	$ 572,505	$ 557,897	$ 495,131	$ 459,564	$ 456,627
Adjusted EBITDA, pre IFRS 16, *Leases* basis (1)	**N/A**	$ 56,430	$ 50,656	$ 54,335	$ 54,175	$ 47,563	$ 41,203	$ 42,494
Adjusted EBITDA (1)	**$ 81,417**	$ 84,053	$ 77,398	$ 80,099	$ 78,322	N/A	N/A	N/A
Net earnings	**$ 22,655**	$ 14,253	$ 14,766	$ 13,739	$ 21,389	$ 29,904	$ 16,571	$ 12,828
Basic earnings per share/unit	**$ 1.12**	$ 0.72	$ 0.74	$ 0.69	$ 1.08	$ 1.52	$ 0.84	$ 0.65
Diluted earnings per share/unit	**$ 0.95**	$ 0.72	$ 0.74	$ 0.63	$ 0.95	$ 1.19	$ 0.75	$ 0.65
Adjusted net earnings (1)	**$ 20,177**	$ 23,786	$ 20,651	$ 23,497	$ 28,134	$ 23,174	$ 20,403	$ 21,141
Adjusted net earnings per share/unit (1)	**$ 1.00**	$ 1.20	$ 1.04	$ 1.18	$ 1.42	$ 1.17	$ 1.04	$ 1.07

(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.

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

LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations, together with cash on hand and unutilized credit available on existing credit facilities are expected to be sufficient to meet operating requirements, capital expenditures and dividends. At March 31, 2020, BGSI had cash, net of outstanding deposits and cheques, held on deposit in bank accounts totaling $576.5 million (December 31, 2019 - $35.5 million). A significant increase in the cash balance as at March 31, 2020 is the result of draws on the revolving credit facility made out of an abundance of caution during the uncertainty created by the COVID-19 pandemic, to better position the Company to withstand the uncertain impact of the economic downturn. The net working capital ratio (current assets divided by current liabilities) was 1.81:1 at March 31, 2020 (December 31, 2019 – 0.57:1).

At March 31, 2020, BGSI had total debt outstanding, net of cash, of $949.9 million compared to $893.2 million at December 31, 2019, $895.0 million at September 30, 2019, $804.3 million at June 30, 2019 and $809.6 million at March 31, 2019. Debt, net of cash, increased when compared to December 31, 2019 as a result of draws on the revolving credit facility and seller notes used to fund acquisitions.

Total debt, net of cash *(thousands of Canadian dollars)*	**March 31, 2020**	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Revolving credit facility (net of financing costs)	**$ 713,656**	$ 339,185	$ 343,176	$ 288,928	$ 296,218
Term Loan A (net of financing costs)	**176,789**	-	-	-	-
Seller notes [(1)]	**85,426**	76,084	75,174	70,185	70,450
Total debt before lease liabilities	**$ 975,871**	$ 415,269	$ 418,350	$ 359,113	$ 366,668
Cash	**576,493**	35,468	41,068	46,296	52,192
Total debt, net of cash before lease liabilities	**$ 399,378**	$ 379,801	$ 377,282	$ 312,817	$ 314,476
Lease liabilities	**550,501**	513,373	517,735	491,523	495,126
Total debt, net of cash	**$ 949,879**	$ 893,174	$ 895,017	$ 804,340	$ 809,602

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

Operating Activities

Cash flow generated from operations, before considering working capital changes, was $91.2 million for the three months ended March 31, 2020 compared to $71.4 million in the same period of 2019. During the first quarter of 2020, based on the CARES act, a bonus depreciation tax benefit of approximately $9.9 million U.S. has been recorded as income tax receivable, which has resulted in an increase to deferred income tax expense.

In the first quarter of 2020, changes in working capital items provided net cash of $1.0 million compared with using net cash of $5.1 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. Working capital in the first quarter of 2020 was impacted by the additional income tax receivable recorded based on the CARES act.

Financing Activities

Cash provided by financing activities totaled $482.0 million for the three months ended March 31, 2020 compared to cash provided by financing activities of $27.2 million during the same period of the prior year. During 2020, cash was provided by draws of the revolving credit facility and term loan 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 $170.2 million and cash used to fund interest costs on long-term debt of $5.4 million. Cash used by financing activities included $24.0 million in repayments of lease liabilities and cash used to fund interest costs on lease liabilities of $5.9 million. Cash was also used to pay dividends and distributions of $0.9 million. In the first quarter of 2020, the Company completed the corporate conversion, resulting in the payment of $1.2 million in issue costs, and also amended the revolving credit facility, resulting in the payment of $1.8 million of financing costs. During the first quarter of 2019, cash was provided by draws of the revolving credit facility in the amount of $80.2 million, offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $9.3 million and cash used to fund interest costs on long-term debt of $2.6 million. Cash used by financing activities included $19.9 million used to repay lease liabilities and cash used to fund interest costs on lease liabilities of $5.3 million. Cash was also used to pay distributions to unitholders and dividends to Class A common shareholders totaling $2.7 million. In the first quarter of 2019, the Company completed the 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 March 31, 2020, the Company has drawn $370.0 million U.S. (December 31, 2019 - $158.3 million U.S.) and $190.0 million 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. Subsequent to the end of the first quarter of 2020, the Company has amended certain financial covenants under the revolving credit facility to provide additional covenant headroom, further enhancing the Company’s financial flexibility. While the Company has not breached any covenants to date, nor is it forecasting any breach for the second quarter based on current sales levels, this amendment is intended to prevent the effects of the COVID-19 pandemic from distorting the covenant calculations and distracting the Company or its lenders from the prudent management of the business over the quarters ahead. The amendments include 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. 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 will be 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 is required to meet a minimum liquidity covenant of $150 million U.S., which, given the Company’s cash position and undrawn facilities, is not expected to be 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 first quarter of 2020, BGSI entered into 2 new seller notes for an aggregate amount of $6.9 million. The Company repaid seller notes in the first quarter of 2020 totaling approximately $4.6 million (2019 - $4.3 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 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.

Subsequent to the end of the first quarter, BGSI announced the issuance on a "bought-deal" basis, of 1,100,000 common shares at a price of $183.00 per share. On May 11, 2020, the over-allotment option was exercised, and the underwriters committed to purchase an additional 165,000 shares at a price of $183.00 per share, resulting in total gross proceeds of approximately $231.5 million. The offering is expected to close May 14, 2020, 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 $43.5 million for the three months ended March 31, 2020, compared to $104.7 million used in the prior year. The investing activity in both periods related primarily to new location growth that occurred during these periods.

Acquisitions and Development of Businesses

Since the beginning of 2020, the Company has added 19 collision locations 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 Ventured Ltd.

The Company completed the acquisition or start-up of 51 locations from the beginning of the first quarter of 2019 until the first quarter reporting date of May 14, 2019.

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 and those funded through leases, the Company spent approximately $9.6 million or 1.5% of sales on capital expenditures during the first quarter of 2020, compared to $7.6 million or 1.4% of sales during the same period of 2019.

Subject to adjustments that may be necessary to preserve financial flexibility due to the COVID-19 pandemic, for 2020, the Company planned 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 normal capital expenditures, the Company planned to invest $5 million in LED lighting in order to reduce energy consumption and enhance the shop work environment. This investment would not only provide environmental and social benefits but also achieve accretive returns on invested capital. Additionally, the Company planned to expand its Wow Operating Way practices to corporate business processes. The related technology and process efficiency project would result in a total $9-10 million investment and would also be expected to streamline various processes as well as generate economic returns after the project is fully implemented. The Company has temporarily paused on these planned investments as well as non-essential capital expenditures until there is greater clarity on the impact of COVID-19. As the impacts of the COVID-19 pandemic become clearer and the impact on the Company begins to stabilize, the temporary pause will be reevaluated.

LEGAL PROCEEDINGS

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

RELATED PARTY TRANSACTIONS

Boyd has not entered into any new related party transactions beyond the items disclosed in the 2019 annual report.

CRITICAL ACCOUNTING ESTIMATES

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

The critical accounting estimates are substantially unchanged from those identified in the 2019 annual MD&A.

INTERNAL CONTROL OVER FINANCIAL REPORTING

BGSI's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the first 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

Risks and uncertainties affecting the business remain substantially unchanged from those identified in the 2019 annual MD&A, except as follows:

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 recent COVID-19 pandemic. This disruption has resulted in, and continues to result in decreased demand for the services the Company provides. The recent 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 and 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.

Acquisition Risk

In the long-term, the Company plans to continue to increase revenues and earnings through the acquisition of collision repair facilities and other businesses. However, the recent COVID-19 pandemic has resulted in a short term pause on funding and closing acquisition activity. 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.

Employee Relations and Staffing

Boyd, at its fiscal year end 2019, employed approximately 9,922 people, of which 1,513 were in Canada and 8,409 were in the U.S. The current work force is not unionized, except for approximately 31 employees located in the U.S. who are subject to collective bargaining agreements. Due to the decrease in demand associated with the COVID-19 pandemic, workforce layoffs have recently occurred. There is a risk that the Company will not be able to bring back all employees that have been laid off when demand returns to pre-COVID-19 pandemic levels.

The recent COVID-19 pandemic has disrupted staffing and could impact the volume and pace at which collision repair shops can fix damaged vehicles. Such disruption has resulted in the temporary conversion of collision repair locations to intake locations, and could result in temporary closure of collision repair facilities. The recent COVID-19 pandemic has resulted in a widespread health crisis that has adversely affected the financial performance of the Company in the short-term.

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, auto insurance premiums, photo radar and graduated licensing. 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 recent 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.

ADDITIONAL INFORMATION

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

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

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

1. ***Review:*** I have reviewed the interim financial report and MD&A (together, the "interim filings") of **Boyd Group Services Inc.** (the "issuer") for the interim period ended **March 31, 2020**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, for the issuer.
5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the financial year end

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control – Integrated Framework (COSO 2013 Framework), published by The Committee of Sponsoring Organizations of the Treadway Commission.

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2020 and ended on March 31, 2020 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 13, 2020

(signed)

Tim O'Day
President & Chief Executive Officer

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

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

1. ***Review:*** I have reviewed the interim financial report and MD&A (together, the “interim filings”) of **Boyd Group Services Inc.** (the “issuer”) for the interim period ended **March 31, 2020**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. ***Responsibility:*** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings, for the issuer.
5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the financial year end

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.

5.1 ***Control framework:*** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is the Internal Control – Integrated Framework (COSO 2013 Framework), published by The Committee of Sponsoring Organizations of the Treadway Commission.

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer’s ICFR that occurred during the period beginning on January 1, 2020 and ended on March 31, 2020 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Date: May 13, 2020

(signed)

Narendra Pathipati
Executive Vice President & Chief Financial Officer

BOYD GROUP SERVICES INC.

(formerly reporting as Boyd Group Income Fund)

Interim Condensed Consolidated Financial Statements

Three Months Ended March 31, 2020

BOYD GROUP SERVICES INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)
(thousands of Canadian dollars)

	Note		March 31, 2020		December 31, 2019
Assets					
Current assets:					
Cash		**$**	**576,493**	$	35,468
Accounts receivable			**105,817**		112,748
Income taxes recoverable			**12,213**		1,267
Inventory			**40,655**		47,912
Prepaid expenses			**40,913**		33,488
			776,091		230,883
Property, plant and equipment	*6*		**336,459**		295,584
Right of use assets	*7*		**505,441**		472,818
Intangible assets	*8*		**375,281**		347,367
Goodwill	*9*		**609,088**		554,601
		$	**2,602,360**	$	1,901,253
Liabilities and Equity					
Current liabilities:					
Accounts payable and accrued liabilities		**$**	**281,504**	$	269,769
Distributions and dividends payable	*10*		**2,788**		931
Current portion of long-term debt	*11*		**24,596**		22,122
Current portion of lease liabilities	*12*		**120,398**		109,559
			429,286		402,381
Long-term debt	*11*		**951,275**		393,147
Lease liabilities	*12*		**430,103**		403,814
Deferred income tax liability			**59,913**		39,010
Unearned rebates			**9,768**		9,142
Exchangeable Class A common shares	*10, 14*		**-**		37,332
Non-controlling interest put option	*14*		**1,344**		4,515
			1,881,689		1,289,341
Equity					
Accumulated other comprehensive earnings			**104,588**		52,164
Retained earnings			**64,371**		44,504
Shareholders' / Unitholders' capital			**547,710**		511,242
Contributed surplus			**4,002**		4,002
			720,671		611,912
		$	**2,602,360**	$	1,901,253

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

Approved by the Board:

TIM O'DAY
Director

ALLAN DAVIS
Director

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

	Note	Shareholders' / Unitholders' Capital Shares / Units	Amount	Contributed Surplus	Accumulated Other Comprehensive Earnings	Retained Earnings	Total Equity
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		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 subsidiary		(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)
Distributions to unitholders						(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 $303)			(864)				(864)
Shares issued in connection with conversion to corporate form	4	184,813	37,332				37,332
Other comprehensive earnings					52,424		52,424
Net earnings						22,655	22,655
Comprehensive earnings					52,424	22,655	75,079
Dividends to shareholders	10					(2,788)	(2,788)
Balances - March 31, 2020		20,207,194	$ 547,710	$ 4,002	$ 104,588	$ 64,371	$ 720,671
Balances - January 1, 2019		19,823,475	$ 475,424	$ 4,002	$ 77,637	$ 14,038	$ 571,101
Issue costs (net of tax of $nil)			(101)				(101)
Units issued in connection with acquisition		45,371	5,538				5,538
Retractions		174	19				19
Other comprehensive loss					(9,898)		(9,898)
Net earnings						21,389	21,389
Comprehensive earnings					(9,898)	21,389	11,491
Adjustment on adoption of IFRS 16 (net of tax of $8,442)						(22,902)	(22,902)
Distributions to unitholders	10					(2,677)	(2,677)
Balances - March 31, 2019		19,869,020	$ 480,880	$ 4,002	$ 67,739	$ 9,848	$ 562,469

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

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

	Note		Three months ended March 31, 2020		2019
Sales	*16*	**$**	**628,350**	$	557,897
Cost of sales			**346,970**		304,914
Gross profit			**281,380**		252,983
Operating expenses			**199,963**		174,661
Acquisition and transaction costs			**786**		1,259
Depreciation of property, plant and equipment	*6*		**11,555**		9,075
Depreciation of right of use assets	*7*		**24,990**		21,004
Amortization of intangible assets	*8*		**6,106**		4,818
Fair value adjustments	*13*		**(3,060)**		5,813
Finance costs			**11,198**		7,929
			251,538		224,559
Earnings before income taxes			**29,842**		28,424
Income tax expense (recovery)					
Current			**(10,348)**		5,714
Deferred			**17,535**		1,321
			7,187		7,035
Net earnings		**$**	**22,655**	$	21,389

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

	Note	Three months ended March 31, 2020	2019
Basic earnings per share / unit	*17*	**$1.12**	$1.08
Diluted earnings per share / unit	*17*	**$0.95**	$0.95
Basic weighted average number of shares / units outstanding	*17*	**20,207,194**	19,839,203
Diluted weighted average number of shares / units outstanding	*17*	**20,214,223**	19,874,950

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

		Three months ended March 31, 2020		2019
Net earnings	**$**	**22,655**	$	21,389
Other comprehensive earnings (loss)				
Items that may be reclassified subsequently to Interim Condensed Consolidated Statements of Earnings				
Change in unrealized earnings on translating financial statements of foreign operations		**52,424**		(9,898)
Other comprehensive earnings (loss)		**52,424**		(9,898)
Comprehensive earnings	**$**	**75,079**	$	11,491

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

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

	Note	Three months ended March 31, 2020	2019
Cash flows from operating activities			
Net earnings		$ **22,655**	$ 21,389
Adjustments for			
Fair value adjustments	13	**(3,060)**	5,813
Deferred income taxes		**17,535**	1,321
Finance costs		**11,198**	7,929
Amortization of intangible assets	8	**6,106**	4,818
Depreciation of property, plant and equipment	6	**11,555**	9,075
Depreciation of right of use assets	7	**24,990**	21,004
Other		**204**	18
		91,183	71,367
Changes in non-cash working capital items		**1,033**	(5,076)
		92,216	66,291
Cash flows from financing activities			
Issue costs	18	**(1,166)**	(101)
Increase in obligations under long-term debt	11	**691,373**	80,228
Repayment of long-term debt, principal	11	**(170,209)**	(9,254)
Repayment of obligations under property leases, principal		**(23,213)**	(18,935)
Repayment of obligations under vehicle and equipment leases, principal		**(790)**	(944)
Interest on long-term debt	11	**(5,355)**	(2,572)
Interest on property leases		**(5,745)**	(5,212)
Interest on vehicle and equipment leases		**(116)**	(119)
Acquisition of non-controlling interest in Glass America LLC		**-**	(13,152)
Dividends and distributions paid		**(931)**	(2,705)
Payment of financing costs	11	**(1,841)**	-
		482,007	27,234
Cash flows used in investing activities			
Proceeds on sale of equipment and software		**211**	47
Equipment purchases and facility improvements		**(9,338)**	(7,283)
Acquisition and development of businesses (net of cash acquired)		**(34,196)**	(97,074)
Software purchases and licensing	8	**(213)**	(360)
		(43,536)	(104,670)
Effect of foreign exchange rate changes on cash		**10,338**	(1,139)
Net increase (decrease) in cash position		**541,025**	(12,284)
Cash, beginning of year		**35,468**	64,476
Cash, end of year		$ **576,493**	$ 52,192
Income taxes paid		$ **358**	$ 674
Interest paid		$ **10,757**	$ 7,593

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

1. GENERAL INFORMATION

Boyd Group Services Inc. ("BGSI") is a Canadian corporation and controls The Boyd Group Inc. and its subsidiaries. Prior to January 2, 2020 BGSI operated as Boyd Group Income Fund ("the Fund"). Additional information regarding the corporate conversion can be found in Note 4.

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". The head office and principal address of the Company are located at 1745 Ellice Avenue, Winnipeg, Manitoba, Canada, R3H 1A6.

The policies applied in these interim condensed consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and effective as of May 12, 2020, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in BGSI's annual consolidated financial statements for the year ending December 31, 2020 could result in restatement of these interim condensed consolidated financial statements.

2. BASIS OF PRESENTATION

These interim condensed consolidated financial statements for the three months ended March 31, 2020 have been prepared in accordance with IAS 34, *Interim financial reporting* using the same accounting policies and methods of computation followed in the consolidated financial statements for the year ended December 31, 2019. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS.

3. 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 acquired set of processes and assets acquired represents a business. The amendments apply business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period.

BGSI has determined that there is no impact on adoption.

4. 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").

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

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”.

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 other than as noted below at the date of conversion and the consolidated financial statements as at, and for the three months ended, March 31, 2020 and comparatives for the year ended December 31, 2019 and the three months ended March 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.

Issuance costs, net of tax of $864 have been deducted from equity as a result of the Arrangement. Class A common shares exchanged for BGSI common shares as a result of the Arrangement increased equity by $37,332.

5. ACQUISITIONS

The Company completed 4 acquisitions that added 17 locations during the three months ended March 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

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

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	$	304
Property, plant and equipment		7,739
Right of use assets		9,910
Identified intangible assets		
Customer relationships		8,679
Non-compete agreements		408
Lease liability		(9,910)
Identifiable net assets acquired	$	17,130
Goodwill		14,124
Total purchase consideration	$	31,254
Consideration provided		
Cash paid or payable	$	24,402
Seller notes		6,852
Total consideration provided	$	31,254

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.

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. Revenue contributed by acquisitions since being acquired were $1,774. Net losses incurred by acquisitions since being acquired were $292. If 2020 acquisitions had been acquired on January 1, 2020, BGSI’s net earnings for the three months ended March 31, 2020 would have been $22,622.

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

6. PROPERTY, PLANT AND EQUIPMENT

As at		**March 31, 2020**		December 31, 2019
Balance, beginning of year	**$**	**295,584**	$	253,103
IFRS 16 opening net book value		**-**		(10,382)
Acquired through business combination		**7,739**		41,208
Additions		**19,807**		63,009
Proceeds on disposal		**(211)**		(392)
(Loss) on disposal		**(8)**		(11)
Transfers from right of use assets		**-**		1,968
Depreciation		**(11,555)**		(41,601)
Foreign exchange		**25,103**		(11,318)
Balance, end of period	**$**	**336,459**	$	295,584

7. RIGHT OF USE ASSETS

As at		**March 31, 2020**		December 31, 2019
Balance, beginning of period	**$**	**472,818**	$	452,938
Acquired through business combinations		**9,910**		94,866
Additions and modifications		**10,564**		29,973
Depreciation		**(24,990)**		(90,890)
Loss on disposal		**(160)**		(231)
Transfers to property, plant and equipment		**-**		(1,968)
Foreign exchange		**37,299**		(11,870)
Balance, end of period	**$**	**505,441**	$	472,818

8. INTANGIBLE ASSETS

As at		**March 31, 2020**		December 31, 2019
Balance, beginning of year	**$**	**347,367**	$	295,789
Acquired through business combination		**9,087**		83,553
Additions		**213**		2,017
Amortization		**(6,106)**		(22,467)
Foreign exchange		**24,720**		(11,525)
Balance, end of period	**$**	**375,281**	$	347,367

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

9. GOODWILL

As at		**March 31, 2020**		December 31, 2019
Balance, beginning of period	**$**	**554,601**	$	439,867
Acquired through business combination		**14,124**		133,425
Purchase price allocation adjustments within the measurement period		**-**		(789)
Foreign exchange		**40,363**		(17,902)
Balance, end of period	**$**	**609,088**	$	554,601

During the last two to three weeks of the first quarter, the COVID-19 pandemic brought significant disruption to the worldwide economy and significantly impacted the Company's sales as demand for services decreased in the range of 40% to 50% of normal levels. The impact that COVID-19 had on the performance of the Company was considered to be a trigger, requiring BGSI to evaluate the carrying amount of goodwill as at March 31, 2020.

BGSI has used the value in use method to evaluate the carrying amount of goodwill. The key assumptions used in the assessment include an estimate of current cash flow, taxes, a growth rate of 2% and capital maintenance expenditures. A discount rate of 8% has been applied to the expected cash flow, after adjusting the cash flow for an estimate of the taxes and capital maintenance expenditures. After this evaluation, BGSI concluded that there was no impairment to the carrying amount of goodwill as at March 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.

10. DISTRIBUTIONS AND DIVIDENDS

The Company's Directors have discretion in declaring dividends. The Company declares and pays dividends from its available cash from operations taking into account current and future performance amounts necessary for principal and interest payments on debt obligations, amounts required for maintenance capital expenditures and amounts allocated to reserves. As of January 2, 2020, the Company's dividend has changed from monthly to quarterly dividend distribution 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
		$	0.1380	$	2,788

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

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
		$	0.1350	$	2,677	$	29

11. 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 is accompanied by a seven-year fixed-rate Term Loan A in the amount of $125,000 U.S. at an interest rate of 3.455%. The 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. The interest rates for draws on the revolver 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 March 31, 2020, the Company has drawn $370,000 U.S. (December 31, 2019 - $158,300 U.S.) and $190,000 Canadian (December 31, 2019 - $134,000) on the revolving credit facility.

Under the revolving credit facility and Term Loan A, 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 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 debt to EBITDA ratio may be increased to less than 4.00.

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 finance deferred financing costs of $415 were recorded as finance costs. Financing costs of $1,841 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. The unamortized deferred financing costs of $1,811 have been netted against the debt drawn as at March 31, 2020.

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

Seller notes payable of $85,426 (of which $85,175, or $60,038 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 April 2020 to January 2027 in the same currency as the related note.

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

Long-term debt is comprised of the following:

As at		**March 31, 2020**		December 31, 2019
Revolving credit facility (net of financing costs)	**$**	**713,656**	$	339,185
Term Loan A (net of financing costs)	**$**	**176,789**	$	-
Seller notes		**85,426**		76,084
	$	**975,871**	$	415,269
Current portion		**24,596**		22,122
	$	**951,275**	$	393,147

The following is the continuity of long-term debt:

As at		**March 31, 2020**		December 31, 2019
Balance, beginning of period	**$**	**415,269**	$	288,159
Consideration on acquisition		**6,852**		30,788
Draws		**691,373**		182,453
Repayments		**(170,209)**		(75,603)
Deferred financing costs		**(1,841)**		-
Amortization of deferred finance costs		**446**		172
Foreign exchange		**33,981**		(10,700)
Balance, end of period	**$**	**975,871**	$	415,269

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

Principal Payments		**March 31, 2020**		December 31, 2019
Less than 1 year	**$**	**24,596**	$	22,122
1 to 5 years		**771,089**		390,669
Greater than 5 years		**180,186**		2,478
	$	**975,871**	$	415,269

Included in finance costs for the three months ended March 31, 2020 is interest on long-term debt of $5,355 (2019 - $2,572).

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

12. LEASE LIABILITIES

The following is the continuity of lease liabilities:

As at		March 31, 2020		December 31, 2019
Balance, beginning of period	**$**	**513,373**	$	487,986
Assumed on acquisition		**9,910**		94,866
Additions and modifications		**10,564**		29,973
Repayments		**(29,864)**		(108,624)
Financing costs		**5,861**		22,658
Foreign exchange		**40,657**		(13,486)
Balance, end of period	**$**	**550,501**	$	513,373
Current portion		**120,398**		109,559
	$	**430,103**	$	403,814

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

	For the three months ended March 31,			
		2020		2019
Operating expenses	**$**	**1,220**	$	1,150
Depreciation of right of use assets	**$**	**24,990**	$	21,004
Finance costs	**$**	**5,861**	$	5,332

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

Less than 1 year	$	120,398
1 to 5 years		306,170
Greater than 5 years		123,933
	$	550,501

Included in operating expenses are short-term and low-value asset lease expenses of $1,191 (2019- $1,118).

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

13. FAIR VALUE ADJUSTMENTS

	For the three months ended March 31, **2020**	2019
Exchangeable Class A common shares	$ -	$ 4,681
Unit based payment obligation	-	3,837
Non-controlling interest put option and call liability	**(3,530)**	(2,460)
Contingent consideration	**470**	(245)
Total fair value adjustments	**$ (3,060)**	$ 5,813

14. FINANCIAL INSTRUMENTS

Carrying value and estimated fair value of financial instruments

	Classification	Fair value hierarchy	**March 31, 2020** Carrying amount	**March 31, 2020** Fair value	December 31, 2019 Carrying amount	December 31, 2019 Fair value
Financial assets						
Cash	Amortized cost	n/a	**576,493**	576,493	35,468	35,468
Accounts receivable	Amortized cost	n/a	**105,817**	105,817	112,748	112,748
Financial liabilities						
Accounts payable and accrued liabilities	Amortized cost	n/a	**281,503**	281,503	269,769	269,769
Distributions and dividends payable	Amortized cost	n/a	**2,788**	2,788	931	931
Long-term debt	Amortized cost	n/a	**975,871**	975,871	415,269	415,269
Exchangeable Class A common shares	FVPL (1)	1	**-**	-	37,332	37,332
Non-controlling interest put option	FVPL (1)	3	**1,344**	1,344	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. As there is no ready secondary market for the BGSI's long-term debt, the fair value has been estimated using the discounted cash flow method. The fair value using the discounted cash flow method is approximately equal to carrying value. The fair value for the non-controlling interest 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.

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

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 March 31, 2020 was approximately $682,310 (December 31, 2019 - $148,216).

Non-controlling interest 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 continues 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; however, the put option was not exercisable until December 31, 2018. All fair value changes in the estimated liability are recorded in earnings.

The liability recognized in connection with the put option has been calculated using a formula defined in the applicable limited liability company agreement. The formula for the U.S. management team member put option is based on a multiple of EBITDA, as defined in the agreement, for the trailing twelve months ended March 31, 2020.

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

	March 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	**(3,530)**	**-**	(2,128)	-
Payment to non-controlling interests	**-**	**-**	-	(13,152)
Foreign exchange	**359**	**-**	(262)	(499)
Balance, end of period	**$ 1,344**	**$ -**	$ 4,515	$ -

During the first quarter of 2020, a fair value adjustment recovery in the amount of $3,530 (2019 – recovery of $2,460) was recorded to earnings related to the non-controlling interest put option and call liability.

15. SEASONALITY

BGSI's financial results for any individual quarter are not necessarily indicative of results to be expected for the full year. Interim period revenues and earnings are typically sensitive to regional and local weather, market conditions, and in particular, to cyclical variations in economic activity.

16. SEGMENTED REPORTING

BGSI has one reportable line of business, being automotive collision repair and related services, with all revenues relating to a group of similar services. In this circumstance, IFRS requires BGSI to provide geographical disclosure. For the periods reported, all of BGSI' revenues were derived within Canada or the United States of America. Reportable assets include property, plant and equipment, right of use assets, goodwill and intangible assets which are all located within these two geographic areas.

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

Revenues	For the three months ended March 31, 2020	2019
Canada	**$ 75,930**	$ 76,467
United States	**552,420**	481,430
	$ 628,350	$ 557,897

Reportable Assets As at	March 31, 2020	December 31, 2019
Canada	**$ 304,776**	$ 305,946
United States	**1,521,493**	1,364,424
	$ 1,826,269	$ 1,670,370

17. EARNINGS PER SHARE / UNIT

	For the three months ended March 31, 2020	2019
Net earnings	**$ 22,655**	$ 21,389
Less:		
Non-controlling interest put option	**(3,530)**	(2,460)
Net earnings - diluted basis	**$ 19,125**	$ 18,929
Basic weighted average number of shares / units	**20,207,194**	19,839,203
Add:		
Non-controlling interest put option	**7,029**	35,747
Average number of shares / units outstanding - diluted basis	**20,214,223**	19,874,950
Basic earnings per share / unit	**$ 1.12**	$ 1.08
Diluted earnings per share / unit	**$ 0.95**	$ 0.95

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

18. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

As at	December 31, 2019	Cash Flows	Non-cash changes: Acquisition	Other items	Fair value changes	Foreign exchange	**March 31, 2020**
Long-term debt	415,269	513,968	6,852	5,801	-	33,981	**975,871**
Lease liabilities	513,373	(29,864)	9,910	16,425	-	40,657	**550,501**
Dividends and distributions	931	(931)	-	2,788	-	-	**2,788**
Non-controlling interest put option and call liability	4,515	-	-	-	(3,530)	359	**1,344**
Issue costs	-	(1,166)	-	-	-	-	**-**
	$ 318,024	482,007	16,762	25,014	(3,530)	74,997	**$ 1,530,504**

As at	December 31, 2018	Cash Flows	Non-cash changes: Acquisition	Other items	Fair value changes	Foreign exchange	**March 31, 2019**
Long-term debt	288,159	70,974	10,171	43	-	(2,679)	**366,668**
Obligations under finance leases	8,407	-	-	(8,407)	-	-	**-**
Lease liabilities	-	(25,210)	33,906	494,840	-	(8,410)	**495,126**
Dividends and distributions	902	(2,705)	-	2,707	-	-	**904**
Non-controlling interest put option and call liability	20,556	(13,152)	-	-	(2,460)	(639)	**4,305**
Issue costs	-	(101)	-	-	-	-	**-**
	$ 318,024	29,806	44,077	489,183	(2,460)	(11,728)	**$ 867,003**

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current period financial presentation. Right of use asset categories property leases, vehicle leases, and equipment leases have been combined for presentation in note 7. The presentation of repayment of property leases and vehicle and equipment leases in the statement of cash flows has been reclassified as separate line items between the principal payments and interest for property leases and vehicle and equipment leases.

20. SUBSEQUENT EVENTS

In March 2020, the COVID-19 pandemic has resulted in governments worldwide enacting 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. This creates estimation uncertainty which may impact future demand for the Company's services.

On April 28, 2020, BGSI announced preliminary first quarter results and a bought deal public offering, where it will issue to an underwriting syndicate, approximately 1,100,000 common shares at a price of $183.00 per share. BGSI also granted the underwriters an over-allotment option to purchase up to an additional 165,000 common shares at a price of $183.00 per share, which may be exercised until 30 days following the closing of the offering. On May 11, 2020, the over-allotment option was exercised, and the underwriters committed to purchase an additional 165,000 shares at a price of $183.00 per share, resulting in total gross proceeds of approximately $231,495. The offering is expected to close May 14, 2020, 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.

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 include 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. 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 will be 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 is required to meet a minimum liquidity covenant of $150,000 U.S., which, given the Company's cash position and undrawn facilities, is not expected to be burdensome.