2024

Fourth Quarter Management Discussion & Analysis

AUTOCAN.CA

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three-month period and year ended December 31, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

1. READER ADVISORIES AND FORWARD-LOOKING STATEMENTS

This Management's Discussion & Analysis ("MD&A") was prepared as of March 19, 2025, to assist readers in understanding AutoCanada Inc.'s (the "Company" or "AutoCanada") consolidated financial performance for the three-month period and year ended December 31, 2024, and significant trends that may affect AutoCanada's future performance. The following discussion and analysis should be read in conjunction with the audited annual consolidated financial statements and accompanying notes of AutoCanada as at and for the year ended December 31, 2024 (the "Annual Financial Statements"). The Annual Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IFRS Accounting Standards"). IFRS Accounting Standards are referred to as GAAP in this MD&A. All amounts presented in this MD&A are reported in Canadian dollars and have been rounded to the nearest thousand dollars, unless otherwise stated.

The Company's Board of Directors, upon recommendation of its Audit Committee, approved the contents of this MD&A on March 19, 2025.

To provide more meaningful information, this MD&A typically refers to the operating results for the three-month period and year ended December 31, 2024 of the Company, and compares these to the operating results of the Company for the three-month period and year ended December 31, 2023.

This MD&A also makes reference to certain non-GAAP measures ("Non-GAAP Measures"), capital management measures, and supplementary financial measures to assist users in assessing AutoCanada's performance. Non-GAAP Measures and other financial measures do not have any standard meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures are identified and described under Section 13 Non-GAAP and Other Financial Measures.

Same store metrics include dealerships and related businesses which have been owned for at least one full year since acquisition or opening. Results from same stores divested or wound down in the current period are removed from both the current period and the comparative period. Therefore, amounts presented in the comparative period may differ from the same store amounts presented in the prior year. Refer to Section 5 Acquisitions, Divestitures, and Other Recent Developments and Section 18 Same Store Results Data for further details.

Additional information regarding the Company, including AutoCanada's most recent Annual Information Form (the "AIF") is available on the System for Electronic Document Analysis and Retrieval ("SEDAR+") website at www.sedarplus.ca and the Company's website at www.autocan.ca.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the MD&A 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 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) and the financial outlook in Section 3 Market and Financial Outlook in this MD&A are not all 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.

Forward-looking statements and financial outlook in this MD&A include: AutoCanada's future financial position and expected run-rate operational expense savings from the transformation plan.

Forward-looking statements and financial outlook provide information about management's expectations and plans for the future and may not be appropriate for other purposes. Forward looking statements and financial outlook are based on various assumptions, and expectations that AutoCanada believes are reasonable in the circumstances. No assurance can be given that these assumptions and expectations will prove correct. Those assumptions and expectations are based on information currently available to AutoCanada, including information obtained from third-party consultants and other third-party sources, and the historic performance of AutoCanada's businesses. AutoCanada cautions that the assumptions used to prepare such forward-looking statements and financial outlook, including AutoCanada's expected run-rate operational expense savings through the transformation plan, could prove to be incorrect or inaccurate.

In preparing the forward-looking statements and financial outlook, AutoCanada considered numerous economic, market and operational assumptions, including key assumptions listed under Section 3 Market and Financial Outlook of this MD&A.

The forward-looking statements and financial outlook are also subject to the risks and uncertainties set forth below. By their very nature, forward-looking statements involve numerous assumptions, risks and uncertainties, both general and specific. Should one or more of these risks and uncertainties materialize or should underlying assumptions prove incorrect, as many important factors are beyond our control, AutoCanada's actual performance and financial results may vary materially from those estimates and expectations contemplated, expressed or implied in the forward-looking statements. These risks and uncertainties include risks relating to failure to realize expected cost-savings, cost overruns in one-time restructuring expenses, compliance with laws and regulations, reduced customer demand, operational risks, force majeure, labour relations matters, our ability to access external sources of debt and equity capital, and the risks identified in (i) this MD&A under Section 12 Risk Factors and (ii) AutoCanada's most recent AIF. The preceding list of assumptions, risks and uncertainties is not exhaustive.

Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements and financial outlook. Therefore, any such forward-looking statements and financial outlook are qualified in their entirety by reference to the factors discussed throughout this document.

Details of the Company's material forward-looking statements are included in the Company's most recent AIF. The AIF and other documents filed with securities regulatory authorities (accessible through the SEDAR+ website www.sedarplus.ca) describe the risks, material assumptions, and other factors that could influence actual results and which are incorporated herein by reference.

When relying on our forward-looking statements and financial outlook to make decisions with respect to AutoCanada, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking statements and financial outlook are provided as of the date of this document and, except as required by law, AutoCanada does not undertake to update or revise such statements to reflect new information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking statements or financial outlook.

2. EXECUTIVE SUMMARY

Business Overview

Operations

AutoCanada's Canadian Operations segment currently operates 64 franchised dealerships in Canada, comprised of 25 brands, in 8 provinces. AutoCanada currently sells Acura, Alfa Romeo, Audi, BMW, Buick, Cadillac, Chevrolet, Chrysler, Dodge, FIAT, Ford, GMC, Honda, Hyundai, Infiniti, Jeep, Kia, Mazda, Mercedes-Benz, MINI, Nissan, Porsche, Ram, Subaru, and Volkswagen branded vehicles. In addition, AutoCanada's Canadian Operations segment currently operates 4 Used Digital Division dealerships ("Used Vehicle Operations") and 12 stand-alone collision centres within our group of 29 collision centres ("Collision Centres"). In 2024, our Canadian dealerships sold approximately 85,000 new and used retail vehicles. In addition, our Collision Centres offer an opportunity for the Company to retain customers at every touchpoint within the automotive ecosystem.

AutoCanada's U.S. Operations segment, operating as Leader Automotive Group ("Leader"), currently operates 17 franchised dealerships comprised of 15 brands, in Illinois, USA. Leader currently sells Audi, Chevrolet, Chrysler, Dodge, Honda, Hyundai, Jeep, Kia, Lincoln, Mercedes-Benz, Porsche, Ram, Subaru, Toyota, and Volkswagen branded vehicles. In 2024, our U.S. dealerships sold approximately 12,900 new and used retail vehicles.

Presentation of Continuing Operations and Discontinued Operation

As at December 31, 2024, the Company was engaged in an active program to locate buyers for its retail automobile dealerships in its U.S. Operations segment. The Company’s retail automobile dealerships in its U.S. Operations segment represent a geographical area of the Company’s operations, therefore, its results have been presented as a discontinued operation.

The Company’s retail automobile dealerships and related businesses in its Canadian Operations and its collision repair services in its U.S. Operations are presented herein as continuing operations. The Company’s retail automobile dealerships in its U.S. Operations have been classified and presented as a discontinued operation. Refer to Section 5 Acquisitions, Divestitures, and Other Recent Developments in this MD&A and the Annual Financial Statements for further information.

Seasonality

The Company’s results from operations for the three-month period and year ended December 31, 2024 are not necessarily indicative of the results that may be expected for the full fiscal year due to seasonal variations in sales levels. The Company’s operating results and financial performance have historically been lower in the first and fourth quarters than during the second and third quarters of each year. The timing of acquisitions and divestitures may also cause substantial fluctuations in operating results from quarter to quarter.

2024 Fourth Quarter Key Highlights and Recent Developments

All comparisons presented below are between the three-month periods ended December 31, 2024 and December 31, 2023 and are based on continuing operations, unless otherwise indicated.

AutoCanada Key Highlights

- Revenue was $1,261.9 million as compared to $1,277.8 million in the prior year, a decrease of $(15.9) million
- Net loss for the period from total operations was $(38.4) million as compared to a net loss of $(22.6) million in the prior year
  - Net income (loss) from continuing operations was $7.1 million as compared to a net loss of $(16.0) million in the prior year
  - Net loss from discontinued operations was $(45.5) million as compared to a loss of $(6.6) million in the prior year
- Diluted net income (loss) per share was $0.33 as compared to $(0.54) in the prior year
- Adjusted EBITDA[1] on a total operations basis was $47.1 million as compared to $46.4 million in the prior year
  - Adjusted EBITDA from continuing operations was $54.1 million as compared to $47.9 million in the prior year
  - Adjusted EBITDA from discontinued operations was a loss of $(7.0) million as compared to a loss of $(1.5) million in the prior year

FOURTH QUARTER RESULTS

Continuing Operations Financial Results	Three-Months Ended December 31		
	2024	2023	% Change
Revenue	1,261,921	1,277,752	(1.2)%
Same store revenue	1,208,119	1,216,227	(0.7)%
Gross profit	216,930	225,134	(3.6)%
Gross profit percentage [2]	17.2%	17.6%	(0.4) ppts
Operating expenses	180,894	217,474	(16.8)%
Net income (loss)	7,105	(16,020)	144.4%
Basic net income (loss) per share attributable to AutoCanada shareholders	0.34	(0.56)	160.7%
Diluted net income (loss) per share attributable to AutoCanada shareholders	0.33	(0.54)	161.1%
Adjusted EBITDA	54,095	47,945	12.8%
Adjusted EBITDA margin [1]	4.3%	3.8%	0.5 ppts
New retail vehicles sold (units) [2]	8,544	8,161	4.7%
Used retail vehicles sold (units) [2]	10,813	11,805	(8.4)%
New vehicle gross profit per retail unit [2]	4,627	5,401	(14.3)%
Used vehicle gross profit per retail unit [2]	1,842	1,948	(5.4)%
Parts and service ("P&S") gross profit	76,843	76,063	1.0%
Collision repair ("Collision") gross profit	17,242	17,312	(0.4)%
Finance, insurance and other ("F&I") gross profit per retail unit average [2]	3,295	3,234	1.9%
Operating expenses before depreciation [2]	166,148	203,616	(18.4)%
Operating expenses before depreciation as a % of gross profit [2]	76.6%	90.4%	(13.9) ppts
Floorplan financing expense	13,110	17,023	(23.0)%

Consolidated revenue decreased due to weaker used vehicle performance. Consolidated gross profit decreased due to declining new vehicle gross profit per retail unit as seen industry wide, as the new vehicle market normalizes, and declining used vehicle sales as a result of current used vehicle market dynamics resulting in the prioritization of lower priced vehicles and lower number of used retail vehicles sold, partially offset by positive contributions from P&S, and recent acquisitions.

Operating expenses before depreciation declined due to one-time $36.8 million share-based compensation expenses related to the consolidation of ownership of the Used Digital Division in the prior year. In addition, lower variable employee costs as a result of weaker gross profit, greater restrictions on hiring and discretionary spend, and

[1] *See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of these Non-GAAP Measures.*
[2] *See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of these supplementary financial measures.*

the ongoing initiative targeting $100 million in annual run-rate cost savings by the end of 2025 were largely offset by $9.9 million of restructuring charges related to the noted ongoing cost savings initiative.

Floorplan financing expenses decreased as a result of lower new and used inventory levels, and interest rates.

Net income for the period improved as a result of reduced operating expenses before depreciation and floorplan financing expenses as discussed above, and an increase of unrealized fair value changes in derivative instruments as a result of an increase in the USD/CAD foreign exchange rate, partially offset by a $7.6 million writedown of wholesale losses related to Capital Chrysler from 2018.

Adjusted EBITDA for the period and adjusted EBITDA margin increased primarily as a result of lower operating expenses before depreciation and floorplan financing expenses as discussed above.

Same Store Metrics - Continuing Operations Highlights

	Three-Months Ended December 31		
Same Store - Continuing Operations Financial Results	**2024**	**2023**	**% Change**
Revenue	1,208,119	1,216,227	(0.7)%
Gross profit	210,997	215,270	(2.0)%
Gross profit percentage	17.5%	17.7%	(0.2) ppts
New retail vehicles sold (units)	8,023	7,765	3.3%
Used retail vehicles sold (units)	10,471	11,134	(6.0)%
New vehicle gross profit per retail unit	4,597	5,435	(15.4)%
Used vehicle gross profit per retail unit	1,847	2,070	(10.8)%
P&S gross profit	73,167	72,450	1.0%
Collision gross profit	16,525	17,237	(4.1)%
F&I gross profit per retail unit average	3,338	3,256	2.5%

Same store results make up 95.7% of revenue and 97.3% of gross profit in the current quarter. Refer to Section 18 Same Store Results Data for further information.

Revenue and gross profit decreased primarily as a result of weaker used vehicle performance.

Combined with an increase in new retail vehicles sold, new vehicle revenue increased as a result of an increase in average selling price per new vehicle[3]. New vehicle gross profit decreased as new vehicle gross profit per retail unit decreased as the industry wide trend of customers prioritizing lower price and lower margin vehicles continues.

Used vehicle performance was negatively impacted by market dynamics including sourcing optimal used vehicle inventory, resulting in lower used retail vehicles sold and lower average selling price per used vehicle[3] as consumers move to lower priced vehicles.

The increase in F&I gross profit per retail unit average is a result of increased F&I product penetration on all deals. The trend away from more profitable bank finance deals continues, as customers move towards purchasing vehicles with cash or with less favourable Original Equipment Manufacturers ("OEM") financing.

Collision Operations Highlights

	Three-Months Ended December 31		
Collision Financial Results	**2024**	**2023**	**% Change**
Revenue	36,262	32,415	11.9%
Gross profit	17,242	17,312	(0.4)%
Gross profit percentage	47.5%	53.4%	(5.9) ppts
Adjusted EBITDA	5,949	3,808	56.2%
Same store revenue	35,006	32,136	8.9%
Same store gross profit	16,525	17,237	(4.1)%
Same store gross profit percentage	47.2%	53.6%	(6.4) ppts

Revenue increased as a result of strong customer demand, additional OEM certifications, increased insurance referrals and increased hail repairs. Gross profit and gross profit percentage decreased due to higher labour costs and a rise in lower-margin paintless dent repair work.

Same store revenue increased, and gross profit and gross profit percentage decreased for the reasons noted above.

Adjusted EBITDA increased largely due to lower operating expenses as a result of improvements in controlling cost of insurance referral and bad debt collections.

[3] *See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of these supplementary financial measures.*

Other Recent Developments

During the quarter:

- On November 18, 2024, the Company sold substantially all of the operating assets of Okanagan Chrysler Chrysler, located in Kelowna, British Columbia, for cash consideration of $26.2 million plus closing adjustments resulting in a gain of $7.5 million. This disposition aligns with the Company's commitment to improve profitability and reduce leverage.
- On December 27, 2024, the Company amended its senior credit facility to include add-backs of up to CAD $35 million for specific one-time expenses, including $20 million USD provisioned for Federal Trade Commission settlement expenses, in the definition of EBITDA, for purposes of determining compliance with the Company's financial covenants under the senior credit facility for the rolling four quarter period from December 31, 2024 to September 30, 2025.

After the quarter:

- On February 14, 2025, the Company terminated its Volvo franchise at Bloomington/Normal Auto Mall, located in Illinois, for cash consideration of $0.9 million. The Volvo franchise was presented as assets held for sale in the U.S. Operations segment, which was presented as a discontinued operation, as at December 31, 2024. This decision is part of our active program to discontinue U.S. Operations
- On March 4, 2025, the Company closed all remaining locations within RightRide. This decision is part of a larger strategic shift to refocus on core business and reduce leverage.
- On March 7, 2025, the Company terminated an agreement with a subsidiary within the Canadian Operations segment, which impacts the contractual rights over the subsidiary. The termination agreement requires the counterparty to pay the Company $14.5 million for repayment of loans in addition to $15.6 million for accrued interest, accrued royalty fees, and a termination fee. This decision is part of a larger strategic shift to optimize operations and reduce leverage.

3. MARKET AND FINANCIAL OUTLOOK

During the fourth quarter of 2024, the Canadian new light vehicle market experienced mid-single-digit growth in unit sales, driven by lower borrowing costs and targeted incentives introduced by select brands. While the outlook suggests flat growth in 2025, so far in 2025 Canadian new light vehicle sales have declined 2.8% year-over-year. The automotive sector and Canadian economy are highly vulnerable to U.S. tariffs, with escalating trade tensions and inflationary pressures presenting significant risks to near-term market stability and demand.

Against this backdrop, AutoCanada remains steadfast in executing its transformation plan to establish Canada's leading dealership and collision platform. Launched in the third quarter of 2024, this plan is centered on three strategic priorities:

- **Operational Transformation**: AutoCanada is focused on optimizing costs and enhancing platform efficiency, targeting $100 million in annual run-rate cost savings as compared to trailing-twelve-month June 30 2024 Operating Expenses excluding depreciation, amortization, and one-time items of $690 million, by the end of 2025. This initiative began in September 2024 with the heightened restrictions on discretionary spending and hiring, and expanded in the fourth quarter of 2024 to include the introduction of the ACX Operating Method, which is a holistic and structured approach to improving operational performance and financial discipline. AutoCanada realized a total of $7.9 million in savings from the transformation plan in 2024, with $5.6 million realized in the fourth quarter of 2024, and $9 million in run-rate annual savings achieved towards the $100 million goal as of December 31, 2024.
- **Strategic Review:** To better align its portfolio with its core focus on Canadian dealership and collision operations, the Company initiated a comprehensive review of all non-core and unprofitable assets in the third quarter of 2024. As a result, AutoCanada has exited all RightRide locations, which incurred an $11 million adjusted EBITDA loss in 2024, and has successfully divested three non-core Stellantis dealerships, generating $59.5 million in net proceeds. Additionally, as of December 31, 2024, the U.S. business, having incurred a $24.2 million loss in Adjusted EBITDA during 2024, was reclassified as a Discontinued Operation, reflecting the Company's ongoing efforts to secure a buyer for these assets.
- **Strengthened Financial Position**: AutoCanada is committed to reducing leverage to 2-3x total net funded debt-to-bank EBITDA ratio through a combination of improved profitability and targeted debt reduction initiatives.

In addition to these strategic initiatives, the Company suspended all acquisition activities and share buybacks to ensure that the Company has the necessary financial flexibility to execute its transformation plan during 2025.

ACX Operating Method

$ millions	Expected In Quarter Savings[1]	Restructuring Costs[2]	Expected 2025 Net Savings[1]	Annualized Run Rate Savings[1]
Q1	5.3	(15.5)	(10.2)	36.0
Q2	14.5	(9.5)	5.0	64.0
Q3	19.4	(4.0)	15.4	82.0
Q4	23.9	(1.5)	22.4	100.0
2025	63.1	(30.5)	32.6	100.0

1 *Columns titled "Expected In Quarter Savings", "Expected 2025 Net Savings" and "Annualized Run Rate Savings" use trailing twelve month Q2 2024 actuals as the baseline and reflect continuing operations.*
2 *Restructuring costs include separation costs, strategic advisor fees and other charges.*

This financial outlook with respect to the transformation plan and the ACX Operating Model is disclosed to assist current and future shareholders to evaluate the effectiveness of AutoCanada's transformation plan and readers are cautioned that it may not be suitable for any other purpose. The expected run-rate operational expense savings are based on the assumptions that staffing optimization, improved store efficiencies and productivity gains, and consolidation of operations will decrease labour and overhead costs. Additional key assumptions or risk factors with respect to achieving the operational expense savings include successful execution, no overruns in one-time restructuring costs incurred in connection with the transformation plan, economic stability, and other external factors. In addition to the significant assumptions referred to in this paragraph, refer to “Forwarding-Looking Statements” within Section 1 Reader Advisories and Forward-Looking Statements and Section 12 Risk Factors for a detailed review of significant business risks affecting AutoCanada.

As AutoCanada navigates challenging business dynamics, the Company remains focused on strategic realignment and disciplined execution to build resilience, reduce leverage, enhance profitability, and secure a foundation for sustainable growth.

4. RESULTS OF OPERATIONS

Fourth Quarter Operating Results

The Company's year-to-date results were negatively impacted by a cyber incident with CDK Global ("CDK"), resulting in lost sales of vehicles and related F&I deals, lost service repair orders[4], and other one-time incremental costs to support the business. The outage lasted from June 19, 2024 to July 1, 2024 (the "CDK Outage").

Continuing Operations

Revenues, Gross Profit and Gross Profit Percentages

The following tables summarize revenue and gross profit for the three-month periods and years ended December 31:

	Three-Months Ended December 31			
	2024 $	2023 $	Change $	Change %
New vehicles	574,968	524,650	50,318	9.6%
Used vehicles	436,322	505,065	(68,743)	(13.6)%
Parts and service	144,524	145,665	(1,141)	(0.8)%
Collision repair	36,262	32,415	3,847	11.9%
Finance, insurance and other	69,845	69,957	(112)	(0.2)%
Total revenue	1,261,921	1,277,752	(15,831)	(1.2)%
New vehicles	40,303	45,007	(4,704)	(10.5)%
Used vehicles	18,752	22,176	(3,424)	(15.4)%
Parts and service	76,843	76,063	780	1.0%
Collision repair	17,242	17,312	(70)	(0.4)%
Finance, insurance and other	63,790	64,576	(786)	(1.2)%
Total gross profit	216,930	225,134	(8,204)	(3.6)%

	Year Ended December 31			
	2024 $	2023 $	Change $	Change %
New vehicles	2,306,112	2,242,329	63,783	2.8%
Used vehicles	2,054,855	2,360,703	(305,848)	(13.0)%
Parts and service	556,297	565,571	(9,274)	(1.6)%
Collision repair	130,913	116,123	14,790	12.7%
Finance, insurance and other	303,495	322,468	(18,973)	(5.9)%
Total revenue	5,351,672	5,607,194	(255,522)	(4.6)%
New vehicles	170,796	196,521	(25,725)	(13.1)%
Used vehicles	66,486	117,625	(51,139)	(43.5)%
Parts and service	301,980	304,640	(2,660)	(0.9)%
Collision repair	65,195	57,072	8,123	14.2%
Finance, insurance and other	277,820	301,804	(23,984)	(7.9)%
Total gross profit	882,277	977,662	(95,385)	(9.8)%

The following table summarizes gross profit percentages for the three-month periods and years ended December 31:

	Three-Months Ended December 31			Year Ended December 31		
	2024	2023	Change ppts	2024	2023	Change ppts
New vehicles	7.0%	8.6%	(1.6)	7.4 %	8.8 %	(1.4)
Used vehicles	4.3%	4.4%	(0.1)	3.2 %	5.0 %	(1.8)
Parts and service	53.2%	52.2%	1.0	54.3 %	53.9 %	0.4
Collision repair	47.5%	53.4%	(5.9)	49.8 %	49.1 %	0.7
Finance, insurance and other	91.3%	92.3%	(1.0)	91.5 %	93.6 %	(2.1)
Total gross profit percentage	17.2%	17.6%	(0.4)	16.5 %	17.4 %	(0.9)

[4] *See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of this supplementary financial measure.*

New vehicles

For the three-month period ended December 31, 2024

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended December 31, 2024 and changes compared to the three-month period ended December 31, 2023.

	Three-Months Ended December 31			
New Vehicle Financial Results	**2024 $**	**2023 $**	**Change $**	**Change %**
Revenue	574,968	524,650	50,318	9.6%
Gross profit	40,303	45,007	(4,704)	(10.5)%
Gross profit percentage (%)	7.0%	8.6%		(1.6) ppts
New retail vehicles sold (units)	8,544	8,161	383	4.7%
New vehicle gross profit per retail unit ($)	4,627	5,401	(774)	(14.3)%
New Vehicle Inventory days of supply (days)[1]	100	98	2	1.9%
Average selling price per new vehicle ($)	63,596	59,410	4,186	7.0%
Same store revenue	539,574	501,261	38,313	7.6%
Same store gross profit	37,620	43,125	(5,505)	(12.8)%
Same store gross profit percentage (%)	7.0%	8.6%		(1.6) ppts
Same store new retail vehicles sold (units)	8,023	7,765	258	3.3%

1 *See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of these supplementary financial measures.*

Continuing Operations

New vehicle revenue increased due to higher new retail vehicle sales. Gross profit and gross profit percentage decreased as the new vehicle market normalizes and inventory supply recovers, combined with a change in sales mix to lower priced units. New vehicle inventory levels have remained relatively flat with new vehicle inventory days of supply increasing to 100 days during the quarter (2023 - 98 days).

Same Store Results

Revenue and gross profit decreased for the reasons stated above.

For the year ended December 31, 2024

The following table summarizes the continuing operations and same store financial metrics for the year ended December 31, 2024 and changes compared to the year ended December 31, 2023.

	Year Ended December 31			
New Vehicle Financial Results	**2024 $**	**2023 $**	**Change $**	**Change %**
Revenue	2,306,112	2,242,329	63,783	2.8%
Gross profit	170,796	196,521	(25,725)	(13.1)%
Gross profit percentage (%)	7.4%	8.8%		(1.4) ppts
New retail vehicles sold (units)	35,363	34,843	520	1.5%
New vehicle gross profit per retail unit ($)	4,762	5,559	(797)	(14.3)%
Average selling price per new vehicle ($)	61,971	59,896	2,075	3.5%
Same store revenue	2,163,567	2,140,005	23,562	1.1%
Same store gross profit	161,035	188,442	(27,407)	(14.5)%
Same store gross profit percentage (%)	7.4%	8.8%		(1.4) ppts
Same store new retail vehicles sold (units)	33,230	33,150	80	0.2%

Continuing Operations

New vehicle operations was impacted by the CDK Outage. New vehicle revenues increased due to increased new retail sales volumes. Gross profit and gross profit percentage decreased as a result of increasing new vehicle inventory levels, and a change in sales mix to lower priced vehicles as compared to the prior year.

Same Store Results

Revenue increased and gross profit decreased for the reasons stated above.

Used vehicles

For the three-month period ended December 31, 2024

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended December 31, 2024 and changes compared to the three-month period ended December 31, 2023.

	Three-Months Ended December 31			
Used Vehicle Financial Results	**2024 $**	**2023 $**	**Change $**	**Change %**
Revenue	436,322	505,065	(68,743)	(13.6)%
Gross profit (loss)	18,752	22,176	(3,424)	(15.4)%
Gross profit percentage (%)	4.3%	4.4%		(0.1) ppts
Used retail vehicles sold (units)	10,813	11,805	(992)	(8.4)%
Used vehicle gross profit per retail unit ($)	1,842	1,948	(106)	(5.4)%
Used Vehicle Inventory days of supply (days)[1]	69	81	(11)	(13.8)%
Average selling price per used vehicle ($)	40,352	42,784	(2,432)	(5.7)%
Same store revenue	427,599	477,692	(50,093)	(10.5)%
Same store gross profit	21,951	20,931	1,020	4.9%
Same store gross profit percentage (%)	5.1%	4.4%		0.7 ppts
Same store used retail vehicles sold (units)	10,471	11,134	(663)	(6.0)%

1 *See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of this supplementary financial measure.*

Continuing Operations

Revenue and gross profit decreased as a result of a lower used sales volume due to limited availability of used vehicles and current soft used vehicle market. In addition, lower average selling price per used vehicle reflecting consumer demand for lower priced vehicles also contributed to lower revenues and gross profits.

Used vehicle gross profit per retail unit sold decreased due to continued market pressure on used vehicle margins, corresponding with the lower average selling price per used vehicle, and the increased used vehicle inventory writedown recognized in the current quarter. Used vehicle inventory continues to be negatively impacted by market dynamics that made sourcing optimal lower priced used vehicle inventory more challenging and resulted in difficulty selling higher priced inventory. As a result, used vehicle inventory days of supply decreased to 69 days (2023 - 81 days).

Same Store Results

Revenues, gross profits, and gross profit percentage decreased for the reasons noted above.

For the year ended December 31, 2024

The following table summarizes the continuing operations and same store financial metrics for the year ended December 31, 2024 and changes compared to the year ended December 31, 2023.

	Year Ended December 31			
Used Vehicle Financial Results	**2024 $**	**2023 $**	**Change $**	**Change %**
Revenue	2,054,855	2,360,703	(305,848)	(13.0)%
Gross profit	66,486	117,625	(51,139)	(43.5)%
Gross profit percentage (%)	3.2%	5.0%		(1.8) ppts
Used retail vehicles sold (units)	49,614	54,714	(5,100)	(9.3)%
Used vehicle gross profit per retail unit ($)	1,444	1,864	(420)	(22.5)%
Average selling price per used vehicle ($)	41,417	43,146	(1,729)	(4.0)%
Same store revenue	1,959,941	2,222,921	(262,980)	(11.8)%
Same store gross profit	72,540	111,783	(39,243)	(35.1)%
Same store gross profit percentage (%)	3.7%	5.0 %		(1.3) ppts
Same store used retail vehicles sold (units)	47,059	51,129	(4,070)	(8.0)%

Continuing Operations

Used vehicle operations was impacted by the noted CDK Outage. Revenue and gross profit decreased as a result of lower used retail and wholesale sales volumes coupled with lower average selling prices as a result of declining affordability in the current high interest rate environment. Used vehicle wholesale declined due to the cross-border wholesale export operations benefiting from fluctuating used vehicle prices in the prior year. In addition, there was an increase in the used vehicle inventory writedown recorded in the current year.

Same Store Results

Revenue and gross profit decreased for the reasons stated above.

Parts and service

For the three-month period ended December 31, 2024

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended December 31, 2024 and changes compared to the three-month period ended December 31, 2023.

	Three-Months Ended December 31			
Parts and Service Financial Results	**2024 $**	**2023 $**	**Change $**	**Change %**
Revenue	144,524	145,665	(1,141)	(0.8)%
Gross profit	76,843	76,063	780	1.0%
Gross profit percentage (%)	53.2%	52.2%		1.0 ppts
Same store revenue	138,274	138,319	(45)	0.0%
Same store gross profit	73,167	72,450	717	1.0%
Same store gross profit percentage (%)	52.9%	52.4%		0.5 ppts

Continuing Operations

Revenue and gross profit remained relatively flat reflecting the current inflationary and higher cost of living environment leading to continued prioritization of repairs over purchasing vehicles. Gross profit percentage increased as management continues to prioritize gross profit on a per service repair order basis, resulting in sales mix to products with higher gross profit.

Same Store Results

Revenue and gross profit remained relatively flat, and gross profit percentage increased for the reasons stated above.

For the year ended December 31, 2024

The following table summarizes the continuing operations and same store financial metrics for the year ended December 31, 2024 and changes compared to the year ended December 31, 2023.

	Year Ended December 31			
Parts and Service Financial Results	**2024 $**	**2023 $**	**Change $**	**Change %**
Revenue	556,297	565,571	(9,274)	(1.6)%
Gross profit	301,980	304,640	(2,660)	(0.9)%
Gross profit percentage (%)	54.3%	53.9%		0.4 ppts
Same store revenue	523,415	534,857	(11,442)	(2.1)%
Same store gross profit	284,418	289,788	(5,370)	(1.9)%
Same store gross profit percentage (%)	54.3%	54.2%		0.1 ppts

Continuing Operations

Revenue and gross profit decreased due to the noted CDK Outage, partially offset by the current prioritization of repairs over purchasing vehicles. Gross profit percentage increased as a result of prioritizing gross profit retention on a per service repair order basis.

Same Store Results

Revenue and gross profit decreased, and gross profit percent remained flat for the reasons stated above.

Collision repair

For the three-month period ended December 31, 2024

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended December 31, 2024 and changes compared to the three-month period ended December 31, 2023.

	Three-Months Ended December 31			
Collision Repair Financial Results	**2024 $**	**2023 $**	**Change $**	**Change %**
Revenue	36,262	32,415	3,847	11.9%
Gross profit	17,242	17,312	(70)	(0.4)%
Gross profit percentage (%)	47.5%	53.4%		(5.9) ppts
Same store revenue	35,006	32,136	2,870	8.9%
Same store gross profit	16,525	17,237	(712)	(4.1)%
Same store gross profit percentage (%)	47.2%	53.6%		(6.4) ppts

Continuing Operations

Revenue increased and gross profit remained relatively flat as a result of strong customer demand, additional OEM certifications, increased insurance referrals and increased hail repairs.

Gross profit percentage decreased due to higher labour costs and a rise in lower-margin paintless dent repair work. Management is actively addressing increased labour costs by expanding our apprenticeship program and partnering with more technical colleges to develop skilled labour and reduce long-term labour costs, optimizing parts procurement and focusing on higher-margin services.

Same Store Results

Revenue. gross profit, and gross profit percentage decreased for the reasons noted above.

For the year ended December 31, 2024

The following table summarizes the continuing operations and same store financial metrics for the year ended December 31, 2024 and changes compared to the year ended December 31, 2023.

	Year Ended December 31			
Collision Repair Financial Results	**2024 $**	**2023 $**	**Change $**	**Change %**
Revenue	130,913	116,123	14,790	12.7%
Gross profit	65,195	57,072	8,123	14.2%
Gross profit percentage (%)	49.8%	49.1%		0.7 ppts
Same store revenue	127,561	115,181	12,380	10.7%
Same store gross profit	63,477	56,608	6,869	12.1%
Same store gross profit percentage (%)	49.8%	49.1%		0.7 ppts

Continuing Operations

Revenue and gross profit increased reflecting contributions from increased production capacity, re-negotiation of vendor agreements to reduce cost, and strong customer demand supported by increased OEM certifications, increased insurance referrals, and increased hail repairs, partially offset by the noted CDK Outage.

Gross profit percentage increased due to continued negotiation of parts discount agreements with our vendors and implementation of best practices and improved training processes.

Same Store Results

Revenue, gross profit, and gross profit percentage increase for the reasons stated above.

Finance, insurance and other

Finance and insurance products are sold with both new and used retail vehicles.

For the three-month period ended December 31, 2024

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended December 31, 2024 and changes compared to the three-month period ended December 31, 2023.

	Three-Months Ended December 31			
F&I Financial Results	**2024 $**	**2023 $**	**Change $**	**Change %**
Revenue	69,845	69,957	(112)	(0.2)%
Gross profit	63,790	64,576	(786)	(1.2)%
Gross profit percentage (%)	91.3%	92.3%		(1.0) ppts
F&I gross profit per retail unit average ($)	3,295	3,234	61	1.9%
Same store revenue	67,666	66,819	847	1.3%
Same store gross profit	61,734	61,527	207	0.3%
Same store gross profit percentage (%)	91.2%	92.1%		(0.9) ppts
Same store F&I gross profit per retail unit average ($)	3,338	3,256	82	2.5%

Continuing Operations

Revenue and gross profit decreased reflecting noted lower total retail vehicle[5] sales volumes. F&I gross profit per retail unit average increased as a result of an increase in product sales per deal.

Same Store Results

Revenue, gross profit, and F&I gross profit per retail unit average increased as a result of an increase in product sales.

For the year ended December 31, 2024

The following table summarizes the continuing operations and same store financial metrics for the year ended December 31, 2024 and changes compared to the year ended December 31, 2023.

	Year Ended December 31			
F&I Financial Results	**2024 $**	**2023 $**	**Change $**	**Change %**
Revenue	303,495	322,468	(18,973)	(5.9)%
Gross profit	277,820	301,804	(23,984)	(7.9)%
Gross profit percentage (%)	91.5%	93.6%		(2.1) ppts
F&I gross profit per retail unit average ($)	3,269	3,370	(101)	(3.0)%
Same store revenue	290,448	307,943	(17,495)	(5.7)%
Same store gross profit	265,243	287,674	(22,431)	(7.8)%
Same store gross profit percentage (%)	91.3%	93.4%		(2.1) ppts
Same store F&I gross profit per retail unit average ($)	3,304	3,413	(109)	(3.2)%

Continuing Operations

F&I operations was impacted by the noted CDK Outage and current market conditions resulting in lower total retail units sold. Revenue and gross profit decreased reflecting noted lower total retail vehicle sales volumes. F&I gross profit per retail unit average decreased reflecting a growing proportion of retail vehicle sales being purchased with less favourable OEM dealer financing resulting in a higher proportion of less profitable deals.

Same Store Results

Revenue, gross profit, and F&I gross profit per retail unit average decreased for the reasons stated above.

5 *See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of this supplementary financial measure.*

Operating expenses

The components of operating expenses are noted below.

Employee Costs

Associated with employing staff both at dealerships and at corporate head office, and include salaries, wages, benefits, and share-based compensation expense. Dealership employees are largely commission based, making employee costs variable in nature. Our dealership pay structures are tied to meeting sales objectives, maintaining Customer Satisfaction Index ("CSI"), as well as improving gross profit and net income.

Administrative Costs

Comprise the remaining costs of operating our dealerships and corporate head office. Advertising, utilities, service shop consumables, information processing, insurance, acquisition related transaction costs, and consulting costs comprise a significant portion of administrative costs. Administrative costs can be fixed, variable, or semi-variable in nature.

Facility Lease and Storage Costs

Cost of short-term ancillary and supplemental leasing arrangements that support dealership facilities.

Depreciation of Right-of-Use Assets

Relates to the right-of-use assets that arise upon the inception of a lease arrangement. The right-of-use asset is depreciated on a straight-line basis over the lease term.

Depreciation of Property and Equipment

Relates to the depreciation of the dealership assets, including buildings, machinery and equipment, leasehold improvements, company and lease vehicles, furniture, and computer hardware. Depreciation rates vary based on the nature of the asset.

The Company considers operating expenses before depreciation ("opex before depreciation") as a percentage of gross profit and normalized operating expenses before depreciation as a percentage of gross profit[6] indicators of operating performance and expense control. Normalized operating expenses before depreciation[8] excludes share-based compensation, transaction costs, software implementation costs, and other non-recurring costs.

The following tables summarize operating expenses, opex before depreciation, and opex before depreciation as a percentage of gross profit from continuing operations for the three-month period and year ended December 31, 2024, and changes compared to the respective three-month period and year ended December 31, 2023.

	Three-Months Ended December 31			
	2024 $	2023 $	Change $	Change %
Employee costs	103,854	144,486	(40,632)	(28.1)%
Administrative costs	61,385	57,711	3,674	6.4%
Facility lease and storage costs	909	1,419	(510)	(35.9)%
Depreciation and amortization [1]	14,746	13,858	888	6.4%
Operating expenses	180,894	217,474	(36,580)	(16.8)%
Less: Depreciation and amortization [1]	(14,746)	(13,858)	(888)	(6.4)%
Operating expenses before depreciation	166,148	203,616	(37,468)	(18.4)%
Less:				
Acquisition-related costs	(316)	(2,415)	2,099	(86.9)%
Software implementation costs	(531)	(677)	146	(21.6)%
Canadian franchise dealership restructuring charges	(9,913)	—	(9,913)	N/A
RightRide restructuring charges	(177)	—	(177)	N/A
Share-based compensation	(1,759)	(38,533)	36,774	(95.4)%
Normalized operating expenses before depreciation	153,452	161,991	(8,539)	(5.3)%
Opex before depreciation as a percentage of gross profit (%)	76.6%	90.4%		(13.9) ppts
Normalized operating expenses before depreciation as a percentage of gross profit (%)	70.7%	72.0%		(1.2) ppts

1 *See Section 17 Segmented Operating Results Data for a breakdown of the types of depreciation and amortization.*

6 *See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of these Non-GAAP Measures.*

	Year Ended December 31			
	2024 $	2023 $	Change $	Change %
Employee costs	445,819	495,939	(50,120)	(10.1)%
Administrative costs	228,048	222,318	5,730	2.6%
Facility lease and storage costs	4,747	5,152	(405)	(7.9)%
Depreciation and amortization [1]	56,698	53,750	2,948	5.5%
Operating expenses [2]	735,312	777,159	(41,847)	(5.4)%
Less: Depreciation and amortization [1]	(56,698)	(53,750)	(2,948)	(5.5)%
Operating expenses before depreciation	678,614	723,409	(44,795)	(6.2)%
Less:				
Acquisition-related costs	(1,718)	(5,391)	3,673	(68.1)%
Software implementation costs	(3,384)	(677)	(2,707)	399.9%
Canadian franchise dealership restructuring charges	(10,285)	—	(10,285)	N/A
RightRide restructuring charges	(1,246)	—	(1,246)	N/A
Key management transition costs	(4,704)	—	(4,704)	N/A
Share-based compensation	(8,033)	(43,210)	35,177	(81.4)%
Normalized operating expenses before depreciation	649,244	674,131	(24,887)	(3.7)%
Opex before depreciation as a percentage of gross profit (%)	76.9%	74.0%		2.9 ppts
Normalized operating expenses before depreciation as a percentage of gross profit	73.6%	69.0%		4.6 ppts

1 See Section 17 Segmented Operating Results Data for a breakdown of the types of depreciation and amortization.
2 Expected credit losses amounting to $2.2 million that was included in operating expenses in the prior year is revised to reflect current period presentation as net impairment losses on trade and other receivables on the Consolidated Statement of Comprehensive (Loss) Income in the Annual Financial Statements.

Operating Expenses

For the three-month period ended December 31, 2024

Continuing Operations

Operating expenses before depreciation decreased due to a one-time $36.8 million share-based compensation expenses related to the consolidation of ownership of Used Digital Division in the prior year, a reduction in variable employee costs corresponding with reduced gross profits and applicable commission, greater restrictions on hiring and discretionary spend, and the ongoing initiative targeting $100 million in annual run-rate cost savings by the end of 2025, partially offset by $9.9 million of restructuring charges related to the ongoing annual run-rate cost savings initiative.

Operating expenses before depreciation as a percentage of gross profit decreased largely due to compressed gross profit.

For the year ended December 31, 2024

Continuing Operations

Operating expenses were impacted by the CDK Outage. Operating expenses before depreciation decreased largely due to a one-time $36.8 million share-based compensation expenses related to the consolidation of ownership of Used Digital Division in the prior year, a reduction in variable employee costs corresponding with reduced gross profits and applicable commission, and applicable commission and greater restrictions on hiring and discretionary spend, and the ongoing initiative targeting $100 million in annual run-rate cost savings by the end of 2025, partially offset by restructuring charges related to the ongoing annual run-rate cost savings initiative.

Operating expenses before depreciation as a percentage of gross profit increased largely due to compressed gross profit.

Net Income (Loss) and Adjusted EBITDA

See Section 14 Non-GAAP and Other Financial Measure Reconciliations for the composition of adjusted EBITDA and adjusted EBITDA margin.

For the three-month period ended December 31, 2024

The following table summarizes net income (loss), adjusted EBITDA, and adjusted EBITDA margin from continuing operations for the three-month periods ended December 31:

	Three-Months Ended December 31			
	2024 $	**2023 $**	**Change $**	**Change %**
Net income (loss) for the period	7,105	(16,020)	23,125	144.4%
Adjusted EBITDA	54,095	47,945	6,150	12.8%
Adjusted EBITDA margin	4.3%	3.8%		0.5 ppts

Net Income (Loss)

Net income (loss) for the period improved as a result of reduced operating expenses before depreciation and floorplan financing expenses as discussed above, and an increase of unrealized fair value changes in derivative instruments as a result of an increase in the USD/CAD foreign exchange rate, partially offset by a $7.6 million writedown of wholesale losses related to Capital Chrysler from 2018, and declining used vehicle performance.

Adjusted EBITDA

Adjusted EBITDA and adjusted EBITDA margin both improved primarily as a result of lower operating expenses before depreciation and floorplan financing expenses as discussed above.

For the year ended December 31, 2024

The following table summarizes net income (loss), adjusted EBITDA, and adjusted EBITDA margin from continuing operations for the years ended December 31:

	Year Ended December 31			
	2024 $	**2023 $**	**Change $**	**Change %**
Net income for the year	36,638	67,973	(31,335)	(46.1)%
Adjusted EBITDA	173,577	246,522	(72,945)	(29.6)%
Adjusted EBITDA margin	3.2 %	4.4 %		(1.2) ppts

Net Income

Net income decreased largely due to lower gross profits from used vehicle and F&I operations, partially offset by lower operating expenses before depreciation and gain from the sale of three properties.

Adjusted EBITDA

Adjusted EBITDA and adjusted EBITDA margin declined for the reasons stated above.

Finance costs

The Company incurs finance costs on its revolving floorplan facilities, indebtedness, lease liabilities under IFRS 16, and unrealized fair value changes on interest rate swaps.

The Company enters into interest swap agreements for the purpose of managing exposure to interest rate fluctuations. Any changes in the fair value of these instruments are recorded as finance costs as the Company has elected to not apply hedge accounting to these contracts.

On November 28, 2024, the Company entered into a new forward interest rate swap with a total notional amount of $50 million to economically hedge the variable Canadian Overnight Repo Rate Average ("CORRA"). The swap has a deferred start date of June 2, 2025 and a settlement date of June 1, 2030.

On November 28, 2024 to December 9, 2024, the Company entered into new forward interest rate swaps with a total notional amount of $127.8 million to economically hedge the variable CORRA. The swap has a deferred start date of March 3, 2025 and a settlement date of March 1, 2030.

Current interest rate swap agreements include $177.8 million swap contracts that mature in 2025, upon maturity to be extended to 2030 on a forward basis, and $125.0 million in swap contracts initially maturing in 2026 to 2027, subject to extension to 2029, which help to mitigate interest rate risk in the current fluctuating interest rate environment. For further details, refer to Note 25 in the Annual Financial Statements.

The following table details the finance costs during the three-month periods and years ended December 31:

Finance Costs	Three-Months Ended December 31 2024 $	2023 $	Year Ended December 31 2024 $	2023 $
Finance costs:				
Interest on long-term indebtedness	7,509	7,020	25,560	29,498
Interest on lease liabilities	8,127	7,630	31,837	29,680
Loss on extinguishment of debt	—	—	—	1,382
Unrealized fair value changes on non-hedging instruments	3,716	1,211	10,030	928
Amortization of terminated hedges	—	616	—	3,067
	19,352	**16,477**	**67,427**	**64,555**
Floorplan financing	13,110	17,023	64,118	60,528
Interest rate swap settlements	(616)	(1,779)	(4,774)	(6,624)
Other finance costs	796	1,053	2,907	4,561
	32,642	**32,774**	**129,678**	**123,020**

During the three-month period ended December 31, 2024, floorplan financing costs decreased compared to prior year reflecting lower new and used vehicle inventory balances. Unrealized fair value changes on non-hedging instruments increased compared to prior year reflecting a higher USD/CAD foreign exchange rate.

During the year ended December 31, 2024, floorplan financing costs increased compared to prior year reflecting a higher new and used vehicle inventory balances on average throughout the year, partially offset by lower interest rates. Unrealized fair value changes on non-hedging instruments increased compared to prior year reflecting a higher USD/CAD foreign exchange rate and lower interest rates.

Income taxes

The following table summarizes income taxes for the three-month periods and years ended December 31:

	Three-Months Ended December 31 2024 $	2023 $	Year Ended December 31 2024 $	2023 $
Current tax	8,033	749	15,222	21,964
Deferred tax	(6,860)	3,797	(7,187)	8,735
Total income tax expense	**1,173**	**4,546**	**8,035**	**30,699**
Effective income tax rate	14.2%	(39.6)%	18.0%	31.1%
Statutory income tax rate	25.5%	25.4%	25.5%	25.4%

The change in income tax expense reflects changes to underlying earnings, unrecognized deferred tax assets, adjustments in respect of prior years, and other permanent items.

For the twelve-month period ended December 31, 2024, the Company has concluded it is improbable that the recognized deferred tax assets relating to the U.S. Operations will be recovered using estimated future taxable income. As a result, the Company derecognized the deferred tax asset of $13.7 million for the period ended December 31, 2024. This estimate will be updated in future periods and may result in changes in the amount of deferred tax assets recognized based on the amount judged to be recoverable.

Discontinued Operations

For the three-month period ended December 31, 2024

Revenue decreased largely as a result of the continued softening of the used vehicle market. Used vehicle performance continues to be impacted by market dynamics that made sourcing optimal used vehicle inventory more challenging, resulting in a (20.9)% decrease in used retail vehicle units sold.

Gross profit decreased largely due to a reduction in the new vehicle and F&I operations. New vehicle gross profit percentage decreased as the market continues to normalize and customers prioritize lower priced vehicles. The reduction in F&I gross profit is driven by both a lower total retail vehicle sales volume and a lower F&I gross profit per retail unit average, reflecting a growing proportion of retail vehicle sales being purchased with less favourable OEM dealer financing resulting in a higher proportion of less profitable deals.

Net income (loss) for the period decreased as a result of the noted reduction in gross profit, a $27.4 million accrual related to the Federal Trade Commission ("FTC") civil investigation, $5.0 million of impairment of non-financial assets, and a $27.3 million increase in income tax expenses recognized in the current year. See Section 5 Acquisitions, Divestitures, and Other Recent Developments for further information regarding the FTC matter.

Adjusted EBITDA for the period decreased largely as a result of the noted reduction in gross profit.

For the year ended December 31, 2024

Revenue decreased largely as a result of the continued softening of the used vehicle market. Used vehicle performance continues to be impacted by market dynamics that made sourcing optimal used vehicle inventory more challenging, resulting in an (18.3)% decrease in used retail vehicle units sold.

Gross profit decreased largely due to a reduction in the new vehicle, used vehicle, and F&I operations. New vehicle gross profit percentage decreased as the market continues to normalize and customers prioritize lower priced vehicles. Used vehicle gross profit decreased as a result of the noted soft used vehicle market and additional inventory writedown recognized in the current year. The reduction in F&I gross profit is driven by both a lower total retail vehicle sales volume and a lower F&I gross profit per retail unit average, reflecting a growing proportion of retail vehicle sales being purchased with less favourable OEM dealer financing resulting in a higher proportion of less profitable deals.

Net income for the period decreased as a result of the noted reduction in gross profit, a $27.4 million accrual related to the Federal Trade Commission ("FTC") civil investigation, $11.4 million of impairment of non-financial assets, $5.1 million of impairment charges as a result of reclassification as held for sale, and a $13.8 million increase in income tax expenses recognized in the current year.

Adjusted EBITDA for the period decreased largely as a result of the noted reduction in gross profit, partially offset by the noted reduction in operating expenses.

5. ACQUISITIONS, DIVESTITURES, AND OTHER RECENT DEVELOPMENTS

The following is a list of open points, acquisitions, divestitures, wind-downs, or other recent developments that have occurred since January 1, 2024.

Dealership Open Points

Maple Ridge GM

On March 1, 2024, the newly built open point dealership, Maple Ridge GM, commenced operations. The dealership consists of a dealership and service facility with 14 service bays and is the Company's first GM dealership in the Metro Vancouver area.

Acquisitions

Nurse Chevrolet Cadillac and Collision Centre

On June 24, 2024, the Company acquired substantially all of the assets of Nurse Chevrolet Cadillac Dealership and Collision Centre in Oshawa, Ontario. The acquisition supports management's strategic objectives of further expanding the Company's automobile dealership presence and collision centre capacity in the Province of Ontario.

Divestitures

Settlement of Legal Proceedings and Sale of Properties

On September 8, 2023, the Company and CanadaOne Auto Group ("COAG") agreed to resolve their legal proceedings that were commenced in 2019. As part of this resolution, AutoCanada agreed to sell to COAG two properties on which COAG dealerships are located, and COAG agreed to amend the leases for two AutoCanada dealerships located on properties owned by COAG.

On February 1, 2024, the Company completed the sale of two land and building parcels in British Columbia and Alberta for cash consideration of $41.4 million plus customary closing adjustments. A gain of $19.2 million was recognized on the sale.

Sale of Property in Alberta

On May 1, 2024, the Company completed the sale of specific land and building in Alberta for cash consideration of $10.0 million plus closing adjustments resulting in a gain of $3.4 million.

On September 10, 2024, the Company completed the sale of specific land and building in Alberta for cash consideration of $2.3 million plus closing adjustments resulting in a gain of $1.2 million.

Sale of Ponoka Chrysler Dodge Jeep Ram

On September 10, 2024, the Company sold substantially all of the operating assets of Ponoka Chrysler Dodge Jeep Ram, located in Ponoka, Alberta, for cash consideration of $8.6 million plus closing adjustments resulting in an immaterial gain. This disposition aligns with the Company's commitment to improve profitability and reduce leverage.

Sale of Airdrie Chrysler Dodge Jeep Ram

On September 10, 2024, the Company sold substantially all of the operating assets of Airdrie Chrysler Dodge Jeep Ram, located in Airdrie, Alberta, for cash consideration of $24.6 million plus closing adjustments resulting in a loss of $0.7 million. This disposition aligns with the Company's commitment to improve profitability and reduce leverage.

Sale of Okanagan Chrysler Dodge Jeep Ram

On November 18, 2024, the Company sold substantially all of the operating assets of Okanagan Chrysler, located in Kelowna, British Columbia, for cash consideration of $26.3 million plus closing adjustments resulting in a gain of $7.5 million. This disposition aligns with the Company's commitment to improve profitability and reduce leverage.

Wind-downs and Restructuring

Wind-down of Windsor Premier Collision Centre

On June 30, 2024, the Company wound down the operations of Windsor Premier Collision Centre, located in Windsor Ontario, and successfully consolidated the collision customer base to the nearby Rose City Collision Centre, also located in Windsor Ontario.

Restructuring of RightRide Business

On September 24, 2024, the Company announced the restructuring of its RightRide operations, including the closure of several underperforming locations within RightRide. As part of this initiative, AutoCanada initially closed seven unprofitable locations, while maintaining a select number of performing RightRide stores.

For the three-month period ended December 31, 2024, restructuring charges of $1.0 million were recognized in cost of sales and operating expenses, and a loss of $2.1 million was recognized in loss on disposal of assets, net.

On March 4, 2025, the Company closed all remaining locations within RightRide. This decision is part of a larger strategic shift to optimize operations and reduce leverage.

Other Recent Developments

CDK Outage

AutoCanada was negatively impacted by a cyber incident suffered by CDK Global ("CDK"), the provider of our dealer management system ("DMS"). CDK is used across our dealership operations and supports many aspects critical to our business, including the management of our sales, parts and service, inventory, business development, and accounting functions. The CDK outage started on June 19, 2024, and officially ended on July 1, 2024 ("CDK Outage"). The recovery, validation, and cleanup process for CDK to be "back to normal" was fully completed by the end of July 2024.

Once we became aware of the CDK outage, we immediately enacted measures to safeguard our system and data environments. We also performed a thorough assessment of the potential impact to our operations and enacted a plan to ensure business continuity. We subsequently fortified our internal security measures and increased our threat detection efforts.

While our dealership operations were able to transition to a manual dealership operating process, our Q2 2024 results were ultimately negatively impacted by lost sales of new and used vehicles and related F&I deals, lost service repair orders, and other one-time incremental costs to support the business.

Cybersecurity Incident

AutoCanada identified a cybersecurity incident on August 11, 2024 that impacted its internal information technology ("IT") systems (the "Incident").

Immediately upon detecting the Incident, AutoCanada took action to safeguard its network and data. This included engaging with leading cybersecurity experts to assist us with containment and remediation efforts, as well as conducting a thorough investigation to understand the scope and impact of the Incident. Remediation efforts have been completed. However, as the investigation remains ongoing, the full scope, nature and impact of the incident, including the extent to which any customer, supplier or employee data has been accessed is not yet known.

Lawsuits and Legal Claims

Civil Investigation

On December 21, 2022, the Company received a Civil Investigative Demand ("CID") from the Federal Trade Commission ("FTC") requesting information and documents concerning the Company's U.S. Operations ("Leader Automotive Group" or "Leader"). The Company responded to the CID by producing information and documents for the period from April 1, 2018, to January 20, 2023. On July 8, 2024, the FTC staff counsel sent to the Company a proposed consent order and draft complaint, alleging that Leader had violated Section 5 of the Federal Trade Commission Act ("FTC Act"), the FTC's Used Motor Vehicle Trade Regulation Rule ("Used Car Rule"), and Illinois law in connection with advertising, sale, lease, and financing of vehicles, and advising that it would recommend the filing of an enforcement action if Leader did not settle the FTC's claims. On August 9, 2024, FTC staff informed the Company that the complaint recommendation of the Bureau of Consumer Protection had been forwarded to the Commissioners of the FTC.

On December 19, 2024, the Company announced that it has reached an agreement with the FTC to resolve the FTC's civil investigation. As part of the resolution, on January 8, 2025, the Company paid $28.9 million ($20.0 million USD) to the FTC and the State of Illinois in monetary relief, with no civil penalties. The agreement contains no admission of wrongdoing by the Company, brings the FTC's investigation to a close, and puts this matter behind the Company.

Wholesale Transactions at Capital Chrysler

On November 5, 2024, the Company received a decision from the Court of King’s Bench of Alberta that decided that certain factual and legal opinions of the investigative receiver were binding on the parties to the action. The action was commenced by Capital Chrysler respecting an ownership claim to certain new and used vehicles that were allegedly sold in a series of wholesale transactions in 2018 ("Wholesale Transactions in 2018"). The Decision is not final, as it is in the process of being appealed by Capital Chrysler.

Notwithstanding the appeal, the Company recorded a write-down of trade receivable and other receivables as at December 31, 2024, for $7.6 million included in net impairment losses on trade and other receivables in the Canadian Operations segment.

Discontinued Operation

As at December 31, 2024, the Company was engaged in an active program to locate buyers for its retail automobile dealerships in its U.S. Operations segment. The Company's retail automobile dealerships in its U.S. Operations segment represent a geographical area of the Company's operations, therefore, its results have been presented as a discontinued operation.

The financial performance and cash flow information for the year ended December 31, 2024 and December 31, 2023 is summarized as follows:

	December 31, 2024 $	**December 31, 2023 $**
Revenue	747,300	829,609
Cost of sales	(644,941)	(685,484)
Gross profit	102,359	144,125
Operating expenses	(151,143)	(135,521)
Operating (loss) profit before other income	(48,784)	8,604
Lease and other income, net	1,532	381
Loss on disposal of assets, net	—	(20)
Net impairment losses on trade and other receivables	—	(353)
Impairment of non-financial assets	(11,393)	—
Impairment loss recognized on remeasurement to fair value less cost to dispose	(5,123)	—
Operating (loss) profit	(63,768)	8,612
Finance costs	(25,920)	(22,919)
Loss for the year before taxation from discontinued operation	(89,688)	(14,307)
Income tax (recovery) expense	13,698	(115)
Net loss from discontinued operation	(103,386)	(14,192)
Exchange differences on translation of discontinued operation	8,032	6,489
Other comprehensive loss from discontinued operation	8,032	6,489

	December 31, 2024 $	**December 31, 2023 $**
Net cash inflow (outflow) from operating activities	33,017	(2,217)
Net cash outflow from investing activities	(2,441)	(9,158)
Net cash outflow from financing activities	(8,878)	(11,259)
Net increase (decrease) in cash from discontinued operation	21,698	(22,634)

Termination of loan agreement with a subsidiary

On March 7, 2025, the Company terminated an agreement with a subsidiary within the Canadian Operations segment, which impacts the contractual rights over the subsidiary. The termination agreement requires the counterparty to pay the Company $14.5 million for repayment of loans in addition to $15.6 million for accrued interest, accrued royalty fees, and a termination fee.

Termination of Volvo franchise

On February 14, 2025, the Company terminated its Volvo franchise at Bloomington/Normal Auto Mall, located in Illinois, for cash consideration of $0.9 million. The Volvo franchise was presented as assets held for sale in the U.S. Operations segment, which was presented as a discontinued operation, as at December 31, 2024. This decision is part of our active program to discontinue U.S. Operations.

6. LIQUIDITY AND CAPITAL RESOURCES

Management is focused on maximizing enterprise liquidity while minimizing cost and risk within the Company's overall strategic framework. Liquidity risk may arise due to general day-to-day cash requirements and in the management of assets, liabilities and capital resources. Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due or can do so only at excessive cost. The Company's activity is financed through a combination of the cash flows from operations, borrowing under existing credit facilities, other debt, and the issuance of equity. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through adequate amounts of committed credit facilities. One of management's primary goals is to maintain an optimal level of liquidity through the active management of assets and liabilities as well as cash flows.

The principal uses of funds are for capital expenditures, funding acquisitions, debt service and share repurchases. The Company has historically met these requirements by using cash generated from operating activities and through short-term and long-term indebtedness.

As at December 31, 2024, the Company had total liquidity[7] of $285.4 million comprised of $67.3 million cash and $218.1 million available under the revolving credit facility.

Sources of Cash

Credit Facilities

The Company entered into an amended and restated $1,610 million syndicated credit agreement ("Credit Facility") with the Bank of Nova Scotia ("Scotiabank"), Canadian Imperial Bank of Commerce ("CIBC"), Royal Bank of Canada ("RBC"), Bank of Montreal ("BMO"), HSBC Bank Canada ("HSBC"), ATB Financial ("ATB"), and Toronto Dominion Bank ("TD"). The Credit Facility agreement can be found on the SEDAR+ website at www.sedarplus.ca.

On February 3, 2023, the Company amended the Credit Facility including: (i) increases to the revolving and flooring facility limits (ii) changes to the pricing grid, (iii) other administrative and structural changes to meet ongoing operational needs, and (iv) extended the maturity date to April 14, 2026. The $375 million revolving facility is comprised of a $225 million borrowing base facility tranche and $150 million goodwill facility tranche. The Credit Facility includes an accordion feature that allows the revolving credit facility and the wholesale flooring facilities to be increased by certain amounts.

On April 22, 2024, the Company entered into the fourth amended and restated $1,635 million syndicated credit agreement ("New Credit Facility") with Scotiabank, CIBC, RBC, BMO, ATB, and TD. The New Credit Facility included the creation of a new $25.0 million leasehold capital expenditure term facility, with a corresponding $25.0 million accordion facility, to support anticipated leasehold spending. There are no changes to the revolving credit, wholesale flooring, and wholesale leasing facilities. Other changes included administrative enhancements to the Company's ability to floor a higher proportion of used vehicles and extending the maturity date to April 22, 2027. The New Credit Facility agreement can be found on the SEDAR+ website at www.sedarplus.ca.

On June 28, 2024, due to the CDK Outage, the Company obtained consent to increase the New Credit Facility to increase the Company's maximum permitted Total Net Funded Debt to Bank EBITDA Ratio from 4.00:1.00 to 4.50:1.00 for the period June 28, 2024 to September 29, 2024.

On September 27, 2024, the Company amended the New Credit Facility to increase the Company's maximum permitted Total Net Funded Debt to EBITDA Ratio and the minimum permitted Fixed Charge Coverage Ratio from July 1, 2024 to September 30, 2025 (the "covenant relief period"). After September 30, 2025, the Company's covenants will revert to original covenant until the end of the agreement term. Other changes included increased interest rates across all facilities, a reduction in the proportion of used floorplan, and other administrative limitations that are applicable during the covenant relief period.

The following table summarizes the amended financial covenants as at December 31, 2024:

Amended Financial Covenants	Requirement	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Total Net Funded Debt to Bank EBITDA Ratio	Shall not exceed	7.00	7.50	7.50	5.50	4.50	4.00
Fixed Charge Coverage Ratio	Shall not be less than	1.00	1.00	1.00	1.20	1.20	1.20

On December 27, 2024, the Company amended the New Credit Facility to include add-backs of up to $35 million for specific one-time expenses, including $20 million USD provisioned for FTC settlement expenses, in the definition of EBITDA for purposes of calculating the Company's financial covenants for the period from December 31, 2024 to September 30, 2025.

[7] *See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of this supplementary financial measure.*

The following table reflects the limits, amounts drawn and capacity of the New Credit Facility as at December 31, 2024:

Type of Facility	Limit	Drawn	Available Capacity
Revolving credit [1]	375,000	156,931	218,069
Leasehold credit facility	25,000	—	25,000
Wholesale inventory floorplan and lease financing	1,235,000	596,585	638,415
Total	1,635,000	753,516	881,484

1 *The amount drawn as presented excludes unamortized deferred financing costs.*

Revolving Credit Capacity

The revolving credit facility provides capacity for operational and growth purposes. The revolving credit balance is included in the calculation of the Company's leverage ratios and certain associated interest charges are added back in the Company's calculation of Adjusted EBITDA.

Floorplan Financing Capacity

The wholesale flooring facilities provides capacity for financing the wholesale purchase of new, used, demonstrator and leased vehicle inventory. As the facilities are demand in nature and draws are secured by floored inventory, the floorplan indebtedness is classified as a current liability on the Company's consolidated balance sheet. As floorplan financing is standard in the retail automotive industry and is considered an operational necessity, the floorplan balance is excluded in the calculation of the Company's leverage ratios and related floorplan financing expenses are included in the Company's calculation of adjusted EBITDA.

Other Floorplan Financing

The Company has multiple standalone floorplan facilities with other lenders outside of the New Credit Facility. The following table provides a breakdown of the Company's floorplan facilities as at December 31, 2024:

Lender	Limit	Drawn	Available Capacity
New Credit Facility – Floorplan	1,235,000	596,585	638,415
Other Canadian Floorplan Facilities	541,900	371,747	170,153
Other U.S. Floorplan Facility	183,460	42,247	141,213
Total	1,960,360	1,010,579	949,781

Financial Covenants

Under the terms of the New Credit Facility and various standalone floorplan financing facilities and OEM franchise agreements, the Company is required to comply with certain financial covenants. The Company monitors for compliance with bank covenants under these facilities which are used to manage capital requirements and other operational activities. The Company's ability to borrow under these credit facilities requires it to comply with its financial covenants. In order to advance under these credit facilities, no material adverse change shall have occurred and no circumstances shall exist that could reasonably be expected to cause a material adverse effect on the Company. At December 31, 2024, the Company was in compliance with all of these financial covenants.

The New Credit Facility financial covenants are calculated on a pre-IFRS 16 basis. While the Company is disclosing financial performance and cash flow performance for the year ended December 31, 2024 and December 31, 2023 on a continuing operations basis, the financial covenants under the New Credit Facility continues to be consolidated on a total (continuing and discontinued) operations basis, with modifications and adjustments as agreed to and permitted under the terms of the New Credit Facility. As such, the precise inputs for the applicable financial covenant calculations, including but not limited to Bank EBITDA and Other Funded Debt, cannot be directly derived from the financial information available within the Company's consolidated financial statements.

The following table summarizes financial covenants under the New Credit Facility as at December 31, 2024:

Financial Covenants	Requirement	Q4 2024
Senior Net Funded Debt to Bank EBITDA Ratio	Shall not exceed 2.50	1.20
Total Net Funded Debt to Bank EBITDA Ratio	Shall not exceed 7.00	4.89
Fixed Charge Coverage Ratio	Shall not be less than 1.00	2.32

During the year ended December 31, 2024, the Company had a comprehensive loss of $(58.9) million (2023 - $61.6 million) and cash flows from operations of $31.6 million (2023 - $119.5 million). The Company is actively managing an increased liquidity risk as a result of the current financial performance. In addition, the decline in market capitalization of the Company when compared to the book value of the net assets at December 31, 2024 may impact the ability to raise additional capital in the future.

Given the Company's increased risk of non-compliance with the Total Net Funded Debt to Bank EBITDA Ratio covenant, management is required to consider whether these conditions give rise to substantial doubt about the Company's ability to meet its obligations within one year from the balance sheet date, and if so, whether management's plans to negate these conditions will alleviate the increased liquidity risk and going concern risk.

As noted, the Company amended its New Credit Facility to: i) increase the Company's maximum permitted Total Net Funded Debt to EBITDA Ratio and decrease the Company's maximum permitted Fixed Charge Coverage Ratio; and ii) include add-backs of up to $35.0 million for specific one-time expenses in the definition of EBITDA, to address the increased risk of non-compliance with covenants associated with the revolving term facilities.

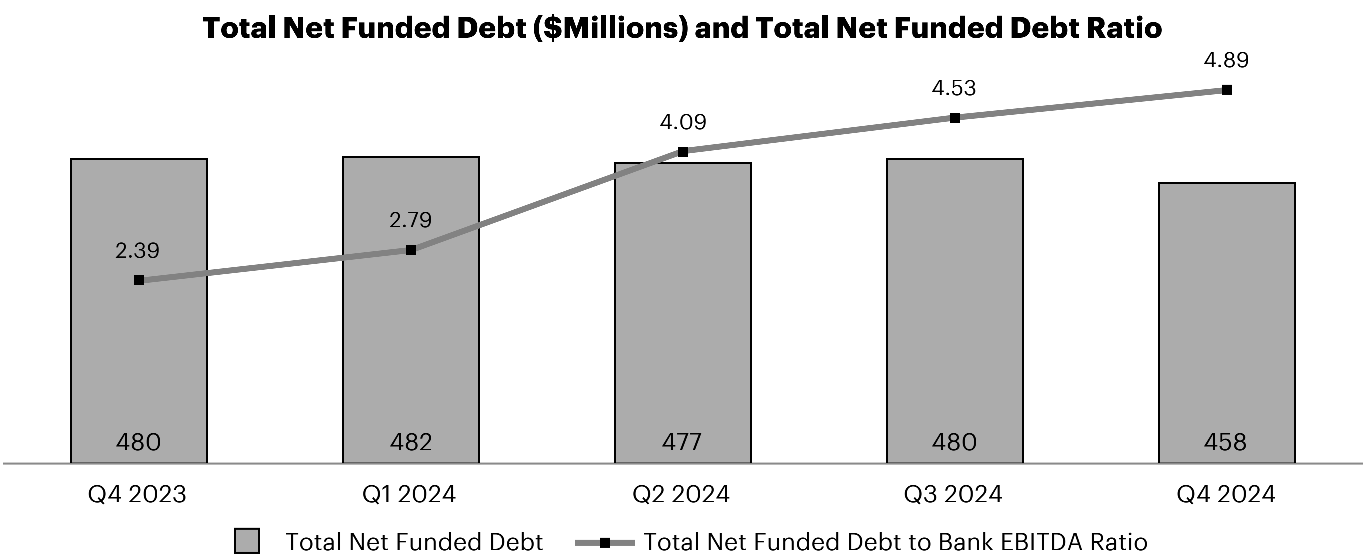
At this time, the Company's ability to comply with its financial covenants in the next twelve months is dependent on continued agreement with the Company's lenders, accelerating initiatives to improve profitability, suspending mergers and acquisitions and capital return initiatives, freezing discretionary spending, and actively reviewing strategic alternatives for non-core and underperforming assets. It is the Company's view that those efforts will be successful, however this is an area of significant judgment that is reliant on the outcomes of those efforts and there are no assurances that those efforts will be successful.

Total Net Funded Debt Ratio Covenant Summary

The following table summarizes the Company's Total Net Funded Debt for purposes of calculating Total Net Funded Debt Ratio.

	December 31, 2024 $	December 31, 2023 $
New Credit Facility, net of unamortized deferred financing costs	154,878	186,222
$350 Million Notes, net of unamortized deferred financing costs	346,300	345,401
Other funded debt according to Credit Facility	24,668	18,263
Total Funded Debt	525,846	549,886
Less: Allowable Cash Netting according to Credit Facility	(67,355)	(69,788)
Total Net Funded Debt	**458,491**	**480,098**

The following illustrates Total Net Funded Debt and Total Net Funded Debt Ratio for the trailing five quarters.



Senior Unsecured Notes

On February 7, 2022, the Company issued Senior Unsecured Notes of $350 million aggregate principal amount ("$350 Million Notes") at par for a stated interest rate of 5.75% to fund the February 10, 2022 redemption of the then outstanding $250 million senior unsecured notes ("$250 Million Notes") and for general corporate purposes. The $350 Million Notes have a seven-year term and mature on February 7, 2029 with interest payable semi-annually on February 7 and August 7 of each year. The $350 Million Notes can be redeemed by the Company or the note holders under certain terms and conditions as outlined in the $350 Million Notes indenture, which can be found on the SEDAR+ website at www.sedarplus.ca.

Non-Recourse Mortgage Financing

On June 22, 2022, the Company executed a non-recourse mortgage for the land and construction costs associated with the development of two dealerships on a property in Maple Ridge, British Columbia. The mortgage is comprised of three facilities with an aggregate limit of $39.0 million, at a variable interest rate of prime + 1.50%. The mortgage has a three-year term, twenty-year amortization, and requires monthly interest-only payments until construction is complete.

On June 30, 2022, the Company executed two non-recourse mortgages totaling $18.6 million to fund the purchase of land and buildings in Windsor, Ontario and London, Ontario. The mortgages have a five-year term with a fixed interest rate of 7.07%, and requires quarterly installments of principal and interest based on a twenty-five-year amortization, with the outstanding mortgage balance due at the end of the term. As at December 31, 2024, the value of the mortgages, net of unamortized deferred financing costs, was $16.7 million (2023 - $17.6 million).

On September 27, 2024, the Company updated the mortgage terms and advanced an additional $10.0 million on the Maple Ridge non-recourse mortgage. The updated mortgage has a one-year term with a variable interest rate of prime + 1.00% (combined total rate of 6.45% as at December 31, 2024) and requires monthly installments of principal and interest based on a twenty-five-year amortization. The outstanding balance is due at the end of the one-year term and is considered current in nature. As at December 31, 2024, the value of this mortgage, net of unamortized deferred financing costs, was $23.3 million (2023 - $13.5 million).

The New Credit Facility allows for up to $100 million of non-recourse mortgages which are excluded for purposes of calculating the New Credit Facility financial covenants.

Gross Lease Adjusted Indebtedness[8] Summary

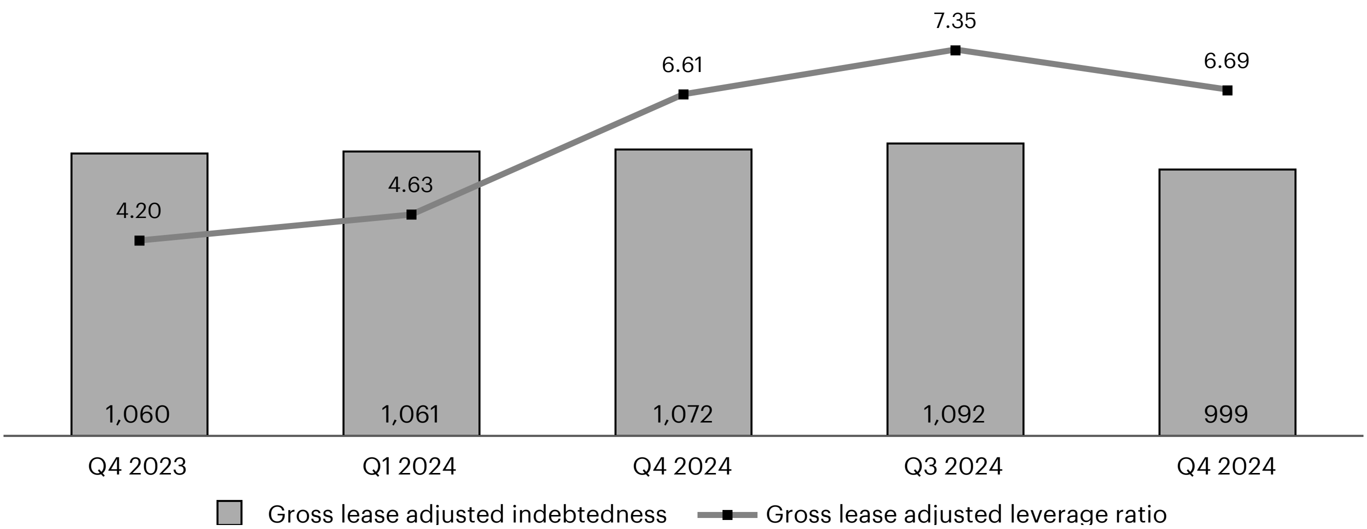
Gross lease adjusted leverage ratio[9] ("Gross Lease Ratio") is a leverage measure used by management to evaluate the leverage of the Company as it includes lease liabilities under IFRS 16 in the calculation of gross lease adjusted indebtedness.

The following summarizes the Company's gross lease adjusted indebtedness and Gross Lease Ratio.

	December 31, 2024 $	December 31, 2023 $
New Credit facility, net of unamortized deferred financing costs	154,878	186,222
$350 Million Notes, net of unamortized deferred financing costs	346,300	345,401
Non-recourse mortgages and other debt	40,473	31,299
Total indebtedness	541,651	562,922
Add: Lease liabilities	457,172	497,424
Gross lease adjusted indebtedness	**998,823**	**1,060,346**
Adjusted EBITDA - trailing twelve months	149,275	252,239
Gross lease adjusted leverage ratio ("Gross Lease Ratio")	**6.69x**	**4.20x**

The following chart illustrates the gross lease adjusted indebtedness and Gross Lease Ratios for the trailing five quarters.

Gross Lease Adjusted Indebtedness ($Millions) and Gross Lease Ratio



[8] *See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of this capital management measure.*
[9] *See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of this Non-GAAP Measure.*

Uses of Cash

Non-Growth Capital Expenditures

Non-growth capital expenditures are capital expenditures incurred to maintain existing levels of service and is largely affected by replacement and purchases of fixed operations equipment, and can fluctuate from period to period depending on our needs to upgrade or replace existing property and equipment. These include the following:

- Capital expenditures to replace property and equipment
- Any costs incurred to enhance the operational life of existing property and equipment

Growth Capital Expenditures

Growth capital expenditures are discretionary capital expenditures incurred to expand sales and service capacity. They represent cash outlays intended to provide additional future cash flows and are expected to provide benefit in future periods. These include the following:

- Expansions
- New locations and open point construction
- Re-imaging mandated by manufacturers
- Relocations

For the year ended December 31, 2024, the Company incurred $24.4 million in capital expenditures related to the construction of the Maple Ridge GM Open Point and OEM mandated reimaging of various dealership properties.

Capital expenditures is reported in aggregate in Note 19 of the Annual Financial Statements. The following table breaks down capital expenditures for the periods indicated into non-growth and growth capital expenditures and real estate acquisitions.

	Three-Months Ended December 31		Year Ended December 31	
	2024 $	2023 $	2024 $	2023 $
Non-growth capital expenditures	317	1,676	3,435	13,363
Growth capital expenditures [1]	5,868	11,010	24,383	49,692
Total capital expenditures	6,185	12,686	27,818	63,055
Real estate acquisition expenditures [1]	—	1,361	—	7,659
Total capital related expenditures	6,185	14,047	27,818	70,714

1 *Categorization reclasses occurred in Q4 2023 between growth capital expenditures and real estate acquisition expenditures for the Q1 2023, Q2 2023 and Q3 2023 periods. These reclasses did not impact total capital related expenditures incurred in 2023.*

Capital Commitments

At December 31, 2024, the Company is committed to capital expenditure obligations in the amount of approximately $3.8 million related to dealership relocations, and reimagings with expected completion of these commitments in 2025. The Company is in discussions with OEMs to adjust spending and/or capital commitments as appropriate for changing conditions.

Dealership relocations and reimagings are usually associated with OEM requirements. Many OEMs provide assistance in the form of additional incentives or contribute funding if facilities meet specified requirements. We expect certain facility upgrades may generate additional OEM incentive payments. It is also expected certain capital commitments may be reimbursed by the respective landlords that own the facilities.

The Company manages our liquidity to ensure access to sufficient funding at acceptable costs to fund our ongoing operating requirements and future capital expenditures. We expect to pay for our future capital commitments out of existing cash balances and financing through borrowings on our New Credit Facility.

Working Capital

Under the franchise agreements with OEM partners, the Company is required to maintain a minimum level of working capital within each individual dealership. These individual dealership requirements serve to provide the Company with a baseline liquidity target.

The Company is focused on managing working capital, including improved collection processes, management of payables and maximizing the utilization of inventory floorplan financing. The efficacy and effectiveness of these processes may be influenced by the OEM working capital framework. As such, our ability to transfer cash from subsidiaries as well as fund capital expenditures, acquisitions, dividends, or other commitments in the future may be limited if sufficient funds are not generated by the Company. At current levels, working capital is sufficient to meet our ongoing commitments and operational requirements for the business.

Corporate Credit Rating

The Company is rated by S&P Global Ratings ("S&P"), an independent credit rating agency.

On January 12, 2022, S&P issued a research update where the following changes were made:

- AutoCanada Issuer Credit Rating: 'B+' (Stable) from 'B'
- Senior Notes Rating: 'B+' from 'B'

On January 30, 2023 and June 26, 2023, S&P issued a research update where the Company's Issuer Credit Rating remained unchanged at 'B+'.

On July 30, 2024, S&P issued a research update where the Company's Credit Rating was reaffirmed at 'B+' and our outlook was revised from 'Stable' to' Negative'.

7. RELATED PARTY TRANSACTIONS

Transactions with related parties

During the year, there were transactions with companies controlled by the Executive Chair. These counterparties are:

- A vehicle wholesale and export business that supplies and purchases used vehicles with the Company
- A firm, that provides administrative, limited transportation, and other support services

Note 35 of the Annual Financial Statements summarizes the transactions between the Company and its related parties.

All significant transactions between AutoCanada and related parties were reviewed by the Company's Board of Directors and are based on normal commercial terms and conditions. A summary of the transactions is as follows:

	2024 $	2023 $
Administrative and other support and transportation fees	1,697	1,566
Vehicle purchases from related parties	162	—
Vehicle sales to related parties	2,387	1,755

Used Digital Division

During the year ended December 31, 2024, the Company made cash payments of $22.5 million to a company controlled by the Executive Chair for amounts owing for the purchase of the 15% common interest in the Used Digital Division Minority Interest on December 27, 2023. The agreement requires $15.0 million of the cash purchase consideration to be used by the company controlled by the Executive Chair to purchase the Company's common shares within a two-year period from the closing date. Cash is advanced to the company controlled by the Executive Chair upon request with excess cash not used to purchase the Company's common shares returned to the Company until the agreement expires. The company controlled by the Executive Chair purchased 701,253 of the Company's common shares with the cash advanced.

As at December 31, 2024, the Company has $nil (December 31, 2023 - $22.5 million) recorded in accruals and provisions within trade and other payables for amounts owing to the Executive Chair related to the purchase of the Used Digital Division Minority Interest.

Key Management Personnel Compensation

Key management personnel consists of the Company's executive officers and directors. Key management personnel compensation is as follows:

	2024 $	2023 $
Employee costs (including Directors)	4,153	6,597
Termination benefits	2,503	—
Short-term employee benefits	197	198
Used Digital Division equity issuance	—	28,950
Share-based compensation	3,458	4,503
	10,311	40,248

8. OUTSTANDING SHARES

As at December 31, 2024, the Company had 23,150,233 (2023 - 23,611,175) common shares outstanding. Basic and diluted weighted average number of shares outstanding for the three-month period ended December 31, 2024 were 23,141,691 and 23,838,747, respectively. Basic and diluted weighted average number of shares outstanding for the year ended December 31, 2024 were 23,316,008 and 24,137,069, respectively. As at March 19, 2025, there were 23,611,175 common shares issued and outstanding.

As at December 31, 2024, the value of the shares held in trust to hedge equity-based compensation plans was $0.3 million (2023 – $0.3 million), which was comprised of 8,542 (2023 - 12,465) shares.

Normal Course Issuer Bid

On March 7, 2024, the Company announced that it had received approval from the TSX for the renewal of its NCIB. Pursuant to the NCIB, AutoCanada may purchase up to 1,329,106 common shares during the twelve-month period commencing March 11, 2024 and ending March 10, 2025 or such earlier date as the Company may complete its purchases under the NCIB. For the year ended December 31, 2024, the Company repurchased and cancelled 460,942 common shares for an average price of $21.19 and total cash consideration of $9.9 million.

On March 27, 2024, in connection with its previously announced NCIB, AutoCanada received approval from the TSX to implement an automatic share purchase plan ("ASPP") with its designated broker. The ASPP will terminate on March 10, 2025, unless earlier terminated in accordance with its terms. On August 15, 2024, the ASPP was terminated early in accordance with its terms.

9. DIVIDENDS

AutoCanada’s Board of Directors (“Board”), in consultation with management, continually evaluates the Company’s dividend policy, with a focus on maximizing shareholder value. The declaration of dividends is subject to the discretion of the Board and is evaluated periodically and may be revised. Considering current market factors and capital allocation priorities, the Board has decided to defer any reinstatement of a dividend until further notice.

10. CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICY DEVELOPMENTS

A complete listing of critical accounting policies, estimates, judgments and measurement uncertainty can be found in Notes 3,4, and 5 of the Annual Financial Statements.

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the International Accounting Standards Board or International Financial Reporting Interpretations Committee (“IFRIC”) that are not yet effective for the financial year ended December 31, 2024. A listing of the standards issued which are applicable to the Company can be found in Note4 of the Annual Financial Statements.

The company adopted the amendments to IAS 1, IFRS 16, IAS 7, and IFRS 7 effective for the interim and audited annual consolidated financial statements commencing January 1, 2024. The amendment standards are further explained in Note 4 of the Annual Financial Statements.

11. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls & Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in reports filed with securities regulatory authorities is recorded, processed, summarized, and reported on a timely basis, and is accumulated and communicated to the Company’s management, including the Executive Chair and Chief Financial Officer (“CFO”) to allow timely decisions regarding required disclosure.

As of December 31, 2024, the Executive Chair and CFO, evaluated the effectiveness of the design and operation of its disclosure controls and procedures, as defined in National Instrument 52–109 of the Canadian Securities Administrators, and have concluded that the Company’s disclosure controls and procedures are effective.

Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. These controls include policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

All control systems contain inherent limitations, no matter how well designed. As a result, management acknowledges that its internal controls over financial reporting will not prevent or detect all misstatements due to error or fraud. In addition, management's evaluation of controls can provide only reasonable, not absolute, assurance that all control issues that may result in material misstatements, if any, have been detected.

Management, under the supervision of and with the participation of the Executive Chair and CFO, evaluated the effectiveness of the Corporation's internal controls over financial reporting (as defined under national Instrument 52–109 Certification of Disclosure in Issuers' Annual and Interim Filings). In making this evaluation, management used the criteria set forth by the *Committee of Sponsoring Organizations of the Treadway Commissions* ("COSO") in *Internal Control – Integrated Framework (2013)*. Based on that evaluation, the Executive Chair and CFO have concluded that, as at December 31, 2024, the Corporation's internal controls over financial reporting were effective. This evaluation took into consideration the Corporation's Corporate Disclosure Policy and the functioning of its Disclosure Policy Committee.

Changes in Internal Control over Financial Reporting

During the year ended December 31, 2024, there were no changes in the Company's disclosure controls or internal controls over financial reporting that materially affected, or would be reasonably likely to materially affect, such controls.

12. RISK FACTORS

AutoCanada faces a number of business risks that could cause future results to differ materially from those results disclosed in this MD&A. Investors and the public should carefully consider our business risks, other uncertainties and potential events as well as the inherent uncertainty of forward looking statements (See Section 1 Reader Advisories and Forward-Looking Statements) when making investment decisions with respect to AutoCanada. If any of the business risks identified by AutoCanada were to occur, our business, financial condition, results of operations, cash flows or prospects could be materially adversely affected. In such case, the trading price of our shares could decline.

Sensitivity to Economic Conditions

Many factors affect the sale of new and used vehicles, and automotive retailers' profitability, particularly national and regional Canadian and U.S. economic conditions. These conditions include, but are not limited to, recession, inflation, interest rates, unemployment levels, the state of the housing market, gasoline prices, consumer credit availability, consumer credit delinquency and loss rates, personal discretionary spending levels, and consumer sentiment about the economy in general.

The Canadian economy faces uncertainty, influenced by evolving trade policies and potential tariff implementations, particularly in relation to its primary trading partner, the U.S. Trade disruptions could lead to supply chain inefficiencies, increased costs of goods, and shifts in consumer confidence and demand. Moreover, tariffs could have broader economic consequences, negatively impacting both the Canadian and U.S. economies by reducing consumer spending and slowing economic activity. For Canadian automotive retailers, the imposition of tariffs, quotas, duties, or other trade restrictions may escalate vehicle and parts acquisition costs, compress profit margins, and create inventory management challenges. Additionally, the uncertainty surrounding potential tariffs could lead to consumer hesitancy in making significant purchases such as vehicles, potentially moderating sales activity in the near term. These factors could have a material impact on the Company's financial results, requiring a continued focus on operational efficiency and strategic cost management.

These conditions and the economy in general could further be affected by significant national or international events such as a global health crisis, ongoing geopolitical tensions, such as the ongoing conflicts in Ukraine and the Middle East, or severe weather events.

When these economic conditions worsen or stagnate, it can have a material adverse effect on consumer demand for vehicles generally, demand from particular consumer categories or demand for particular vehicle types. It can also negatively impact availability of credit to finance vehicle purchases for all or certain categories of consumers. This could result in lower sales, decreased margins on units sold, and decreased profits. Worsening or stagnating economic conditions can also have a material adverse effect on the supply of late-model used vehicles, as automotive manufacturers produce fewer new vehicles and consumers retain their current vehicles for longer periods of time. This could result in increased costs to acquire used vehicle inventory and decreased margins on units sold. Any significant change or deterioration in economic conditions could have a material adverse effect on AutoCanada’s business, sales, results of operations and financial condition.

Import Product Restrictions and Foreign Trade Risks

AutoCanada's new vehicle business relies significantly on the import of vehicles, parts, and vehicles containing imported parts. This exposes AutoCanada to inherent import risks, including import duties, currency fluctuations, exchange controls, trade restrictions, labour disruptions, and general political and socio-economic conditions in foreign countries. Governments in Canada or the countries where AutoCanada (or its OEM partners) source its products may implement or modify quotas, duties, tariffs, or other trade restrictions. Such changes could negatively impact operations and the availability of imported vehicles and parts at competitive prices. The risk of increased protectionist measures, particularly in the United States, could significantly amplify these challenges.

Dependence Upon OEMs and Other Third Parties

AutoCanada's franchised automobile dealership rely entirely on OEMs for new vehicle inventory, making us vulnerable to any issues the OEMs face in design, production, and distribution. Our franchised automobile dealerships also rely on OEMs for parts, training, marketing materials, and other essential items. Supply chain problems, unattractive product mix, or incorrect pricing at the OEM level directly impacts a dealership's ability to sell cars. OEMs are subject to numerous risks, including economic downturns, tariffs, declining sales, weather events, interest rate hikes, currency fluctuations, supply chain disruptions, labour strikes, rising costs, recalls, negative publicity, product defects, litigation, regulatory changes, change in the industry driven by new technologies, and competition from new companies and ride-sharing services. Any of these issues impacting a manufacturer could then cascade down and negatively affect AutoCanada's franchised dealerships. Our business could also be materially impacted by any material adverse event, including financial distress, impacting any of our OEMs or their major suppliers.

AutoCanada’s franchised automobile dealerships also depend on OEMs for certain sales incentives, warranties and other programs that are intended to promote and support new vehicle sales. Some key incentive programs will include customer rebates on new vehicles, franchised automobile dealership incentives on new vehicles, special financing or leasing terms, warranties on new and used vehicles and sponsorship of used vehicle sales by authorized new vehicle franchised automobile dealerships. A reduction or discontinuation of key OEMs’ incentive programs may reduce AutoCanada’s new vehicle sales volume resulting in decreased vehicle sales and related revenues. Our OEM partners regularly audit AutoCanada’s dealerships to ensure they are in compliance with incentive programs. If dealerships are found not to be compliant with specific requirements such as documentation and other requirements, dealerships can be charged back for the amounts claimed under incentive programs. Future chargebacks relating to incentive program claims may have an adverse effect on AutoCanada’s future earnings.

In addition to OEMs, AutoCanada relies on various other third-party suppliers for key products and services to support our business. If any of our suppliers, fail to deliver essential products or services in a timely manner or at reasonable practices, or if their services are interrupted, we could face difficulties operating our business, which could have a material adverse affect on our operational results and financial condition. For example, in June 2024, CDK, the provider of our dealer management system, which supports our dealership operations, experienced a cybersecurity event, which resulted in service outages on CDK's dealers' systems, resulting in lost sales of vehicles and related F&I deals, lost service repair orders, and other one-time incremental costs to support the business.

Implementation of the Transformation Plan

Our ongoing transformation plan, which aims to drive operational improvements, carries inherent risks. There is a potential for disruptions to our core business operations, which could lead to decreased productivity and revenue. We also face the risk of negatively impacting the quality of our customer service, potentially decreasing our customer satisfaction index levels. Further, the transformation plan may result in loss of key personnel or institutional knowledge, negatively impacting our ability to execute on our business strategy. Unforeseen operational inefficiencies or increased long-term costs could also arise, and there is no guarantee that the anticipated cost savings will be realized, or that they will be achieved at a reasonable cost. The successful execution of this transformation plan is also contingent upon our ability to execute the transformation plan, effectively manage change, maintain employee morale, and adapt to evolving market conditions. If we are unable to effectively mitigate these risks, our financial performance and business prospects could be materially adversely affected.

Risks Related to Cybersecurity

The Company is dependent on information technology in operating our business and is subject to risks relating to cybersecurity threats and incidents, including those impacting our third-party suppliers and other service providers.

The Company’s information technology systems may be vulnerable to data protection breaches and cyber-attacks beyond our control and the Company may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. AutoCanada invests in security technology to protect its data and business processes against these risks. Despite the security measures in place and any additional measures the Company may implement in the future, the Company’s facilities and systems, and those of its third-party service providers, could experience security breaches, cyber threats, cyber extortion, computer viruses, malware, lost or misplaced data, programming errors, human errors, acts of vandalism, or other disruptions, including natural disasters and acts of war. Although companies across all industries are subject to cyber risks, the automotive dealership industry appears to be a particular target for criminals seeking access to confidential information or personal identifiable information ("PII") about our customers, or employees. AutoCanada was negatively impacted by the noted CDK Outage during Q2 2024 and the noted cybersecurity incident on August 11, 2024 that impacted its internal IT systems. See Section 5 Acquisitions, Divestitures, and Other Recent Developments for more information.

Our efforts to improve security and protect data have increased capital and operating costs. Despite ongoing efforts to improve our ability to protect data from compromise, we may not be able to protect all of our data across our diverse systems and third-party vendors, particularly PII. Any security breach or event resulting in the misappropriation, loss, or other unauthorized disclosure of restricted information (including PII), whether by AutoCanada directly or its third-party service providers, could damage AutoCanada’s reputation, negatively impact customer satisfaction, expose it to the risks of litigation and liability (including liability under laws that protect the privacy of personal information), investigations, regulatory fines, significantly disrupt the Company’s business, or otherwise adversely affect AutoCanada’s business, results of operations or financial condition.

While not all cyber-risks are insurable, the Company purchases insurance to mitigate the potential financial impact of certain cyber-risks. Our cyber insurance provider may not fully cover an insured loss, including those losses related to the CDK incident and the Internal Incident, depending on multiple factors, including the magnitude and nature of the claim(s). Additionally, changes in the cost of cyber insurance or the availability of cyber insurance in the future could substantially increase our costs to maintain our current level of coverage or could cause us to reduce our insurance coverage and increased the portion of our risks that we self-insure.

Governmental Regulations and Changes in Legislation

AutoCanada is subject to a wide range of federal, provincial, state, and municipal laws and regulations, such as local licensing requirements, consumer protection laws, business permitting and environmental, health and safety requirements governing, among other things, discharges into the air and water, above ground and underground storage of petroleum substances and chemicals, handling and disposal of wastes and remediation of contamination arising from spills and releases. AutoCanada is also subject to rules imposed by self-regulatory authorities in various jurisdictions. This includes potential orders and settlements issued by regulatory bodies. Notably, the Company's U.S. Operations are currently subject to conditions outlined in the FTC Order. If AutoCanada fails or is alleged to fail to comply with any applicable regulation, whether in the future or in the past, AutoCanada may be unable to continue to operate successfully at a particular location and/or may be subject to civil and criminal penalties. AutoCanada’s future acquisitions may also be subject to governmental regulation, including antitrust reviews. AutoCanada believes that all of its operations comply in all material respects with all applicable laws and regulations relating to AutoCanada’s business, but future laws and regulations may be more stringent and require AutoCanada to incur significant additional costs. AutoCanada is unable to predict what legislation or regulations may be proposed that might affect its business or when any such proposal, if enacted, might become effective. Such changes, however, could require increased capital and operating expenditures and could prevent or delay certain operations by the Company.

Additional risks and uncertainties not presently known to us or that management currently deems immaterial may also adversely affect our business and operations. A comprehensive discussion of the known risk factors of AutoCanada and additional business risks is available in our AIF that is available on the SEDAR+ website at www.sedarplus.ca.

13. NON-GAAP AND OTHER FINANCIAL MEASURES

This MD&A contains certain financial measures that do not have any standardized meaning prescribed by GAAP. Therefore, these financial measures may not be comparable to similar measures presented by other issuers. Investors are cautioned these measures should not be construed as an alternative to net income (loss) or to cash provided by (used in) operating, investing, financing activities, cash, and indebtedness determined in accordance with GAAP, as indicators of our performance. We provide these additional Non-GAAP Measures, capital management measures, and supplementary financial measures to assist investors in determining the Company's ability to generate earnings and cash provided by (used in) operating activities and to provide additional information on how these cash resources are used.

All financial measures can be presented on different basis, including differing segmentation and periods of time. While management may use a subset of the underlying data (including geographic segmentation or differing time) to calculate the relevant financial measures. the underlying method of calculation as defined below does not change. See below for list of potential presentation basis:

- Canadian Operations segment: See Section 17 Segmented Operating Results Data for additional information
- U.S. Operations segment: See Section 17 Segmented Operating Results Data for additional information
- Collision Centre Operations segment as part of the Canadian Operations segment
- Consolidated basis: See Section 17 Segmented Operating Results Data for additional information
- Same store basis: See Section 18 Same Store Results Data for additional information
- Continuing Operations
- Discontinued Operations
- Total Operations

Non-GAAP Measures, capital management measures, and supplementary financial measures referenced in the MD&A are listed and defined below.

Non-GAAP Measures and Capital Management Measures

Cautionary Note Regarding Non-GAAP Measures

Adjusted EBITDA, adjusted EBITDA margin, gross lease adjusted leverage ratio, normalized operating expenses before depreciation and normalized operating expenses before depreciation as a percentage of gross profit are not earnings measures recognized by GAAP and do not have standardized meanings prescribed by GAAP. Investors are cautioned that these Non-GAAP Measures should not replace net earnings or loss (as determined in accordance with GAAP) as an indicator of the Company's performance, cash flows from operating, investing and financing activities or as a measure of liquidity and cash flows. The Company's methods of calculating referenced Non-GAAP Measures may differ from the methods used by other issuers. Therefore, these measures may not be comparable to similar measures presented by other issuers.

We list and define Non-GAAP Measures and capital management measures below:

Adjusted EBITDA

Adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) is an indicator of a company's operating performance over a period of time and ability to incur and service debt. Adjusted EBITDA provides an indication of the results generated by our principal business activities prior to:

- Interest expense (other than interest expense on floorplan financing), income taxes, depreciation, and amortization;
- Charges that introduce volatility unrelated to operating performance by virtue of the impact of external factors (such as share-based compensation amounts attributed to certain equity issuances as part of the Used Digital Division);
- Non-cash charges (such as impairment, recoveries, gains or losses on derivatives, revaluation of contingent consideration and revaluation of redemption liabilities);
- Charges outside the normal course of business (such as restructuring, gains and losses on dealership divestitures, and real estate transactions); and
- Charges that are non-recurring in nature (such as resolution of lawsuits and legal claims).

The Company considers this measure meaningful as it provides improved continuity with respect to the comparison of our operating performance over a period of time.

Adjusted EBITDA Margin

Adjusted EBITDA margin is an indicator of a company's operating performance specifically in relation to our revenue performance.

The Company considers this measure meaningful as it provides improved continuity with respect to the comparison of our operating performance with retaining and growing profitability as our revenue and scale changes over a period of time.

Gross Lease Adjusted Leverage Ratio ("Gross Lease Ratio")

Gross lease ratio is a measure used by management to evaluate the leverage of the Company.

The Company considers this measure meaningful as it is used by the credit rating agency for their analysis. Gross lease ratio is calculated as gross lease adjusted indebtedness divided by Adjusted EBITDA on a TTM basis.

Gross Lease Adjusted Indebtedness - Capital Management Measure

Gross lease adjusted indebtedness is a capital management measure used by management to evaluate the leverage of the Company.

Gross lease adjusted indebtedness is calculated as total indebtedness, which is net of unamortized deferred financing costs, adjusted for embedded derivative, plus lease liabilities (under IFRS 16).

Normalized Operating Expenses Before Depreciation

Normalized operating expenses before depreciation is an indicator of a company's operating expense before depreciation over a period of time, normalized for the following items:

- Transaction costs related to acquisitions, dispositions, and open points;
- Software implementation costs associated with the configuration or customization of software as a service arrangement;
- Restructuring charges relate to non-recurring organizational changes to improve the Company's profitability and overall efficiency;
- Management transition costs; and
- Share-based compensation expense.

The Company considers this measure meaningful as it provides a comparison of our operating expense normalized for transactions that are not indicative of the Company's operating expenses over time.

Normalized Operating Expenses Before Depreciation as a Percentage of Gross Profit

Normalized operating expenses before depreciation as a percentage of gross profit is a measure of a company's normalized operating expenses before depreciation over a period of time in relation to gross profit.

The Company considers this measure meaningful as it provides a comparison of our operating performance, normalized for transactions that are not indicative of the Company's operating expenses, with our growing profitability as our gross profit and scale changes over a period of time.

Supplementary Financial Measures

We list and define supplementary financial measures below:

Average Selling Price per New Vehicle

Average selling price per new vehicle is new vehicle revenue for the referenced period, divided by the number of total new vehicles sold during the referenced period.

Average Selling Price per Used Vehicle

Average selling price per used vehicle is used vehicle revenue for the referenced period, divided by the number of used retail vehicles sold during the referenced period.

Demonstrator ("Demo") Vehicle

Demo vehicles represents demonstrator vehicles (a subset of new retail vehicles) sold by the Company.

F&I Gross Profit Per Retail Unit Average

F&I gross profit per retail unit average is F&I gross profit divided by the total retail vehicles sold by the Company.

Gross profit percentage

Gross profit percentage is gross profit divided by revenue.

Liquidity

Liquidity is calculated by adding cash and available revolver facility, less revolver balance drawn.

New Fleet Vehicles

New fleet vehicles represents new fleet vehicles (excluding retail vehicles) sold by the Company.

New Vehicle Gross Profit Per Retail Unit

New vehicle gross profit per retail unit is new retail vehicle gross profit divided by new retail vehicles sold by the Company.

New Retail Vehicles

New retail vehicles represents new retail vehicles (excluding fleet vehicles) sold by the Company.

New Vehicle Inventory Days of Supply

New vehicle inventory days of supply is an average ending balance of prior quarter and current quarter new vehicle and demo vehicle inventory divided by current quarter new and demo vehicle cost of sales, multiplying the total by days in the quarter.

Operating Expenses Before Depreciation ("Opex Before Depreciation")

Operating expenses before depreciation is operating expenses less depreciation and amortization.

Operating Expenses Before Depreciation as a Percentage of Gross Profit

Operating expenses before depreciation as a percentage of gross profit is operating expenses before depreciation, divided by gross profit.

Service Repair Orders ("Service RO's")

Service repair orders represents total repair orders completed and sold by the Company's parts and service departments.

Total New Vehicles

Total new vehicles represents new fleet and new retail vehicles sold by the Company.

Total Retail Vehicles

Total retail vehicles represents new and used retail vehicles (excluding fleet and wholesale vehicles) sold by the Company.

Total Vehicles

Total vehicles represents new retail, used retail, and fleet vehicles (excluding wholesale vehicles) sold by the Company.

Used Vehicle Gross Profit Per Retail Unit

Used vehicle gross profit per retail unit is used retail vehicle (excluding wholesale vehicles) gross profit divided by used retail vehicles sold by the Company.

Used Retail Vehicles

Used retail vehicles represents used retail vehicles (excluding wholesale vehicles) sold by the Company.

Used Vehicle Inventory Days of Supply

Used vehicle inventory days of supply is an average ending balance of prior quarter and current quarter used vehicle inventory divided by current quarter used vehicle cost of sales, multiplying the total by days in the quarter.

Used Wholesale Vehicles

Used wholesale vehicles represents used wholesale vehicles (excluding retail vehicles) sold by the Company.

14. NON-GAAP AND OTHER FINANCIAL MEASURE RECONCILIATIONS

Adjusted EBITDA

The following tables illustrate segmented adjusted EBITDA for the three-month periods and years ended December 31:

	Three-Months Ended December 31, 2024			Three-Months Ended December 31, 2023		
	Canada	**U.S.**	**Total**	**Canada**	**U.S.**	**Total**
Period from October 1 to December 31						
Net income (loss) for the period	7,105	(45,471)	(38,366)	(16,020)	(6,610)	(22,630)
Add back (deduct):						
Income tax expense (recovery)	1,173	94	1,267	4,546	(11)	4,535
Depreciation of right of use assets	8,536	1,008	9,544	7,943	743	8,686
Depreciation of property and equipment	6,084	685	6,769	5,787	672	6,459
Amortization of intangible assets	126	—	126	128	—	128
Interest on long-term indebtedness	7,509	3,141	10,650	7,020	2,838	9,858
Lease liability interest	8,127	960	9,087	7,630	840	8,470
Impairment of non-financial assets	(3,240)	5,192	1,952	(3,538)	—	(3,538)
Share-based compensation - Used Digital Division	—	—	—	36,725	—	36,725
Loss (gain) on redemption liabilities	1,113	—	1,113	(3,639)	—	(3,639)
Canadian franchise dealership restructuring charges	9,913	—	9,913	—	—	—
FTC settlement	—	27,396	27,396	—	—	—
Unrealized fair value changes in derivative instruments	5,491	—	5,491	(1,437)	—	(1,437)
Amortization of loss on terminated hedges	—	—	—	616	—	616
Unrealized foreign exchange losses (gains)	(175)	—	(175)	108	—	108
Used Digital Division transaction costs	—	—	—	1,774	—	1,774
Software implementation costs	531	—	531	677	—	677
Cybersecurity incident costs	567	—	567	—	—	—
RightRide restructuring charges	995	—	995	—	—	—
Write-down associated with wholesale transactions	7,592	—	7,592	—	—	—
Gain on disposal of assets	(7,352)	—	(7,352)	(375)	20	(355)
Adjusted EBITDA	54,095	(6,995)	47,100	47,945	(1,508)	46,437
Adjusted EBITDA from discontinued operation	—	6,995	6,995	—	1,508	1,508
Adjusted EBITDA from continuing operations	54,095	—	54,095	47,945	—	47,945

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Canada	U.S.	Total	Canada	U.S.	Total
Period from January 1 to December 31						
Net income (loss) for the year	36,638	(103,386)	(66,748)	67,973	(14,192)	53,781
Add back (deduct):						
Income tax expense (recovery)	8,035	13,698	21,733	30,699	(115)	30,584
Depreciation of right of use assets	32,797	3,122	35,919	30,495	2,948	33,443
Depreciation of property and equipment	23,398	2,445	25,843	22,726	2,304	25,030
Amortization of intangible assets	503	—	503	529	—	529
Interest on long-term indebtedness	25,560	12,777	38,337	29,498	11,413	40,911
Lease liability interest	31,837	3,130	34,967	29,680	3,339	33,019
Impairment of non-financial assets	4,542	16,516	21,058	(3,538)	—	(3,538)
Share-based compensation - Used Digital Division	—	—	—	36,725	—	36,725
Loss (gain) on redemption liabilities	486	—	486	(3,639)	—	(3,639)
Canadian franchise dealership restructuring charges	10,285	—	10,285	—	—	—
FTC settlement	—	27,396	27,396	—	—	—
Loss on extinguishment of debt	—	—	—	1,382	—	1,382
Unrealized fair value changes in derivative instruments	13,884	—	13,884	(1,339)	—	(1,339)
Amortization of loss on terminated hedges	—	—	—	3,067	—	3,067
Unrealized foreign exchange losses	30	—	30	255	—	255
Used Digital Division transaction costs	—	—	—	1,774	—	1,774
Software implementation costs	3,384	—	3,384	677	—	677
Cybersecurity incident costs	881	—	881	—	—	—
RightRide restructuring charges	3,506	—	3,506	—	—	—
Write-down associated with wholesale transactions	7,592	—	7,592	—	—	—
Gain on disposal of assets	(29,781)	—	(29,781)	(442)	20	(422)
Adjusted EBITDA	173,577	(24,302)	149,275	246,522	5,717	252,239
Adjusted EBITDA from discontinued operation	—	24,302	24,302	—	(5,717)	(5,717)
Adjusted EBITDA from continuing operations	173,577	—	173,577	246,522	—	246,522

The following table illustrate segmented collision adjusted EBITDA from continuing operations for the three-months ended December 31. There is no discontinued operation in Collision Operations.

	Three-Months Ended December 31, 2024			Three-Months Ended December 31, 2023		
Collision Operations	Canada	U.S.	Total	Canada	U.S.	Total
Period from October 1 to December 31						
Net income for the period	4,374	—	4,374	362	—	362
Add back (deduct):						
Income tax expense	(448)	—	(448)	1,811	—	1,811
Depreciation of right of use assets	679	—	679	489	—	489
Depreciation of property and equipment	493	—	493	407	—	407
Lease liability interest	851	—	851	734	—	734
Gain on disposal of assets	—	—	—	5	—	5
Adjusted EBITDA	5,949	—	5,949	3,808	—	3,808

Adjusted EBITDA Margin

The following tables illustrate segmented adjusted EBITDA margin from continuing operations for the three-month periods and years ended December 31:

	Three-Months Ended December 31, 2024			Three-Months Ended December 31, 2023		
	Canada	**U.S.**	**Total**	**Canada**	**U.S.**	**Total**
Adjusted EBITDA	54,095	—	54,095	47,945	—	47,945
Revenue	1,261,921	—	1,261,921	1,277,752	—	1,277,752
Adjusted EBITDA Margin	4.3%	—%	4.3%	3.8%	—%	3.8%

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Canada	**U.S.**	**Total**	**Canada**	**U.S.**	**Total**
Adjusted EBITDA	173,577	—	173,577	246,522	—	246,522
Revenue	5,351,672	—	5,351,672	5,607,194	—	5,607,194
Adjusted EBITDA Margin	3.2 %	—%	3.2 %	4.4 %	—%	4.4 %

Normalized Operating Expenses Before Depreciation and Normalized Operating Expenses Before Depreciation as a Percentage of Gross Profit

The following tables illustrate segmented normalized opex before depreciation and normalized opex before depreciation as a percentage of gross profit from continuing operations, for the three-month periods and years ended December 31:

	Three-Months Ended December 31, 2024			Three-Months Ended December 31, 2023		
	Canada	**U.S.**	**Total**	**Canada**	**U.S.**	**Total**
Operating expenses before depreciation	166,148	—	166,148	203,616	—	203,616
Normalizing Items:						
Add back:						
Acquisition-related costs	(316)	—	(316)	(2,415)	—	(2,415)
Software implementation costs	(531)	—	(531)	(677)	—	(677)
Canadian franchise dealership restructuring charges	(9,913)	—	(9,913)	—	—	—
RightRide restructuring charges	(177)	—	(177)	—	—	—
Management transition costs	—	—	—	—	—	—
Share-based compensation expense	(1,759)	—	(1,759)	(38,533)	—	(38,533)
Normalized Opex before depreciation	153,452	—	153,452	161,991	—	161,991
Gross profit	216,930	—	216,930	225,134	—	225,134
Normalized Opex Before Depreciation as a percentage of gross profit (%)	70.7%	—%	70.7%	72.0%	—%	72.0%

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Canada	U.S.	Total	Canada	U.S.	Total
Operating expenses [1]	735,312	0	735,312	777,159	—	777,159
Deduct:						
Depreciation of right of use assets	(32,797)	0	(32,797)	(30,495)	—	(30,495)
Depreciation of property and equipment	(23,398)	0	(23,398)	(22,726)	—	(22,726)
Amortization of intangible assets	(503)	—	(503)	(529)	—	(529)
Operating expenses before depreciation	678,614	—	678,614	723,409	—	723,409
Normalizing Items:						
Add back:						
Acquisition-related costs	(1,718)	—	(1,718)	(5,391)		(5,391)
Software implementation costs	(3,384)	—	(3,384)	(677)	—	(677)
Canadian franchise dealership restructuring charges	(10,285)	—	(10,285)	—	—	—
RightRide restructuring charges	(1,246)	—	(1,246)	—	—	—
Management transition costs	(4,704)	—	(4,704)	—	—	—
Share-based compensation expense	(8,033)	—	(8,033)	(43,210)	—	(43,210)
Normalized Opex before depreciation	649,244	—	649,244	674,131	—	674,131
Gross profit	882,277	—	882,277	977,662	—	977,662
Normalized Opex Before Depreciation as a percentage of gross profit (%)	73.6 %	— %	73.6 %	69.0 %	—%	69.0 %

1. *Expected credit losses amounting to $2.2 Million in the prior year is revised to reflect current period presentation as net impairment losses on trade and other receivables on the Consolidated Statement of Comprehensive (Loss) Income.*

Gross Lease Adjusted Indebtedness and Gross Lease Adjusted Leverage Ratio Reconciliation

The following table illustrates the Company's gross lease adjusted indebtedness and gross lease adjusted leverage ratio from continuing operations as at December 31, 2024 and December 31, 2023:

	December 31, 2024 $	December 31, 2023 $
New Credit facility, net of unamortized deferred financing costs	154,878	186,222
$350 Million Notes, net of unamortized deferred financing costs	346,300	345,401
Non-recourse mortgages and other debt	40,473	31,299
Total indebtedness	541,651	562,922
Add: Lease liabilities	457,172	497,424
Gross lease adjusted indebtedness	**998,823**	**1,060,346**
Adjusted EBITDA - trailing twelve months	149,275	252,239
Gross lease adjusted leverage ratio	**6.69x**	**4.20x**

15. SELECTED ANNUAL FINANCIAL INFORMATION

The following table shows the continuing operations results of the Company for the years ended December 31, 2024 and December 31, 2023.

Continuing Operations	2024	2023
Income Statement Data		
New vehicles	2,306,112	2,242,329
Used vehicles	2,054,855	2,360,703
Parts and service	556,297	565,571
Collision repair	130,913	116,123
Finance, insurance and other	303,495	322,468
Revenue	5,351,672	5,607,194
New vehicles	170,796	196,521
Used vehicles	66,486	117,625
Parts and service	301,980	304,640
Collision repair	65,195	57,072
Finance, insurance and other	277,820	301,804
Gross Profit	882,277	977,662
Gross profit %	16.5%	17.4 %
Operating expenses [3]	735,312	777,195
Operating expenses as a % of gross profit	83.3%	79.5 %
Operating profit	171,317	215,036
Impairment (recovery) of non-financial assets	4,542	(3,538)
Net income (loss)	36,638	67,973
Diluted net income per share attributable to AutoCanada shareholders	1.46	2.65
Adjusted EBITDA	173,577	246,522
Operating Data		
New retail vehicles sold	35,363	34,843
Used retail vehicles sold	49,614	54,714
Total retail vehicles sold	84,977	89,557
# of dealerships at year end [1]	68	69
# of same store dealerships [1, 2]	66	67
# of service bays at year end	1,151	1,152

1 *Dealerships is defined as 64 franchised automobile dealerships and Used Digital Division dealerships (including 3 used vehicle dealerships and 1 used vehicle auction).*

2 *Same store is defined as a franchised automobile dealership, stand-alone collision centre, and Used Vehicle Operation that has been owned for at least one full year since acquisition or opening. Same store results are based on continuing operations. Results from same stores divested, discontinued, or wound down in the current period are removed from both the current period and the comparative period.*

3. *Expected credit losses amounting to $2.2 Million in the prior year is revised to reflect current period presentation as net impairment losses on trade and other receivables on the Consolidated Statement of Comprehensive (Loss) Income.*

16. SELECTED QUARTERLY FINANCIAL INFORMATION

The following table shows the results of the Company for each of the eight most recently completed quarters. Results from operations are subject to seasonality and have historically been lower in the first and fourth quarters and higher in the second and third quarters. In addition, results may be impacted by acquisitions and are not necessarily indicative of the results of operations to be expected in any given comparable period.

Continuing Operations	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Income Statement Data								
New vehicles	574,968	629,496	603,172	498,476	524,650	593,734	626,759	497,186
Used vehicles	436,322	550,600	558,635	509,298	505,065	593,934	650,897	610,807
Parts and service [3]	144,524	144,000	136,934	130,839	145,665	140,219	152,094	127,593
Collision repair [3]	36,262	31,487	30,563	32,601	32,415	29,014	26,943	27,751
Finance, insurance and other	69,845	84,060	80,525	69,065	69,957	83,671	91,922	76,918
Revenue	1,261,921	1,439,643	1,409,829	1,240,279	1,277,752	1,440,572	1,548,615	1,340,255
New vehicles	40,303	44,597	45,526	40,370	45,007	53,600	56,297	41,617
Used vehicles	18,752	24,539	10,486	12,709	22,176	29,707	41,282	24,460
Parts and service [3]	76,843	77,164	78,231	69,742	76,063	75,428	81,411	71,738
Collision repair [3]	17,242	17,527	16,122	14,304	17,312	14,074	15,041	10,645
Finance, insurance and other	63,790	76,910	73,467	63,653	64,576	79,889	85,426	71,913
Gross Profit	216,930	240,737	223,832	200,778	225,134	252,698	279,457	220,373
Gross profit percentage	17.2%	16.7%	15.9%	16.2%	17.6%	17.5%	18.0%	16.4%
Operating expenses	180,894	184,475	190,778	179,165	217,510	188,377	194,174	177,134
Operating expenses as a % of gross profit	83.4%	76.6%	85.2%	89.2%	96.6%	74.5%	69.5%	80.4%
Net income (loss)	7,105	20,422	2,430	6,681	(16,020)	25,910	45,655	12,428
Diluted net income (loss) per share attributable to AutoCanada shareholders	0.33	0.81	0.05	0.28	(0.54)	0.94	1.77	0.48
Adjusted EBITDA	54,095	61,195	32,386	25,901	47,945	64,856	89,155	44,566
Operating Data								
New retail vehicles sold	8,544	9,599	9,311	7,909	8,161	9,185	9,894	7,603
Used retail vehicles sold	10,813	13,838	13,363	11,600	11,805	14,642	15,161	13,106
Total retail vehicles sold	19,357	23,437	22,674	19,509	19,966	23,827	25,055	20,709
# of dealerships at period end [1]	68	69	71	70	69	69	69	68
# of same store dealerships [1, 2]	66	67	68	68	67	64	62	62
# of service bays at period end	1,151	1,173	1,186	1,167	1,152	1,152	1,125	1,124

1 *Dealerships is defined as 64 franchised automobile dealerships and Used Digital Division dealerships (including 3 used vehicle dealerships and 1 used vehicle auction).*
2 *Same store dealerships is defined as franchised automobile dealerships and Used Digital Division dealerships that have been owned for at least one full year since acquisition.*
3 *In Q2 2024, it was determined there were revenues and cost of sales accounts incorrectly classified between the parts, service and collision repair revenue streams for Q2 2023 and Q3 2023. We have revised the Q2 2023 and Q3 2023 amounts and the classification of these accounts has been corrected. This reclassification had no impact on total revenues or total cost of sales.*

17. SEGMENTED OPERATING RESULTS DATA

Canadian Operations and U.S. Operations Segmented Operating Highlights

The following table shows the segmented operating results for the Company for the three-month periods ended December 31, 2024 and December 31, 2023.

	Three-Months Ended December 31, 2024			Three-Months Ended December 31, 2023		
	Canada $	**U.S. $**	**Total $**	**Canada $**	**U.S. $**	**Total $**
New vehicles	574,968	90,746	665,714	524,650	81,268	605,918
Used vehicles	436,322	61,114	497,436	505,065	87,925	592,990
Parts and service	144,524	26,618	171,142	145,665	24,368	170,033
Collision repair	36,262	—	36,262	32,415	—	32,415
Finance, insurance and other	69,845	8,804	78,649	69,957	12,481	82,438
Total revenue	1,261,921	187,282	1,449,203	1,277,752	206,042	1,483,794
New vehicles	40,303	1,350	41,653	45,007	7,721	52,728
Used vehicles	18,752	(2,569)	16,183	22,176	(2,172)	20,004
Parts and service	76,843	16,287	93,130	76,063	14,679	90,742
Collision repair	17,242	—	17,242	17,312	—	17,312
Finance, insurance and other	63,790	8,643	72,433	64,576	12,480	77,056
Total gross profit	216,930	23,711	240,641	225,134	32,708	257,842
Employee costs	103,854	15,565	119,419	144,486	21,258	165,744
Administrative costs	61,385	40,625	102,010	57,711	9,408	67,119
Facility lease and storage costs	909	—	909	1,419	—	1,419
Depreciation of right-of-use assets	8,536	1,008	9,544	7,943	743	8,686
Depreciation of property and equipment	6,084	739	6,823	5,787	672	6,459
Amortization of intangible assets	126	—	126	128	—	128
Total operating expenses	180,894	57,937	238,831	217,474	32,081	249,555
Operating profit (loss) before other income	36,036	(34,226)	1,810	7,660	627	8,287
Operating data						
New retail vehicles sold	8,544	1,498	10,042	8,161	1,419	9,580
Used retail vehicles sold	10,813	1,559	12,372	11,805	1,972	13,777
Total retail vehicles sold	19,357	3,057	22,414	19,966	3,391	23,357
# of dealerships at period end [1]	68	18	86	69	18	87
# of service bays at period end	1,151	235	1,386	1,152	230	1,382

1 *Dealerships is defined as 64 Canadian franchised automobile dealerships and Used Digital Division dealerships (including 3 used vehicle dealerships and 1 used vehicle auction) as at December 31, 2024.*

The following table shows the segmented operating results for the Company for the year ended December 31, 2024 and December 31, 2023.

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Canada $	**U.S. $**	**Total $**	**Canada $**	**U.S. $**	**Total $**
New vehicles	2,306,112	352,832	2,658,944	2,242,329	311,898	2,554,227
Used vehicles	2,054,855	254,932	2,309,787	2,360,703	365,773	2,726,476
Parts and service	556,297	101,955	658,252	565,571	100,632	666,203
Collision repair	130,913	—	130,913	116,123	—	116,123
Finance, insurance and other	303,495	37,581	341,076	322,468	51,306	373,774
Total revenue	5,351,672	747,300	6,098,972	5,607,194	829,609	6,436,803
New vehicles	170,796	14,829	185,625	196,521	26,319	222,840
Used vehicles	66,486	(10,103)	56,383	117,625	11,588	129,213
Parts and service	301,980	60,213	362,193	304,640	55,314	359,954
Collision repair	65,195	—	65,195	57,072	—	57,072
Finance, insurance and other	277,820	37,420	315,240	301,804	50,904	352,708
Total gross profit	882,277	102,359	984,636	977,662	144,125	1,121,787
Employee costs	445,819	68,951	514,770	495,939	87,614	583,553
Administrative costs	228,048	76,571	304,619	222,318	42,655	264,973
Facility lease and storage costs	4,747	—	4,747	5,152	—	5,152
Depreciation of right-of-use assets	32,797	3,122	35,919	30,495	2,948	33,443
Depreciation of property and equipment	23,398	2,499	25,897	22,726	2,304	25,030
Amortization of intangible assets	503	—	503	529	—	529
Total operating expenses [1]	735,312	151,143	886,455	777,159	135,521	912,680
Operating profit (loss) before other income	146,965	(48,784)	98,181	200,503	8,604	209,107
Operating data						
New retail vehicles sold	35,363	5,983	41,346	34,843	5,320	40,163
Used retail vehicles sold	49,614	6,904	56,518	54,714	8,453	63,167
Total retail vehicles sold	84,977	12,887	97,864	89,557	13,773	103,330
# of dealerships at period end [2]	68	18	86	69	18	87
# of service bays at period end	1,151	235	1,386	1,152	230	1,382

1 Expected credit losses amounting to $2.2 Million, Canada and $0.4 Million, U.S. in the prior year is revised to reflect current period presentation as net impairment losses on trade and other receivables on the Consolidated Statement of Comprehensive (Loss) Income.

2. Dealerships is defined as 64 Canadian franchised automobile dealerships and Used Digital Division dealerships (including 3 used vehicle dealerships and 1 used vehicle auction) as at December 31, 2024.

18. SAME STORE RESULTS DATA

Same store is defined as a franchised automobile dealership, stand-alone collision centre, and Used Vehicle Operation that has been owned for at least one full year since acquisition or opening. Same store results are based on continuing operations. Results from same stores divested, discontinued, or wound down in the current period are removed from both the current period and the comparative period. Therefore, amounts presented in the comparative period may differ from the same store amounts presented in the prior year.

The following table summarizes same store revenue, gross profit, gross profit percentage, and vehicles sold for the three-month periods and years ended December 31:

	Three-Months Ended December 31		Year Ended December 31	
	2024 $	2023 $	2024 $	2023 $
New vehicles	539,574	501,261	2,163,567	2,140,005
Used vehicles	427,599	477,692	1,959,941	2,222,921
Parts and service	138,274	138,319	523,415	534,857
Collision repair	35,006	32,136	127,561	115,181
Finance, insurance and other	67,666	66,819	290,448	307,943
Total revenue	1,208,119	1,216,227	5,064,932	5,320,907
New vehicles	37,620	43,125	161,035	188,442
Used vehicles	21,951	20,931	72,540	111,783
Parts and service	73,167	72,450	284,418	289,788
Collision repair	16,525	17,237	63,477	56,608
Finance, insurance and other	61,734	61,527	265,243	287,674
Total gross profit	210,997	215,270	846,713	934,295
New vehicles (%)	7.0%	8.6%	7.4%	8.8%
Used vehicles (%)	5.1%	4.4%	3.7%	5.0%
Parts and service (%)	52.9%	52.4%	54.3%	54.2%
Collision repair (%)	47.2%	53.6%	49.8%	49.1%
Finance, insurance and other (%)	91.2%	92.1%	91.3%	93.4%
Total gross profit percentage (%)	17.5%	17.7%	16.7%	17.6%
New retail vehicles sold (units)	8,023	7,765	33,230	33,150
Used retail vehicles sold (units)	10,471	11,134	47,059	51,129
Total vehicles retailed (units)	18,494	18,899	80,289	84,279

The following table summarizes same store revenue and gross profit by geography for the three-month periods and years ended December 31:

	Three-Months Ended December 31			Year Ended December 31		
	2024	2023	% Change	2024	2023	% Change
British Columbia	83,322	113,244	(26.4)%	401,822	517,842	(22.4)%
Alberta	397,676	341,563	16.4 %	1,521,880	1,575,440	(3.4)%
Saskatchewan	93,073	98,740	(5.7)%	391,805	397,183	(1.4)%
Manitoba	94,100	100,230	(6.1)%	426,910	430,115	(0.7)%
Ontario	340,002	362,101	(6.1)%	1,523,803	1,543,023	(1.2)%
Quebec	170,581	165,760	2.9 %	657,202	691,569	(5.0)%
Atlantic	29,365	34,589	(15.1)%	141,510	165,735	(14.6)%
Total revenue	1,208,119	1,216,227	(0.7)%	5,064,932	5,320,907	(4.8)%
British Columbia	15,458	15,657	(1.3)%	66,360	84,604	(21.6)%
Alberta	63,071	74,124	(14.9)%	258,474	316,249	(18.3)%
Saskatchewan	16,982	15,849	7.1%	66,409	69,197	(4.0)%
Manitoba	19,651	15,871	23.8%	76,943	72,883	5.6%
Ontario	64,207	63,250	1.5%	259,960	265,267	(2.0)%
Quebec	27,207	25,382	7.2%	98,059	102,473	(4.3)%
Atlantic	4,421	5,137	(13.9)%	20,508	23,622	(13.2)%
Total gross profit	210,997	215,270	(2.0)%	846,713	934,295	(9.4)%

19. COUNT OF OPERATIONS

The following table lists the count and same store count for franchised dealerships, Used Vehicle Operations, and collision centres, organized by province and state as of December 31, 2024 from continuing operations.

Location	Franchised Dealerships	Same Store Franchised Dealerships [1]	Used Vehicle Operations[5]	Same Store Used Vehicle Operations [1]	Collision Centres [2]	Same Store Stand-Alone Collision Centres [1]
Canada	**64**	**62**	**9**	**9**	**28**	**11**
Alberta	17	17	2	2	4	2
Atlantic	2	2	—	—	1	—
British Columbia	9	8	—	—	1	1
Manitoba	5	5	2	2	4	—
Ontario	23	22	4	4	10	5
Quebec	4	4	—	—	4	2
Saskatchewan	4	4	1	1	4	1
U.S.	**18**	**—**	**—**	**—**	**1**	**—**
Illinois [3, 4]	18	—	—	—	1	—
Total	**82**	**62**	**9**	**9**	**29**	**11**

1 *Same store means the franchised automobile dealership, Used Vehicle Operation, and stand-alone collision centre has been owned for at least one full year since opening or acquisition. The operating location is then considered in the quarter, thereafter, as same store. Same store results are based on continuing operations.*

2 *Collision centres includes 12 stand-alone collision centres within our group of 29 collision centres.*

3 *This franchise dealership count includes 2 individual storefronts that consists of multiple franchises. One including: Audi, Mercedes-Benz, Lincoln, Subaru, Volkswagen and Volvo and another including: Porsche, Audi, Mercedes-Benz and Volkswagen. The Volvo franchise was subsequently terminated on February 14, 2025.*

4 *The Company's franchised dealerships in its U.S. Operations have been classified and presented as a discontinued operation.*

5 *Remaining 5 RightRide locations were subsequently closed on March 5, 2025.*

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