BOYD GROUP INCOME FUND

INTERIM REPORT TO UNITHOLDERS
Three Months Ended March 31, 2019

BOYD GROUP INCOME FUND

INTERIM REPORT TO UNITHOLDERS

First Quarter Ended March 31, 2019

To our Unitholders,

During the first quarter of 2019, the Fund achieved revenue of $557.9 million, adjusted EBITDA[1] of $54.2 million, net earnings of $21.4 million and adjusted net earnings[1] of $29.2 million, once again demonstrating consistent growth across all of our key financial metrics. Our growth remains on track to reach our long-term goal of doubling the size of the business based on revenues on a constant currency basis during the five-year period ending in 2020.

In the first quarter of 2019, we added 42 locations, including one intake center, and entered the states of New York and South Carolina. This new location growth, including entry into new markets, is in line with our strategy.

On January 1, 2019, the Fund adopted IFRS 16, *Leases*. The new standard has brought most leases onto the statement of financial position through recognition of right of use assets and lease liabilities. The adoption of this standard had a significant impact on the consolidated statement of financial position, through recognition of right of use assets of $452.9 million and lease liabilities of $488.0 million. In the first quarter of 2019, the Fund recorded a $24.1 million decrease in operating expenses, as well as a $20.3 million increase in depreciation expense and a $5.2 million increase in finance costs as a result of the adoption of the new standard.

Total sales in the first quarter of 2019 were $557.9 million, a 23.1% increase over the $453.3 million achieved in the same period of 2018. The increase in sales was largely the result of contributions from new locations, along with same-store sales growth of 5.3%. After adjusting for one less selling/production day in the U.S., same-store sales increased 6.6% on a per day basis.

Adjusted EBITDA[1] grew to $54.2 million, or 9.7% of sales, compared with $42.1 million, or 9.3% of sales in the same period of 2018, representing a 0.4% or 40 basis point improvement in adjusted EBITDA margin. Contributions from new locations and same-store sales growth contributed to the increase.

Boyd had net earnings of $21.4 million in the first quarter of 2019, compared to $18.3 million in the same period of 2018. Impacting net earnings were fair value adjustments to financial instruments as a result of unit price increases during the year as well as acquisition and transaction costs (net of tax). The net earnings amount in the first quarter of 2019 was also negatively impacted by the adoption of IFRS 16, *Leases* which reduced net earnings by $1.0 million. After adjusting for these items, adjusted net earnings[1] for the first quarter of 2019 was $29.2 million or 5.2% of sales. This compares to adjusted net earnings[1] of $20.9 million or 4.6% of sales in the same period of 2018. This translated into adjusted net earnings[1] of $1.47 per unit, compared to $1.06 in the same period of 2018.

In the first quarter of 2019, we generated adjusted distributable cash[1] of $32.2 million and paid distributions and dividends of $2.7 million, resulting in a payout ratio based on adjusted distributable cash[1] of 8.4%. This compares with adjusted distributable cash[1] of $29.9 million and distributions and dividends paid of $2.6 million, resulting in a payout ratio of 8.8% in the same period of the prior year. Maintaining a conservative payout ratio continues to be a priority to ensure that we

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[1] EBITDA, Adjusted EBITDA, distributable cash, adjusted distributable cash, adjusted net earnings and adjusted net earnings per unit are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that in addition to revenue, net earnings and cash flows, the supplemental measures of distributable cash, adjusted distributable cash, adjusted net earnings, adjusted net earnings per unit, EBITDA 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. Investors should be cautioned, however, that EBITDA, Adjusted EBITDA, distributable cash, adjusted distributable cash, adjusted net earnings and adjusted net earnings per unit should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Fund'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 the Fund's non-GAAP measures are calculated, please refer to the Fund's MD&A filing for the period ended March 31, 2019, which can be accessed via the SEDAR Web site (www.sedar.com).

have the resources to take advantage of the significant consolidation opportunities in our industry.

With respect to the balance sheet at March 31, 2019, the Fund held total debt, net of cash, of $809.6 million, compared to $232.1 million at December 31, 2018, $182.2 million at September 30, 2018, $174.9 million at June 30, 2018 and $214.9 million at March 31, 2018. Total debt was significantly impacted in the first quarter of 2019 by the adoption of the new leasing standard under IFRS. Excluding the lease liabilities of $495.1 million, debt, net of cash, at March 31, 2019 would have been $314.5 million. The increase from prior periods is the result of recent acquisition activity.

Cash flow from operations, before considering working capital changes, was $68.8 million for the three months ended March 31, 2019 compared with $35.1 million for the same period of 2018. The increase reflects the reduced operating expenses associated with the adoption of IFRS 16, *Leases* as lease payments are reflected as financing activities and higher Adjusted EBITDA. Management believes that the Fund's capital resources are sufficient to meet growth, working capital, capital expenditure and distribution requirements.

We remain confident in our ability to achieve our long-term goal of doubling our business by 2020, compared to 2015 on a constant currency basis. We are well-positioned to take advantage of the industry trends of consolidation and have ample "dry powder" with over $300 million in cash and availability in our credit facility to act on opportunities. As well, the WOW Operating Way continues to be an important and successful component of our operating model that represents our key to continuous improvement and sustainable operating performance.

On behalf of the Trustees of the Boyd Group Income Fund and Boyd Group employees, thank you for your continued support.

Sincerely,

(signed)

Brock Bulbuck
Chief Executive Officer

Management's Discussion & Analysis

OVERVIEW

Boyd Group Income Fund (the "Fund"), 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 five Canadian provinces under the trade name Boyd Autobody & Glass and Assured Automotive, as well as in 27 U.S. states under the trade name Gerber Collision & Glass. The Company uses newly acquired brand names during a transition period until acquired locations have been rebranded. The Company is also a major retail auto glass operator in the U.S. with locations across 34 U.S. states under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority and Autoglassonly.com. The Company also operates a third party administrator, Gerber National Claims Services ("GNCS"), that offers glass, emergency roadside and first notice of loss services. GNCS has approximately 5,500 affiliated glass provider locations and 4,600 affiliated emergency roadside services providers throughout the U.S. The following is a geographic breakdown of the collision repair locations, including intake centers, and trade names.

Boyd Autobody & Glass	47 locations
Alberta	15
British Columbia	14
Manitoba	14
Saskatchewan	4

Assured	81 locations
Ontario	81

The above numbers include 34 intake locations

Gerber Collision & Glass		498 locations	
Florida	61	Texas	12
Illinois	61	Maryland	10
Michigan	58	Tennessee	9
Washington	33	Nevada	7
Georgia	29	Pennsylvania	7
North Carolina	29	Missouri	5
Ohio	28	Oklahoma	5
Indiana	27	Utah	5
Arizona	24	Alabama	3
New York	21	Idaho	1
Colorado	19	Kansas	1
Wisconsin	17	Kentucky	1
Louisiana	12	South Carolina	1
Oregon	12		

The above numbers include 12 intake locations and two fleet locations co-located with collision repair centers.

Boyd provides collision repair services to insurance companies, individual vehicle owners, as well as fleet and lease customers, with a high percentage of the Company's revenue being derived from insurance-paid collision repair services. In Canada, government-owned insurers operating in Manitoba, Saskatchewan and British Columbia dominate the insurance-paid collision repair markets in which they operate. In the U.S. and Canadian markets other than Manitoba and Saskatchewan, private insurance carriers compete for consumer policyholders, and in many cases significantly influence the choice of collision repairer through Direct Repair Programs ("DRP's").

The Fund's units trade on the Toronto Stock Exchange under the symbol TSX: BYD.UN.

The following review of the Fund's operating and financial results for the three months ended March 31, 2019, including material transactions and events up to and including May 14, 2019, should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2019 as well as the annual audited consolidated financial statements, management discussion & analysis ("MD&A") and annual information form ("AIF") of Boyd Group Income Fund for the year ended December 31, 2018, as filed on SEDAR at www.sedar.com.

SIGNIFICANT EVENTS

On January 1, 2019, the Fund adopted IFRS 16, *Leases* using the modified retrospective approach. The new standard has brought most leases onto the statement of financial position through recognition of right of use assets and lease liabilities. IFRS 16 establishes principles for recognition, measurement, presentation and disclosure of leases. The adoption of this standard had a significant impact on the consolidated statement of financial position, through recognition of right of use assets of $452.9 million and lease liabilities of $488.0 million. During 2019, the Fund will recognize a decrease in operating expenses, as well as increases in depreciation expense and finance costs as a result of the adoption of the new standard.

On January 31, 2019, the call option transaction to acquire the 30% non-controlling interest in Glass America LLC held by GAJV Holdings Inc. was completed, and Gerber Glass LLC acquired the 30% non-controlling interest in Glass America LLC.

On April 3, 2019, the Fund amended its credit agreement to expand the facility to $400.0 million U.S. through the exercise of $100.0 million of the $150.0 million available under the accordion feature.

The Fund added 51 new collision locations since January 1, 2019 as follows:

Date	Location	Previously operated as
January 1, 2019	Union City, GA	n/a intake center
January 9, 2019	Cayce, SC	Bob Johnson's Body Shop
January 11, 2019	Peoria, AZ	Lake Pleasant Collision Center
February 28, 2019	New York (18 locations)	Carubba Collision
March 8, 2019	Michigan (11 locations)	Dusty's, Whitney's and Wright Brothers Collision
March 15, 2019	Guelph, ON	Majestic Collision
March 18, 2019	Richland, WA	Atomic Auto Body and Detail
March 25, 2019	Bullhead City, AZ	Gordy's Auto Body
March 29, 2019	Oregon & Washington (7 locations)	Beaverton Auto Rebuilders, Inc.
April 15, 2019	Buffalo, Cheektowaga (intake center) and East Amherst, NY	Carubba Collision
April 18, 2019	Holy Springs, GA	n/a intake center
May 14, 2019	Trussville, AL	Myers Auto Collision Repair, Inc.
May 14, 2019	Las Vegas Area, NV (3 locations) and Scottsdale, AZ	New Look Collision Center

OUTLOOK

Boyd continues to execute on its growth strategy. During 2019, the Company has added 51 locations, while at the same time achieving organic growth through same-store sales increases in the first quarter of 5.3%. After adjusting for one less selling/production day in the U.S., same-store sales increased 6.6% on a per day basis.

Looking forward, the Company will continue to pursue accretive growth through a combination of organic growth (same-store sales growth) as well as acquisitions and new store development. Acquisitions will include both single location acquisitions as well as multi-location acquisitions. Combined, this strategy is expected to double the size of the business and revenues (on a constant currency basis) during the five-year period ending in 2020, implying an average annual growth rate of 15%. With prudent financial management and its strong balance sheet, Boyd is also well-positioned to take advantage of large acquisition opportunities, should they arise, which could accelerate the time frame to double its size. It is expected that this growth can be achieved while continuing to be disciplined and selective in the identification and assessment of all acquisition opportunities.

As performance based DRP programs with insurance companies continue to develop and evolve, it is becoming increasingly important that top performing collision repairers, including Boyd, continue to drive towards higher levels of operating performance as measured primarily by customer satisfaction ratings, repair cycle times and average cost of repair. To this end, Boyd will continue to make investments to enhance its processes and operational performance.

The enhanced benefit program, which was funded by a portion of the tax savings realized from U.S. Tax Reform, along with other people initiatives put in place are having some impact. Ongoing investments in technology, equipment and training are contributing to continued operational execution. However, the technician shortage remains a constraint. Entering the second quarter, the Company is experiencing some normal seasonal softening in demand in some markets.

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 remains the Company's focus whether it is through organic growth or acquisitions. The North American collision repair industry remains highly fragmented and offers attractive opportunities for industry leaders to build value through focused consolidation and economies of scale. As a growth company, Boyd's objective continues to be to maintain a conservative distribution policy that will provide the financial flexibility necessary to support growth initiatives while gradually increasing distributions over time. The Company remains confident in its management team, systems and experience. This, along with a strong statement of financial position and financing options, positions Boyd well for success into the future.

BUSINESS ENVIRONMENT & STRATEGY

As at May 14, 2019, the business environment of the Company and strategies adopted by management remain unchanged from those described in the Fund's 2018 annual MD&A.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

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

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

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
The stated objective of generating growth sufficient to double the size of the business over the five-year period ending in 2020	Acquisition opportunities continue to be available and are at acceptable and accretive prices Financing options continue to be available at reasonable rates and on acceptable terms and conditions New and existing customer relationships are expected to provide acceptable levels of revenue opportunities Anticipated operating results would be accretive to overall Company results Growth is defined as revenue on a constant currency basis	Acquisition market conditions change and repair shop owner demographic trends change Credit and refinancing conditions prevent or restrict the ability of the Company to continue growth strategies Changes in market conditions and operating environment Significant declines in the number of insurance claims Integration of new stores is not accomplished as planned Increased competition which prevents achievement of acquisition and revenue goals

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
Boyd remains confident in its business model to increase market share by expanding its presence in North America through strategic and accretive acquisitions alongside organic growth from Boyd's existing operations	Continued stability in economic conditions and employment rates Pricing in the industry remains stable The Company's customer and supplier relationships provide it with competitive advantages to increase sales over time Market share growth will more than offset systemic changes in the industry and environment Anticipated operating results would be accretive to overall Company results	Economic conditions deteriorate Loss of one or more key customers or loss of significant volume from any customer Decline in the number of insurance claims Inability of the Company to pass cost increases to customers over time Increased competition which may prevent achievement of revenue goals Changes in market conditions and operating environment Changes in weather conditions
Stated objective to gradually increase distributions over time	Growing profitability of the Company and its subsidiaries The continued and increasing ability of the Company to generate cash available for distribution Balance sheet strength and flexibility is maintained and the distribution level is manageable taking into consideration bank covenants, growth requirements and maintaining a distribution level that is supportable over time No change in the Fund's structure	The Fund is dependent upon the operating results of the Company and its ability to pay interest and dividends to the Fund Economic conditions deteriorate Changes in weather conditions Decline in the number of insurance claims Loss of one or more key customers or loss of significant volume from any customer Changes in government regulation
In 2019, the Company expects to make capital expenditures (excluding those related to acquisition and development of new locations) within the range of 1.5% to 1.7% of sales	The actual cost for these capital expenditures agrees with the original estimate The purchase, delivery and installation of the capital items is consistent with the estimated timeline No other new capital requirements are identified or required during the period All identified capital requirements are required during the period	Expected actual expenditures could be above or below 1.5% to 1.7% of sales The timing of the expenditures could occur on a different timeline The Fund may identify additional capital expenditure needs that were not originally anticipated The Fund may identify capital expenditure needs that were originally anticipated; however, are no longer required or required on a different timeline

We caution that the foregoing table contains what the Fund 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 the Fund's Annual Information Form, the "Business Risks and Uncertainties" and other sections of our Management's Discussion and Analysis and our other periodic filings with Canadian securities regulatory authorities. All forward-looking statements presented herein should be considered in conjunction with such filings.

NON-GAAP FINANCIAL MEASURES

EBITDA AND ADJUSTED EBITDA

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

The CPA's Canadian Performance Reporting Board defined standardized EBITDA to foster comparability of the measure between entities. Standardized EBITDA comprises sales less operating expenses before finance costs, amortization, depreciation and taxes. Adjusted EBITDA is calculated to exclude items of an unusual nature that do not reflect normal or ongoing operations of the Fund and which should not be considered in a valuation metric or should not be included in assessment of ability to service or incur debt. Included in this category of adjustments are the fair value adjustments to exchangeable Class A common shares, the fair value adjustments to unit based payment obligations, the fair value adjustments to the non-controlling interest put option and call liability and the fair value adjustments to contingent consideration. These items are adjustments that did not have any cash impact on the Fund. Also included as an adjustment to EBITDA are acquisition and transaction costs which do not relate to the current operating performance of the business units but are typically costs incurred to expand operations. Prior to the adoption of IFRS 16, *Leases* on January 1, 2019, lease expenses were included in operating expenses and were thereby included in the calculation of both standardized and adjusted EBITDA. On adoption of IFRS 16, *Leases* on January 1, 2019, lease expenses are no longer included in operating expenses and therefore have been deducted in arriving at Adjusted EBITDA since they represent ongoing cash requirements of the business and to enhance comparability with prior period. From time to time, the Fund may make other adjustments to its Adjusted EBITDA for items that are not expected to recur.

The following is a reconciliation of the Fund's net earnings to EBITDA and Adjusted EBITDA:

ADJUSTED EBITDA

	For the three months ended March 31,	
(thousands of Canadian dollars)	**2019**	2018
Net earnings	**$ 21,389**	$ 18,336
Add:		
Finance costs	**7,929**	2,622
Income tax expense	**7,035**	6,651
Depreciation of property, plant and equipment	**9,075**	7,698
Depreciation of right of use assets - property	**20,343**	-
Depreciation of right of use assets - vehicles and equipment	**661**	-
Amortization of intangible assets	**4,818**	4,177
Standardized EBITDA	**$ 71,250**	$ 39,484
Add (deduct):		
Fair value adjustments	**5,813**	2,305
Acquisition and transaction costs	**1,259**	334
Lease liability payments - property	**(24,147)**	-
Adjusted EBITDA	**$ 54,175**	$ 42,123

ADJUSTED NET EARNINGS

In addition to EBITDA and Adjusted EBITDA, the Fund believes that certain users of financial statements are interested in understanding net earnings excluding certain fair value adjustments, the impact of IFRS 16, *Leases* adoption and other unusual or infrequent adjustments. This can assist these users in comparing current results to historical results that did not include such items. The following is a reconciliation of the Fund's net earnings to adjusted net earnings:

(thousands of Canadian dollars, except unit and per unit amounts)	**For the three months ended March 31, 2019**	2018
Net earnings	**$ 21,389**	$ 18,336
Add:		
Fair value adjustments (non-taxable)	**5,813**	2,305
Acquisition and transaction costs (net of tax)	**932**	247
Depreciation of right of use assets - property (net of tax)	**15,054**	-
Finance cost on lease liabilities - property (net of tax)	**3,857**	-
Less:		
Lease liability payments - property (net of tax)	**(17,869)**	-
Adjusted net earnings	**$ 29,176**	$ 20,888
Weighted average number of units	**19,839,203**	19,663,886
Adjusted net earnings per unit	**$ 1.47**	$ 1.06

Distributions and Distributable Cash

During the first quarter, distributions to unitholders and dividends to the BGHI shareholders were declared and paid as follows:

(thousands of Canadian dollars, except per unit and per share amounts) **Record date**	**Payment date**	**Distribution per Unit / Dividend per Share**	**Distribution amount**	**Dividend amount**
January 31, 2019	February 26, 2019	$ 0.0450	$ 891	$ 10
February 28, 2019	March 27, 2019	0.0450	892	10
March 31, 2019	April 26, 2019	0.0450	894	9
		$ 0.1350	$ 2,677	$ 29

(thousands of Canadian dollars, except per unit and per share amounts) **Record date**	**Payment date**	**Distribution per Unit / Dividend per Share**	**Distribution amount**	**Dividend amount**
January 31, 2018	February 26, 2018	$ 0.0440	$ 865	$ 10
February 28, 2018	March 27, 2018	0.0440	865	10
March 31, 2018	April 26, 2018	0.0440	866	9
		$ 0.1320	$ 2,596	$ 29

Maintaining Productive Capacity

Maintaining productive capacity is defined by Boyd as the maintenance of the Company's facilities, equipment, signage, vehicles, systems, brand names and infrastructure. Although most of Boyd's repair facilities are leased, funds are required to ensure facilities are properly repaired and maintained to ensure the Company's physical appearance communicates Boyd's standard of professional service and quality. The Company's need to maintain its facilities and upgrade or replace equipment, signage, systems 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.

For 2019, the Company expects to make cash capital expenditures (excluding those related to acquisition and development of new locations) within the range of 1.5% and 1.7% of sales. Emerging vehicle technologies requiring new, specialized repair equipment, as well as image and property upgrades will contribute to this higher level of budgeted spend for 2019. Lower than planned capital expenditures during 2018 will result in some of these expenditures being incurred in 2019.

In many circumstances, large equipment expenditures including automobiles, shop equipment and computers can be financed using leases. Cash spent on maintenance capital expenditures plus the repayment of leases, including the interest thereon, form part of the distributable cash calculations.

Non-recurring and Other Adjustments

Non-recurring and other adjustments may include, but are not limited to, post closure environmental liabilities, restructuring costs and acquisition and transaction costs. Management is not currently aware of any environmental remediation requirements. Acquisition and transaction costs are added back to distributable cash as they occur. On adoption of IFRS 16, *Leases* on January 1, 2019, lease expenses are no longer included in operating expenses and therefore have been deducted in arriving at Adjusted EBITDA since they represent ongoing cash requirements of the business and to enhance comparability with prior period.

Debt Management

In addition to lease obligations arranged to finance growth and maintenance expenditures on property and equipment, the Company has historically utilized long-term debt to finance the expansion of its business, usually through the acquisition and start-up of collision and glass repair and replacement businesses. Repayments of this debt do not form part of distributable cash calculations. Boyd's bank facilities include restrictive covenants, which could limit the Fund's ability to distribute cash. These covenants, based upon current financial results, would not prevent the Fund from paying future distributions at conservative and sustainable levels. These covenants will continue to be monitored in conjunction with any future anticipated distributions.

The following is a standardized and adjusted distributable cash calculation for 2019 and 2018:

Standardized and Adjusted Distributable Cash [1]				
(thousands of Canadian dollars, except per unit and per share amounts)	**For the three months ended March 31,**			
		2019		2018
Cash flow from operating activities before changes in non-cash working capital items	**$**	**68,795**	$	35,065
Changes in non-cash working capital items		**(5,076)**		(832)
Cash flows from operating activities		**63,719**		34,233
Less adjustment for:				
Sustaining expenditures on plant, software and equipment [2]		**(7,643)**		(3,910)
Standardized distributable cash	**$**	**56,076**	$	30,323
Standardized distributable cash per average unit and Class A common share				
Per average unit and Class A common share	**$**	**2.80**	$	1.52
Per diluted unit and Class A common share [5]	**$**	**2.79**	$	1.51
Standardized distributable cash from above	**$**	**56,076**	$	30,323
Add (deduct) adjustments for:				
Acquisition and transaction costs [3]		**1,259**		334
Proceeds on sale of equipment and software		**47**		171
Repayments of leases [4]		**(25,210)**		(914)
Adjusted distributable cash	**$**	**32,172**	$	29,914
Adjusted distributable cash per average unit and Class A common share				
Per average unit and Class A common share	**$**	**1.60**	$	1.50
Per diluted unit and Class A common share [5]	**$**	**1.60**	$	1.49
Distributions and dividends paid				
Unitholders	**$**	**2,676**	$	2,589
Class A common shareholders		**29**		30
Total distributions and dividends paid	**$**	**2,705**	$	2,619
Distributions and dividends paid				
Per unit	**$**	**0.14**	$	0.13
Per Class A common share	**$**	**0.14**	$	0.13
Payout ratio based on standardized distributable cash		**4.8%**		8.6%
Payout ratio based on adjusted distributable cash		**8.4%**		8.8%

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

(2) Includes sustaining expenditures on plant and equipment, information technology hardware and computer software but excludes capital expenditures associated with acquisition and development activities including rebranding of acquired locations. In addition to the maintenance capital expenditures paid with cash, during the first quarter of 2019 the Company acquired a further $0.5 million (2018 - $0.3 million) in vehicles and equipment which were financed through leases and did not affect cash flows in the current period. On January 1, 2019, the Company recorded $442.6 million in property leases as right of use assets on adoption of IFRS 16, *Leases*. During the first quarter of 2019, the Company recorded additional property leases of $34.9 million as right of use assets under this new accounting standard.

(3) The Company has added back to distributable cash the costs related to acquisitions.

(4) Lease payments represent additional cash requirements to support the productive capacity of the Company and therefore have been deducted when calculating adjusted distributed cash.

(5) Per diluted unit and Class A common share amounts have been calculated in accordance with definitions of dilution and anitdilution contained in IAS 33, *Earnings per Share*. Diluted distributable cash amounts will differ from average distributable cash amounts on a per unit basis if earnings per unit calculations show a dilutive impact.

(6) The transfer of cash during the period to the external partners of Glass America LLC to complete the call option transaction and acquire the 30% non-controlling interest in Glass America LLC has not been deducted in the calculation of distributable cash.

RESULTS OF OPERATIONS

Results of Operations

	For the three months ended March 31,		
(thousands of Canadian dollars, except per unit amounts)	**2019**	% change	2018
Sales - Total	**557,897**	23.1	453,291
Same-store sales - Total (excluding foreign exchange)	**470,730**	5.3	446,888
Gross margin %	**45.3**	0.4	45.1
Operating expense % [1]	**31.3**	(12.6)	35.8
Adjusted EBITDA [2]	**54,175**	28.6	42,123
Acquisition and transaction costs	**1,259**	276.9	334
Depreciation and amortization [1]	**34,897**	193.9	11,875
Fair value adjustments	**5,813**	152.2	2,305
Finance costs [1]	**7,929**	202.4	2,622
Income tax expense [1]	**7,035**	5.8	6,651
Adjusted net earnings [2]	**29,176**	39.7	20,888
Adjusted net earnings per unit [2]	**1.47**	38.7	1.06
Net earnings [1]	**21,389**	16.7	18,336
Basic earnings per unit [1]	**1.08**	16.1	0.93
Diluted earnings per unit [1]	**0.95**	2.2	0.93
Standardized distributable cash [1][2]	**56,076**	84.9	30,323
Adjusted distributable cash [2]	**32,172**	7.5	29,914
Distributions and dividends paid	**2,705**	3.3	2,619

(1) Results have been impacted by the adoption of IFRS 16, *Leases*

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

1st Quarter Comparison – Three months ended March 31, 2019 vs. 2018

Sales

Sales totaled $557.9 million for the three months ended March 31, 2019, an increase of $104.6 million or 23.1% when compared to 2018. The increase in sales was the result of the following:

- $62.2 million of incremental sales were generated from 108 new locations that were not in operation for the full comparative period
- Same-store sales excluding foreign exchange increased $23.8 million or 5.3% and increased $20.4 million due to the translation of same-store sales at a higher U.S. dollar exchange rate. After adjusting for one less selling/production day in the U.S., same-store sales increased 6.6% on a per day basis.
- Sales were affected by the closure of under-performing facilities which decreased sales by $1.8 million

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

Gross Profit

Gross Profit was $253.0 million or 45.3% of sales for the three months ended March 31, 2019 compared to $204.5 million or 45.1% of sales for the same period in 2018. Gross profit increased primarily as a result of higher sales due to acquisition and same-store sales growth compared to the prior period. The gross margin percentage is primarily impacted by increased DRP pricing as well as improved parts and labour margins, partially offset by a higher mix of parts sales in relation to labour. Certain DRP performance pricing arrangements have recently changed in a way that is resulting in slightly greater pricing variability. While not a factor in this comparison to prior year, these arrangements are resulting in slightly greater variability quarter to quarter.

Operating Expenses

Operating Expenses for the three months ended March 31, 2019 increased $12.3 million to $174.7 million from $162.4 million for the same period of 2018. Adjusting for the impact of the adoption of IFRS 16*, Leases* on the three months ended March 31, 2019, operating expenses would have increased $36.4 million to $198.8 million. The increase in operating expenses adjusted for the impact of IFRS 16, *Leases* adoption, is primarily due to the acquisition of new locations. Excluding the impact of foreign currency translation which increased operating expenses by $8.4 million, expenses increased $28.7 million from 2018 primarily as a result of new locations. Closed locations lowered operating expenses by a combined $0.7 million.

Operating expenses were 31.3% of sales for the three months ended March 31, 2019. Operating expenses, adjusted for the impact of IFRS 16, *Leases* adoption, as a percentage of sales were 35.6% for the three months ended March 31, 2019, which compared to 35.8% for the same period in 2018. The decrease as a percentage of sales was primarily due to the impact of higher same-store sales levels leveraging the fixed component of operating expenses, partially offset by the investment in U.S. employee benefits.

Acquisition and Transaction Costs

Acquisition and Transaction Costs for the three months ended March 31, 2019 were $1.3 million compared to $0.3 million recorded for the same period of 2018. The costs relate to various acquisitions, including acquisitions from prior periods, as well as other completed or potential acquisitions. For the three months ended March 31, 2019, $0.2 million in acquisition and transaction costs related to the costs incurred to complete the Glass America call option transaction.

Adjusted EBITDA

Earnings before interest, income taxes, depreciation and amortization, adjusted for the fair value adjustments related to the exchangeable share liability, unit option liability, non-controlling interest put option and call liability and contingent consideration, as well as acquisition and transaction costs and the impact of adoption of IFRS 16, Leases ("Adjusted EBITDA")[1] for the three months ended March 31, 2019 totaled $54.2 million or 9.7% of sales compared to Adjusted EBITDA of $42.1 million or 9.3% of sales in the same period of the prior year. The $12.1 million increase was primarily the result of incremental EBITDA contribution from new location and same-store sales growth, as well as changes in U.S. dollar exchange rates in 2019, which increased Adjusted EBITDA by $2.1 million.

Depreciation and Amortization

Depreciation related to property, plant and equipment totaled $9.1 million or 1.6% of sales for the three months ended March 31, 2019, an increase of $1.4 million when compared to the $7.7 million or 1.7% of sales recorded in the same period of the prior year. The increase was primarily due to acquisition growth as well as investments in capital equipment.

Depreciation related to right of use assets totaled $21.0 million or 3.8% of sales for the three months ended March 31, 2019.

Amortization of intangible assets for the three months ended March 31, 2019 totaled $4.8 million, or 0.9% of sales, an increase of $0.6 million when compared to the $4.2 million, or 0.9% of sales expensed for the same period in the prior year. The increase is primarily the result of the addition of new intangible assets from recent acquisitions.

Fair Value Adjustments

Fair Value Adjustment to Exchangeable Class A Common Shares liability resulted in a non-cash expense of $4.7 million during the first three months of 2019 compared to a non-cash expense of $0.6 million in the same period of the prior year. The Class A exchangeable shares of BGHI are exchangeable into units of the Fund. This exchangeable feature results in the shares being presented as financial liabilities of the Fund. The liability represents the value of the Fund attributable to these shareholders. Exchangeable Class A shares are measured at the market price of the units of the Fund as of the statement of financial position date. The fair value adjustment, which increased the liability and resulted in the recording of the related expense, is the result of the increase in the value of the Fund's units.

Fair Value Adjustment to Unit Based Payment Obligation liability resulted in a non-cash expense of $3.8 million for the first three months of 2019 compared to a non-cash expense of $1.6 million in the same period of the prior year. Similar to the exchangeable share liability, the unit option liability is impacted by changes in the value of the Fund's units. The cost of cash-settled unit-based transactions is measured at fair value using a Black-Scholes model and expensed over the vesting period with the recognition of a corresponding liability. The fair value adjustment, which increased the liability and resulted in the recording of the related expense, is the result of the increase in the value of the Fund's units.

Fair Value Adjustment to Non-controlling Interest Put Option and Call Liability resulted in a non-cash recovery of $2.5 million for the first three months of 2019 compared to a $0.1 million non-cash expense in the same period of the prior year. The non-controlling interest call liability transaction was completed on January 31, 2019, with no fair value adjustment recorded during the three month period ended March 31, 2019. The non-controlling interest put option has been calculated based on the Gerber Glass Company Agreement. Revisions to the EBITDA amount on which the calculation is based and reductions in the cash balance resulted in a decrease in the put option liability and a corresponding non-cash recovery in 2019.

Fair Value Adjustment to Contingent Consideration resulted in a non-cash recovery of $0.2 million for the first three months of 2019. Contingent consideration is impacted by changes to the estimated payment due to sellers based on the acquisition meeting predetermined earnings targets during specified periods subsequent to the acquisition date.

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

Finance Costs

Finance Costs of $7.9 million or 1.4% of sales for the three months ended March 31, 2019 increased from $2.6 million or 0.6% of sales for the same period of the prior year. Adjusting for the impact of the adoption of IFRS 16, *Leases* on the three months ended March 31, 2019, finance costs would have decreased $5.2 million to $2.7 million or 0.5% of sales.

Income Taxes

Current and Deferred Income Tax Expense of $7.0 million for the three months ended March 31, 2019 compares to an expense of $6.7 million for the same period of 2018. Income tax expense continues to be impacted by permanent differences such as mark-to-market adjustments which impact the tax computed on accounting income. During the first quarter of 2019, a permanent difference on the completion of the call option transaction impacted income tax expense. Adjusting for the impact of the adoption of IFRS 16, *Leases* on the three months ended March 31, 2019, income tax expense would have increased $0.4 million.

Net Earnings and Earnings Per Unit

Net Earnings for the three months ended March 31, 2019 was $21.4 million or 3.8% of sales compared to $18.3 million or 4.0% of sales in the same period of the prior year. The net earnings amount in the first quarter of 2019 was negatively impacted by fair value adjustments to financial instruments of $5.8 million, which were primarily due to the increase in unit price during the period, and acquisition and transaction costs of $0.9 million (net of tax). The net earnings amount in the first quarter of 2019 was also negatively impacted by the adoption of IFRS 16, *Leases*, which reduced net earnings by $1.0 million (net of tax). After adjusting for fair value and other unusual items, Adjusted net earnings[1] for the first quarter of 2019 was $29.2 million, or 5.2% of sales. This compares to Adjusted net earnings of $20.9 million or 4.6% of sales in the first quarter of 2018. The increase in the Adjusted net earnings for the period is primarily the result of the contribution of new location and same-store sales growth.

Basic Earnings Per Unit was $1.08 per unit for the three months ended March 31, 2019 compared to $0.93 in the same period of 2018. The increase in basic earnings per unit is primarily attributed to contributions of new location and same-store sales growth. Diluted earnings per unit was $0.95 for the three months ended March 31, 2019 compared to $0.93 in the same period of 2018. Adjusted net earnings per unit[1] was $1.47 for the three months ended March 31, 2019 compared to $1.06 in the same period of 2018.

Summary of Quarterly Results

(in thousands of Canadian dollars, except per unit amounts)	**2019 Q1**	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2
Sales	**$ 557,897**	$ 495,131	$ 459,564	$456,627	$ 453,291	$ 414,619	$391,933	$ 383,981
Adjusted EBITDA (1)	**$ 54,175**	$ 47,563	$ 41,203	$ 42,494	$ 42,123	$ 41,810	$ 35,561	$ 35,478
Net earnings	**$ 21,389**	$ 29,904	$ 16,571	$ 12,828	$ 18,336	$ 23,167	$ 19,835	$ 421
Basic earnings per unit	**$ 1.08**	$ 1.52	$ 0.84	$ 0.65	$ 0.93	$ 1.21	$ 1.07	$ 0.02
Diluted earnings (loss) per unit	**$ 0.95**	$ 1.19	$ 0.75	$ 0.65	$ 0.93	$ 1.19	$ 0.40	$ (0.08)
Adjusted net earnings (1)	**$ 29,176**	$ 23,174	$ 20,403	$ 21,141	$ 20,888	$ 17,422	$ 12,473	$ 15,010
Adjusted net earnings per unit (1)	**$ 1.47**	$ 1.17	$ 1.04	$ 1.08	$ 1.06	$ 0.91	$ 0.67	$ 0.83

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

Sales and adjusted EBITDA have increased in recent quarters due to the acquisition of Assured and other new locations as well as same-store sales increases. Net earning fluctuations are primarily due to fair value adjustments to financial instruments.

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

LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations, together with cash on hand and unutilized credit available on existing credit facilities are expected to be sufficient to meet operating requirements, capital expenditures and distributions. At March 31, 2019, the Fund had cash, net of outstanding deposits and cheques, held on deposit in bank accounts totaling $52.2 million (December 31, 2018 - $64.5 million). The net working capital ratio (current assets divided by current liabilities) was 0.61:1 at March 31, 2019 (December 31, 2018 – 0.81:1). Removing the impact of the adoption of IFRS 16, *Leases* from net working capital, the ratio becomes 0.83:1.

At March 31, 2019, the Fund had total debt outstanding, net of cash, of $809.6 million compared to $232.1 million at December 31, 2018, $182.2 million at September 30, 2018, $174.9 million at June 30, 2018 and $214.9 million at March 31, 2018. Debt, net of cash, increased when compared to December 31, 2018 as a result of the adoption of IFRS 16, *Leases*, which resulted in the recognition of lease liabilities of $495.1 million as well as draws on the revolving credit facility and seller notes used to fund acquisitions.

Total debt, net of cash *(thousands of Canadian dollars)*	**March 31, 2019**	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Revolving credit facility (net of financing costs)	**$ 296,218**	$ 222,039	$ 173,322	$ 185,266	$ 210,240
Seller notes [1]	**70,450**	66,120	51,559	54,673	55,373
Obligations under finance leases	**-**	8,407	8,674	8,167	8,459
Total debt before lease liabilities	**$ 366,668**	$ 296,566	$ 233,555	$ 248,106	$ 274,072
Cash	**52,192**	64,476	51,348	73,246	59,215
Total debt, net of cash before lease liabilities	**$ 314,476**	$ 232,090	$ 182,207	$ 174,860	$ 214,857
Lease liabilities	**495,126**	-	-	-	-
Total debt, net of cash	**$ 809,602**	$ 232,090	$ 182,207	$ 174,860	$ 214,857

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

Operating Activities

Cash flow generated from operations, before considering working capital changes, was $68.8 million for the three months ended March 31, 2019 compared to $35.1 million in the same period of 2018. The increase was primarily due to reduced operating expenses associated with the adoption of IFRS 16, *Leases*, as well as increased adjusted EBITDA resulting from new location and same-store sales growth.

In the first quarter of 2019, changes in working capital items used net cash of $5.1 million compared with a use of net cash of $0.8 million in the same period of 2018. Increases and decreases in accounts receivable, inventory, prepaid expenses, income taxes, accounts payable and accrued liabilities are significantly influenced by timing of collections and expenditures.

Financing Activities

Cash provided by financing activities totaled $29.8 million for the three months ended March 31, 2019 compared to cash used in financing activities of $0.6 million during the same period of the prior year. During the first quarter of 2019, cash was provided by draws of the revolving credit facility in the amount of $80.2 million, offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $9.3 million. Cash used by financing activities was impacted by the adoption of IFRS 16, *Leases*, which resulted in an additional $24.1 million used to repay leases being classified as financing activities in the first quarter of 2019. Cash was also used to repay vehicle and equipment leases previously classified as finance leases in the amount of $1.1 million and to pay distributions to unitholders and dividends to Class A common shareholders totaling $2.7 million. In the first quarter of 2019, the Company completed the call option transaction and paid $13.2 million to acquire the non-controlling interest in Glass America LLC. During the same period of 2018, cash was provided by draws on the revolving credit facility in the amount of $18.4 million, offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $15.8 million. In the first quarter of 2018, cash was also used to repay finance leases in the amount of $0.9 million and to pay distributions to unitholders and dividends to Class A common shareholders totaling $2.6 million.

Debt Financing

On May 26, 2017, the Company entered into a second amended and restated credit agreement for a term of five years, increasing the revolving credit facility to $300 million U.S. with an accordion feature which can increase the facility to a maximum of $450 million U.S. On April 3, 2019, the Company amended the agreement to expand the facility to $400 million U.S. by exercising a portion of the accordion feature. The facility is with a syndicate of Canadian and U.S. banks and is secured by the shares and assets of the Company as well as by guarantees of the Fund and BGHI. The interest rate is based on a pricing grid of the Fund's ratio of total funded debt to EBITDA as determined under the credit agreement. The Company can draw the facility in either the U.S. or in Canada, in either U.S. or Canadian dollars. The Company can make draws in tranches as required. Tranches bear interest only and are not repayable until the maturity date but can be voluntarily repaid at any time. The Company has the ability to choose the base interest rate between Prime, Bankers Acceptances ("BA") or London Inter Bank Offer Rate ("LIBOR"). The total syndicated facility includes a swing line up to a maximum of $5.0 million U.S. in Canada and $20.0 million U.S. in the U.S. At March 31, 2019, the Company has drawn $121,800 U.S. (December 31, 2018 - $61,300 U.S.) and $134,000 Canadian (December 31, 2018 - $139,000) on the revolving credit facility.

Under the revolving facility, Boyd is subject to certain financial covenants which must be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants require the Fund to maintain a total debt to EBITDA ratio of less than 4.25; a senior debt to EBITDA ratio of less than 3.25; and a fixed charge coverage ratio of greater than 1.03. For three quarters following a material acquisition, the total debt to EBITDA ratio may be increased to less than 4.75, the senior debt to EBITDA ratio may be increased to less than 3.75.

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 favourable interest rates and for terms of five to 15 years. This source of financing is another means of supporting the Fund's growth, at a relatively low cost. During the first quarter of 2019, the Fund entered into six new seller notes for an aggregate amount of $10.2 million. The Company repaid seller notes in the first quarter of 2019 totaling approximately $4.3 million (2018 - $5.4 million).

The Fund has traditionally used leases to finance a portion of both its maintenance and expansion capital expenditures. The Fund expects to continue to use this source of financing where available at competitive interest rates and terms, although this financing also impacts the total leverage capacity covenants under its debt facility. During the first quarter of 2019, $0.5 million (2018 - $0.3 million) of expenditures for new equipment, technology infrastructure and vehicles were financed through leases, which have been included within right of use assets and lease liabilities.

The Company recognized lease liabilities on property leases of $479.6 million at January 1, 2019 and additional property leases of $34.9 million during the first quarter of 2019, based on the adoption of IFRS 16, *Leases*. Cash used by financing activities was impacted by the adoption of IFRS 16, *Leases*, which resulted in an additional $24.1 million used to repay property leases. These payments were previously classified as operating expenses and included in cash flows from operating activities.

Investing Activities

Cash used in investing activities totaled $104.7 million for the three months ended March 31, 2019, compared to $23.3 million used in the same period of the prior year. The investing activity in both periods related primarily to new location growth that occurred during these periods.

Acquisitions and Development of Businesses

Since the beginning of 2019, the Company has added 51 collision locations as follows:

Date	Location	Previously operated as
January 1, 2019	Union City, GA	n/a intake center
January 9, 2019	Cayce, SC	Bob Johnson's Body Shop
January 11, 2019	Peoria, AZ	Lake Pleasant Collision Center
February 28, 2019	New York (18 locations)	Carubba Collision
March 8, 2019	Michigan (11 locations)	Dusty's, Whitney's and Wright Brothers Collision
March 15, 2019	Guelph, ON	Majestic Collision
March 18, 2019	Richland, WA	Atomic Auto Body and Detail
March 25, 2019	Bullhead City, AZ	Gordy's Auto Body
March 29, 2019	Oregon & Washington (7 locations)	Beaverton Auto Rebuilders, Inc.
April 15, 2019	Buffalo, Cheektowaga (intake center) and East Amherst, NY	Carubba Collision
April 18, 2019	Holy Springs, GA	n/a intake center
May 14, 2019	Trussville, AL	Myers Auto Collision Repair, Inc.
May 14, 2019	Las Vegas Area, NV (3 locations) and Scottsdale, AZ	New Look Collision Center

The Company completed the acquisition or start-up of 16 locations from the beginning of the first quarter of 2018 until the first quarter reporting date of May 14, 2018.

Capital Expenditures

Although most of Boyd's repair facilities are leased, funds are required to ensure facilities are properly repaired and maintained to ensure the Company's physical appearance communicates Boyd's standard of professional service and quality. The Company's need to maintain its facilities and upgrade or replace equipment, signage, computers, software and vehicles forms part of the annual cash requirements of the business. The Company manages these expenditures by annually reviewing and determining its capital budget needs and then authorizing major expenditures throughout the year based upon individual business cases. Excluding expenditures related to acquisition and development and those funded through leases, the Company spent approximately $7.6 million or 1.4% of sales on capital expenditures during the first quarter of 2019, compared to $3.9 million or 0.9% of sales during the same period of 2018. Lower than expected capital expenditures during 2018 will result in some of these expenditures being incurred in 2019.

LEGAL PROCEEDINGS

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

RELATED PARTY TRANSACTIONS

The Fund has not entered into any new related party transactions beyond the items disclosed in the 2018 annual report.

CRITICAL ACCOUNTING ESTIMATES

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

The critical accounting estimates are substantially unchanged from those identified in the 2018 annual MD&A, except as follows:

Leases

The application of IFRS 16, *Leases* requires estimates be made in order to determine the value of the right of use assets and lease liabilities. The key estimates under this new standard relate to the incremental rate of borrowing and the certainty of entering into renewal options.

Contingent Consideration

The Fund's liabilities for contingent consideration associated with the earn out portion of acquisitions is reassessed each period end after the completion of the related acquisition up to the point of the completion of the earn out period. The carrying value of the liability is based on an estimate of both the amount of the potential payment and probability that the earn out will be paid.

CHANGES IN ACCOUNTING POLICIES

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

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

The impact of IFRS 16 on the consolidated statements of earnings and cash flows, and the calculation of standardized and adjusted distributable cash was as follows:

(thousands of Canadian dollars, except per unit and percentage amounts)	For the three months ended March 31, 2019 Q1 2019 As reported	 IFRS 16 Adjustment	 Q1 2019 Pre-IFRS 16
Sales	$ 557,897	$ -	$ 557,897
Cost of sales	304,914	-	304,914
Gross profit	252,983	-	252,983
Operating expenses	174,661	24,147	198,808
Operating expenses %	*31.3%*		*35.6%*
Adjusted EBITDA	78,322 (1)	(24,147)	54,175
Adjusted EBITDA %	*14.0%*		*9.7%*
Acquisition and transaction costs	1,259	-	1,259
Depreciation	30,079	(20,343)	9,736
Amortization of intangible assets	4,818	-	4,818
Fair value adjustments	5,813	-	5,813
Finance costs	7,929	(5,212)	2,717
Earnings before income taxes	28,424	1,408	29,832
Income tax expense	7,035	366	7,401
Net earnings	$ 21,389	$ 1,042	$ 22,431
Basic earnings per unit	1.08	0.05	1.13
Adjusted net earnings (1)	28,134	1,042	29,176
Adjusted net earnings per unit (1)	1.42	0.05	1.47
Cash flows from operating activities	$ 63,719	$ (24,147)	$ 39,572
Cash flows from financing activities	29,806	24,147	53,953
	$ 93,525	$ -	$ 93,525
Standardized distributable cash	$ 56,076	$ (24,147)	$ 31,929
Principal repayments of leases	$ 25,210	$ (24,147)	$ 1,063
Adjusted distributable cash	$ 32,172	$ -	$ 32,172

(1) *For illustrative purposes only, the amount of $78,322 is shown above to reflect Adjusted EBITDA had the property lease payments not been deducted in arriving at Adjusted EBITDA.*

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

During the first quarter of 2019, there have been changes in the Fund's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting. As a result of adoption of IFRS 16, *Leases*, new process and internal controls have been implemented to track and record lease liabilities and right of use assets, as well as to provide the disclosures required by the new standard.

The design of internal controls at Carubba Collision has been considered and based on the pre-existing controls in place and oversight controls implemented, no areas of immediate concern with respect to disclosure controls and procedures or internal controls have been identified. However, due to the short period since the acquisition, a full assessment has not been completed. As a result, the Fund has noted this limitation in the certificates and provides the following summary information with respect to Carubba Collision. For the period of February 28, 2019 to March 31, 2019 Carubba Collision reported sales of

$6.3 million and net earnings of $0.2 million. As at March 31, 2019, Carubba Collision reported current assets of $4.4 million, current liabilities of $6.7 million, long-term assets of $64.1 million and long-term liabilities of $9.4 million.

BUSINESS RISKS AND UNCERTAINTIES

Risks and uncertainties affecting the business remain substantially unchanged from those identified in the 2018 annual MD&A.

ADDITIONAL INFORMATION

The Fund's units trade on the Toronto Stock Exchange under the symbols TSX: BYD.UN. Additional information relating to the Boyd Group Income Fund is available on SEDAR (www.sedar.com) and the Company website (www.boydgroup.com).

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Brock Bulbuck, Chief Executive Officer, Boyd Group Income Fund**, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A, including (together, the "interim filings") of **Boyd Group Income Fund** (the "issuer") for the interim period ended **March 31, 2019**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, for the issuer.
5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the financial year end

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

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

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

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

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

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

5.3 ***Limitation on scope of design:***

   (a) the fact that the issuer's other certifying officer(s) and I have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of

      (i.) N/A

      (ii.) N/A

      (iii.) a business that the issuer acquired not more than 365 days before the last day of the period covered by the interim filings; and

(b) summary financial information about the proportionately consolidated entity, special purpose entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2019 and ended on March 31, 2019 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 15, 2019

(signed)

Brock Bulbuck
Chief Executive Officer

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Narendra Pathipati, Chief Financial Officer, Boyd Group Income Fund**, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A, including (together, the "interim filings") of **Boyd Group Income Fund** (the "issuer") for the interim period ended **March 31, 2019**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings.
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, for the issuer.
5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the financial year end

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

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

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

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

5.3 ***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.

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

5.3 ***Limitation on scope of design:***

(a) the fact that the issuer's other certifying officer(s) and I have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of

   (i.) N/A

   (ii.) N/A

   (iii.) a business that the issuer acquired not more than 365 days before the last day of the period covered by the interim filings; and

(b) summary financial information about the proportionately consolidated entity, special purpose entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2019 and ended on March 31, 2019 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 15, 2019

(signed)

Narendra Pathipati
Executive Vice President & Chief Financial Officer

BOYD GROUP INCOME FUND

Interim Condensed Consolidated Financial Statements

Three Months Ended March 31, 2019

Notice: These interim condensed consolidated financial statements have not been audited or reviewed by the Fund's independent external auditors, Deloitte LLP.

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)
(thousands of Canadian dollars)

	Note		March 31, 2019		December 31, 2018
Assets					
Current assets:					
Cash		$	**52,192**	$	64,476
Accounts receivable			**118,355**		105,088
Income taxes recoverable			**-**		3,064
Inventory			**39,250**		41,804
Prepaid expenses			**31,188**		30,292
			240,985		244,724
Property, plant and equipment	*3,5*		**254,427**		253,103
Right of use assets	*3,6*		**459,289**		-
Intangible assets	*7*		**323,758**		295,789
Goodwill	*8*		**502,635**		439,867
		$	**1,781,094**	$	1,233,483
Liabilities and Equity					
Current liabilities:					
Accounts payable and accrued liabilities	*3*	**$**	**272,410**	$	267,991
Income taxes payable			**2,044**		-
Distributions and dividends payable	*9*		**904**		902
Current portion of long-term debt	*10*		**16,485**		16,390
Current portion of lease liabilities	*3,11*		**102,329**		3,846
Non-controlling interest call liability	*13*		**-**		13,651
			394,172		302,780
Long-term debt	*10*		**350,183**		271,769
Lease liabilities	*3,11*		**392,797**		4,561
Deferred income tax liability	*3*		**30,962**		39,882
Exchangeable Class A common shares	*9, 13*		**26,211**		21,549
Unit based payment obligation	*14*		**18,774**		14,936
Non-controlling interest put option	*13*		**4,305**		6,905
			1,217,404		662,382
Equity					
Accumulated other comprehensive earnings			**67,739**		77,637
Retained earnings	*3*		**11,069**		14,038
Unitholders' capital			**480,880**		475,424
Contributed surplus			**4,002**		4,002
			563,690		571,101
		$	**1,781,094**	$	1,233,483

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

Approved by the Board:

BROCK BULBUCK
Trustee

ALLAN DAVIS
Trustee

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)
(thousands of Canadian dollars, except unit amounts)

	Note	Unitholders' Capital Units	Unitholders' Capital Amount	Contributed Surplus	Accumulated Other Comprehensive Earnings	Retained Earnings (Deficit)	Total Equity
Balances - January 1, 2018		19,513,864	$ 443,463	$ 4,002	$ 38,810	$ (46,432)	$ 439,843
Issue costs (net of tax of $nil)			(101)				(101)
Units issued from treasury in connection with options exercised		300,000	31,020				31,020
Retractions		9,611	1,042				1,042
Other comprehensive earnings					38,827		38,827
Net earnings						77,639	77,639
Comprehensive earnings					38,827	77,639	116,466
Adjustment on adoption of IFRS 15 (net of tax of $1,804)						(6,731)	(6,731)
Distributions to unitholders						(10,438)	(10,438)
Balances - December 31, 2018		19,823,475	$ 475,424	$ 4,002	$ 77,637	$ 14,038	$ 571,101
Issue costs (net of tax of $nil)			(101)				(101)
Units issued in connection with acquisition	4	45,371	5,538				5,538
Retractions		174	19				19
Other comprehensive loss					(9,898)		(9,898)
Net earnings						21,389	21,389
Comprehensive earnings					(9,898)	21,389	11,491
Adjustment on adoption of IFRS 16 (net of tax of $9,663)	3					(21,681)	(21,681)
Distributions to unitholders	9					(2,677)	(2,677)
Balances - March 31, 2019		19,869,020	$ 480,880	$ 4,002	$ 67,739	$ 11,069	$ 563,690
Balances - January 1, 2018		19,513,864	$ 443,463	$ 4,002	$ 38,810	$ (46,432)	$ 439,843
Issue costs (net of tax of $nil)			(101)				(101)
Units issued from treasury in connection with options exercised		150,000	15,134				15,134
Retractions		4,737	478				478
Other comprehensive earnings					11,501		11,501
Net earnings						18,336	18,336
Comprehensive earnings					11,501	18,336	29,837
Adjustment on adoption of IFRS 15 (net of tax of $1,804)						(6,731)	(6,731)
Distributions to unitholders	9					(2,596)	(2,596)
Balances - March 31, 2018		19,668,601	$ 458,974	$ 4,002	$ 50,311	$ (37,423)	$ 475,864

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

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (Unaudited)
(thousands of Canadian dollars, except unit and per unit amounts)

	Note	Three months ended March 31, 2019	2018
Sales	16	$ **557,897**	$ 453,291
Cost of sales		**304,914**	248,746
Gross profit		**252,983**	204,545
Operating expenses		**174,661**	162,422
Acquisition and transaction costs		**1,259**	334
Depreciation of property, plant and equipment	5	**9,075**	7,698
Depreciation of right of use assets	6	**21,004**	-
Amortization of intangible assets	7	**4,818**	4,177
Fair value adjustments	12	**5,813**	2,305
Finance costs		**7,929**	2,622
		224,559	179,558
Earnings before income taxes		**28,424**	24,987
Income tax expense			
Current		**5,714**	4,052
Deferred		**1,321**	2,599
		7,035	6,651
Net earnings		$ **21,389**	$ 18,336

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

	Note	2019	2018
Basic earnings per unit	17	**1.08**	0.93
Diluted earnings per unit	17	**0.95**	0.93
Basic weighted average number of units outstanding	17	**19,839,203**	19,663,886
Diluted weighted average number of units outstanding	17	**19,874,950**	19,877,252

BOYD GROUP INCOME FUND
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (Unaudited)
(thousands of Canadian dollars)

	Three months ended March 31, 2019	2018
Net earnings	$ **21,389**	$ 18,336
Other comprehensive (loss) earnings		
Items that may be reclassified subsequently to Interim Condensed Consolidated Statements of Earnings		
Change in unrealized earnings on translating financial statements of foreign operations	**(9,898)**	11,501
Other comprehensive (loss) earnings	**(9,898)**	11,501
Comprehensive earnings	$ **11,491**	$ 29,837

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

BOYD GROUP INCOME FUND

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(thousands of Canadian dollars)

	Note	Three months ended March 31, 2019	2018
Cash flows from operating activities			
Net earnings		**$ 21,389**	$ 18,336
Items not affecting cash			
Fair value adjustments	12	**5,813**	2,305
Deferred income taxes		**1,321**	2,599
Interest expense on lease liabilities	11	**5,332**	-
Amortization of intangible assets	7	**4,818**	4,177
Depreciation of property, plant and equipment	5	**9,075**	7,698
Depreciation of right of use assets	6	**21,004**	-
Other		**43**	(50)
		68,795	35,065
Changes in non-cash working capital items		**(5,076)**	(832)
		63,719	34,233
Cash flows from (used in) financing activities			
Fund units issued from treasury in connection with options exercised		**-**	405
Issue costs	18	**(101)**	(101)
Increase in obligations under long-term debt	10,18	**80,228**	18,427
Repayment of long-term debt	10,18	**(9,254)**	(15,789)
Repayment of obligations under property leases	18	**(24,147)**	-
Repayment of obligations under vehicle and equipment leases	18	**(1,063)**	(914)
Acquisition of non-controlling interest in Glass America LLC	13,18	**(13,152)**	-
Dividends and distributions paid	18	**(2,705)**	(2,619)
		29,806	(591)
Cash flows used in investing activities			
Proceeds on sale of equipment and software	5	**47**	171
Equipment purchases and facility improvements		**(7,283)**	(3,846)
Acquisition and development of businesses (net of cash acquired)		**(97,074)**	(19,605)
Software purchases and licensing	7	**(360)**	(64)
		(104,670)	(23,344)
Effect of foreign exchange rate changes on cash		**(1,139)**	1,086
Net (decrease) increase in cash position		**(12,284)**	11,384
Cash, beginning of year		**64,476**	47,831
Cash, end of year		**$ 52,192**	$ 59,215
Income taxes paid		**$ 674**	$ 1,814
Interest paid		**$ 2,381**	$ 2,629

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

1. GENERAL INFORMATION

Boyd Group Income Fund (the "Fund" or "BGIF") is an unincorporated, open-ended mutual fund trust established under the laws of the Province of Manitoba, Canada on December 16, 2002. It was established for the purposes of acquiring and holding a majority interest in The Boyd Group Inc. (the "Company"). The Company is partially owned by Boyd Group Holdings Inc. ("BGHI"), which is controlled by the Fund. These financial statements reflect the activities of the Fund, the Company and all its subsidiaries including BGHI.

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 five Canadian provinces under the trade name Boyd Autobody & Glass and Assured Automotive, as well as in 27 U.S. states under the trade name Gerber Collision & Glass. The Company uses newly acquired brand names during a transition period until acquired locations have been rebranded. The Company is also a major retail auto glass operator in the U.S. with locations across 34 U.S. states under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority and Autoglassonly.com. The Company also operates Gerber National Claim Services ("GNCS"), which offers glass, emergency roadside and first notice of loss services with approximately 5,500 glass provider locations and 4,600 Emergency Roadside Services provider locations throughout the U.S.

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

The policies applied in these interim condensed consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of May 14, 2019, the date the Board of Trustees approved the statements. Any subsequent changes to IFRS that are given effect in the Fund's annual consolidated financial statements for the year ending December 31, 2019 could result in restatement of these interim condensed consolidated financial statements.

2. BASIS OF PRESENTATION

These interim condensed consolidated financial statements for the three months ended March 31, 2019 have been prepared in accordance with IAS 34, *Interim financial reporting* using the same accounting policies and methods of computation followed in the consolidated financial statements for the year ended December 31, 2018, except for the adoption of IFRS 16, *Leases*. The date of initial application of IFRS 16 for the Fund is January 1, 2019. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2018, which have been prepared in accordance with IFRS.

The impact of the adoption of IFRS 16 and the new accounting policies are disclosed in notes 3, 6 and 11. IFRS 16, *Leases*, replaced the guidance found in IAS 17, *Leases* and related interpretations. The new standard brings most leases onto the statement of financial position through recognition of right of use assets and lease liabilities. IFRS 16 establishes principles for recognition, measurement, presentation and disclosure of leases.

3. CHANGES IN ACCOUNTING POLICIES

Leases

The Fund has adopted IFRS 16, *Leases* on January 1, 2019 using the modified retrospective approach, which recognizes the cumulative effect of initial application as an adjustment to the opening balances of property, plant and equipment, right of use assets, accounts payable and accrued liabilities, lease liabilities, obligations under finance leases, deferred income tax liability and retained earnings at January 1, 2019 without restatement of comparatives. Accounts payable and accrued liabilities were impacted on adoption of IFRS 16 due to the reversal of deferred rent amounts recorded under the previous accounting standard, IAS 17, Leases. The impact on the consolidated financial statements as at January 1, 2019 is as follows:

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

	December 31, 2018	Adjustment as a result of IFRS 16	January 1, 2019
Assets			
Property, plant and equipment	$ **253,103**	$ (10,382)	$ **242,721**
Right of use assets	**-**	452,938	**452,938**
	$ **253,103**	$ 442,556	$ **695,659**
Liabilities			
Accounts payable and accrued liabilities	$ **267,991**	$ (5,679)	$ **262,312**
Current portion of lease liabilities	**-**	103,880	**103,880**
Current portion of obligations under finance leases	**3,846**	(3,846)	**-**
	271,837	94,355	**366,192**
Lease liabilities	**-**	384,106	**384,106**
Obligations under finance leases	**4,561**	(4,561)	**-**
Deferred income tax liability	**39,882**	(9,663)	**30,219**
	316,280	464,237	**780,517**
Equity			
Retained earnings (deficit)	**14,038**	(21,681)	**(7,643)**
	14,038	(21,681)	**(7,643)**
	$ **330,318**	$ 442,556	$ **772,874**

As part of the initial application of IFRS 16, the Fund has utilized the following recognition exemptions and practical expedients:

- not to apply the requirements to short term leases and leases for which the underlying asset is of low value;
- not to reassess whether a contract is, or contains, a lease at the date of initial application;
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- to adjust the right of use asset at the date of initial application by the amount of any provision for onerous leases recognized in the statement of financial position immediately before the date of initial application;
- to exclude initial direct costs from the measurement of the right of use asset at the date of initial application;
- to use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease; and
- not to apply the requirements to leases for which the lease term ends within 12 months of the date of initial application.

The following reconciliation to the opening balance for the lease liabilities as at January 1, 2019 is based upon the operating lease obligations as at December 31, 2018:

	January 1, 2019
Operating lease obligations at December 31, 2018	$ 535,533
Finance lease obligations at December 31, 2018	8,407
Discounting	(88,306)
Adjustment for extensions	30,018
Other adjustments	2,334
Lease liabilities at January 1, 2019	$ 487,986

On adoption of IFRS 16, the Fund's right of use assets were measured based on the carrying amount as if the Standard had been applied since the commencement date, discounted at the incremental borrowing rate at the date of initial application. For leases previously classified as finance leases, the carrying amount of the right of use asset and the lease liability at the date of initial application were measured based on the carrying amount of the lease asset and lease liability immediately before that date, measured applying IAS 17.

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

The right of use assets and lease liabilities were discounted at the incremental borrowing rate as at January 1, 2019. The weighted average discount rate was 4.47%. In order to calculate the incremental borrowing rate, reference interest rates were derived for periods of up to 20 years from the yields of corporate bonds in Canada and the U.S. The reference interest rates were supplemented by a leasing risk premium.

Extension options exist for a number of leases, particularly for property. In determining lease terms, extension options are considered only if they are reasonably certain to be exercised.

Leases are presented in the consolidated statement of earnings as follows:

	For the three months ended March 31, 2019	
Operating expenses	$	1,151
Depreciation of right of use assets	$	21,004
Finance costs	$	5,332

Under IFRS 16, right of use assets are tested for impairment in accordance with IAS 36, *Impairment of Assets*. This replaces the previous requirement to recognize a provision for onerous lease contracts.

After initial implementation of IFRS 16 on January 1, 2019, the Fund assesses whether a contract is or contains a lease, at inception of the contract. The Fund 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 Fund 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.

After initial implementation of IFRS 16 on January 1, 2019, 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 Fund 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.

Lease payments included in the measurement of the lease liability include:

- fixed lease payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the exercise price of purchase options, if the Fund is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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.

The Fund remeasures the lease liability when:

- the lease term has changed or there is a change in the assessment of the exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

During the period presented, the Fund made the following such adjustments:

- the lease term has changed or there is a change in the assessment of the exercise of a purchase option.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value.

After initial implementation of IFRS 16 on January 1, 2019, right of use assets include the initial measurement of the corresponding lease liability, lease payment made at or before the commencement date and any initial direct costs. 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.

4. ACQUISITIONS

The Fund completed eight acquisitions that added 41 locations during the three months ended March 31, 2019 as follows:

Acquisition Date	Location
January 9, 2019	Cayce, SC
January 11, 2019	Peoria, AZ
February 28, 2019	New York (18 locations)
March 8, 2019	Michigan (11 locations)
March 15, 2019	Guelph, ON
March 18, 2019	Richland, WA
March 25, 2019	Bullhead City, AZ
March 29, 2019	Oregon & Washington (7 locations)

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

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

Acquisitions in 2019		Total acquisitions
Identifiable net assets acquired at fair value:		
Other currents assets	$	6,131
Property, plant and equipment		13,804
Right of use assets		33,906
Identified intangible assets		
Customer relationships		35,791
Non-compete agreements		784
Liabilities assumed		(17,022)
Lease liability		(33,906)
Identifiable net assets acquired	$	39,488
Goodwill		69,492
Total purchase consideration	$	108,980
Consideration provided		
Cash paid or payable	$	93,271
Units issued		5,538
Seller notes		10,171
Total consideration provided	$	108,980

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

The preliminary purchase prices for the 2019 acquisitions may be revised as additional information becomes available. Further adjustments may be recorded in future periods as purchase price adjustments are finalized.

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

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

Goodwill recognized during 2019 is expected to be deductible for tax purposes.

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

5. PROPERTY, PLANT AND EQUIPMENT

As at		**March 31, 2019**		December 31, 2018
Balance, beginning of year	**$**	**253,103**	$	196,099
Acquired through business combination		**13,804**		31,836
Additions		**11,631**		44,510
Proceeds on disposal		**(47)**		(565)
(Loss) gain on disposal		**(32)**		210
Depreciation		**(9,075)**		(34,067)
Reclassification of leased vehicles and equipment to right of use asset on adoption of IFRS 16		**(10,382)**		-
Foreign exchange		**(4,575)**		15,080
Balance, end of period	**$**	**254,427**	$	253,103

6. RIGHT OF USE ASSETS

		Property		**Vehicles**		**Equipment**		**Total**
As at January 1, 2019	$	442,557	$	7,624	$	2,757	$	452,938
Acquired through business combinations		33,906		-		-		33,906
Additions		1,041		481		-		1,522
Loss on disposal		-		(69)		(255)		(324)
Depreciation		(20,343)		(565)		(96)		(21,004)
Foreign exchange		(7,580)		(134)		(35)		(7,749)
Net book value	**$**	**449,581**	**$**	**7,337**	**$**	**2,371**	**$**	**459,289**

7. INTANGIBLE ASSETS

As at		**March 31, 2019**		December 31, 2018
Balance, beginning of year	**$**	**295,789**	$	251,902
Acquired through business combination		**36,575**		45,343
Additions		**360**		909
Amortization		**(4,818)**		(17,674)
Foreign exchange		**(4,148)**		15,309
Balance, end of period	**$**	**323,758**	$	295,789

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

8. GOODWILL

As at		**March 31, 2019**		December 31, 2018
Balance, beginning of year	**$**	**439,867**	$	351,943
Acquired through business combination		**69,492**		65,381
Purchase price allocation adjustments within the measurement period		**(505)**		-
Foreign exchange		**(6,219)**		22,543
Balance, end of period	**$**	**502,635**	$	439,867

The purchase price allocation adjustments represent balance sheet reclassifications between property, plant and equipment and goodwill within the measurement period for certain 2018 acquisitions.

9. DISTRIBUTIONS AND DIVIDENDS

The Fund's Trustees have discretion in declaring distributions. The Fund's distribution policy is to make distributions of 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.

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

Record date	**Payment date**		**Distribution per Unit / Dividend per Share**		**Distribution amount**		**Dividend amount**
January 31, 2019	February 26, 2019	$	0.0450	$	891	$	10
February 28, 2019	March 27, 2019		0.0450		892		10
March 31, 2019	April 26, 2019		0.0450		894		9
		$	0.1350	$	2,677	$	29

Record date	**Payment date**		**Distribution per Unit / Dividend per Share**		**Distribution amount**		**Dividend amount**
January 31, 2018	February 26, 2018	$	0.0440	$	865	$	10
February 28, 2018	March 27, 2018		0.0440		865		10
March 31, 2018	April 26, 2018		0.0440		866		9
		$	0.1320	$	2,596	$	29

At March 31, 2019, there were 190,610 (December 31, 2018 – 190,784) exchangeable Class A shares outstanding with a carrying value of $26,211 (December 31, 2018 - $21,549).

During the first quarter of 2019, a fair value adjustment expense in the amount of $4,681 (2018 – $644) was recorded against earnings related to these exchangeable Class A shares.

Further distributions and dividends were declared for the month of April 2019 in the amount of $0.045 per unit/share.

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

10. LONG-TERM DEBT

On May 26, 2017, the Company entered into a second amended and restated credit agreement for a term of five years, increasing the revolving credit facility to $300,000 U.S., with an accordion feature which can increase the facility to a maximum of $450,000 U.S. On April 3, 2019, the Company amended the agreement to expand the facility to $400,000 U.S. through the accordion feature. The facility is with a syndicate of Canadian and U.S. banks and is secured by the shares and assets of the Company as well as guarantees by BGIF and BGHI. The interest rate is based on a pricing grid of the Fund's ratio of total funded debt to EBITDA as determined under the credit agreement. The Company can draw the facility in either the U.S. or in Canada, in either U.S. or Canadian dollars. The Company can make draws in tranches as required. Tranches bear interest only and are not repayable until the maturity date but can be voluntarily repaid at any time. The Company has the ability to choose the base interest rate between Prime, Bankers Acceptances ("BA") or London Inter Bank Offer Rate ("LIBOR"). The total syndicated facility includes a swing line up to a maximum of $5,000 U.S. in Canada and $20,000 U.S. in the U.S.

Under the revolving facility, the Company is subject to certain financial covenants which must be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants require the Fund to maintain a total debt to EBITDA ratio of less than 4.25; a senior debt to EBITDA ratio of less than 3.50 up to March 31, 2018 and less than 3.25 thereafter; and a fixed charge coverage ratio of greater than 1.03. For three quarters following a material acquisition, the total debt to EBITDA ratio may be increased to less than 4.75 and the senior debt to EBITDA ratio may be increased to less than 4.00 up to March 31, 2018 and less than 3.75 thereafter. The debt calculations exclude the lease liabilities. At March 31, 2019, the Company has drawn $121,800 U.S. (December 31, 2018 - $61,300 U.S.) and $134,000 Canadian (December 31, 2018 - $139,000) on the revolving credit facility.

Financing costs of $859 incurred during 2017 to complete the second amended and restated credit agreement have been deferred. These fees are amortized to finance costs on a straight line basis over the five year term of the second amended and restated credit agreement. The unamortized deferred financing costs of $544 have been netted against the debt drawn as at March 31, 2019.

As at March 31, 2019, the Company was in compliance with all financial covenants.

Seller notes payable of $70,450 (of which $69,818, or $52,247 U.S., are U.S. denominated) on the financing of certain acquisitions are unsecured, at interest rates ranging from 1% to 8%. The notes are repayable from April 2019 to January 2027 in the same currency as the related note.

Long-term debt is comprised of the following:

As at	**March 31, 2019**	December 31, 2018
Revolving credit facility (net of financing costs)	**$ 296,218**	$ 222,039
Seller notes	**70,450**	66,120
	$ 366,668	$ 288,159
Current portion	**16,485**	16,390
	$ 350,183	$ 271,769

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

The following is the continuity of long-term debt:

As at		**March 31, 2019**		December 31, 2018
Balance, beginning of year	**$**	**288,159**	$	257,976
Consideration on acquisition		**10,171**		20,073
Draws		**80,228**		67,799
Repayments		**(9,254)**		(66,079)
Amortization of deferred finance costs		**43**		172
Foreign exchange		**(2,679)**		8,218
Balance, end of period	**$**	**366,668**	$	288,159

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

Principal Payments		**March 31, 2019**		December 31, 2018
Less than 1 year	**$**	**16,485**	$	16,390
1 to 5 years		**334,392**		256,674
Greater than 5 years		**15,791**		15,095
	$	**366,668**	$	288,159

Included in finance costs for the three months ended March 31, 2019 is interest on long-term debt of $2,572 (2018 - $2,470).

11. LEASE LIABILITIES

The following is the continuity of lease liabilities:

As at		**March 31, 2019**
Balance, beginning of year	**$**	**487,986**
Assumed on acquisition		**33,906**
Additions		**1,522**
Repayments		**(25,210)**
Financing costs		**5,332**
Foreign exchange		**(8,410)**
Balance, end of period	**$**	**495,126**

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

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

Less than 1 year	$	102,329
1 to 5 years		275,939
Greater than 5 years		116,858
	$	495,126

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

12. FAIR VALUE ADJUSTMENTS

	For the three months ended March 31,			
		2019		2018
Exchangeable Class A common shares	**$**	**4,681**	$	644
Unit based payment obligation		**3,837**		1,558
Non-controlling interest put option and call liability		**(2,460)**		103
Contingent consideration		**(245)**		-
Total fair value adjustments	**$**	**5,813**	$	2,305

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

13. FINANCIAL INSTRUMENTS

Carrying value and estimated fair value of financial instruments

	Classification	Fair value hierarchy	**March 31, 2019** Carrying amount	**March 31, 2019** Fair value	December 31, 2018 Carrying amount	December 31, 2018 Fair value
Financial assets						
Cash	Amortized cost	n/a	**52,192**	52,192	64,476	64,476
Accounts receivable	Amortized cost	n/a	**118,355**	118,355	105,088	105,088
Financial liabilities						
Accounts payable and accrued liabilities	Amortized cost	n/a	**272,410**	272,410	267,991	267,991
Distributions and dividends payable	Amortized cost	n/a	**904**	904	902	902
Long-term debt	Amortized cost	n/a	**366,668**	366,668	288,159	288,159
Exchangeable Class A common shares	FVPL (1)	1	**26,211**	26,211	21,549	21,549
Non-controlling interest put options and call liability	FVPL (1)	3	**4,305**	4,305	20,556	20,556

(1) Fair Value Through Profit or Loss

For the Fund's current financial assets and liabilities, including accounts receivable, accounts payable and accrued liabilities, and distributions and dividends payable, which are short term in nature and subject to normal trade terms, the carrying values approximate their fair value. As there is no ready secondary market for the Fund's long-term debt, the fair value has been estimated using the discounted cash flow method. The fair value using the discounted cash flow method is approximately equal to carrying value. The fair value for the non-controlling interest put option and call liability is based on the estimated cash payment or receipt necessary to settle the contract at the Statement of Financial Position date. Cash payments or receipts are based on discounted cash flows using current market rates and prices and adjusted for credit risk. The fair value of the exchangeable Class A shares is estimated using the market price of the units of Fund as of the Statement of Financial Position date.

Collateral

The Company's syndicated loan facility is collateralized by a General Security Agreement. The carrying amount of the financial assets pledged as collateral for this facility at March 31, 2019 was approximately $170,547 (December 31, 2018 - $169,564).

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

Non-controlling interest put option and call liability

On May 31, 2013, the Fund entered into a contribution agreement whereby Glass America Inc. contributed its auto-glass business to Gerber Glass in exchange for membership representing a 30% ownership interest in a new combined Glass America LLC. The GA Company Agreement contained a put option as well as a call option, which provided the non-controlling interest with the right to require Gerber Glass to purchase their retained interest and Gerber Glass with the right to require the non-controlling interest to sell their retained interest respectively, according to a valuation formula defined in the GA Company Agreement. On September 29, 2017, Gerber Glass exercised its call option to acquire the 30% interest in the Glass America entity. On January 31, 2019, the call option transaction was completed, and Gerber Glass LLC acquired the 30% non-controlling interest in Glass America LLC.

On May 31, 2013, in connection with the acquisition of Glass America, the Fund amended and restated the limited liability company agreement of Gerber Glass LLC (the "Gerber Glass Company Agreement") which provides a member of its U.S. management team the opportunity to participate in the future growth of the Fund's U.S. glass business. Within the agreement was a put option held by the non-controlling member that provided the member an option to put the business back to the Fund according to a valuation formula defined in the agreement. On October 31, 2016, the Fund amended the Gerber Glass Company Agreement. The put option held by the non-controlling member continues to provide the member an option to put the business back to the Fund according to a valuation formula defined in the Gerber Glass Company Agreement; however, the put option was not exercisable until December 31, 2018. All fair value changes in the estimated liability are recorded in earnings.

The liability recognized in connection with both the put option and the call liability have been calculated using formulas defined in the applicable limited liability company agreements. The formula for the Glass America call was based on a multiple of EBITDA, as defined in the agreement, for the trailing twelve months ended August 31, 2017. The formula for the U.S. management team member put option is based on a multiple of EBITDA, as defined in the agreement, for the trailing twelve months ended March 31, 2019.

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

	March 31, 2019		December 31, 2018	
	Glass-business operating partner	**Glass America non-controlling interest**	Glass-business operating partner	Glass America non-controlling interest
Balance, beginning of year	**$ 6,905**	**$ 13,651**	$ 7,075	$ 14,167
Fair value adjustments	**(2,460)**	**-**	(753)	(1,728)
Payment to non-controlling interests	**-**	**(13,152)**	-	-
Foreign exchange	**(140)**	**(499)**	583	1,212
Balance, end of year	**$ 4,305**	**$ -**	$ 6,905	$ 13,651

During the first quarter of 2019, a fair value adjustment recovery in the amount of $2,460 (2018 – expense of $103) was recorded to earnings related to the non-controlling interest put option and call liability.

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

14. UNIT BASED PAYMENT OBLIGATION

Pursuant to the Fund's Option Agreement and Confirmation, the Fund has granted options to purchase units of the Fund to certain key executives. The following options are outstanding:

Issue Date	Number of Units	Exercise Price	Expiry Date	March 31, 2019 Fair Value	December 31, 2018 Fair Value
January 2, 2010	150,000	$ 5.41	January 2, 2020	**18,774**	14,936
				$ 18,774	$ 14,936

The fair value of each outstanding option is estimated using a Black-Scholes valuation model with the following assumptions used for the outstanding options granted: stock price $137.51, dividend yield 0.50%, expected volatility 24.11% (determined as a weighted standard deviation of the unit price over the past four years) and risk free interest rate 1.69%.

During the first quarter of 2019, a fair value adjustment expense in the amount of $3,837 (2018 – $1,558) was recorded to earnings related to these unit based payment obligations.

15. SEASONALITY

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

16. SEGMENTED REPORTING

The Fund 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 the Fund to provide geographical disclosure. For the periods reported, all of the Fund's revenues were derived within Canada or the United States of America. Reportable assets include property, plant and equipment, right of use assets, goodwill and intangible assets which are all located within these two geographic areas.

	For the three months ended March 31,	
Revenues	**2019**	2018
Canada	**$ 76,467**	$ 74,739
United States	**481,430**	378,552
	$ 557,897	$ 453,291

Reportable Assets As at	**March 31, 2019**	December 31, 2018
Canada	**$ 307,391**	$ 235,498
United States	**1,232,718**	593,674
	$ 1,540,109	$ 829,172

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

17. EARNINGS PER UNIT

	For the three months ended March 31, 2019		2018	
Net earnings	**$**	**21,389**	$	18,336
Less:				
Non-controlling interest put options and call liability		**(2,460)**		103
Net earnings - diluted basis	**$**	**18,929**	$	18,439
Basic weighted average number of units		**19,839,203**		19,663,886
Add:				
Non-controlling interest put options and call liability		**35,747**		213,366
Average number of units outstanding - diluted basis		**19,874,950**		19,877,252
Basic earnings per unit	**$**	**1.08**	$	0.93
Diluted earnings per unit	**$**	**0.95**	$	0.93

Exchangeable class A shares and unit options are instruments that could potentially dilute basic earnings per unit in the future, but were not included in the calculation of diluted earnings per unit because they are anti-dilutive for the periods presented.

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

18. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

As at	December 31, 2017	Cash Flows	Non-cash changes: Acquisition	Non-cash changes: Other items	Non-cash changes: Fair value changes	Non-cash changes: Foreign exchange	**March 31, 2018**
Fund units issued from treasury in connection with options exercised	$ -	405	-	-	-	-	**$ -**
Long-term debt	257,976	2,638	1,499	43	-	3,457	**265,613**
Obligations under finance leases	8,921	(914)	-	257	-	195	**8,459**
Dividends and distributions	869	(2,619)	-	2,625	-	-	**875**
Non-controlling interest put option and call liability	21,242	-	-	-	103	591	**21,936**
Issue costs	-	(101)	-	-	-	-	**-**
	$ 289,008	(591)	1,499	2,925	103	4,243	**$ 296,883**