



AUTOCANADA (ACQ:TSX)

iA Investment and UDLP Consolidation

DECEMBER 27, 2023



Forward-Looking Statements and Non-GAAP and Other Financial Measures

Forward-Looking Statements

Certain statements contained in this presentation are forward-looking statements and information (collectively "forward-looking statements"), within the meaning of the applicable Canadian securities legislation. We hereby provide cautionary statements identifying important factors that could cause our actual results to differ materially from those projected in these forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "will continue", "is anticipated", "projection", "vision", "goals", "objective", "target", "schedules", "outlook", "anticipate", "expect", "estimate", "could", "should", "plan", "seek", "may", "intend", "likely", "will", "believe", "shall" and similar expressions) are not historical facts and are forward-looking and may involve estimates and assumptions and are subject to risks, uncertainties and other factors some of which are beyond our control and difficult to predict. The forward looking statements included in this presentation include those relating to: the Used Digital Division strategy; the substantial potential upside in the Kijiji Online C2C F&I business; management's estimate of the impact of the UDLP Consolidation on expense; the issuance of Share Units to Paul Antony and Performance Share Units to UDLP employees; and Mr. Antony and the other sellers using the net cash proceeds of the UDLP Consolidation to acquire AutoCanada shares in the market, which shares will be subject to the agreed contractual hold period following the acquisition thereof. The Company's Annual Information Form and other documents filed with securities regulatory authorities (accessible through the SEDAR website at www.sedarplus.ca) describe the risks, material assumptions and other factors that could influence actual results and which are incorporated herein by reference. The assumptions underlying forward looking statements in this presentation include assumptions relating to the current value, prospects and growth profile of the Kijiji Online C2C F&I Business and the business of UDLP and those set out below under "Preliminary Unaudited Estimate of Financial Impact". Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. Therefore, any such forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this presentation and in the Company's Annual Information Form and other documents filed with securities regulatory authorities.

Preliminary Unaudited Estimate of Financial Impact

The Company has not yet completed its financial statements for the quarter or year ended December 31, 2023, and the Company's unaudited estimate of the financial impact of the UDLP Consolidation contained in this presentation is a preliminary estimate. Actual results may differ materially from the estimate upon the completion of the Company's financial statements, final adjustments, review by the Company's auditors and other developments that may arise between now and the time the financial statements are completed. The estimate is not a comprehensive statement of the Company's financial results for the quarter or year ended December 31, 2023 and should not be viewed as a substitute for full financial statements prepared in accordance with International Financial Reporting Standards, and the estimate is not necessarily indicative of the results to be achieved during the quarter or year ended December 31, 2023. The preliminary estimate of the financial impact of the UDLP Consolidation provided in this presentation constitutes a forward-looking statement within the meaning of applicable securities laws, is based on a number of assumptions and is subject to a number of risks and uncertainties. Please see the section above entitled "Forward-Looking Statements". The preliminary estimate of the financial impact of the UDLP Consolidation has been prepared by, and is the responsibility of, management of the Company. The Company's independent registered public accounting firm, PricewaterhouseCoopers LLP, has not reviewed the preliminary estimate of the financial impact of the UDLP Consolidation. Neither PricewaterhouseCoopers LLP nor any other independent accountants express an opinion or any other form of assurance with respect to the preliminary estimate.

Executive Summary

TRANSACTION DETAILS

- iA Financial Group (iA) has invested \$25 million for a 10% equity stake in Newco, which owns and operates the Kijiji Online C2C F&I business unit.
- AutoCanada has purchased the 19.1% UDLP Minority Interest that was owned by the Executive Chairman (15% stake) and others.
- Total purchase price is \$23.9 million in cash, funded from the iA investment, and \$7.5 million in Share Units (satisfied with shares to be purchased in the market).
- Former UDLP Minority Interest holders (including Mr. Antony) will use all after-tax cash proceeds to purchase AutoCanada shares in the market. These shares must be held until the earlier of two years after proceeds are deployed or when the 10-day VWAP of AutoCanada shares exceeds \$75.
- Key UDLP employees (excluding Mr. Antony) received \$11.3 million in Performance Stock Units (satisfied with AutoCanada shares to be purchased in the market) with a 7-year vest subject to performance conditions.

STRATEGIC RATIONALE

- iA Investment corroborates management & Board view of substantial potential upside in Kijiji Online C2C F&I business.
- UDLP Consolidation results in AutoCanada owning 90% of Newco and 100% of UDLP versus 80.9% of UDLP previously.
- UDLP Consolidation alleviates potential conflicts of interest between UDLP businesses and other segments before they become material.
- Transaction aligns the Executive Chairman and key UDLP employees with shareholders prior to ramp in profitability.
- Cash outlay is funded by iA investment and balance of outlay is limited to Share Units, Performance Stock Units that vest based on successful execution and transaction costs.

FINANCIAL IMPACT & GOVERNANCE

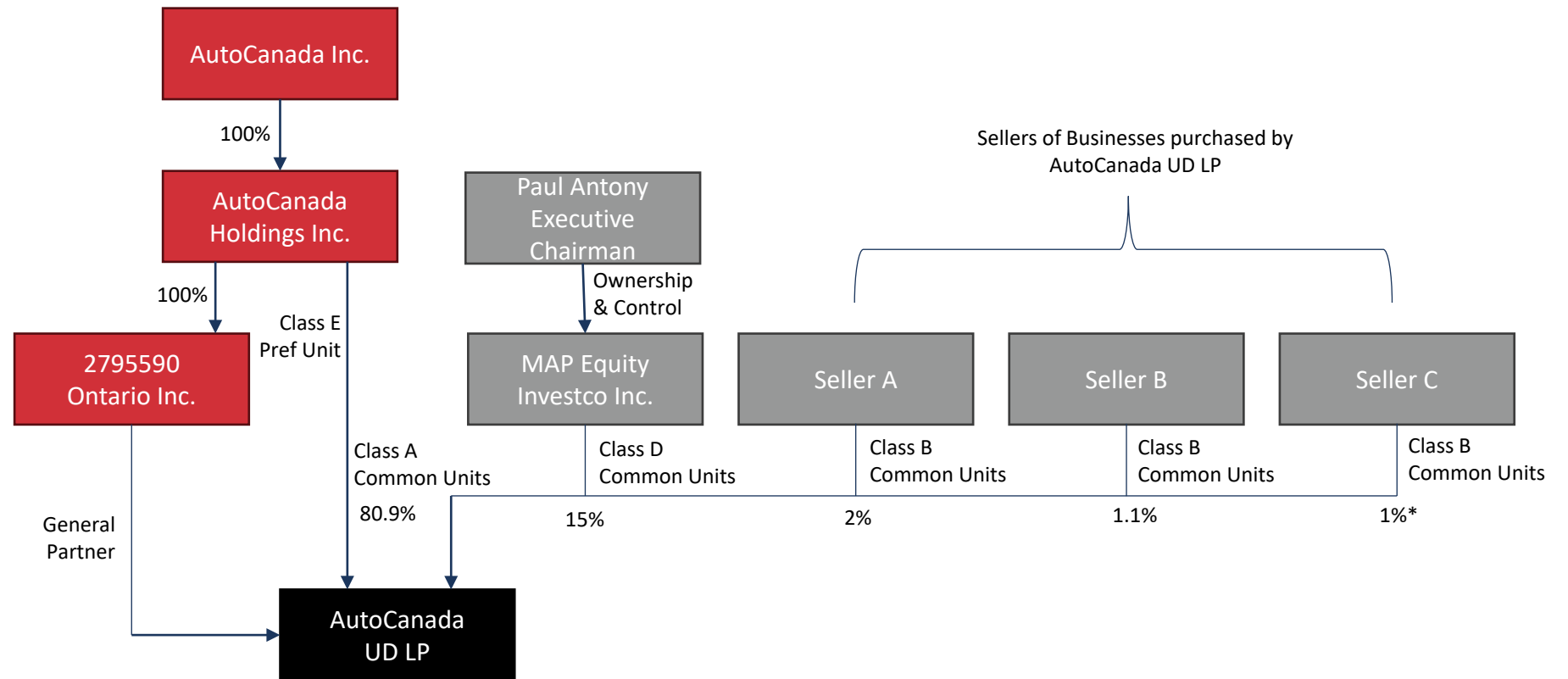
- Preliminary unaudited estimate of one-time expense impact to net income of approximately \$36.7 million in Q4 2023 due to the revaluation of the existing redemption liability.
- Special Committee was established in August 2023 to consider the UDLP Consolidation.
- Special Committee retained experienced and independent financial advisors and legal counsel who provided advice during the process.
- EdgePoint and BloombergSen, who own ~38% of AutoCanada shares in the aggregate, support the transaction.
- Alignment of management with shareholders and alleviation of inter-segment conflicts simplifies and improves governance.

Used Digital Division Strategy

- Used Digital Division operates across the used-vehicle ecosystem – approaching the Canadian Used Vehicle market to systematically take advantage of opportunities throughout the used vehicle value chain
- Current and future solutions address situations and opportunities that are difficult for traditional franchise dealerships to tackle – whether within the traditional retail market, the consumer-to-consumer market or the wholesale vehicle market

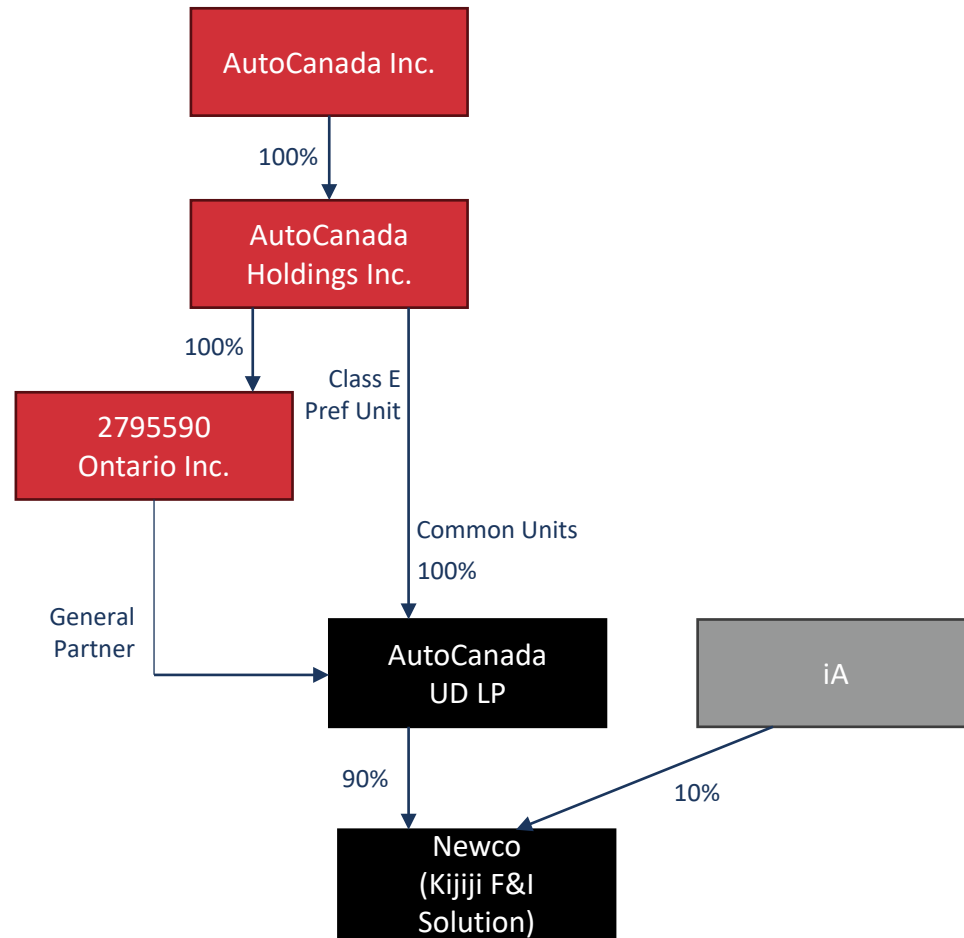
Traditional Physical Used Dealerships	Online Channel	Used Vehicle Auction Platform	Instant Cash Offer (ICO) Solution	Finance & Insurance (F&I) Solution
<ul style="list-style-type: none"> • Optimize operations at Haldimand Motors, Mark Wilson’s and AutoGallery • Potential to acquire additional locations or set up greenfield locations 	<ul style="list-style-type: none"> • Continue to develop online platform to provide customers with full omni-channel experience 	<ul style="list-style-type: none"> • Optimize operations at North Toronto Auction, including AutoGavel online auction • Utilize AutoGavel to provide internal auction for AutoCanada dealers • Ability to wholesale vehicles purchased through ICO programs and dealer vehicles • Expand OEM demo vehicle auction programs 	<ul style="list-style-type: none"> • Used Digital Division has a long-term exclusive agreement with Kijiji to operate an ICO Solution for the Kijiji marketplace • ICO Solution enables consumers to request instant cash offers from the Used Digital Division on their vehicles listed in the Kijiji marketplace • Vehicles purchased under ICO Solution to feed AutoCanada dealership inventory and the auction platform 	<ul style="list-style-type: none"> • Used Digital Division has a long-term exclusive agreement with Kijiji to offer and sell F&I products to for-sale-by-owner vehicle purchasers in the Kijiji marketplace

Pre-Transaction Used Digital Division Structure



* Inclusive of commitment to subscribe for 0.5%.

Post-Transaction Used Digital Division Structure





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THANK YOU

