



2026

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# First 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 ended March 31, 2026*



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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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# 1. READER ADVISORIES AND FORWARD-LOOKING STATEMENTS

This Management's Discussion & Analysis ("MD&A") was prepared as of May 13, 2026, to assist readers in understanding AutoCanada Inc.'s (the "Company" or "AutoCanada") consolidated financial performance for the three-month period ended March 31, 2026, and significant trends that may affect AutoCanada's future performance. The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and accompanying notes of AutoCanada as at and for the three-month period ended March 31, 2026 (the "Interim Financial Statements"), 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"), and the MD&A for the year ended December 31, 2025. The Interim Financial Statements have been prepared in accordance with IFRS Accounting Standards (as issued by the International Accounting Standards Board) applicable to preparation of interim financial statements under International Accounting Standard 34, Interim Financial Reporting. The Annual Financial Statements have been prepared in accordance with 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 May 13, 2026.

To provide more meaningful information, this MD&A typically refers to the operating results for the three-month period ended March 31, 2026 of the Company, and compares these to the operating results of the Company for the three-month period ended March 31, 2025.

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 17 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](http://www.sedarplus.ca) and the Company's investor website at [investors.autocan.ca](http://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 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, 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, 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 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](http://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 Dealership Operations segment, as of March 31, 2026, 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. AutoCanada's U.S. franchise dealerships, operating as Leader Automotive Group ("Leader"), operates 11 franchised dealerships comprised of 8 brands, in Illinois, USA. In 2025, our U.S. dealerships sold approximately 8,000 new and used retail vehicles. Leader is classified as discontinued operations as the Company progresses the sale of its U.S. dealership portfolio.

AutoCanada's Collision Operations segment operates 33 collision centres ("Collision Centres"), supported by 26 Original Equipment Manufacturer ("OEM") certifications covering 37 vehicle brands, as of March 31, 2026. The Company's Collision Operations enable customer retention across multiple touchpoints within the automotive ownership lifecycle.

#### Presentation of Continuing Operations and Discontinued Operations

The Company's retail automobile dealerships and related businesses in its Dealership Operations and its collision repair services in its Collision Operations are presented herein as continuing operations. The Company's RightRide division, located in Canada, and its retail automobile dealerships, located in the U.S., in its Dealership 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 ended March 31, 2026 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.

# 2026 First Quarter Key Highlights and Recent Developments

All comparisons presented below are between the three-month periods ended March 31, 2026 and March 31, 2025 and are based on continuing operations, unless otherwise indicated.

## AutoCanada Key Highlights

- Revenue from continuing operations was \$1,189.0 million as compared to \$1,240.1 million in the prior year, a decrease of \$51.1 million
- Net income (loss) for the period from total operations was \$5.1 million as compared to \$(3.2) million in the prior year
  - Net (loss) income from continuing operations was \$(3.3) million as compared to \$9.7 million in the prior year
  - Net income (loss) from discontinued operations was \$8.4 million as compared to \$(12.9) million in the prior year
- Diluted net (loss) income per share from continuing operations of \$(0.15) as compared to \$0.37 in the prior year
- Adjusted EBITDA<sup>1</sup> from total operations was \$28.6 million as compared to \$38.5 million in the prior year
  - Adjusted EBITDA from continuing operations was \$31.0 million as compared to \$43.0 million in the prior year
  - Adjusted EBITDA from discontinued operations was \$(2.3) million as compared to \$(4.5) million in the prior year
- Total Net Funded Debt to Bank EBITDA Ratio<sup>3</sup> increased from 3.44x as at December 31 2025 to 3.96x as at March 31, 2026 under the credit agreement in effect as at March 31, 2026.

## FIRST QUARTER RESULTS

Continuing Operations Financial Results	Three-Months Ended March 31		
	2026	2025	% Change
Revenue	1,188,955	1,240,100	(4.1)%
Same store revenue	1,183,949	1,237,583	(4.3)%
Gross profit	169,082	198,036	(14.6)%
Gross profit percentage <sup>2</sup>	14.2%	16.0%	(1.8) ppts
Operating expenses ("Opex")	151,730	174,876	(13.2)%
Net (loss) income	(3,299)	9,707	(134.0)%
Basic net (loss) income per share attributable to AutoCanada shareholders	(0.15)	0.39	(138.5)%
Diluted net (loss) income per share attributable to AutoCanada shareholders	(0.15)	0.37	(140.5)%
Adjusted EBITDA	30,978	42,997	(28.0)%
Adjusted EBITDA margin <sup>1</sup>	2.6%	3.5%	(0.9) ppts
New retail vehicles sold (units) <sup>2</sup>	6,294	7,665	(17.9)%
Used retail vehicles sold (units) <sup>2</sup>	9,934	10,046	(1.1)%
New vehicle gross profit per retail unit <sup>2</sup>	5,113	4,656	9.8%
Used vehicle gross profit per retail unit <sup>2</sup>	(48)	1,421	(103.4)%
Parts and service ("P&S") gross profit	60,783	66,144	(8.1)%
Collision repair ("Collision") gross profit	18,342	18,198	0.8%
Finance, insurance and other ("F&I") gross profit per retail unit average <sup>2</sup>	3,414	3,266	4.5%
Operating expenses before depreciation <sup>2</sup>	138,529	161,195	(14.1)%
Operating expenses before depreciation as a % of gross profit <sup>2</sup>	81.9%	81.4%	0.5 ppts
Normalized opex before depreciation <sup>1</sup>	135,416	143,173	(5.4)%
Normalized opex before depreciation as a percentage of gross profit (%) <sup>1</sup>	80.1%	72.3%	7.8 ppts
Floorplan financing expense	8,831	10,263	(14.0)%

<sup>1</sup> See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of these Non-GAAP Measures.

<sup>2</sup> See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of these supplementary financial measures

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

Revenue decreased by (4.1)% in the first quarter of 2026 compared to the first quarter of 2025, primarily due to decreases in new vehicle sales, parts and service, F&I and collision repair services. This decline was partially offset by an increase in used vehicle sales.

Gross profit decreased by (14.6)% to \$169.1 million in the first quarter of 2026 compared to the first quarter of 2025, driven by decreases in new vehicle, used vehicle, parts and service, and F&I gross profits. This decline was partially offset by an increase in gross profit from collision repair services.

Operating expenses before depreciation decreased by (14.1)% to \$138.5 million in the first quarter of 2026 compared to the first quarter of 2025. Normalized operating expenses before depreciation decreased by (5.4)% to \$135.4 million, and included the normalization of \$5.2 million of restructuring related charges.

Floorplan financing expenses decreased by (14.0)% to \$8.8 million due to lower interest rates, partially offset by higher new and used vehicle inventory balances.

Net income for the period decreased by (134.0)% to a net loss of \$(3.3) million in the first quarter of 2026 compared to \$9.7 million in the first quarter of 2025, as a result of items noted above, and lower gain/(loss) on disposal of assets, lower gain on settlement of redemption liability, higher interest rate swap costs, and lower unrealized FX gains, partially offset by a higher fair value change in interest rate swaps and lower income taxes.

Adjusted EBITDA decreased by (28.0)% to \$31.0 million in the first quarter of 2026 compared to the first quarter of 2025, which is driven by a decline in new retail vehicles sold consistent in-part with industry trends, a strong comparative quarter due to tariff-related pull-forward and a focus on rebuilding sales productivity. Adjusted EBITDA margin decreased by (0.9) percentage points ("ppts") to 2.6%. The decrease in margin was driven by decreases in gross profit, particularly used gross profit per unit sold as it worked through aged inventory. This was partially offset by lower operating expenses before depreciation, which was positively impacted by the forfeiture of stock based compensation due to the executive restructuring earlier in the year, and lower floorplan financing expenses as noted above.

### Same Store Metrics - Continuing Operations Highlights

Same Store - Continuing Operations Financial Results	Three-Months Ended March 31		
	2026	2025	% Change
Revenue	1,183,949	1,237,583	(4.3)%
Gross profit	167,094	196,594	(15.0)%
Gross profit percentage	14.1 %	15.9 %	(1.8)%
New retail vehicles sold (units)	6,294	7,665	(17.9)%
Used retail vehicles sold (units)	9,934	10,046	(1.1)%
New vehicle gross profit per retail unit	5,109	4,651	9.9%
Used vehicle gross profit per retail unit	(46)	1,271	(103.6)%
P&S gross profit	60,783	66,034	(8.0)%
Collision gross profit	16,355	18,197	(10.1)%
F&I gross profit per retail unit average	3,414	3,266	4.5%

Same store results make up 99.6% of revenue and 98.8% of gross profit in the current quarter. Refer to Section 17 Same Store Results Data for further information.

Revenue decreased by (4.3)% primarily driven by lower new vehicle revenues (10.8)%, parts and service (2.9)%, Collision (14.2)%, and F&I (5.2)%, partially offset by higher used vehicle revenues 4.0%.

Gross profit decreased (15.0)% primarily as a result of decreases in new vehicle gross profit (10.8)%, used vehicle gross profit (88.9)%, parts and service (8.0)%, collision repair services (10.1)%, and F&I (4.2)%.

New vehicle gross profit declined (10.8)% in the first quarter of 2026 compared with the first quarter of 2025, driven mainly by lower new retail volumes (17.9)% and partially offset by higher new gross profit per retail unit 9.9%.

Used vehicle gross profit declined (88.9)% in the first quarter of 2026 compared with the first quarter of 2025, driven mainly by lower used gross profit per retail unit (103.6)% and lower used retail volumes (1.1)%.

New volumes decreased in the first quarter of 2026 driven by softer customer demand consistent with industry trends, and were further impacted as the Company rebuilds sales productivity. In addition, the prior year period benefitted from tariff-related pull-forward in first quarter of 2025. New gross profit per retail units sold increased 9.9% compared with the first quarter of 2025, driven by higher average selling price.

Used volumes decreased in the first quarter of 2026 driven by softer customer demand consistent with industry trends. However, used retail sales pace improved sequentially compared to the fourth quarter of 2025, supported by

the Company's winter buying program and early progress driving sales productivity. Used vehicle gross profit per retail unit trend was impacted as the Company continued to work through aged used vehicle inventory in the period, and was consistent with the downward trend of the broader market.

Parts and service gross profit declined (8.0)% in the first quarter of 2026 compared with the first quarter of 2025, driven mainly by a lower number of service repair orders<sup>4</sup> which was a result of lower new and used retail sales volumes.

F&I gross profit decreased (4.2)% in the first quarter of 2026 compared with the first quarter of 2025, driven mainly by lower retail volumes. This was partially offset by a higher gross profit per retail unit average, which increased by 4.5% in the first quarter of 2026 compared with the prior year period, driven by an increase in products sold per deal.

## Collision Operations Highlights

Collision Financial Results	Three-Months Ended March 31		
	2026	2025	% Change
Revenue	39,611	40,326	(1.8)%
Gross profit	18,342	18,198	0.8%
Gross profit percentage	46.3%	45.1%	1.2 ppts
Adjusted EBITDA	4,694	6,056	(22.5)%
Same store revenue	34,604	40,326	(14.2)%
Same store gross profit	16,355	18,197	(10.1)%
Same store gross profit percentage	47.3%	45.1%	2.2 ppts

Revenue decreased as a result of normalization of painless dent repair following a severe hail event in 2024 which benefitted the first quarter of 2025, and this was partially offset by increased revenue from newly acquired stores and organic growth from traditional collision business.

Gross profit and gross profit percentage increased driven by newly acquired stores, additional Original Equipment Manufacturer ("OEM") certifications and strong customer demand for traditional collision repair services, partially offset by gross profit normalization of lower-margin painless dent repair business.

Trends in the same store revenue and gross profit percentage are consistent with overall business performance, with the reasons noted above. Same store gross profit decreased driven by normalization of hail-related business.

Adjusted EBITDA decreased as a result of the items noted above, as well as increased operating expenses which relate to new stores.

## Other Recent Developments

During the quarter:

- On January 19, 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 Collision Operations segment.
- On January 26, 2026, the Company sold substantially all of the operating assets of Toyota of Lincoln Park, located in Chicago, Illinois, for cash consideration of \$11.1 million plus closing adjustments. Toyota of Lincoln Park was previously presented as held for sale in the Dealership Operations segment.
- On February 18, 2026, the Company announced that its Board of Directors had appointed Samuel Cochrane as Chief Executive Officer, with immediate effect. Mr. Cochrane will also serve as Interim Chief Financial Officer until his successor is appointed.
- On March 23, 2026, the Company sold substantially all of the operating assets of Kia of Lincolnwood, located in Lincolnwood, Illinois, for cash consideration of \$15.4 million plus closing adjustments. Kia of Lincolnwood was previously presented as held for sale in the Dealership Operations segment.
- On March 27, 2026, the Company obtained lender consent to change its syndicated credit agreement 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 from January 1, 2026 to June 30, 2026. On July 1, 2026, the Company's maximum permitted Total Net Funded Debt to Bank EBITDA Ratio will revert to 4.00:1.00.

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

After the quarter:

- On April 9, 2026, the Company sold substantially all of the operating assets of Hyundai of Lincolnwood, located in Lincolnwood, Illinois, for cash consideration of \$3.1 million plus closing adjustments. Hyundai of Lincolnwood was previously presented as held for sale in the Dealership Operations segment.
- On April 22, 2026, the Company amended and restated its syndicated credit agreement. The amended credit facility decreased the revolving floorplan facility to \$1,000 million for total aggregate bank facilities of \$1,380 million. The amendment includes the removal of the borrowing base and goodwill-based revolving credit structure, increased the Company's maximum permitted Total Net Funded Debt to Bank EBITDA Ratio to 5.00, increased the Company's maximum permitted Senior Net Funded Debt to Bank EBITDA Ratio to 3.50, includes changes to the definition of Bank EBITDA to expand allowable add-backs, other administrative changes, and the term was extended to November 22, 2028.
- On May 7, 2026, the Company announced the appointment of Mike Woodward as Chief Financial Officer, effective July 6, 2026.
- On May 13, 2026, in connection with its previously announced NCIB, AutoCanada entered into an automatic share purchase plan ("ASPP") with its designated broker. The ASPP will terminate on December 17, 2026, unless earlier terminated in accordance with its terms.

## 3. OUTLOOK

### Dealership Outlook

Canadian new light vehicle demand remained soft into the early part of the second quarter, extending trends observed in Q1 2026. Preliminary April industry data<sup>5</sup> indicates a continued year-over-year decline in sales volumes (mid-single digit range), reflecting persistent macroeconomic headwinds, including elevated vehicle pricing, higher fuel costs, and ongoing consumer uncertainty. On a seasonally adjusted basis, national sales volumes remain below prior expectations and continue to normalize following demand pull-forward in early 2025.

Despite these conditions, management is encouraged by early signs of operational stabilization and sequential improvement across key dealership performance indicators. Since the appointment of new leadership in mid-February 2026, the Company has taken decisive actions to enhance its operating model, improve structural efficiencies, and refocus the organization on execution fundamentals. While momentum is building, management expects that achieving consistent target performance across all dealership operating categories will require sustained execution through the balance of 2026 and into early 2027.

Key areas of progress year-to-date include:

- March and April reflected improving used profitability trends, supported by higher used vehicle volumes, stronger gross profit per unit, and increased sales productivity per selling day.
- Actions taken in Q1 2026, including leadership changes and organizational streamlining, have improved operating efficiency and position the business to generate operating leverage as volumes recover.
- The addition of experienced regional and functional leaders is strengthening performance management and accountability at the dealership level.
- Improvements in used vehicle sourcing, inventory management, and sales efficiency are driving better throughput and margin stability, with continued opportunity in new vehicle performance, fixed operations absorption, and customer experience metrics.

While same-store new vehicle volumes remain under pressure and near-term industry conditions are expected to remain challenging, management believes the business is approaching an operational inflection point. The focus for the remainder of 2026 is on continuing to build momentum across key controllable drivers, including:

- Sales productivity and conversion.
- Used vehicle acquisition and margin expansion.
- Fixed operations growth and service bay utilization.
- Inventory discipline and working capital efficiency.
- Maintaining operating expense discipline while ensuring adequate frontline capacity.

Overall, 2026 is expected to remain a transitional year for the dealership segment. However, actions taken in Q1 2026 have established a clearer path toward improved profitability and more consistent execution. As these

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<sup>5</sup> Source: WardsAuto data regarding New Light Vehicle sales.

initiatives continue to take hold, the Company expects to benefit from both internal operational improvements and eventual stabilization in broader industry demand.

### **Collision Outlook**

Collision operations continue to demonstrate strong underlying growth characteristics, supported by stable demand that is less directly tied to new vehicle sales cycles and largely driven by insurance-related activity. While demand remains resilient, it is influenced by vehicle usage trends, including kilometers driven, which may be impacted by factors such as rising fuel costs.

Management views the segment as a strategically important platform, offering resilient margins and attractive consolidation opportunities within a highly fragmented market. As dealership operations stabilize, the Company intends to prioritize disciplined, accretive growth in collision through targeted acquisitions, subject to balance sheet capacity.

Momentum in the segment continued through Q1 2026 and into April, with progress across both organic and inorganic growth initiatives. The core collision business is performing well, however, overall segment performance continues to be impacted by weaker hail-related activity compared to the prior year, reflecting both the absence of significant hail events and challenging year-over-year comparisons. As the Company continues to scale its collision platform, management expects this weather-related volatility to diminish over time.

The Company continues to advance its collision growth strategy through a disciplined and strategic approach to acquisitions, with a focus on enhancing regional density and expanding OEM certification capabilities across its network. Recent acquisitions have strengthened the Company's presence in key markets and improved its ability to capture referral volumes through insurer and OEM relationships. The Company continues to evaluate additional opportunities that align with this strategy, with a focus on high-quality assets that support long-term platform optimization and margin expansion.

Operational execution remains a key focus, with continued expansion of OEM certifications and insurance relationships driving increased referral volumes. The Company added multiple OEM certifications during the quarter, with additional certifications in progress, and continues to expand its network of insurance direct repair program (DRP) partnerships, enhancing long-term demand visibility.

Looking ahead, management is focused on several key initiatives to drive sustained growth and margin expansion. These include scaling its apprenticeship program, advancing a national operating model, and expanding higher-margin service offerings such as diagnostics, calibrations, and coatings. In parallel, the Company is progressing its national brand rollout and strengthening its B2B strategy with national insurance partners and large-scale vendors.

With continued operational enhancements and a disciplined approach to expansion, the Company is well positioned to advance its collision growth strategy, reinforcing the segment as a key driver of long-term value creation.

### **U.S. Dealership Divestiture Update**

The Company continues to make meaningful progress on the divestiture of its U.S. dealership portfolio, having received approximately \$65.8 million in gross proceeds, net of working capital, to date. The Company has entered into a definitive agreement for 1 of the remaining 10 dealerships, while the remaining 9 franchised dealerships have letters of intent, representing approximately \$65 million of expected proceeds net of working capital, including approximately \$13 million of real estate. Total expected proceeds remain consistent at approximately \$130 million, at the upper end of the previously disclosed range of \$115 million to \$130 million.

Proceeds from these transactions are expected to be directed toward debt reduction and to reinforce the Company's strategic focus on its core Canadian dealership and collision operations. All transactions remain subject to customary closing conditions, including OEM approvals. Upon completion, the divestiture program is expected to enhance financial flexibility, strengthen the balance sheet, and accelerate progress toward the Company's target leverage range of 2.0x to 3.0x Total Net Funded Debt to Bank EBITDA.

### **Forward-Looking Statements and Outlook**

The financial outlook with respect to dealership operations is disclosed to assist current and future shareholders to evaluate the effectiveness of AutoCanada's dealership operating model enhancements and initiatives and readers are cautioned that it may not be suitable for any other purpose. Dealership operating model enhancements and initiatives, the completion, and the anticipated timing of completion, are based on the assumptions that improving sales productivity, improving used vehicle margins, fixed operations growth, improving service bay utilization rates, and operating expense cost discipline will improve dealership performance. Additional key assumptions or risk factors with respect to improvements in the dealership operating model include 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 collision 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 available, 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 and industry stability, and other external factors.

Forward-looking statements with respect to the expected aggregate proceeds from the U.S. dealership divestitures, the anticipated timing of completion of the U.S. disposition transactions, and the engagement in selling the remaining U.S. dealerships 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 U.S. disposition transactions, and the engagement in selling the remaining dealerships of the U.S. dealerships 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.

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

### First 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 ended March 31.

	Three-Months Ended March 31			
	2026 \$	2025 \$	Change \$	Change %
New vehicles	491,253	550,894	(59,641)	(10.8)%
Used vehicles	478,873	462,722	16,151	3.5%
Parts and service	119,154	122,813	(3,659)	(3.0)%
Collision repair	39,611	40,326	(715)	(1.8)%
Finance, insurance and other	60,064	63,345	(3,281)	(5.2)%
<b>Total revenue</b>	<b>1,188,955</b>	<b>1,240,100</b>	<b>(51,145)</b>	<b>(4.1)%</b>
New vehicles	32,573	36,419	(3,846)	(10.6)%
Used vehicles	1,982	19,423	(17,441)	(89.8)%
Parts and service	60,783	66,144	(5,361)	(8.1)%
Collision repair	18,342	18,198	144	0.8%
Finance, insurance and other	55,402	57,852	(2,450)	(4.2)%
<b>Total gross profit</b>	<b>169,082</b>	<b>198,036</b>	<b>(28,954)</b>	<b>(14.6)%</b>

	Three-Months Ended March 31		
	2026 %	2025 %	Change ppts
New vehicles	6.6%	6.6%	0.0
Used vehicles	0.4%	4.2%	(3.8)
Parts and service	51.0%	53.9%	(2.9)
Collision repair	46.3%	45.1%	1.2
Finance, insurance and other	92.2%	91.3%	0.9
<b>Total gross profit percentage</b>	14.2%	16.0%	(1.8)

For the three-months ended March 31, 2026, new and used vehicles generated 81.6% of revenue and 20.5% of gross profit, while F&I, Parts and service and Collision generated 18.4% of revenue and contributed 79.5% of gross profit.

## New vehicles

### For the three-month period ended March 31, 2026

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended March 31, 2026 and changes compared to the three-month period ended March 31, 2025.

New Vehicle Financial Results	Three-Months Ended March 31			
	2026 \$	2025 \$	Change \$	Change %
Revenue	491,253	550,894	(59,641)	(10.8)%
Gross profit	32,573	36,419	(3,846)	(10.6)%
Gross profit percentage (%)	6.6%	6.6%		0.0 ppts
New retail vehicles sold (units)	6,294	7,665	(1,371)	(17.9)%
New vehicle gross profit per retail unit (\$)	5,113	4,656	457	9.8%
New Vehicle Inventory days of supply (days) <sup>3</sup>	98	95	3	3.2%
Average selling price per new vehicle (\$)	67,517	65,458	2,059	3.1%
Same store revenue	491,253	550,538	(59,285)	(10.8)%
Same store gross profit	32,548	36,476	(3,928)	(10.8)%
Same store gross profit percentage (%)	6.6%	6.6%		0.0 ppts
Same store new retail vehicles sold (units)	6,294	7,665	(1,371)	(17.9)%

### 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 vehicle<sup>6</sup> sales.

Consistent with the industry trend, new retail vehicles sold and gross profit decreased driven mainly by softer customer demand. In addition, the year-over-year decline in new retail volumes was further impacted by tariff-related pull-forward that benefited the first quarter of 2025 and rebuilding sales productivity. New gross profit per retail unit sold increased driven by higher average selling price.

New vehicle inventory days of supply increased by 3 days to 98 days of supply during the quarter (2025 - 95 days).

### Same Store Results

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

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

## Used vehicles

### For the three-month period ended March 31, 2026

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended March 31, 2026 and changes compared to the three-month period ended March 31, 2025.

Used Vehicle Financial Results	Three-Months Ended March 31			
	2026 \$	2025 \$	Change \$	Change %
Revenue	478,873	462,722	16,151	3.5%
Gross profit	1,982	19,423	(17,441)	(89.8)%
Gross profit percentage (%)	0.4%	4.2%		(3.8) ppts
Used retail vehicles sold (units)	9,934	10,046	(112)	(1.1)%
Used vehicle gross profit per retail unit (\$)	(48)	1,421	(1,469)	(103.4)%
Used Vehicle Inventory days of supply (days)	67	65	2	3.1%
Average selling price per used vehicle (\$)	48,205	46,060	2,145	4.7%
Same store revenue	478,874	460,671	18,203	4.0%
Same store gross profit	2,006	18,035	(16,029)	(88.9)%
Same store gross profit percentage (%)	0.4%	3.9%		(3.5) ppts
Same store used retail vehicles sold (units)	9,934	10,046	(112)	(1.1)%

#### Continuing Operations

Used vehicle revenue increased as a result of higher average selling price per used vehicle, higher used wholesale revenue, partially offset by lower used retail sales volumes.

Used volumes decreased in the first quarter of 2026 driven by softer customer demand consistent with industry trends. However, used retail sales pace improved sequentially compared to the fourth quarter of 2025, supported by the Company's winter buying program and early progress driving sales productivity.

Used gross profit and gross profit per retail units sold trends were impacted as the Company continued to work through aged used vehicle inventory in the period, and were consistent with the downward trend of the broader market.

Used vehicle inventory days of supply increased by 2 days to 67 days (2025 - 65 days).

#### Same Store Results

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

## Parts and service

### For the three-month period ended March 31, 2026

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended March 31, 2026 and changes compared to the three-month period ended March 31, 2025.

Parts and Service Financial Results	Three-Months Ended March 31			
	2026 \$	2025 \$	Change \$	Change %
Revenue	119,154	122,813	(3,659)	(3.0)%
Gross profit	60,783	66,144	(5,361)	(8.1)%
Gross profit percentage (%)	51.0%	53.9%		(2.9) ppts
Same store revenue	119,154	122,703	(3,549)	(2.9)%
Same store gross profit	60,783	66,034	(5,251)	(8.0)%
Same store gross profit percentage (%)	51.0%	53.8%		(2.8) ppts

#### Continuing Operations

Revenue, gross profit, and gross profit percentage decreased in the first quarter of 2026 as compared to the first quarter of 2025, driven mainly by a decrease in service repair orders which is a result of lower new and used sales volumes, and higher labour and material costs.

### Same Store Results

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

### Collision repair

#### For the three-month period ended March 31, 2026

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended March 31, 2026 and changes compared to the three-month period ended March 31, 2025.

Collision Repair Financial Results	Three-Months Ended March 31			
	2026 \$	2025 \$	Change \$	Change %
Revenue	39,611	40,326	(715)	(1.8)%
Gross profit	18,342	18,198	144	0.8%
Gross profit percentage (%)	46.3%	45.1%		1.2 ppts
Same store revenue	34,604	40,326	(5,722)	(14.2)%
Same store gross profit	16,355	18,197	(1,842)	(10.1)%
Same store gross profit percentage (%)	47.3%	45.1%		2.2 ppts

### Continuing Operations

Revenue decreased as a result of normalization of paintless dent repair following a severe hail event in 2024, which benefitted the first quarter of 2025, and this was partially offset by increased revenue from newly acquired stores and organic growth from traditional collision business.

Gross profit and gross profit percentage increased driven by newly acquired stores, additional Original Equipment Manufacturer ("OEM") certifications and strong customer demand for traditional collision repair services, partially offset by gross profit normalization of paintless dent repair.

### Same Store Results

Trends in the same store revenue and gross profit percentage are consistent with overall business performance, with the reasons noted above. Same store gross profit decreased driven by normalization of paintless dent repair.

### Finance, insurance and other

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

#### For the three-month period ended March 31, 2026

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended March 31, 2026 and changes compared to the three-month period ended March 31, 2025.

F&I Financial Results	Three-Months Ended March 31			
	2026 \$	2025 \$	Change \$	Change %
Revenue	60,064	63,345	(3,281)	(5.2)%
Gross profit	55,402	57,852	(2,450)	(4.2)%
Gross profit percentage (%)	92.2%	91.3%		0.9 ppts
F&I gross profit per retail unit average (\$)	3,414	3,266	148	4.5%
Same store revenue	60,064	63,345	(3,281)	(5.2)%
Same store gross profit	55,402	57,852	(2,450)	(4.2)%
Same store gross profit percentage (%)	92.2%	91.3%		0.9 ppts
Same store F&I gross profit per retail unit average (\$)	3,414	3,266	148	4.5%

### 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 first quarter of 2025, 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 March 31, 2026

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 March 31, 2026, and changes compared to the respective for the three-month period ended March 31, 2025.

	Three-Months Ended March 31			
	2026 \$	2025 \$	Change \$	Change %
Employee costs	89,343	106,209	(16,866)	(15.9)%
Administrative costs	48,596	54,376	(5,780)	(10.6)%
Facility lease costs	590	610	(20)	(3.3)%
Depreciation and amortization <sup>1</sup>	13,201	13,681	(480)	(3.5)%
<b>Operating expenses ("Opex")</b>	151,730	174,876	(23,146)	(13.2)%
Less: Depreciation and amortization <sup>1</sup>	(13,201)	(13,681)	480	3.5%
<b>Opex before depreciation</b>	138,529	161,195	(22,666)	(14.1)%
Less:				
Acquisition-related costs	(152)	(163)	11	(6.7)%
Software implementation costs	(618)	(450)	(168)	37.3%
Canadian franchise dealership and corporate restructuring charges	(5,221)	(15,766)	10,545	(66.9)%
Share-based compensation	2,878	(1,643)	4,521	(275.2)%
<b>Normalized opex before depreciation</b>	135,416	143,173	(7,757)	(5.4)%
<b>Opex before depreciation as a percentage of gross profit (%)</b>	81.9%	81.4%		0.5 ppts
<b>Normalized opex before depreciation as a percentage of gross profit (%)</b>	80.1%	72.3%		7.8 ppts

<sup>1</sup> See Section 16 Segmented Operating Results Data for a breakdown of the types of depreciation and amortization.

### Continuing Operations

Operating expenses before depreciation decreased (14.1)% to \$138.5 million in the first quarter of 2026 compared to the prior year period. On a normalized basis, it decreased by (5.4)% or \$(7.8) million year-over-year to \$135.4 million, including \$5.2 million of restructuring charges.

Normalized operating expenses before depreciation as a percentage of gross profit increased by 7.8 ppts to 80.1% in the first quarter of 2026 compared to 72.3% in the first quarter of 2025. 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.

### 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 March 31, 2026

The following table summarizes net (loss) income, adjusted EBITDA, and adjusted EBITDA margin from continuing operations for the three-month periods ended March 31, 2026:

	Three-Months Ended March 31			
	2026 \$	2025 \$	Change \$	Change %
Net (loss) income for the period	(3,299)	9,707	(13,006)	(134.0)%
Adjusted EBITDA	30,978	42,997	(12,019)	(28.0)%
Adjusted EBITDA margin	2.6%	3.5%		(0.9) ppts

### Net (Loss) Income

Net loss for the period was a result of items noted above, as well as lower gain on disposal of assets, lower gain on settlement of redemption liability, lower unrealized FX gains, higher interest rate swap costs and higher income taxes, partially offset by an higher fair value change in interest rate swaps in the first quarter of 2026.

### 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 20 in the Interim Financial Statements.

The following table details the finance costs during the three-month periods ended March 31:

	Three-Months Ended March 31	
	2026 \$	2025 \$
Interest on long-term indebtedness	9,883	7,658
Interest on lease liabilities	7,531	7,645
Unrealized fair value changes on non-hedging instruments	(1,809)	3,779
	<b>15,605</b>	<b>19,082</b>
Floorplan financing	8,831	10,263
Interest rate swap settlements	229	(2)
Other finance costs	485	206
	<b>25,150</b>	<b>29,549</b>

During the three-month period ended March 31, 2026, floorplan financing costs decreased compared to the prior year period reflecting lower interest rate, partially offset by higher 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 ended March 31:

	Three-Months Ended March 31	
	2026 \$	2025 \$
Current tax	(154)	1,475
Deferred tax	(1,374)	343
<b>Total income tax (recovery) expense</b>	<b>(1,528)</b>	<b>1,818</b>
Effective income tax rate	31.7%	15.8%
Statutory income tax rate	25.5%	25.5%

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.

## Discontinued Operations

### **For the three-month period ended March 31, 2026**

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, partially offset by increases in used vehicle. New vehicle gross profit decreased driven by decreases in new units sold, partially offset by increases in new vehicle gross profit per retail unit. Used vehicle gross profit increased driven by increases in used vehicle gross profit per unit sold, partially offset by decreases in used retail 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.

Net income for the period increased as a result of decreases in operating expenses, an increase from gains on asset dispositions, lower finance costs, and lower impairments of fixed assets, 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 lower operating expenses and lower floorplan expenses and the items noted above, partially offset by lower 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 acquisitions, divestitures, wind-downs, or other recent developments that have occurred since January 1, 2026.

### **Acquisitions**

#### **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 purchase price of \$9.8 million. 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.

### **Discontinued Operations**

On December 31, 2024, the Company was engaged in an active program to locate buyers for its U.S. retail automobile dealerships in its Dealership Operations segment. The Company's U.S. retail automobile dealerships in its Dealership Operations segment continue to be reported as a discontinued operation for the three-month period ended March 31, 2026.

#### **Divestiture of Toyota of Lincoln Park**

On January 26, 2026, the Company sold substantially all of the operating assets of Toyota of Lincoln Park, located in Chicago, Illinois, for cash consideration of \$11.1 million plus closing adjustments.

#### **Divestiture of Kia of Lincolnwood**

On March 23, 2026, the Company sold substantially all of the operating assets of Kia of Lincolnwood, located in Lincolnwood, Illinois, for cash consideration of \$15.4 million plus closing adjustments.

#### **Divestiture of Hyundai of Lincolnwood**

On April 9, 2026, the Company sold substantially all of the operating assets of Hyundai of Lincolnwood, located in Lincolnwood, Illinois, for cash consideration of \$3.1 million plus closing adjustments.

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

	Three-Months Ended March 31, 2026			Three-Months Ended March 31, 2025		
	RightRide \$	U.S. Retail Automobile Dealerships \$	Total \$	RightRide \$	U.S. Retail Automobile Dealerships \$	Total \$
Revenue	(18)	65,857	65,839	9,657	154,881	164,538
Cost of sales	—	(52,789)	(52,789)	(9,013)	(131,453)	(140,466)
<b>Gross profit</b>	(18)	13,068	13,050	644	23,428	24,072
Operating expenses	(85)	(17,983)	(18,068)	(1,883)	(25,594)	(27,477)
<b>Operating loss before other income and expense</b>	(103)	(4,915)	(5,018)	(1,239)	(2,166)	(3,405)
Lease and other (losses) income, net	4	36	40	(468)	(20)	(488)
Gain on dealerships disposed	—	14,454	14,454	—	—	—
Gain (loss) on disposal of assets, net	615	—	615	(1,117)	897	(220)
Gain on lease terminations	—	140	140	—	—	—
Recovery on trade and other receivables	—	(125)	(125)	—	—	—
Impairment of non-financial assets	—	—	—	(3,369)	—	(3,369)
<b>Operating income (loss)</b>	516	9,590	10,106	(6,193)	(1,289)	(7,482)
Finance costs	(27)	(1,701)	(1,728)	(92)	(5,285)	(5,377)
Finance income	6	—	6	—	—	—
<b>Income (loss) for the period before taxation from discontinued operations</b>	495	7,889	8,384	(6,285)	(6,574)	(12,859)
Income tax expense	—	1	1	—	—	—
<b>Net income (loss) from discontinued operations</b>	495	7,888	8,383	(6,285)	(6,574)	(12,859)
Exchange differences on translation of discontinued operations	—	1,661	1,661	—	306	306
<b>Comprehensive income (loss) from discontinued operations</b>	495	9,549	10,044	(6,285)	(6,268)	(12,553)
				<b>Three-Months Ended March 31</b>		
				<b>2026</b>	<b>2025</b>	
				<b>\$</b>	<b>\$</b>	
Net cash outflow from operating activities				(15,579)	(2,821)	
Net cash inflow from investing activities				16,864	894	
Net cash outflow from financing activities				(1,246)	(1,230)	
<b>Net increase (decrease) in cash from discontinued operations</b>				39	(3,157)	

## 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 three-month period ended March 31, 2026, the Company had a comprehensive income of \$6.7 million and cash flows from operations of \$6.8 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 March 31, 2026, the Company had total liquidity<sup>7</sup> of \$357.5 million comprised of \$133.5 million cash and \$224.0 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](http://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 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.

<sup>7</sup> See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of this supplementary financial measure.

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.

On March 27, 2026, 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 from January 1, 2026 to June 30, 2026.

On April 22, 2026, the Company entered into the fifth amended and restated \$1,380 million syndicated credit agreement ("Amended Credit Facility") with Scotiabank, CIBC, RBC, BMO, ATB, and TD. The Amended Credit Facility included the elimination of borrowing base and goodwill-linked revolver, updates to the revolver pricing grid, changes to the definition of Bank EBITDA to expand allowable add backs, a reduction in the wholesale inventory floorplan facility from \$1,220 million to \$1,000 million, and certain financial covenant thresholds were increased. There were no changes to the limits of the revolving credit facility and wholesale leasing facility. Other changes included administrative enhancements and extending the maturity date to November 22, 2028. The Amended Credit Facility agreement can be found on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

The following tables summarize the limits, amounts drawn and capacity of the Credit Facility as at March 31, 2026:

Type of Facility	Limit	Drawn	Available Capacity
Revolving credit <sup>1</sup>	375,000	151,025	223,975
Leasehold credit facility	25,000	—	25,000
Wholesale inventory floorplan and lease financing	1,225,000	585,822	639,178
<b>Total</b>	<b>1,625,000</b>	<b>736,847</b>	<b>888,153</b>

<sup>1</sup> 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 March 31, 2026:

Lender	Limit	Drawn	Available Capacity
Credit Facility – Floorplan	1,225,000	585,822	639,178
Other Canadian Floorplan Facilities	541,900	430,816	111,084
Other U.S. Floorplan Facility	64,220	36,349	27,871
<b>Total</b>	<b>1,831,120</b>	<b>1,052,987</b>	<b>778,133</b>

#### **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 March 31, 2026, 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 March 31, 2026 and December

31, 2025 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.

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.

On April 22, 2026, the Company made changes to the definition of Bank EBITDA to expand allowable add backs as part of the executed Amended Credit Facility.

The following table summarizes financial covenants under the Credit Facility as at March 31, 2026:

Financial Covenants	Requirement	Q1 2026	Q2 2026	Q3 2026	Q4 2026
Senior Net Funded Debt to Bank EBITDA Ratio	Shall not exceed	2.50	2.50	2.50	2.50
Total Net Funded Debt to Bank EBITDA Ratio	Shall not exceed	4.50	4.50	4.00	4.00
Fixed Charge Coverage Ratio	Shall not be less than	1.20	1.20	1.20	1.20

Financial Covenants	Requirement	Q1 2026
Senior Net Funded Debt to Bank EBITDA Ratio	Shall not exceed 2.50	1.07
Total Net Funded Debt to Bank EBITDA Ratio	Shall not exceed 4.50	3.96
Fixed Charge Coverage Ratio	Shall not be less than 1.20	3.01

The following table recalculates the financial covenants, based on the Amended Credit Facility that was executed on April 22, 2026 using March 31, 2026 results to demonstrate the impact of the amended agreement on the relevant financial covenants:

Financial Covenants	Requirement	Threshold
Senior Net Funded Debt to Bank EBITDA Ratio	Shall not exceed	3.00
Total Net Funded Debt to Bank EBITDA Ratio	Shall not exceed	5.00
Fixed Charge Coverage Ratio	Shall not be less than	1.20

Financial Covenants	Requirement	Q1 2026
Senior Net Funded Debt to Bank EBITDA Ratio	Shall not exceed 3.50	0.77
Total Net Funded Debt to Bank EBITDA Ratio	Shall not exceed 5.00	3.17
Fixed Charge Coverage Ratio	Shall not be less than 1.20	3.74

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, 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.

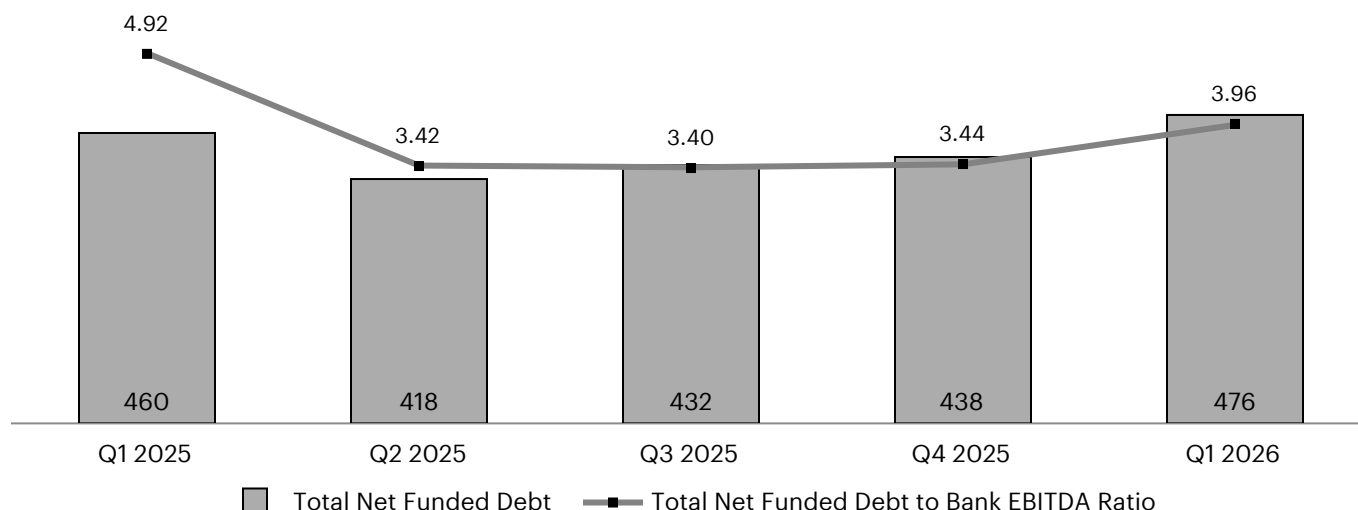
#### **Total Net Funded Debt to Bank EBITDA Ratio Covenant Summary**

The following tables 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") under the Credit Facility.

Credit Facility	March 31, 2026	December 31, 2025
	\$	\$
Credit Facility, net of unamortized deferred financing costs	149,880	128,711
\$350 Million Notes, net of unamortized deferred financing costs	347,424	347,200
Other funded debt according to Credit Facility	48,515	32,458
Total Funded Debt	545,819	508,369
Less: Allowable Cash Netting according to Credit Facility	(70,000)	(70,000)
<b>Total Net Funded Debt</b>	<b>475,819</b>	<b>438,369</b>

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

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



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

	<b>March 31, 2026</b>
<b>Amended Credit Facility</b>	<b>\$</b>
Credit Facility, net of unamortized deferred financing costs	149,880
\$350 Million Notes, net of unamortized deferred financing costs	347,424
Other funded debt according to Credit Facility	48,515
<b>Total Funded Debt</b>	<b>545,819</b>
Less: Allowable Cash Netting according to Credit Facility	(86,415)
<b>Total Net Funded Debt</b>	<b>459,404</b>

#### 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](http://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 March 31, 2026) 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 March 31, 2026, the value of this mortgage, net of unamortized deferred financing costs, was \$22.3 million (2025 - \$23.1 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 March 31, 2026, the value of the mortgages, net of unamortized deferred financing costs, was \$15.8 million (2025 - \$16.5 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 Indebtedness<sup>8</sup> Summary

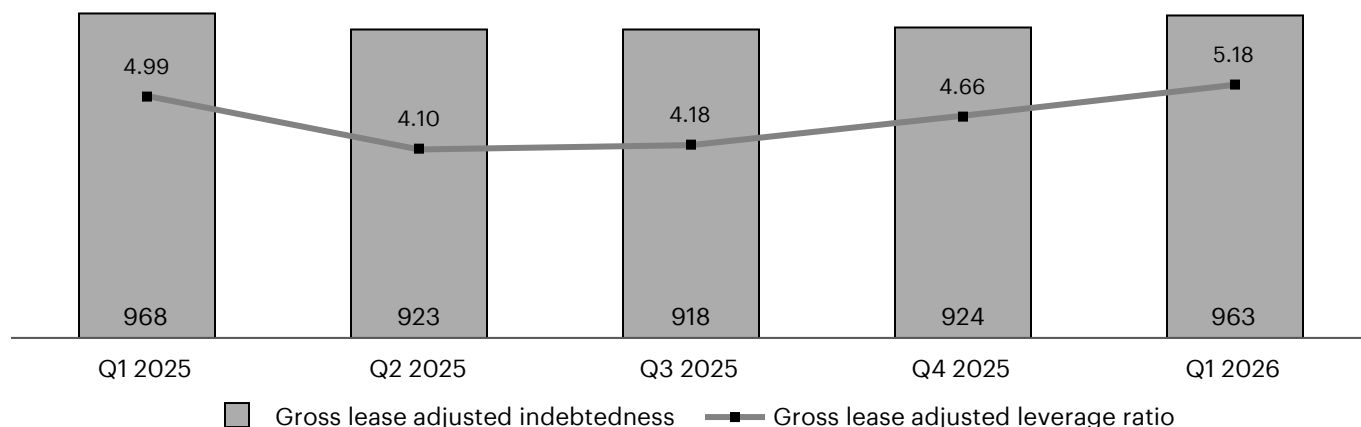
Gross lease adjusted leverage ratio<sup>9</sup> ("Gross Lease Ratio") is a leverage measure used by management to evaluate the leverage of the Company as it includes lease liabilities in the calculation of gross lease adjusted indebtedness.

The following summarizes the Company's gross lease adjusted indebtedness and Gross Lease Ratio from continuing operations as at March 31, 2026 and December 31, 2025.

	March 31, 2026 \$	December 31, 2025 \$
Credit facility, net of unamortized deferred financing costs	149,880	128,711
\$350 Million Notes, net of unamortized deferred financing costs	347,424	347,200
Non-recourse mortgages and other debt	38,371	38,798
Total indebtedness	535,675	514,709
Add: Lease liabilities	427,776	409,341
<b>Gross lease adjusted indebtedness</b>	<b>963,451</b>	<b>924,050</b>
Adjusted EBITDA - trailing twelve months	186,152	198,171
<b>Gross lease adjusted leverage ratio ("Gross Lease Ratio")</b>	<b>5.18x</b>	<b>4.66x</b>

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

<sup>8</sup> See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of this capital management measure.

<sup>9</sup> See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of this Non-GAAP Measure.

## 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 three-months ended March 31, 2026, the Company incurred \$6.8 million in capital expenditures related to growth initiatives in collision and to a lesser extent, OEM mandated reimagining of various dealership properties.

Capital expenditures is reported in aggregate in Note 16 of the Interim 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 March 31	
	2026	2025
	\$	\$
Non-growth capital expenditures	1,333	168
Growth capital expenditures	5,236	2,413
<b>Total capital expenditures</b>	<b>6,569</b>	<b>2,581</b>
Real estate acquisition expenditures	185	817
<b>Total capital related expenditures</b>	<b>6,754</b>	<b>3,398</b>

## Capital Commitments

At March 31, 2026, the Company is committed to capital expenditure obligations in the amount of approximately \$11.9 million related to dealership reimaginings 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 reimaginings 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 three-month period ended March 31, 2026, there were transactions with key management personnel. All significant transactions between AutoCanada and related parties are reviewed by the Company's Board of Directors and are based on normal commercial terms and conditions.

	Three-month period ended	
	March 31, 2026	March 31, 2025
	\$	\$
Administrative and other support and transportation fees	10	402
Vehicle sales to related parties	—	449
Total	10	851

## 8. OUTSTANDING SHARES

As at March 31, 2026, the Company had 23,150,233 (2025 - 23,150,233) common shares outstanding. Basic and diluted weighted average number of shares outstanding for the three-month period ended March 31, 2026 were 23,016,669 and 23,016,669, respectively. As at May 13, 2026, there were 23,150,233 common shares issued and outstanding.

As at March 31, 2026, the value of the shares held in trust, to hedge equity-based compensation plans, was \$2.7 million (2025 - \$0.3 million), which was comprised of 118,929 (2025 - 8,542) shares.

### *Normal course issuer bid*

During the three-month period ended March 31, 2026, the Company did not repurchase any common shares under its Normal Course Issuer Bid ("NCIB") (2025 - nil).

### *Automatic share purchase plan*

On May 13, 2026, in connection with its previously announced NCIB to purchase up to 1,177,539 common shares, AutoCanada has entered into an automatic share purchase plan ("ASPP") with its designated broker. The ASPP has been pre-cleared by the TSX and will terminate on December 17, 2026, unless earlier terminated in accordance with its terms.

The ASPP is intended to allow for purchases of its common shares during certain pre-determined black-out periods, subject to certain parameters as to price and number of shares. Outside of these pre-determined black-out periods, shares will be repurchased in accordance with management's discretion, subject to applicable law.

AutoCanada's NCIB commenced on December 18, 2025 and will continue until December 17, 2026, when the bid expires, or such earlier date as the Corporation completes its purchases pursuant to the notice of intention filed with the TSX. All purchases of common shares made under the ASPP will be included in determining the number of common shares purchased under the NCIB. Any common shares purchased by the Corporation pursuant to the NCIB will be cancelled.

## 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 for the year ended December 31, 2025. If applicable, updates are disclosed in Note 3 of the Interim Financial Statements.

## **11. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING**

During the three-month period ended March 31, 2026, 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. Details relating to disclosure controls and procedures, and internal controls over financial reporting, are disclosed in Section 11 of the Company's Annual MD&A for the year ended December 31, 2025.

## **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 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.

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](http://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:

- Dealership Operations segment: See Section 16 Segmented Operating Results Data for additional information
- Collision Operations segment: See Section 16 Segmented Operating Results Data for additional information
- Consolidated basis: See Section 16 Segmented Operating Results Data for additional information
- Same store basis: See Section 17 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);
- 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 table illustrates segmented adjusted EBITDA for the three-month period ended March 31:

	Three-Months Ended March 31, 2026			Three-Months Ended March 31, 2025		
	Dealership Operations	Collision Operations	Total	Dealership Operations	Collision Operations	Total
<b>Period from January 1 to March 31</b>						
Net income (loss) for the period	2,754	2,330	5,084	(7,335)	4,183	(3,152)
Add back (deduct):						
Income tax (recovery) expense	(1,528)	—	(1,528)	1,818	—	1,818
Depreciation of property and equipment	4,245	679	4,924	4,917	440	5,357
Interest on long-term indebtedness	9,883	—	9,883	9,898	—	9,898
Depreciation of right of use assets	7,448	723	8,171	7,705	607	8,312
Amortization of intangible assets	104	2	106	123	—	123
Lease liability interest	7,125	977	8,102	7,601	826	8,427
Impairment of non-financial assets	—	—	—	3,369	—	3,369
Gain on redemption liabilities	(775)	—	(775)	(2,324)	—	(2,324)
Canadian franchise dealership and corporate restructuring charges	6,593	—	6,593	15,766	—	15,766
Unrealized fair value changes on derivative instruments	308	—	308	2,432	—	2,432
Unrealized foreign exchange gains	(33)	—	(33)	(1,074)	—	(1,074)
Software implementation costs	618	—	618	450	—	450
Cybersecurity incident costs	46	—	46	128	—	128
RightRide restructuring charges	—	—	—	1,683	—	1,683
Acquisition related and transaction costs	2,687	—	2,687	163	—	163
Share-based compensation for transformation plan awards	630	—	630	—	—	—
Gain on disposal of assets	(16,169)	(17)	(16,186)	(12,829)	—	(12,829)
<b>Adjusted EBITDA</b>	<b>23,936</b>	<b>4,694</b>	<b>28,630</b>	<b>32,491</b>	<b>6,056</b>	<b>38,547</b>
Adjusted EBITDA from discontinued operations	2,348	—	2,348	4,450	—	4,450
<b>Adjusted EBITDA from continuing operations</b>	<b>26,284</b>	<b>4,694</b>	<b>30,978</b>	<b>36,941</b>	<b>6,056</b>	<b>42,997</b>

### Adjusted EBITDA Margin

The following table illustrates segmented adjusted EBITDA margin from continuing operations for the three-month periods ended March 31:

	Three-Months Ended March 31, 2026			Three-Months Ended March 31, 2025		
	Dealership Operations	Collision Operations	Total	Dealership Operations	Collision Operations	Total
Adjusted EBITDA	26,284	4,694	30,978	36,941	6,056	42,997
Revenue	1,149,344	39,611	1,188,955	1,199,774	40,326	1,240,100
<b>Adjusted EBITDA Margin</b>	2.3%	11.9%	2.6%	3.1%	15.0%	3.5%

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

The following table illustrates segmented normalized opex before depreciation and normalized opex before depreciation as a percentage of gross profit from continuing operations for the three-month periods ended March 31:

	Three-Months Ended March 31, 2026			Three-Months Ended March 31, 2025		
	Dealership Operations	Collision Operations	Total	Dealership Operations	Collision Operations	Total
<b>Operating expenses before depreciation</b>	124,685	13,844	138,529	148,942	12,253	161,195
<b>Normalizing Items:</b>						
Deduct:						
Acquisition-related costs	(152)	—	(152)	(163)	—	(163)
Software implementation costs	(618)	—	(618)	(450)	—	(450)
Canadian franchise dealership and corporate restructuring charges	(5,221)	—	(5,221)	(15,766)	—	(15,766)
Share-based compensation expense	2,878	—	2,878	(1,643)	—	(1,643)
<b>Normalized Opex before depreciation</b>	121,572	13,844	135,416	130,920	12,253	143,173
Gross profit	150,740	18,342	169,082	179,838	18,198	198,036
<b>Normalized Opex Before Depreciation as a percentage of gross profit (%)</b>	80.7%	75.5%	80.1%	72.8%	67.3%	72.3%

### 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 March 31, 2026 and December 31, 2025:

	March 31, 2026	December 31, 2025
	\$	\$
Credit facility, net of unamortized deferred financing costs	149,880	128,711
\$350 Million Notes, net of unamortized deferred financing costs	347,424	347,200
Non-recourse mortgages and other debt	38,371	38,798
Total indebtedness	535,675	514,709
Add: Lease liabilities	427,776	409,341
<b>Gross lease adjusted indebtedness</b>	<b>963,451</b>	<b>924,050</b>
Adjusted EBITDA - trailing twelve months	186,152	198,171
<b>Gross lease adjusted leverage ratio</b>	<b>5.18x</b>	<b>4.66x</b>

# 15. 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	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024 Revised <sup>3</sup>	Q3 2024 Revised <sup>3</sup>	Q2 2024 Revised <sup>3</sup>
<b>Income Statement Data</b>								
New vehicles	491,253	509,046	550,832	617,508	550,894	574,956	629,421	603,044
Used vehicles	478,873	387,919	417,955	474,165	462,722	440,850	524,916	532,054
Parts and service	119,154	129,814	125,044	137,546	122,813	144,524	144,000	136,934
Collision repair	39,611	35,366	37,519	38,420	40,326	36,262	31,487	30,563
Finance, insurance and other	60,064	54,419	70,107	70,560	63,345	69,245	82,701	78,555
<b>Revenue</b>	<b>1,188,955</b>	<b>1,116,564</b>	<b>1,201,457</b>	<b>1,338,199</b>	<b>1,240,100</b>	<b>1,265,837</b>	<b>1,412,525</b>	<b>1,381,150</b>
New vehicles	32,573	26,713	33,626	40,534	36,419	40,291	44,522	45,526
Used vehicles	1,982	5,076	8,809	25,157	19,423	18,529	26,245	9,372
Parts and service	60,783	69,626	67,596	78,902	66,144	76,843	77,164	78,231
Collision repair	18,342	18,136	17,334	16,561	18,198	17,242	17,527	16,122
Finance, insurance and other	55,402	54,419	60,046	64,213	57,852	63,213	75,530	71,507
<b>Gross Profit</b>	<b>169,082</b>	<b>173,970</b>	<b>187,411</b>	<b>225,367</b>	<b>198,036</b>	<b>216,118</b>	<b>240,988</b>	<b>220,758</b>
Gross profit percentage	14.2%	15.6%	15.6%	16.8%	16.0%	17.1%	17.1%	16.0%
Operating expenses	151,730	150,212	161,807	170,737	174,876	178,675	180,274	186,497
Operating expenses as a % of gross profit	89.7%	86.3%	86.3%	75.8%	88.3%	82.7%	74.8%	84.5%
Net (loss) income	(3,299)	(2,331)	(2,901)	18,911	9,707	9,847	27,159	3,935
Diluted net income (loss) per share attributable to AutoCanada shareholders	(0.15)	(0.06)	(0.14)	0.72	0.37	0.45	1.09	0.12
Adjusted EBITDA	30,978	32,703	58,091	64,380	42,997	54,379	63,103	33,469
<b>Operating Data</b>								
New retail vehicles sold	6,294	7,028	7,898	8,790	7,665	8,544	9,599	9,311
Used retail vehicles sold	9,934	8,741	10,048	10,452	10,046	10,585	13,279	12,663
Total retail vehicles sold	16,228	15,769	17,946	19,242	17,711	19,129	22,878	21,974
# of dealerships at period end <sup>1</sup>	67	67	67	67	68	68	69	71
# of same store dealerships <sup>1,2</sup>	67	67	66	66	66	66	67	68
# of service bays at period end	1,081	1,105	1,116	1,143	1,143	1,151	1,173	1,186

1 Dealerships is defined as 64 franchised automobile dealerships and 3 independent used dealerships.

2 Same store is defined as a franchised automobile dealership, stand-alone collision centre, and independent used dealership 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.

# 16. SEGMENTED OPERATING RESULTS DATA

## Dealership Operations and Collision Operations Segmented Operating Highlights

The Company identified new operating segments as a result of changes to the Company's Chief Operating Decision Maker ("CODM"), advancement in the divestiture of the Company's U.S. retail automobile dealerships, and prioritization of collision centres as a strategically important platform.

The Company's CODM is identified as the Chief Executive Officer and is responsible for allocating resources and assessing the performance of each dealership and each collision centre. The Company will report segmented information by Dealership Operations and Collision Operations. The Dealership Operations reportable operating segment is comprised of retail automobile dealerships and related businesses, which have been aggregated based on their economic similarities. The Collision Operations reportable operating segment is comprised of collision centres and related businesses, which have been aggregated based on their economic similarities.

To conform to the presentation adopted for the current period's operating segments, the following comparatives prior to January 1, 2026 have been reclassified:

- The Company's retail automobile dealerships and related businesses, previously reported in the Canadian Operations segment and the U.S. Operations segment, have been reclassified to the Dealership Operations segment.
- The Company's collision centres and related businesses, previously reported in the Canadian Operations segment and the U.S. Operations segment, have been reclassified to the Collision Operations segment.

The following table shows the segmented operating results for the Company for the three-month periods ended March 31:

	Three-Months Ended March 31, 2026			Three-Months Ended March 31, 2025 Revised <sup>(2)</sup>		
	Dealership Operations	Collision Operations	Total	Dealership Operations	Collision Operations	Total
New vehicles	524,244	—	524,244	631,671	—	631,671
Used vehicles	496,791	—	496,791	513,942	—	513,942
Parts and service	130,633	—	130,633	147,527	—	147,527
Collision repair	—	39,611	39,611	—	40,326	40,326
Finance, insurance and other	63,515	—	63,515	71,172	—	71,172
<b>Total revenue</b>	<b>1,215,183</b>	<b>39,611</b>	<b>1,254,794</b>	<b>1,364,312</b>	<b>40,326</b>	<b>1,404,638</b>
New vehicles	34,063	—	34,063	38,370	—	38,370
Used vehicles	2,828	—	2,828	19,133	—	19,133
Parts and service	68,047	—	68,047	80,730	—	80,730
Collision repair	—	18,342	18,342	—	18,198	18,198
Finance, insurance and other	58,853	—	58,853	65,678	—	65,678
<b>Total gross profit</b>	<b>163,791</b>	<b>18,342</b>	<b>182,133</b>	<b>203,911</b>	<b>18,198</b>	<b>222,109</b>
Employee costs	89,129	8,383	97,512	114,429	7,544	121,973
Administrative costs	53,197	4,687	57,884	61,602	4,071	65,673
Facility lease and storage costs	428	774	1,202	278	638	916
Depreciation of right-of-use assets	7,448	723	8,171	7,705	607	8,312
Depreciation of property and equipment	4,245	679	4,924	4,918	439	5,357
Amortization of intangible assets	104	2	106	123	—	123
<b>Total operating expenses</b>	<b>154,551</b>	<b>15,248</b>	<b>169,799</b>	<b>189,055</b>	<b>13,299</b>	<b>202,354</b>
<b>Operating profit (loss) before other income</b>	<b>9,240</b>	<b>3,094</b>	<b>12,334</b>	<b>14,856</b>	<b>4,899</b>	<b>19,755</b>

	Three-Months Ended March 31, 2026			Three-Months Ended March 31, 2025 Revised <sup>(2)</sup>		
	Dealership Operations	Collision Operations	Total	Dealership Operations	Collision Operations	Total
<b>Operating data</b>						
New retail vehicles sold	6,853	—	6,853	9,002	—	9,002
Used retail vehicles sold	10,378	—	10,378	11,209	—	11,209
Total retail vehicles sold	17,231	—	17,231	20,211	—	20,211
# of dealerships at period end <sup>1</sup>	78	—	78	86	—	86
# of service bays at period end	1,181	—	1,181	1,378	—	1,378

<sup>1</sup> Dealerships is defined as 64 Canadian franchised automobile dealerships, 11 U.S. franchised automobile dealerships, and 3 independent used dealerships as at March 31, 2026.

<sup>2</sup> Comparative period revised to reflect current period presentation for segmented reporting.

## 17. SAME STORE RESULTS DATA

Same store is defined as a franchised automobile dealership, stand-alone collision centre, and independent used dealership 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 from continuing operations for the three-month periods ended March 31:

	Three-Months Ended March 31	
	2026 \$	2025 \$
New vehicles	491,253	550,538
Used vehicles	478,874	460,671
Parts and service	119,154	122,703
Collision repair	34,604	40,326
Finance, insurance and other	60,064	63,345
<b>Total revenue</b>	<b>1,183,949</b>	<b>1,237,583</b>
New vehicles	32,548	36,476
Used vehicles	2,006	18,035
Parts and service	60,783	66,034
Collision repair	16,355	18,197
Finance, insurance and other	55,402	57,852
<b>Total gross profit</b>	<b>167,094</b>	<b>196,594</b>
New vehicles (%)	6.6%	6.6%
Used vehicles (%)	0.4%	3.9%
Parts and service (%)	51.0%	53.8%
Collision repair (%)	47.3%	45.1%
Finance, insurance and other (%)	92.2%	91.3%
<b>Total gross profit percentage (%)</b>	<b>14.1%</b>	<b>15.9%</b>
New retail vehicles sold (units)	6,294	7,665
Used retail vehicles sold (units)	9,934	10,046
<b>Total vehicles retailed (units)</b>	<b>16,228</b>	<b>17,711</b>

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

	Three-Months Ended March 31		
	2026	2025	% Change
British Columbia	119,820	114,598	4.6 %
Alberta	364,908	375,211	(2.7)%
Saskatchewan	86,417	103,382	(16.4)%
Manitoba	99,920	110,239	(9.4)%
Ontario	337,634	362,635	(6.9)%
Quebec	134,397	137,709	(2.4)%
Atlantic	40,845	33,809	20.8 %
Illinois	8	—	— %
<b>Total revenue</b>	<b>1,183,949</b>	<b>1,237,583</b>	<b>(4.3)%</b>
British Columbia	14,365	16,174	(11.2)%
Alberta	46,896	60,664	(22.7)%
Saskatchewan	14,475	16,991	(14.8)%
Manitoba	14,918	18,470	(19.2)%
Ontario	50,830	57,044	(10.9)%
Quebec	20,491	22,602	(9.3)%
Atlantic	5,118	4,649	10.1%
Illinois	1	—	— %
<b>Total gross profit</b>	<b>167,094</b>	<b>196,594</b>	<b>(15.0)%</b>

## 18. COUNT OF OPERATIONS

The following table lists the count and same store count for franchised dealerships, independent used dealerships, and collision centres, organized by province and state as of March 31, 2026 from continuing operations and discontinued operations.

Location	Franchised Dealerships	Same Store Franchised Dealerships <sup>1</sup>	Used Vehicle Operations	Same Store Used Vehicle Operations	Collision Centres <sup>2</sup>	Same Store Stand-Alone Collision Centres
<b>Canada</b>	<b>64</b>	<b>64</b>	<b>3</b>	<b>3</b>	<b>33</b>	<b>15</b>
Alberta	17	17	—	—	8	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
<b>U.S.</b>	<b>11</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Illinois <sup>3,4</sup>	11	—	—	—	—	—
<b>Total</b>	<b>75</b>	<b>64</b>	<b>3</b>	<b>3</b>	<b>33</b>	<b>15</b>

<sup>1</sup> Same store means the franchised automobile dealership, independent used dealerships, 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.

<sup>2</sup> Collision centres includes 18 stand-alone collision centres within our group of 33 collision centres. DCCHail Illinois is excluded from the Collision centre count as there is no physical location.

<sup>3</sup> 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.

<sup>4</sup> The Company's U.S. franchised dealerships in its Dealership Operations segment have been classified and presented as discontinued operations.



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