BOYD GROUP SERVICES INC.

INTERIM REPORT TO SHAREHOLDERS
Second Quarter and Six Months Ended June 30, 2023

BOYD GROUP SERVICES INC.

REPORT TO SHAREHOLDERS

To our Shareholders,

During the second quarter of 2023, Boyd Group Services Inc. ("BGSI") recorded sales of $753.2 million, Adjusted EBITDA[1] of $95.4 million and net earnings of $26.3 million.

The initiatives put in place to improve throughput and increase capacity, along with solid execution, have resulted in record sales levels and improved profitability during the second quarter. Our team continues to adapt to challenging market conditions and deliver results, including doubling the level of Adjusted net earnings per share when compared to the same period of the prior year.

Total sales in the second quarter of 2023 were $753.2 million, a 22.9% increase when compared to the $612.8 million achieved in the same period of 2022, with same-store sales increasing 18.9% and new locations that were not in operation for the full comparative period generating $29.1 million of incremental sales.

Adjusted EBITDA for the second quarter of 2023 was $95.4 million, or 12.7% of sales, compared with $72.0 million, or 11.7% of sales in the same period of 2022. The $23.4 million increase was primarily the result of improved sales levels and improved leveraging of certain operating costs.

BGSI posted net earnings of $26.3 million in the second quarter of 2023, compared to $13.3 million in the same period of 2022. Impacting net earnings were acquisition and transaction costs and fair value adjustments on contingent consideration. After adjusting for these items, Adjusted net earnings for the second quarter of 2023 was $27.0 million or 3.6% of sales. This compares to Adjusted net earnings of $13.6 million or 2.2% of sales in the same period of 2022. Adjusted net earnings for the period was positively impacted by increased sales and improved leveraging of certain operating costs. Adjusted net earnings for the three months ended June 30, 2023 was $1.26 per share, compared to $0.63 per share in the same period of 2022.

With respect to the balance sheet, at June 30, 2023, BGSI held total debt, net of cash, of $1,004.5 million, compared to $1,008.8 million at March 31, 2023 and $973.7 million at June 30, 2022. Debt, net of cash before lease liabilities decreased from $345.1 million at December 31, 2022 to $316.9 million at June 30, 2023. During the second quarter of 2023, the Company was able to reduce the level of long term debt held under the revolving credit facility (net of financing costs) from $184.1 million to $174.5 million.

Throughout 2022, we made progress on the priority areas in each of the environmental, social and governance pillars outlined in our first ESG report, published in March 2022, and we are pleased to have now published our second ESG report. We recognize that we have the potential to deliver significant, positive impacts to society and the

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[1] *Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, adjusted for the fair value adjustments related to contingent consideration, as well as acquisition and transaction costs), adjusted net earnings, adjusted net earnings per share and same-store sales are non-GAAP financial measures and ratios and are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that in addition to net earnings and cash flows, the supplemental measures of adjusted net earnings and Adjusted EBITDA are useful as they provide investors with an indication of earnings from operations and cash available for distribution, both before and after debt management, productive capacity maintenance and non-recurring and other adjustments. Management believes that, in addition to sales, the supplemental measure of same-store sales is useful as it provides investors with an indication of the increase in sales without accounting for location growth and the impact of fluctuations in exchange rates during the period. Investors should be cautioned, however, that Adjusted EBITDA, adjusted net earnings and adjusted net earnings per share should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of Boyd's performance. Investors should also be cautioned that same-store sales should not be construed as an alternative to sales 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 financial measures are calculated, please refer to the section titled "Non-GAAP Financial Measures and Ratios" in Boyd's MD&A filing (dated August 10, 2023) for the period ended June 30, 2023, starting on page 9 of this Report. A copy of Boyd's MD&A for the period ended June 30, 2023 can be accessed via the SEDAR Web site (www.sedar.com).*

environment and are pleased to share the progress we have made thus far on our ESG journey, while acknowledging there is always more work to be done. We remain dedicated to integrating ESG considerations into our business practices and disclosing our ESG performance. We are committed to continuously improving and look forward to the opportunities ahead.

I am excited to have Mr. Jeff Murray appointed to the permanent role of Executive Vice President & Chief Financial Officer after seamlessly taking on the position of Interim Chief Financial Officer since the beginning of 2023. Mr. Murray's significant knowledge of the business along with his strong background in accounting and finance support the continued execution of our priorities.

On behalf of myself, the executive team and our Board of Directors, I would like to thank all of our Boyd Group employees for their hard work and dedication, which continued to allow Boyd to successfully navigate through the impacts of the dynamic economic environment. And on behalf of the Directors of Boyd Group Services Inc. and Boyd Group employees, thank you for your continued support.

Sincerely,

(signed)

Timothy O'Day
President & Chief Executive Officer

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 names 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 as at August 9, 2023.

889 locations

Boyd Autobody & Glass	46 locations	Gerber Collision & Glass	761 locations		
Alberta	16	Florida	75	South Carolina	20
British Columbia	14	Michigan	72	Maryland	13
Manitoba	12	Illinois	66	Tennessee	12
Saskatchewan	4	California	43	Kansas	11
		New York	40	Oregon	11
Assured	82 locations	Washington	38	Pennsylvania	11
		North Carolina	36	Alabama	10
		Wisconsin	36	Missouri	8
Ontario	82	Georgia	35	Nevada	8
		Ohio	34	Hawaii	5
		Indiana	33	Utah	5
		Texas	29	Kentucky	4
		Oklahoma	28	Arkansas	3
		Arizona	25	Iowa	3
		Colorado	22	Minnesota	2
		Louisiana	22	Idaho	1

The above numbers include 34 intake locations.

The above numbers include 4 intake locations and two fleet locations co-located with collision repair centers.

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

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

The following review of BGSI's operating and financial results for the period ended June 30, 2023, including material transactions and events of BGSI up to and including August 9, 2023, should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2023, as well as the annual audited consolidated financial statements, management discussion & analysis ("MD&A") and annual information form ("AIF") of BGSI, as filed on SEDAR at www.sedar.com.

SIGNIFICANT EVENTS

On March 17, 2023, the BGSI Board of Directors declared a cash dividend for the first quarter of 2023 of C$0.147 per common share. The dividend was paid on April 26, 2023 to common shareholders of record at the close of business on March 31, 2023.

On May 11, 2023, BGSI announced the election of Christine Feuell to the Board of Directors.

On June 16, 2023, the BGSI Board of Directors declared a cash dividend for the second quarter of 2023 of C$0.147 per common share. The dividend was paid on July 27, 2023 to common shareholders of record at the close of business on June 30, 2023.

On July 12, 2023, BGSI announced the appointment of Jeff Murray as Executive Vice-President & Chief Financial Officer, effective immediately.

On August 10, 2023, BGSI published Boyd's second Environmental, Social and Governance Report.

During the six months ended June 30, 2023, the Company added 35 locations through acquisition and 13 start-up locations, for a total of 48 new locations. From January 1, 2023 up to the reporting date of August 9, 2023, the Company has added 41 locations through acquisition and 16 start-up locations, for a total of 57 new locations. These new locations are as follows:

Date	Location	Previously operated as
January 3, 2023	Cameron Park, CA	Cameron Park Auto Body
January 6, 2023	Abilene, TX	Gibb's Paint & Body, LLC
January 16, 2023	Lethbridge, AB	n/a start-up
January 18, 2023	Venice, FL	n/a start-up
January 18, 2023	Park City, UT	CKM Collision
February 3, 2023	Hendersonville, NC	Hill's Collision Center
February 3, 2023	Rogers, MN	Excalibur Collision & Conversion Center
February 3, 2023	Tontitown, AR	n/a start-up
February 8, 2023	Ocala, FL	n/a start-up
February 10, 2023	Lansdale, PA	Old Forge Collision Center
February 10, 2023	Sacramento, CA	Franklin Collision Center
February 17, 2023	Murrieta, CA	n/a start-up
February 22, 2023	LaBelle, FL	Direct Repair Collision Center
February 27, 2023	Perry, GA	Cochran Coach Works
February 28, 2023	New Port Richey, FL	n/a start-up
March 17, 2023	Rancho Cucamonga, CA	Proline Auto Collision Center
March 22, 2023	Sacramento, CA	Aries Auto Body
March 24, 2023	Modesto, CA	The Professionals Auto Body Works
March 24, 2023	Prattville, AL	Advanced Collision
March 28, 2023	Longview, TX	One Stop Automotive
March 28, 2023	Charleroi, PA	Russell's Body & Frame Service
March 28, 2023	Simpsonville, NC	n/a start-up
March 29, 2023	Sharpsburg, GA	B & B Body Shop
April 21, 2023	Griffin, GA	Nicolas Auto Repair & Body Shop
April 21, 2023	Huntsville, AL	Sledge Custom Body Shop
April 21, 2023	Baltimore, MD	Moore's Body Shop
April 27, 2023	Stockton, CA	Prestige Auto Body
April 28, 2023	Lake Charles, LA	n/a start-up
April 28, 2023	Kailua-Kona, HI	Auto Body Hawaii
May 5, 2023	Puyallup, WA	South Hill Collision
May 9, 2023	Iowa City, IA	Arena Auto Body

Date	Location	Previously operated as
May 12, 2023	Mills River, NC	n/a start-up
May 23, 2023	Winterville, NC	n/a start-up
May 26, 2023	Fort Lauderdale, FL	Hi-Teck Collision Paint & Body Shop
May 26, 2023	Monroe, MI	Auto Body Plant Inc.
May 26, 2023	Chicago, IL	Paul Ries & Sons
May 31, 2023	Albany, NY	Colby Body & Fender Works
June 2, 2023	Merced, CA	Rumin's Auto Body
June 16, 2023	Sacramento, Davis & Yuba City, CA (3 locations)	G&R Automotive/Natomas Auto Body & Paint
June 16, 2023	Austin, TX	Fix A Wreck Collision Center
June 23, 2023	Fridley, MN	City Collision & Glass
June 23, 2023	Red Bluff, CA	Gary's Auto body
June 27, 2023	Johnson City, NY	n/a start-up
June 29, 2023	Walla Walla, WA	Tietan Auto Body
June 30, 2023	Woodstock, IL	n/a start-up
June 30, 2023	Ames, IA	n/a start-up
July 14, 2023	Wildwood, FL	Cartech Collision Wildwood
July 14, 2023	Donaldsonville, LA	Donaldsonville Glass & Body Works
July 21, 2023	Perrysburg, OH	n/a start-up
July 21, 2023	Redding, CA	Crossroads Auto Body Repair
July 21, 2023	Lafayette & New Iberia, LA (2 locations)	Louisiana Auto Collision
July 28, 2023	Oroville, CA	Excel Auto Body
July 31, 2023	Toledo, OH	n/a start-up
July 31, 2023	Joplin, MO	n/a start-up

During the six months ended June 30, 2023, the Company acquired a two location glass business in Minnesota, a single location glass business in Texas, and opened six start-up glass locations.

OUTLOOK

Boyd is pleased with the record levels of sales and Adjusted EBITDA achieved in the second quarter of 2023, along with improvement in Adjusted EBITDA margin, although the Adjusted EBITDA margin remains below pre-pandemic levels. Boyd remains focused on the key challenges of building capacity through increased staffing, including negotiating sufficient client price increases to attract the requisite talent into the industry and recover lost labor margin from wage pressure. The Company continues to benefit from increased scanning and calibration revenue. Relative to the second quarter, the third quarter of 2023 will have one less selling and production day and will also be negatively impacted by seasonal vacations that have a dampening effect on sales. Thus far in the third quarter, same-store sales increases are approximately half of what has been experienced in the first six months of 2023.

Workforce initiatives are having a positive impact on capacity and ongoing investments in technology, equipment and training position the Company well for continued operational execution. Boyd remains committed to addressing the labor market challenges so that the Company can service additional demand. The client pricing increases that Boyd has experienced have not been sufficient to move labor margins to historical levels.

Boyd is pleased to have opened or acquired 57 collision repair locations thus far in 2023 and the pipeline to add new locations and to expand into new markets is robust. Operationally, Boyd is focused on optimizing performance of new locations, as well as scanning and calibration services, and consistent execution of the WOW Operating Way. Given the high level of location growth in 2021, the strong same-store sales growth during 2022, and the combination of same-store sales growth and location growth thus far in 2023, Boyd remains confident that the Company is on track to achieve its long-term growth goals, including doubling the size of the business on a constant currency basis from 2021 to 2025 against 2019 sales.

In the long-term, management remains confident in its business model and its ability to increase market share by expanding its presence in North America through strategic acquisitions alongside organic growth from Boyd's existing operations. Accretive growth will remain the Company's long-term focus whether it is through organic growth, new store development, or acquisitions. The North American collision repair industry remains highly fragmented and offers attractive opportunities for industry leaders to build value through focused consolidation and economies of scale. As a growth company, Boyd's objective continues to be to maintain a conservative dividend policy that will provide the financial flexibility necessary to support growth initiatives while gradually increasing dividends over time. The Company remains confident in its management team, systems and experience. This, along with a strong financial position and financing options, positions Boyd well for success into the future.

BUSINESS ENVIRONMENT & STRATEGY

As at August 9, 2023, the business environment of the Company and strategies adopted by management remain unchanged from those described in BGSI's 2022 annual MD&A.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

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

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

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
The stated objective of generating growth sufficient to double the size of the business over the five year period from 2021 to 2025, based on 2019 revenues	Opportunities continue to be available and are at acceptable and accretive prices Financing options continue to be available at reasonable rates and on acceptable terms and conditions New and existing customer relationships are expected to provide acceptable levels of revenue opportunities Anticipated operating results would be accretive to overall Company results Growth is defined as revenue on a constant currency basis Initiatives to increase production capacity are successful Supply chain disruption is temporary and normalizes in the short term	Acquisition market conditions change and repair shop owner demographic trends change Credit and refinancing conditions prevent or restrict the ability of the Company to continue growth strategies Changes in market conditions and operating environment Significant decline in the number of insurance claims Integration of new stores is not accomplished as planned Increased competition which prevents achievement of acquisition and revenue goals Initiatives to increase production capacity take longer than expected or are not successful Supply chain remains disrupted and the ability to source parts continues to limit sales
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 New and existing customer relationships are expected to provide acceptable levels of revenue opportunities The Company's customer and supplier relationships provide it with competitive advantages to increase sales over time Market share growth will more than offset systemic changes in the industry and environment Anticipated operating results would be accretive to overall Company results	Economic conditions deteriorate 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 technician capacity could impact organic growth

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
Stated objective to gradually increase dividends over time	Growing profitability of the Company and its subsidiaries The continued and increasing ability of the Company to generate cash available for dividends Balance sheet strength and flexibility is maintained and the dividend level is manageable taking into consideration bank covenants, growth requirements and maintaining a dividend level that is supportable over time	BGSI is dependent upon the operating results of the Company Economic conditions deteriorate 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
During 2023, the Company plans to make cash capital expenditures, excluding those related to acquisition and development of new locations, within the range of 1.6% and 1.8% of sales. In addition to these capital expenditures, the Company plans to invest in network technology upgrades to further strengthen our technology and security infrastructure and prepare for advanced technology needs in the future. The investment expected in the second half of 2023 is in the range of $5 million to $6 million, with investments expected in 2024 and 2025 to range from $5 million to $9 million per year.	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	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
Boyd has made good progress with many clients, but has not achieved the level of pricing that will return labor margins to historical levels. Further increases are needed to address ongoing wage pressure.	Price increases will be negotiated and agreed upon by key clients Demand for services will continue to grow, allowing Boyd to focus on higher margin business Wage inflation will return to historical levels and will not outpace pricing increases Supply chain disruption is transitory and will normalize as underlying issues are resolved Internal training and development programs, including the Technician Development Program, will improve staffing availability	Inability of the Company to pass cost increases to customers over time Decline in the number of insurance claims Loss of one or more key customers or loss of significant volume from any customer Changes in market conditions and operating environment Wage inflation continues in excess of historical levels and outpaces pricing increases Supply chain remains disrupted Internal training and development programs do not improve staffing availability

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 AND RATIOS

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 they are key measures that management uses to evaluate performance of the business and to reward its employees. EBITDA is also a concept utilized in measuring compliance with debt covenants. EBITDA and Adjusted EBITDA are measures commonly reported and widely used by investors and lending institutions as an indicator of a company's operating performance and ability to incur and service debt, and as a valuation metric. While EBITDA is used to assist in evaluating the operating performance and debt servicing ability of BGSI, investors are cautioned that EBITDA and Adjusted EBITDA as reported by BGSI may not be comparable in all instances to EBITDA as reported by other companies.

CPA Canada's Canadian Performance Reporting Board defined Standardized EBITDA to foster comparability of the measure between entities. Standardized EBITDA represents an indication of an entity's capacity to generate income from operations before taking into account management's financing decisions and costs of consuming tangible and intangible capital assets, which vary according to their vintage, technological age and management's estimate of their useful life. Accordingly, Standardized EBITDA comprises sales less operating expenses before finance costs, capital asset amortization and impairment charges, and income taxes. Adjusted EBITDA is calculated to exclude items of an unusual nature that do not reflect normal or ongoing operations of BGSI and which should not be considered in a valuation metric or should not be included in an assessment of the ability to service or incur debt. 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. 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 U.S. dollars)	**Three months ended June 30, 2023**	Three months ended June 30, 2022	**Six months ended June 30, 2023**	Six months ended June 30, 2022
Net earnings	**$ 26,269**	$ 13,298	**$ 47,092**	$ 14,906
Add:				
Finance costs	**12,153**	9,097	**24,217**	17,410
Income tax expense	**9,558**	5,137	**17,014**	5,557
Depreciation of property, plant and equipment	**12,839**	12,276	**24,755**	23,799
Depreciation of right of use assets	**26,923**	25,174	**52,700**	49,317
Amortization of intangible assets	**6,660**	6,669	**12,762**	13,749
Standardized EBITDA	**$ 94,402**	$ 71,651	**$ 178,540**	$ 124,738
Add:				
Fair value adjustments	—	—	**—**	146
Acquisition and transaction costs	**972**	352	**1,528**	881
Adjusted EBITDA	**$ 95,374**	$ 72,003	**$ 180,068**	$ 125,765

ADJUSTED NET EARNINGS

In addition to Standardized EBITDA and Adjusted EBITDA, BGSI believes that certain users of financial statements are interested in understanding net earnings excluding certain fair value adjustments and other items of an unusual or infrequent nature that do not reflect normal or ongoing operations of the Company. This can assist these users in comparing current results to historical results that did not include such items. The following is a reconciliation of BGSI's net earnings to adjusted net earnings:

(thousands of U.S. dollars, except share and per share amounts)	**Three months ended June 30,**		**Six months ended June 30,**	
	2023	2022	**2023**	2022
Net earnings	**$ 26,269**	$ 13,298	**$ 47,092**	$ 14,906
Add:				
Fair value adjustments (non-taxable)	**0**	0	**—**	146
Acquisition and transaction costs (net of tax)	**719**	260	**1,131**	652
Adjusted net earnings	**$ 26,988**	$ 13,558	**$ 48,223**	$ 15,704
Weighted average number of shares	**21,472,194**	21,472,194	**21,472,194**	21,472,194
Adjusted net earnings per share	**$ 1.26**	$ 0.63	**$ 2.25**	$ 0.73

SAME-STORE SALES

Same-store sales is a measure of sales that includes only those locations in operation for the full comparative period. Same-store sales is presented excluding the impact of foreign exchange on the current period. Same-store sales is calculated by applying the prior period exchange rate to the current year sales. The following is a reconciliation of BGSI's sales to same-store sales:

(thousands of U.S. dollars)	**Three months ended June 30,**		**Six months ended June 30,**	
	2023	2022	**2023**	2022
Sales	**$ 753,235**	$ 612,806	**$ 1,468,176**	$ 1,169,561
Less:				
Sales from locations not in the comparative period	**(29,644)**	(575)	**(63,601)**	(8,976)
Sales from under-performing facilities closed during the period	**2**	(973)	**9**	(2,182)
Foreign exchange	**3,306**	—	**7,387**	—
Same-store sales (excluding foreign exchange)	**$ 726,899**	$ 611,258	**$ 1,411,971**	$ 1,158,403

Dividends

BGSI declared dividends of C$0.147 per share in the first and second quarters of 2023 (2022 - C$0.144).

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

(thousands of U.S. dollars)		
Record date	**Payment date**	**Dividend amount**
March 31, 2023	April 26, 2023	**$ 2,306**
June 30, 2023	July 27, 2023	**2,376**
		$ 4,682

(thousands of U.S. dollars)		
Record date	**Payment date**	**Dividend amount**
March 31, 2022	April 27, 2022	$ 2,441
June 30, 2022	July 27, 2022	2,413
		$ 4,854

RESULTS OF OPERATIONS

Results of Operations						
(thousands of U.S. dollars, except per share amounts)						
	Three months ended June 30,			**Six months ended June 30,**		
	2023	% change	2022	**2023**	% change	2022
Sales - Total	**753,235**	22.9	612,806	**1,468,176**	25.5	1,169,561
Same-store sales - Total (excluding foreign exchange) [1]	**726,899**	18.9	611,258	**1,411,971**	21.9	1,158,403
Gross margin %	**45.5**	0.4	45.3	**45.6**	2.0	44.7
Operating expense %	**32.8**	(2.1)	33.5	**33.4**	(1.8)	34.0
Adjusted EBITDA [1]	**95,374**	32.5	72,003	**180,068**	43.2	125,765
Acquisition and transaction costs	**972**	176.1	352	**1,528**	73.4	881
Depreciation and amortization	**46,422**	5.2	44,119	**90,217**	3.9	86,865
Fair value adjustments	**—**	N/A	—	**—**	N/A	146
Finance costs	**12,153**	33.6	9,097	**24,217**	39.1	17,410
Income tax expense	**9,558**	86.1	5,137	**17,014**	206.2	5,557
Adjusted net earnings [1]	**26,988**	99.1	13,558	**48,223**	207.1	15,704
Adjusted net earnings per share [1]	**1.26**	100.0	0.63	**2.25**	208.2	0.73
Net earnings	**26,269**	97.5	13,298	**47,092**	215.9	14,906
Basic earnings per share	**1.22**	96.8	0.62	**2.19**	217.4	0.69
Diluted earnings per share	**1.22**	96.8	0.62	**2.19**	217.4	0.69

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

2nd Quarter Comparison - Three months ended June 30, 2023 vs. 2022

Sales

Sales totaled $753.2 million for the three months ended June 30, 2023, an increase of $140.4 million or 22.9% when compared to the same period of 2022. The increase in sales was the result of the following:

- Same-store sales[1] excluding foreign exchange increased $115.6 million or 18.9% and decreased $3.3 million due to the translation of same-store sales at a lower Canadian dollar exchange rate. The second quarter of 2023 recognized the same number of selling and production days when compared to the same period of the prior year. Same-store sales benefited from high levels of demand for services, as well as some increase in production capacity related to technician hiring, growth in the Technician Development Program, as well as productivity improvement, although ongoing staffing constraints continued to impact sales and service levels that could be achieved. Sales also increased based on higher repair costs due to increasing vehicle complexity, increased scanning and calibration services, as well as general market inflation.
- $29.1 million of incremental sales were generated from 64 new locations that were not in operation for the full comparative period.
- Sales were affected by the closure of under-performing facilities which decreased sales by $1.0 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 $342.7 million or 45.5% of sales for the three months ended June 30, 2023, compared to $277.5 million or 45.3% of sales for the same period of 2022. Gross profit increased primarily as a result of increased sales due to same-store sales and location growth when compared to the prior period. The three months ended June 30, 2023 benefited from improved glass margins, higher parts margins and increased scanning and calibration. Labor margins were flat, with client pricing increases not sufficient to move labor margins to historical levels. Performance based programs negatively impacted gross margin during the second quarter of 2023 as compared to the same period of the prior year.

Operating Expenses

Operating Expenses for the three months ended June 30, 2023 increased $41.8 million to $247.3 million from $205.5 million for the same period of 2022. The increase in operating expenses was primarily the result of increased sales based on same-store sales as well as location growth, in addition to inflationary increases. Closed locations lowered operating expenses by $0.6 million.

Operating expenses as a percentage of sales were 32.8% for the three months ended June 30, 2023, which compared to 33.5% for the same period of 2022. Operating expenses as a percentage of sales was positively impacted by improved sales levels, which provided improved leveraging of certain operating costs.

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

Acquisition and Transaction Costs

Acquisition and Transaction Costs for the three months ended June 30, 2023 were $1.0 million compared to $0.4 million recorded for the same period of 2022. 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 contingent consideration, as well as acquisition and transaction costs ("Adjusted EBITDA")[2] for the three months ended June 30, 2023 totaled $95.4 million or 12.7% of sales compared to Adjusted EBITDA of $72.0 million or 11.7% of sales in the same period of the prior year. The $23.4 million increase was primarily the result of improved sales levels and improved leveraging of certain operating costs.

Depreciation and Amortization

Depreciation related to property, plant and equipment totaled $12.8 million or 1.7% of sales for the three months ended June 30, 2023, an increase of $0.6 million when compared to the $12.3 million or 2.0% 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. Same-store sales increases resulted in a decrease in depreciation expense as a percentage of sales during the second quarter of 2023.

Depreciation related to right of use assets totaled $26.9 million, or 3.6% of sales for the three months ended June 30, 2023, as compared to $25.2 million or 4.1% of sales for the same period of the prior year. The increase in depreciation expense was primarily due to acquisition growth. Same-store sales increases resulted in a decrease in depreciation expense as a percentage of sales during the second quarter of 2023.

Amortization of intangible assets for the three months ended June 30, 2023 totaled $6.7 million or 0.9% of sales, compared to the $6.7 million or 1.1% of sales expensed for the same period of the prior year. Same-store sales increases resulted in a decrease in amortization expense as a percentage of sales during the second quarter of 2023.

Finance Costs

Finance Costs of $12.2 million or 1.6% of sales for the three months ended June 30, 2023 increased from $9.1 million or 1.5% of sales for the same period of the prior year. The increase in finance costs was primarily due to increased lease liabilities, as a result of location growth and lease renewals, as well as higher variable interest rates on the revolving credit facility.

Income Taxes

Current and Deferred Income Tax Expense of $9.6 million for the three months ended June 30, 2023 compared to $5.1 million for the same period of the prior year. Income tax expense has not been impacted by significant permanent differences in the current or prior period.

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

Net Earnings and Earnings Per Share

Net Earnings for the three months ended June 30, 2023 was $26.3 million or 3.5% of sales compared to net earnings of $13.3 million or 2.2% of sales in the same period of the prior year. The net earnings amount in 2023 was impacted by acquisition and transaction costs of $0.7 million (net of tax). *Adjusted net earnings*[3] for the second quarter of 2023 was $27.0 million, or 3.6% of sales. This compares to Adjusted net earnings of $13.6 million or 2.2% of sales in the same period of 2022. Adjusted net earnings for the period was positively impacted by increased sales and improved leveraging of operating expenses.

Basic and Diluted Earnings Per Share was $1.22 per share for the three months ended June 30, 2023 compared to $0.62 for the second quarter of 2022. Adjusted net earnings per share was $1.26 compared to $0.63 for the second quarter of 2022. The increase in adjusted net earnings per share is primarily attributed to increased sales and improved leveraging of operating expenses.

Year-to-date Comparison - Six months ended June 30, 2023 vs. 2022

Sales

Sales totaled $1,468.2 million for the six months ended June 30, 2023 an increase of $298.6 million or 25.5% when compared to the same period of 2022. The increase in sales was the result of the following:

- Same-store sales excluding foreign exchange increased $253.6 million or 21.9%, and decreased $7.4 million due to the translation of same-store sales at a lower Canadian dollar exchange rate. The first six months of 2023 recognized the same number of selling and production days when compared to the same period of the prior year. Same-store sales benefited from high levels of demand for services, as well as some increase in production capacity related to technician hiring, growth in the Technician Development Program, as well as productivity improvement, although ongoing staffing constraints continued to impact sales and service levels that could be achieved. Sales also increased based on higher repair costs due to increasing vehicle complexity, increased scanning and calibration services, as well as general market inflation.
- $54.6 million of incremental sales were generated from 116 new locations that were not in operation for the full comparative period.
- Sales were affected by the closure of under-performing facilities which decreased sales by $2.2 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 $669.7 million or 45.6% of sales for the six months ended June 30, 2023 compared to $522.9 million or 44.7% of sales for the same period of 2022. Gross profit increased primarily as a result of increased sales due to same-store sales and location growth when compared to the prior period. The gross margin percentage was positively impacted by improved parts margins along with increased scanning and calibration services. Labor margins have improved; however, client pricing increases have not been sufficient to move labor margins to historical levels. Performance based programs negatively impacted gross margin during the first six months of 2023 as compared to the same period of the prior year.

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

Operating Expenses

Operating Expenses for the six months ended June 30, 2023 increased $92.5 million to $489.7 million from $397.1 million for the same period of 2022. The increase in operating expenses was primarily the result of increased sales based on same-store sales as well as location growth, in addition to inflationary increases. Closed locations lowered operating expenses by $1.1 million.

Operating expenses as a percentage of sales were 33.4% for the six months ended June 30, 2023, which compared to 34.0% for the same period of 2022. The decrease as a percentage of sales was impacted by improved sales levels, which provided improved leveraging of certain operating costs.

Acquisition and Transaction Costs

Acquisition and Transaction Costs for the six months ended June 30, 2023 was $1.5 million compared to $0.9 million recorded for the same period of 2022. 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 contingent consideration, as well as acquisition and transaction costs ("Adjusted EBITDA") for the six months ended June 30, 2023 totaled $180.1 million or 12.3% of sales compared to Adjusted EBITDA of $125.8 million or 10.8% of sales in the same period of 2022. The $54.3 million increase was primarily the result of improved sales levels and gross margin percentage, which also provided improved leveraging of certain operating costs.

Depreciation and Amortization

Depreciation related to property, plant and equipment totaled $24.8 million or 1.7% of sales for the six months ended June 30, 2023, an increase of $1.0 million when compared to the $23.8 million or 2.0% of sales recorded in the same period of 2022. The increase in depreciation expense was primarily due to acquisition growth as well as investments in capital equipment. Same-store sales increases resulted in a decrease in depreciation expense as a percentage of sales during the first six months of 2023.

Depreciation related to right of use assets totaled $52.7 million, or 3.6% of sales for the six months ended June 30, 2023, as compared to $49.3 million or 4.2% of sales for the same period of 2022. The increase in depreciation expense was primarily due to acquisition growth. Same-store sales increases resulted in a decrease in depreciation expense as a percentage of sales during the first six months of 2023.

Amortization of intangible assets for the six months ended June 30, 2023 totaled $12.8 million or 0.9% of sales, a decrease of $1.0 million when compared to the $13.7 million or 1.2% of sales expensed for the same period of 2022. Same-store sales increases resulted in a decrease in amortization expense as a percentage of sales during the first six months of 2023.

Finance Costs

Finance Costs of $24.2 million or 1.6% of sales for the six months ended June 30, 2023 increased from $17.4 million or 1.5% of sales for the same period of 2022. The increase in finance costs was primarily due to increased lease liabilities, as a result of location growth and lease renewals, as well as higher variable interest rates on the revolving credit facility.

Income Taxes

Current and Deferred Income Tax Expense of $17.0 million for the six months ended June 30, 2023 compared to an expense of $5.6 million for the same period of 2022. Income tax expense has not been impacted by significant permanent differences in the current or prior period.

Net Earnings and Earnings Per Share

Net Earnings for the six months ended June 30, 2023 was $47.1 million or 3.2% of sales compared to $14.9 million or 1.3% of sales in the same period of 2022. The net earnings amount for the six months ended June 30, 2023 was impacted by acquisition and transaction costs of $1.1 million (net of tax). After adjusting for fair value and other unusual items, Adjusted net earnings for the six months ended June 30, 2023 was $48.2 million, or 3.3% of sales. This compares to Adjusted net earnings of $15.7 million or 1.3% of sales in the same period of 2022. Adjusted net earnings for the period was positively impacted by increased sales and improvements in gross margin percentage as well as improved leveraging of operating expenses.

Basic and Diluted Earnings Per Share was $2.19 per share for the six months ended June 30, 2023 compared to $0.69 for the same period of 2022. Adjusted net earnings per share was $2.25 compared to adjusted net earnings per share of $0.73 for the same period of 2022. The increase in adjusted net earnings per share is primarily attributed to increased sales and improvements in gross margin percentage as well as improved leveraging of operating expenses.

Summary of Quarterly Results *(in thousands of U.S. dollars, except per share amounts)*	**2023 Q2**	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3
Sales	**$ 753,235**	$ 714,941	$ 637,094	$ 625,663	$ 612,806	$ 556,755	$ 516,206	$ 490,178
Adjusted EBITDA [(1)]	**$ 95,374**	$ 84,694	$ 74,693	$ 73,042	$ 72,003	$ 53,762	$ 57,300	$ 51,500
Net earnings	**$ 26,269**	$ 20,823	$ 14,184	$ 11,872	$ 13,298	$ 1,608	$ 4,901	$ 434
Basic earnings per share	**$ 1.22**	$ 0.97	$ 0.66	$ 0.55	$ 0.62	$ 0.07	$ 0.23	$ 0.02
Diluted earnings per share	**$ 1.22**	$ 0.97	$ 0.66	$ 0.55	$ 0.62	$ 0.07	$ 0.23	$ 0.02
Adjusted net earnings [(1)]	**$ 26,988**	$ 21,234	$ 14,610	$ 12,052	$ 13,558	$ 2,145	$ 5,930	$ 2,389
Adjusted net earnings per share [(1)]	**$ 1.26**	$ 0.99	$ 0.68	$ 0.56	$ 0.63	$ 0.10	$ 0.28	$ 0.11

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

LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations, together with cash on hand and undrawn credit on existing facilities are expected to be sufficient to meet operating requirements, capital expenditures and dividends. At June 30, 2023, BGSI had cash, net of outstanding deposits and cheques, held on deposit in bank accounts totaling $19.9 million (December 31, 2022 - $15.1 million). The net working capital ratio (current assets divided by current liabilities) was 0.61:1 at June 30, 2023 (December 31, 2022 – 0.65:1).

At June 30, 2023, BGSI had total debt outstanding, net of cash, of $1,004.5 million compared to $1,008.8 million at March 31, 2023, $963.0 million at December 31, 2022, $940.8 million at September 30, 2022 and $973.7 million at June 30, 2022. Debt, net of cash, decreased when compared to the prior quarter primarily as a result of increased cash flow from operations. During the second quarter of 2023, the Company was able to reduce the level of long term debt held under the revolving credit facility (net of financing costs) from $184.1 million to $174.5 million.

Total debt, net of cash *(thousands of U.S. dollars)*		**June 30, 2023**		March 31, 2023		December 31, 2022		September 30, 2022		June 30, 2022
Revolving credit facility & swing line (net of financing costs)	**$**	**174,507**	$	184,094	$	192,343	$	158,120	$	212,970
Term Loan A (net of financing costs)		**124,783**		124,773		124,759		124,747		124,716
Seller notes [(1)]		**37,447**		40,295		43,069		45,583		47,626
Total debt before lease liabilities	**$**	**336,737**	$	349,162	$	360,171	$	328,450	$	385,312
Cash		**19,887**		11,036		15,068		13,867		28,336
Total debt, net of cash before lease liabilities	**$**	**316,850**	$	338,126	$	345,103	$	314,583	$	356,976
Lease liabilities		**687,685**		670,629		617,926		626,213		616,689
Total debt, net of cash	**$**	**1,004,535**	$	1,008,755	$	963,029	$	940,796	$	973,665

(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 $87.0 million for the three months ended June 30, 2023 compared to $72.9 million in the same period of 2022.

In the second quarter of 2023, changes in working capital items provided net cash of $21.7 million compared with using net cash of $7.3 million in the same period of 2022. Increases and decreases in accounts receivable, inventory, prepaid expenses, income taxes, accounts payable and accrued liabilities are significantly influenced by timing of collections and expenditures.

Cash flow generated from operations before considering working capital changes, was $165.5 million for the six months ended June 30, 2023 compared to $124.9 million for the same period in 2022.

For the six months ended June 30, 2023, changes in working capital items provided net cash of $28.1 million compared with providing $1.0 million in the same period of 2022. Increases and decreases in accounts receivable, inventory, prepaid expenses, income taxes, accounts payable and accrued liabilities are significantly influenced by timing of collections and expenditures.

Financing Activities

Cash used in financing activities totaled $53.1 million for the three months ended June 30, 2023 compared to $81.3 million during the same period of the prior year. During the second quarter of 2023, cash was provided by draws of the revolving credit facility and swing line, primarily to fund acquisition activity, in the amount of $51.7 million, offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $65.5 million and to fund interest costs on long-term debt of $4.8 million. Cash used by financing activities included $24.7 million in repayments of lease liabilities and cash used to fund interest costs on lease liabilities of $7.3 million. Cash was also used to pay dividends of $2.3 million. During the second quarter of 2022, cash was provided by draws of the revolving credit facility and swing line, primarily to fund acquisition activity, in the amount of $6.0 million, offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $52.2 million and cash used to fund interest costs on long-term debt of $3.6 million. Cash used by financing activities included $23.5 million used to repay lease liabilities and cash used to fund interest costs on lease liabilities of $5.5 million. Cash was also used to pay dividends totaling $2.4 million.

Cash used in financing activities totaled $103.9 million for the six months ended June 30, 2023 compared to cash used by financing activities of $127.1 million for the same period of 2022. During the six months ended June 30, 2023, cash was provided by draws of the revolving credit facility in the amount of $77.1 million offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $103.8 million and to fund interest costs on long-term debt of $9.5 million. Cash used by financing activities included $48.4 million in repayments of lease liabilities and cash used to fund interest costs on lease liabilities of $14.7 million. Cash was also used to pay dividends of $4.7 million. During 2022, cash was provided by draws of the revolving credit facility in the amount of $43.0 million offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $100.6 million and to fund interest costs on long-term debt of $6.9 million. Cash used by financing activities included $46.7 million used to repay lease liabilities and cash used to fund interest costs on lease liabilities of $10.5 million. Cash was also used to pay dividends totaling $4.9 million. The Company amended the revolving credit facility during the the six months ended June 30, 2022, resulting in the payment of $0.5 million of financing costs.

Debt Financing

The Company has a revolving credit facility of $550 million, with an accordion feature which can increase the facility to a maximum of $825 million (the "revolving credit facility", or the "facility"). The revolving credit facility is accompanied by a seven-year fixed-rate Term Loan A in the amount of $125 million at an interest rate of 3.455%. The revolving credit facility is with a syndicate of Canadian and U.S. banks and is secured by the shares and assets of the Company as well as guarantees by BGSI and subsidiaries, while Term Loan A is with one of the syndicated banks. The interest rate for draws on the revolving credit facility are based on a pricing grid of BGSI's ratio of total funded debt to EBITDA as determined under the credit agreement. For purposes of covenant calculations, property lease payments are deducted from EBITDA, and EBITDA is further adjusted to reflect pro-forma annualized acquisition results. 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 the Secured Overnight Financing Rate ("SOFR") at the Company's election. The total syndicated facility includes a swing line up to a maximum of $10.0 million in Canada and $30.0 million in the U.S. At June 30, 2023, the Company has drawn $172.5 million U.S. (December 31, 2022 - $186.5 U.S.) and $3.5 million Canadian (December 31, 2022 - $9.0 million) on the revolving credit facility, $125.0 million U.S. (December 31, 2022 - $125.0 million) on the Term Loan A and $nil U.S. (December 31, 2022 - $nil) on the swing line.

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

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 six months ended June 30, 2023, BGSI entered into 16 new seller notes for $2.9 million.

Shareholders' Capital

During the first quarter of 2021, the Company instituted a stock option plan for senior management, which was approved by shareholders on May 12, 2021. The Company's stock option plan allows for the granting of options up to an amount of 250,000 Common shares under this plan. Each tranche of the options vests equally over two, three, four and five year periods. The term of an option shall be determined and approved by the People, Culture and Compensation Committee; provided that the term shall be no longer than ten years from the grant date.

On March 31, 2022, the Company issued 18,878 options under the stock option plan with a grant date fair value of C$47.08 per option and an exercise price of C$164.68 per option.

On March 29, 2023 and during the second quarter of 2023 the Company issued 28,292 and 435 options, respectively, under the stock option plan with a grant date fair value of C$71.64 per option and an exercise price of C$211.26 per option.

Investing Activities

Cash used in investing activities totaled $47.0 million and $85.0 million for the three months ended June 30, 2023 and for the six months ended June 30, 2023, respectively. This compares to cash from investing activities of $45.0 thousand and $1.9 million used in the same periods of the prior year, respectively. During the first six months of 2022, the Company completed sale leaseback transactions for proceeds of $51.0 million. The increase in start-up locations resulted in a build up of real estate assets. The Company's strategy has been to not hold real estate. The sale leaseback transactions allowed the Company to replenish capital while continuing to use these properties. Except for the sale leaseback transactions, the remaining investing activity related primarily to new location growth that occurred during each of these periods.

Acquisitions and Development of Businesses

During the six months ended June 30, 2023, the Company added 35 locations through acquisition and 13 start-up locations, for a total of 48 new locations. From January 1, 2023 up to the reporting date of August 9, 2023, the Company has added 41 locations through acquisition and 16 start-up locations, for a total of 57 new locations. These new locations are as follows:

Date	Location	Previously operated as
January 3, 2023	Cameron Park, CA	Cameron Park Auto Body
January 6, 2023	Abilene, TX	Gibb's Paint & Body, LLC
January 16, 2023	Lethbridge, AB	n/a start-up
January 18, 2023	Venice, FL	n/a start-up
January 18, 2023	Park City, UT	CKM Collision
February 3, 2023	Hendersonville, NC	Hill's Collision Center
February 3, 2023	Rogers, MN	Excalibur Collision & Conversion Center
February 3, 2023	Tontitown, AR	n/a start-up
February 8, 2023	Ocala, FL	n/a start-up
February 10, 2023	Lansdale, PA	Old Forge Collision Center
February 10, 2023	Sacramento, CA	Franklin Collision Center
February 17, 2023	Murrieta, CA	n/a start-up
February 22, 2023	LaBelle, FL	Direct Repair Collision Center
February 27, 2023	Perry, GA	Cochran Coach Works
February 28, 2023	New Port Richey, FL	n/a start-up
March 17, 2023	Rancho Cucamonga, CA	Proline Auto Collision Center
March 22, 2023	Sacramento, CA	Aries Auto Body
March 24, 2023	Modesto, CA	The Professionals Auto Body Works
March 24, 2023	Prattville, AL	Advanced Collision
March 28, 2023	Longview, TX	One Stop Automotive
March 28, 2023	Charleroi, PA	Russell's Body & Frame Service
March 28, 2023	Simpsonville, NC	n/a start-up
March 29, 2023	Sharpsburg, GA	B & B Body Shop
April 21, 2023	Griffin, GA	Nicolas Auto Repair & Body Shop
April 21, 2023	Huntsville, AL	Sledge Custom Body Shop
April 21, 2023	Baltimore, MD	Moore's Body Shop
April 27, 2023	Stockton, CA	Prestige Auto Body
April 28, 2023	Lake Charles, LA	n/a start-up
April 28, 2023	Kailua-Kona, HI	Auto Body Hawaii
May 5, 2023	Puyallup, WA	South Hill Collision
May 9, 2023	Iowa City, IA	Arena Auto Body
May 12, 2023	Mills River, NC	n/a start-up
May 23, 2023	Winterville, NC	n/a start-up
May 26, 2023	Fort Lauderdale, FL	Hi-Teck Collision Paint & Body Shop
May 26, 2023	Monroe, MI	Auto Body Plant Inc.

Date	Location	Previously operated as
May 26, 2023	Chicago, IL	Paul Ries & Sons
May 31, 2023	Albany, NY	Colby Body & Fender Works
June 2, 2023	Merced, CA	Rumin's Auto Body
June 16, 2023	Sacramento, Davis & Yuba City, CA (3 locations)	G&R Automotive/Natomas Auto Body & Paint
June 16, 2023	Austin, TX	Fix A Wreck Collision Center
June 23, 2023	Fridley, MN	City Collision & Glass
June 23, 2023	Red Bluff, CA	Gary's Auto body
June 27, 2023	Johnson City, NY	n/a start-up
June 29, 2023	Walla Walla, WA	Tietan Auto Body
June 30, 2023	Woodstock, IL	n/a start-up
June 30, 2023	Ames, IA	n/a start-up
July 14, 2023	Wildwood, FL	Cartech Collision Wildwood
July 14, 2023	Donaldsonville, LA	Donaldsonville Glass & Body Works
July 21, 2023	Perrysburg, OH	n/a start-up
July 21, 2023	Redding, CA	Crossroads Auto Body Repair
July 21, 2023	Lafayette & New Iberia, LA (2 locations)	Louisiana Auto Collision
July 28, 2023	Oroville, CA	Excel Auto Body
July 31, 2023	Toledo, OH	n/a start-up
July 31, 2023	Joplin, MO	n/a start-up

During the six months ended June 30, 2023, the Company acquired a two location glass business in Minnesota, a single location glass business in Texas, and opened six start-up glass locations.

The Company added 13 locations through acquisition, six start-up locations and four intake centers, for a total of 23 new locations from the beginning of 2022 until the second quarter reporting date of May 10, 2022.

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 to meet increased complexity of newer vehicles, signage, computers, software and vehicles forms part of the annual cash requirements of the business. The Company manages these expenditures by annually reviewing and determining its capital budget needs and then authorizing major expenditures throughout the year based upon individual business cases. Excluding expenditures related to acquisition and development, the Company spent approximately $15.1 million or 2.0% of sales on capital expenditures during the second quarter of 2023. The Company spent $9.2 million or 1.5% of sales during the same period of 2022.

During 2023, the Company plans to make cash capital expenditures, excluding those related to acquisition and development of new locations, within the range of 1.6% and 1.8% of sales. In addition to these capital expenditures, the Company plans to invest in network technology upgrades to further strengthen our technology and security infrastructure and prepare for advanced technology needs in the future. The investment expected in the second half of 2023 is in the range of $5 milion to $6 million, with investments expected in 2024 and 2025 to range from $5 million to $9 million per year. This investment aligns with Boyd's ESG sustainability roadmap to further strengthen data privacy and cyber security.

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 2022 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 2022 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. Except as noted below, during the second quarter of 2023, 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.

On July 1, 2022, as part of the expansion of the Wow Operating Way practices to corporate business processes, the Company transitioned to a new Enterprise Resource Management software system, which resulted in significant changes to the Company's business processes, procedures and internal controls, including the areas of order to cash, procurement to payment and financial reporting. The implementation did not impact underlying operational systems. The Company followed a robust system design and implementation process which involved experienced advisory resources. The Company replaced multiple internal controls over financial reporting with similar internal controls. During the second quarter, additional procedures were performed to ensure key control objectives were achieved.

BUSINESS RISKS AND UNCERTAINTIES

Risks and uncertainties affecting the business remain substantially unchanged from those identified in the 2022 annual MD&A.

ADDITIONAL INFORMATION

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

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

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

1. ***Review:*** I have reviewed the interim financial report and MD&A (together, the "interim filings") of **Boyd Group Services Inc.** (the "issuer") for the interim period ended **June 30, 2023**.
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 April 1, 2023 and ended on June 30, 2023 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 10, 2023

(signed)

Timothy O'Day
President & Chief Executive Officer

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Jeff Murray, 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 **June 30, 2023**.
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 April 1, 2023 and ended on June 30, 2023 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 10, 2023

(signed)

Jeff Murray
Executive Vice President & Chief Financial Officer

BOYD GROUP SERVICES INC.

Interim Condensed Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

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

	Note	**June 30, 2023**	December 31, 2022
Assets			
Current assets:			
Cash		**$ 19,887**	$ 15,068
Accounts receivable		**154,643**	139,266
Income taxes recoverable		**4,645**	5,666
Inventory	*4*	**72,558**	78,784
Prepaid expenses		**35,699**	36,520
		287,432	275,304
Property, plant and equipment	*5*	**352,971**	314,564
Right of use assets	*6*	**633,047**	568,437
Deferred income tax asset		**5,044**	3,815
Intangible assets	*7*	**336,762**	332,939
Goodwill	*8*	**615,928**	601,706
Other long-term assets		**3,579**	6,067
		$ 2,234,763	$ 2,102,832
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities		**$ 342,154**	$ 307,729
Dividends payable	*9*	**2,384**	2,330
Current portion of long-term debt	*10*	**23,941**	15,365
Current portion of lease liabilities	*11*	**100,879**	98,870
		469,358	424,294
Long-term debt	*10*	**312,796**	344,806
Lease liabilities	*11*	**586,806**	519,056
Deferred income tax liability		**67,847**	62,885
Unearned rebates		**4,886**	5,194
		1,441,693	1,356,235
Equity			
Accumulated other comprehensive earnings		**58,097**	54,330
Retained earnings		**130,593**	88,183
Shareholders' capital		**600,047**	600,047
Contributed surplus		**4,333**	4,037
		793,070	746,597
		$ 2,234,763	$ 2,102,832

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

Approved by the Board:

TIMOTHY O'DAY
Director

DAVID BROWN
Director

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

	Note	Shareholders' Capital Shares	Shareholders' Capital Amount	Contributed Surplus	Accumulated Other Comprehensive Earnings	Retained Earnings	Total Equity
Balances - January 1, 2022		21,472,194	$ 600,047	$ 3,680	$ 65,987	$ 56,720	$ 726,434
Stock option accretion				357			357
Other comprehensive loss					(11,657)		(11,657)
Net earnings						40,962	40,962
Comprehensive (loss) earnings					(11,657)	40,962	29,305
Dividends to shareholders						(9,499)	(9,499)
Balances - December 31, 2022		21,472,194	$ 600,047	$ 4,037	$ 54,330	$ 88,183	$ 746,597
Stock option accretion				296			296
Other comprehensive earnings					3,767		3,767
Net earnings						47,092	47,092
Comprehensive earnings					3,767	47,092	50,859
Dividends to shareholders	9					(4,682)	(4,682)
Balances - June 30, 2023		21,472,194	$ 600,047	$ 4,333	$ 58,097	$ 130,593	$ 793,070
Balances - January 1, 2022		21,472,194	$ 600,047	$ 3,680	$ 65,987	$ 56,720	$ 726,434
Stock option accretion				155			155
Other comprehensive loss					(3,016)		(3,016)
Net earnings						14,906	14,906
Comprehensive (loss) earnings					(3,016)	14,906	11,890
Dividends to shareholders	9					(4,854)	(4,854)
Balances - June 30, 2022		21,472,194	$ 600,047	$ 3,835	$ 62,971	$ 66,772	$ 733,625

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 U.S. dollars, except share and per share amounts)

	Note	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Sales	14	**$ 753,235**	$ 612,806	**$ 1,468,176**	$ 1,169,561
Cost of sales		**410,562**	335,296	**798,457**	646,679
Gross profit		**342,673**	277,510	**669,719**	522,882
Operating expenses		**247,299**	205,507	**489,651**	397,117
Acquisition and transaction costs		**972**	352	**1,528**	881
Depreciation of property, plant and equipment	5	**12,839**	12,276	**24,755**	23,799
Depreciation of right of use assets	6	**26,923**	25,174	**52,700**	49,317
Amortization of intangible assets	7	**6,660**	6,669	**12,762**	13,749
Fair value adjustments		**—**	—	**—**	146
Finance costs		**12,153**	9,097	**24,217**	17,410
		306,846	259,075	**605,613**	502,419
Earnings before income taxes		**35,827**	18,435	**64,106**	20,463
Income tax expense (recovery)					
Current		**7,415**	(736)	**13,172**	46
Deferred		**2,143**	5,873	**3,842**	5,511
		9,558	5,137	**17,014**	5,557
Net earnings		**$ 26,269**	$ 13,298	**$ 47,092**	$ 14,906

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

	Note	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Basic earnings per share	15	**$ 1.22**	$ 0.62	**$ 2.19**	$ 0.69
Diluted earnings per share	15	**$ 1.22**	$ 0.62	**$ 2.19**	$ 0.69
Basic weighted average number of shares outstanding	15	**21,472,194**	21,472,194	**21,472,194**	21,472,194
Diluted weighted average number of shares outstanding	15	**21,475,569**	21,472,194	**21,474,907**	21,472,194

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

	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Net earnings	**$ 26,269**	$ 13,298	**$ 47,092**	$ 14,906
Other comprehensive earnings				
Items that may be reclassified subsequently to Interim Condensed Consolidated Statements of Earnings				
Change in unrealized earnings on foreign currency translation	**3,629**	(5,704)	**3,767**	(3,016)
Other comprehensive earnings	**3,629**	(5,704)	**3,767**	(3,016)
Comprehensive earnings	**$ 29,898**	$ 7,594	**$ 50,859**	$ 11,890

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

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

		Three months ended June 30,		Six months ended June 30,	
		2023	2022	**2023**	2022
	Note				
Cash flows from operating activities					
Net earnings		**$ 26,269**	$ 13,298	**$ 47,092**	$ 14,906
Adjustments for					
Fair value adjustments		**—**	—	**—**	146
Deferred income taxes		**2,143**	5,873	**3,842**	5,511
Finance costs		**12,153**	9,097	**24,217**	17,410
Amortization of intangible assets	*7*	**6,660**	6,669	**12,762**	13,749
Depreciation of property, plant and equipment	*5*	**12,839**	12,276	**24,755**	23,799
Depreciation of right of use assets	*6*	**26,923**	25,174	**52,700**	49,317
Other		**42**	555	**107**	24
		87,029	72,942	**165,475**	124,862
Changes in non-cash working capital items		**21,735**	(7,303)	**28,127**	1,014
		108,764	65,639	**193,602**	125,876
Cash flows used in financing activities					
Increase in obligations under long-term debt	*10*	**51,686**	6,000	**77,135**	43,000
Repayment of long-term debt, principal	*10*	**(65,534)**	(52,227)	**(103,817)**	(100,573)
Repayment of obligations under property leases, principal		**(23,803)**	(22,837)	**(46,616)**	(45,345)
Repayment of obligations under vehicle and equipment leases, principal		**(915)**	(711)	**(1,755)**	(1,379)
Interest on long-term debt	*10*	**(4,833)**	(3,582)	**(9,513)**	(6,919)
Interest on property leases		**(7,142)**	(5,422)	**(14,366)**	(10,317)
Interest on vehicle and equipment leases		**(175)**	(94)	**(319)**	(177)
Dividends paid		**(2,340)**	(2,448)	**(4,692)**	(4,899)
Payment of financing costs	*10*	**—**	—	**—**	(514)
		(53,056)	(81,321)	**(103,943)**	(127,123)
Cash flows (used in) from investing activities					
Proceeds on sale of equipment and software	*5*	**175**	166	**292**	1,533
Equipment purchases and facility improvements		**(15,044)**	(9,161)	**(28,605)**	(15,564)
Acquisition and development of businesses (net of cash acquired)	*3*	**(34,229)**	(12,869)	**(58,544)**	(34,835)
Software purchases and licensing	*7*	**(16)**	(15)	**(84)**	(41)
Increase in other long-term assets		**(24)**	670	**(162)**	(172)
Proceeds on sale / leaseback agreements	*5*	**2,093**	21,254	**2,093**	51,027
		(47,045)	45	**(85,010)**	1,948
Effect of foreign exchange rate changes on cash		**188**	(302)	**170**	(79)
Net increase (decrease) in cash position		**8,851**	(15,939)	**4,819**	622
Cash beginning of period		**11,036**	44,275	**15,068**	27,714
Cash, end of period		**$ 19,887**	$ 28,336	**$ 19,887**	$ 28,336
Income taxes paid		**$ 11,405**	$ 1,488	**$ 12,135**	$ 2,277
Interest paid		**$ 12,555**	$ 8,965	**$ 24,109**	$ 17,235

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

1. GENERAL INFORMATION

Boyd Group Services Inc. ("BGSI" or the "Company") is a Canadian corporation and controls The Boyd Group Inc. and its subsidiaries.

The Company's business consists of the ownership and operation of autobody/autoglass repair facilities and related services. At the reporting date, the Company operated locations in Canada under the trade names Boyd Autobody & Glass and Assured Automotive, as well as in the U.S. under the trade name Gerber Collision & Glass. In addition, the Company is a major retail auto glass operator in the U.S. under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority and Autoglassonly.com. The Company also operates Gerber National Claim Services ("GNCS"), that offers glass, emergency roadside and first notice of loss services.

The shares of the Company are listed on the Toronto Stock Exchange and trade under the symbol "BYD.TO". The head office and principal address of the Company are located at 1745 Ellice Avenue, Unit C1, Winnipeg, Manitoba, Canada, R3H 1A6.

The policies applied in these interim condensed consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and effective as of August 9, 2023, 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, 2023 could result in restatement of these interim condensed consolidated financial statements.

2. BASIS OF PRESENTATION

These interim condensed consolidated financial statements for the three and six months ended June 30, 2023 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, 2022. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS. These consolidated financial statements are presented in U.S. dollars ("USD").

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

3. ACQUISITIONS

The Company completed 33 acquisitions that added 35 locations during the six months ended June 30, 2023 as follows:

Acquisition Date	Location
January 3, 2023	Cameron Park, CA
January 6, 2023	Abilene, TX
January 18, 2023	Park City, UT
February 3, 2023	Hendersonville, NC
February 3, 2023	Rogers, MN
February 10, 2023	Lansdale, PA
February 10, 2023	Sacramento, CA
February 22, 2023	LaBelle, FL
February 27, 2023	Perry, GA
March 17, 2023	Rancho Cucamonga, CA
March 22, 2023	Sacramento, CA
March 24, 2023	Modesto, CA
March 24, 2023	Prattville, AL
March 28, 2023	Longview, TX
March 28, 2023	Charleroi, PA
March 29, 2023	Sharpsburg, GA
April 21, 2023	Griffin, GA
April 21, 2023	Huntsville, AL
April 21, 2023	Baltimore, MD
April 27, 2023	Stockton, CA
April 28, 2023	Kailua-Kona, HI
May 5, 2023	Puyallup, WA
May 9, 2023	Iowa City, IA
May 26, 2023	Ft. Lauderdale, FL
May 26, 2023	Monroe, MI
May 26, 2023	Chicago, IL
May 31, 2023	Albany, NY
June 2, 2023	Merced, CA
June 16, 2023	Sacramento, Davis, and Yuba City, CA (3 locations)
June 16, 2023	Austin, TX
June 23, 2023	Fridley, MN
June 23, 2023	Red Bluff, CA
June 29, 2023	Walla Walla, WA

During the six months ended June 30, 2023, the Company acquired a two location glass business in Minnesota and a single location glass business in Texas. In addition, the Company acquired 100% interest in a long term asset, previously recorded at cost, to support and enhance the Company’s WOW operating way processes.

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

BGSI has accounted for the 2023 acquisitions using the acquisition method as follows:

Acquisitions in 2023		Total acquisitions
Identifiable net assets acquired at fair value:		
Other currents assets	$	813
Property, plant and equipment		10,226
Right of use assets		22,926
Identified intangible assets		
Customer relationships		8,594
Non-compete agreements		482
Intellectual property		6,046
Liabilities assumed		
Current liabilities		(68)
Lease liabilities		(22,926)
Identifiable net assets acquired	$	26,093
Goodwill		12,042
Total purchase consideration	$	38,135
Consideration provided		
Cash paid or payable	$	35,221
Seller notes		2,914
Total consideration provided	$	38,135

The preliminary purchase prices for the 2023 acquisitions may be revised as additional information becomes available. Further adjustments may be recorded in future periods as purchase price adjustments are finalized.

Canadian acquisition transactions are initially recognized in U.S. dollars at the rates of exchange in effect on the transaction dates. Subsequently, the assets and liabilities are translated at the rate in effect at the Statement of Financial Position date.

A significant part of the goodwill recorded on the acquisitions can be attributed to the assembled workforce and the operating know-how of key personnel. However, no intangible assets qualified for separate recognition in this respect.

Goodwill recognized during 2023 is expected to be deductible for tax purposes.

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

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

4. INVENTORY

As at		**June 30, 2023**		December 31, 2022
Parts and materials	**$**	**21,781**	$	20,734
Work in process		**50,777**		58,050
Balance, end of period	**$**	**72,558**	$	78,784

5. PROPERTY, PLANT AND EQUIPMENT

As at		**June 30, 2023**		December 31, 2022
Balance, beginning of year	**$**	**314,564**	$	332,189
Acquired through business combination		**10,226**		11,055
Additions		**54,922**		77,214
Proceeds on disposal		**(2,385)**		(57,885)
(Loss) gain on disposal		**(20)**		503
Transfers from right of use assets		**117**		279
Depreciation		**(24,755)**		(47,902)
Foreign exchange		**302**		(889)
Balance, end of period	**$**	**352,971**	$	314,564

6. RIGHT OF USE ASSETS

As at		**June 30, 2023**		December 31, 2022
Balance, beginning of year	**$**	**568,437**	$	502,036
Acquired through business combinations		**22,926**		18,179
Additions and modifications		**93,291**		153,149
Depreciation		**(52,700)**		(101,150)
Transfers to property, plant and equipment		**(117)**		(279)
Foreign exchange		**1,210**		(3,498)
Balance, end of period	**$**	**633,047**	$	568,437

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

7. INTANGIBLE ASSETS

As at		**June 30, 2023**		December 31, 2022
Balance, beginning of year	**$**	**332,939**	$	348,727
Acquired through business combination		**15,122**		14,369
Additions		**84**		259
Amortization		**(12,762)**		(26,567)
Foreign exchange		**1,379**		(3,849)
Balance, end of period	**$**	**336,762**	$	332,939

8. GOODWILL

As at		**June 30, 2023**		December 31, 2022
Balance, beginning of year	**$**	**601,706**	$	601,991
Acquired through business combination		**12,042**		6,190
Foreign exchange		**2,180**		(6,475)
Balance, end of period	**$**	**615,928**	$	601,706

9. DIVIDENDS

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

The Company declared dividends of C$0.147 per share in the first quarter of 2023 and C$0.147 per share in the second quarter of 2023 (2022 - C$0.144 and C$0.144 respectively).

Dividends to shareholders were declared and paid as follows:

Record date	**Payment date**		**Dividend amount**
March 31, 2023	April 26, 2023	$	2,306
June 30, 2023	July 27, 2023		2,376
		$	4,682

Record date	**Payment date**		**Dividend amount**
March 31, 2022	April 27, 2022	$	2,441
June 30, 2022	July 27, 2022		2,413
		$	4,854

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

10. LONG-TERM DEBT

Long-term debt is comprised of the following:

As at		**June 30, 2023**		December 31, 2022
Revolving credit facility & swing line (net of financing costs)	**$**	**174,507**	$	192,343
Term Loan A (net of financing costs)		**124,783**		124,759
Seller notes		**37,447**		43,069
	$	**336,737**	$	360,171
Current portion		**23,941**		15,365
	$	**312,796**	$	344,806

The following is the continuity of long-term debt:

As at		**June 30, 2023**		December 31, 2022
Balance, beginning of period	**$**	**360,171**	$	442,073
Consideration on acquisition		**2,914**		3,875
Draws		**77,135**		126,093
Repayments		**(103,817)**		(211,863)
Deferred financing costs		**—**		(514)
Amortization of deferred finance costs		**209**		406
Foreign exchange		**125**		101
Balance, end of period	**$**	**336,737**	$	360,171

Included in finance costs for the three and six months ended June 30, 2023 is interest on long-term debt of $4,833 and $9,513 respectively (2022 - $3,582 and $6,919 respectively).

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

11. LEASE LIABILITIES

The following is the continuity of lease liabilities:

As at		**June 30, 2023**		December 31, 2022
Balance, beginning of period	**$**	**617,926**	$	543,347
Assumed on acquisition		**22,926**		18,179
Additions and modifications		**93,830**		155,560
Repayments		**(63,056)**		(117,045)
Financing costs		**14,685**		21,795
Foreign exchange		**1,374**		(3,910)
Balance, end of period	**$**	**687,685**	$	617,926
Current portion		**100,879**		98,870
	$	**586,806**	$	519,056

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

	Three months ended June 30,				**Six months ended June 30,**			
		2023		2022		**2023**		2022
Operating expenses	**$**	**1,663**	$	1,831	**$**	**3,581**	$	3,169
Depreciation of right of use assets	**$**	**26,923**	$	25,174	**$**	**52,700**	$	49,317
Finance costs	**$**	**7,317**	$	5,516	**$**	**14,685**	$	10,494

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

12. FINANCIAL INSTRUMENTS

Carrying value and estimated fair value of financial instruments

			June 30, 2023		December 31, 2022	
	Classification	Fair value hierarchy	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets						
Cash	Amortized cost	n/a	**$ 19,887**	$ 19,887	$ 15,068	$ 15,068
Accounts receivable	Amortized cost	n/a	**154,643**	154,643	139,266	139,266
Financial liabilities						
Accounts payable and accrued liabilities	Amortized cost	n/a	**342,154**	342,154	307,729	307,729
Dividends payable	Amortized cost	n/a	**2,384**	2,384	2,330	2,330
Long-term debt	Amortized cost	n/a	**336,737**	319,811	360,171	355,815

For the Company's current financial assets and liabilities, including accounts receivable, accounts payable and accrued liabilities, and dividends payable, which are short term in nature and subject to normal trade terms, the carrying values approximate their fair value. The fair value of BGSI's long-term debt has been determined by calculating the present value of the interest rate spread that exists between the actual Term Loan A and the rate that would be negotiated with the economic conditions at the reporting date. As there is no ready secondary market for BGSI's other long-term debt, the fair value has been estimated using the discounted cash flow method.

Collateral

The Company's syndicated loan facility is collateralized by a General Security Agreement. The carrying amount of the financial assets pledged as collateral for this facility at June 30, 2023 was approximately $174,530 (December 31, 2022 - $154,334).

13. SEASONALITY

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

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

14. SEGMENTED REPORTING

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

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Revenues				
Canada	**$ 59,092**	$ 50,450	**$ 115,802**	$ 96,280
United States	**694,143**	562,356	**1,352,374**	1,073,281
	$ 753,235	$ 612,806	**$ 1,468,176**	$ 1,169,561

Reportable Assets As at	**June 30, 2023**	December 31, 2022
Canada	**$ 222,495**	$ 213,392
United States	**1,716,213**	1,604,254
	$ 1,938,708	$ 1,817,646

15. EARNINGS PER SHARE

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	**2023**	2022
Net earnings	**$ 26,269**	$ 13,298	**$ 47,092**	$ 14,906
Basic weighted average number of shares	**21,472,194**	21,472,194	**21,472,194**	21,472,194
Average number of shares outstanding - diluted basis	**21,475,569**	21,472,194	**21,474,907**	21,472,194
Basic earnings per share	**$ 1.22**	$ 0.62	**$ 2.19**	$ 0.69
Diluted earnings per share	**$ 1.22**	$ 0.62	**$ 2.19**	$ 0.69

For the three and six months ended June 30, 2023, the impact of the stock options issued in 2022 (Note 16) were included in the diluted average number of shares outstanding. The stock options issued in 2021 and 2023 (Note 16) could have potentially diluted the basic earnings per share, but their impact was anti-dilutive during these periods.

For the three and six months ended June 30, 2022 the stock options issued in 2021, and 2022 (Note 16) could have potentially diluted basic earnings per share, but their impact was anti-dilutive during these periods.

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

16. STOCK OPTION PLAN

During the first quarter of 2021, the Company instituted a stock option plan for senior management, which was approved by shareholders on May 12, 2021. The Company's stock option plan allows for the granting of options up to an amount of 250,000 Common shares under this plan. Each tranche of the options vests equally over two, three, four and five year periods. The term of an option shall be determined and approved by the People, Culture and Compensation Committee; provided that the term shall be no longer than ten years from the grant date.

On March 31, 2021 the Company issued 13,831 options under the stock option plan with a grant date fair value of C$56.99 per option and an exercise price of C$219.21 per option. As at June 30, 2023, 12,207 options remain issued and outstanding, 25% of which have vested.

On March 31, 2022 the Company issued 18,878 options under the stock option plan with a grant date fair value of C$47.08 per option and an exercise price of C$164.68 per option. As at June 30, 2023, 18,347 options remain issued and outstanding. None of the options are exercisable at period end.

On March 29, 2023 and during the second quarter of 2023 the Company issued 28,292 and 435 options, respectively, under the stock option plan with a grant date fair value of C$71.64 per option and an exercise price of C$211.26 per option. None of the options are exercisable at period end. As at June 30, 2023, 28,341 options remain issued and outstanding.

Issue costs of $nil were incurred with respect to options issued under the stock option plan.

17. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

As at			Non-cash changes				
	December 31, 2022	Cash Flows	Acquisition	Other items	Fair value changes	Foreign exchange	**June 30, 2023**
Long-term debt	$ 360,171	(36,195)	2,914	9,722	—	125	**$ 336,737**
Lease liabilities	617,926	(63,056)	22,926	108,515	—	1,374	**687,685**
Dividends	2,330	(4,692)	—	4,682	—	64	**2,384**
	$ 980,427	(103,943)	25,840	122,919	—	1,563	**$ 1,026,806**