2025

Third Quarter FINANCIAL RESULTS

AUTOCAN.CA

Condensed Interim Consolidated Financial Statements (Unaudited)

Three-month and nine-month periods ended September 30, 2025

AutoCanada Inc.

Condensed Interim Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)
(in thousands of Canadian dollars except for share and per share amounts)

	Three-month period ended		Nine-month period ended	
	September 30, 2025 $	September 30, 2024 Revised (1) $	September 30, 2025 $	September 30, 2024 Revised (1) $
Continuing operations				
Revenue (Note 6)	1,201,457	1,412,525	3,779,756	4,005,712
Cost of sales (Note 7)	(1,014,046)	(1,171,537)	(3,168,942)	(3,346,389)
Gross profit	187,411	240,988	610,814	659,323
Operating expenses (Note 8)	(161,807)	(180,274)	(507,420)	(541,733)
Operating profit before other income and expense	25,604	60,714	103,394	117,590
Lease and other income, net	2,510	2,973	6,403	6,558
(Loss) gain on disposal of assets, net	(106)	1,876	13,809	24,502
Net impairment gain (losses) on trade and other receivables	161	(462)	(1,145)	(2,062)
Impairment of non-financial assets (Note 17)	(4,015)	(582)	(6,395)	(7,782)
Operating profit	24,154	64,519	116,066	138,806
Finance costs (Note 9)	(25,970)	(35,848)	(79,758)	(96,124)
Finance income (Note 9)	236	1,497	968	2,283
(Loss) gain on redemption liabilities	(171)	1,269	970	627
Other (losses) gains, net	(2,353)	69	(3,617)	417
(Loss) income for the period before taxation from continuing operations	(4,104)	31,506	34,629	46,009
Income tax (recovery) expense (Note 10)	(1,203)	4,347	8,912	6,862
Net (loss) income for the period from continuing operations	(2,901)	27,159	25,717	39,147
Net income (loss) for the period from discontinued operations (Note 15)	19,668	(20,106)	6,777	(67,529)
Net income (loss) for the period	16,767	7,053	32,494	(28,382)
Other comprehensive (loss) income				
Items that may be reclassified to profit or loss				
Foreign operations currency translation	1,719	(552)	(5,143)	2,407
Reclassification of cumulative foreign operations currency translation on discontinued operations (Note 15)	(4,946)	—	(4,946)	—
Change in fair value of hedging instruments (Note 21)	—	—	—	(206)
Income tax relating to these items (Note 10)	—	—	(1,226)	51
Other comprehensive (loss) income for the period	(3,227)	(552)	(11,315)	2,252
Comprehensive income (loss) for the period	13,540	6,501	21,179	(26,130)
Net income (loss) for the period attributable to:				
AutoCanada shareholders	16,102	5,992	29,635	(30,697)
Non-controlling interests	665	1,061	2,859	2,315
	16,767	7,053	32,494	(28,382)
Net income (loss) for the period attributable to AutoCanada shareholders arises from:				
Continuing operations	(3,566)	26,098	22,858	36,832
Discontinued operations	19,668	(20,106)	6,777	(67,529)
	16,102	5,992	29,635	(30,697)
Comprehensive income (loss) for the period attributable to:				
AutoCanada shareholders	12,875	5,440	18,320	(28,445)
Non-controlling interests	665	1,061	2,859	2,315
	13,540	6,501	21,179	(26,130)

AutoCanada Inc.

Condensed Interim Consolidated Statements of Comprehensive Income (Loss) (continued)

(Unaudited)

(in thousands of Canadian dollars except for share and per share amounts)

	Three-month period ended		Nine-month period ended	
	September 30, 2025 $	September 30, 2024 Revised (1) $	September 30, 2025 $	September 30, 2024 Revised (1) $
Comprehensive income (loss) for the period attributable to AutoCanada shareholders arises from:				
Continuing operations	(2,074)	26,098	16,599	36,677
Discontinued operations	14,949	(20,658)	1,721	(65,122)
	12,875	5,440	18,320	(28,445)
Net income (loss) per share attributable to AutoCanada shareholders:				
Basic from continuing operations	(0.15)	1.13	0.99	1.58
Basic from discontinued operations	0.85	(0.87)	0.29	(2.89)
Basic	0.70	0.26	1.28	(1.31)
Diluted from continuing operations	(0.14)	1.09	0.94	1.58
Diluted from discontinued operations	0.80	(0.84)	0.28	(2.89)
Diluted	0.66	0.25	1.22	(1.31)
Weighted average shares				
Basic (Note 23)	23,089,896	23,167,774	23,125,643	23,374,538
Diluted (Note 23)	24,643,822	23,835,049	24,399,510	23,374,538

[1] *Comparative period revised to reflect current period presentation. See Note 15 - "Discontinued Operations" for additional information*

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

AutoCanada Inc.

Condensed Interim Consolidated Statements of Financial Position
(in thousands of Canadian dollars)

	September 30, 2025 (Unaudited) $	December 31, 2024 $
ASSETS		
Current assets		
Cash	91,890	67,343
Trade and other receivables (Note 12)	178,284	173,568
Inventories (Note 13)	836,756	947,278
Current tax recoverable	16,430	10,205
Other current assets (Note 18)	15,945	11,993
Derivative financial instrument (Note 21)	—	376
	1,139,305	1,210,763
Assets held for sale (Note 14)	218,186	332,693
Total current assets	1,357,491	1,543,456
Property and equipment (Note 16)	297,716	312,014
Right-of-use assets	342,319	389,958
Other long-term assets (Note 18)	12,483	16,501
Deferred income tax	12,154	18,840
Intangible assets	612,616	630,467
Goodwill	90,059	94,592
Total assets	2,724,838	3,005,828
LIABILITIES		
Current liabilities		
Trade and other payables (Note 19)	181,561	177,473
Revolving floorplan facilities (Note 20)	904,936	1,010,579
Current tax payable	—	3,766
Vehicle repurchase obligations	2,825	3,705
Indebtedness (Note 20)	1,688	24,108
Lease liabilities	25,496	35,780
Redemption liabilities	22,095	23,066
Other liabilities (Note 21)	19,877	11,063
Derivative financial instruments (Note 21)	495	1,741
	1,158,973	1,291,281
Liabilities directly associated with assets held for sale (Note 14)	85,108	201,966
Total current liabilities	1,244,081	1,493,247
Long-term indebtedness (Note 20)	504,177	517,543
Long-term lease liabilities	386,687	421,392
Long-term redemption liabilities	25,000	25,000
Derivative financial instruments (Note 21)	10,193	8,705
Deferred income tax	48,057	44,613
Total liabilities	2,218,195	2,510,500
EQUITY		
Attributable to AutoCanada shareholders	484,251	468,027
Attributable to non-controlling interests	22,392	27,301
Total equity	506,643	495,328
	2,724,838	3,005,828

Commitments (Note 16)

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

AutoCanada Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited)
(in thousands of Canadian dollars)

	Attributable to AutoCanada shareholders								
	Share capital $	Treasury shares $	Contributed surplus $	Share repurchase (deficit) $	Cumulative translation adjustment $	Retained earnings $	Total capital $	Non-controlling interests $	Total equity $
Balance, January 1, 2025	**426,146**	**(315)**	**7,591**	**(52,981)**	**15,921**	**71,665**	**468,027**	**27,301**	**495,328**
Net income	—	—	—	—	—	29,635	29,635	2,859	32,494
Other comprehensive loss	—	—	—	—	(6,369)	—	(6,369)	—	(6,369)
Reclassification of cumulative foreign currency translation on discontinued operations (Note 15)	—	—	—	—	(4,946)	—	(4,946)	—	(4,946)
Dividends paid by subsidiaries to non-controlling interests	—	—	—	—	—	—	—	(6,791)	(6,791)
Acquisition of non-controlling interests	—	—	(33)	—	—	—	(33)	(977)	(1,010)
Forward share purchase (Note 21)	—	—	—	(8,814)	—	—	(8,814)	—	(8,814)
Settlement of share-based awards	—	—	(729)	—	—	—	(729)	—	(729)
Treasury shares acquired (Note 23)	—	(2,027)	—	—	—	—	(2,027)	—	(2,027)
Deferred tax on share-based payments	—	—	1,283	—	—	—	1,283	—	1,283
Shares settled from treasury (Note 23)	—	1,004	(1,004)	—	—	—	—	—	—
Share-based compensation (Note 22)	—	—	8,224	—	—	—	8,224	—	8,224
Balance, September 30, 2025	**426,146**	**(1,338)**	**15,332**	**(61,795)**	**4,606**	**101,300**	**484,251**	**22,392**	**506,643**

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

AutoCanada Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited)
(in thousands of Canadian dollars)

	Attributable to AutoCanada shareholders									
	Share capital $	Treasury shares $	Contributed surplus $	Share repurchase (deficit) $	Cumulative translation adjustment $	OCI hedge reserve $	Retained earnings $	Total capital $	Non-controlling interests $	Total equity $
Balance, January 1, 2024	**434,632**	**(319)**	**4,117**	**(51,525)**	**7,889**	**155**	**139,898**	**534,847**	**29,982**	**564,829**
Net (loss) income	—	—	—	—	—	—	(30,697)	(30,697)	2,315	(28,382)
Other comprehensive income (loss)	—	—	—	—	2,407	(155)	—	2,252	—	2,252
Dividends paid by subsidiaries to non-controlling interests	—	—	—	—	—	—	—	—	(4,294)	(4,294)
Non-controlling interests issued	—	—	—	—	—	—	—	—	2,020	2,020
Repurchase of common shares under the Normal Course Issuer Bid (Note 23)	(8,486)	—	—	(1,456)	—	—	—	(9,942)	—	(9,942)
Acquisition of non-controlling interests	—	—	(1,749)		—	—	—	(1,749)	(3,750)	(5,499)
Settlement of share-based awards	—	—	(1,558)	—	—	—	—	(1,558)	—	(1,558)
Treasury shares acquired (Note 23)	—	(1,625)	—	—	—	—	—	(1,625)	—	(1,625)
Deferred tax on share-based payments	—	—	37	—	—	—	—	37	—	37
Shares settled from treasury (Note 23)	—	1,629	(1,629)	—	—	—	—	—	—	—
Share-based compensation (Note 22)	—	—	6,274	—	—	—	—	6,274	—	6,274
Balance, September 30, 2024	**426,146**	**(315)**	**5,492**	**(52,981)**	**10,296**	**—**	**109,201**	**497,839**	**26,273**	**524,112**

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

AutoCanada Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)
(in thousands of Canadian dollars)

	Three-month period ended		Nine-month period ended	
	September 30, 2025 $	September 30, 2024 $	September 30, 2025 $	September 30, 2024 $
Cash provided by (used in):				
Operating activities				
Net income (loss) for the period	16,767	7,053	32,494	(28,382)
Adjustments for:				
Income tax (recovery) expense (Note 10)	(1,203)	4,365	8,912	20,466
Finance costs (Note 9, 15)	29,455	42,768	92,209	116,110
Depreciation of right-of-use assets (Note 8)	7,964	9,013	24,383	26,375
Depreciation of property and equipment (Note 8)	4,831	6,428	15,488	19,074
Amortization of intangible assets (Note 8)	206	126	454	377
(Gain) loss on disposal of assets, net	(7,411)	197	(21,089)	(22,429)
Share-based compensation (Note 22)	4,241	1,873	8,224	6,274
Unrealized fair value changes on foreign exchange forward contracts (Note 21)	897	(112)	(1,246)	2,079
Loss (gain) on redemption liabilities	171	(1,269)	(970)	(627)
(Recovery) impairment of non-financial assets (Note 15, 17)	(8,346)	597	(2,597)	19,106
Net change in non-cash working capital (Note 26)	(38,697)	(44,809)	(39,136)	954
	8,875	26,230	117,126	159,377
Income taxes recovered (paid)	293	19,043	(8,758)	2,494
Interest paid	(33,223)	(42,140)	(93,910)	(114,095)
Settlement of share-based awards, net	(500)	(167)	(729)	(1,247)
	(24,555)	2,966	13,729	46,529
Investing activities				
Business acquisitions, net of cash acquired	—	—	—	(20,197)
Purchases of property and equipment	(4,078)	(5,710)	(14,221)	(25,731)
Purchases of intangible assets	(172)	(70)	(300)	(742)
Adjustments to prior year business acquisitions	—	(1)	(46)	(506)
Proceeds on sale of property and equipment	7,369	2,295	8,474	53,923
Proceeds on divestiture of dealership (Note 27)	40,857	33,211	44,148	33,211
Proceeds on termination of loan agreement with subsidiary (Note 27)	—	—	30,107	—
Proceeds on franchise termination (Note 27)	—	—	894	—
	43,976	29,725	69,056	39,958
Financing activities				
Proceeds from indebtedness	189,966	142,058	575,721	495,071
Repayment of indebtedness	(186,824)	(133,823)	(615,329)	(490,228)
Repurchase of common shares under Normal Course Issuer Bid	—	(2,220)	—	(9,942)
Shares settled from treasury, net (Note 23)	(1,211)	185	(1,023)	4
Payments for purchase of Used Digital Division minority interest	—	—	—	(22,500)
Dividends paid to non-controlling interests	—	—	(6,791)	(4,294)
Repayment of loans by non-controlling interests	—	725	—	2,961
Acquisition of non-controlling interests	—	(5,499)	(1,010)	(5,499)
Principal portion of lease payments, net	(6,805)	(7,499)	(25,020)	(23,253)
	(4,874)	(6,073)	(73,452)	(57,680)

AutoCanada Inc.

Condensed Interim Consolidated Statements of Cash Flows (continued)

(Unaudited)
(in thousands of Canadian dollars)

	Three-month period ended		Nine-month period ended	
	September 30, 2025 $	**September 30, 2024 $**	**September 30, 2025 $**	**September 30, 2024 $**
Effect of exchange rate changes on cash	(1,525)	(16)	356	847
Net increase in cash	13,022	26,602	9,689	29,654
Cash at beginning of period per balance sheet	62,409	106,198	67,343	103,146
Cash at beginning of period included in assets held for sale related to discontinued operations (Note 15)	41,606	—	40,005	—
Cash at end of period	117,037	132,800	117,037	132,800
Included in cash per balance sheet	91,890	132,800	91,890	132,800
Included in the assets held for sale of the discontinued operations (Note 15)	25,147	—	25,147	—

Cash flows of discontinued operations (Note 15)

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

1 General information

AutoCanada Inc. ("AutoCanada" or the "Company") is incorporated in Alberta, Canada with common shares listed on the Toronto Stock Exchange ("TSX") under the symbol of "ACQ". The business of AutoCanada, held in its subsidiaries, is the operation of franchised automobile dealerships and related businesses in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, and in the State of Illinois in the United States. The Company offers a diversified range of automotive products and services, including new vehicles, used vehicles, vehicle leasing, vehicle parts, vehicle maintenance and collision repair services, extended service contracts, vehicle protection products and after-market products. The Company also arranges financing and insurance for vehicles purchased by its customers through third-party finance and insurance sources. The address of its registered office is 200, 15511 123 Avenue NW, Edmonton, Alberta, Canada, T5V 0C3.

2 Basis of presentation

These condensed interim consolidated financial statements ("Interim Financial Statements") have been prepared in accordance with IFRS Accounting Standards (as issued by the International Accounting Standards Board) applicable to preparation of interim financial statements under International Accounting Standard 34, Interim Financial Reporting. These Interim Financial Statements do not include all the disclosures normally provided in the annual audited consolidated financial statements ("Annual Financial Statements") and should be read in conjunction with the Annual Financial Statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards.

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 RightRide division in its Canadian Operations and retail automobile dealerships in its U.S. Operations have been classified and presented as discontinued operations (Note 15).

These Interim Financial Statements were approved by the Board of Directors on November 13, 2025.

3 Material accounting policy information

The material accounting policies used in the preparation of these Interim Financial Statements are the same accounting policies and method of computation as disclosed in the Annual Financial Statements for the year ended December 31, 2024, except for the addition of a foreign operations currency translation accounting policy, as a result of the return of capital from the U.S. Operations, as set out below:

Foreign operations currency translation

The Company uses the indirect method of consolidation and on disposal and partial disposal (including return of capital) of a foreign operation the proportionate share of exchanges differences accumulated in a foreign exchange translation reserve is reclassified to profit and loss.

4 New and amended accounting standards issued

Accounting standards and amendments issued and adopted in 2025

The Company has adopted amendments to various standards effective January 1, 2025, which did not have a significant impact to these Interim Financial Statements. The Company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

5 Critical accounting estimates

Except as otherwise noted, the critical accounting estimates, judgments, and measurement uncertainty used in the preparation of these Interim Financial Statements are the same as disclosed in the Annual Financial Statements for the year ended December 31, 2024.

6 Revenue

	Three-month period ended		Nine-month period ended	
	September 30, 2025 $	September 30, 2024 Revised [1] $	September 30, 2025 $	September 30, 2024 Revised [1] $
New vehicles	550,832	629,421	1,719,234	1,730,742
Used vehicles	417,955	524,916	1,354,842	1,540,034
Parts and service	125,044	144,000	385,403	411,773
Collision repair	37,519	31,487	116,265	94,651
Finance, insurance and other	70,107	82,701	204,012	228,512
Revenue	1,201,457	1,412,525	3,779,756	4,005,712

[1] *Comparative period revised to reflect current period presentation for reclassification of discontinued operations (Note 15).*

7 Cost of sales

	Three-month period ended		Nine-month period ended	
	September 30, 2025 $	September 30, 2024 Revised [1] $	September 30, 2025 $	September 30, 2024 Revised [1] $
New vehicles	517,206	584,899	1,608,655	1,600,651
Used vehicles	409,146	498,671	1,301,453	1,492,781
Parts and service	57,448	66,836	172,761	186,636
Collision repair	20,185	13,960	64,172	46,698
Finance, insurance and other	10,061	7,171	21,901	19,623
Cost of sales	1,014,046	1,171,537	3,168,942	3,346,389

[1] *Comparative period revised to reflect current period presentation for reclassification of discontinued operations (Note 15).*

8 Operating expenses

	Three-month period ended		Nine-month period ended	
	September 30, 2025 $	September 30, 2024 Revised [1] $	September 30, 2025 $	September 30, 2024 Revised [1] $
Employee costs	102,448	110,237	315,004	335,762
Administrative costs	45,341	54,559	149,904	161,733
Facility lease costs	1,017	1,769	2,187	3,128
Depreciation of right-of-use assets	7,964	7,787	24,383	23,648
Depreciation of property and equipment	4,831	5,796	15,488	17,085
Amortization of intangible assets	206	126	454	377
Operating expenses	161,807	180,274	507,420	541,733

[1] *Comparative period revised to reflect current period presentation for reclassification of discontinued operations (Note 15).*

9 Finance costs and finance income

	Three-month period ended		Nine-month period ended	
	September 30, 2025 $	September 30, 2024 Revised [1] $	September 30, 2025 $	September 30, 2024 Revised [1] $
Finance costs				
Interest on long-term indebtedness	8,935	6,396	25,348	18,051
Interest on lease liabilities	7,463	8,193	22,763	23,462
Unrealized fair value changes on non-hedging instruments (Note 21)	745	5,380	1,866	6,314
	17,143	19,969	49,977	47,827
Floorplan financing	8,871	15,923	28,152	50,344
Interest rate swap settlements (Note 21)	457	(1,133)	851	(4,158)
Other finance costs	(501)	1,089	778	2,111
	25,970	35,848	79,758	96,124
Finance income				
Interest on net investment in finance lease	14	15	41	44
Short-term bank deposits	222	1,482	927	2,239
	236	1,497	968	2,283

1 *Comparative period revised to reflect current period presentation for reclassification of discontinued operations (Note 15).*

10 Taxation

Components of income tax were as follows:

	Three-month period ended		Nine-month period ended	
	September 30, 2025 $	September 30, 2024 Revised [1] $	September 30, 2025 $	September 30, 2024 Revised [1] $
Current tax	(3,245)	3,079	48	7,189
Deferred tax	2,042	1,268	8,864	(327)
Total income tax (recovery) expense	(1,203)	4,347	8,912	6,862

1 *Comparative period revised to reflect current period presentation for reclassification of discontinued operations (Note 15).*

The tax expense recognized in other comprehensive income (loss) during the period:

	Three-month period ended		Nine -month period ended	
	September 30, 2025 $	September 30, 2024 $	September 30, 2025 $	September 30, 2024 $
Tax expense on repurchase of preferred shares in U.S. Operations	—	—	1,226	—
Tax recovery relating to change in fair value of hedging instruments	—	—	—	(51)
Total income tax expense (recovery)	—	—	1,226	(51)

	Three-month period ended		Nine-month period ended	
	September 30, 2025 $	**September 30, 2024 $**	**September 30, 2025 $**	**September 30, 2024 $**
Continuing operations:				
Current income tax (recovery) expense	(3,245)	3,079	48	7,189
Deferred income tax expense (recovery)	2,042	1,268	8,864	(327)
	(1,203)	4,347	8,912	6,862
Discontinued operation:				
Deferred income tax expense	—	18	—	13,604
	—	18	—	13,604
Total income tax (recovery) expense	(1,203)	4,365	8,912	20,466

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual statutory tax rate used for the nine-month period ended September 30, 2025 was 25.5% (2024 - 25.4%).

11 Business acquisitions

Prior year business acquisitions

During the nine-month period ended September 30, 2025, provisional amounts that were previously disclosed in the Annual Financial Statements for the year ended December 31, 2024, were finalized for Nurse Chevrolet Cadillac and Collision Centre. During the nine-month period ended September 30, 2025, new information was obtained about circumstances that existed at the acquisition date, which resulted in certain adjustments to the fair value of net identifiable assets acquired. These adjustments are not significant and have been adjusted for prospectively in these Interim Financial Statements.

12 Trade and other receivables

	September 30, 2025 $	**December 31, 2024 $**
Trade receivables	140,969	137,831
Sales tax receivable	29,886	29,363
Other receivables	9,643	8,324
	180,498	175,518
Less: Expected loss allowance	(2,214)	(1,950)
Trade and other receivables	178,284	173,568

13 Inventories

	September 30, 2025 $	**December 31, 2024 $**
New vehicles	408,900	487,955
Demonstrator vehicles	65,372	78,919
Used vehicles	317,422	333,933
Parts and accessories	45,062	46,471
Inventories	836,756	947,278

Amounts recognized in the Condensed Interim Consolidated Statements of Comprehensive Income (Loss):

	Three-month period ended		Nine-month period ended	
	September 30, 2025 $	September 30, 2024 Revised (1) $	September 30, 2025 $	September 30, 2024 Revised (1) $
Inventory expensed as cost of sales	1,001,619	1,156,372	3,108,478	3,313,194
Writedowns on vehicles included in cost of sales	6,153	8,596	20,932	27,212
Demonstrator expenses included in administrative costs	903	2,157	3,078	3,904

[1] *Comparative period revised to reflect current period presentation for reclassification of discontinued operations (Note 15).*

14 Assets and liabilities held for sale

Land and buildings

The Company has committed to a plan to sell specific properties consisting of land and buildings in Alberta, Ontario, and Manitoba, which are included in the Canadian Operations. The net assets have been classified as held for sale in the Condensed Interim Consolidated Statements of Financial Position.

On May 29, 2025, the Company completed the sale of a property consisting of land and buildings in New Brunswick for cash consideration of $800. The property was previously held for sale as at March 31, 2025. A gain of $140 was recognized on the sale.

As at September 30, 2025, the assets held for sale in the Canadian Operations segment include land and buildings of $12,762 (2024 - $6,658).

Used vehicle auction business

During the nine-month period ended September 30, 2025, the Company completed the sale of Northern Auto Auctions of Canada Inc. ("North Toronto Auction") in the Canadian Operations segment for cash consideration of $3,291 (Note 27). North Toronto Auction was previously held for sale as at March 31, 2025. A loss of $1,513 was recognized on the sale.

Dealership associated with continuing operations

The Company has committed to a plan to sell substantially all of the operating and fixed assets of one dealership in Ontario, which is included in the Canadian Operations segment, as part of our regular evaluation of dealership optimization. The assets of the dealership have been reclassified as held for sale as at September 30, 2025.

Dealerships associated with discontinued operation

During the nine-month period ended September 30, 2025, the Company completed the sale of four dealerships and terminated a dealership franchise in the U.S. Operations segment for cash consideration of $41,751, net of transaction costs (Note 27). The four dealerships and the dealership franchise were previously held for sale as at December 31, 2024. A gain of $1,728 was recognized on the sale.

The reconciliation of assets held for sale on the Consolidated Statements of Financial Position is as follows:

				September 30, 2025	December 31, 2024
		Canadian Operations	U.S. Operations		
	Land and buildings $	Dealerships $	Dealerships $	Total $	Total $
Assets held for sale from continuing operations:					
Trade and other receivables	—	1,270	—	1,270	—
Inventories	—	6,952	—	6,952	—
Property and equipment	12,762	202	—	12,964	6,658
Intangible assets	—	3,464	—	3,464	—
Other assets	—	67	—	67	—
	12,762	11,955	—	24,717	6,658
Assets held for sale directly associated with discontinued operation (Note 15)	—	—	193,469	193,469	326,035
Assets held for sale	12,762	11,955	193,469	218,186	332,693
Liabilities directly associated with assets held for sale from discontinued operation (Note 15)	—	—	85,108	85,108	201,966
Liabilities directly associated with assets held for sale	—	—	85,108	85,108	201,966

Prior year impairment charge as a result of reclassification as held for sale

During the nine-month period ended September 30, 2024, the Company recorded an impairment charge of $7,782 related to a dealership in the Canadian Operations segment that was determined to be impaired. The impairment charge was allocated to intangible assets as goodwill was previously fully impaired.

15 Discontinued operations

On 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 continue to be reported as a discontinued operation for the nine-month period ended September 30, 2025.

On March 4, 2025, the Company closed all remaining locations within its RightRide division, which are included within the Canadian Operations segment. The Company's RightRide division is reported as a discontinued operation for the nine-month period ended September 30, 2025. The Company recorded an impairment charge of $3,369 (2024 - $nil) related to right-of-use assets that were determined to be impaired as a result of the classification as a discontinued operation.

During the nine-month period ended September 30, 2025, the Company recognized a recovery of previously impaired intangible assets of $12,361 related to the sale of two retail automobile dealerships in the U.S. Operations segment (Note 27) (2024 - $11,324 impairment for three dealerships in the U.S. Operations segment).

Financial performance and cash flow information

The financial performance and cash flow information for the three-month and nine-month periods ended September 30, 2025, and September 30, 2024 is summarized as follows:

	Three-month period ended September 30, 2025			Three-month period ended September 30, 2024		
	RightRide $	Retail Automobile Dealerships - U.S. Operations $	Total $	RightRide $	Retail Automobile Dealerships - U.S. Operations $	Total $
Revenue	—	106,927	106,927	27,118	188,219	215,337
Cost of sales	—	(86,783)	(86,783)	(27,369)	(163,964)	(191,333)
Gross profit (loss)	—	20,144	20,144	(251)	24,255	24,004
Operating expenses	(972)	(21,269)	(22,241)	(4,201)	(31,211)	(35,412)
Operating (loss) income before other income and expense	(972)	(1,125)	(2,097)	(4,452)	(6,956)	(11,408)
Lease and other income, net	3	423	426	28	300	328
Gain on dealerships disposed (Note 27)	—	834	834	—	—	—
Loss on disposal of assets, net	—	(759)	(759)	(2,073)	—	(2,073)
Gain on lease terminations	2,561	11,471	14,032	—	—	—
Write off of leasehold improvements	—	(6,590)	(6,590)	—	—	—
Recovery (Impairment) of non-financial assets	—	12,361	12,361	—	(15)	(15)
Operating income (loss)	1,592	16,615	18,207	(6,497)	(6,671)	(13,168)
Finance costs	(45)	(3,440)	(3,485)	(240)	(6,680)	(6,920)
Recycled cumulative foreign currency translation on return of capital	—	4,946	4,946	—	—	—
Income (loss) for the period before taxation from discontinued operations	1,547	18,121	19,668	(6,737)	(13,351)	(20,088)
Income tax expense (Note 10)	—	—	—	—	18	18
Net income (loss) from discontinued operations	1,547	18,121	19,668	(6,737)	(13,369)	(20,106)
Exchange differences on translation of discontinued operations	—	1,719	1,719	—	(552)	(552)
Recycled cumulative foreign currency translation on return of capital	—	(4,946)	(4,946)	—	—	—
Other comprehensive loss from discontinued operations	—	(3,227)	(3,227)	—	(552)	(552)

	Nine-month period ended September 30, 2025			Nine-month period ended September 30, 2024		
	RightRide $	**Retail Automobile Dealerships - U.S. Operations $**	**Total $**	**RightRide $**	**Retail Automobile Dealerships - U.S. Operations $**	**Total $**
Revenue	9,946	410,948	420,894	84,039	560,018	644,057
Cost of sales	(9,428)	(340,311)	(349,739)	(78,015)	(481,370)	(559,385)
Gross profit	518	70,637	71,155	6,024	78,648	84,672
Operating expenses	(3,153)	(70,085)	(73,238)	(12,685)	(93,207)	(105,892)
Operating (loss) income before other income and expense	(2,635)	552	(2,083)	(6,661)	(14,559)	(21,220)
Lease and other (losses) income, net	(424)	517	93	32	646	678
Gain on dealerships disposed (Note 27)	—	1,728	1,728	—	—	—
Loss on disposal of assets, net	(1,118)	(772)	(1,890)	(2,073)	—	(2,073)
Gain on lease terminations	2561	11,471	14,032	—	—	—
Write off of leasehold improvements	—	(6,590)	(6,590)	—	—	—
(Impairment) recovery of non-financial assets	(3,369)	12,361	8,992	—	(11,324)	(11,324)
Operating (loss) income	(4,985)	19,267	14,282	(8,702)	(25,237)	(33,939)
Finance costs	(214)	(12,237)	(12,451)	(912)	(19,074)	(19,986)
Recycled cumulative foreign currency translation on return of capital	—	4,946	4,946	—	—	—
(Loss) income for the period before taxation from discontinued	(5,199)	11,976	6,777	(9,614)	(44,311)	(53,925)
Income tax expense (Note 10)	—	—	—	—	13,604	13,604
Net (loss) income from discontinued operations	(5,199)	11,976	6,777	(9,614)	(57,915)	(67,529)
Exchange differences on translation of discontinued operations	—	(5,143)	(5,143)	—	2,407	2,407
Reclassification of cumulative foreign currency translation of discontinued operations	—	(4,946)	(4,946)	—	—	—
Other comprehensive (loss) income from discontinued operations	—	(10,089)	(10,089)	—	2,407	2,407

	Three-month period ended		Nine-month period ended	
	September 30, 2025 $	**September 30, 2024 $**	**September 30, 2025 $**	**September 30, 2024 $**
Net cash (outflow) inflow from operating activities	(23,390)	6,443	(20,211)	30,551
Net cash inflow (outflow) from investing activities	8,473	584	7,506	(7,990)
Net cash outflow from financing activities	(1,376)	(3,315)	(5,246)	(9,461)
Net (decrease) increase in cash from discontinued operations	(16,293)	3,712	(17,951)	13,100

The following assets and liabilities relate to the discontinued operations as at September 30, 2025:

	September 30, 2025 $	**December 31, 2024 $**
Current assets:		
Cash	17,813	—
Trade and other receivables	4,825	—
Inventories	2,042	—
Other current assets	108	—
Assets held for sale directly associated with discontinued operation (Note 14)	193,469	326,035
	218,257	326,035
Property and equipment	3	—
	218,260	326,035
Current liabilities:		
Trade and other payables	829	—
Revolving floorplan facilities	913	—
Lease liabilities	396	—
Other liabilities	—	—
Liabilities directly associated with assets held for sale from discontinued operation (Note 14)	85,108	201,966
	87,246	201,966
Long-term lease liabilities	1,671	—
	88,917	201,966

The following assets and liabilities were classified as held for sale in relation to the Company's retail automobile dealerships in its U.S. Operations segment, which is a discontinued operation, as at September 30, 2025:

	September 30, 2025 $	December 31, 2024 $
Current assets:		
Cash	25,147	40,005
Trade and other receivables	16,183	28,389
Inventories	71,730	127,456
Current tax recoverable	—	1,203
Other current assets	92	369
	113,152	197,422
Property and equipment	24,139	47,619
Right-of-use assets	26,063	40,555
Intangible assets	27,045	36,762
Goodwill	3,070	3,677
Assets held for sale directly associated with discontinued operation	193,469	326,035
Current liabilities:		
Trade and other payables	13,100	47,904
Revolving floorplan facilities	31,308	79,789
Lease liabilities	12,598	7,472
Other liabilities	444	1,373
	57,450	136,538
Long-term lease liabilities	27,658	65,313
Other long-term liabilities	—	115
Liabilities directly associated with assets held for sale directly associated with discontinued operation	85,108	201,966

The cumulative foreign exchange gains recognized in other comprehensive income in relation to the discontinued operations as at September 30, 2025 were $5,832 (2024 - $10,296).

16 Property and equipment

During the nine-month period ended September 30, 2025, the Company purchased land and buildings of $105 (2024 - $nil) and equipment of $12,918 (2024 - $20,746).

Capital commitments

As at September 30, 2025, the Company is committed to capital expenditure obligations in the amount of $1,583 (2024 - $85) related to dealership reimagings and other renovations with expected completion of these commitments in 2025.

17 Impairment of non-financial assets

Intangible assets consist of rights under franchise agreements with automobile manufacturers and internally generated software costs. Intangible assets and goodwill are tested for impairment annually as at December 31 or more frequently, if events or changes in circumstances indicate that they may be impaired.

During the nine-month period ended September 30, 2025, the Company determined there were indicators of impairment as a result of specific CGUs that had actual results that fell short of previous estimates. The Company performed an interim test for impairment of indefinite-lived identifiable intangible assets in these specific CGUs as at September 30, 2025 and recorded an impairment charge on indefinite-lived identifiable intangible assets of $4,015 for three dealerships in the Canadian Operations segment (2024 - $7,782).

During the nine-month period ended September 30, 2025, the Company recorded an impairment charge for abandoned internally generated software costs of $2,380 (2024 - $nil) in the Canadian Operations segment.

The valuation methodology used to assess the recoverable value of the CGUs uses level 2 inputs, indirectly derived from the market, where possible, for key assumptions such as the discount rate. Where level 2 inputs are not available, as is the case with the growth rate, the Company uses level 3 inputs, which are unobservable to the market, but reflect management's best estimates from historical performance and expectations for the future. The Company did not make any material changes to the valuation methodology and significant assumptions used to assess impairment in the current period.

18 Other assets

	September 30, 2025 $		December 31, 2024 $	
	Current	**Long-term**	**Current**	**Long-term**
Prepaid expenses	15,749	1,465	11,923	2,092
Other assets	—	10,345	—	13,557
Net investment in lease	196	673	70	852
Other assets	15,945	12,483	11,993	16,501

Other assets $10,345 (2024 - $13,557) relates to long-term loans receivable from the respective non-controlling interests.

19 Trade and other payables

	September 30, 2025 $	December 31, 2024 $
Trade payables	49,477	76,789
Accruals and provisions	66,495	36,687
Sales tax payable	31,904	30,300
Wages and withholding taxes payable	33,685	33,697
Trade and other payables	181,561	177,473

20 Revolving floorplan facilities and indebtedness

	September 30, 2025 $	December 31, 2024 $
Revolving floorplan facilities	**904,936**	**1,010,579**
Indebtedness		
Revolving term facilities		
Revolving term facility	121,100	156,931
Unamortized deferred financing costs	(1,606)	(2,053)
	119,494	154,878
Non-revolving term facilities		
Non-recourse mortgages	39,006	40,104
Unamortized deferred financing costs	(12)	(45)
	38,994	40,059
Senior unsecured notes		
Senior unsecured notes	350,000	350,000
Unamortized deferred financing costs	(3,025)	(3,700)
	346,975	346,300
Other debt		
Other long-term debt	402	414
Total indebtedness	**505,865**	**541,651**
Current indebtedness	1,688	24,108
Long-term indebtedness	504,177	517,543

Credit facility change

On March 31, 2025, the Company obtained lender consent to change its syndicated credit agreement to increase the Company's maximum permitted Total Net Funded Debt to EBITDA Ratio from 5.50:1.00 to 6.00:1.00 for the period from April 1, 2025 to June 30, 2025. On July 1, 2025, the Company's maximum permitted Total Net Funded Debt to EBITDA Ratio reverted to 4.50:1.00 and on October 1, 2025, the Company's maximum permitted Total Net Funded Debt to EBITDA Ratio will revert to 4.00:1.00 (Note 25).

The Company was in compliance with its debt covenants as at September 30, 2025.

21 Derivative financial instruments and other liabilities

Derivative financial instruments are held for the purpose of managing exposures to fluctuations in foreign exchange rates and interest rates.

The fair values and notional amounts of derivative financial instruments are as follows:

	Foreign exchange forward contracts Non-hedges $	Interest rate swaps Non-hedges $	Total $
September 30, 2025			
Derivative financial instruments - current liabilities	495	—	495
Derivative financial instruments - non-current liabilities	—	10,193	10,193
Notional values	34,300 USD	302,800 CAD	
Maturity (Year)	2025	2026 - 2030	
December 31, 2024			
Derivative financial instruments - current assets	—	376	376
Derivative financial instruments - current liabilities	1,741	—	1,741
Derivative financial instruments - non current liabilities	—	8,705	8,705
Notional values	56,800 USD	480,600 CAD	
Maturity (Year)	2025	2025 - 2030	

Unrealized and realized pre-tax gains and (losses) on derivative instruments recognized in net loss and other comprehensive income on the Condensed Interim Consolidated Statements of Comprehensive Income (Loss):

	Net income $	Other comprehensive income $	Total $
For the three-month period ended September 30, 2025			
Unrealized fair value changes on non-hedging instruments (Note 9)	(745)	—	(745)
Interest rate swap settlements (Note 9)	(457)	—	(457)
Unrealized fair value changes on foreign exchange forward contracts	(897)	—	(897)
Realized loss on foreign exchange forward contracts	(402)	—	(402)
	(2,501)	—	(2,501)
For the nine-month period ended September 30, 2025			
Unrealized fair value changes on non-hedging instruments (Note 9)	(1,866)	—	(1,866)
Interest rate swap settlements (Note 9)	(851)	—	(851)
Unrealized fair value changes on foreign exchange forward contracts	1,246	—	1,246
Realized loss on foreign exchange forward contracts	(328)	—	(328)
	(1,799)	—	(1,799)
For the three-month period ended September 30, 2024			
Unrealized fair value changes on non-hedging instruments (Note 9)	(5,380)	—	(5,380)
Interest rate swap settlements (Note 9)	1,133	—	1,133
Unrealized fair value changes on foreign exchange forward contracts	112	—	112
Realized gain on foreign exchange forward contracts	27	—	27
	(4,108)	—	(4,108)
For the nine-month period ended September 30, 2024			
Change in fair value of hedging instruments	—	(206)	(206)
Unrealized fair value changes on non-hedging instruments (Note 9)	(6,314)	—	(6,314)
Interest rate swap settlements (Note 9)	4,158	—	4,158
Unrealized fair value changes on foreign exchange forward contracts	(2,079)	—	(2,079)
Realized loss on foreign exchange forward contracts	(555)	—	(555)
	(4,790)	(206)	(4,996)

Other liabilities

Equity forward liability

On June 13, 2025, the Company amended one of its existing equity forward agreements on 100,000 common shares to extend the settlement date to December 17, 2026.

On June 23, 2025, the Company amended one of its existing equity forward agreements to increase the number of common shares from 100,000 to 104,400 with an outstanding liability amounting to $2,255 (2024 - $1,972).

On July 28 2025, the Company entered into a new equity forward agreement for a total of 150,000 common shares with an outstanding liability amounting to $3,744. The equity forward agreement settles on December 16, 2027, for 150,000 common shares.

On September 5 2025, the Company entered into a new equity forward agreement for a total of 150,000 common shares with an outstanding liability amounting to $4,787. The equity forward agreement settles on December 16, 2027, for 150,000 common shares.

As at September 30, 2025, the Company has equity forward agreements on 654,400 (2024 - 350,000) outstanding common shares with an outstanding liability amounting to $19,877 (2024 - $11,063). The outstanding liability is classified as a current liability as the Company and the counterparty have the option to settle the equity forward agreements in advance of the contractual settlement dates.

22 Share-based payments

Restricted share units ("RSUs")

During the nine-month period ended September 30, 2025, 45,559 RSUs (2024 - 37,919) were granted at a fair value of $21.95 (2024 - $22.05) per award. The fair value of the RSUs granted is recognized as an expense over the period in which the RSUs are expected to vest.

Performance share units ("PSUs")

During the nine-month period ended September 30, 2025, 582,413 PSUs (2024 - 562,511) were granted. The weighted average fair value at grant date was $11.18 (2024 - $21.82) per award. The fair value of the PSUs granted is recognized as an expense over the period in which the PSUs are expected to vest. The PSUs granted are scheduled to vest based on the achievement of specific non-market performance goals assessed over three years based upon adjusted EBITDA, dealership net income, or cost savings, and conditional upon continued employment with the Company. The number of awards expected to vest at grant date has been determined using a Monte Carlo Simulation.

Share appreciation rights ("SARs")

During the nine-month period ended September 30, 2025, 100,000 (2024 - 420,000) SARs were granted under the Phantom Option Plan. The weighted average fair value at grant date was $13.97 (2024 - $19.65) per award. The fair value at grant date has been determined using a Monte Carlo Simulation.

Share-based compensation expense

Total expenses, net of recoveries, arising from share-based payment transactions recognized during the three-month and nine-month periods ended September 30, 2025 included in employee costs are as follows:

	Three-month period ended		**Nine-month period ended**	
	September 30, 2025 $	**September 30, 2024 $**	**September 30, 2025 $**	**September 30, 2024 $**
Stock options	—	255	—	939
Restricted share units	196	161	346	606
Deferred share units	261	304	844	897
Share appreciation rights	990	939	2,959	3,323
Performance share units	2,794	214	4,075	509
Share-based compensation expense	4,241	1,873	8,224	6,274

23 Share capital and equity

Common shares

Common shares of the Company are voting shares and have no par value. The authorized share capital is an unlimited number of shares.

The following table shows the change in common shares held during the nine-month periods ended:

	September 30, 2025		**September 30, 2024**	
	Number of common shares	**$**	**Number of common shares**	**$**
Issued, beginning of the period	23,150,233	426,146	23,611,175	434,632
Shares repurchased and cancelled under Normal Course Issuer Bid	—	—	(460,942)	(8,486)
Issued, end of the period	23,150,233	426,146	23,150,233	426,146

Treasury shares

The following table shows the change in treasury shares held during the nine-month periods ended:

	September 30, 2025		September 30, 2024	
	Number of treasury shares	$	Number of treasury shares	$
Outstanding, beginning of the period	(8,542)	(315)	(12,465)	(319)
Treasury shares acquired	(92,665)	(2,027)	(68,003)	(1,625)
Treasury shares settled	49,730	1,004	71,926	1,629
Outstanding, end of the period	(51,477)	(1,338)	(8,542)	(315)

Earnings per share

The following table shows the weighted-average number of shares outstanding outstanding and the effect of dilution on earnings per share from continuing operations for the three-month and nine-month periods ended:

	Three-month period ended		Nine-month period ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Basic	23,089,896	23,167,774	23,125,643	23,374,538
Effect of dilution from equity forward	67,703	307,077	243,412	—
Effect of dilution from RSUs	31,647	—	17,720	—
Effect of dilution from stock options	971,282	360,198	746,787	—
Effect of dilution from SARs	88,712	—	—	—
Effect of dilution from PSUs	316,948	—	265,948	—
Effect of dilution from stock units	77,634	—	—	—
Diluted	24,643,822	23,835,049	24,399,510	23,374,538

24 Capital disclosures

The Company's objective when managing its capital is to safeguard the Company's assets and its ability to continue as a going concern while at the same time maximizing the growth of the business, returns to shareholders, and benefits for other stakeholders. The Company views its capital as the combination of long-term indebtedness and equity.

The calculation of the Company's capital is summarized below:

	September 30, 2025 $	December 31, 2024 $
Long-term indebtedness (Note 20)	504,177	517,543
Equity	506,643	495,328
	1,010,820	1,012,871

The Company manages its capital structure in accordance with changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may assume additional debt, refinance existing debt with different characteristics, sell assets to reduce debt, issue or repurchase shares, or adjust the amount of dividends paid to its shareholders.

Gross lease adjusted indebtedness

Gross lease adjusted indebtedness is one measure used by management to evaluate the leverage of the Company. Gross lease adjusted indebtedness is calculated as total indebtedness plus lease liabilities, as follows:

	September 30, 2025 $	December 31, 2024 $
Total indebtedness (Note 20)	505,865	541,651
Lease liabilities	412,183	457,172
Gross lease adjusted indebtedness	**918,048**	**998,823**

25 Financial instruments

Fair value of financial instruments

The Company's financial instruments as at September 30, 2025 are represented by cash, trade and other receivables, other assets, trade and other payables, other liabilities, revolving floorplan facilities, vehicle repurchase obligations, indebtedness, redemption liabilities, and derivative financial instruments.

The fair values of cash, trade and other receivables, trade and other payables, other liabilities, and revolving floorplan facilities approximate their carrying values due to their short-term nature.

The call option included in other assets (Level 3) is remeasured at fair value each reporting period with the gain or loss being recognized through profit or loss. The fair value of the call option is calculated based on the equity value of the related subsidiary using the discounted cash flow method. The fair value of the call option is $nil (2024 - $nil).

The indebtedness has a carrying value that approximates the fair value due to the floating rate nature of the debt. While there is a portion that has a fixed rate, the indebtedness has a carrying value that is not materially different from its fair value except for senior unsecured notes. The fair value of senior unsecured notes is $345,625 (2024 - $326,956). The fair value of senior unsecured notes is based on discounted cash flows using a current market rate.

Derivative instruments are made up of interest rate swap agreements and foreign exchange forward contracts (Level 2). The fair value of both instruments is calculated as the present value of the future cash flows. Both contractually agreed payments and forward rates are used to calculate the cash flows, which are then discounted on the basis of a yield curve that is observable in the market.

Redemption liabilities (Level 3) are remeasured at fair value each reporting period with the gain or loss being recognized through profit or loss. Fair value of the 15154871 Canada Inc. (the "Online C2C F&I Business") redemption liability is calculated based on the enterprise value of the related subsidiary using the discounted cash flow method. Fair value of the other redemption liabilities are calculated based on an applicable multiple applied to projected earnings before interest, taxes, depreciation, and amortization.

The fair value was determined based on the prevailing and comparable market interest rates.

The fair value hierarchy categorizes fair value measurements into three levels based upon the inputs to valuation technique, which are defined as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (or unobservable inputs).

There were no transfers between the levels of the fair value hierarchy during the period.

Liquidity risk

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.

As at September 30, 2025, the Company's liquidity consists of $91,890 in cash on hand, and $253,900 available to borrow under the Company's revolving term facilities. 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. As disclosed in Note 20, the Company was in compliance with all covenants as at September 30, 2025. Under the amended and extended credit facility, the Company is required to comply with the following covenants at the end of each quarter:

Financial Covenants	**Requirement**	**Q3 2025**	**Q4 2025**
Total Net Funded Debt to Bank EBITDA Ratio	Shall not exceed	4.50	4.00
Fixed Charge Coverage Ratio	Shall not be less than	1.20	1.20

During the nine-month period ended September 30, 2025, the Company had comprehensive income of $21,179 and cash flows from operations of $13,729. The Company is actively managing an increased liquidity risk as a result of the current financial performance.

Given the Company's increased risk of non-compliance with the Total Net Funded Debt to Bank EBITDA 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 explained in Note 20, the Company obtained lender consent to change its syndicated credit agreement to increase the Company's maximum permitted Total Net Funded Debt to EBITDA Ratio to address the increased risk of non-compliance with covenants associated with the revolving term facilities. On October 1, 2025, the Company's maximum permitted Total Net Funded Debt to EBITDA Ratio will revert to 4.00:1.00.

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 capital return initiatives, completing the sale of dealerships classified as held for sale, 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.

26 Net change in non-cash working capital

The following table summarizes the net change in cash due to changes in non-cash working capital for the three-month and nine-month periods ended:

	Three-month period ended		**Nine-month period ended**	
	September 30, 2025 $	**September 30, 2024 $**	**September 30, 2025 $**	**September 30, 2024 $**
Trade and other receivables	(11,766)	(32,793)	5,291	(32,912)
Inventories	(50,103)	95,251	116,710	49,877
Other assets	1,418	1,068	7,515	(1,513)
Trade and other payables	(10,678)	(10,668)	(61,701)	6,784
Revolving floorplan facilities	23,618	(97,667)	(115,765)	(21,282)
Other liabilities	8,814	—	8,814	—
Net change in non-cash working capital	(38,697)	(44,809)	(39,136)	954

27 Dealership terminations and divestitures

Continuing operations

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 impacted the contractual rights that provided control over the subsidiary, such that it is no longer controlled by the Company upon termination of the agreement. The termination agreement required the counterparty to pay the Company $14,502 for repayment of loans in addition to $15,605 for accrued interest, accrued royalty fees, and a termination fee. A gain of $11,598 was recognized on the termination in net income for the period from continuing operations.

Divestiture of North Toronto Auction

On April 30, 2025, the Company sold substantially all of the operating assets and associated liabilities of North Toronto Auction located in Innisfil, Ontario for cash consideration. North Toronto Auction was previously held for sale in the Canadian Operations segment. Gross proceeds of $3,291 resulted in a loss on divestiture of $1,513 included in net income for the period from continuing operations.

Termination of Alfa Romeo and FIAT franchise

On May 28, 2025, the Company terminated its Alfa Romeo and FIAT franchise at Maple Ridge Chrysler Dodge Jeep Ram & Fraser Valley Alfa Romeo, located in Maple Ridge, British Columbia.

Discontinued operations

During the nine-month period ended September 30, 2025, the Company terminated its Volvo franchise at Bloomington/Normal Auto Mall and sold substantially all of the operating assets and associated liabilities of Crystal Lake Chrysler Dodge Jeep Ram, Hyundai of Palatine, Chevrolet of Palatine, and North City Honda. These were previously held for sale in the U.S. Operations segment and were presented as a discontinued operation as at December 31, 2024.

The net gain on the disposal of assets included in net loss for the period from discontinued operations (Note 15) is as follows:

	Volvo franchise at Bloomington /Normal Auto Mall $	Crystal Lake Chrysler Dodge Jeep Ram $	Hyundai of Palatine $	Chevrolet of Palatine $	North City Honda $	Total $
Date of divestiture	February 14, 2025	July 29, 2025	August 20, 2025	August 20, 2025	August 26, 2025	
Inventories	—	15,526	14,641	8,708	7,656	46,531
Property and equipment	—	7,334	458	1,656	1,209	10,657
Other current assets	—	12	126	161	37	336
Intangible assets	—	3,480	70	139	17,192	20,881
Goodwill	—	—	278	209	—	487
Total assets	—	26,352	15,573	10,873	26,094	78,892
Trade and other payables	—	47	—	212	211	470
Revolving floorplan	—	13,074	12,417	7,190	5,718	38,399
Total liabilities	—	13,121	12,417	7,402	5,929	38,869
Net assets disposed	—	13,231	3,156	3,471	20,165	40,023
Net proceeds	894	10,788	5,778	5,021	19,270	41,751
Gain (loss) on disposal of assets	894	(2,443)	2,622	1,550	(895)	1,728

The following table shows the calculation of net proceeds:

	Volvo franchise at Bloomington /Normal Auto Mall $	Crystal Lake Chrysler Dodge Jeep Ram $	Hyundai of Palatine $	Chevrolet of Palatine $	North City Honda $	Total $
Gross proceeds	894	11,895	6,265	5,784	19,833	44,671
Transaction costs	—	(1,107)	(487)	(763)	(563)	(2,920)
Net proceeds	894	10,788	5,778	5,021	19,270	41,751

28 Related party transactions

Transactions with related parties

During the three-month and nine-month periods ended September 30, 2025, 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; and
- A firm, that provides administrative, limited transportation, and other support services.

All significant transactions between AutoCanada and related parties are 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:

	Three-month period ended		Nine-month period ended	
	September 30, 2025 $	September 30, 2024 $	September 30, 2025 $	September 30, 2024 $
Administrative and other support and transportation fees	338	357	1,318	1,348
Vehicle purchases from related parties	—	—	—	162
Vehicle sales to related parties	235	1,385	1,513	1,930

Key management personnel compensation

On October 28, 2025, the Company announced the appointment of AutoCanada's Chief Financial Officer to the role of Interim Chief Executive Officer. Concurrently, the Executive Chair transitioned out of his role as AutoCanada's Executive Chair and as a director of the Company. The transition agreement entered into between the Executive Chair and the Company provides that the Executive Chair will receive:

- A lump sum payment for employee benefits in accordance with his employment arrangements;
- Vesting and settlement of outstanding deferred share units;
- The right to settle outstanding stock units in cash, concurrent with the completion of the Dealership Sale (described below);
- The right to settle outstanding stock options in cash, concurrent with the completion of the Dealership Sale (described below), subject to TSX approval. The Company may decline to pay cash if considered advisable;
- The Company waived the remaining term of the contractual hold period on certain shares of the Company acquired by a company controlled by the Executive Chair as a result of the purchase of the UD LP minority interest from the company controlled by the Executive Chair; and
- An option to acquire a Porsche dealership in London, Ontario, including associated lands and buildings and certain vacant lands in Windsor, Ontario for a purchase price equal to the greater of the Company's aggregate cost of such assets and the fair market value of such assets (the “Dealership Sale”). The option may be exercised prior to December 31, 2026.

The Company has also entered into a multi-year data license agreement to certain collision and mechanical data with a company controlled by the Executive Chair in exchange for an annual license fee.

As at September 30, 2025, an accrual for employee benefits of $2,605 was recorded in accruals and other provisions (Note 19).

In addition, the Company's Chief Strategy Officer & General Counsel will be transitioning out of his role later this year. On November 13, 2025, the Company announced that AutoCanada's Chief Operating Officer and President, North American Operations will be transitioning out of their respective roles. As at September 30, 2025, an accrual for termination benefits of $10,486 was recorded in accruals and other provisions (Note 19).

29 Segmented reporting

During the nine-month period ended September 30, 2025, the Executive Chair served as the function of the Chief Operating Decision Maker (CODM). The Executive Chair is responsible for allocating resources and assessing the performance of the following segments: Canadian Operations and U.S. Operations.

Each reportable operating segment is comprised of retail automobile dealerships and related businesses. The Company's RightRide division in its Canadian Operations and retail automobile dealerships in its U.S. Operations have been classified and presented as discontinued operations (Note 15).

Transactions between reportable segments are accounted for in accordance with the accounting policies described in the summary of significant accounting policies.

AutoCanada's corporate office has been included in the Canadian Operations segment, as it is located in Canada.

The Company's CODM measures the performance of each operating segment based on operating profit. The segmented information is set out in the following tables:

	Three-month period ended September 30, 2025			Three-month period ended September 30, 2024 Revised [1]		
	Canada $	**U.S. $**	**Total $**	**Canada $**	**U.S. $**	**Total $**
Revenue						
Total revenue	1,200,167	108,217	1,308,384	1,439,643	188,219	1,627,862
Revenue from discontinued operations (Note 15)	—	(106,927)	(106,927)	(27,118)	(188,219)	(215,337)
Revenue from continuing operations	1,200,167	1,290	1,201,457	1,412,525	—	1,412,525

	Nine-month period ended September 30, 2025			Nine-month period ended September 30, 2024 Revised [1]		
	Canada $	**U.S. $**	**Total $**	**Canada $**	**U.S. $**	**Total $**
Revenue						
Total revenue	3,787,887	412,763	4,200,650	4,089,751	560,018	4,649,769
Revenue from discontinued operations (Note 15)	(9,946)	(410,948)	(420,894)	(84,039)	(560,018)	(644,057)
Revenue from continuing operations	3,777,941	1,815	3,779,756	4,005,712	—	4,005,712

[1] *Comparative period revised to reflect current period presentation for reclassification of discontinued operations (Note 15).*

	Three-month period ended September 30, 2025			Three-month period ended September 30, 2024 Revised [1]		
	Canada $	**U.S. $**	**Total $**	**Canada $**	**U.S. $**	**Total $**
Operating profit (loss) before other income and expense	24,577	(1,070)	23,507	56,262	(6,956)	49,306
Lease and other income, net	2,513	423	2,936	3,001	300	3,301
Gains (losses) on disposal of assets, net	2,455	4,956	7,411	(197)	—	(197)
Decrease (increase) in expected credit losses on trade and other receivables	161	—	161	(462)	—	(462)
(Impairment) recovery of non-financial assets (Note 17)	(4,015)	12,361	8,346	(582)	(15)	(597)
Operating profit (loss)	25,691	16,670	42,361	58,022	(6,671)	51,351
Finance costs (Note 9)	(26,015)	(3,440)	(29,455)	(36,088)	(6,680)	(42,768)
Recycled cumulative foreign currency translation on return of capital (Note 15)	—	4,946	4,946	—	—	—
Finance income (Note 9)	236	—	236	1,497	—	1,497
(Loss) gain on settlement of redemption liability	(171)	—	(171)	1,269	—	1,269
Other (losses) gains , net	(2,353)	—	(2,353)	69	—	69
(Loss) income for the period before taxation	(2,612)	18,176	15,564	24,769	(13,351)	11,418
(Income) loss for the period before taxation from discontinued operations (Note 15)	(1,547)	(18,121)	(19,668)	6,737	13,351	20,088
Income (loss) for the period before taxation from continuing operations	(4,159)	55	(4,104)	31,506	—	31,506

	Nine-month period ended September 30, 2025			Nine-month period ended September 30, 2024 Revised [1]		
	Canada $	**U.S. $**	**Total $**	**Canada $**	**U.S. $**	**Total $**
Operating profit (loss) before other income and expense	100,925	386	101,311	110,929	(14,559)	96,370
Lease and other income, net	5,979	517	6,496	6,590	646	7,236
Gains on disposal of assets, net	15,252	5,837	21,089	22,429	—	22,429
Expected credit losses on trade and other receivables	(1,145)	—	(1,145)	(2,062)	—	(2,062)
(Impairment) recovery of non-financial assets (Note 15, 17)	(9,764)	12,361	2,597	(7,782)	(11,324)	(19,106)
Operating profit (loss)	111,247	19,101	130,348	130,104	(25,237)	104,867
Finance costs (Note 9)	(79,972)	(12,237)	(92,209)	(97,036)	(19,074)	(116,110)
Recycled cumulative foreign currency translation on return of capital (Note 15)	—	4,946	4,946	—	—	—
Finance income (Note 9)	968	—	968	2,283	—	2,283
Gain on redemption liabilities	970	—	970	627	—	627
Other (losses) gains, net	(3,617)	—	(3,617)	417	—	417
Income (loss) for the period before taxation	29,596	11,810	41,406	36,395	(44,311)	(7,916)
Loss (income) for the period before taxation from discontinued operations (Note 15)	5,199	(11,976)	(6,777)	9,614	44,311	53,925
Income (loss) for the period before taxation from continuing operations	34,795	(166)	34,629	46,009	—	46,009

[1] *Comparative period revised to reflect current period presentation for reclassification of discontinued operations (Note 15).*

	As at September 30, 2025			As at December 31, 2024		
	Canada $	U.S. $	Total $	Canada $	U.S. $	Total $
Assets held for sale (Note 14, 15)	24,717	193,469	218,186	6,658	326,035	332,693
Segment assets	2,507,120	217,718	2,724,838	2,672,660	333,168	3,005,828
Capital expenditures and acquisition of real estate	13,023	354	13,377	25,154	2,664	27,818
Liabilities held for sale (Note 14, 15)	—	85,108	85,108	—	201,966	201,966
Segment liabilities	1,720,428	497,767	2,218,195	1,906,801	603,699	2,510,500

30 Seasonal nature of the business

The Company's results from operations for the three-month and nine-month periods ended September 30, 2025 are not necessarily indicative of the results that may be expected for the full fiscal year due to seasonal variations in sales levels. The results from operations and financial performance of the Company have historically been lower in the first and fourth quarters of each year, largely due to consumer purchasing patterns during the holiday season, inclement weather, and the number of business days during the period. The timing of acquisitions and divestitures may also cause substantial fluctuations in operating results from quarter to quarter.

31 Subsequent events

Acquisition of Collision Repair Facility

On October 6, 2025, the Company completed the acquisition of Doug's Place Strathcona, a collision and refinish repair facility located in Edmonton, Alberta, which is included within the Canadian Operations segment. This acquisition expands the Company's collision repair capacity in the Edmonton market and enhances OEM and insurance partner coverage. At the time the financial statements were authorized for issue, the Company had not yet completed the accounting for the acquisition.

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