



2025

Fourth
Quarter
Management
Discussion &
Analysis



The Collision division
of AutoCanada



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

For the three-month period and year ended December 31, 2025




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1. READER ADVISORIES AND FORWARD-LOOKING STATEMENTS

This Management's Discussion & Analysis ("MD&A") was prepared as of March 18, 2026, 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, 2025, and significant trends that may affect AutoCanada's future performance. The MD&A 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, 2025 (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. Results 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 18, 2026.

To provide more meaningful information, this MD&A typically refers to the operating results for the three-month period and year ended December 31, 2025 of the Company, and compares these to the operating results of the Company for the three-month period and year ended December 31, 2024.

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, collision centres 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 in 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 investor website at investors.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 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, expected run-rate operational expense savings from the implementation of the ACX Operating Method, the expected aggregate proceeds from the U.S. dealership divestitures, the completion and the anticipated timing of completion of the U.S. dealership disposition transactions, engagement in selling the remaining dealerships of the U.S. Operations segment, the impact of the U.S. dealership divestitures on the Company's leverage ratio, the anticipated timing of restoring Canadian dealership performance to levels more consistent with industry benchmarks, the impact of restoring Canadian dealership performance to levels more consistent with industry benchmarks on the Company's leverage ratio, and the expected accretive growth of collision operations.

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 and financial outlook 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 or financial outlook. These risks and uncertainties include risks relating to failure to realize expected cost-savings, 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 and financial outlook 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, as of December 31, 2025, operates 64 franchised dealerships in Canada, comprised of 23 automotive brands across 8 provinces as well as three independent used dealerships ("Used Vehicle Operations"). AutoCanada currently sells Acura, Audi, BMW, Buick, Cadillac, Chevrolet, Chrysler, Dodge, Ford, GMC, Honda, Hyundai, Infiniti, Jeep, Kia, Mazda, Mercedes-Benz, MINI, Nissan, Porsche, Ram, Subaru, and Volkswagen vehicles. In 2025, our Canadian dealerships sold approximately 71,000 new and used retail vehicles.

In addition, AutoCanada's Canadian Operations segment operates 32 collision centres ("Collision Centres"), supported by 26 Original Equipment Manufacturer ("OEM") certifications covering 37 vehicle brands, as of December 31, 2025. The Company's collision platform enables customer retention across multiple touchpoints within the automotive ownership lifecycle.

AutoCanada's U.S. Operations segment, operating as Leader Automotive Group ("Leader"), as of December 31, 2025, operates 13 franchised dealerships comprised of 9 brands, in Illinois, USA. Leader currently sells Audi, Hyundai, Kia, Lincoln, Mercedes-Benz, Porsche, Subaru, Toyota, and Volkswagen branded vehicles. In 2025, our U.S. dealerships sold approximately 8,000 new and used retail vehicles.

Presentation of Continuing Operations and Discontinued Operations

The Company's retail automobile dealerships, collision operations, and related businesses in its Canadian Operations and its collision operations 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. 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, 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 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.

2025 Fourth Quarter Key Highlights and Recent Developments

All comparisons presented below are between the three-month periods ended December 31, 2025 and December 31, 2024 and are based on continuing operations, unless otherwise indicated.

AutoCanada Key Highlights

- Revenue from continuing operations was \$1,116.6 million as compared to \$1,265.8 million in the prior year, a decrease of \$149.2 million
- Net loss for the period from total operations was \$(14.6) million as compared to \$(38.4) million in the prior year
 - Net (loss) income from continuing operations was \$(2.3) million as compared to \$9.8 million in the prior year
 - Net loss from discontinued operations was \$(12.2) million as compared to net loss of \$(48.2) million in the prior year
- Diluted net (loss) income per share from continuing operations of \$(0.06) as compared to \$0.45 in the prior year
- Adjusted EBITDA¹ from total operations was \$26.3 million as compared to \$47.1 million in the prior year
 - Adjusted EBITDA from continuing operations was \$32.7 million as compared to \$54.4 million in the prior year
 - Adjusted EBITDA from discontinued operations was \$(6.4) million as compared to \$(7.3) million in the prior year
- Total Net Funded Debt to Bank EBITDA Ratio³ increased from 3.40x as at September 30, 2025 to 3.44x as at December 31, 2025

FOURTH QUARTER RESULTS

Continuing Operations Financial Results	Three-Months Ended December 31		
	2025	2024 Revised ⁴	% Change
Revenue	1,116,564	1,265,837	(11.8)%
Same store revenue	1,114,883	1,230,442	(9.4)%
Gross profit	173,970	216,118	(19.5)%
Gross profit percentage ²	15.6%	17.1%	(1.5) ppts
Operating expenses ("Opex")	150,212	178,675	(15.9)%
Net (loss) income	(2,331)	9,847	(123.7)%
Basic net (loss) income per share attributable to AutoCanada shareholders	(0.06)	0.46	(113.0)%
Diluted net (loss) income per share attributable to AutoCanada shareholders	(0.06)	0.45	(113.3)%
Adjusted EBITDA	32,703	54,379	(39.9)%
Adjusted EBITDA margin ¹	2.9%	4.3%	(1.4) ppts
New retail vehicles sold (units) ²	7,028	8,544	(17.7)%
Used retail vehicles sold (units) ²	8,741	10,585	(17.4)%
New vehicle gross profit per retail unit ²	3,748	4,627	(19.0)%
Used vehicle gross profit per retail unit ²	442	1,836	(75.9)%
Parts and service ("P&S") gross profit	69,626	76,843	(9.4)%
Collision repair ("Collision") gross profit	18,136	17,242	5.2%
Finance, insurance and other ("F&I") gross profit per retail unit average ²	3,451	3,305	4.4%
Operating expenses before depreciation ²	137,245	164,078	(16.4)%
Operating expenses before depreciation as a % of gross profit ²	78.9%	75.9%	3.0 ppts
Normalized opex before depreciation ¹	131,490	151,559	(13.2)%
Normalized opex before depreciation as a percentage of gross profit (%) ¹	75.6%	70.1%	5.5 ppts
Floorplan financing expense	8,331	13,055	(36.2)%

⁴ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

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

³ See section 6. LIQUIDITY AND CAPITAL RESOURCES for further information regarding the calculation of this financial covenant.

Revenue decreased by (11.8)% in the fourth quarter of 2025 compared to the fourth quarter of 2024, primarily due to decreases in new vehicle sales, used vehicle sales, parts and service, and F&I.

Gross profit decreased by (19.5)% to \$174.0 million in the fourth quarter of 2025 compared to the fourth quarter of 2024, driven by decreases in new vehicle, used vehicle, parts and service, and F&I gross profits. This decline is partially offset by an increase in gross profit from collision repair services.

Operating expenses before depreciation decreased by (16.4)% to \$137.2 million in the fourth quarter of 2025 compared to the fourth quarter of 2024. Normalized operating expenses before depreciation decreased by (13.2)% to \$131.5 million, and included the normalization of \$4.9 million of restructuring charges related to the initiatives targeting \$115.0 million in annual run-rate cost savings.

Floorplan financing expenses decreased (36.2)% to \$8.3 million due to reduced new and used vehicle inventory levels and lower interest rates.

Net income for the period decreased by (123.7)% to a net loss of \$(2.3) million in the fourth quarter of 2025 compared to \$9.8 million in the fourth quarter of 2024, as a result of items noted above, as well as higher interest rate swap costs, unrealized FX losses, and income taxes, partially offset by an increase in fair value change in interest swaps and gain on settlement of redemption liability.

Adjusted EBITDA decreased by (39.9)% to \$32.7 million in the fourth quarter of 2025 compared to the fourth quarter of 2024, while adjusted EBITDA margin decreased by (1.4) percentage points ("ppts") to 2.9%. The decrease in margin was driven by decreases in gross profit, partially offset by lower operating expenses before depreciation and lower floorplan financing expenses as noted above.

Same Store Metrics - Continuing Operations Highlights

Same Store - Continuing Operations Financial Results	Three-Months Ended December 31		
	2025	2024 Revised ¹	% Change
Revenue	1,114,883	1,230,442	(9.4)%
Gross profit	173,401	210,666	(17.7)%
Gross profit percentage	15.6 %	17.1 %	(1.5)%
New retail vehicles sold (units)	7,028	8,318	(15.5)%
Used retail vehicles sold (units)	8,741	10,424	(16.1)%
New vehicle gross profit per retail unit	3,747	4,651	(19.4)%
Used vehicle gross profit per retail unit	442	1,695	(73.9)%
P&S gross profit	69,626	74,785	(6.9)%
Collision gross profit	17,576	17,241	1.9%
F&I gross profit per retail unit average	3,451	3,326	3.8%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

Same store results make up 99.8% of revenue and 99.6% of gross profit in the current quarter. Refer to Section 18 Same Store Results Data for further information.

Revenue decreased by (9.4)% primarily driven by lower new vehicle revenues (9.7)%, used vehicle revenues (7.8)%, parts and service (8.1)%, Collision (7.9)%, and F&I (20.4)%.

Gross profit decreased (17.7)% primarily as a result of decreases in new vehicle gross profit (32.3)%, used vehicle gross profit (69.9)%, parts and service (6.9)%, and F&I (12.7)%. This was partially offset by an increase in collision repair services 1.4%.

New vehicle gross profit declined (32.3)% in the fourth quarter of 2025 compared with the fourth quarter of 2024, driven mainly by a lower new retail volumes (15.5)% and lower new gross profit per retail unit average (19.4)%.

Used vehicle gross profit declined (69.9)% in the fourth quarter of 2025 compared with the fourth quarter of 2024, driven mainly by a lower used retail volumes (16.1)% and lower used gross profit per retail unit average (73.9)%.

Consistent with the industry trend, new retail sales and gross profit per retail units sold decreased driven mainly by softer customer demand. Additionally, the Company had a higher in-quarter inventory provision taken primarily against specific brands, aged new units, and electronic vehicles.

The decreases in used retail units sold and gross profit per retail unit sold continued to be impacted by the reduction in marketing spend through the second half of 2025. Near-term disruptions have weighed on gross profits for both new and used as we finalized the execution of the ACX Operating Method.

Parts and service gross profit declined (6.9)% in the fourth quarter of 2025 compared with the fourth quarter of

2024, driven mainly by a lower number of service repair orders⁴ which was partly a result of lower new and used retail sales volumes and near-term disruption as we finalized the execution of the ACX Operating Method.

F&I gross profit decreased (12.7)% in the fourth quarter of 2025 compared with the fourth quarter of 2024, driven mainly by lower retail volumes. This was partially offset by a higher gross profit per retail unit average, which increased by 3.8% in the fourth quarter of 2025 compared with the prior year period, driven by an increase in products sold per deal.

Collision Operations Highlights

Collision Financial Results	Three-Months Ended December 31		
	2025	2024	% Change
Revenue	35,366	36,262	(2.5)%
Gross profit	18,136	17,242	5.2%
Gross profit percentage	51.3%	47.5%	3.8 ppts
Adjusted EBITDA	5,477	5,949	(7.9)%
Same store revenue	33,686	36,262	(7.1)%
Same store gross profit	17,576	17,241	1.9%
Same store gross profit percentage	52.2%	47.5%	4.7 ppts

Revenue decreased as a result of normalization of paintless dent repair following a severe hail event in 2024 and this was partially offset by increased revenue from traditional collision business.

Gross profit and gross profit percentage increased driven by strong customer demand for traditional collision repair services, and additional Original Equipment Manufacturer ("OEM") certifications.

Trends in the same store revenue, gross profit and gross profit percentage are consistent with overall business performance, with the reasons noted above.

Adjusted EBITDA decreased as a result of increased operating expenses which relate to investments in operational support functions.

Other Recent Developments

During the quarter:

- On October 3, 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.
- 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. In addition, the Company's Chief Strategy Officer & General Counsel transitioned out of his respective role at the end of 2025.
- 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. Mikel Pestrak was promoted to Interim President, Dealership Operations. Art Crawford was promoted to President, Collision Operations. Cynthia Hill was promoted to Executive Vice President, General Counsel and Corporate Secretary.
- On December 15, 2025, the Company announced the appointment of Fade Bouras as Chief Operating Officer, effective January 5, 2026, and John North to its Board of Directors, effective immediately.
- On December 15, 2025, the Company announced that the Toronto Stock Exchange ("TSX") has accepted the Company's notice of intention to commence a normal course issuer bid ("NCIB") for its common shares. Under the NCIB, the Company may purchase for cancellation up to 1,177,539 common shares, representing approximately 10% of the public float of 11,775,396 of the Company's issued and outstanding common shares on December 15, 2025. The NCIB will commence on December 18, 2025 and will terminate on the earlier of December 17, 2026, the date the Company acquires the maximum number of common shares under the NCIB, or such earlier date as the Company may determine.

After the quarter:

- On January 20, 2026, the Company completed the acquisition of Modern Autobody, a single-location collision and refinish repair facility located in Edmonton, Alberta, which is included within the Canadian Operations segment.

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

- On January 27, 2026, the Company sold substantially all of the operating assets of Toyota of Lincoln Park, located in Chicago, Illinois, for cash consideration of \$11.2 million plus closing adjustments. Toyota of Lincoln Park was previously presented as held for sale in the U.S. Operations segment.
- On February 18, 2026, the Company announced that its Board of Directors has appointed Samuel Cochrane as Chief Executive Officer, effective immediately. Mr. Cochrane will also serve as Interim Chief Financial Officer while the Company initiates a search for a permanent Chief Financial Officer.

3. MARKET AND FINANCIAL OUTLOOK

The Canadian automotive market enters 2026 with mixed conditions. Interest rates declined modestly in late 2025 and unemployment improved; however, affordability pressures, elevated vehicle pricing and tariff-related uncertainty continue to influence consumer purchasing decisions. Industry forecasts for 2026 contemplate a slight decline in Canadian new light vehicle unit sales relative to 2025. While underlying demand remains present, affordability constraints may temper volume. Market participants are also monitoring potential OEM pricing actions as automakers evaluate tariff pass-through; however, timing and magnitude remain uncertain, and the Company awaits further clarity. Consumer preference continues to skew toward lower-priced vehicles, which may affect gross profit per retail unit in certain segments. Used vehicle markets remain competitive, requiring disciplined inventory and pricing management.

Canadian Dealership Outlook

The fourth quarter of 2025 concluded a significant transformation period, with the Company achieving its targeted \$115.0 million in annualized run-rate operating expense savings exiting 2025. Savings achieved during 2025 include:

- \$51.2 million from Store Archetype versus a year-end run rate target of \$60.7 million (\$70.0 million prior)
- \$43.8 million from Expense Management versus a year-end run rate target of \$35.8 million (\$27.5 million prior)
- \$12.5 million from Inventory Management versus a year-end run rate target of \$12.5 million (\$9.0 million prior)
- \$7.5 million from Centralized Services versus a year-end run rate target of \$6.0 million (\$5.0 million prior)

A summary of in-quarter savings, restructuring costs, and net in-quarter savings achieved by quarter is provided in the table below.

\$ millions	Q1 2025		Q2 2025		Q3 2025		Q4 2025		FY2025	
	Actual		Actual		Actual		Actual		Actual	
In-Quarter Savings	Actual	14.1	Actual	19.7	Actual	23.3	Actual	25.4	Actual	82.5
	PG ³	5.3	PG ³	14.5	PG ³	19.4	PG ³	23.9	PG ³	63.1
Restructuring Costs ¹	Actual	(15.8)	Actual	(7.3)	Actual	(20.0)	Actual	(4.9)	Actual	(48.0)
	PG ³	(15.5)	PG ³	(9.5)	PG ³	(4.0)	PG ³	(1.5)	PG ³	(30.5)
Net In-Quarter Savings	Actual	(1.7)	Actual	12.4	Actual	3.3	Actual	20.5	Actual	34.5
	PG³	(10.2)	PG³	5.0	PG³	15.4	PG³	22.4	PG³	32.6
Cumulative Annualized Run-Rate Savings ²	Actual	57.1	Actual	80.0	Actual	98.1	Actual	115.0	Actual	115.0
	PG ³	36.0	PG ³	64.0	PG ³	82.0	PG ³	100.0	PG ³	100.0

¹ Restructuring costs include separation costs, strategic advisor fees and other charges.

² Cumulative Annualized Run Rate Savings uses trailing twelve month Q2 2024 actuals as the baseline and reflects continuing operations.

³ Prior Guidance as disclosed in the MD&A for the year ended December 31, 2024.

The pace and breadth of cost transformation actions undertaken in 2025, combined with leadership transition and challenging market conditions, created operational disruption within portions of the dealership business during the second half of the year. Same store new retail unit sales declined (15.5)% in Q4 2025 representing underperformance compared to Canadian light vehicle sales⁵ of (9.8)%. This represents an improvement over Q3 2025 which underperformed Canadian light vehicle sales by (18.5)%. Additionally, gross profit margin declined in Q4 2025, reflecting both broader market softness and Company-specific factors including brand mix variability, pricing pressures, used inventory positioning, reduced service repair order volumes, and lower sales and service productivity during the conclusion of the ACX Transformation Plan.

Operational disruption also affected inventory positioning, resulting in elevated levels of aged inventory entering 2026. Consequently, gross margins are expected to remain compressed in the near term while the Company works through legacy inventory and re-establishes normalized pricing and sourcing discipline.

⁵ Canadian light vehicle sales sourced from WardsAuto data, which we normalize for non-AutoCanada operated brands. Q4 2025 Canadian new Light Vehicle sales were (5.7)% and Q3 2025 Canadian new Light Vehicle sales were 4.0%

Management began addressing these issues during the fourth quarter and has observed early signs of normalization in sales volumes, narrowing the gap to market performance across the Company's brands and regions. However, 2026 is expected to be a rebuilding year for dealership operations, with performance improving gradually as operational execution stabilizes. Restoring dealership performance to levels more consistent with industry benchmarks is expected to require approximately 12 to 18 months of disciplined execution.

Priorities include:

- Rebuilding sales productivity, velocity and gross profit per unit;
- Improving used vehicle sourcing and trade-in capture;
- Increasing service bay utilization and advisor productivity;
- Optimizing inventory mix and turnover; and
- Preserving cost discipline while ensuring adequate frontline capacity.

As these foundational elements are strengthened, management expects improved operating leverage from the leaner operating cost structure established in 2025.

Collision Outlook

Collision operations continue to demonstrate attractive growth characteristics. Demand for collision services is less directly tied to new vehicle sales cycles and benefits from reoccurring insurance-driven activity. Management views collision operations as a strategically important growth platform with resilient margins and consolidation opportunities in a fragmented market. While dealership operations stabilize, the Company intends to prioritize disciplined, accretive growth in collision operations where balance sheet capacity permits.

U.S. Dealership Divestiture Update

We continue to make progress on the sale of our U.S. dealerships, with approximately \$49 million in proceeds, net of working capital, received thus far.

At present, the Company has definitive purchase agreements for 11 of the remaining 12 U.S. franchised dealerships for expected proceeds of \$55 million net of working capital and including \$18 million of real estate. Expected total proceeds remain consistent at approximately \$130 million, which is toward the upper end of our previously disclosed expected range of \$115 million to \$130 million.

The net proceeds from these transactions will be directed toward debt reduction and to further strengthen our focus on our core Canadian dealership and collision operations. Each transaction remains subject to customary closing conditions, including OEM approvals.

Overall, the planned divestitures are expected to enhance financial flexibility, fortify the balance sheet, and accelerate progress toward the Company's targeted 2.0x–3.0x Total Net Funded Debt to Bank EBITDA leverage ratio.

Conclusion

While 2026 is expected to be a transitional year for the dealership segment, management believes the Company exits 2025 with:

- A structurally lower operating cost base;
- Improving financial flexibility;
- A collision platform capable of delivering sustainable long-term growth; and
- A new leadership team, aligned on the strategy and focused on day-to-day execution.

Execution in 2026 will focus on dealership stabilization and operational rebuilding, as well as disciplined capital allocation to position the Company for improved performance in 2027 and beyond.

Forward-Looking Statements and Financial Outlook

Forward-looking statements with respect to the expected aggregate proceeds from the U.S. dealership and the divestitures, the anticipated timing of completion of the disposition transactions, and the engagement in selling the remaining dealerships of the U.S. Operations segment is disclosed to assist current and future shareholders to evaluate the effectiveness of the U.S. divestiture strategy and readers are cautioned that it may not be suitable for any other purpose. The expected aggregate proceeds from the U.S. dealership divestitures, the anticipated timing of completion of the disposition transactions, and the engagement in selling the remaining dealerships of the U.S. Operations segment are based on the assumptions that customary closing conditions will be satisfied, and OEM approvals will be secured. Additional key assumptions or risk factors with respect to the successful execution of our U.S. divestiture strategy is the willingness of buyers, economic stability, and other external factors.

The financial outlook with respect to the transformation plan and the ACX Operating Method 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.

The financial outlook with respect to restoring Canadian dealership performance to levels more consistent with industry benchmarks is disclosed to assist current and future shareholders to evaluate the effectiveness of the Company's ACX Operating Method and readers are cautioned that it may not be suitable for any other purposes. Restoring Canadian dealership performance to levels more consistent with industry benchmarks, the completion, and the anticipated timing of completion, are based on the assumptions that improving store efficiencies and productivity gains, improving vehicle sourcing and trade-in capture, increasing service bay utilization, and cost discipline will improve dealership performance. Additional key assumptions or risk factors with respect to restoring Canadian dealership performance to levels more consistent with industry benchmarks including the risk of economic stability and other external factors, which may delay progress toward the Company's targeted 2.0x-3.0x Total Net Funded Debt to Bank EBITDA leverage ratio.

The financial outlook with respect to the accretive growth of collision operations is disclosed to assist current and future shareholders to evaluate the effectiveness of AutoCanada's growth plan and readers are cautioned that it may not be suitable for any other purposes. The expected accretive growth of collision operations and the anticipated timing is based on the assumptions that acquisition opportunities remain attractive and accretive, newly acquired collision centres are being integrated effectively, and financing continues to be accessible on reasonable and acceptable terms. Additional key assumptions or risk factors with respect to the accretive growth of collision operations is the willingness of sellers, economic stability, and other external factors.

In addition to the significant assumptions referred to in this section, 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

Continuing Operations

Revenues, Gross Profit and Gross Profit Percentages

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

	Three-Months Ended December 31			
	2025	2024	Change	Change
	\$	Revised ¹ \$	\$	%
New vehicles	509,046	574,956	(65,910)	(11.5)%
Used vehicles	387,919	440,850	(52,931)	(12.0)%
Parts and service	129,814	144,524	(14,710)	(10.2)%
Collision repair	35,366	36,262	(896)	(2.5)%
Finance, insurance and other	54,419	69,245	(14,826)	(21.4)%
Total revenue	1,116,564	1,265,837	(149,273)	(11.8)%
New vehicles	26,713	40,291	(13,578)	(33.7)%
Used vehicles	5,076	18,529	(13,453)	(72.6)%
Parts and service	69,626	76,843	(7,217)	(9.4)%
Collision repair	18,136	17,242	894	5.2%
Finance, insurance and other	54,419	63,213	(8,794)	(13.9)%
Total gross profit	173,970	216,118	(42,148)	(19.5)%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

	Year Ended December 31			
	2025	2024	Change	Change
	\$	Revised ¹ \$	\$	%
New vehicles	2,228,280	2,305,698	(77,418)	(3.4)%
Used vehicles	1,742,761	1,980,884	(238,123)	(12.0)%
Parts and service	515,217	556,297	(41,080)	(7.4)%
Collision repair	151,631	130,913	20,718	15.8%
Finance, insurance and other	258,431	297,757	(39,326)	(13.2)%
Total revenue	4,896,320	5,271,549	(375,229)	(7.1)%
New vehicles	137,292	170,382	(33,090)	(19.4)%
Used vehicles	58,465	65,782	(7,317)	(11.1)%
Parts and service	282,268	301,980	(19,712)	(6.5)%
Collision repair	70,229	65,195	5,034	7.7%
Finance, insurance and other	236,530	272,101	(35,571)	(13.1)%
Total gross profit	784,784	875,440	(90,656)	(10.4)%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

	Three-Months Ended December 31			Year Ended December 31		
	2025 %	2024 Revised ¹ %	Change ppts	2025 %	2024 Revised ¹ %	Change ppts
New vehicles	5.2%	7.0%	(1.8)	6.2%	7.4%	(1.2)
Used vehicles	1.3%	4.2%	(2.9)	3.4%	3.3%	0.1
Parts and service	53.6%	53.2%	0.4	54.8%	54.3%	0.5
Collision repair	51.3%	47.5%	3.8	46.3%	49.8%	(3.5)
Finance, insurance and other	100.0%	91.3%	8.7	91.5%	91.4%	0.1
Total gross profit percentage	15.6%	17.1%	(1.5)	16.0%	16.6%	(0.6)

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

For the three-months ended December 31, 2025, new and used vehicles generated 80.3% of revenue and 18.3% of gross profit, while F&I, Parts and service and Collision generated 19.7% of revenue and contributed 81.7% of gross profit.

New vehicles

For the three-month period ended December 31, 2025

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended December 31, 2025 and changes compared to the three-month period ended December 31, 2024.

New Vehicle Financial Results	Three-Months Ended December 31			
	2025 \$	2024 Revised ¹ \$	Change \$	Change %
Revenue	509,046	574,956	(65,910)	(11.5)%
Gross profit	26,713	40,291	(13,578)	(33.7)%
Gross profit percentage (%)	5.2%	7.0%		(1.8) ppts
New retail vehicles sold (units)	7,028	8,544	(1,516)	(17.7)%
New vehicle gross profit per retail unit (\$)	3,748	4,627	(879)	(19.0)%
New Vehicle Inventory days of supply (days) ³	93	101	(8)	(7.9)%
Average selling price per new vehicle (\$)	67,477	63,594	3,883	6.1%
Same store revenue	509,045	563,976	(54,931)	(9.7)%
Same store gross profit	26,704	39,453	(12,749)	(32.3)%
Same store gross profit percentage (%)	5.2%	7.0%		(1.8) ppts
Same store new retail vehicles sold (units)	7,028	8,318	(1,290)	(15.5)%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

Continuing Operations

Revenue decreased due to a decrease in new retail vehicles sold, partially offset by an increase in average selling price per new vehicle and an increase in revenue from new fleet vehicle⁶ sales.

Consistent with the industry trend, new retail vehicles sold, gross profit and gross profit per retail unit decreased driven mainly by softer customer demand, as well as higher in-quarter inventory provision taken primarily against specific brands, aged new units, and electronic vehicles. In addition, near-term disruptions have weighed on gross profit as we finalized the execution of the ACX Operating Method.

New vehicle inventory days of supply decreased by (8) days to 93 days of supply during the quarter (2024 - 101 days). Driving a reduction in days of supply has been a focus of management in conjunction with the execution of the ACX Operating Method.

Same Store Results

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

⁶ See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of this supplementary financial measure.

For the year ended December 31, 2025

The following table summarizes the continuing operations and same store financial metrics for the year ended December 31, 2025 and changes compared to the year ended December 31, 2024.

	Year Ended December 31			
	2025 \$	2024 Revised ¹ \$	Change \$	Change %
New Vehicle Financial Results				
Revenue	2,228,280	2,305,698	(77,418)	(3.4)%
Gross profit	137,292	170,382	(33,090)	(19.4)%
Gross profit percentage (%)	6.2%	7.4%		(1.2) ppts
New retail vehicles sold (units)	31,381	35,363	(3,982)	(11.3)%
New vehicle gross profit per retail unit (\$)	4,302	4,762	(460)	(9.7)%
New Vehicle Inventory days of supply (days) ⁴	92	97	(5)	(5.2)%
Average selling price per new vehicle (\$)	65,793	61,959	3,834	6.2%
Same store revenue	2,228,279	2,221,734	6,545	0.3%
Same store gross profit	137,263	164,643	(27,380)	(16.6)%
Same store gross profit percentage (%)	6.2%	7.4%		(1.2) ppts
Same store new retail vehicles sold (units)	31,381	33,934	(2,553)	(7.5)%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

Continuing Operations

Revenue decreased due to a decrease in new retail vehicles sold, partially offset by higher average selling price per new vehicle and an increase in revenue from new fleet vehicle⁷ sales.

New retail vehicles sold decreased consistent with the industry trend, softening customer demand and near-term operational disruptions from the finalization of the ACX Operating Method in the second half of the year.

Gross profit and gross profit percentage decreased as a result of a decrease in new retail units sold and declining gross profit per retail unit, which is partly due to higher inventory provision taken primarily against specific brands aged new units and electronic vehicles. In addition, near-term disruptions have weighed on gross profit as we finalized the execution of the ACX Operating Method.

New vehicle inventory days of supply decreased by (5) days to 92 days of supply (2024 - 97 days). Driving a reduction in days of supply has been a focus of management in conjunction with the execution of the ACX Operating Method.

Same Store Results

Revenue increased due to a higher average selling price per new vehicle and an increase in revenue from new fleet vehicle sales, partially offset by a decrease in new retail vehicles sold.

Gross profit and gross profit percentage decreased for the reasons noted above.

⁷ See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of these supplementary financial measures.

Used vehicles

For the three-month period ended December 31, 2025

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended December 31, 2025 and changes compared to the three-month period ended December 31, 2024.

Used Vehicle Financial Results	Three-Months Ended December 31			
	2025 \$	2024 Revised ¹ \$	Change \$	Change %
Revenue	387,919	440,850	(52,931)	(12.0)%
Gross profit	5,076	18,529	(13,453)	(72.6)%
Gross profit percentage (%)	1.3%	4.2%		(2.9) ppts
Used retail vehicles sold (units)	8,741	10,585	(1,844)	(17.4)%
Used vehicle gross profit per retail unit (\$)	442	1,836	(1,394)	(75.9)%
Used Vehicle Inventory days of supply (days) ⁶	82	69	13	18.8%
Average selling price per used vehicle (\$) ⁶	44,379	41,649	2,730	6.6%
Same store revenue	387,919	420,516	(32,597)	(7.8)%
Same store gross profit	5,076	16,843	(11,767)	(69.9)%
Same store gross profit percentage (%)	1.3%	4.0%		(2.7) ppts
Same store used retail vehicles sold (units)	8,741	10,424	(1,683)	(16.1)%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

Continuing Operations

Used vehicle revenue decreased as a result of lower used sales volumes, partially offset by higher average selling price per used vehicle. Decreases in used retail units sold, gross profit and gross profit per retail unit sold continued to be impacted by the reduction in marketing spend through the second half of 2025. Additionally, near-term disruptions have weighed on gross profit as we finalized the execution of the ACX Operating Method.

Used vehicle inventory days of supply increased by 13 days to 82 days (2024 - 69 days). The increase in days supply is mainly driven by winter buying in preparation for the upcoming selling season.

Same Store Results

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

For the year ended December 31, 2025

The following table summarizes the continuing operations and same store financial metrics for the year ended December 31, 2025 and changes compared to the year ended December 31, 2024.

Used Vehicle Financial Results	Year Ended December 31			
	2025 \$	2024 Revised ¹ \$	Change \$	Change %
Revenue	1,742,761	1,980,884	(238,123)	(12.0)%
Gross profit	58,465	65,782	(7,317)	(11.1)%
Gross profit percentage (%)	3.4%	3.3%		0.1 ppts
Used retail vehicles sold (units)	39,287	47,438	(8,151)	(17.2)%
Used vehicle gross profit per retail unit (\$)	1,122	1,447	(325)	(22.5)%
Used Vehicle Inventory days of supply (days) ²	75	72	3	4.2%
Average selling price per used vehicle (\$) ²	44,360	41,757	2,603	6.2%
Same store revenue	1,740,099	1,916,740	(176,641)	(9.2)%
Same store gross profit	56,760	58,285	(1,525)	(2.6)%
Same store gross profit percentage (%)	3.3%	3.0%		0.3 ppts
Same store used retail vehicles sold (units)	39,287	46,051	(6,764)	(14.7)%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

Continuing Operations

Used vehicle revenue and gross profit decreased due to lower used retail sales volumes, partially offset by stronger used wholesale revenue and gross profit. Decreases in used retail units sold, gross profit and gross profit per retail unit sold were also impacted by the reduction in marketing spend through the second half of 2025. Near-term disruptions have also weighed on gross profit as we finalized the execution of the ACX Operating Method. Used vehicle gross profit percentage increased driven by improvement in used wholesale.

Used vehicle inventory days of supply increased by 3 days to 75 days (2024 - 72 days). The increase in days supply is mainly driven by winter buying through the fourth quarter of 2025 in preparation for the upcoming selling season.

Same Store Results

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

Parts and service

For the three-month period ended December 31, 2025

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended December 31, 2025 and changes compared to the three-month period ended December 31, 2024.

Parts and Service Financial Results	Three-Months Ended December 31			
	2025	2024	Change	Change
	\$	Revised ¹	\$	%
Revenue	129,814	144,524	(14,710)	(10.2)%
Gross profit	69,626	76,843	(7,217)	(9.4)%
Gross profit percentage (%)	53.6%	53.2%		0.4 pts
Same store revenue	129,814	141,319	(11,505)	(8.1)%
Same store gross profit	69,626	74,785	(5,159)	(6.9)%
Same store gross profit percentage (%)	53.6%	52.9%		0.7 pts

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

Continuing Operations

Revenue and gross profit decreased in the fourth quarter of 2025 as compared to the fourth quarter of 2024, driven mainly by a decrease in service repair orders which is partly a result of lower new and used sales volumes, and near-term disruption as we finalized the execution of the ACX Operating Method.

Gross profit percentage remains consistent with prior year as management continues to prioritize gross profit on a per repair order⁸ basis.

Same Store Results

Revenue and gross profit decreased, while gross profit percentage remained consistent with prior year for the reasons noted above.

For the year ended December 31, 2025

The following table summarizes the continuing operations and same store financial metrics for the year ended December 31, 2025 and changes compared to the year ended December 31, 2024.

Parts and Service Financial Results	Year Ended December 31			
	2025	2024	Change	Change
	\$	Revised ¹	\$	%
Revenue	515,217	556,297	(41,080)	(7.4)%
Gross profit	282,268	301,980	(19,712)	(6.5)%
Gross profit percentage (%)	54.8%	54.3%		0.5 pts
Same store revenue	515,058	530,022	(14,964)	(2.8)%
Same store gross profit	282,111	287,700	(5,589)	(1.9)%
Same store gross profit percentage (%)	54.8%	54.3%		0.5 pts

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

⁸ 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, mainly due to a decrease in service repair orders which is partly a result of lower new and used sales volumes, the impact of divestitures which occurred in 2024, and near-term disruption as we finalized the execution of the ACX Operating Method.

Gross profit percentage remained consistent as management continues to prioritize gross profit on a per repair order basis.

Same Store Results

Revenue and gross profit decreased, mainly due to a decrease in service repair orders while gross profit percentage remained consistent due to the reasons noted above.

Collision repair

For the three-month period ended December 31, 2025

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended December 31, 2025 and changes compared to the three-month period ended December 31, 2024.

Collision Repair Financial Results	Three-Months Ended December 31			
	2025 \$	2024 \$	Change \$	Change %
Revenue	35,366	36,262	(896)	(2.5)%
Gross profit	18,136	17,242	894	5.2%
Gross profit percentage (%)	51.3%	47.5%		3.8 ppts
Same store revenue	33,686	36,262	(2,576)	(7.1)%
Same store gross profit	17,576	17,241	335	1.9%
Same store gross profit percentage (%)	52.2%	47.5%		4.7 ppts

Continuing Operations

Revenue decreased as a result of normalization of paintless dent repair following a severe hail event in 2024, partially offset by revenue from traditional collision business.

Gross profit and gross profit percentage increased driven by strong customer demand for traditional collision repair services, and additional Original Equipment Manufacturer ("OEM") certifications.

Same Store Results

Revenue, gross profit, and gross profit percentage are consistent with continuing operations, for the reasons noted above.

For the year ended December 31, 2025

The following table summarizes the continuing operations and same store financial metrics for the year ended December 31, 2025 and changes compared to the year ended December 31, 2024.

Collision Repair Financial Results	Year Ended December 31			
	2025 \$	2024 \$	Change \$	Change %
Revenue	151,631	130,913	20,718	15.8%
Gross profit	70,229	65,195	5,034	7.7%
Gross profit percentage (%)	46.3%	49.8%		(3.5) ppts
Same store revenue	149,949	130,294	19,655	15.1%
Same store gross profit	69,816	64,975	4,841	7.5%
Same store gross profit percentage (%)	46.6%	49.9%		(3.3) ppts

Continuing Operations

Revenue and gross profit increased as a result of strong customer demand, additional OEM certifications, increased insurance referrals and increased paintless dent repair.

Gross profit percentage decreased due to an increase in paintless dent repair which has a lower margin profile than traditional collision repair.

Same Store Results

Revenue, gross profit, and gross profit percentage are consistent with continuing operations, for the reasons noted 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, 2025

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended December 31, 2025 and changes compared to the three-month period ended December 31, 2024.

F&I Financial Results	Three-Months Ended December 31			
	2025 \$	2024 Revised ¹ \$	Change \$	Change %
Revenue	54,419	69,245	(14,826)	(21.4)%
Gross profit	54,419	63,213	(8,794)	(13.9)%
Gross profit percentage (%)	100.0%	91.3%		8.7 ppts
F&I gross profit per retail unit average (\$)	3,451	3,305	146	4.4%
Same store revenue	54,419	68,369	(13,950)	(20.4)%
Same store gross profit	54,419	62,344	(7,925)	(12.7)%
Same store gross profit percentage (%)	100.0%	91.2%		8.8 ppts
Same store F&I gross profit per retail unit average (\$)	3,451	3,326	125	3.8%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

Continuing Operations

Revenue and gross profit decreased reflecting lower total retail vehicle sales volumes. F&I average gross profit per retail unit increased as compared to the fourth quarter of 2024, driven by an increase in products sold per deal.

Same Store Results

Revenue and gross profit decreased as a result of lower total retail volumes and F&I average gross profit per retail unit increased for the reasons noted above.

For the year ended December 31, 2025

The following table summarizes the continuing operations and same store financial metrics for the year ended December 31, 2025 and changes compared to the year ended December 31, 2024.

F&I Financial Results	Year Ended December 31			
	2025 \$	2024 Revised ¹ \$	Change \$	Change %
Revenue	258,431	297,757	(39,326)	(13.2)%
Gross profit	236,530	272,101	(35,571)	(13.1)%
Gross profit percentage (%)	91.5%	91.4%		0.1 ppts
F&I gross profit per retail unit average (\$)	3,347	3,286	61	1.9%
Same store revenue	258,431	289,902	(31,471)	(10.9)%
Same store gross profit	236,530	264,440	(27,910)	(10.6)%
Same store gross profit percentage (%)	91.5%	91.2%		0.3 ppts
Same store F&I gross profit per retail unit average (\$)	3,347	3,306	41	1.2%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

Continuing Operations

Revenue and gross profit decreased reflecting lower total retail vehicle sales volumes. F&I gross profit per retail unit average increased as compared to the prior year period, driven by an increase in products sold per deal.

Same Store Results

Revenue and gross profit decreased as a result of lower total retail volumes and F&I average gross profit per retail unit increased for the reasons noted above.

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 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, operating expenses before depreciation as a percentage of gross profit, normalized operating expenses before depreciation, and normalized operating expenses before depreciation as a percentage of gross profit indicators of operating performance and expense control.

Operating Expenses

For the three-month period ended December 31, 2025

The following table summarizes operating expenses, operating expenses before depreciation, operating expenses before depreciation as a percentage of gross profit, normalized operating expenses before depreciation, and normalized operating expenses before depreciation as a percentage of gross profit from continuing operations for the three-month period ended December 31, 2025, and changes compared to the respective for the three-month period ended December 31, 2024.

	Three-Months Ended December 31			
	2025 \$	2024 Revised ² \$	Change \$	Change %
Employee costs	86,384	102,816	(16,432)	(16.0)%
Administrative costs	49,794	60,445	(10,651)	(17.6)%
Facility lease costs	1,067	817	250	30.6%
Depreciation and amortization ¹	12,967	14,597	(1,630)	(11.2)%
Operating expenses ("Opex")	150,212	178,675	(28,463)	(15.9)%
Less: Depreciation and amortization ¹	(12,967)	(14,597)	1,630	11.2%
Opex before depreciation	137,245	164,078	(26,833)	(16.4)%
Less:				
Acquisition-related costs	(137)	(316)	179	(56.6)%
Software implementation costs	(330)	(531)	201	(37.9)%
Canadian franchise dealership and corporate restructuring charges	(4,899)	(9,913)	5,014	(50.6)%
Share-based compensation	(389)	(1,759)	1,370	(77.9)%
Normalized opex before depreciation	131,490	151,559	(20,069)	(13.2)%
Opex before depreciation as a percentage of gross profit (%)	78.9%	75.9%		3.0 ppts
Normalized opex before depreciation as a percentage of gross profit (%)	75.6%	70.1%		5.5 ppts

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

² Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

Continuing Operations

Operating expenses before depreciation decreased (16.4)% to \$137.2 million in the fourth quarter of 2025 compared to the prior year period. On a normalized basis, it decreased by (13.2)% or \$(20.1) million year-over-year to \$131.5 million, including \$4.9 million of restructuring charges, which relates to our cost reduction initiatives which achieved \$115.0 million in annual run-rate savings exiting 2025.

Normalized operating expenses as a percentage of gross profit increased by 5.5 ppts to 75.6% in the fourth quarter of 2025 compared to 70.1% in the fourth quarter of 2024. This is due to the decrease in gross profit in the period, as our fixed and semi-fixed costs were spread across a lower gross profit base.

Operating Expenses

For the year ended December 31, 2025

The following table summarizes operating expenses, operating expenses before depreciation, operating expenses before depreciation as a percentage of gross profit, normalized operating expenses before depreciation, and normalized operating expenses before depreciation as a percentage of gross profit from continuing operations for the year ended December 31, 2025, and changes compared to the year ended December 31, 2024.

	Year Ended December 31			
	2025	2024	Change	Change
	\$	Revised ²		
Employee costs	401,388	438,577	(37,189)	(8.5)%
Administrative costs	199,698	222,179	(22,481)	(10.1)%
Facility lease costs	3,254	3,945	(691)	(17.5)%
Depreciation and amortization ¹	53,292	55,707	(2,415)	(4.3)%
Operating expenses ("Opex")	657,632	720,408	(62,776)	(8.7)%
Less: Depreciation and amortization ¹	(53,292)	(55,707)	2,415	4.3%
Opex before depreciation	604,340	664,701	(60,361)	(9.1)%
Less:				
Acquisition-related costs	(373)	(1,718)	1,345	(78.3)%
Software implementation costs	(2,700)	(3,384)	684	(20.2)%
Canadian franchise dealership restructuring charges	(44,225)	(10,285)	(33,940)	330.0%
Key management transition costs	—	(4,704)	4,704	(100.0)%
Share-based compensation	(8,613)	(8,033)	(580)	7.2%
Normalized opex before depreciation	548,429	636,577	(88,148)	(13.8)%
Opex before depreciation as a percentage of gross profit (%)	77.0%	75.9%		1.1 ppts
Normalized opex before depreciation as a percentage of gross profit (%)	69.9%	72.7%		(2.8) ppts

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

² Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

Continuing Operations

Operating expenses before depreciation decreased (9.1)% to \$604.3 million for the year ended December 31, 2025 compared to the prior year. On a normalized basis, it decreased by (13.8)% or \$(88.1) million year-over-year to \$548.4 million, including \$44.2 million of restructuring charges, which relates to our cost reduction initiatives which achieved \$115.0 million in annual run-rate savings exiting 2025.

Normalized operating expenses as a percentage of gross profit decreased to 69.9% for the year ended December 31, 2025 compared to 72.7% in the prior year, which represents a 2.8 ppts improvement as management finalized the execution of the ACX Operating Method.

Operating expenses before depreciation as a percentage of gross profit increased largely due to the increase in restructuring charges, partially offset by cost savings realized for the year ended December 31, 2025 as compared to the prior year.

Net Income and Adjusted EBITDA and Adjusted EBITDA Margin

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, 2025

The following table summarizes net (loss) income, adjusted EBITDA, and adjusted EBITDA margin from continuing operations for the three-month periods ended December 31, 2025:

	Three-Months Ended December 31			
	2025 \$	2024 Revised ¹ \$	Change \$	Change %
Net (loss) income for the period	(2,331)	9,847	(12,178)	(123.7)%
Adjusted EBITDA	32,703	54,379	(21,676)	(39.9)%
Adjusted EBITDA margin	2.9%	4.3%		(1.4) ppts

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

Net (Loss) Income

Net loss for the period was a result of items noted above, as well as higher interest rate swap costs, higher unrealized foreign exchange losses, and higher income tax expense, partially offset by an increase in fair value change in interest swaps and gain on settlement of redemption liability in the fourth quarter of 2025.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA decreased primarily driven by a decline in gross profit, partially offset by lower operating expenses before depreciation and lower floorplan financing expenses as noted above.

Adjusted EBITDA margin decreased by (1.4) ppts to 2.9% for the reasons noted above.

For the year ended December 31, 2025

The following table summarizes net income, adjusted EBITDA, and adjusted EBITDA margin from continuing operations for the year ended December 31, 2025:

	Year Ended December 31			
	2025 \$	2024 Revised ¹ \$	Change \$	Change %
Net income for the period	23,386	48,910	(25,524)	(52.2)%
Adjusted EBITDA	198,171	177,770	20,401	11.5%
Adjusted EBITDA margin	4.0%	3.4%		0.6 ppts

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

Net Income

Net income for the period decreased as a result of items noted above, as well as higher interest rate swap costs, higher unrealized foreign exchange losses, and higher income tax expense, partially offset by an increase in fair value change in interest swaps and gain on settlement of redemption liability for the year ended December 31, 2025.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA and Adjusted EBITDA margin increased primarily driven by lower operating expenses before depreciation and lower floorplan financing expenses, partially offset by a decrease in gross profit as noted above.

Finance costs

The Company incurs finance costs on its revolving floorplan facilities, indebtedness, lease liabilities, 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. Current interest rate swap agreements include \$167.4 million in swap contracts initially maturing in 2026 to 2028, subject to extension to 2029 to 2030, and \$177.8 million swap contracts that mature in 2030, 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:

	Three-Months Ended December 31		Year Ended December 31	
	2025 \$	2024 Revised ¹ \$	2025 \$	2024 Revised ¹ \$
Finance Costs				
Interest on long-term indebtedness	7,746	7,509	33,094	25,560
Interest on lease liabilities	7,457	7,967	30,220	31,514
Unrealized fair value changes on non-hedging instruments	(2,937)	3,716	(1,071)	10,030
	12,266	19,192	62,243	67,104
Floorplan financing	8,331	13,055	36,483	63,399
Interest rate swap settlements	775	(616)	1,626	(4,774)
Other finance costs	604	796	1,382	2,907
	21,976	32,427	101,734	128,636

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

During the three-month period ended December 31, 2025, floorplan financing costs decreased compared to the prior year period reflecting lower interest rate and lower new and used vehicle inventory balances. Interest on long-term indebtedness increased due to an increase in mortgage financing costs and change in the allocation methodology as a result of the divestiture of the U.S. dealerships.

During the year ended December 31, 2025, floorplan financing costs decreased compared to the prior year period reflecting lower interest rate and lower new and used vehicle inventory balances. Interest on long-term indebtedness increased due to an increase in mortgage financing costs and change in the allocation methodology as a result of the divestiture of the U.S. dealerships.

Income taxes

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

	Three-Months Ended December 31		Year Ended December 31	
	2025 \$	2024 Revised ¹ \$	2025 \$	2024 Revised ¹ \$
Current tax expense	5,922	8,033	5,970	15,222
Deferred tax (recovery) expense	(2,713)	(6,860)	6,151	(7,187)
Total income tax (recovery) expense	3,209	1,173	12,121	8,035
Effective income tax rate	365.5%	10.6%	34.1%	14.1%
Statutory income tax rate	25.5%	25.4%	25.5%	25.4%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

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.

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

	Three-Months Ended December 31		Year Ended December 31	
	2025	2024	2025	2024
	\$	\$	\$	\$
Tax (recovery) expense on repurchase of preferred shares in U.S. Operations	(621)	—	604	—
Tax recovery relating to change in fair value of hedging instruments	—	—	—	(51)
Total income tax (recovery) expense	(621)	—	604	(51)

Discontinued Operations

For the three-month period ended December 31, 2025

Revenue and new and used retail units sold decreased largely as a result of the sale of several U.S. stores and the closure of the RightRide business.

Gross profit decreased due to a reduction in parts and services and F&I operations. Parts and services gross profit decreased driven by lower repair orders, while the reduction in F&I gross profit is driven by lower total retail vehicle sales volume. This is partially offset by increases in new and used vehicle gross profits, driven mainly by improved gross profit per retail unit, partially offset by lower units sold.

Net income for the period increased as a result of decreases in operating expenses, lower finance costs, lower impairment of fixed assets, lower income taxes and partially offset by the items noted above. Deferred tax asset has not been recognized in respect of Discontinued Operations on the basis it is not probable that future taxable profit will be available against which the Company will be able to use these benefits.

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

For the year ended December 31, 2025

Revenue and new and used retail units sold decreased largely as a result of the sale of several U.S. stores and the closure of the RightRide business.

Gross profit decreased due to a reduction in new vehicle, parts and services and F&I operations. New vehicle gross profit decreased driven by decreases in new vehicle gross profit per retail unit and new units sold. Parts and services gross profit decreased driven by lower repair orders, while the reduction in F&I gross profit is driven by lower total retail vehicle sales volume, partially offset by higher gross profit per unit sold. Used vehicle gross profit was flat driven by increases in gross profit per unit sold, offset by a decrease in used retail units sold.

Net income for the period increased as a result of decreases in operating expenses, an increase from gains on asset dispositions, lower finance costs, lower impairments of fixed assets, lower income taxes and partially offset by the items noted above. Deferred tax asset has not been recognized in respect of Discontinued Operations on the basis it is not probable that future taxable profit will be available against which the Company will be able to use these benefits.

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

Refer to Section 5. Acquisitions, Divestitures, and Other Recent Developments for more information.

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, 2025.

Wind-downs and Restructuring

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 previously held for sale in the U.S. Operations segment, which was presented as a discontinued operation, as at December 31, 2024. A gain of \$0.9 million was recognized on the termination.

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 \$14.5 million for repayment of loans in addition to \$15.6 million for accrued interest, accrued royalty fees, and a termination fee. A gain of \$11.6 million was recognized on the termination 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.

Divestitures

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 \$3.3 million resulted in a loss on divestiture of \$1.5 million included in net income for the period from continuing operations.

Acquisitions

Acquisition of Collision Repair Facility

On October 3, 2025, the Company acquired 100% of the shares of Doug's Place Collision Repair Inc., a collision and refinish repair facility in Edmonton, Alberta, which is included within the Canadian Operations segment. The acquisition supports management's strategic objectives of expanding the Company's collision repair capacity in the Edmonton market and enhances OEM and insurance partner coverage.

Acquisition of Modern Autobody

On January 19, 2026, the Company completed the acquisition of Modern Autobody, a single-location collision and refinish repair facility located in Edmonton, Alberta for a provisional purchase price of \$8.8 million, subject to customary closing conditions. The acquisition supports management's strategic objectives of expanding 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 of Modern Autobody.

Other 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 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.

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 Dodge Jeep Ram

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 Dodge Jeep Ram 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 Dodge Jeep Ram.

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 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 year ended December 31, 2025. The operating assets and associated liabilities of the divested dealerships below were previously held for sale in the U.S. Operations segment, which was presented as a discontinued operation, as at December 31, 2024.

Divestiture of Crystal Lake Chrysler Dodge Jeep Ram

On July 29, 2025, the Company sold substantially all of the operating assets and associated liabilities of Crystal Lake Chrysler Dodge Jeep Ram, located in Crystal Lake, Illinois, for cash consideration. Gross proceeds of \$11.9 million resulted in a pre-tax loss on divestiture of \$2.4 million included in net loss for the period from discontinued operations.

Divestiture of Hyundai of Palatine

On August 20, 2025, the Company sold substantially all of the operating assets and associated liabilities of Hyundai of Palatine, located in Palatine, Illinois, for cash consideration. Gross proceeds of \$6.3 million resulted in a pre-tax gain on divestiture of \$2.6 million included in net loss for the period from discontinued operations.

Divestiture of Chevrolet of Palatine

On August 20, 2025, the Company sold substantially all of the operating assets and associated liabilities of Chevrolet of Palatine, located in Palatine, Illinois, for cash consideration. Gross proceeds of \$5.8 million resulted in a pre-tax gain on divestiture of \$1.6 million included in net loss for the period from discontinued operations.

Divestiture of North City Honda

On August 26, 2025, the Company sold substantially all of the operating assets and associated liabilities of North City Honda, located in Chicago, Illinois, for cash consideration. Gross proceeds of \$19.8 million resulted in a pre-tax loss on divestiture of \$0.9 million included in net loss for the period from discontinued operations.

Divestiture of Toyota of Lincoln Park

On January 27, 2026, the Company sold substantially all of the operating assets of Toyota of Lincoln Park, located in Chicago, Illinois, for cash consideration of \$11.2 million plus closing adjustments. Toyota of Lincoln Park was previously presented as held for sale in the U.S. Operations segment

Termination of RightRide Operations

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 year ended December 31, 2025. The Company recorded an impairment charge of \$3.4 million related to right-of-use assets that were determined to be impaired as a result of the classification as a discontinued operation.

The financial performance and cash flow information from discontinued operations for the three-month periods and years ended December 31 are summarized as follows:

	Three-Months Ended December 31, 2025			Three-Months Ended December 31, 2024		
	RightRide \$	Retail Automobile Dealerships - U.S. Operations \$	Total \$	RightRide \$	Retail Automobile Dealerships - U.S. Operations \$	Total \$
Revenue	61	100,120	100,181	(3,916)	187,282	183,366
Cost of sales	(18)	(85,918)	(85,936)	4,728	(163,571)	(158,843)
Gross profit	43	14,202	14,245	812	23,711	24,523
Operating expenses	(100)	(20,661)	(20,761)	(2,215)	(57,937)	(60,152)
Operating (loss) profit before other income	(57)	(6,459)	(6,516)	(1,403)	(34,226)	(35,629)
Lease and other income, net	(41)	(226)	(267)	35	886	921
Loss (gain) on disposal of assets, net	(13)	28	15	(27)	—	(27)
Gain on lease terminations	—	(8)	(8)	—	—	—
Write off of leasehold improvements	—	4	4	—	—	—
Recovery on trade and other receivables	—	846	846	—	—	—
Net (impairment) recovery of non-financial assets	—	(1,486)	(1,486)	(1,130)	(5,192)	(6,322)
Operating (loss) profit	(111)	(7,301)	(7,412)	(2,525)	(38,532)	(41,057)
Finance costs	(29)	(4,124)	(4,153)	(216)	(6,846)	(7,062)
Recycled cumulative foreign currency translation on return of capital	—	(38)	(38)	—	—	—
Loss for the year before taxation from discontinued operations	(140)	(11,463)	(11,603)	(2,741)	(45,378)	(48,119)
Income tax expense	—	621	621	—	94	94
Net loss from discontinued operations	(140)	(12,084)	(12,224)	(2,741)	(45,472)	(48,213)
Exchange differences on translation of discontinued operations	—	(988)	(988)	—	—	—
Recycled cumulative foreign currency translation on return of capital	—	38	38	—	—	—
Income tax relating to these items	—	621	621	—	—	—
Other comprehensive loss from discontinued operations	—	(329)	(329)	—	—	—

	Year Ended December 31, 2025			Year Ended December 31, 2024		
	RightRide \$	Retail Automobile Dealerships - U.S. Operations \$	Total \$	RightRide \$	Retail Automobile Dealerships - U.S. Operations \$	Total \$
Revenue	10,006	511,068	521,074	80,123	747,300	827,423
Cost of sales	(9,446)	(426,231)	(435,677)	(73,286)	(644,941)	(718,227)
Gross profit	560	84,837	85,397	6,837	102,359	109,196
Operating expenses	(3,252)	(90,745)	(93,997)	(14,904)	(151,143)	(166,047)
Operating (loss) profit before other income	(2,692)	(5,908)	(8,600)	(8,067)	(48,784)	(56,851)
Lease and other income, net	(465)	292	(173)	67	1,532	1,599
Gain on dealerships disposed	—	1,728	1,728	—	—	—
Loss on disposal of assets, net	(1,131)	(743)	(1,874)	(2,153)	—	(2,153)
Gain on lease terminations	2,561	11,463	14,024	53	—	53
Write off of leasehold improvements	—	(6,586)	(6,586)	—	—	—
Recovery on trade and other receivables	—	846	846	—	—	—
Net (impairment) recovery of non-financial assets	(3,369)	10,875	7,506	(1,130)	(11,393)	(12,523)
Impairment loss recognized on remeasurement to fair value less cost to dispose	—	—	—	—	(5,123)	(5,123)
Operating (loss) profit	(5,096)	11,967	6,871	(11,230)	(63,768)	(74,998)
Finance costs	(243)	(16,362)	(16,605)	(1,042)	(25,920)	(26,962)
Recycled cumulative foreign currency translation on return of capital	—	4,908	4,908	—	—	—
Loss for the year before taxation from discontinued operations	(5,339)	513	(4,826)	(12,272)	(89,688)	(101,960)
Income tax expense	—	621	621	—	13,698	13,698
Net loss from discontinued operations	(5,339)	(108)	(5,447)	(12,272)	(103,386)	(115,658)
Exchange differences on translation of discontinued operations	—	(6,131)	(6,131)	—	8,032	8,032
Recycled cumulative foreign currency translation on return of capital	—	(4,908)	(4,908)	—	—	—
Income tax relating to these items	—	(604)	(604)	—	—	—
Other comprehensive (loss) income from discontinued operations	—	(11,643)	(11,643)	—	8,032	8,032

	Three-Months Ended December 31		Year Ended December 31	
	2025	2024	2025	2024
	\$	\$	\$	\$
Net cash (outflow) inflow from operating activities	3,792	1,123	(16,419)	31,674
Net cash inflow (outflow) from investing activities	(665)	5,548	6,841	(2,442)
Net cash outflow from financing activities	(1,196)	(548)	(6,442)	(10,009)
Net (decrease) increase in cash from discontinued operations	1,931	6,123	(16,020)	19,223

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 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, and may arise due to general day-to-day cash requirements and in the management of assets, liabilities and capital resources.

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.

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.

During the year ended December 31, 2025, the Company had a comprehensive income of \$6.3 million and cash flows from operations of \$23.0 million. 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 at December 31, 2025, the Company had total liquidity⁹ of \$332.9 million comprised of \$88.0 million cash and \$244.9 million available under the revolving credit facility.

Sources of Cash

Credit Facilities

On April 22, 2024, the Company entered into the fourth amended and restated \$1,635 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"), ATB Financial ("ATB"), and Toronto Dominion Bank ("TD"). The 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 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 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 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

⁹ See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of this supplementary financial measure.

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.

On December 27, 2024, the Company amended the 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.

On March 28, 2025, the Company obtained consent to increase the Company's maximum permitted Total Net Funded Debt to Bank 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 reverted to 4.00:1.00.

On August 28, 2025, the Company amended the Credit Facility to reduce the \$15 million wholesale leasing facility to \$5 million and obtained consent for administrative items to support ongoing operations.

On December 19, 2025, the Company amended the Credit Facility to obtain lender consent to amend the definition of EBITDA to include add-backs of up to CAD \$20.0 million for specific one-time expenses incurred by the Company from July 1, 2025 to December 31, 2026 in connection with the settlement and termination of certain senior officers of the Company.

The following tables summarize the amended limits, amounts drawn and capacity of the Credit Facility as at December 31, 2025:

Type of Facility	Limit	Drawn	Available Capacity
Revolving credit ¹	375,000	130,100	244,900
Leasehold credit facility	25,000	—	25,000
Wholesale inventory floorplan and lease financing	1,225,000	549,106	675,894
Total	1,625,000	679,206	945,794

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 facilities 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 Credit Facility. The following table provides a breakdown of the Company's floorplan facilities as at December 31, 2025:

Lender	Limit	Drawn	Available Capacity
Credit Facility – Floorplan	1,225,000	549,106	675,894
Other Canadian Floorplan Facilities	541,900	379,588	162,312
Other U.S. Floorplan Facility	89,393	33,922	55,471
Total	1,856,293	962,616	893,677

Financial Covenants

The Company is required to comply with certain financial covenants, under the terms of the Credit Facility, various standalone floorplan financing facilities and OEM franchise agreements. 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, 2025, the Company was in compliance with all of these financial covenants.

The 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 three-month period ended December 31, 2025 and December 31, 2024 on a continuing operations basis, the financial covenants under the 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 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 Credit Facility as at December 31, 2025:

Financial Covenants	Requirement	Q4 2025
Senior Net Funded Debt to Bank EBITDA Ratio	Shall not exceed 2.50	0.71
Total Net Funded Debt to Bank EBITDA Ratio	Shall not exceed 4.00	3.44
Fixed Charge Coverage Ratio	Shall not be less than 1.20	3.25

As noted, on March 28, 2025, the Company obtained lender consent to change the Credit Facility to increase the Company's maximum permitted Total Net Funded Debt to Bank 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 reverted to 4.00:1.00. On December 19, 2025, the Company amended the Credit Facility to obtain lender consent to amend the definition of EBITDA to include add-backs of up to CAD \$20.0 million for specific one-time expenses incurred by the Company from July 1, 2025 to December 31, 2026 in connection with the settlement and termination of certain senior officers of the Company.

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.

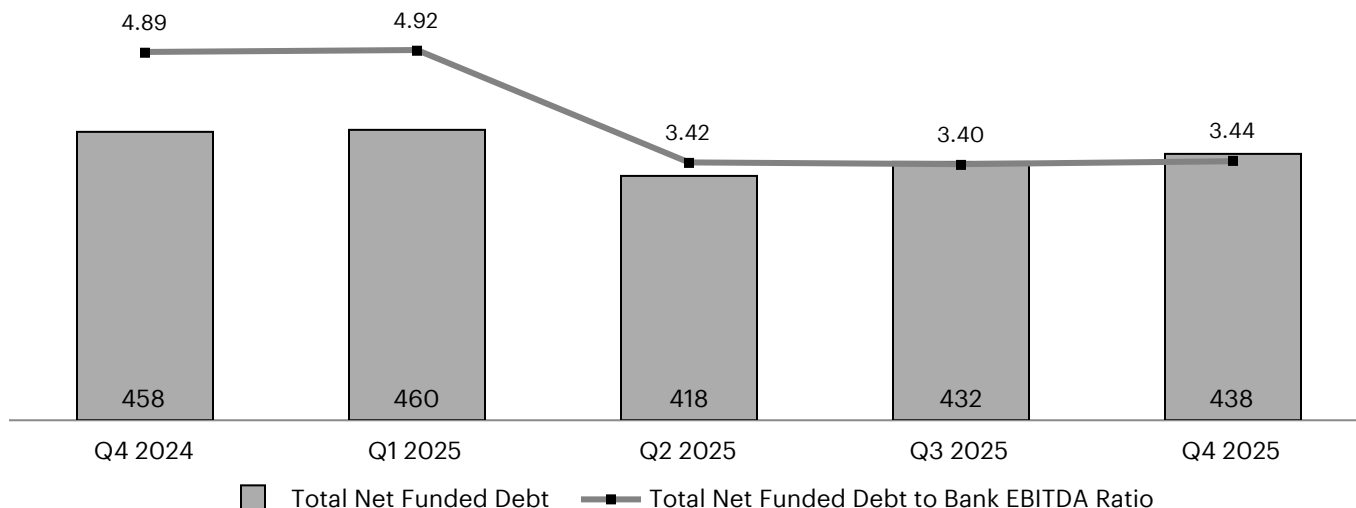
Total Net Funded Debt to Bank EBITDA Ratio Covenant Summary

The following table summarizes the Company's Total Net Funded Debt for purposes of calculating Total Net Funded Debt to Bank EBITDA Ratio ("Total Net Funded Debt Ratio")

	December 31, 2025	December 31, 2024
	\$	\$
Credit Facility, net of unamortized deferred financing costs	128,711	154,878
\$350 Million Notes, net of unamortized deferred financing costs	347,200	346,300
Other funded debt according to Credit Facility	32,458	24,668
Total Funded Debt	508,369	525,846
Less: Allowable Cash Netting according to Credit Facility	(70,000)	(67,355)
Total Net Funded Debt	438,369	458,491

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

Total Net Funded Debt (\$Millions) and Total Net Funded Debt Ratio



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 comprised of three facilities with an aggregate limit of \$39.0 million, at a variable interest rate of prime + 1.50%. The mortgage had a three-year term and twenty-year amortization. It required monthly interest-only payments until construction was complete. On September 27, 2024, the Company updated the mortgage terms and advanced an additional \$10.0 million on the non-recourse mortgage. The updated mortgage had a one-year term with a variable interest rate of prime + 1.00%. On September 26, 2025, the Company renewed the mortgage with a two-year term and a variable interest rate of CORRA + 2.45% (combined total rate of 4.98% as at December 31, 2025) 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 two-year term. As at December 31, 2025, the value of this mortgage, net of unamortized deferred financing costs, was \$22.4 million (2024 - \$23.3 million).

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, 2025, the value of the mortgages, net of unamortized deferred financing costs, was \$16.0 million (2024 - \$16.7 million).

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

Gross Lease Adjusted Indebtedness¹⁰ Summary

Gross lease adjusted leverage ratio¹¹ (“Gross Lease Ratio”) is a leverage measure used by management to evaluate the leverage of the Company as it includes lease liabilities in the calculation of gross lease adjusted indebtedness.

¹⁰ See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of this capital management measure.

¹¹ See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of this Non-GAAP Measure.

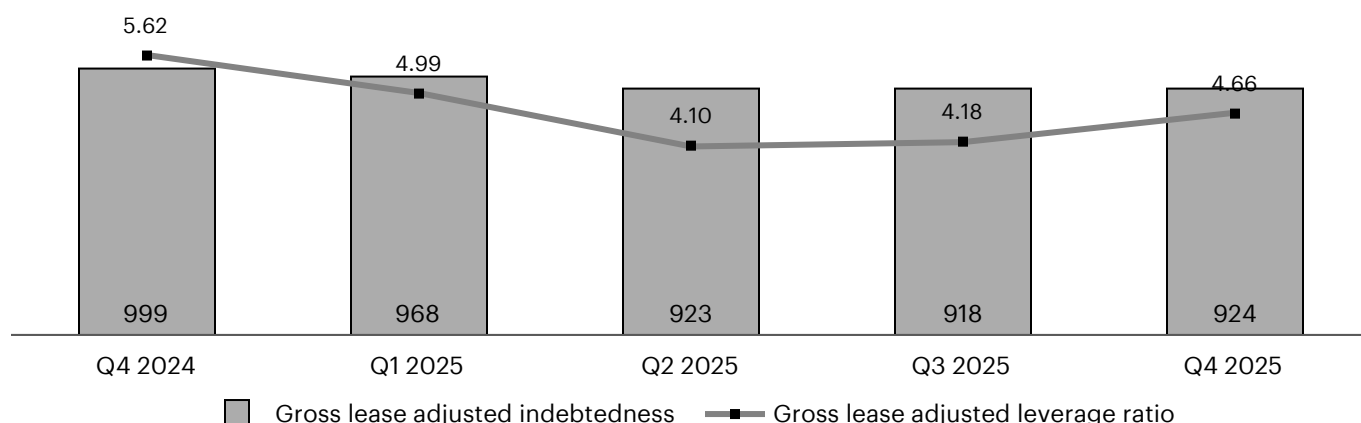
The following summarizes the Company's gross lease adjusted indebtedness and Gross Lease Ratio from continuing operations as at June 30, 2025 and December 31, 2024.

	December 31, 2025	December 31, 2024
	\$	Revised¹
		\$
Credit facility, net of unamortized deferred financing costs	128,711	154,878
\$350 Million Notes, net of unamortized deferred financing costs	347,200	346,300
Non-recourse mortgages and other debt	38,798	40,473
Total indebtedness	514,709	541,651
Add: Lease liabilities	409,341	457,172
Gross lease adjusted indebtedness	924,050	998,823
Adjusted EBITDA - trailing twelve months	198,171	177,770
Gross lease adjusted leverage ratio ("Gross Lease Ratio")	4.66x	5.62x

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

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



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, 2025, the Company incurred \$11.2 million in capital expenditures related to growth initiatives in collision and to a lesser extent, 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	
	2025	2024	2025	2024
	\$	\$	\$	\$
Non-growth capital expenditures	3,432	317	7,032	3,435
Growth capital expenditures	5,412	5,868	14,340	24,383
Total capital expenditures	8,844	6,185	21,372	27,818
Real estate acquisition expenditures	2,306	—	2,411	—
Total capital related expenditures	11,150	6,185	23,783	27,818

Capital Commitments

At December 31, 2025, the Company is committed to capital expenditure obligations in the amount of approximately \$2.5 million related to dealership reimagings and other renovations with expected completion of these commitments in 2030. 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 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. S&P issued the following research updates and updated the Company's ratings and outlook as follows:

- On January 12, 2022, Senior Notes Rating was increased to 'B+' from 'B'.
- On July 30, 2024, Credit Rating was reaffirmed at 'B+' and our outlook was revised from 'Stable' to 'Negative'.
- On September 22, 2025, our outlook was revised from 'Negative' to 'Stable'.

7. RELATED PARTY TRANSACTIONS

Transactions with related parties

During the year, there were transactions with companies controlled by the former 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

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:

	2025 \$	2024 \$
Administrative and other support and transportation fees	1,402	1,697
Vehicle purchases from related parties	—	162
Vehicle sales to related parties	1,513	2,387

Key Management Personnel Compensation

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

	2025 \$	2024 \$
Wages, salaries and commissions	9,790	4,153
Termination and other benefits	10,168	2,503
Employee benefits	2,403	197
Share-based compensation	5,491	3,458
	27,852	10,311

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 DSUs;
- 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 Used Digital Division 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.

During the year ended December 31, 2025, \$2.0 million was recorded in employee benefits related to the transition of the Executive Chair.

In addition, the Company's Chief Strategy Officer & General Counsel transitioned out of his role on December 15, 2025. On November 13, 2025, the Company announced that AutoCanada's Chief Operating Officer and President, North American Operations transitioned out of their respective roles on January 4, 2026, and January 15, 2026, respectively. During the year ended December 31, 2025, \$10.7 million was recorded in termination and other benefits related to the transition of these executive officers. As at December 31, 2025, \$6.6 million was included in accruals and other provisions for these termination and other benefits.

8. OUTSTANDING SHARES

As at December 31, 2025, the Company had 23,150,233 (2024 - 23,150,233) common shares outstanding. Basic and diluted weighted average number of shares outstanding for the three-month period ended December 31, 2025 were 23,039,317 and 24,183,530, respectively. As at March 18, 2026, there were 23,150,233 common shares issued and outstanding.

As at December 31, 2025, the value of the shares held in trust, to hedge equity-based compensation plans, was \$1.3 million (2024 - \$0.3 million), which was comprised of 51,477 (2024 - 8,542) shares.

Normal Course Issuer Bid

On March 10, 2025, the Company's Normal Course Issuer Bid ("NCIB"), which was approved by the Toronto Stock Exchange ("TSX") on March 6, 2024, was terminated in accordance with its terms.

On December 15, 2025, the Company received approval from the TSX to commence an NCIB. The NCIB commenced on December 18, 2025, and will terminate on the earlier of December 17, 2026, and the date on which the maximum number of common shares that can be acquired pursuant to the NCIB have been purchased. Under the NCIB, the Company is authorized to purchase, for cancellation up to 1,177,539 common shares, representing approximately 10% of the public float of 11,775,396 of the Company's issued and outstanding common shares as at December 15, 2025. The Company is limited under the NCIB to purchase no more than 13,015 common shares on any given day, subject to the block purchase exemptions under the TSX rules.

During the year ended December 31, 2025, no common shares were repurchased and cancelled under the NCIB (2024 - 460,942) for cash consideration of \$nil (2024 - \$9,937), net of transaction costs.

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, 2025. A listing of the standards issued which are applicable to the Company can be found in Note 4 of the Annual Financial Statements.

The Company adopted the amendments to IAS 21 effective for the interim and audited annual consolidated financial statements commencing January 1, 2025. 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 Chief Executive Officer ("CEO") and Interim Chief Financial Officer ("CFO") to allow timely decisions regarding required disclosure.

As of December 31, 2025, the CEO and Interim 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 has 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 CEO and Interim 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 CEO and Interim CFO has concluded that, as at December 31, 2025, 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, 2025, 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. There may be impacts on general economic conditions, as a result of elevated inflation and/or broadening of inflationary pressures across a wide array of goods and services, higher interest rates, economic recession, changes in U.S. and international trade policy including elevated tariff activity, as more fully described in Section 3 Market and Financial Outlook, the ongoing geopolitical conflicts, pandemics, and other factors, resulting in reduced demand for vehicle sales and service. When and if these economic conditions worsen or stagnate, it can have a material adverse effect on consumer demand for vehicles or service 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. Any significant change or deterioration in economic conditions could have a material adverse effect on AutoCanada's business, financial condition, as more fully described in Section 6 Liquidity and Capital Resources, results of operations, cash flows or prospects. There is also no assurance that AutoCanada will fully realize on the anticipated operational expense savings from its transformation plan, as these depend on the successful implementation, stable economic conditions, and other external risk factors. If the transformation plan does not achieve expected operational expense savings or incur unforeseen costs, actual financial performance may differ from projections, impacting AutoCanada's financial position and results of operations.

The successful execution of our U.S. divestiture strategy is subject to the willingness of buyers, satisfaction of customary closing conditions, and securing all necessary OEM approvals, which may be difficult to obtain and could lead to delays or the termination of a transaction.

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, and share-based compensation amounts attributable to certain equity issuances as part of the transformation plan).

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 ("Opex") 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 year ended December 31:

	Three-Months Ended December 31, 2025			Three-Months Ended December 31, 2024 Revised ¹		
	Canada	U.S.	Total	Canada	U.S.	Total
Period from October 1 to December 31						
Net (loss) income for the period	(2,227)	(12,328)	(14,555)	7,105	(45,471)	(38,366)
Add back (deduct):						
Income tax expense	3,209	621	3,830	1,173	94	1,267
Depreciation of property and equipment	4,571	4	4,575	6,084	685	6,769
Interest on long-term indebtedness	7,746	831	8,577	7,509	3,141	10,650
Depreciation of right of use assets	8,113	—	8,113	8,536	1,008	9,544
Amortization of intangible assets	279	—	279	126	—	126
Lease liability interest	7,486	1,672	9,158	8,127	960	9,087
Impairment (recovery) of non-financial assets	4,919	1,486	6,405	(3,240)	5,192	1,952
(Gain) loss on redemption liabilities	(2,950)	—	(2,950)	1,113	—	1,113
Canadian franchise dealership and corporate restructuring charges	4,899	—	4,899	9,913	—	9,913
FTC settlement	—	—	—	—	27,396	27,396
Unrealized fair value changes on derivative instruments	(4,343)	—	(4,343)	5,491	—	5,491
Unrealized foreign exchange losses (gains)	2,092	—	2,092	(175)	—	(175)
Software implementation costs	330	—	330	531	—	531
Cybersecurity incident costs	468	—	468	567	—	567
RightRide restructuring charges	—	—	—	995	—	995
Write-down associated with wholesale transactions	—	—	—	7,592	—	7,592
Acquisition related costs	137	1,199	1,336	—	—	—
Share-based compensation for transformation plan awards	(153)	—	(153)	—	—	—
Realized foreign exchange gain on divested dealerships	—	38	38	—	—	—
Gain on disposal of assets	(1,725)	(25)	(1,750)	(7,352)	—	(7,352)
Adjusted EBITDA	32,851	(6,502)	26,349	54,095	(6,995)	47,100
Adjusted EBITDA from discontinued operations	87	6,267	6,354	284	6,995	7,279
Adjusted EBITDA from continuing operations	32,938	(235)	32,703	54,379	—	54,379

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

	Year Ended December 31, 2025			Year Ended December 31, 2024 Revised ¹		
	Canada	U.S.	Total	Canada	U.S.	Total
Period from January 1 to December 31						
Net income (loss) for the period	18,457	(518)	17,939	36,638	(103,386)	(66,748)
Add back (deduct):						
Income tax expense	12,121	621	12,742	8,035	13,698	21,733
Depreciation of property and equipment	20,089	11	20,100	23,398	2,445	25,843
Interest on long-term indebtedness	33,094	4,982	38,076	25,560	12,777	38,337
Depreciation of right of use assets	32,618	—	32,618	32,797	3,122	35,919
Amortization of intangible assets	733	—	733	503	—	503
Lease liability interest	30,442	3,822	34,264	31,837	3,130	34,967
Impairment (recovery) of non-financial assets	14,683	(10,875)	3,808	4,542	16,516	21,058
(Gain) loss on redemption liabilities	(3,920)	—	(3,920)	486	—	486
Canadian franchise dealership and corporate restructuring charges	44,225	—	44,225	10,285	—	10,285
FTC settlement	—	—	—	—	27,396	27,396
Unrealized fair value changes on derivative instruments	(3,723)	—	(3,723)	13,884	—	13,884
Unrealized foreign exchange losses	5,709	—	5,709	30	—	30
Software implementation costs	2,700	—	2,700	3,384	—	3,384
Cybersecurity incident costs	1,346	—	1,346	881	—	881
RightRide restructuring charges	1,683	—	1,683	3,506	—	3,506
Write-down associated with wholesale transactions	—	—	—	7,592	—	7,592
Acquisition related costs	373	1,199	1,572	—	—	—
Share-based compensation for transformation plan awards	3,590	—	3,590	—	—	—
Realized foreign exchange gain on divested dealerships	—	(4,908)	(4,908)	—	—	—
Gain on disposal of assets	(16,977)	(5,859)	(22,836)	(29,781)	—	(29,781)
Adjusted EBITDA	197,243	(11,525)	185,718	173,577	(24,302)	149,275
Adjusted EBITDA from discontinued operations	1,325	11,128	12,453	4,193	24,302	28,495
Adjusted EBITDA from continuing operations	198,568	(397)	198,171	177,770	—	177,770

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

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.

Collision Operations	Three-Months Ended December 31, 2025			Three-Months Ended December 31, 2024		
	Canada	U.S.	Total	Canada	U.S.	Total
Period from October 1 to December 31						
Net income for the period	913	(236)	677	4,374	—	4,374
Add back (deduct):						
Income tax expense	2,686	—	2,686	(448)	—	(448)
Depreciation of right of use assets	635	—	635	679	—	679
Depreciation of property and equipment	598	4	602	493	—	493
Amortization of intangible assets	11	—	11	—	—	—
Lease liability interest	860	—	860	851	—	851
Loss on disposal of assets	6	—	6	—	—	—
Adjusted EBITDA	5,709	(232)	5,477	5,949	—	5,949

Collision Operations	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Canada	U.S.	Total	Canada	U.S.	Total
Period from January 1 to December 31						
Net income (loss) for the period	9,677	(402)	9,275	9,645	—	9,645
Add back (deduct):						
Income tax expense	2,686	—	2,686	(448)	—	(448)
Depreciation of right of use assets	2,546	—	2,546	2,334	—	2,334
Depreciation of property and equipment	2,023	11	2,034	1,784	—	1,784
Amortization of intangible assets	11	—	11	—	—	—
Lease liability interest	3,493	—	3,493	3,239	—	3,239
(Gain) loss on disposal of assets	(1)	—	(1)	10	—	10
Adjusted EBITDA	20,435	(391)	20,044	16,564	—	16,564

Adjusted EBITDA Margin

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

Collision Operations	Three-Months Ended December 31, 2025			Three-Months Ended December 31, 2024 Revised ¹		
	Canada	U.S.	Total	Canada	U.S.	Total
Adjusted EBITDA	32,938	(235)	32,703	54,379	—	54,379
Revenue	1,116,291	273	1,116,564	1,265,837	—	1,265,837
Adjusted EBITDA Margin	3.0%	(86.1)%	2.9%	4.3%	—%	4.3%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

Collision Operations	Year Ended December 31, 2025			Year Ended December 31, 2024 Revised ¹		
	Canada	U.S.	Total	Canada	U.S.	Total
Adjusted EBITDA	198,568	(397)	198,171	177,770	—	177,770
Revenue	4,894,232	2,088	4,896,320	5,271,549	—	5,271,549
Adjusted EBITDA Margin	4.1%	(19.0)%	4.0%	3.4%	—%	3.4%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

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

Collision Operations	Three-Months Ended December 31, 2025			Three-Months Ended December 31, 2024		
	Canada	U.S.	Total	Canada	U.S.	Total
Adjusted EBITDA	5,709	(232)	5,477	5,949	—	5,949
Revenue	35,093	273	35,366	36,262	—	36,262
Adjusted EBITDA Margin	16.3 %	(85.0)%	15.5 %	16.4 %	— %	16.4 %

Collision Operations	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Canada	U.S.	Total	Canada	U.S.	Total
Adjusted EBITDA	20,435	(391)	20,044	16,564	—	16,564
Revenue	149,543	2,088	151,631	130,913	—	130,913
Adjusted EBITDA Margin	13.7 %	(18.7)%	13.2 %	12.7 %	— %	12.7 %

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:

Operating expenses before depreciation	Three-Months Ended December 31, 2025			Three-Months Ended December 31, 2024 Revised ¹		
	Canada	U.S.	Total	Canada	U.S.	Total
Operating expenses before depreciation	136,912	333	137,245	164,078	—	164,078
Normalizing Items:						
Deduct:						
Acquisition-related costs	(137)	—	(137)	(316)	—	(316)
Software implementation costs	(330)	—	(330)	(531)	—	(531)
Canadian franchise dealership and corporate restructuring charges	(4,899)	—	(4,899)	(9,913)	—	(9,913)
Share-based compensation expense	(389)	—	(389)	(1,759)	—	(1,759)
Normalized Opex before depreciation	131,157	333	131,490	151,559	—	151,559
Gross profit	173,877	93	173,970	216,118	—	216,118
Normalized Opex Before Depreciation as a percentage of gross profit (%)	75.4%	358.1%	75.6%	70.1%	—%	70.1%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

	Year Ended December 31, 2025			Year Ended December 31, 2024 Revised ¹		
	Canada	U.S.	Total	Canada	U.S.	Total
Operating expenses before depreciation	603,228	1,112	604,340	664,701	—	664,701
Normalizing Items:						
Deduct:						
Acquisition-related costs	(373)	—	(373)	(1,718)	—	(1,718)
Software implementation costs	(2,700)	—	(2,700)	(3,384)	—	(3,384)
Canadian franchise dealership and corporate restructuring charges	(44,225)	—	(44,225)	(10,285)	—	(10,285)
Management transition costs	—	—	—	(4,704)	—	(4,704)
Share-based compensation expense	(8,613)	—	(8,613)	(8,033)	—	(8,033)
Normalized Opex before depreciation	547,317	1,112	548,429	636,577	—	636,577
Gross profit	784,071	713	784,784	875,440	—	875,440
Normalized Opex Before Depreciation as a percentage of gross profit (%)	69.8%	156.0%	69.9%	72.7%	—%	72.7%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

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, 2025 and December 31, 2024:

	December 31, 2025 \$	December 31, 2024 Revised ¹ \$
Credit facility, net of unamortized deferred financing costs	128,711	154,878
\$350 Million Notes, net of unamortized deferred financing costs	347,200	346,300
Non-recourse mortgages and other debt	38,798	40,473
Total indebtedness	514,709	541,651
Add: Lease liabilities	409,341	457,172
Gross lease adjusted indebtedness	924,050	998,823
Adjusted EBITDA - trailing twelve months	198,171	177,770
Gross lease adjusted leverage ratio	4.66x	5.62x

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

15. SELECTED ANNUAL FINANCIAL INFORMATION

The following table shows the continuing operations results of the Company for the years ended December 31, 2025 and December 31, 2024.

Continuing Operations	2025	2024 Revised¹
Income Statement Data		
New vehicles	2,228,280	2,305,698
Used vehicles	1,742,761	1,980,884
Parts and service	515,217	556,297
Collision repair	151,631	130,913
Finance, insurance and other	258,431	297,758
Revenue	4,896,320	5,271,550
New vehicles	137,292	170,510
Used vehicles	58,465	65,649
Parts and service	282,268	301,980
Collision repair	70,229	65,195
Finance, insurance and other	236,530	272,107
Gross Profit	784,784	875,441
Gross profit %	16.0%	16.6 %
Operating expenses	657,632	720,408
Operating expenses as a % of gross profit	83.8%	82.3 %
Operating profit	135,818	182,547
Impairment of non-financial assets	11,314	3,412
Net income (loss)	23,386	48,910
Diluted net income per share attributable to AutoCanada shareholders	0.89	1.96
Adjusted EBITDA	198,171	177,770
Operating Data		
New retail vehicles sold	31,381	35,363
Used retail vehicles sold	39,287	47,438
Total retail vehicles sold	70,668	82,801
# of dealerships at year end ²	67	68
# of same store dealerships ^{2,3}	67	66
# of service bays at year end	1,105	1,151

1. Comparative period revised to reflect current period presentation for reclassification of discontinued operations.
2. Dealerships is defined as 64 franchised automobile dealerships and Used Digital Division dealerships (including 3 used vehicle dealerships).
3. 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.

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 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024 Revised ³	Q3 2024 Revised ³	Q2 2024 Revised ³	Q1 2024 Revised ³
Income Statement Data								
New vehicles	509,046	550,832	617,508	550,894	574,956	629,421	603,044	498,277
Used vehicles	387,919	417,955	474,165	462,722	440,850	524,916	532,054	483,064
Parts and service	129,814	125,044	137,546	122,813	144,524	144,000	136,934	130,839
Collision repair	35,366	37,519	38,420	40,326	36,262	31,487	30,563	32,601
Finance, insurance and other	54,419	70,107	70,560	63,345	69,245	82,701	78,555	67,257
Revenue	1,116,564	1,201,457	1,338,199	1,240,100	1,265,837	1,412,525	1,381,150	1,212,038
New vehicles	26,713	33,626	40,534	36,419	40,291	44,522	45,526	40,171
Used vehicles	5,076	8,809	25,157	19,423	18,529	26,245	9,372	11,503
Parts and service	69,626	67,596	78,902	66,144	76,843	77,164	78,231	69,742
Collision repair	18,136	17,334	16,561	18,198	17,242	17,527	16,122	14,304
Finance, insurance and other	54,419	60,046	64,213	57,852	63,213	75,530	71,507	61,857
Gross Profit	173,970	187,411	225,367	198,036	216,118	240,988	220,758	197,577
Gross profit percentage	15.6%	15.6%	16.8%	16.0%	17.1%	17.1%	16.0%	16.3%
Operating expenses	150,212	161,807	170,737	174,876	178,675	180,274	186,497	174,962
Operating expenses as a % of gross profit	86.3%	86.3%	75.8%	88.3%	82.7%	74.8%	84.5%	88.6%
Net (loss) income	(2,331)	(2,901)	18,911	9,707	9,847	27,159	3,935	7,969
Diluted net (loss) income per share attributable to AutoCanada shareholders	(0.06)	(0.14)	0.72	0.37	0.45	1.09	0.12	0.34
Adjusted EBITDA	32,703	58,091	64,380	42,997	54,379	63,103	33,469	26,819
Operating Data								
New retail vehicles sold	7,028	7,898	8,790	7,665	8,544	9,599	9,311	7,909
Used retail vehicles sold	8,741	10,048	10,452	10,046	10,585	13,279	12,663	10,911
Total retail vehicles sold	15,769	17,946	19,242	17,711	19,129	22,878	21,974	18,820
# of dealerships at period end ¹	67	67	67	68	68	69	71	70
# of same store dealerships ^{1,2}	67	66	66	66	66	67	68	68
# of service bays at period end	1,105	1,116	1,143	1,143	1,151	1,173	1,186	1,167

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

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 Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

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, 2025 and December 31, 2024.

	Three-Months Ended December 31, 2025			Three-Months Ended December 31, 2024		
	Canada \$	U.S. \$	Total \$	Canada \$	U.S. \$	Total \$
New vehicles	509,046	51,971	561,017	574,968	90,746	665,714
Used vehicles	387,974	28,749	416,723	436,322	61,114	497,436
Parts and service	129,814	15,825	145,639	144,524	26,618	171,142
Collision repair	35,093	273	35,366	36,262	—	36,262
Finance, insurance and other	54,425	3,576	58,001	69,845	8,804	78,649
Total revenue	1,116,352	100,394	1,216,746	1,261,921	187,282	1,449,203
New vehicles	26,713	1,945	28,658	40,303	1,350	41,653
Used vehicles	5,113	(605)	4,508	18,752	(2,569)	16,183
Parts and service	69,626	9,287	78,913	76,843	16,287	93,130
Collision repair	18,043	93	18,136	17,242	—	17,242
Finance, insurance and other	54,425	3,576	58,001	63,790	8,643	72,433
Total gross profit	173,920	14,296	188,216	216,930	23,711	240,641
Employee costs	86,291	9,257	95,548	103,854	15,565	119,419
Administrative costs	49,772	10,578	60,350	61,385	40,624	102,009
Facility lease and storage costs	955	1,155	2,110	909	—	909
Depreciation of right-of-use assets	8,113	—	8,113	8,536	1,008	9,544
Depreciation of property and equipment	4,571	4	4,575	6,084	739	6,823
Amortization of intangible assets	279	—	279	126	—	126
Total operating expenses	149,981	20,994	170,975	180,894	57,936	238,830
Operating profit (loss) before other income	23,939	(6,698)	17,241	36,036	(34,225)	1,811
Operating data						
New retail vehicles sold	7,028	849	7,877	8,544	1,498	10,042
New fleet vehicles sold	516	—	516	497	—	497
Total new vehicles sold	7,544	849	8,393	9,041	1,498	10,539
Used retail vehicles sold	8,741	439	9,180	10,585	1,559	12,144
Total retail vehicles sold	15,769	1,288	17,057	19,129	3,057	22,186
# of dealerships at period end ¹	67	13	80	68	18	86
# of service bays at period end	1,105	145	1,250	1,151	235	1,386

¹ Dealerships is defined as 64 Canadian franchised automobile dealerships and Used Digital Division dealerships (including 3 used vehicle dealerships) as at December 31, 2025.

The following table shows the segmented operating results for the Company for the year ended December 31, 2025 and December 31, 2024.

	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Canada \$	U.S. \$	Total \$	Canada \$	U.S. \$	Total \$
New vehicles	2,228,326	279,405	2,507,731	2,306,112	352,832	2,658,944
Used vehicles	1,752,478	124,885	1,877,363	2,054,855	254,932	2,309,787
Parts and service	515,217	84,239	599,456	556,297	101,955	658,252
Collision repair	149,543	2,088	151,631	130,913	—	130,913
Finance, insurance and other	258,674	22,539	281,213	303,495	37,581	341,076
Total revenue	4,904,238	513,156	5,417,394	5,351,672	747,300	6,098,972
New vehicles	137,338	8,651	145,989	170,796	14,829	185,625
Used vehicles	58,737	2,592	61,329	66,486	(10,103)	56,383
Parts and service	282,268	51,055	333,323	301,980	60,213	362,193
Collision repair	69,516	713	70,229	65,195	—	65,195
Finance, insurance and other	236,772	22,539	259,311	277,820	37,420	315,240
Total gross profit	784,631	85,550	870,181	882,277	102,359	984,636
Employee costs	402,935	48,652	451,587	445,819	68,951	514,770
Administrative costs	200,238	41,245	241,483	228,048	76,571	304,619
Facility lease and storage costs	3,148	1,960	5,108	4,747	—	4,747
Depreciation of right-of-use assets	32,618	—	32,618	32,797	3,122	35,919
Depreciation of property and equipment	20,089	11	20,100	23,398	2,499	25,897
Amortization of intangible assets	733	—	733	503	—	503
Total operating expenses	659,761	91,868	751,629	735,312	151,143	886,455
Operating profit (loss) before other income	124,870	(6,318)	118,552	146,965	(48,784)	98,181
Operating data						
New vehicles sold	31,381	4,715	36,096	35,363	5,983	41,346
Used retail vehicles sold	39,287	3,190	42,477	47,438	6,904	54,342
Total retail vehicles sold	70,668	7,905	78,573	82,801	12,887	95,688
# of dealerships at period end ¹	67	13	80	68	18	86
# of service bays at period end	1,105	145	1,250	1,151	235	1,386

¹ Dealerships is defined as 64 Canadian franchised automobile dealerships and Used Digital Division dealerships (including 3 used vehicle dealerships) as at December 31, 2025.

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	
	2025 \$	2024 Revised ¹ \$	2025 \$	2024 Revised ¹ \$
New vehicles	509,045	563,976	2,228,279	2,221,734
Used vehicles	387,919	420,516	1,740,099	1,916,740
Parts and service	129,814	141,319	515,058	530,022
Collision repair	33,686	36,262	149,949	130,294
Finance, insurance and other	54,419	68,369	258,431	289,902
Total revenue	1,114,883	1,230,442	4,891,816	5,088,692
New vehicles	26,704	39,453	137,263	164,643
Used vehicles	5,076	16,843	56,760	58,285
Parts and service	69,626	74,785	282,111	287,700
Collision repair	17,576	17,241	69,816	64,975
Finance, insurance and other	54,419	62,344	236,530	264,440
Total gross profit	173,401	210,666	782,480	840,043
New vehicles (%)	5.2%	7.0%	6.2%	7.4%
Used vehicles (%)	1.3%	4.0%	3.3%	3.0%
Parts and service (%)	53.6%	52.9%	54.8%	54.3%
Collision repair (%)	52.2%	47.5%	46.6%	49.9%
Finance, insurance and other (%)	100.0%	91.2%	91.5%	91.2%
Total gross profit percentage (%)	15.6%	17.1%	16.0%	16.5%
New retail vehicles sold (units)	7,028	8,318	31,381	33,934
Used retail vehicles sold (units)	8,741	10,424	39,287	46,051
Total vehicles retailed (units)	15,769	18,742	70,668	79,985

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

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		
	2025	2024 Revised ¹	% Change	2025	2024 Revised ¹	% Change
British Columbia	103,043	102,691	0.3 %	441,836	454,914	(2.9)%
Alberta	292,223	387,507	(24.6)%	1,354,777	1,498,174	(9.6)%
Saskatchewan	85,324	92,512	(7.8)%	379,293	383,197	(1.0)%
Manitoba	108,201	93,304	16.0 %	438,232	414,787	5.7%
Ontario	334,394	354,482	(5.7)%	1,497,481	1,538,908	(2.7)%
Quebec	155,749	170,581	(8.7)%	626,667	657,202	(4.6)%
Atlantic	35,676	29,365	21.5 %	151,442	141,510	7.0%
Illinois	273	—	— %	2,088	—	— %
Total revenue	1,114,883	1,230,442	(9.4)%	4,891,816	5,088,692	(3.9)%
British Columbia	14,162	17,960	(21.1)%	63,555	73,188	(13.2)%
Alberta	47,704	58,892	(19.0)%	227,606	248,348	(8.4)%
Saskatchewan	14,071	17,028	(17.4)%	62,147	65,891	(5.7)%
Manitoba	15,451	19,432	(20.5)%	69,921	75,534	(7.4)%
Ontario	54,046	65,724	(17.8)%	241,136	258,513	(6.7)%
Quebec	23,297	27,207	(14.4)%	97,593	98,059	(0.5)%
Atlantic	4,576	4,423	3.5%	19,809	20,510	(3.4)%
Illinois	94	—	— %	713	—	— %
Total gross profit	173,401	210,666	(17.7)%	782,480	840,043	(6.9)%

¹ Comparative period revised to reflect current period presentation for reclassification of discontinued operations.

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, 2025 from continuing operations and discontinued operations.

Location	Franchised Dealerships	Same Store Franchised Dealerships ¹	Used Vehicle Operations	Same Store Used Vehicle Operations	Collision Centres ²	Same Store Stand-Alone Collision Centres
Canada	64	64	3	3	32	15
Alberta	17	17	—	—	7	4
Atlantic	2	2	—	—	1	—
British Columbia	9	9	—	—	2	1
Manitoba	5	5	1	1	4	—
Ontario	23	23	2	2	10	7
Quebec	4	4	—	—	4	2
Saskatchewan	4	4	—	—	4	1
U.S.	13	—	—	—	—	—
Illinois ^{3, 4}	13	—	—	—	—	—
Total	77	64	3	3	32	15

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 17 stand-alone collision centres within our group of 32 collision centres. DCCHail Illinois is excluded from the Collision centre count as there is no physical location.

³ This franchise dealership count includes 2 individual storefronts that consists of multiple franchises. One including: Audi, Mercedes-Benz, Lincoln, Subaru, and Volkswagen and another including: Porsche, Audi, Mercedes-Benz and Volkswagen.

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



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