



BOYD GROUP SERVICES INC.

2024 Annual Report

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Table of Contents

Report to Shareholders.....	3
Message from the Independent Board Chair.....	5
Management’s Discussion & Analysis.....	7-44
Certification of Annual Filings	45-48
Consolidated Financial Statements	
Management’s Responsibility for Financial Reporting.....	50
Independent Auditor’s Report.....	51
Consolidated Statements of Financial Position.....	55
Consolidated Statements of Changes in Equity.....	56
Consolidated Statements of Earnings.....	57
Consolidated Statements of Comprehensive Earnings.....	57
Consolidated Statements of Cash Flows.....	58
Notes to Consolidated Financial Statements.....	59-91
Board of Directors.....	92-94
Corporate Directory.....	95
Shareholder Information.....	96

BOYD GROUP SERVICES INC.

REPORT TO SHAREHOLDERS

To our Shareholders,

Throughout 2024, Boyd consistently posted market share gains in a challenging environment characterized by low claims volumes, driven by significant insurance premium inflation and overall economic uncertainty, as well as mild winter weather, with 2024 being the warmest winter in over 129 years. In spite of these factors, in which industry sources reported a year-over-year decrease in repairable claims of 9.0% for all losses and 7.9% excluding comprehensive claims, Boyd posted year-over-year same-store sales declines of only 1.8%, demonstrating Boyd's ability to gain market share in this very challenging environment.

Total sales for 2024 totaled \$3.1 billion, representing a 4.2% increase when compared to the \$2.9 billion achieved in 2023. Same-store sales¹ decreased 1.8% offset by contributions from 155 new locations that had not been in operation for the full comparative period, which added \$187.2 million of incremental sales. Same-store sales levels were significantly impacted by low claims volumes throughout the year. The internalization of scanning and calibration services, progress in Boyd's repair first strategy and focus on the use of cost effective alternative parts, continued to deliver strong value by lowering repair costs for the Company's customers, that, despite being beneficial to gross margin, reduced sales relative to the prior year. In 2024, 40% of Boyd's scanning and calibration services were completed utilizing internal resources, with a near term ambition to grow this to 80%. In order to support this growth, the workforce providing scanning and calibration services grew by over 100% from January 1, 2024 to December 31, 2024.

Adjusted EBITDA¹ for 2024 was \$334.8 million, or 10.9% of sales, compared with \$368.2 million, or 12.5% of sales in 2023. The decrease in Adjusted EBITDA was primarily the result of declines in repairable claims volumes for services, which resulted in same-store sales declines and a high ratio of operating expenses as a percentage of sales. Although operating expenses as a percentage of sales was positively impacted by reductions in staffing made to better align with current levels of demand, as well as reduced incentive compensation and recruiting costs, these impacts were more than offset by fixed costs on existing and new locations.

Boyd posted net earnings of \$24.5 million in 2024, or 0.8% of sales, compared to \$86.7 million, or 2.9% of sales in 2023 and earnings per share of \$1.14 per share for the year ended December 31, 2024 compared to \$4.04 for the same period of 2023. Impacting net earnings were fair value adjustments to financial instruments, as well as acquisition and transformational cost initiatives (net of tax). After adjusting for these items, Adjusted net earnings¹ for 2024 was \$30.9 million or 1.0% of sales. This compares to Adjusted net earnings of \$89.7 million or 3.0% of sales in 2023. Adjusted net earnings for the year ended December 31, 2024 was \$1.44 per share, compared to \$4.18 per share in 2023. Net earnings and Adjusted net earnings for the year were negatively impacted by the decrease in Adjusted EBITDA, as well as increased depreciation expense and increased finance costs. Depreciation and finance costs increased as a result of investments in growth and the investment in network technology upgrades during a period of lower sales and Adjusted EBITDA. These investments align with Boyd's ESG sustainability roadmap to responsibly address data privacy and cyber security.

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 transformational cost initiatives), 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 March 19, 2025) for the period ended December 31, 2024, starting on page 6 of this Annual Report. A copy of Boyd's MD&A for the period ended December 31, 2024 can be accessed via the SEDAR Web site (www.sedarplus.com).

With respect to the balance sheet, at December 31, 2024, BGSJ held total debt, net of cash, of \$1,231.6 million, compared to \$1,114.5 million at December 31, 2023. Total debt, net of cash, includes lease liabilities of \$744.3 million at December 31, 2024, compared to \$715.3 million at December 31, 2023. Debt, net of cash, before lease liabilities increased when compared to the prior year primarily as a result of location growth. The Company's strategy has been to not hold real estate except where it is necessary for growth opportunities. Certain start-up locations necessitate short term holding of real estate until the build is complete and operations have begun. During the year 2024, the Company completed sale leaseback transactions for proceeds of \$64.9 million. The sale leaseback transactions allowed the Company to replenish capital that can be redeployed to further grow the business.

Based on Boyd's continued growth, the strength of and confidence in the business, Boyd announced a Canadian dollar dividend increase of 2.0% to 61.2 cents per share annualized, up from 60.0 cents per share.

While the Company has been successfully executing on our long-term growth goals, 2024 brought with it some challenging economic and industry conditions. The Company has focused on increasing value to customers and shareholders, and has consistently performed above industry, with a focus on emerging from these conditions in a strong position. In spite of the initiatives in place, current market conditions may cause a slight delay in Boyd achieving its long-term growth goal of doubling the size of the business on a constant currency basis from 2021 to 2025 against 2019 sales.

Boyd is pleased to have announced a new five-year goal, which includes growing revenue to \$5 billion in 2029, doubling Adjusted EBITDA dollars from 2024-2029, returning to an Adjusted EBITDA margin of 14%, expanding market share and retaining a leadership position in all markets served, and achieving top-tier profitability in the North American collision industry ("Double Down"). Boyd is accelerating its focus on operational excellence and profitability with "Project 360", a company-wide transformational cost initiative launched in partnership with a leading global consulting firm during the fourth quarter of 2024 that will support the Double Down goal. Project 360 is projected to result in \$100 million in annual recurring cost savings over the plan period with upfront investment and transition costs incurred to achieve these benefits estimated to be in the \$20-\$23 million range over the coming quarters.

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. 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
Chief Executive Officer

BOYD GROUP SERVICES INC.

MESSAGE FROM THE INDEPENDENT BOARD CHAIR

To our Shareholders,

Following Boyd's delivery of record sales and improved profitability in 2023, benefiting from collision repair demand outstripping capacity, the collision repair industry experienced an abrupt "about face". Year-over-year repairable claims fell 9.0% driven, we believe, by significant insurance premium inflation, overall economic uncertainty and the warmest winter in the last 129 years. Although the associated fall in demand inevitably brought with it lower sales and profitability, Boyd delivered significant market share gains – year-over-year same store sales declined only 1.8% against a 9.0% decline in repairable claims. A strong testament to the resiliency and strength of the Boyd team and business model.

We remain highly confident in the Industry outlook, Boyd's position therein and our ability to continue to grow our market share and profitability through a combination of location and organic growth. Roughly 45% of the \$50 billion North American collision repair market is represented by very small players – our thesis is firmly intact. Consistent with that confidence, Boyd recently announced its new five year targets and the road map to achieve those targets – grow revenue to \$5.0 billion and double Adjusted EBITDA¹ by 2029, and return our Adjusted EBITDA margin to 14% over the next five years.

We recently announced that Tim O'Day will retire as CEO effective May 14th of this year. Over the last twenty plus years, the last five of which as CEO, Tim has been an integral and imperative part of Boyd's amazing growth and success. On behalf of the Board and the entire Boyd team, I would like to thank Tim for his excellent and unwavering leadership. It has been an absolute pleasure working with Tim and he will be truly missed.

We are very pleased and excited that Brian Kaner, our current President and COO, will succeed Tim as CEO. Since joining Boyd in 2022, Brian has helped and enabled the Boyd team to navigate ever-changing economic and industry conditions, brought a laser focus on increasing value to our customers, shareholders and other stakeholders and has been instrumental in developing Boyd's near, mid and longer term strategy. We have no doubt that Brian is the right person for the future.

It is with profound sadness that I communicate that our long-serving Board Member, Robert Gross, unexpectedly and suddenly passed away on November 18, 2024. Mr. Gross was a dedicated and valued member of our Board, having served on the Board since 2012, and having held positions on the Governance & Sustainability Committee as well as the People, Culture and Compensation Committee. He was deeply committed to the success and growth of Boyd and was widely respected for the guidance and insights he provided. He was an incredible leader and friend, and his presence on our Board is deeply missed.

¹Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, adjusted for the fair value adjustments related to contingent consideration, as well as acquisition and transformational cost initiatives), 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 March 19, 2025) for the period ended December 31, 2024, starting on page 6 of this Annual Report. A copy of Boyd's MD&A for the period ended December 31, 2024 can be accessed via the SEDAR Web site (www.sedarplus.com).

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

Sincerely,










(signed)

David G. Brown
Independent Chair

Management’s Discussion & Analysis

OVERVIEW

Boyd Group Services Inc. (“BGSI”), through its operating company, The Boyd Group Inc. and its subsidiaries (“Boyd” or the “Company”), is one of the largest operators of non-franchised collision repair centers in North America in terms of number of locations and sales. The Company currently operates locations in Canada under the trade name Boyd Autobody & Glass and Assured Automotive, as well as in the U.S. under the trade name Gerber Collision & Glass. The Company is also a major retail auto glass operator in the U.S., under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority and Autoglassonly.com. In addition, the Company operates a third party administrator, Gerber National Claims Services (“GNCS”), that offers glass, emergency roadside and first notice of loss services. The Company also operates a Mobile Auto Solutions (“MAS”) service that offers scanning and calibration services. The following is a geographic breakdown of locations by trade name and location as at March 18, 2025.

		984 locations			
		46 locations			
		82 locations			
Alberta	16	Florida (+4)*	80	Missouri (+4)*	17
British Columbia	13	Michigan (+1)*	77	Alabama (+5)*	15
Manitoba	13	Illinois	66	Tennessee (+3)*	15
Saskatchewan	4	California (+4)*	52	Maryland (+1)*	14
		Texas (+8)*	42	Minnesota (+3)*	14
		Georgia (+4)*	42	Pennsylvania (+3)*	14
		New York	41	Kansas	11
		Washington (+1)*	39	Oregon	11
Ontario	82	Wisconsin (+1)*	38	Nevada	8
		North Carolina (+1)*	37	Hawaii (+1)*	6
		Indiana (+1)*	35	Iowa (+2)*	6
		Ohio	34	Kentucky	6
		Oklahoma (+1)*	28	Utah (+1)*	6
		Louisiana (+4)*	27	Arkansas	3
		Arizona (+1)*	26	Nebraska (+3)*	3
		Colorado	22	Idaho	1
		South Carolina	19	Virginia (+1)*	1
<i>The above numbers include 33 intake locations, net of one closed location</i>		<i>The above numbers include one intake location and two fleet locations co-located with collision repair centers, net of four closed location</i>			
					
					
					
					

* Locations added in 2024 and up to March 18, 2025

Boyd provides collision repair services to insurance companies and individual vehicle owners, 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 year ended December 31, 2024, including material transactions and events of BGSI up to and including March 18, 2025, as well as management’s expectations for the year ahead, should be read in conjunction with the annual audited consolidated financial statements of BGSI for the year ended December 31, 2024, included on pages 49 to 91 of the annual report, and as filed on SEDAR+ at www.sedarplus.com.

SIGNIFICANT EVENTS

On March 15, 2024, the BGSi Board of Directors declared a cash dividend for the first quarter of 2024 of C\$0.15 per common share. The dividend was paid on April 26, 2024 to common shareholders of record at the close of business on March 31, 2024.

On March 26, 2024, BGSi extended its existing revolving credit facilities in the aggregate amount of \$550 million for a four-year term, with an accordion feature which can increase the credit facilities to a maximum of \$850 million (the “Facilities”). The Facilities will mature in March 2028. The existing \$125 million Term Loan A maturing in March 2027 remains unchanged.

On June 17, 2024, the BGSi Board of Directors declared a cash dividend for the second quarter of 2024 of C\$0.15 per common share. The dividend was paid on July 29, 2024 to common shareholders of record at the close of business on June 30, 2024.

On August 8, 2024, BGSi announced the appointment of Brian Kaner as President & Chief Operating Officer, effective immediately. Concurrent with this change, Tim O’Day remains Chief Executive Officer (“CEO”), however relinquishes the “President” title, which he has held since 2017.

On September 17, 2024, the BGSi Board of Directors declared a cash dividend for the third quarter of 2024 of C\$0.15 per common share. The dividend was paid on October 29, 2024 to common shareholders of record at the close of business on September 30, 2024.

On October 11, 2024, BGSi announced the temporary closure of 47 locations in the states of Florida, Georgia, North Carolina and South Carolina due to Hurricane Helene, followed by the temporary closure of 52 locations in the state of Florida as a result of Hurricane Milton.

On December 2, 2024, the BGSi announced that effective May 14, 2025, Chief Executive Officer Timothy O’Day will step down from his current role, to be succeeded by Brian Kaner, current President and Chief Operating Officer of Boyd. These changes are planned to be effective as of the date of the Annual General Meeting of Boyd, which is scheduled to occur on May 14, 2025.

On December 17, 2024, the BGSi Board of Directors declared a cash dividend for the fourth quarter of 2024 of C\$0.153 per common share. The dividend was paid on January 29, 2025 to common shareholders of record at the close of business on December 31, 2024.

On February 26, 2025, BGSi announced the launch of its latest five-year goal designed to drive growth and enhance profitability through 2029.

On March 17, 2025, the BGSi Board of Directors declared a cash dividend for the first quarter of 2025 of C\$0.153 per common share. The dividend will be paid on April 28, 2025 to common shareholders of record at the close of business on March 31, 2025.

The Company completed and opened the following number of collision repair acquisitions and start up locations during the periods listed:

Location	Number of locations added through acquisition	Number of start ups	Total
January 1, 2024 to December 31, 2024	37	12	49
January 1, 2025 to March 18, 2025	3	6	9
Total	40	18	58

During the year ended December 31, 2024, the Company opened seven start-up glass locations, acquired one glass location and four calibration businesses. From January 1, 2025 up to the reporting date of March 18, 2025, the Company acquired two glass location.

OUTLOOK

Boyd is pleased to have announced a new five-year goal, which includes growing revenue to \$5 billion in 2029, doubling Adjusted EBITDA¹ dollars from 2024-2029, returning to an Adjusted EBITDA margin of 14%, expanding market share and retaining a leadership position in all markets served, and achieving top-tier profitability in the North American collision industry (“Double Down”). Boyd is accelerating its focus on operational excellence and profitability with “Project 360”, a company-wide transformational cost initiative launched in partnership with a leading global consulting firm during the fourth quarter of 2024 that will support the Double Down goal. Project 360 is expected to result in \$100 million in annual recurring cost savings over the plan period with upfront investment and transition costs incurred to achieve these benefits estimated to be in the \$20-\$23 million range over the coming quarters.

In the near term, the market dynamics that impacted results throughout 2024, including a decline in claims volumes due to insurance premium inflation and overall economic uncertainty, have continued into early 2025, with repairable claims experiencing a greater year-over-year decline during the first two months of 2025 than was experienced in the fourth quarter of 2024 in spite of the return of more normal winter weather conditions. Despite this fact, thus far in the first quarter of 2025, same-store sales has improved compared to the fourth quarter, but is not yet positive; continuing to demonstrate market share gains. As in prior years, the first quarter is burdened by higher payroll taxes that occur early in the year, while the fourth quarter of 2024 benefited from expense accrual reductions, as certain expense estimates were firmed up at amounts that were lower than previously estimated and accrued. These factors, along with the challenging claims environment are resulting in Adjusted EBITDA dollars, thus far in the first quarter, trending slightly below levels achieved in the first quarter of the prior year. While it is still too early to determine if claims volumes have bottomed, Boyd remains confident in the industry’s long-term outlook and believes the transformational cost saving initiatives initiated will drive improved margins in the coming quarters.

Boyd remains committed to improving gross margin, through initiatives such as the internalization of scanning and calibration services. The need for scanning and calibration services continue to grow and Boyd’s ability to internalize these services continues to scale. The Company anticipates achieving 80% internalization of scanning and calibration services within the next 2-3 years.

Growth through acquisition as well as through start-up sites continues. Although start-up sites have a longer development cycle and ramp-up period, these locations offer a number of advantages and as a result the Company plans to continue increasing the proportion of growth using this approach. Over the longer-term, the proportion of acquisition to start-up sites is expected to be approximately even. The pipeline for start-up sites currently includes scheduled openings of seven locations in Q1 2025, and an additional 21 locations through the balance of the year.

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

While the Company has been successfully executing on Boyd's long-term growth goal of doubling the size of the business on a constant currency basis from 2021 to 2025 against 2019 sales, over the past year and into 2025, the market has experienced unanticipated economic and industry conditions. The Company has focused on increasing value to customers and shareholders, and has consistently performed above industry, with a focus on emerging from these conditions in a strong position. In spite of the initiatives in place, current market conditions may cause a slight delay in Boyd achieving its long-term growth goal of 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

The collision repair industry in North America is estimated by Boyd to represent over \$50 billion in annual revenue. The industry is highly fragmented, consisting of many small independent family owned businesses operating in local markets. It is estimated that car dealerships have approximately 15% of the total market. It is believed that multi-unit collision repair operators with greater than \$20 million in annual revenues (including multi-unit car dealerships), now have approximately 39% of the total market.

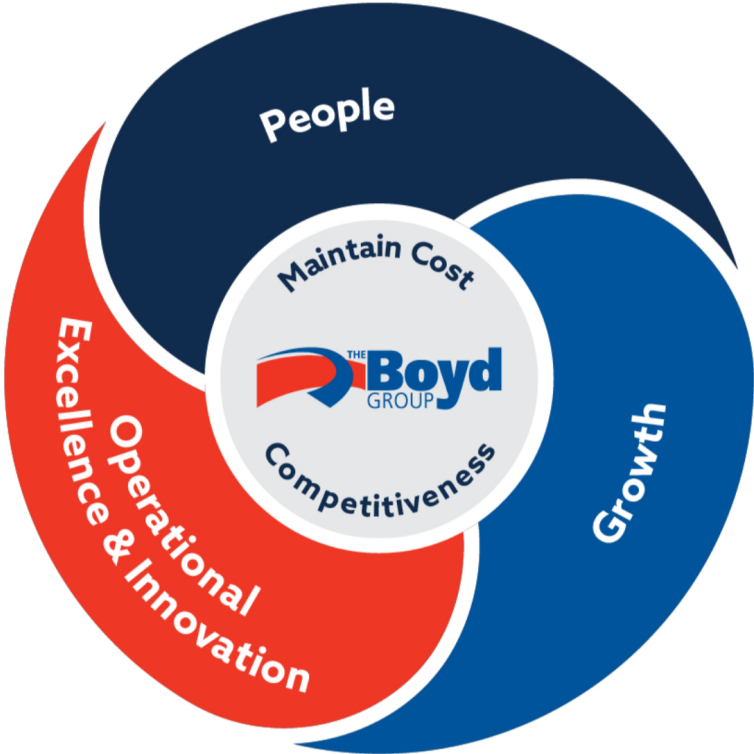
Customer relationship dynamics in the Company's principal markets differ from region to region. In the United States, Ontario, and Alberta, where private insurers operate, a greater emphasis is placed on establishing and maintaining Direct Repair Programs ("DRP's") and other referral arrangements with insurance companies. DRP's are established between insurance companies and collision repair shops to better manage automobile repair claims and increase levels of customer satisfaction. Insurance companies select collision repair operators to participate in their programs based on integrity, convenience and physical appearance of the facility, quality of work, customer service, cost of repair, cycle time and other key performance metrics. Major insurers use performance-based criteria for selecting collision repair partners. Local and regional DRP's, and national and self-managed DRP relationships, represent an opportunity for Boyd to increase its business. Insurers have also moved to consolidate DRP repair volumes with a fewer number of repair shops. There is some preference among some insurance carriers to do business with multi-location collision repairers in order to reduce the number and complexity of contacts necessary to manage their networks of collision repair providers and to achieve a higher level of consistent performance. Boyd continues to develop and strengthen its DRP relationships with insurance carriers in both Canada and the United States and believes it is well positioned to take advantage of these trends.

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

Boyd expects to generate growth sufficient to double the size of the business on a constant currency revenue basis from 2021 to 2025, based on 2019 revenues, implying a compound annual growth rate of 15 percent, although current market conditions may cause a slight delay in Boyd achieving this long-term growth goal. Boyd will continue to pursue accretive growth

through a combination of organic growth (same-store sales² growth) as well as adding new locations to the network in the United States and Canada.

BUSINESS STRATEGY



Boyd is pleased to have announced a new five-year goal, which includes growing revenue to \$5 billion in 2029, doubling Adjusted EBITDA dollars from 2024-2029, returning to an Adjusted EBITDA margin of 14%, expanding market share and retaining a leadership position in all markets served, and achieving top-tier profitability in the North American collision industry (“Double Down”). Double Down is supported by “Project 360”, a company-wide transformational cost initiative launched in partnership with a leading global consulting firm during the fourth quarter of 2024. Project 360 is expected to result in \$100 million in annual recurring cost savings over the plan period with upfront investment and transition costs incurred to achieve these benefits estimated to be in the \$20-\$23 million range over the coming quarters.

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

Ambition	"WOW" every customer as a top-tier industry consolidator, while retaining a leading position (#1 or #2) in the markets we serve							
2029 Goals	\$5B Revenue	1,400+ Units	~10% Market Share	\$700M Adj. EBITDA (Margins 14%)	Industry-leading NPS			
Strategic Pillars	Growth			Operational excellence & Innovation		People		
	Repeatable inorganic model	Market & Carrier level strategies	Natural Adjacencies	Efficient operations (WOW + Project 360)		Right people, right role, right capabilities		
	Build a scalable inorganic model for future growth	Maniacal focus on growing car counts	Grow business through adjacent services (i.e. glass and calibration)	Utilize WOW, enhanced by Project 360 to drive store economics, cost leverage and customer satisfaction		Support employees in delivering market-leading operations & customer experience		
	Market-based operating model designed to drive proficient execution and accountability							
Enablers	Culture of accountability	Talent & Development	Sales & Business Intelligence	Procurement	IT / ERP	Finance & Accounting	Field Support Organization	

People

Having the right people in the right roles with the right capabilities enables Boyd to be a market leading operator delivering exceptional customer experiences. The workforce drives the success of Boyd's business, and the Company strives to create an environment where employees can reach their full potential and build long-term careers. Boyd's ambition is to be a top employer in the collision, calibration and glass sector by attracting, developing, and retaining the strongest talent in the industry enabled by a culture of accountability. Boyd is committed to addressing labor market challenges by focusing on retention and recruitment, investing in the Technician Development Program and focusing on opportunities for productivity improvements.

Growth

Boyd's \$5 billion revenue target will be achieved by continuing the Company's proven growth strategy, namely the combination of same-store sales growth and new location growth with a focus on securing a number-one or number-two market position in all markets served. The Company expects to generate 3% to 5% in average annual growth from same-store sales growth and an additional 5% to 7% in average annual growth through the addition of new locations. Beyond same-store sales growth and single shop expansion, Boyd will continue to be a strategic buyer of larger multi-location businesses, and if successful, this would be incremental to the revenue growth goals.

Increasing same-store sales³ has a positive impact on financial performance. Boyd continues to pursue and execute on strategies to help grow same-store sales³, including a focus on growing car count volume through existing locations and increasing scanning and calibration services.

Boyd's inorganic model for growth includes new start-up locations as well as single-location and multi-location acquisitions. The Company believes that start-up facilities offer a number of advantages and as a result plans to continue increasing the proportion of growth using this approach. This approach allows Boyd to design and develop a facility that has a preferred footprint and flow. Being able to accommodate Boyd's future needs in terms of glass and calibration services is another benefit. These facilities are also attractive from a customer and employee perspective. When a start-up facility is put into the market, consideration is given to new growth markets as well as expansion of large markets into areas that do not have body shops.

Operational Excellence & Innovation

Operational excellence has been a key component of Boyd’s past success and has contributed to the Company being viewed as an industry leading service provider. Delivering on our customers’ expectations related to cost of repair, time to repair, quality and customer service are critical to being successful and being rewarded with same-store sales³ growth. The Company’s commitment to operational excellence is embodied in its mission and goal, which is condensed into a top of mind cheer for its employees which is ‘Wow every customer, be the best’. In 2015, Boyd rolled out and implemented its Wow Operating Way process improvement initiative which is now in place at all of its locations, except newly acquired locations, where it will be implemented as part of acquisition integration. In 2022, Boyd expanded its Wow Operating Way practices to corporate business processes. The Wow Operating Way is a series of systems, processes and measurements that drive excellence in customer satisfaction, repair cycle times and operational metrics. Boyd also conducts extensive customer satisfaction polling at all operating locations to assist in keeping customer satisfaction at the forefront of its mandate. Boyd will also continue to invest in its infrastructure, process improvement initiatives and IT systems to contribute to high quality service to its customers and improved operational performance.

Boyd is committed to growing the business through adjacent services, such as the internalization of scanning and calibration services, which represented 5% of total revenues in 2024. In 2024, 40% of Boyd’s scanning and calibration services were completed utilizing internal resources, with a near term ambition to grow this to 80%. In order to support this growth, the workforce providing scanning and calibration services has grown by over 100% from January 1, 2024 to December 31, 2024.

Initiatives such as the internalization of scanning and calibration services, progress in Boyd’s repair first strategy and focus on the use of cost effective alternative parts, deliver strong value by lowering repair costs for the Company’s customers and providing incremental gross margin to Boyd.

Maintain Cost Competitiveness

Boyd continues to manage its operating expenses as a percentage of sales. Over the last few years, Boyd has made incremental expense investments that are important for the long-term success of the business, including investing in key support functions. While expense management is critical, so is making the right expense investments. The Company is committed to returning to an Adjusted EBITDA margin of 14%, supported by Project 360, a company-wide transformational cost initiative launched in partnership with a leading global consulting firm during the fourth quarter of 2024. Project 360 is expected to result in \$100 million in annual recurring cost savings over the plan period with upfront investment and transition costs incurred to achieve these benefits estimated to be in the \$20-\$23 million range over the coming quarters.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

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

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

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

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
<p>Boyd plans to grow revenue to \$5 billion in 2029, double Adjusted EBITDA dollars from 2024-2029, return to an Adjusted EBITDA margin of 14%, expand market share and retain a leadership position in all markets served, and achieve top-tier profitability in the North American collision industry</p>	<p>Opportunities continue to be available and are at acceptable and accretive prices</p> <p>Financing options continue to be available at reasonable rates and on acceptable terms and conditions</p> <p>New and existing customer relationships are expected to provide acceptable levels of revenue opportunities</p> <p>Anticipated operating results would be accretive to overall Company results</p> <p>Initiatives to increase production capacity are successful</p> <p>Project 360 is successful</p> <p>Technology is leveraged to optimize mix decisions</p> <p>Material spend is optimized</p> <p>Store operating model is optimized to drive leverage as volume scales</p>	<p>Acquisition market conditions change and repair shop owner demographic trends change</p> <p>Credit and refinancing conditions prevent or restrict the ability of the Company to continue growth strategies</p> <p>Changes in market conditions and operating environment</p> <p>Significant decline in the number of insurance claims</p> <p>Integration of new stores is not accomplished as planned</p> <p>Increased competition which prevents achievement of acquisition and revenue goals</p> <p>Initiatives to increase production capacity take longer than expected or are not successful</p> <p>Insurance premium inflation and overall economic uncertainty continue to impact claims volumes</p> <p>Anticipated cost savings take longer than expected or are not fully realized</p>
<p>Project 360 is expected to require upfront investment and transition costs in the \$20-\$23 million range over the coming quarters.</p>	<p>The actual cost for these expenditures agrees with the original estimate</p> <p>The project is completed according to the estimated timeline</p> <p>No other new requirements are identified or required during the period</p> <p>All identified costs are required during the period</p>	<p>BGSI may identify additional expenditure needs that were not originally anticipated</p> <p>BGSI may identify expenditure needs that were originally anticipated; however, are no longer required or required on a different timeline</p>
<p>Project 360 is expected to result in \$100 million in annual recurring cost savings over the plan period. Reduced operating expenses and improved operating expense leverage is expected to be realized gradually beginning in the second quarter of 2025.</p>	<p>The project is completed according to the estimated timeline</p> <p>Cost savings initiatives have been appropriately identified</p> <p>Adequate time and resources are dedicated to achieving cost savings objectives</p>	<p>Cost savings realized differ from amounts originally anticipated</p> <p>Timeframe for cost savings differs from original timeline</p> <p>BGSI is not able to achieve the level of cost savings anticipated</p>

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
<p>The Company anticipates achieving 80% internalization of scanning and calibration services within the next 2-3 years</p>	<p>Staffing to service scanning and calibration continues to be available</p> <p>Necessary equipment is readily available</p> <p>Vehicles requiring scanning and calibration services increase according to industry and company projections</p>	<p>Demand for services grows more rapidly than anticipated during the timeframe</p> <p>Necessary equipment is not available in the required timeframe</p> <p>Vehicles requiring scanning and calibration services increase at a pace that differs from industry and company projections</p> <p>Vehicle population in certain geographies does not support the investment required to internalize scanning and calibration services</p>
<p>Current market conditions may cause a slight delay in Boyd achieving its long-term growth goal of doubling the size of the business on a constant currency basis from 2021 to 2025 against 2019 sales</p>	<p>Opportunities continue to be available and are at acceptable and accretive prices</p> <p>Financing options continue to be available at reasonable rates and on acceptable terms and conditions</p> <p>New and existing customer relationships are expected to provide acceptable levels of revenue opportunities</p> <p>Anticipated operating results would be accretive to overall Company results</p> <p>Growth is defined as revenue on a constant currency basis</p> <p>Initiatives to increase production capacity are successful</p>	<p>Acquisition market conditions change and repair shop owner demographic trends change</p> <p>Credit and refinancing conditions prevent or restrict the ability of the Company to continue growth strategies</p> <p>Changes in market conditions and operating environment</p> <p>Significant decline in the number of insurance claims</p> <p>Integration of new stores is not accomplished as planned</p> <p>Increased competition which prevents achievement of acquisition and revenue goals</p> <p>Initiatives to increase production capacity take longer than expected or are not successful</p> <p>Insurance premium inflation and overall economic uncertainty continue to impact claims volumes</p>
<p>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</p>	<p>Re-emergence of stability in economic conditions and employment rates</p> <p>New and existing customer relationships are expected to provide acceptable levels of revenue opportunities</p> <p>The Company's customer and supplier relationships provide it with competitive advantages to increase sales over time</p> <p>Market share growth will more than offset systemic changes in the industry and environment</p> <p>Anticipated operating results would be accretive to overall Company results</p>	<p>Economic conditions deteriorate</p> <p>Loss of one or more key customers or loss of significant volume from any customer</p> <p>Decline in the number of insurance claims</p> <p>Inability of the Company to pass cost increases to customers over time</p> <p>Increased competition which may prevent achievement of revenue goals</p> <p>Changes in market conditions and operating environment</p> <p>Changes in weather conditions</p> <p>Inability to maintain, replace or grow technician capacity could impact organic growth</p>

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
Stated objective to gradually increase dividends over time	<p>Growing profitability of the Company and its subsidiaries</p> <p>The continued and increasing ability of the Company to generate cash available for dividends</p> <p>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</p>	<p>BGSI is dependent upon the operating results of the Company</p> <p>Economic conditions deteriorate</p> <p>Changes in weather conditions</p> <p>Decline in the number of insurance claims</p> <p>Loss of one or more key customers or loss of significant volume from any customer</p> <p>Changes in government regulation</p>
<p>During 2025, 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 2025 is in the range of \$10M to \$12M, with an investment in 2026 in the range of \$2 million to \$4 million.</p>	<p>The actual cost for these capital expenditures agrees with the original estimate</p> <p>The purchase, delivery and installation of the capital items is consistent with the estimated timeline</p> <p>No other new capital requirements are identified or required during the period</p> <p>All identified capital requirements are required during the period</p>	<p>Actual expenditures could be above or below 1.6% to 1.8% of sales</p> <p>The timing of the expenditures could occur on a different timeline</p> <p>BGSI may identify additional capital expenditure needs that were not originally anticipated</p> <p>BGSI may identify capital expenditure needs that were originally anticipated; however, are no longer required or required on a different timeline</p>

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

SELECTED ANNUAL INFORMATION

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

For the years ended December 31,			
<i>(thousands of U.S. dollars, except per unit/share amounts)</i>	2024	2023	2022
Sales	\$3,070,342	\$2,945,988	\$2,432,318
Net earnings	\$24,544	\$86,656	\$40,962
Adjusted net earnings ⁽²⁾	\$30,902	\$89,683	\$42,366
Basic and diluted earnings per share	\$1.14	\$4.04	\$1.91
Adjusted net earnings per share ⁽²⁾	\$1.44	\$4.18	\$1.97
Cash dividends per share declared:			
Share dividends ⁽¹⁾	\$0.44	\$0.44	\$0.45
December 31,			
<i>(thousands of U.S. dollars)</i>	2024	2023	2022
Total assets	\$ 2,464,189	\$ 2,382,416	\$ 2,102,832
Total long-term financial liabilities	\$ 1,198,258	\$ 1,082,067	\$ 931,941
<small>(1) Dividends and distributions continue to be declared and paid in Canadian dollars. In 2024, the annual dividend declared totaled C\$0.603 (2023 - C\$0.591, 2022 - C\$0.579)</small>			
<small>(2) As defined in the non-GAAP financial measures and ratios section of the MD&A</small>			

Acquisitions and new single location growth had the largest impact on growing sales from 2023 to 2024, this coupled with same-store sales growth resulted in sales growth from 2022 to 2023. Sales in 2024 compared to 2023 and 2022 were negatively impacted by a decrease in same-store sales. This is consistent with market trends where this year industry sources report a year-over-year decrease in repairable claims of 9% for all losses and 7.9% excluding comprehensive claims. In 2023, same-store sales benefited from high levels of demand for services that created leverage in the absorption of fixed costs. In 2022, sales were negatively impacted by supply chain disruption and a highly competitive labor market which translated into significant wage pressure and labor margin compression.

The decline in net earnings and adjusted net earnings⁴ in 2024 compared to 2023 and 2022 were primarily driven by a decrease in same-store sales which resulted in decreased leverage in the absorption of fixed costs. Net earnings was further decreased by \$3.2 million (net of tax) in transformational cost initiatives carried out by the Company during the fourth quarter of 2024. Expenses related to the transformational cost initiatives, expected to continue into 2025, are non-recurring and relate to the execution of Project 360 expected to assist in achieving BGSI's five-year goal, these expenses have been removed from the calculation of Adjusted Net Earnings.

The change in total assets and total long-term financial liabilities was significantly impacted by acquisitions and new location growth. In addition to these changes, fluctuations in total assets from 2022 to 2024 have primarily related to increases in property, plant and equipment, right of use assets and goodwill as a result of new location growth. During this timeframe, long-term financial liabilities were also impacted by financing of acquisitions and new location growth.

Since the end of 2007 through the end of 2024, BGSI increased dividends to shareholders. As of March 18, 2025 the dividend rate is C\$0.153 per quarter or C\$0.612 on an annualized basis.

⁴ As defined in the non-GAAP financial measures and ratios section of the MD&A

BOYD GROUP SERVICES INC.

The consolidated financial statements of BGSi and its subsidiaries have been prepared in accordance with IFRS[®] Accounting Standards, as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and contain the consolidated financial position, results of operations and cash flows of BGSi, the Company and the Company’s subsidiary companies for the year ended December 31, 2024.

NON-GAAP FINANCIAL MEASURES AND RATIOS

EBITDA AND ADJUSTED EBITDA

Earnings before interest, taxes, depreciation and amortization (“EBITDA”) is not a calculation defined in IFRS Accounting Standards. 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. Included as an adjustment to EBITDA are acquisition and transformational cost initiatives expenses and fair value adjustments to contingent consideration. These adjustments which do not relate to the current operating performance of the business units but are typically costs incurred to expand operations as well as execute a transformation plan, expected to assist in achieving BGSi’s five-year goal. 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

<i>(thousands of U.S. dollars)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net earnings	\$ 2,442	\$ 19,066	\$ 24,544	\$ 86,656
Add:				
Finance costs	17,382	14,052	68,913	51,718
Income tax (recovery) expense	(792)	8,008	7,116	32,865
Depreciation of property, plant and equipment	20,907	16,224	75,498	56,863
Depreciation of right of use assets	31,425	28,663	123,512	109,806
Amortization of intangible assets	6,814	6,896	26,309	26,182
Standardized EBITDA	\$ 78,178	\$ 92,909	\$ 325,892	\$ 364,090
Add:				
Fair value adjustments	(144)	(189)	(952)	(189)
Acquisition and transformational cost initiatives	\$ 5,374	1,487	\$ 9,879	4,346
Adjusted EBITDA	\$ 83,408	\$ 94,207	\$ 334,819	\$ 368,247

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:

<i>(thousands of U.S. dollars, except share and per share amounts)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net earnings	\$ 2,442	\$ 19,066	\$ 24,544	\$ 86,656
Add:				
Fair value adjustments (non-taxable)	(144)	(189)	(952)	(189)
Acquisition and transformational cost initiatives (net of tax)	\$ 3,977	\$ 1,100	\$ 7,310	\$ 3,216
Adjusted net earnings	\$ 6,275	\$ 19,977	\$ 30,902	\$ 89,683
Weighted average number of shares	21,472,670	21,472,194	21,472,436	21,472,194
Adjusted net earnings per share	\$ 0.29	\$ 0.93	\$ 1.44	\$ 4.18

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:

<i>(thousands of U.S. dollars)</i>	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Sales	\$ 752,339	\$ 740,014	\$ 3,070,342	\$ 2,945,988
Less:				
Sales from locations not in the comparative period	(36,316)	(3,057)	(273,019)	(85,845)
Sales from under-performing facilities closed during the period	—	(534)	(17)	(7,717)
Foreign exchange	1,509	—	3,436	—
Same-store sales (excluding foreign exchange)	\$ 717,532	\$ 736,422	\$ 2,800,742	\$ 2,852,425

Dividends

BGSI declared dividends of C\$0.150 per share in each of the first, second and third quarters of 2024 and C\$0.153 per share in the fourth quarter of 2024 (2023 - C\$0.147 and C\$0.150 respectively).

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

<i>(thousands of U.S. dollars)</i>		
Record date	Payment date	Dividend amount
March 31, 2024	April 26, 2024	\$ 2,379
June 30, 2024	July 29, 2024	2,350
September 30, 2024	October 29, 2024	2,377
December 31, 2024	January 29, 2025	2,308
		\$ 9,414

<i>(thousands of U.S. dollars)</i>		
Record date	Payment date	Dividend amount
March 31, 2023	April 26, 2023	\$ 2,306
June 30, 2023	July 27, 2023	2,376
September 30, 2023	October 27, 2023	2,333
December 31, 2023	January 29, 2024	2,397
		\$ 9,412

RESULTS OF OPERATIONS

Results of Operations						
<i>(thousands of U.S. dollars, except per share amounts)</i>						
	Three months ended December 31,			Year ended December 31,		
	2024	% change	2023	2024	% change	2023
Sales - Total	752,339	1.7	740,014	3,070,342	4.2	2,945,988
Same-store sales - Total ⁽¹⁾ (excluding foreign exchange)	717,532	(2.6)	736,422	2,800,742	(1.8)	2,852,425
Gross margin %	45.8	0.7	45.5	45.5	—	45.5
Operating expense %	34.8	6.4	32.7	34.6	4.8	33.0
Adjusted EBITDA ⁽¹⁾	83,408	(11.5)	94,207	334,819	(9.1)	368,247
Acquisition and transformational cost initiatives	5,374	261.4	1,487	9,879	127.3	4,346
Depreciation and amortization	59,146	14.2	51,783	225,319	16.8	192,851
Fair value adjustments	(144)	N/A	(189)	(952)	N/A	(189)
Finance costs	17,382	23.7	14,052	68,913	33.2	51,718
Income tax (recovery) expense	(792)	(109.9)	8,008	7,116	(78.3)	32,865
Adjusted net earnings ⁽¹⁾	6,275	(68.6)	19,977	30,902	(65.5)	89,683
Adjusted net earnings per share ⁽¹⁾	0.29	(68.8)	0.93	1.44	(65.6)	4.18
Net earnings	2,442	(87.2)	19,066	24,544	(71.7)	86,656
Basic and diluted earnings per share	0.11	(87.2)	0.89	1.14	(71.7)	4.04

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

Sales

Sales totaled \$3.1 billion for the year ended December 31, 2024 an increase of \$124.4 million or 4.2% when compared to the same period of 2023. The increase in sales was the result of the following:

- \$187.2 million of incremental sales were generated from 155 new locations that were not in operation for the full comparative period.
- Same-store sales⁵ excluding foreign exchange decreased \$51.7 million or 1.8% and decreased a further \$3.4 million due to the translation of same-store sales⁵ at a lower Canadian dollar exchange rate. This is consistent with market trends where this year industry sources report a year-over-year decrease in repairable claims of 9% for all losses and 7.9% excluding comprehensive claims. The year ended December 31, 2024 recognized two additional selling and production days when compared to the prior year, which increased selling and production capacity by approximately 0.8%. The internalization of scanning and calibration services, progress in Boyd's repair first strategy and focus on the use of cost effective alternative parts, continued to deliver strong value by lowering repair costs for the Company's customers, and consequently reduced sales that otherwise could have been achieved despite being beneficial from a gross margin perspective.
- Sales were affected by the closure of under-performing facilities which decreased sales by \$7.7 million.

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

Gross Profit

Gross Profit was \$1.4 billion or 45.5% of sales for the year ended December 31, 2024 compared to \$1.3 billion or 45.5% of sales for the same period in 2023. While margin rate remained flat year over year, gross profit increased \$56.4 million as a result of location growth when compared to the prior period. The internalization of scanning and calibration contributed to the increase in gross margin, along with improved performance based pricing; however, these gains were offset by labor rate margins which remained below historical levels.

Operating Expenses

Operating Expenses for the year ended December 31, 2024 increased \$89.9 million to \$1,061.7 million from \$971.8 million for the same period of 2023. The increase in operating expenses was primarily the result of location growth and inflationary increases. Closed locations lowered operating expenses by \$4.5 million.

Operating expenses as a percentage of sales were 34.6% for the year ended December 31, 2024 compared to 33.0% for the same period in 2023. Operating expenses as a percentage of sales was negatively impacted by the decline in same-store sales and new locations, which contributed sales but with a higher operating expense ratio of 36.9%. Although operating expenses as a percentage of sales was positively impacted by reductions in staffing made to better align with current levels of demand as well as reduced incentive compensation and recruiting costs, these impacts were more than offset by fixed costs on existing and new locations.

Acquisition and Transformational Cost Initiatives

Acquisition and Transformational Cost Initiatives for the year ended December 31, 2024 were \$9.9 million compared to \$4.3 million recorded for the same period of 2023. Acquisition costs relate to various acquisitions, including acquisitions from prior periods, as well as other completed or potential acquisitions. Expenses related to the transformational cost initiative of \$4.4 million, expected to continue in 2025, are non-recurring and relate to the execution of a transformation plan expected to assist in achieving BGSI's five-year goal. No similar transformation costs were incurred in 2023.

⁵ As defined in the non-GAAP financial measures and ratios section of the MD&A

Adjusted EBITDA⁶

Earnings before interest, income taxes, depreciation and amortization, adjusted for contingent consideration, as well as acquisition and transformational cost initiatives (“Adjusted EBITDA⁶”) for the year ended December 31, 2024 totaled \$334.8 million or 10.9% of sales compared to Adjusted EBITDA⁶ of \$368.2 million or 12.5% of sales in the same period of the prior year. The \$33.4 million decrease was primarily the result of declines in repairable claims volumes for services, which resulted in same-store sales declines and a higher ratio of operating expenses as a percentage of sales. Although operating expenses as a percentage of sales was positively impacted by reductions in staffing made to better align with current levels of demand as well as reduced incentive compensation and recruiting costs, these impacts were more than offset by fixed costs on existing and new locations.

Depreciation and Amortization

Depreciation related to property, plant and equipment totaled \$75.5 million or 2.5% of sales for the year ended December 31, 2024, an increase of \$18.6 million when compared to the \$56.9 million or 1.9% of sales recorded in the same period of the prior year. The increase in depreciation expense was primarily due to growth in locations, the investments in network technology upgrades, as well as growth related to the calibration business. Investments in the calibration business pertain primarily to vehicles and calibration technology equipment. Depreciation expense as a percentage of sales has been impacted by same-store sales declines.

Depreciation related to right of use assets totaled \$123.5 million, or 4.0% of sales for the year ended December 31, 2024, as compared to \$109.8 million or 3.7% of sales for the same period of the prior year. The increase in depreciation expense was primarily due to location growth and lease renewals. Depreciation expense as a percentage of sales has been impacted by same-store sales declines.

Amortization of intangible assets for the year ended December 31, 2024 totaled \$26.3 million or 0.9% of sales, an increase of \$0.1 million when compared to the \$26.2 million or 0.9% of sales expensed for the same period in the prior year.

Finance Costs

Finance Costs of \$68.9 million or 2.2% of sales for the year ended December 31, 2024 increased from \$51.7 million or 1.8% 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 lease renewals and location growth, as well as higher variable interest rates and increased utilization on the revolving credit facility.

Income Taxes

Current and Deferred Income Tax Expense of \$7.1 million for the year ended December 31, 2024 compared to an expense of \$32.9 million for the same period of the prior year. Income tax expense was impacted by the recording of state-related adjustments related to the completion and filing of the prior year U.S. tax returns, which decreased income tax expense by approximately \$1.5 million for the year ended December 31, 2024 (December 31, 2023 - increased income tax expense by \$1.2 million). In 2024, the recovery of state taxes was due to the recognition of a deferred tax asset related to depreciation differences in states that do not conform with federal bonus depreciation. Permanent differences did not have a significant impact on the tax computed on accounting income.

⁶ 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 year ended December 31, 2024 was \$24.5 million or 0.8% of sales compared to \$86.7 million or 2.9% of sales in the same period of the prior year. The net earnings amount in 2024 was impacted by acquisition and transformational cost initiatives of \$7.3 million (net of tax). After adjusting for fair value and other unusual items, Adjusted net earnings⁷ in 2024 was \$30.9 million, or 1.0% of sales. This compares to Adjusted net earnings⁷ of \$89.7 million or 3.0% of sales in 2023. Net earnings and Adjusted net earnings for the period was negatively impacted by the decrease in Adjusted EBITDA⁷ as well as increased depreciation expense and increased finance cost. Depreciation and finance costs increased due to investments in growth and the investment in network technology upgrades.

Basic and Diluted Earnings Per Share was \$1.14 per share for the year ended December 31, 2024 compared to \$4.04 for the same period of 2023. Adjusted net earnings per share⁸ was \$1.44 compared to \$4.18 for the same period of 2023.

Summary of Quarterly Results								
<i>(in thousands of U.S. dollars, except per share amounts)</i>								
	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1
Sales	\$ 752,339	\$ 752,293	\$ 779,163	\$ 786,547	\$ 740,014	\$ 737,798	\$ 753,235	\$ 714,941
Adjusted EBITDA ⁽¹⁾	\$ 83,408	\$ 80,128	\$ 89,576	\$ 81,707	\$ 94,207	\$ 93,972	\$ 95,374	\$ 84,694
Net earnings	\$ 2,442	\$ 2,895	\$ 10,826	\$ 8,381	\$ 19,066	\$ 20,498	\$ 26,269	\$ 20,823
Basic and diluted earnings per share	\$ 0.11	\$ 0.13	\$ 0.50	\$ 0.39	\$ 0.89	\$ 0.95	\$ 1.22	\$ 0.97
Adjusted net earnings ⁽¹⁾	\$ 6,275	\$ 3,247	\$ 11,937	\$ 9,444	\$ 19,977	\$ 21,483	\$ 26,988	\$ 21,234
Adjusted net earnings per share ⁽¹⁾	\$ 0.29	\$ 0.15	\$ 0.56	\$ 0.44	\$ 0.93	\$ 1.00	\$ 1.26	\$ 0.99

⁽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 December 31, 2024, BGSi had cash, net of outstanding deposits and cheques, held on deposit in bank accounts totaling \$20.0 million (December 31, 2023 - \$22.5 million). The decrease in the cash balance as at December 31, 2024 is the result of decreased cash flows from operations. The net working capital ratio (current assets divided by current liabilities) was 0.62:1 at December 31, 2024 (December 31, 2023 – 0.63:1).

At December 31, 2024, BGSi had total debt outstanding, net of cash, of \$1,231.6 million compared to \$1,225.1 million at September 30, 2024, \$1,208.7 million at June 30, 2024, \$1,163.8 million at March 31, 2024 and \$1,114.5 million at December 31, 2023. Debt, net of cash, before lease liabilities increased when compared to the prior year primarily as a result of location growth. The Company's strategy has been to not hold real estate except where it is necessary for growth opportunities. Certain start-up locations necessitate short term holding of real estate until the build is complete and operations have begun. During the year 2024, the Company completed sale leaseback transactions for proceeds of \$64.9 million. The sale leaseback transactions allowed the Company to replenish capital that can be redeployed to further grow the business.

⁷ As defined in the non-GAAP financial measures and ratios section of the MD&A

⁸ As defined in the non-GAAP financial measures and ratios section of the MD&A

Total debt, net of cash <i>(thousands of U.S. dollars)</i>	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Revolving credit facility & swing line (net of financing costs)	\$ 369,333	\$ 389,774	\$ 353,724	\$ 300,171	\$ 264,046
Term Loan A (net of financing costs)	124,882	124,860	124,847	124,831	124,812
Seller notes ⁽¹⁾	13,068	15,458	17,939	29,870	32,847
Total debt before lease liabilities	\$ 507,283	\$ 530,092	\$ 496,510	\$ 454,872	\$ 421,705
Cash	19,997	43,847	15,530	16,380	22,511
Total debt, net of cash before lease liabilities	\$ 487,286	\$ 486,245	\$ 480,980	\$ 438,492	\$ 399,194
Lease liabilities	744,295	738,895	727,703	725,337	715,277
Total debt, net of cash	\$ 1,231,581	\$ 1,225,140	\$ 1,208,683	\$ 1,163,829	\$ 1,114,471

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

The following table summarizes the undiscounted contractual obligations at December 31, 2024 and required payments over the next five years:

Contractual Obligations <i>(thousands of U.S. dollars)</i>	Total	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
Bank indebtedness	\$—	\$—	\$—	\$—	\$—	\$—	\$—
Accounts payable and accrued liabilities	306,942	306,942	—	—	—	—	—
Long-term debt	507,283	8,994	372,823	125,417	49	—	—
Lease liability	948,906	157,105	143,935	128,045	107,052	83,934	328,835
Purchase Obligations ⁽¹⁾	—	unknown	unknown	unknown	unknown	unknown	unknown
	\$1,763,131	\$473,041	\$516,758	\$253,462	\$107,101	\$83,934	\$328,835

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

Operating Activities

Cash flow generated from operations before considering working capital changes, was \$319.2 million for the year ended December 31, 2024 compared to \$338.5 million in 2023.

For the year ended December 31, 2024, changes in working capital items used net cash of \$5.9 million compared with providing net cash of \$19.1 million in the same period of 2023. Changes 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 \$106.9 million for the year ended December 31, 2024 compared to cash used in financing activities of \$105.9 million for the same period of the prior year. During 2024, cash was provided by draws of the revolving credit facility in the amount of \$366.0 million offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of \$283.8 million and to fund interest costs on long-term debt of \$29.1 million. Cash used by financing activities included \$109.2 million in repayments of property, vehicle and equipment lease liabilities and cash used to fund interest costs on these lease liabilities of \$40.5 million. Cash was also used to pay dividends of \$9.4 million. The Company extended the revolving credit facility, resulting in the payment of \$0.8 million of financing costs. During 2023, cash was provided by draws of the revolving credit facility in the amount of \$260.5 million offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of \$205.8 million and to fund interest costs on long-term debt of \$19.8 million. Cash used by financing activities included \$99.3 million used to repay property, vehicle and equipment lease liabilities and cash used to fund interest costs on these lease liabilities of \$32.1 million. Cash was also used to pay dividends of \$9.4 million.

Debt Financing

On March 26, 2024, the Company entered into a fourth amended and restated credit agreement to extend the revolving credit facilities in the aggregate amount of \$550 million with an accordion feature which can increase the facilities to a maximum of \$850 million (the “Facilities”). The Facilities are accompanied by a fixed-rate Term Loan A maturing in March 2027, in the amount of \$125 million at an interest rate of 3.455%. The Facilities are with a syndicate of Canadian and U.S. banks and are secured by the shares and assets of the Company as well as guarantees by BGSI and subsidiaries, while the Term Loan A is with one of the syndicated banks. The interest rate for draws on the Facilities are based on a pricing grid of BGSI’s ratio of total funded debt to EBITDA as determined under the credit agreement. The Company can draw on the Facilities 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, Canadian Overnight Repo Rate Average (“CORRA”), U.S. Prime or Secured Overnight Financing Rate (“SOFR”) at the Company’s election. The credit agreement provides for CORRA as the Canadian benchmark replacement rate on Canadian dollar term advances when the publication of Canadian Dollar Offered Rate (“CDOR”) ceased in June 2024. The total syndicated Facilities include a swing line up to a maximum of \$10.0 million for the Canadian borrower and \$30.0 million for the U.S. borrower. As at December 31, 2024, the Company has drawn \$370.0 million U.S. ((December 31, 2023 - \$264.5 million) and the Canadian borrower had drawn \$nil (December 31, 2023 - \$nil) on the Facilities and \$125.0 million (December 31, 2023 - \$125.0 million) on the Term Loan A.

The Company is subject to certain financial covenants which must be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants require BGSI to maintain a senior funded debt to EBITDA ratio of no greater than 3.50 and an interest coverage ratio of not less than 2.75. For four quarters following a material acquisition, the senior funded debt to EBITDA ratio may be increased to less than 4.00. For purposes of covenant calculations, property lease payments are deducted from EBITDA, and EBITDA is further adjusted to reflect pro-forma annualized acquisition results.

The Company supplements its debt financing by negotiating with sellers in certain acquisitions to provide financing to the Company in the form of term notes. The notes payable to sellers are typically at favorable interest rates and for terms of one to 15 years. This source of financing is another means of supporting BGSI’s growth, at a relatively low cost. During the year ended December 31, 2024, BGSI entered into 14 new seller notes for an aggregate amount of \$3.5 million. During the year ended December 31, 2024, BGSI repaid seller notes in the amount of \$23.3 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.

	Year ended December 31,			
	2024		2023	
	Number	Weighted average exercise price (C\$)	Number	Weighted average exercise price (C\$)
Balance at the beginning of year	54,559	\$ 198.78	31,113	\$ 186.41
Granted during the year	18,269	282.26	28,821	211.13
Forfeited during the year	(4,535)	219.71	(5,375)	193.39
Expired during the year	—	—	—	—
Exercised during the year	(531)	204.83	—	—
Balance at the end of year	67,762	\$ 219.84	54,559	\$ 198.78
Exercisable at the end of the year	8,351	\$ 195.58	2,690	\$ 219.21

Investing Activities

Cash used in investing activities totaled \$207.7 million for the year ended December 31, 2024. This compares to \$244.4 million used in the prior period. The investing activity in both periods related primarily to new location growth that occurred during these periods. During the year ended December 31, 2024, the Company completed sale leaseback transactions for proceeds of \$64.9 million. The remainder of the investing activity in both periods related primarily to new location growth as well as the development of businesses which consisted primarily of property, plant and equipment additions.

Acquisitions and Development of Businesses

The Company completed and opened the following number of collision repair acquisitions and start up locations during the periods listed:

Location	Number of locations added through acquisition	Number of start ups	Total
January 1, 2024 to December 31, 2024	37	12	49
January 1, 2025 to March 18, 2025	3	6	9
Total	40	18	58

During the year ended December 31, 2024, the Company opened seven start-up glass locations, acquired one glass location and four calibration businesses. From January 1, 2025 up to the reporting date of March 18, 2025, the Company acquired two glass location.

The Company completed the acquisition or start-up of 116 collision repair locations from the beginning of 2023 until the fourth quarter reporting date of March 19, 2024. Details of these acquisitions can be found in the 2023 Annual Report.

During 2024 the Company invested in the growth of its scanning and calibration services. Expenditures in this area on vehicles and scanning and calibration technology equipment is expected to continue into the future as the Company grows its internalization of this work from 40% to 80% in the near term.

Start-ups

Start-up collision repair facilities include brownfield locations, which are existing buildings converted to Boyd's use. In some cases this would include opening in a building that was previously a collision repair facility. The Company will also develop

greenfield locations which consist of Boyd's prototype building from the ground up. In both cases, Boyd ensures the location is favorable and zoned appropriately to be able to operate upon completion of development. Depending on a variety of factors including zoning, permitting, supply chain and availability of trades, the development of a start-up facility can take between 10 and 24 months, with greenfields generally taking longer than brownfields.

The Company believes that start-up facilities offer a number of advantages and as a result plans to continue increasing the proportion of growth using this approach. This approach provides another option to grow in markets that are new and growing and also allows Boyd to design and develop a facility that has a preferred footprint and flow. Being able to accommodate Boyd's future needs in terms of glass and calibration services is another benefit. These facilities are also attractive from a customer and employee perspective. Having the capability to grow through start-ups at a higher pace gives the Company optionality to invest in a way that continues to provide accretive returns when multi-shop or single location acquisition opportunities are not ideal.

Start-up facilities, whether brownfield or greenfield, have a longer ramp-up period when compared to the Company's historical single shop acquisitions. It generally takes longer for sales to build up to steady state levels in start up locations. Whereas with single store acquisitions, it takes on average between 12-24 months to add the necessary employees and DRP relationships to drive sales to projected levels, for start-ups it can take between 24-36 months from the time of store opening. During these ramp up periods, leveraging of fixed costs is limited, which impacts the operating expense ratio and supplementing production staff wages may be required, which impacts gross margin. For start-up locations, pre-opening costs such as utilities, core staff, property taxes and shop supplies are incurred without sales revenue to offset these costs. This pattern of extended ramp up would typically result in losses for the months leading up to the opening and continue at decreasing levels as the revenue increases. Performance of newly developed locations will vary, but the long-term value creation of developing start-up sites are very attractive. Based on Boyd's history, newly developed locations would reach maturity by the end of their third year.

In 2024, the Company commenced operations in 12 new start-up collision repair facilities. The total combined investment in leaseholds and equipment for start-up facilities was approximately \$23.0 million, including incremental investments in the build out of certain start-up locations. The Company commenced operations in 28 new start-up collision repair facilities in 2023 with a combined investment of approximately \$45.3 million. The Company anticipates it will use similar start-up strategies as part of its continued growth in the future.

Capital Expenditures

Although most of Boyd's repair facilities are leased, funds are required to ensure facilities are properly repaired and maintained to ensure the Company's physical appearance communicates Boyd's standard of professional service and quality. The Company's need to maintain its facilities and upgrade or replace equipment 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 network technology upgrades and acquisition and development, the Company spent approximately \$62.3 million, or 2.0% of sales on capital expenditures during 2024, compared to \$57.9 million or 2.0% of sales during 2023. In 2024, capital expenditures as a percentage of sales were impacted by same-store sales declines.

During 2025, 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. During 2024, the Company spent approximately \$18.1 million on network technology upgrades. The investment expected in 2025 is in the range of \$10 million to \$12 million, with an investment in 2026 in the range of \$2 million to \$4 million. These investments align with Boyd's ESG sustainability roadmap to responsibly address data privacy and cyber security.

FOURTH QUARTER

Sales for the three months ended December 31, 2024 totaled \$752.3 million, an increase of \$12.3 million or 1.7% compared to the same period in 2023. Sales growth of \$33.3 million was attributable to incremental sales generated from 86 new locations. The closure of under-performing facilities accounted for a decrease in sales of \$0.5 million. Overall same-store sales excluding foreign exchange decreased \$18.9 million, or 2.6% in the fourth quarter of 2024 when compared to the fourth quarter of 2023 and decreased a further \$1.5 million due to the translation of same-store sales⁵ at a lower Canadian dollar exchange rate. The fourth quarter of 2024 recognized one more selling and production day when compared to the same period of the prior year. Industry sources report a fourth quarter year-over-year decrease in repairable claims of 6% for all losses and 7.9% excluding comprehensive claims. The internalization of scanning and calibration services, progress in Boyd's repair first strategy and focus on the use of cost effective alternative parts, continued to deliver strong value by lowering repair costs for the Company's customers, and consequently reduced sales that otherwise could have been achieved despite being beneficial from a gross margin perspective.

Gross Profit was \$344.9 million, or 45.8% of sales in the fourth quarter of 2024 compared to \$336.5 million or 45.5% in the same period in 2023. Gross profit increased \$8.4 million primarily as a result of location growth when compared to the prior period. The gross margin percentage for the three months ended December 31, 2024 benefited from internalization of scanning and calibration and improved performance based pricing, partially offset by lower paint margins.

Operating expenses as a percentage of sales were 34.8% for the fourth quarter of 2024 compared to 32.7% for the same period in 2023. Operating expenses as a percentage of sales was significantly impacted by the decline in same-store sales and location growth. Although operating expenses as a percentage of sales was positively impacted by reductions in staffing made to better align with current levels of demand as well as reduced incentive compensation and recruiting costs, these impacts were more than offset by fixed costs on existing and new locations. New locations contributed sales but with a higher operating expense ratio of 37.5% during the fourth quarter of 2024.

*Adjusted EBITDA*⁹ for the fourth quarter of 2024 totaled \$83.4 million or 11.1% of sales compared to Adjusted EBITDA⁸ of \$94.2 million or 12.7% of sales in the same period of the prior year. The \$10.8 million decrease was primarily the result of lower same-store sales levels and a high ratio of operating expenses as a percentage of sales for both existing and new stores.

Current and Deferred Income Tax (Recovery) for the fourth quarter of \$(0.8) million in 2024 compared to an income tax expense of \$8.0 million in 2023. Income tax expense was impacted by the recording of state-related adjustments related to the completion and filing of the prior year U.S. tax returns, which decreased income tax expense by approximately \$1.5 million for the fourth quarter of 2024 (December 31, 2023 - increased income tax expense by \$1.2 million). In 2024, the recovery of state taxes was due to the recognition of a deferred tax asset related to depreciation differences in states that do not conform with federal bonus depreciation. Permanent differences did not have a significant impact on the tax computed on accounting income.

Net Earnings for the fourth quarter was \$2.4 million, or 0.3% of sales, or \$0.11 per fully diluted share compared to net earnings of \$19.1 million, or 2.6% of sales, or \$0.89 per fully diluted share for the same period in the prior year. The net earnings amount in the fourth quarter of 2024 was impacted by acquisition and transformational cost initiatives of \$4.0 million (net of tax). After adjusting for fair value and other unusual items, Adjusted net earnings⁸ for the fourth quarter of 2024 was \$6.3 million, or 0.8% of sales. This compares to Adjusted net earnings⁸ of \$20.0 million or 2.7% of sales in the fourth quarter of 2023. Net earnings and Adjusted net earnings⁸ for the period was negatively impacted by the decrease in Adjusted EBITDA, as well as increased depreciation expense and increased finance costs. Depreciation and finance costs experienced increases primarily driven by investments in growth and the investment in network technology upgrades during a period of lower sales and Adjusted EBITDA.

⁹ As defined in the non-GAAP financial measures and ratios section of the MD&A

LEGAL PROCEEDINGS

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

RELATED PARTY TRANSACTIONS

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

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

Landlord	Affiliated Person(s)	Location	Lease Expires	December 31, 2024	December 31, 2023
Gerber Building No. 1 Ptnrp	Timothy O'Day	South Elgin, IL	2029	105	103

FINANCIAL INSTRUMENTS

In order to limit the variability of earnings due to the foreign exchange translation exposure on the income and expenses of the Canadian operations, the Company may at times enter into foreign exchange contracts. These contracts are marked to market monthly with unrealized gains and losses included in earnings. The Company did not have any such contracts in place during 2024 or 2023.

Transactional foreign currency risk exists in limited circumstances where U.S. denominated cash is received in Canada. The Company monitors U.S. denominated cash flows to be received in Canada and evaluates whether to use forward foreign exchange contracts. No such foreign exchange contracts were used during 2024 or 2023.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

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

Impairment of Goodwill and Intangible Assets

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

Impairment of Other Long-lived Assets

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

Business Combinations

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

Fair Value of Financial Instruments

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

Income Taxes

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

Critical judgments in applying the entity's accounting policies

Deferred Tax Assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on BGSI's latest forecasts which are adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which BGSI operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, that deferred tax asset is recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. The judgments inherent in these assessments are subject to uncertainty and if changed could materially affect the BGSI's assessment of its ability to realize the benefit of these tax assets.

CHANGES IN ACCOUNTING POLICIES

Adoption of new and amended IFRS Accounting Standards

The IASB amendments to IAS 1 - *Presentation of Financial Statements (Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants)*, IFRS 16 - *Leases (Lease Liability in a Sale and Leaseback)* and IAS 7 - *Statement of Cash Flows* and IFRS 7 - *Financial Instruments: Disclosures – Supplier Finance Arrangements* are effective for the annual periods beginning on or after January 1, 2024. The Company assessed the impact of the amendments to the above standards and they did not have a material impact on the Company's financial statements.

The May 2023 IASB amendment to IAS 12 – *Income Taxes* requires entities to disclose information relating to income taxes arising from implementation of Pillar Two Model Rules published by the Organization for Economic Co-Operation and Development. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. For the year ended December 31, 2024, the Company has assessed the impact of Pillar Two and continues to monitor legislative developments in relevant jurisdictions. Based on the Company's assessment and the enacted or substantively enacted tax rates in the jurisdictions in which it operates, the Company does not expect a material exposure to Pillar Two top-up taxes. The Company has also assessed the applicability of the OECD's transitional safe harbor rules and, where applicable, expects to rely on these provisions to reduce compliance complexity. The Company will continue to evaluate potential future impacts as jurisdictions finalize their Pillar Two legislation and implementation guidance.

Future Accounting Policies

The following accounting standards under IFRS Accounting Standards have been issued or amended that are not mandatory for the current period and have not been applied to the consolidated financial statements.

IFRS 18 - Presentation and Disclosure in Financial Statements

The new standard replaces IAS 1 - *Presentation of Financial Statements* while carrying forward many of the requirements in IAS 1. IFRS 18 sets out the requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. It introduces requirements to classify income and expenses into categories and defined subtotals in the

statement of earnings, provide disclosures on management-defined performance measures (“MPMs”), along with enhanced guidance on aggregation and disaggregation of information. BGSi is required to apply IFRS 18 for annual reporting periods on or after January 1, 2027 with early adoption permitted. BGSi is currently assessing the impact of this standard on its financial statements.

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

The amendments deal with the recognition and derecognition of financial liability at settlement date and when settled through an electronic cash transfer system, further guidance regarding the classification of financial assets, and additional disclosure requirements for financial instruments with contingent features and equity instruments classified at FVTOCI. These amendments are effective for the annual reporting periods beginning on or after January 1, 2026 with early adoption permitted. BGSi is currently assessing the impact of these amendments on its financial statements.

CERTIFICATION OF DISCLOSURE CONTROLS

Management’s responsibility for financial information contained in this Annual Report is described on page 48. In addition, BGSi’s Audit Committee of the Board of Directors has reviewed this Annual Report, and the Board of Directors has reviewed and approved this Annual Report prior to its release. BGSi is committed to providing timely, accurate and balanced disclosure of all material information about BGSi and to providing fair and equal access to such information. As of December 31, 2024, BGSi’s management evaluated the effectiveness of the design and operation of its disclosure controls and procedures, as defined under the rules adopted by the Canadian securities regulatory authorities. Disclosure controls are procedures designed to ensure that information required to be disclosed in reports filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis, and is accumulated and communicated to BGSi’s management, including the CEO and the CFO, as appropriate, to allow timely decisions regarding required disclosure.

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

CERTIFICATION ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

BUSINESS RISKS AND UNCERTAINTIES

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

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

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

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

- Extreme Risks: Immediate/ongoing action is required – involvement of senior management is required. Avoidance of the item may be necessary if risk reduction techniques are insufficient to address the risk.
- High Risks: Risk item is significant and management responsibility should be specified and appropriate action taken.
- Moderate Risks: Managed by specific monitoring or response procedures. Additional risk mitigation techniques could be considered if benefits exceed the cost.
- Low Risks: Management by routine procedures. No further action is required at this time.

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

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

Decline in Number of Insurance Claims

The automobile collision repair industry is dependent on the number of accidents which occur and, for the most part, become repairable insurance claims. The automobile collision repair industry could experience a decrease in repairable claims, higher total loss rates as well as a deferral in repairs and an increase in non-filed claims. This could be driven by several factors including significant insurance premium inflation and overall economic uncertainty. There can be no assurance that a continued decline in insurance claims will not occur, which could reduce Boyd's revenues and result in a material adverse effect on the Company's business.

The volume of accidents and related insurance claims can also be significantly impacted by technological disruption and changes in technology such as ride sharing, collision avoidance systems, driverless vehicles and other safety improvements made to vehicles. Other changes which have and can continue to affect insurance claim volumes include, but are not limited to, weather, general economic conditions, unemployment rates, changing demographics, vehicle miles driven, new vehicle production, insurance policy deductibles and auto insurance premiums. In addition, repairable claims volumes have been and

can continue to be impacted by an increased number of non-repairable claims or total loss. There can be no assurance that a continued decline in insurance claims will not occur, which could reduce Boyd's revenues and result in a material adverse effect on the Company's business.

Employee Relations and Staffing

Boyd currently employs approximately 13,449 people, of which 1,558 are in Canada and 11,891 are in the U.S. The current workforce is not unionized, except for approximately 62 employees located in the U.S. who are subject to collective bargaining agreements. The collision repair industry typically experiences competition for talent, and, in particular, a limited pool of qualified technicians and estimators. This can result in a shortage of qualified employees as well as wage pressure, which could adversely impact the volume and pace at which collision repair shops can fix damaged vehicles and the Company's financial results.

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

Acquisition and New Location Risk

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

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

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

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

To the extent that the prior owners of businesses acquired by BGSi failed to comply with or otherwise violated applicable laws, the Company, as the successor owner, may be financially responsible for these violations and any associated undisclosed liability. The Company seeks, through systematic investigation and due diligence, and through indemnification

by former owners, to minimize the risk of material undisclosed liabilities associated with acquisitions. The discovery of any material liabilities, including but not limited to tax, legal and environmental liabilities, could have a material adverse effect on the Company's business, financial condition and future prospects.

Operational Performance

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

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

Brand Management and Reputation

The Company's success is impacted by its ability to protect, maintain and enhance the value of its brands and reputation. Brand value and reputation can be damaged by isolated incidents, particularly if the incident receives considerable publicity or if it draws litigation. Incidents may occur as a result of events beyond the Company's control or may be isolated to actions that occur in one particular location. Demand for the Company's services could diminish significantly if an incident or other matter damages its brand or erodes the confidence of its insurance company clients or directly with the vehicle owners themselves. Social media has increased the ability for individuals to adversely affect the brand and reputation of the Company. There can be no assurance that past or future incidents will not negatively affect the Company's brand or reputation.

Market Environment Change

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

Reliance on Technology

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

Reliance on technology in order to gain or maintain competitive advantage is becoming more significant and therefore the Company is faced with determining the appropriate level of investment in new technology in order to be competitive. There can be no assurance that the Company will correctly identify or successfully implement the appropriate technologies for its operations. In addition, there is a risk that third party provided systems are unable to meet business needs, emerging requirements or provide support of their product, which could adversely impact Boyd's performance.

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

Supply Chain Risk

The Company requires access to parts, materials and paint in order to complete repairs. Disruptive events can negatively impact supply chains, which can adversely impact Boyd's ability to complete repairs. This may result in increased repair cycle time, high levels of work-in-process and decreased margins, and could adversely impact the Company's financial results.

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

Global issues, such as outbreaks and the spread of contagious diseases, political instability, war or other disruptive events can negatively impact global supply chains, which could adversely impact Boyd's ability to complete repairs. It is possible that global issues could further disrupt the Company's supply chain, which could have a material impact on the Company's financial results.

Margin Pressure and Sales Mix Changes

The Company's costs to repair vehicles, including the cost of labor, parts and materials are market driven and can fluctuate. There can be no assurance that increases in the costs to repair vehicles will ultimately be recoverable from the Company's clients or customers.

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

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

Economic Downturn

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

Changes in Client Relationships

A high percentage of the Company's revenues are derived from insurance companies. Over the past 25+ years, many private insurance companies have implemented customer referral arrangements known as Direct Repair Programs (DRP's) with collision repair operators who have been recognized as consistent high quality, performance based repairers in the industry. The Company's ability to continue to grow its business, as well as maintain existing business volume and pricing, is largely reliant on its ability to maintain these DRP relationships. The Company continues to develop and monitor these relationships through ongoing measurement of the success factors considered critical by insurance clients. The loss of any existing material DRP relationship, or a material component of a significant DRP relationship, could have a material adverse effect on Boyd's operations and business prospects. Of the top five insurance companies that the Company deals with, which in aggregate account for approximately 51% (2023 – 53%) of total sales, one insurance company represents approximately 16% (2023 – 19%) of the Company's total sales, while a second insurance company represents approximately 12% (2023 – 11%).

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

Environmental, Health and Safety Risk

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

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

Climate Change and Weather Conditions

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

Transitioning to a low carbon environment and sustainable business model will require additional investments in the long-term. Capital investments in energy saving or renewable energy technologies to operate the shop, can reduce or offset the contribution to carbon emissions that the Company currently emits. Investments could be necessary for sensors and other

systems to manage electricity usage or identify future opportunities. Facility management and landscape management are areas of opportunity to improve the impact Boyd's locations have on global warming.

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

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

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

The Board is investing more time on sustainability issues and has assigned the oversight responsibility for sustainability, including climate change risk management and disclosure to the Governance & Sustainability Committee. The topic is a standing agenda item with internal metrics and reporting being developed. Management has a Risk and Sustainability Committee tasked with developing sustainability objectives and processes for the company. Its current mandate is to work with the various operating groups to identify the key sustainability metrics for future reporting and target setting. These key metrics and targets will be focused on the priority areas defined for each of the environmental, social and governance pillars that have been outlined in Boyd's Environmental, Social and Governance Report.

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

Pandemic Risk

A local, regional, national or international outbreak of a contagious disease, such as the COVID-19 coronavirus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu or any other similar illness, could decrease the willingness of the general population to travel or customers to patronize the Company's facilities, cause shortages of employees to staff the Company's facilities, interrupt supplies from third parties upon which the Company relies, result in governmental regulation adversely impacting the Company's business and otherwise have a material adverse effect on the Company's business, financial condition and results of operations.

The outbreak of a contagious illness, such as the COVID-19 pandemic, could require the Company to develop and execute revised operating procedures intended to mitigate safety and health risks in the work environment. However, there can be no

assurance that the enhanced protocols put in place will protect against an outbreak that could result in lost time and negatively affect the financial performance of the Company.

Competition

The collision repair industry in North America, estimated by Boyd to represent over \$50 billion in annual revenue, is very competitive. The main competitive factors are cost of repair, cycle time, quality, customer satisfaction and adherence to various insurance company processes and performance requirements. There can be no assurance that Boyd's competitors will not achieve greater market acceptance due to performance or other factors.

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

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

Access to Capital

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

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

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

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

Dependence on Key Personnel

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

Tax Position Risk

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

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

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

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

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

Corporate Governance

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

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

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

BGSI is keenly aware of the significance of these laws and the interrelationships between civil liability, disclosure controls and good governance. BGSI has adopted policies, practices and processes to reduce the risk of a governance or control breakdown. A statement of BGSI's governance practices is included in its most recent information circular which can be

found at www.sedarplus.com. Although BGSi believes it follows good corporate governance practices, there can be no assurance that these practices will eliminate or mitigate the impact of a material lawsuit in this area.

The area of governance is growing to encompass not only traditional governance matters, but also environmental and social matters. This area is often referred to as Environmental, Social and Governance, or “ESG”. Increased awareness and attention by investors to ESG matters means that the Company needs to become more transparent in developing and reporting on ESG initiatives and increase or add ESG initiatives where there are significant gaps. BGSi is developing and enhancing ESG reporting and initiatives. Boyd publishes an ESG report, which complements previously adopted policies on reporting and anti-retaliation, occupational health and safety, non-discrimination and anti-harassment, human rights, diversity, code of business conduct and ethics, business partner code of conduct and anti-corruption. These policies, along with the ESG Report, are available on the Boyd website at www.boydgroup.com/sustainability.

Increased Government Regulation and Tax Risk

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

BGSi and its subsidiaries operate distinct businesses in Canada and the U.S. The Company operates a service business and a major component of our services is labor which would not be subject to tariffs. The Company sources parts and materials from domestic vendors in Canada and the U.S. Any changes in tariffs on exports or imports to and from Canada and the U.S. may impact the cost of repairs and decrease margins. There can be no assurance that the changes in tariffs would not negatively affect the financial performance of the Company.

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

Fluctuations in Operating Results and Seasonality

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

Risk of Litigation

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

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

Execution on New Strategies

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

Insurance Risk

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

Interest Rates

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

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

U.S. Health Care Costs and Workers Compensation Claims

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

Foreign Currency Risk

A substantial portion of Boyd's revenue and cash flow are now, and are expected to continue to be, generated in U.S. dollars. Fluctuations in the exchange rates between the Canadian dollar and the U.S. currency may have a material adverse effect on BGSI's share price, which is denominated and trades in Canadian dollars as well as BGSI's ability to make future Canadian dollar cash dividends.

Capital Expenditures

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

Low Capture Rates

Sales growth can be enhanced if the Company is effective at booking repair orders for all sales opportunities that are identified. The Company is exposed to missed jobs when capacity is constrained and to the extent that employees are ineffective at capturing all sales opportunities. Measurement of capture rates, management support and training are methods that are employed to enhance capture rates. Efforts to increase capacity are limited by availability of qualified labor. It is possible that the Company may not be able to capture sales effectively enough to maximize sales.

Energy Costs

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

ADDITIONAL INFORMATION

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

FORM 52-109F1
CERTIFICATION OF ANNUAL FILINGS
FULL CERTIFICATE

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

1. **Review:** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the “annual filings”) of **Boyd Group Services Inc.** (the “issuer”) for the financial year ended **December 31, 2024**.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with other financial information included in the annual filings present fairly in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.
4. **Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the financial year end
 - a. designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - i. material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and
 - ii. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - b. designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.
- 5.1 **Control framework:** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is the Internal Control – Integrated Framework (COSO 2013 Framework), published by The Committee of Sponsoring Organizations of the Treadway Commission.
- 5.2 **ICFR – material weakness relating to design:** N/A
- 5.3 **Limitation on scope of design:** N/A

6. **Evaluation:** The issuer's other certifying officer(s) and I have
 - a. evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's DC&P at the financial year end and the issuer has disclosed in its annual MD&A our conclusions about the effectiveness of DC&P at the financial year end based on that evaluation; and
 - b. evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's ICFR at the financial year end and the issuer has disclosed in its annual MD&A
 - i. our conclusions about the effectiveness of ICFR at the financial year end based on that evaluation; and
 - ii. N/A
 - c. N/A
7. **Reporting changes in ICFR:** The issuer has disclosed in its annual MD&A any change in the issuer's ICFR that occurred during the period beginning on October 1, 2024 and ended on December 31, 2024 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.
8. **Reporting to the issuer's auditors and board of directors or audit committee:** The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of ICFR, to the issuer's auditors, and the board of directors or the audit committee of the board of directors any fraud that involves management or other employees who have a significant role in the issuer's ICFR.

Date: March 19, 2025

(signed)

Timothy O'Day
Chief Executive Officer

FORM 52-109F1
CERTIFICATION OF ANNUAL FILINGS
FULL CERTIFICATE

I, **Jeff Murray, Chief Financial Officer, Boyd Group Services Inc.**, certify the following:

1. **Review:** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the “annual filings”) of **Boyd Group Services Inc.** (the “issuer”) for the financial year ended **December 31, 2024**.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with other financial information included in the annual filings present fairly in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.
4. **Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the financial year end
 - a. designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - i. material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and
 - ii. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - b. designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s GAAP.
- 5.1 **Control framework:** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is the Internal Control – Integrated Framework (COSO 2013 Framework), published by The Committee of Sponsoring Organizations of the Treadway Commission.
- 5.2 **ICFR – material weakness relating to design:** N/A
- 5.3 **Limitation on scope of design:** N/A

6. **Evaluation:** The issuer's other certifying officer(s) and I have
 - a. evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's DC&P at the financial year end and the issuer has disclosed in its annual MD&A our conclusions about the effectiveness of DC&P at the financial year end based on that evaluation; and
 - b. evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's ICFR at the financial year end and the issuer has disclosed in its annual MD&A
 - i. our conclusions about the effectiveness of ICFR at the financial year end based on that evaluation; and
 - ii. N/A
 - c. N/A
7. **Reporting changes in ICFR:** The issuer has disclosed in its annual MD&A any change in the issuer's ICFR that occurred during the period beginning on October 1, 2024 and ended on December 31, 2024 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.
8. **Reporting to the issuer's auditors and board of directors or audit committee:** The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of ICFR, to the issuer's auditors, and the board of directors or the audit committee of the board of directors any fraud that involves management or other employees who have a significant role in the issuer's ICFR.

Date: March 19, 2025

(signed)

Jeff Murray
Executive Vice President & Chief Financial Officer



BOYD GROUP SERVICES INC.

Consolidated Financial Statements

Year Ended December 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These consolidated financial statements have been prepared by management in accordance with IFRS[®] Accounting Standards, as issued by the International Accounting Standards Board ("IASB"). Management is responsible for their integrity, objectivity and reliability, and for the maintenance of financial and operating systems, which include effective controls, to provide reasonable assurance that Boyd Group Services Inc.'s assets are safeguarded and that reliable financial information is produced.

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

In accordance with Canadian Generally Accepted Auditing Standards, the independent auditors conduct an examination each year in order to express a professional opinion on the consolidated financial statements.

(signed)

Timothy O'Day
Chief Executive Officer

Winnipeg, Manitoba
March 18, 2025

(signed)

Jeff Murray
Executive Vice President & Chief Financial Officer

Independent Auditor's Report

To the Shareholders and the Board of Directors of
Boyd Group Services Inc.

Opinion

We have audited the consolidated financial statements of Boyd Group Services Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years ended December 31, 2024 and 2023 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

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

Key Audit Matters

A key audit matter is a matter that, in our professional judgment was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Goodwill and Intangible Assets — Canadian CGU— Refer to the Financial Statement Notes 3 and 11

Key Audit Matter Description

The Company's evaluation of goodwill and intangible assets for impairment involves the comparison of the recoverable amount of each cash generating unit ("CGU") to their carrying value. The recoverable amount of a CGUs is determined as the greater of the fair value less costs to sell and value in use. The Company used a discounted cash flow model to determine the recoverable amounts of both the U.S. CGU and Canadian CGU, which required management to make estimates and assumptions related to future cash flows, taxes, future acquisition growth, future capital expenditures, terminal growth rate, and discount rate. As a result of the annual assessments of impairment of goodwill and intangible assets for

the U.S. CGU and Canadian CGU, management has determined that there was no impairment of goodwill or intangible assets.

While there are several estimates and assumptions that are required to determine the recoverable amount of the Canadian CGU, the estimates, and assumptions with the highest degree of subjectivity are future revenue and adjusted EBITDA margins forecasts and the selection of the discount rate. Auditing these estimates and assumptions required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the future revenue and adjusted EBITDA margins forecasts and the selection of the discount rate used to determine the recoverable amount for the Canadian CGU included the following, among others:

- Evaluated management's ability to accurately forecast future revenues and Adjusted EBITDA margins by comparing actual results to management's historical forecasts.
- Evaluated the reasonableness of the forecast of future revenues and adjusted EBITDA margins by comparing the forecasts to:
 - Historical revenues and operating margins.
 - Known changes in the Company's operations and its industry, which are expected to impact future operating performance; and
 - Internal communications to management and the Board of Directors.
- With the assistance of fair value specialists, evaluated the reasonableness of the discount rate by testing the source information underlying the determination of the discount rate, developing a range of independent estimates, and comparing those to the discount rate selected by management.

Other Information

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

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

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

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

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 18, 2025

BOYD GROUP SERVICES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31,
(thousands of U.S. dollars)

		2024	2023
	<i>Note</i>		
Assets			
Current assets:			
Cash		\$ 19,997	\$ 22,511
Accounts receivable	17	120,616	145,793
Income taxes recoverable	9	12,307	7,721
Inventory	6	73,134	78,532
Prepaid expenses		44,663	41,728
		270,717	296,285
Property, plant and equipment	7	529,673	438,981
Right of use assets	8	668,101	654,347
Deferred income tax asset	9	2,840	4,316
Intangible assets	10	336,943	342,781
Goodwill	11	643,864	633,986
Other long-term assets	12	12,051	11,720
		\$ 2,464,189	\$ 2,382,416
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 306,942	\$ 339,823
Dividends payable	13	2,283	2,435
Current portion of long-term debt	14	8,994	22,038
Current portion of lease liabilities	15	116,849	107,727
		435,068	472,023
Long-term debt	14	498,289	399,667
Lease liabilities	15	627,446	607,550
Deferred income tax liability	9	68,559	70,271
Unearned rebates	16	3,964	4,579
		1,633,326	1,554,090
Equity			
Accumulated other comprehensive earnings		44,792	58,313
Retained earnings		180,557	165,427
Shareholders' capital	18	600,047	600,047
Contributed surplus	19	5,467	4,539
		830,863	828,326
		\$ 2,464,189	\$ 2,382,416

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

Approved by the Board:

TIMOTHY O'DAY
Director

DAVID BROWN
Director

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

	<i>Note</i>	Shareholders' Capital		Contributed Surplus	Accumulated Other Comprehensive Earnings	Retained Earnings	Total Equity
		Shares	Amount				
Balances - January 1, 2023		21,472,194	\$ 600,047	\$ 4,037	\$ 54,330	\$ 88,183	\$ 746,597
Other comprehensive earnings					3,983		3,983
Net earnings						86,656	86,656
Comprehensive earnings					3,983	86,656	90,639
Stock option accretion	19			502			502
Dividends to shareholders	13					(9,412)	(9,412)
Balances - December 31, 2023		21,472,194	\$ 600,047	\$ 4,539	\$ 58,313	\$ 165,427	\$ 828,326
Other comprehensive loss					(13,521)		(13,521)
Net earnings						24,544	24,544
Comprehensive (loss) earnings					(13,521)	24,544	11,023
Shares issued through exercise of stock options		531		79			79
Stock option accretion	19			849			849
Dividends to shareholders	13					(9,414)	(9,414)
Balance - December 31, 2024		21,472,725	\$ 600,047	\$ 5,467	\$ 44,792	\$ 180,557	\$ 830,863

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

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

		2024	2023
	<i>Note</i>		
Sales	22	\$ 3,070,342	\$ 2,945,988
Cost of sales		1,673,834	1,605,924
Gross profit		1,396,508	1,340,064
Operating expenses		1,061,689	971,817
Acquisition and transformational cost initiatives		9,879	4,346
Depreciation of property, plant and equipment	7	75,498	56,863
Depreciation of right of use assets	8	123,512	109,806
Amortization of intangible assets	10	26,309	26,182
Fair value adjustments		(952)	(189)
Finance costs		68,913	51,718
		1,364,848	1,220,543
Earnings before income taxes		31,660	119,521
Income tax expense (recovery)			
Current	9	7,667	25,872
Deferred	9	(551)	6,993
		7,116	32,865
Net earnings		\$ 24,544	\$ 86,656

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

Basic and diluted earnings per share	27	\$ 1.14	\$ 4.04
Basic number of shares outstanding	27	21,472,436	21,472,194
Diluted weighted average number of shares outstanding	27	21,477,021	21,475,864

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

		2024	2023
Net earnings		\$ 24,544	\$ 86,656
Other comprehensive earnings			
Items that may be reclassified subsequently to Consolidated Statements of Earnings			
Change in unrealized earnings on foreign currency translation (net of tax of \$nil)		(13,521)	3,983
Other comprehensive (loss) earnings		(13,521)	3,983
Comprehensive earnings		\$ 11,023	\$ 90,639

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

BOYD GROUP SERVICES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31,
(thousands of U.S. dollars)

		2024	2023
	<i>Note</i>		
Cash flows from operating activities			
Net earnings		\$ 24,544	\$ 86,656
Adjustments for			
Fair value adjustments		(952)	(189)
Deferred income taxes	9	(551)	6,993
Finance costs		68,913	51,718
Amortization of intangible assets	10	26,309	26,182
Depreciation of property, plant and equipment	7	75,498	56,863
Depreciation of right of use assets	8	123,512	109,806
Other		1,961	444
		319,234	338,473
Changes in non-cash working capital items	29	(5,909)	19,072
		313,325	357,545
Cash flows used in financing activities			
Increase in obligations under long-term debt	14	365,994	260,473
Repayment of long-term debt, principal	14	(283,790)	(205,848)
Repayment of obligations under property leases, principal	15	(103,888)	(95,441)
Repayment of obligations under vehicle and equipment leases, principal	15	(5,283)	(3,863)
Interest on long-term debt	14	(29,149)	(19,814)
Interest on property leases	15	(39,464)	(31,328)
Interest on vehicle and equipment leases	15	(1,021)	(728)
Dividends paid		(9,445)	(9,382)
Payment of financing costs	14	(829)	—
		(106,875)	(105,931)
Cash flows used in investing activities			
Proceeds on sale of equipment and software	7	718	560
Equipment purchases and facility improvements		(77,333)	(57,482)
Acquisition and development of businesses (net of cash acquired)	5	(192,486)	(180,293)
Software purchases and licensing	10	(3,124)	(1,684)
Increase in other long-term assets	12	(368)	(8,334)
Proceeds on sale / leaseback agreements	7	64,854	2,832
		(207,739)	(244,401)
Effect of foreign exchange rate changes on cash		(1,225)	230
Net (decrease) increase in cash position		(2,514)	7,443
Cash, beginning of year		22,511	15,068
Cash, end of year		\$ 19,997	\$ 22,511
Income taxes paid		\$ 12,295	\$ 27,909
Interest paid		\$ 68,395	\$ 51,507

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

BOYD GROUP SERVICES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

1. GENERAL INFORMATION

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

The Company’s business consists of the ownership and operation of autobody/autoglass repair facilities and related services. At the reporting date, the Company operated locations in Canada under the trade 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 Gerber National Claim Services (“GNCS”), that offers glass, emergency roadside and first notice of loss services. The Company also operates Mobile Auto Solutions (“MAS”) that offers mobile calibration and diagnostic 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 consolidated financial statements for the year ended December 31, 2024 (including comparatives) were approved and authorized for issue by the Board of Directors on March 18, 2025.

2. MATERIAL ACCOUNTING POLICIES

a) Basis of presentation

The consolidated financial statements of BGSI have been prepared in accordance with IFRS[®] Accounting Standards, as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The functional currency of Boyd Group Services Inc. is the Canadian dollar (“CAD”). These consolidated financial statements are presented in thousands of U.S. dollars (“USD”), except share and per share amounts.

b) Revenue recognition

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

c) Inventory

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

d) Property, plant and equipment

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

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

located. Construction-in-Progress (CIP) is a component of property, plant and equipment that represents assets or capital projects under construction.

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

An item of property, plant and equipment is reclassified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the Consolidated Statement of Earnings.

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

e) Leases

At inception, the Company assesses whether a contract is or contains a lease. Leases are recognized as a right of use asset and a lease liability at the lease commencement date.

The Company recognizes a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases, defined as leases with a lease term of 12 months or less, and leases of low value assets. For these leases, the Company recognizes the lease payments as operating expenses on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is recorded on a straight line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If the interest rate implicit in the leases cannot be readily determined, the Company uses its incremental borrowing rate. In order to calculate the incremental borrowing rate, reference interest rates are derived from the yields of corporate bonds in Canada and the U.S. The reference interest rates are supplemented by a leasing risk premium. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect lease payments made.

For sale leaseback transactions, the Company applies the requirements of IFRS 15 *Revenue from Contracts with Customers* to determine if the transfer qualifies as a sale. If the transfer qualifies as a sale, the Company derecognizes the asset and recognizes a right of use asset equal to the retained portion of the previous carrying amount of the sold asset. The gain or loss recognized on the sale leaseback is limited to the rights transferred to the buyer.

f) Consolidation

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

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

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

g) Business combinations, goodwill and other intangible assets

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

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

Intangible assets are recognized only when it is probable that the expected future economic benefits attributable to the assets will accrue to the Company and the cost can be reliably measured. Intangible assets acquired in a business combination are recorded at fair value. Intangible assets that do not have indefinite lives are amortized over their useful lives using an amortization method which reflects the economic benefit of the intangible asset. Customer relationships are amortized on a straight-line basis over the expected period of benefit of 20 years. Contractual rights, which consist of non-compete agreements and favourable lease agreements, are amortized on a straight-line basis over the term of the contract. Software is amortized on a straight-line basis over periods of three and five years. Brand names which the Company continues to use in the conduct of its business are considered indefinite life because their value is not expected to degrade over time. To the extent the Company decides to discontinue the use of a certain brand, an estimate of the remaining useful life is made and the intangible asset is amortized over the remaining period.

h) Impairment of non-financial assets

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

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

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

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

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

i) Cash and cash equivalents

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

j) Income taxes

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

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

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

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

k) Unearned rebates

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

l) Shareholders' capital

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

m) Share-based compensation plans

Equity settled plans

The Company's stock option plan allows for the granting of options up to an amount of 250,000 Common shares. The fair value of each option is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the option vesting period, based on the number of options expected to vest, with the offset credited to contributed surplus. On exercise date, proceeds from exercise are credited to contributed surplus.

Cash settled plans

The Company's Performance Share Units, Restricted Share Units and Directors Deferred Share Unit Plan are cash settled share-based payments. The fair value of each outstanding Performance Share Unit and Restricted Share Unit is estimated based on the fair market value of the Company's units/shares at the grant

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

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

n) Earnings per share

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

Diluted EPS is calculated by adjusting the weighted average number of shares outstanding and corresponding earnings impact for dilutive instruments. The Company's potentially dilutive instruments consist of stock options. The dilutive impact of the stock options are calculated using the treasury stock method.

o) Foreign currency translation

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

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

p) Financial instruments

Recognition

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

Classification

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

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

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

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

Investments which do not qualify for equity method treatment are recorded as other long term assets at FVTPL. As there is no ready secondary market, the fair value is estimated using the discounted cash flow method.

Accounts payable and accrued liabilities, dividends payable, and long-term debt are classified as amortized cost, net of any related financing fees or issue costs. These financial instruments are measured at amortized cost using the effective interest method.

Derivative contracts are classified as financial assets or financial liabilities at FVTPL with mark-to-market adjustments being recorded to net earnings at each period end.

Measurement

At initial recognition, BGSi measures a financial asset at its fair value. In the case of a financial asset not measured at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset are included in the initial fair value. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

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

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

q) Pensions and other post-retirement benefits

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

r) Provisions

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

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

s) Segment reporting

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

The Company's primary line of business is automotive collision and glass repair and related services, with the majority of revenues relating to this group of similar services. This line of business operates in Canada

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

and the U.S. and both regions exhibit similar long-term economic characteristics. In this circumstance, IFRS Accounting Standards requires the Company to provide specific geographical disclosure. For the years reported, the Company's revenues were derived within Canada or the U.S. and all property, plant and equipment, right of use assets, goodwill and intangible assets are located within these two geographic areas.

t) Reporting Interest Paid on the Statement of Cash Flows

In accordance with IAS 7 Statement of Cash Flows, the Company has made the accounting policy choice to disclose these amounts as "Financing Activities" in the cash flow statement as this best reflects the nature of these expenses.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

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

Impairment of Goodwill and Intangible Assets

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

Impairment of Other Long-lived Assets

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

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

Business Combinations

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

Fair Value of Financial Instruments

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

Income Taxes

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

Critical judgments in applying the entity's accounting policies

Deferred Tax Assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on BGSI's latest forecasts which are adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which BGSI operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, that deferred tax asset is recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. The judgments inherent in these assessments are subject to uncertainty and if changed could materially affect the BGSI's assessment of its ability to realize the benefit of these tax assets.

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

4. CHANGES IN ACCOUNTING POLICIES

Adoption of new and amended IFRS Accounting Standards

The IASB amendments to IAS 1 - *Presentation of Financial Statements (Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants)*, IFRS 16 - *Leases (Lease Liability in a Sale and Leaseback)* and IAS 7 - *Statement of Cash Flows* and IFRS 7 - *Financial Instruments: Disclosures – Supplier Finance Arrangements* are effective for the annual periods beginning on or after January 1, 2024. The Company assessed the impact of the amendments to the above standards and they did not have a material impact on the Company's financial statements.

The May 2023 IASB amendment to IAS 12 – *Income Taxes* requires entities to disclose information relating to income taxes arising from implementation of Pillar Two Model Rules published by the Organization for Economic Co-Operation and Development. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. For the year ended December 31, 2024, the Company has assessed the impact of Pillar Two and continues to monitor legislative developments in relevant jurisdictions. Based on the Company's assessment and the enacted or substantively enacted tax rates in the jurisdictions in which it operates, the Company does not expect a material exposure to Pillar Two top-up taxes. The Company has also assessed the applicability of the OECD's transitional safe harbor rules and, where applicable, expects to rely on these provisions to reduce compliance complexity. The Company will continue to evaluate potential future impacts as jurisdictions finalize their Pillar Two legislation and implementation guidance.

Future Accounting Policies

The following accounting standards under IFRS Accounting Standards have been issued or amended that are not mandatory for the current period and have not been applied to the consolidated financial statements.

IFRS 18 - Presentation and Disclosures in Financial Statements

The new standard replaces IAS 1 - *Presentation of Financial Statements* while carrying forward many of the requirements in IAS 1. IFRS 18 sets out the requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. It introduces requirements to classify income and expenses into categories and defined subtotals in the statement of earnings, provide disclosures on management-defined performance measures ("MPMs"), along with enhanced guidance on aggregation and disaggregation of information. BGSJ is required to apply IFRS 18 for annual reporting periods on or after January 1, 2027 with early adoption permitted. BGSJ is currently assessing the impact of this standard on its financial statements.

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

The amendments deal with the recognition and derecognition of financial liabilities at settlement date and when settled through an electronic cash transfer system, further guidance regarding the classification of financial assets, and additional disclosure requirements for financial instruments with contingent features and equity instruments classified at FVTOCI. These amendments are effective for the annual reporting periods beginning on or after January 1, 2026 with early adoption permitted. BGSJ is currently assessing the impact of the these amendments on its financial statements.

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

5. ACQUISITIONS

The Company completed 33 acquisitions that added 37 collision repair locations and four calibration businesses during the year ended December 31, 2024. During the second quarter of 2024, the Company acquired a single location glass business in New Jersey.

The Company has accounted for the 2024 acquisitions using the acquisition method as follows:

Acquisitions in 2024	Total acquisitions
Identifiable net assets acquired at fair value:	
Other current assets	884
Property, plant and equipment	24,753
Right of use assets	20,098
Identified intangible assets	
Customer relationships	19,975
Non-compete agreements	980
Intellectual property	7
Lease liabilities	(20,098)
Identifiable net assets acquired	\$ 46,599
Goodwill	17,721
Total purchase consideration	\$ 64,320
Consideration provided	
Cash paid or payable	\$ 60,803
Seller notes	3,517
Total consideration provided	\$ 64,320

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

The Company completed 71 acquisitions that added 78 locations during the year ended December 31, 2023. During the first quarter of 2023, the Company acquired a two location glass business in Minnesota and a single location glass business in Texas. During the third quarter of 2023, the Company acquired a single location glass business in New York, a single location glass business in Virginia and invested in a long term asset to support the continued growth in the glass business. During the fourth quarter of 2023, the Company acquired a single location glass business in Pennsylvania.

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

Acquisitions in 2023	Total acquisitions
Identifiable net assets acquired at fair value:	
Cash	\$ 11
Other current assets	1,818
Property, plant and equipment	27,219
Right of use assets	49,916
Identified intangible assets	
Customer relationships	25,158
Non-compete agreements	1,372
Intellectual property	6,414
Current liabilities	(48)
Lease liabilities	(49,916)
Identifiable net assets acquired	\$ 61,944
Goodwill	29,996
Total purchase consideration	\$ 91,940
Consideration provided	
Cash paid or payable	\$ 85,393
Seller notes	6,547
Total consideration provided	\$ 91,940

The preliminary purchase prices for the 2024 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 Consolidated Statement of Financial Position date.

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

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 2024 is expected to be deductible for tax purposes.

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

The results of operations reflect the revenues and expenses of acquired operations from the date of acquisition. During 2024, revenue contributed by 2024 acquisitions since being acquired were \$43,141. Net losses incurred by 2024 acquisitions since being acquired were \$2,507. If 2024 acquisitions had been acquired on January 1, 2024, BGSI's revenue and net earnings for the year ended December 31, 2024 would have been \$3,116,508 and \$19,946 (unaudited), respectively.

6. INVENTORY

As at	December 31, 2024	December 31, 2023
Parts and materials	\$ 26,667	\$ 23,864
Work in process	46,467	54,668
	\$ 73,134	\$ 78,532

Included in cost of sales for the year ended December 31, 2024 are parts and material costs of \$956,398 (2023 – \$931,089) and labour costs of \$506,162 (2023 – \$471,451) with the balance of cost of sales primarily made up of sublet charges.

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

7. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Shop Equipment	Office Equipment	Computer Hardware	Signage	Vehicles	Leasehold Improvements	CIP	Total
Depreciation rates		5%	15%	20%	30%	15%	30%	10 to 25 years straight line		
As at January 1, 2024										
Cost	\$21,011	\$27,448	\$312,529	\$23,828	\$38,728	\$22,302	\$12,051	\$275,027	\$26,412	\$759,336
Accumulated depreciation	—	(4,502)	(147,294)	(13,909)	(27,227)	(10,901)	(7,124)	(109,398)	—	(320,355)
Net book value	\$21,011	\$22,946	\$165,235	\$9,919	\$11,501	\$11,401	\$4,927	\$165,629	\$26,412	\$438,981
For the year ended December 31, 2024										
Acquired through business combinations	4,054	9,861	7,042	—	—	—	502	3,294	—	24,753
Additions	7,646	9,072	63,437	4,732	21,995	3,485	6,794	43,632	46,342	207,135
Transfers	—	4,160	5,587	137	62	146	295	10,800	(20,892)	295
Proceeds on disposal	(19,519)	(37,288)	(22)	—	—	—	(623)	—	(8,120)	(65,572)
Gain (loss) on disposal	(921)	2,618	(151)	(1)	(2)	(2)	199	(347)	(545)	848
Depreciation	—	(2,823)	(32,785)	(2,650)	(7,280)	(2,058)	(2,348)	(25,554)	—	(75,498)
Foreign exchange	(41)	(81)	(576)	(34)	(65)	(41)	(11)	(420)	—	(1,269)
Net book value	\$12,230	\$8,465	\$207,767	\$12,103	\$26,211	\$12,931	\$9,735	\$197,034	\$43,197	\$529,673
As at December 31, 2024										
Cost	\$12,230	\$10,206	\$386,048	\$28,516	\$60,457	\$25,802	\$18,512	\$329,377	\$43,197	\$914,345
Accumulated depreciation	—	(1,741)	(178,281)	(16,413)	(34,246)	(12,871)	(8,777)	(132,343)	—	(384,672)
Net book value	\$12,230	\$8,465	\$207,767	\$12,103	\$26,211	\$12,931	\$9,735	\$197,034	\$43,197	\$529,673

During the year ended December 31, 2024, BGSJ completed sale and leaseback transactions for 33 properties (2023 - two properties) for total proceeds of \$64,854 (2023 - \$2,832). The gains (losses) arising from sale and leaseback transactions in 2024 were \$1,153 (2023 - (\$68)).

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

	Land	Buildings	Shop Equipment	Office Equipment	Computer Hardware	Signage	Vehicles	Leasehold Improvements	CIP	Total
Depreciation rates		5%	15%	20%	30%	15%	30%	10 to 25 years straight line		
As at January 1, 2023										
Cost	\$13,365	\$17,918	\$246,930	\$19,406	\$35,441	\$19,421	\$9,218	\$201,642	\$16,191	\$579,532
Accumulated depreciation	—	(3,160)	(122,358)	(11,910)	(23,058)	(9,109)	(6,133)	(89,240)	—	(264,968)
Net book value	\$13,365	\$14,758	\$124,572	\$7,496	\$12,383	\$10,312	\$3,085	\$112,402	\$16,191	\$314,564
For the year ended December 31, 2023										
Acquired through business combinations	1,086	4,499	11,933	—	11	—	286	9,404	—	27,219
Additions	6,548	4,996	53,457	4,431	3,316	2,981	2,932	65,229	13,091	156,981
Proceeds on disposal	—	—	(47)	—	—	—	(568)	—	(2,832)	(3,447)
Gain (loss) on disposal	—	—	(102)	(9)	(11)	—	195	(92)	(38)	(57)
Transfers from right of use assets	—	—	—	—	—	—	297	—	—	297
Depreciation	—	(1,331)	(24,740)	(2,008)	(4,216)	(1,904)	(1,302)	(21,362)	—	(56,863)
Foreign exchange	12	24	162	9	18	12	2	48	—	287
Net book value	\$21,011	\$22,946	\$165,235	\$9,919	\$11,501	\$11,401	\$4,927	\$165,629	\$26,412	\$438,981
As at December 31, 2023										
Cost	\$21,011	\$27,448	\$312,529	\$23,828	\$38,728	\$22,302	\$12,051	\$275,027	\$26,412	\$759,336
Accumulated depreciation	—	(4,502)	(147,294)	(13,909)	(27,227)	(10,901)	(7,124)	(109,398)	—	(320,355)
Net book value	\$21,011	\$22,946	\$165,235	\$9,919	\$11,501	\$11,401	\$4,927	\$165,629	\$26,412	\$438,981

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

8. RIGHT OF USE ASSETS

As at	Property	Vehicles and Equipment	December 31, 2024
Balance, beginning of period	\$ 642,289	\$ 12,058	\$ 654,347
Acquired through business combinations	20,098	—	20,098
Additions and modifications	114,237	7,225	121,462
Depreciation	(118,505)	(5,007)	(123,512)
Transfers to property, plant and equipment	—	(295)	(295)
Foreign exchange	(3,994)	(5)	(3,999)
Net book value	\$ 654,125	\$ 13,976	\$ 668,101

During the year ended December 31, 2024, BGSi completed sale and leaseback transactions for 33 properties (2023 - two properties) for total proceeds of \$64,854 (2023 - \$2,832). The gains (losses) arising from sale and leaseback transactions in 2024 were \$1,153 (2023 - (\$68)).

As at	Property	Vehicles and Equipment	December 31, 2023
Balance, beginning of period	\$ 559,254	\$ 9,183	\$ 568,437
Acquired through business combinations	49,916	—	49,916
Additions and modifications	137,892	6,972	144,864
Depreciation	(106,004)	(3,802)	(109,806)
Transfers to property, plant and equipment	—	(297)	(297)
Foreign exchange	1,231	2	1,233
Net book value	\$ 642,289	\$ 12,058	\$ 654,347

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

9. INCOME TAXES

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

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

	For the years ended December 31,	
	2024	2023
Earnings before income taxes	\$ 31,660	\$ 119,521
Combined basic Canadian and U.S. federal, provincial and state tax rates	26.53 %	26.12 %
Income tax expense at combined statutory tax rates	\$ 8,398	\$ 31,219
Adjustments for the tax effect of:		
State tax (recovery) liability	(1,539)	1,177
Other non-deductible expenses	226	289
Other	31	180
Income tax expense	\$ 7,116	\$ 32,865

In 2024, the recovery of state taxes was due to the recognition of a deferred tax asset related to depreciation differences in states that do not conform with federal bonus depreciation.

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

As at	December 31, 2024	December 31, 2023
Property, plant and equipment	\$ (711)	\$ (409)
Intangible assets	(5,301)	(5,239)
Right of use assets net of lease liabilities	1,932	1,969
Issue costs	5	461
Director Share Units	1,309	1,639
Non-capital losses carried forward	4,556	5,473
Stock options	491	378
Other	559	44
Deferred income tax asset	\$ 2,840	\$ 4,316

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

As at	December 31, 2024	December 31, 2023
Property, plant and equipment	\$ 56,703	\$ 54,702
Intangible assets	62,097	52,158
Right of use assets net of lease liabilities	(17,701)	(13,799)
Accrued liabilities	(25,023)	(16,796)
Acquisition costs	(5,288)	(4,203)
Other	(2,229)	(1,791)
Deferred income tax liability	\$ 68,559	\$ 70,271

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

Deferred income tax asset as at	December 31, 2024	December 31, 2023
Balance, beginning of year	\$ 4,316	\$ 3,815
Deferred income tax recovery	(1,162)	393
Foreign exchange	(314)	\$ 108
Balance, end of year	\$ 2,840	\$ 4,316

Deferred income tax liability as at	December 31, 2024	December 31, 2023
Balance, beginning of year	\$ 70,271	\$ 62,885
Deferred income tax expense	(1,712)	7,386
Balance, end of year	\$ 68,559	\$ 70,271

d. Deferred income tax assets are recognized to the extent it is probable that sufficient future taxable income will be available to allow a deferred income tax asset to be realized. At December 31, 2024 BGSI has recognized all of its deferred income tax assets with the exception of \$5,219 (2023 - \$5,678) in capital losses available in Canada. At December 31, 2024 the Company has non-capital losses in Canada of \$17,682 (2023 - \$21,019) and state net operating losses in the U.S. of \$1,275 (2023 - \$nil).

The losses in Canada expire as follows:

Year of expiry	
2039	\$ 1,364
2041	\$ 2,111
2042	\$ 9,196
2043	\$ 2,492
2044	\$ 2,519

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

10. INTANGIBLE ASSETS

	Customer Relationships	Brand Name	Software	Non-competete Agreements	Favourable Lease Agreements	Total
As at January 1, 2023						
Cost	\$412,705	\$22,974	\$11,640	\$23,203	\$6,305	\$476,827
Accumulated amortization	(109,161)	(5,461)	(7,698)	(18,627)	(2,941)	(143,888)
Net book value	\$303,544	\$17,513	\$3,942	\$4,576	\$3,364	\$332,939
For the year ended December 31, 2023						
Acquired through business combinations	25,158	—	6,414	1,372	—	32,944
Additions	—	—	1,684	—	—	1,684
Amortization	(21,272)	—	(2,626)	(1,864)	(420)	(26,182)
Foreign exchange	928	249	220	1	(2)	1,396
Net book value	\$308,358	\$17,762	\$9,634	\$4,085	\$2,942	\$342,781
As at December 31, 2023						
Cost	\$439,201	\$23,223	\$19,823	\$24,722	\$6,305	\$513,274
Accumulated amortization	(130,843)	(5,461)	(10,189)	(20,637)	(3,363)	(170,493)
Net book value	\$308,358	\$17,762	\$9,634	\$4,085	\$2,942	\$342,781
For the year ended December 31, 2024						
Acquired through business combinations	19,975	—	7	980	—	20,962
Additions	—	—	4,029	—	—	4,029
Amortization	(22,022)	—	(2,137)	(1,730)	(420)	(26,309)
Foreign exchange	(3,016)	(855)	(647)	(2)	—	(4,520)
Net book value	\$303,295	\$16,907	\$10,886	\$3,333	\$2,522	\$336,943
As at December 31, 2024						
Cost	\$454,581	\$22,368	\$22,803	\$25,195	\$6,305	\$531,252
Accumulated amortization	(151,286)	(5,461)	(11,917)	(21,862)	(3,783)	(194,309)
Net book value	\$303,295	\$16,907	\$10,886	\$3,333	\$2,522	\$336,943

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

11. GOODWILL

As at	December 31, 2024	December 31, 2023
Balance, beginning of year	\$ 633,986	\$ 601,706
Acquired through business combination	17,721	29,996
Foreign exchange	(7,843)	2,284
Balance, end of period	\$ 643,864	\$ 633,986

The recoverable amount of the Company’s cash generating units (“CGU”) is determined based on the greater of value-in-use calculations and fair value less costs to sell. When testing goodwill for impairment, BGSi uses a five year forward looking discounted cash flow of the CGU or group of CGUs to which the asset relate. BGSi has used the fair value less costs to sell method to evaluate the carrying amount of goodwill. The key assumptions used in the assessment include an estimate of current and future cash flows, taxes, future acquisition growth, future capital expenditures, a terminal growth rate of 3% and a weighted average cost of capital of 9% to 11%. BGSi concluded that there was no impairment to the carrying amount of goodwill for either the US or Canadian CGU as at December 31, 2024. The carrying amount of goodwill for the Canadian CGU was \$89,202 as at December 31, 2024.

Sensitivity testing is conducted as part of the annual impairment tests. No reasonably possible change in assumptions would result in an impairment in the US CGU. After considering all key assumptions, management considers that a reasonably possible change in only the following assumptions would cause the Canadian CGU’s carrying amount to exceed its recoverable amount:

- If the discount rate increased by approximately 2.6%.
- If Adjusted EBITDA margins are lower by approximately 2.1% throughout the forecast period, representing a 15% decline in Adjusted EBITDA.

Earnings before interest, taxes, depreciation and amortization (“EBITDA”) is not a calculation defined in IFRS Accounting Standards. EBITDA comprises sales less operating expenses before finance costs, amortization and depreciation, and income taxes. Adjusted EBITDA is calculated to exclude 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.

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

12. OTHER LONG TERM ASSETS

Other long term assets consist primarily of rent deposits in the amount of \$4,051 (2023 - \$3,720) and an investment of \$8,000 (2023 - \$8,000) to support the growth of the glass business. Investments which do not qualify for equity treatment are recorded as other long term assets.

13. 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\$0.150 per share in the first, second and third quarters of 2024 and C\$0.153 in the fourth quarter of 2024. The Company declared dividends of C\$0.147 per share in the first, second and third quarter of 2023 and C\$0.150 in the fourth quarter of 2023.

The following is the balance of dividends payable:

As at	December 31, 2024	December 31, 2023
Balance, beginning of year	\$ 2,435	\$ 2,330
Declared	9,414	9,412
Payments	(9,445)	(9,382)
Foreign exchange	(121)	75
Balance, end of year	\$ 2,283	\$ 2,435

Dividends to shareholders were declared and paid in thousands of U.S. dollars as follows:

Record date	Payment date	Dividend amount
March 31, 2024	April 26, 2024	\$ 2,379
June 30, 2024	July 29, 2024	2,350
September 30, 2024	October 29, 2024	2,377
December 31, 2024	January 29, 2025	2,308
		\$ 9,414

Record date	Payment date	Dividend amount
March 31, 2023	April 26, 2023	\$ 2,306
June 30, 2023	July 27, 2023	2,376
September 30, 2023	October 27, 2023	2,333
December 31, 2023	January 29, 2024	2,397
		\$ 9,412

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

14. LONG-TERM DEBT

The Company has a credit agreement maturing in March 2028 which consists of revolving credit and swing line facilities aggregating \$550,000 with an accordion feature which can increase the facilities to a maximum of \$850,000 (the “Facilities”). The Facilities are accompanied by a fixed-rate Term Loan A maturing in March 2027, in the amount of \$125,000 at an interest rate of 3.455%. The Facilities are with a syndicate of Canadian and U.S. banks and are 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 Facilities are based on a pricing grid of BGSi’s ratio of total funded debt to EBITDA as determined under the credit agreement. The Company can draw on the Facilities 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, Canadian Overnight Repo Rate Average (“CORRA”), U.S. Prime or Secured Overnight Financing Rate (“SOFR”) at the Company’s election. The credit agreement provided for CORRA as the Canadian benchmark replacement rate on Canadian dollar term advances when the publication of Canadian Dollar Offered Rate (“CDOR”) ceased in June 2024. The total syndicated Facilities include a swing line up to a maximum of \$10,000 for the Canadian borrower and \$30,000 for the U.S. borrower. As at December 31, 2024, the U.S. borrower had drawn \$370,000 (December 31, 2023 - \$264,500) and the Canadian borrower had drawn \$nil (December 31, 2023 - \$nil) on the Facilities and \$125,000 (December 31, 2023 - \$125,000) on the Term Loan A.

The Company is subject to certain financial covenants which must be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants require BGSi to maintain a senior funded debt to EBITDA ratio of no greater than 3.50 and an interest coverage ratio of not less than 2.75. For four quarters following a material acquisition, the senior funded debt to EBITDA ratio may be increased to less than 4.00. For purposes of covenant calculations, property lease payments are deducted from EBITDA, and EBITDA is further adjusted to reflect pro-forma annualized acquisition results.

As at December 31, 2024, the Company was in compliance with all financial covenants.

Seller notes payable of \$13,068 on the financing of certain acquisitions are unsecured, at interest rates ranging from 3% to 8%. The notes are repayable from January 2025 to May 2028.

Long-term debt is comprised of the following:

As at	December 31, 2024	December 31, 2023
Revolving credit facility & swing line (net of financing costs)	\$ 369,333	\$ 264,046
Term Loan A (net of financing costs)	124,882	124,812
Seller notes	13,068	32,847
	\$ 507,283	\$ 421,705
Current portion	8,994	22,038
	\$ 498,289	\$ 399,667

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

The following is the continuity of long-term debt:

As at	December 31, 2024	December 31, 2023
Balance, beginning of year	\$ 421,705	\$ 360,171
Consideration on acquisition	3,517	6,547
Draws	365,994	260,473
Repayments	(283,790)	(205,848)
Deferred financing costs	(829)	—
Amortization of deferred financing costs	656	418
Foreign exchange	30	(56)
Balance, end of year	\$ 507,283	\$ 421,705

Included in finance costs for the year ended December 31, 2024 is interest on long-term debt of \$29,149 (2023 - \$19,814).

15. LEASE LIABILITIES

The following is the continuity of lease liabilities:

As at	December 31, 2024	December 31, 2023
Balance, beginning of year	\$ 715,277	\$ 617,926
Assumed on acquisition	20,098	49,916
Additions and modifications	122,761	145,327
Repayments	(149,656)	(131,360)
Financing costs	40,485	32,056
Foreign exchange	(4,670)	1,412
Balance, end of year	\$ 744,295	\$ 715,277
Current portion	116,849	107,727
	\$ 627,446	\$ 607,550

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

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

	Year ended December 31,	
	2024	2023
Operating expenses	\$ 9,414	\$ 7,808
Depreciation of right of use assets	\$ 123,512	\$ 109,806
Finance costs	\$ 40,485	\$ 32,056

Included in operating expenses are short-term and low-value asset lease expenses of \$9,312 for the year ended December 31, 2024 (2023 - \$7,711).

16. UNEARNED REBATES

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

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

At December 31, 2024, the Company has unearned rebates of \$3,964 (2023 – \$4,579).

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

17. FINANCIAL INSTRUMENTS

Carrying value and estimated fair value of financial instruments

	Classification	Fair value hierarchy	December 31, 2024		December 31, 2023	
			Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Cash	Amortized cost	n/a	19,997	19,997	22,511	22,511
Accounts receivable	Amortized cost	n/a	120,616	120,616	145,793	145,793
Long-term asset	FVTPL ⁽¹⁾	3	8,000	8,000	8,000	8,000
Financial liabilities						
Accounts payable and accrued liabilities	Amortized cost	n/a	306,942	306,942	339,823	339,823
Dividends payable	Amortized cost	n/a	2,283	2,283	2,435	2,435
Long-term debt	Amortized cost	n/a	507,283	499,427	421,705	409,212

(1) Fair Value Through Profit or Loss

For the Company's current financial assets and liabilities, including accounts receivable, accounts payable and accrued liabilities, and dividends payable, which are short term in nature and subject to normal trade terms, the carrying values approximate their fair value. The fair value of BGSI's long-term debt has been determined by calculating the present value of the interest rate spread that exists between the actual Term Loan A and the rate that would be negotiated with the economic conditions at the reporting date. As there is no ready secondary market for BGSI's other long term asset, 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 December 31, 2024 was approximately \$140,613 (December 31, 2023 - \$168,304).

Interest rate risk

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

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

Foreign currency risk

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

Transactional foreign currency risk also exists in circumstances where U.S. denominated cash is received in Canada. The Company monitors U.S. denominated cash flows to be received in Canada and evaluates whether to use forward foreign exchange contracts. No forward foreign exchange contracts were used during 2024 or 2023.

BGSI earns interest on promissory notes issued to The Boyd Group (U.S.) Inc., the parent of the Company's U.S. operations. As at December 31, 2024 and December 31, 2023, promissory notes denominated in Canadian dollars are as follows:

Promissory notes As at	December 31, 2024	December 31, 2023
Promissory note at 5.0% due September 29, 2027	\$ 108,000	\$ 108,000
Promissory note at 5.75% due January 1, 2030	41,800	41,800
Promissory note at 9.22% due January 1, 2029	61,800	61,800
Promissory note at 4.3% due December 30, 2030	70,000	70,000
	\$ 281,600	\$ 281,600

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

Credit risk

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

Aging of accounts receivable As at	December 31, 2024	December 31, 2023
Neither impaired nor past due	\$ 117,800	\$ 141,148
Past due:		
Over 90 days	7,654	8,159
	\$ 125,454	\$ 149,307
Allowance for doubtful accounts	(4,838)	(3,514)
Accounts receivable	\$ 120,616	\$ 145,793

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

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

Allowance for doubtful accounts		
As at	December 31,	December 31,
	2024	2023
Balance, beginning of year	\$ 3,514	\$ 3,679
Increase (decrease) in the allowance (net of recoveries and amounts written off)	1,324	(165)
Balance, end of year	\$ 4,838	\$ 3,514

Liquidity risk

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

	Total	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
Accounts payable and accrued liabilities	\$306,942	\$306,942	\$—	\$—	\$—	\$—	\$—
Long-term debt	507,283	8,994	372,823	125,417	49	—	—
Lease liabilities	948,906	157,105	143,935	128,045	107,052	83,934	328,835
	\$1,763,131	\$473,041	\$516,758	\$253,462	\$107,101	\$83,934	\$328,835

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

Market Risk and Sensitivity Analysis

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

BGSI has used a sensitivity analysis technique that measures the estimated change to net earnings and equity of a 1% (100 basis points) difference in market interest rates. The sensitivity analysis assumes that changes in market interest rates only affect interest income or expense of variable financial instruments not covered by hedging instruments. For the year ended December 31, 2024 it is estimated that the impact of a 1% increase to market rates would result in a \$3,308 decrease (2023 – \$1,948 decrease) to net earnings as well as comprehensive earnings.

The currency risk sensitivity analysis is based on a 5% strengthening or weakening of the Canadian Dollar against the U.S. Dollar and assumes that all other variables remain constant. Under this assumption, net earnings for the year ended December 31, 2024 as well as comprehensive earnings would have changed by \$nil due to no foreign exchange contracts being in place at the end of 2024 and 2023.

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

18. CAPITAL

Shareholders' Capital

Authorized:

Unlimited number of common shares

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

19. CONTRIBUTED SURPLUS

During the year, stock option accretion (net of issue costs) of \$849 (2023 - \$502) was credited to contributed surplus.

20. CAPITAL STRUCTURE

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

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

The Company monitors capital on a number of bases, including an interest coverage ratio, total debt to Adjusted EBITDA ratios, return on invested capital, a debt to capital ratio, a current ratio, diluted earnings per share and dividends per share. Total debt to Adjusted EBITDA is calculated as the Company's total debt and non-property lease liabilities but excluding convertible debentures divided by Adjusted EBITDA. Return on invested capital is the ratio of Adjusted EBITDA to average invested capital. Adjusted EBITDA is a non-GAAP financial measure, whose nearest GAAP measure is Cash Flow from Operations.

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

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

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

21. RELATED PARTY TRANSACTIONS

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

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

Landlord	Affiliated Person(s)	Location	Lease Expires	December 31, 2024	December 31, 2023
Gerber Building No. 1 Ptnrp	Timothy O'Day	South Elgin, IL	2029	105	103

22. SEGMENTED REPORTING

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

Sales	Year ended December 31,	
	2024	2023
Canada	\$ 244,715	\$ 231,601
United States	2,825,627	2,714,387
	\$ 3,070,342	\$ 2,945,988

Reportable Assets	December 31,	
	2024	2023
As at		
Canada	\$ 199,299	\$ 220,786
United States	1,979,282	1,849,309
	\$ 2,178,581	\$ 2,070,095

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

BGSI’s revenues are largely derived from the insurers of its customers, who are generally automobile owners. Formal relationships with insurance companies such as Direct Repair Programs (“DRPs”) play an important role in generating sales volumes for the Company. Although automobile owners still have the freedom of choice of repair provider, insurance companies may educate the owner on the benefits of choosing a repairer in their DRP network. Of the top five insurance companies that BGSI deals with, which in aggregate account for approximately 51% (2023 – 53%) of total sales, one insurance company represents approximately 16% (2023 – 19%) of the Company’s total sales, while a second insurance company represents approximately 12% (2023 – 11%).

23. COMPENSATION OF KEY MANAGEMENT

	For the years ended December 31,	
	2024	2023
Salaries and short-term employee benefits	\$ 5,302	\$ 7,531
Long-term incentive plan	3,801	3,155
Share options	582	1,119
	<u>\$ 9,561</u>	<u>\$ 11,805</u>

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

24. SHARE-BASED COMPENSATION

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

Long-term incentive plan

On January 1, 2022, January 1, 2023, and January 1, 2024, Performance Share Unit awards were granted to certain executive officers for the 2022, 2023 and 2024 grant years. Performance Share Units are tied to share value from date of grant to the date of vesting and will be paid out in cash over a three-year period, subject to the terms of the plan. Performance Share Units represent the right to receive payments linked to BGSI’s share value, conditional upon the achievement of one or more objective performance goals. The dividend rate declared by BGSI on issued and outstanding shares of the Company is also applied to the Performance Share Units. The dividend amount on the Performance Share Units is converted into additional Performance Share Units based on the market value of the Company’s shares at the time of the dividend. These additional Performance Share Units vest at the same time as the Performance Share Units that the dividend rate was applied on.

The 2022, 2023, and 2024 awards granted include non-market performance conditions. The impact of market and non-market performance conditions is recognized through the adjustment of the award that is expected to vest. At the end of each reporting period, BGSI re-assesses its estimates of the number of Performance Share Units that are expected to vest and recognizes the impact of the revision to compensation expense in earnings over the vesting period.

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

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

On January 1, 2022, January 1, 2023, and January 1, 2024 Restricted Share Units were granted to certain executive officers for the 2022, 2023 and 2024 grant years. Restricted Share Units are valued by reference to share value from date of grant to the date of vesting and will be paid out in cash over a two to three-year period, subject to the terms of the plan. The dividend rate declared by BGSi on issued and outstanding shares of the Company is also applied to the Restricted Share Units. The dividend amount on the Restricted Share Units is converted into additional Restricted Share Units based on the market value of the Company’s shares at the time of the dividend. These additional Restricted Share Units vest at the same time as the Restricted Share Units that the dividend rate was applied on.

Directors Deferred Share Unit Plan

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

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

25. EMPLOYEE EXPENSES

	For the years ended December 31,	
	2024	2023
Salaries and short-term employee benefits	\$ 1,227,586	\$ 1,149,282
Post-employment benefits	8,784	5,757
Long-term incentive plan	509	6,025
Share options	857	436
	\$ 1,237,736	\$ 1,161,500

26. DEFINED CONTRIBUTION PENSION PLANS

The Company has defined contribution pension plans for employees. The Company matches employee contributions at rates up to 3% of the employees’ salary. The expense and payments for the year were \$8,784 (2023 - \$5,757).

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

27. EARNINGS PER SHARE

	Year ended December 31,	
	2024	2023
Net earnings	\$ 24,544	\$ 86,656
Basic weighted average number of shares	21,472,436	21,472,194
Add:		
Stock Option Plan	4,585	3,670
Average number of shares outstanding - diluted basis	21,477,021	21,475,864
Basic earnings per share	\$ 1.14	\$ 4.04
Diluted earnings per share	\$ 1.14	\$ 4.04

For the year ended December 31, 2024, the impact of the stock options issued in 2021 and 2022 were included in the diluted average number of shares outstanding. The stock options issued in 2023 and 2024 could have potentially diluted the basic earnings per share, but their impact was anti-dilutive during this period.

For the year ended December 31, 2023, the impact of the stock options issued in 2021 and 2022 were included in the diluted average number of shares outstanding. The stock options issued in 2023 could have potentially diluted the basic earnings per share, but their impact was anti-dilutive during this period.

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

28. 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.

The information on the outstanding options are as follows:

	Year ended December 31,			
	2024		2023	
	Number	Weighted average exercise price (C\$)	Number	Weighted average exercise price (C\$)
Balance at the beginning of year	54,559	\$ 198.78	31,113	\$ 186.41
Granted during the year	18,269	282.26	28,821	211.13
Forfeited during the year	(4,535)	219.71	(5,375)	193.39
Expired during the year	—	—	—	—
Exercised during the year	(531)	204.83	—	—
Balance at the end of year	67,762	\$ 219.84	54,559	\$ 198.78
Exercisable at the end of the year	8,351	\$ 195.58	2,690	\$ 219.21

The weighted average grant date fair value of stock options granted during fiscal year 2024 was \$97.75 per option (2023 - \$71.64). The fair value of each option granted was determined using a Black-Scholes option pricing model. The option valuation was based on the following assumptions:

	2024	2023
Risk-free interest rate	3.61%	3.48%
Expected life (years)	5.5	5.5
Expected stock price volatility	30.68%	30.40%
Expected dividend yield	0.193%	0.272%

BOYD GROUP SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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

29. CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS

	For the years ended December 31,	
	2024	2023
Accounts receivable	\$ 23,436	\$ (5,962)
Inventory	5,652	2,288
Prepaid expenses	(3,174)	(5,153)
Accounts payable and accrued liabilities	(27,199)	29,946
Income taxes, net	(4,624)	(2,047)
	\$ (5,909)	\$ 19,072

BOARD OF DIRECTORS

Boyd Group Services Inc. Board of Directors consists of nine members – two that are officers or retired officers of BGSi and seven that are independent Directors. The Independent Chair of the Board is David Brown. Boyd Group Services Inc. Board of Directors has established three standing committees: The Corporate Governance and Sustainability Committee, The Audit Committee, and the People, Culture and Compensation Committee.

The Corporate Governance and Sustainability Committee is chaired by Sally Savoia and includes Robert Espey and William Onuwa. The Audit Committee is chaired by William Onuwa and includes John Hartmann and Christine Feuill. The People, Culture and Compensation Committee is chaired by Violet Konkle and includes David Brown and John Hartman.

David Brown is an Executive Vice-President of Richardson Financial Group Limited and a Managing Director of RBM Capital Limited (a private investment firm). He was previously the CEO of Richardson Capital Limited, a private equity arm of James Richardson & Sons, Limited, the Corporate Secretary of James Richardson & Sons, Limited, and a partner in the independent law and accounting firm of Gray & Brown. Mr. Brown has considerable experience in private equity investment and management, senior management and in advising and working with family businesses in the areas of taxation, mergers, acquisitions, divestitures, corporate reorganizations, financings, management, ownership transitions and estate planning. Mr. Brown also has considerable public company experience. He currently serves as the Independent Chair of the Board of Boyd Group Services Inc. and serves as a director and Chair of the Audit Committee of Pollard Banknote Limited, and as a director of RF Capital Group Inc. He previously served on the Manitoba Hydro- Electric Board. He has served various Manitoba charities including acting as a director of the Misericordia Hospital and Pavilion Gallery Museum, Inc. and as Co-chair of Major Donors for the Children's Hospital Foundation's Capital Campaign. He is a graduate of the University of Manitoba law school (gold medalist), and is a Chartered Professional Accountant.

Brock Bulbuck served as Executive Chair of BGSi from 2020 to 2021. Prior to this role, Mr. Bulbuck served as Chief Executive Officer from 2010 to 2020. After joining Boyd in 1993, Mr. Bulbuck served in many senior leadership roles and played a leading role in the overall development and growth of the business. Mr. Bulbuck also serves as Independent Board Chair of North West Company. He is also a past Chairperson of the Winnipeg Football Club Board of Directors, a past member of the Canadian Football League Board of Governors and a current Director of Pan Am Clinic Foundation. Mr. Bulbuck has a Bachelor of Commerce (Honors) degree from the University of Manitoba and is a Chartered Professional Accountant.

Robert Espey was appointed President and Chief Executive Officer in 2011 of Parkland Corporation ("Parkland") and has successfully led the transformation of Parkland from a Western Canadian regional independent into a leading international consolidator of convenience retail and fuel marketing businesses with operations in 25 countries. Under Mr. Espey's leadership, and in addition to network of over 4,000 retail locations, Parkland is a leader in manufacturing low carbon fuels and is rapidly building an ultrafast electric vehicle charging network to serve growing demand in select markets. Mr. Espey has overseen over 60 acquisitions, including of Chevron Canada's convenience retail and downstream fuel business, the Ultramar retail business from CST brands, the expansion of Parkland into the U.S., and in January 2019 the addition of the Sol which expanded Parkland's operations into the Caribbean region. Previously, Mr. Espey served as Chief Operating Officer from 2010 to 2011, and Vice President, Retail Markets from 2008 to 2010. Prior to joining Parkland, Mr. Espey held a variety of senior management roles across a diverse group of industry sectors, both internationally and domestically, including as President and Chief Executive Officer of FisherCast Global Corporation. Mr. Espey holds a Bachelor of Engineering (Mechanical) from Royal Military College and a Masters in Business Administration from the University of Western Ontario. Mr. Espey is a senior advisor to Enzinc, an advanced developer of metal air battery technology, a member of the Board of Directors of Parkland Corporation and past Chair of the Canadian Fuels Association.

Christine Feuell has nearly 30 years of career experience transforming brands and business units to deliver strong customer value and profitable growth in the automotive, supply chain automation and building technologies industries. Ms. Feuell's automotive industry experiences include OEMs (Ford, Stellantis) and Tier 1 Suppliers (Johnson Controls, Adient) in which she created and launched innovative products, technologies and services for the OEM and Aftermarket Channels. Ms. Feuell is currently the CEO for Chrysler and Alfa Romeo. Since 2021, she has been serving as CEO, Chrysler Brand at Stellantis, a leading global automotive mobility and technology leader, where she is transforming the Chrysler brand to full-electrification and delivering break-through seamlessly connected technologies and experiences. Prior to her role at Chrysler, Ms. Feuell was the Chief Commercial Officer at Honeywell, where she was responsible for creating and delivering advanced automation software and technology solutions for E-Commerce, Retail, Logistics, Health and Pharma industries. Ms. Feuell also serves as an Advisory Board Member for the Michigan State University Broad School of Business, Board Director for Friends of the Children Detroit Chapter Non-Profit, and is a champion for diversity and mentoring programs at Stellantis, Michigan State and her local communities. Ms. Feuell is the Executive Sponsor for the Women of Stellantis and Diversibilities Business Resource Groups.

John Hartmann currently serves on the Boards of Franchise Group, Inc., a private holding company which owns The Vitamin Shoppe, Pet Supplies Plus and Buddy's Home Furnishings; and Ascend Wellness Holdings Inc., a U.S. publicly listed company, where he was previously Chief Executive Officer. Mr. Hartmann is the former President of buybuyBaby and COO of Bed Bath & Beyond from 2020 to 2022. Previously, from 2013-2020, he was the President & Chief Executive Officer at True Value Company, a privately owned U.S. hardware wholesaler and manufacturer. Mr. Hartmann also led New Zealand-based Mitre 10 as Chief Executive Officer from 2010 to 2013, and held various executive positions at HD Supply, The Home Depot, and Cardinal Health. Prior to his corporate career, he served as a special agent of the Federal Bureau of Investigation. Mr. Hartmann previously served on the Board and Audit Committee of AmeriGas, prior to UGI's acquisition, and Board of HD Supply.

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

Timothy O'Day is the CEO of BGSI. He joined Gerber Collision & Glass in February 1998. With Boyd Group's acquisition of Gerber in 2004, he was appointed COO for Boyd's U.S. Operations. In 2008, he was appointed President and COO for U.S. Operations. On January 4, 2017, Mr. O'Day was appointed President and COO of Boyd Group Income Fund, and on January 2, 2020, he was appointed President and CEO of BGSI. On August 7, 2024, Mr. O'Day relinquished the "President" title. Mr. O'Day serves on the Board of Directors of RB Global, Inc. Earlier in his career, he was with Midas International, where he was elevated to Vice President—Western Division, responsible for a territory that encompassed 500 Midas locations. Mr. O'Day also served on the I-CAR Board as Immediate Past Chair until August 2022 and served on the Board of the Collision Repair Education Foundation until March 2016.

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

served on the subsidiary boards of various RBC insurance companies as an executive director from 2007 to 2016. Mr. Onuwa is currently a member of the board of governors at University of Guelph and also on the board of Plan International Canada where he sits on various committees.

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

CORPORATE DIRECTORY

COMPANY EXECUTIVE OFFICERS

Timothy O'Day
Chief Executive Officer

Jeff Murray
Executive Vice President & Chief
Financial Officer

Brian Kaner
President & Chief Operating
Officer

Creighton Warren*
Chief Information Officer

Kim Morin*
Vice President & Chief Human
Resources Officer

Paul Gange*
Chief Operating Officer, USA
Collision

Stephen Boyd*
Senior Vice President, Canada
Collision

**Officers of subsidiary companies only*

CORPORATE OFFICE

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Website: www.boydgroup.com

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

SHAREHOLDER INFORMATION

BOYD GROUP SERVICES INC. SHARES AND EXCHANGE LISTING

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

Registrar, Transfer Agents and Distribution Agents

Computershare Trust Company
8th Floor, 100 University Avenue
Toronto, Ontario
M5J 2Y1

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Auditors

Deloitte LLP
2200 – 360 Main Street
Winnipeg, Manitoba
R3C 3Z3

Bank Syndicate Lead Member

The Toronto-Dominion Bank
TD North Tower
77 King Street West, 25th Floor
Toronto, Ontario
M5K 1A2

Additional Bank Syndicate Members

Bank of America N.A.
The Bank of Nova Scotia
National Bank of Canada
Canadian Imperial Bank of Commerce

Annual Meeting and Special Meeting

www.virtualshareholdermeeting.com/BOYD2025

Wednesday, May 14, 2025

1:00 p.m. (CT)