AutoCanada

2026

Second Quarter Management Discussion & Analysis

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

For the three-month and six-month periods ended June 30, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

1. READER ADVISORIES AND FORWARD-LOOKING STATEMENTS

This Management's Discussion & Analysis ("MD&A") was prepared as of August 12, 2026, to assist readers in understanding AutoCanada Inc.'s (the "Company" or "AutoCanada") consolidated financial performance for the three and six-month periods ended June 30, 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 and six-month periods ended June 30, 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 the 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 August 12, 2026.

To provide more meaningful information, this MD&A typically refers to the operating results for the three and six-month periods ended June 30, 2026 of the Company, and compares these to the operating results of the Company for the three-month period and six-month period ended June 30, 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 Discontinued Operations 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 and the Company's investor website at investors.autocan.ca.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the MD&A are forward-looking statements and information (collectively "forward-looking statements"), within the meaning of applicable Canadian securities legislation. We hereby provide cautionary statements identifying important factors that could cause actual results to differ materially from those projected in these forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "will continue", "is anticipated", "projection", "vision", "goals", "objective", "target", "schedules", "outlook", "anticipate", "expect", "estimate", "could", "should", "plan", "seek", "may", "intend", "likely", "will", "believe", "shall" and similar expressions) and the financial outlook in Section 3 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 and land divestitures, the completion and the anticipated timing of completion of the U.S. dealership and land 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) 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 June 30, 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 9 franchised dealerships comprised of 6 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, operating under the ACX brand, operates 37 collision centres ("Collision Centres"), supported by 26 Original Equipment Manufacturer ("OEM") certifications covering 37 vehicle brands, as of June 30, 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 Discontinued Operations in this MD&A and the Annual Financial Statements for further information.

Seasonality

The Company’s results from operations for the three and six-month periods ended June 30, 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 Second Quarter Key Highlights and Recent Developments

All comparisons presented below are between the three-month periods ended June 30, 2026 and June 30, 2025 and are based on continuing operations, unless otherwise indicated.

AutoCanada Key Highlights

- Revenue from continuing operations was $1,418.4 million as compared to $1,338.2 million in the prior year, an increase of $80.2 million
- Net income for the period from total operations was $24.4 million as compared to $18.9 million in the prior year
  - Net income from continuing operations was $12.1 million as compared to $18.9 million in the prior year
  - Net income from discontinued operations was $12.3 million as compared to $0.0 million in the prior year
- Basic net income per share from continuing operations was $0.49 as compared to $0.75 in the prior year
- Diluted net income per share from continuing operations was $0.46 as compared to $0.72 in the prior year
- Adjusted EBITDA[1] from total operations was $47.8 million as compared to $68.5 million in the prior year
  - Adjusted EBITDA from continuing operations was $52.1 million as compared to $64.4 million in the prior year
  - Adjusted EBITDA from discontinued operations was $(4.4) million as compared to $4.1 million in the prior year
- Total Net Funded Debt to Bank EBITDA Ratio[3] changed from 3.96x under the previous credit facility as at March 31, 2026 and 3.17x under the amended credit facility as at March 31, 2026 to 3.62x as at June 30, 2026

SECOND QUARTER RESULTS

	Three-Months Ended June 30		
Continuing Operations Financial Results	**2026 $**	**2025 $**	**Change %**
Revenue	1,418,434	1,338,199	6.0%
Same store revenue	1,412,383	1,338,150	5.5%
Gross profit	207,054	225,367	(8.1)%
Gross profit percentage [2]	14.6%	16.8%	(2.2) ppts
Operating expenses ("Opex")	166,260	170,737	(2.6)%
Net income	12,088	18,911	(36.1)%
Basic net income per share attributable to AutoCanada shareholders	0.49	0.75	(34.7)%
Diluted net income per share attributable to AutoCanada shareholders	0.46	0.72	(36.1)%
Adjusted EBITDA	52,149	64,380	(19.0)%
Adjusted EBITDA margin [1]	3.7%	4.8%	(1.1) ppts
New retail vehicles sold (units) [2]	8,091	8,790	(8.0)%
Used retail vehicles sold (units) [2]	11,499	10,452	10.0%
New vehicle gross profit per retail unit [2]	4,461	4,544	(1.8)%
Used vehicle gross profit per retail unit [2]	587	1,774	(66.9)%
Parts and service ("P&S") gross profit	74,032	78,902	(6.2)%
Collision repair ("Collision") gross profit	17,730	16,561	7.1%
Finance, insurance and other ("F&I") gross profit per retail unit average [2]	3,410	3,337	2.2%
Operating expenses before depreciation [2]	152,931	157,094	(2.7)%
Operating expenses before depreciation as a % of gross profit [2]	73.9%	69.7%	4.2 ppts
Normalized opex before depreciation [1]	147,707	147,478	0.2%
Normalized opex before depreciation as a percentage of gross profit (%) [1]	71.3%	65.4%	5.9 ppts
Floorplan financing expense	9,275	9,018	2.8%

[1] *See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of these Non-GAAP Measures.*
[2] *See Section 13 Non-GAAP and Other Financial Measures for further information regarding the composition of these supplementary financial measures*
[3] *See Section 6 Liquidity and Capital Resources for further information regarding the calculation of this financial covenant.*

Other Recent Developments

During 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 wholesale inventory 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 normal course issuer bid ("NCIB") to purchase up to 1,177,539 common shares, the Company received approval from the TSX to implement 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.
- On June 1, 2026, the Company completed the acquisition of Contemporary Coachworks, a two-location collision repair facility located in Calgary, Alberta, which is included within the Collision Operations segment.
- On June 9, 2026, the Company completed the acquisition of Mascarin Collision Centre, a single-location collision repair facility located in Thunder Bay, Ontario, which is included within the Collision Operations segment.
- On June 22, 2026, the Company sold substantially all of the operating assets of Toyota of Lincolnwood, located in Lincolnwood, Illinois, for cash consideration of $42.4 million plus closing adjustments. Toyota of Lincolnwood was previously presented as held for sale in the Dealership Operations segment.
- On June 29, 2026, the Company completed the acquisition of a collision repair business in Stratford, Ontario. The business, formerly operating as Fix Auto Stratford, now operates as ACX Stratford, which is included within the Collision Operations segment.

After the quarter:

- On July 14, 2026, the Company sold substantially all of the operating assets of Island Chevrolet Buick GMC in Duncan, British Columbia, Abbotsford Volkswagen in Abbotsford, British Columbia, and Chilliwack Volkswagen in Chilliwack, British Columbia, including a property associated with Chilliwack Volkswagen in Chilliwack, British Columbia, for cash consideration of $49.2 million plus closing adjustments.

Dealership Operations Highlights

	Three-Months Ended June 30		
Dealership Financial Results	**2026 $**	**2025 $**	**Change %**
Revenue	1,382,058	1,299,779	6.3%
Gross profit	189,324	208,806	(9.3)%
Gross profit percentage	13.7 %	16.1 %	(2.4)%
Adjusted EBITDA	48,436	60,643	(20.1)%
New retail vehicles sold (units)	8,091	8,790	(8.0)%
Used retail vehicles sold (units)	11,499	10,452	10.0%
New vehicle gross profit per retail unit	4,461	4,544	(1.8)%
Used vehicle gross profit per retail unit	587	1,774	(66.9)%
P&S gross profit	74,032	78,902	(6.2)%
F&I gross profit per retail unit average	3,410	3,337	2.2%
Same store revenue	1,382,058	1,299,730	6.3%
Same store gross profit	189,324	208,767	(9.3)%
Same store gross profit percentage	13.7%	16.1%	(2.4) ppts

Collision Operations Highlights

	Three-Months Ended June 30		
Collision Financial Results	**2026 $**	**2025 $**	**Change %**
Revenue	36,376	38,420	(5.3)%
Gross profit	17,730	16,561	7.1%
Gross profit percentage	48.7%	43.1%	5.6 ppts
Adjusted EBITDA	3,713	3,737	(0.6)%
Same store revenue	30,325	38,420	(21.1)%
Same store gross profit	15,302	16,561	(7.6)%
Same store gross profit percentage	50.5%	43.1%	7.4 ppts

3. OUTLOOK

Dealership Outlook

Canadian new light vehicle demand remained subdued during the second quarter of 2026. Industry sales[4] declined approximately 2% year-over-year during the quarter, with sales decreasing 6.0% in April and 1.7% in May before returning to modest growth of 1.9% in June. For the first six months of 2026, Canadian new light vehicle sales were approximately 2.6% below the prior year.

Management expects industry demand to remain muted through the balance of 2026 as elevated vehicle pricing, financing costs, and broader economic uncertainty continue to affect consumer affordability and purchasing decisions. Full-year Canadian industry sales are currently expected to be approximately 1.9 million units, or down approximately 4% versus 2025.

Against this backdrop, the Company continued to advance its dealership operating plan during the second quarter. Management remains focused on strengthening operating discipline, improving accountability, rebuilding sales productivity, and establishing more consistent execution across the dealership network. Although progress was made during the quarter, the Company continues to view 2026 as a transition year and expects that sustained execution will be required to restore dealership performance to levels more consistent with industry benchmarks.

Second-quarter results reflected early progress in certain areas, including higher used vehicle volumes, improved inventory turnover and increased finance and insurance gross profit per retail unit. Used retail vehicle sales increased 10.0% year-over-year during the quarter, while used vehicle inventory days of supply declined to 54 days from 63 days in the prior-year period. However, used vehicle profitability remained below historical levels as the Company continued to work through aged inventory.

[4] Source: WardsAuto data regarding New Light Vehicle sales.

New retail vehicle volumes remained under pressure, declining 8.0% year-over-year during the quarter, reflecting softer industry demand and the ongoing rebuilding of sales productivity. New vehicle gross profit per retail unit declined modestly, while new vehicle inventory days of supply increased to 79 days from 76 days.

Parts and service performance also remained below the prior year, reflecting lower service repair order volumes and higher labour and material costs. Management continues to view improving parts and service operations as a significant opportunity and is focused on increasing technician and service advisor productivity, service bay utilization, customer retention and parts and service absorption.

Management's priorities for dealership operations during the balance of 2026 include:

- Improving new and used vehicle sales productivity and conversion;
- Restoring used vehicle gross profit per unit while maintaining inventory discipline;
- Improving used vehicle sourcing, inventory turns and wholesale performance;
- Increasing fixed operations productivity, service bay utilization and customer retention;
- Strengthening finance and insurance execution and consistency;
- Maintaining operating expense discipline while preserving appropriate frontline capacity;
- Improving working capital efficiency; and
- Continuing to embed standardized operating practices, training, accountability and performance management across the dealership network.

Management believes these initiatives are establishing a clearer path toward improved profitability and more consistent execution. However, the timing and pace of recovery will depend on continued operational progress and broader industry conditions. The Company believes the operational initiatives implemented during the first half of the year have established a stronger foundation for improved financial performance, with continued progress expected as sales productivity, fixed operations, used vehicle performance and cost discipline continue to improve.

Collision Outlook

Collision operations continue to represent an important long-term growth platform for the Company, supported by insurance-related demand, attractive margin characteristics and consolidation opportunities within a highly fragmented Canadian market.

During the second quarter, Collision revenue decreased 5.3% year-over-year, primarily reflecting the normalization of paintless dent repair activity following the significant hail event that benefited the prior-year period. Gross profit increased 7.1%, and gross profit percentage increased to 48.7% from 43.1%, reflecting contributions from acquired traditional collision businesses and a more favourable mix relative to lower-margin paintless dent repair activity.

The Company continued to advance its collision growth strategy during the quarter through the acquisitions of Contemporary Coachworks in Calgary, Alberta, Mascarin Collision Centre in Thunder Bay, Ontario, and ACX Stratford in Stratford, Ontario. These acquisitions expanded the Company's geographic presence, increased regional density, and added repair capacity and capabilities within key markets.

Management remains focused on integrating recently acquired locations and improving performance across the broader platform. Key operational priorities include:

- Expanding OEM certifications and insurance direct repair program relationships;
- Increasing referral volumes from insurers, OEMs and the Company's dealership network;
- Advancing a standardized national operating model;
- Expanding apprenticeship and technician-development programs;
- Increasing capacity utilization and operational throughput;
- Expanding higher-value services, including diagnostics, calibrations, and coatings;
- Strengthening procurement and vendor relationships; and
- Continuing the rollout of the ACX national brand and B2B strategy.

The Company intends to continue pursuing disciplined collision growth opportunities that enhance regional density, expand capabilities and support long-term margin and cash flow growth. The pace of acquisition activity will remain subject to balance sheet capacity, the availability of attractive opportunities and the Company's ability to integrate acquired businesses effectively.

U.S. Dealerships Divestiture Update

The Company continues to make meaningful progress on the divestiture of its U.S. dealership portfolio. With approximately $106 million in gross proceeds, excluding working capital, received to date, the Company is on track to realize proceeds within the previously disclosed range of $115 million to $130 million. The Company has entered into a definitive agreement for the remaining 9 dealerships (2 individual storefronts). The Company expects additional proceeds from related land dispositions, previously identified as held for sale, of up to $19 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 financial 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 collision operations is disclosed to assist current and future shareholders to evaluate the effectiveness of AutoCanada's collision growth plan and collision operating model enhancements and initiatives 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. Collision operating model enhancements and initiatives, the completion, and the anticipated timing of completion, are based on the assumptions that expanding OEM certifications and insurance direct repair program relationships, increasing referral volumes, standardizing the national operating model, expanding apprenticeship and technician-development programs, expanding higher-value services, strengthening procurement and vendor relationships, and completing the rollout of the ACX national brand and B2B strategy will improve collision financial performance. Additional key assumptions or risk factors with respect to the accretive growth of collision operations and collision operating model enhancements and initiatives 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 and land divestitures, the anticipated timing of completion of the U.S. disposition transactions, and the engagement in selling the remaining U.S. dealerships and lands 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 and lands 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

Second 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 and six-month periods ended June 30.

	Three-Months Ended June 30			
	2026 $	**2025 $**	**Change $**	**Change %**
New vehicles	635,972	617,508	18,464	3.0%
Used vehicles	537,038	474,165	62,873	13.3%
Parts and service	136,054	137,546	(1,492)	(1.1)%
Collision repair	36,376	38,420	(2,044)	(5.3)%
Finance, insurance and other	72,994	70,560	2,434	3.4%
Total revenue	1,418,434	1,338,199	80,235	6.0%
New vehicles	36,716	40,534	(3,818)	(9.4)%
Used vehicles	11,766	25,157	(13,391)	(53.2)%
Parts and service	74,032	78,902	(4,870)	(6.2)%
Collision repair	17,730	16,561	1,169	7.1%
Finance, insurance and other	66,810	64,213	2,597	4.0%
Total gross profit	207,054	225,367	(18,313)	(8.1)%

	Six-Months Ended June 30			
	2026 $	**2025 $**	**Change $**	**Change %**
New vehicles	1,127,225	1,168,402	(41,177)	(3.5)%
Used vehicles	1,015,911	936,887	79,024	8.4%
Parts and service	255,208	260,359	(5,151)	(2.0)%
Collision repair	75,987	78,746	(2,759)	(3.5)%
Finance, insurance and other	133,058	133,905	(847)	(0.6)%
Total revenue	2,607,389	2,578,299	29,090	1.1%
New vehicles	69,289	76,953	(7,664)	(10.0)%
Used vehicles	13,748	44,580	(30,832)	(69.2)%
Parts and service	134,815	145,046	(10,231)	(7.1)%
Collision repair	36,072	34,759	1,313	3.8%
Finance, insurance and other	122,212	122,065	147	0.1%
Total gross profit	376,136	423,403	(47,267)	(11.2)%

	Three-Months Ended June 30			Six-Months Ended June 30		
	2026 %	2025 %	Change ppts	2026 %	2025 %	Change ppts
New vehicles	5.8%	6.6%	(0.8)	6.1%	6.6%	(0.5)
Used vehicles	2.2%	5.3%	(3.1)	1.4%	4.8%	(3.4)
Parts and service	54.4%	57.4%	(3.0)	52.8%	55.7%	(2.9)
Collision repair	48.7%	43.1%	5.6	47.5%	44.1%	3.4
Finance, insurance and other	91.5%	91.0%	0.5	91.8%	91.2%	0.6
Total gross profit percentage	14.6%	16.8%	(2.2)	14.4%	16.4%	(2.0)

For the three-month period ended June 30, 2026

Revenue increased by 6.0% to $1,418.4 million for the three-month period ended June 30, 2026 compared to the three-month period ended June 30, 2025, primarily due to increases in new vehicle sales, used vehicle sales and F&I. This was partially offset by decreases in parts and service and collision repair services.

Gross profit decreased by (8.1)% to $207.1 million for the three-month period ended June 30, 2026 compared to the three-month period ended June 30, 2025, driven by decreases in new vehicle, used vehicle, and parts and service gross profits. This decline was partially offset by increases in gross profit from collision repair services and F&I.

Gross profit percentage decreased (2.2) ppts to 14.6% for the three-month period ended June 30, 2026, driven mainly by decreases in new vehicles, used vehicles and parts and services gross profit percentages. This decline was partially offset by an increase in collision repair services and F&I gross profit percentage.

For the three-months ended June 30, 2026, new and used vehicles generated 82.7% of revenue and 23.4% of gross profit, while F&I, parts and service and collision repair services generated 17.3% of revenue and contributed 76.7% of gross profit.

For the six-month period ended June 30, 2026

Revenue increased by 1.1% to $2,607.4 million for the six-month period ended June 30, 2026 compared to the six-month period ended June 30, 2025, primarily due to increases in used vehicle sales. This was partially offset by decreases in new vehicle sales, parts and service, collision repair services, and F&I.

Gross profit decreased by (11.2)% to $376.1 million for the six-month period ended June 30, 2026 compared to the six-month period ended June 30, 2025, driven by decreases in new vehicle, used vehicle, and parts and service gross profits. This decline was partially offset by an increase in gross profit from collision repair services and F&I.

Gross profit percentage decreased (2.0) ppts to 14.4% for the six-month period ended June 30, 2026, driven mainly by decreases in new vehicles, used vehicles and parts and services gross profit percentages. This decline was partially offset by an increase in collision repair services and F&I gross profit percentage.

For the six-months ended June 30, 2026, new and used vehicles generated 82.2% of revenue and 22.1% of gross profit, while F&I, parts and service and collision repair services generated 17.8% of revenue and contributed 68.3% of gross profit.

New vehicles

For the three-month period ended June 30, 2026

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended June 30, 2026 and changes compared to the three-month period ended June 30, 2025.

New Vehicle Financial Results	Three-Months Ended June 30 2026 $	2025 $	Change $	Change %
Revenue	635,972	617,508	18,464	3.0%
Gross profit	36,716	40,534	(3,818)	(9.4)%
Gross profit percentage (%)	5.8%	6.6%		(0.8) ppts
New retail vehicles sold (units)	8,091	8,790	(699)	(8.0)%
New vehicle gross profit per retail unit ($)	4,461	4,544	(83)	(1.8)%
New Vehicle Inventory days of supply (days)[4]	79	76	3	3.9%
Average selling price per new vehicle ($)	69,316	65,623	3,693	5.6%
Same store revenue	635,972	617,508	18,464	3.0%
Same store gross profit	36,716	40,534	(3,818)	(9.4)%
Same store gross profit percentage (%)	5.8%	6.6%		(0.8) ppts
Same store new retail vehicles sold (units)	8,091	8,790	(699)	(8.0)%

Continuing Operations

Revenue increased 3.0% to $636.0 million due to an increase in revenue from new fleet vehicle[5] sales and an increase in average selling price per new vehicle, partially offset by a decrease in new retail vehicles sold. New retail vehicles sold decreased in the three-month period ended June 30, 2026 driven by softer customer demand consistent with industry trends, and disruption as the Company rebuilds sales productivity.

Gross profit decreased (9.4)% to $36.7 million and gross profit percentage decreased (0.8) ppts compared with the three-month period ended June 30, 2025, as a result of an (8.0)% decrease in new retail units sold and a (1.8)% decrease in gross profit per retail unit despite a 5.6% higher average selling price.

New vehicle inventory days of supply increased to 79 days of supply during the quarter (2025 - 76 days).

Same Store Results

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

For the six-month period ended June 30, 2026

The following table summarizes the continuing operations and same store financial metrics for the six-month period ended June 30, 2026 and changes compared to the six-month period ended June 30, 2025.

New Vehicle Financial Results	Six-Months Ended June 30 2026 $	2025 $	Change $	Change %
Revenue	1,127,225	1,168,402	(41,177)	(3.5)%
Gross profit	69,289	76,953	(7,664)	(10.0)%
Gross profit percentage (%)	6.1%	6.6%		(0.5) ppts
New retail vehicles sold (units)	14,385	16,455	(2,070)	(12.6)%
New vehicle gross profit per retail unit ($)	4,747	4,596	151	3.3%
New Vehicle Inventory days of supply (days)	86	84	2	2.4%
Average selling price per new vehicle ($)	68,520	65,545	2,975	4.5%
Same store revenue	1,127,225	1,168,402	(41,177)	(3.5)%
Same store gross profit	69,289	76,953	(7,664)	(10.0)%
Same store gross profit percentage (%)	6.1%	6.6%		(0.5) ppts
Same store new retail vehicles sold (units)	14,385	16,455	(2,070)	(12.6)%

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

Continuing Operations

Revenue decreased (3.5)% to $1,127.2 million due to a decrease in new retail vehicles sold, partially offset by higher average selling price per new vehicle and an increase in revenue from new fleet vehicle[6] sales. New retail vehicles sold decreased for the six-month period ended June 30, 2026 driven by softer customer demand consistent with industry trends, and disruption as the Company rebuilds sales productivity.

Gross profit decreased (10.0)% to $69.3 million and gross profit percentage decreased (0.5) ppts as compared with the six-month period ended June 30, 2025, as a result of a (12.6)% decrease in new retail units sold, partially offset by a 3.3% increase in gross profit per retail unit and a 4.5% higher average selling price.

New vehicle inventory days of supply increased to 86 days of supply for the six-month period ended June 30, 2026 (2025 - 84 days).

Same Store Results

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

Used vehicles

For the three-month period ended June 30, 2026

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended June 30, 2026 and changes compared to the three-month period ended June 30, 2025.

	Three-Months Ended June 30			
Used Vehicle Financial Results	**2026 $**	**2025 $**	**Change $**	**Change %**
Revenue	537,038	474,165	62,873	13.3%
Gross profit	11,766	25,157	(13,391)	(53.2)%
Gross profit percentage (%)	2.2%	5.3%		(3.1) ppts
Used retail vehicles sold (units)	11,499	10,452	1,047	10.0%
Used vehicle gross profit per retail unit ($)	587	1,774	(1,187)	(66.9)%
Used Vehicle Inventory days of supply (days)	54	63	(9)	(14.3)%
Average selling price per used vehicle ($)	46,703	45,366	1,337	2.9%
Same store revenue	537,038	474,165	62,873	13.3%
Same store gross profit	11,766	25,157	(13,391)	(53.2)%
Same store gross profit percentage (%)	2.2%	5.3%		(3.1) ppts
Same store used retail vehicles sold (units)	11,499	10,452	1,047	10.0%

Continuing Operations

Used vehicle revenue increased 13.3% to $537.0 million as a result of an increase in used retail vehicles sold, higher average selling price per used vehicle, and higher used wholesale revenue. Used retail vehicles sold increased in the three-month period ended June 30, 2026 driven by early progress driving sales productivity and the Company's winter buying program, amidst the softness of used car market which was driven by lack of affordability.

Gross profit decreased (53.2)% to $11.8 million and gross profit percentage decreased (3.1) ppts as compared with the three-month period ended June 30, 2025, 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 decreased by 9 days to 54 days (2025 - 63 days).

Same Store Results

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

For the six-month period ended June 30, 2026

The following table summarizes the continuing operations and same store financial metrics for the six-month period ended June 30, 2026 and changes compared to the six-month period ended June 30, 2025.

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

Used Vehicle Financial Results	2026 $	2025 $	Change $	Change %
	Six-Months Ended June 30			
Revenue	1,015,911	936,887	79,024	8.4%
Gross profit	13,748	44,580	(30,832)	(69.2)%
Gross profit percentage (%)	1.4%	4.8%		(3.4) ppts
Used retail vehicles sold (units)	21,433	20,498	935	4.6%
Used vehicle gross profit per retail unit ($)	292	1,601	(1,309)	(81.8)%
Used Vehicle Inventory days of supply (days)	60	66	(6)	(9.1)%
Average selling price per used vehicle ($)	47,399	45,706	1,693	3.7%
Same store revenue	1,015,911	936,887	79,024	8.4%
Same store gross profit	13,748	44,580	(30,832)	(69.2)%
Same store gross profit percentage (%)	1.4%	4.8 %		(3.4) ppts
Same store used retail vehicles sold (units)	21,433	20,498	935	4.6%

Continuing Operations

Used vehicle revenue increased 8.4% to $1,015.9 million as a result of an increase in used retail vehicles sold, higher average selling price per used vehicle, and higher used wholesale revenue. Used retail vehicles sold increased in the six-month period ended June 30, 2026 driven by early progress driving sales productivity and the Company's winter buying program, amidst the softness of the used car market which was driven by lack of affordability.

Gross profit decreased (69.2)% to $13.7 million and gross profit percentage decreased (3.4) ppts as compared with the six-month period ended June 30, 2025, 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 decreased by 6 days to 60 days (2025 - 66 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 June 30, 2026

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended June 30, 2026 and changes compared to the three-month period ended June 30, 2025.

Parts and Service Financial Results	2026 $	2025 $	Change $	Change %
	Three-Months Ended June 30			
Revenue	136,054	137,546	(1,492)	(1.1)%
Gross profit	74,032	78,902	(4,870)	(6.2)%
Gross profit percentage (%)	54.4%	57.4%		(3.0) ppts
Same store revenue	136,054	137,497	(1,443)	(1.0)%
Same store gross profit	74,032	78,863	(4,831)	(6.1)%
Same store gross profit percentage (%)	54.4%	57.4%		(3.0) ppts

Continuing Operations

Revenue, gross profit, and gross profit percentage decreased in the three-month period ended June 30, 2026 as compared to the three-month period ended June 30, 2025, driven mainly by a decrease in service repair orders.

Same Store Results

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

For the six-month period ended June 30, 2026

The following table summarizes the continuing operations and same store financial metrics for the six-month period ended June 30, 2026 and changes compared to the six-month period ended June 30, 2025.

	Six-Months Ended June 30			
Parts and Service Financial Results	**2026 $**	**2025 $**	**Change $**	**Change %**
Revenue	255,208	260,359	(5,151)	(2.0)%
Gross profit	134,815	145,046	(10,231)	(7.1)%
Gross profit percentage (%)	52.8%	55.7%		(2.9) ppts
Same store revenue	255,208	260,200	(4,992)	(1.9)%
Same store gross profit	134,815	144,897	(10,082)	(7.0)%
Same store gross profit percentage (%)	52.8%	55.7%		(2.9) ppts

Continuing Operations

Revenue, gross profit and gross profit percentage decreased in the six-month period ended June 30, 2026 as compared to the six-month period ended June 30, 2025, driven mainly by a decrease in service repair orders.

Same Store Results

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

Collision repair

For the three-month period ended June 30, 2026

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended June 30, 2026 and changes compared to the three-month period ended June 30, 2025.

	Three-Months Ended June 30			
Collision Repair Financial Results	**2026 $**	**2025 $**	**Change $**	**Change %**
Revenue	36,376	38,420	(2,044)	(5.3)%
Gross profit	17,730	16,561	1,169	7.1%
Gross profit percentage (%)	48.7%	43.1%		5.6 ppts
Same store revenue	30,325	38,420	(8,095)	(21.1)%
Same store gross profit	15,302	16,561	(1,259)	(7.6)%
Same store gross profit percentage (%)	50.5%	43.1%		7.4 ppts

Continuing Operations

Revenue decreased due to lower volumes from paintless dent repair ("PDR") business driven by low hailstorm activity. This was partially offset by revenue from newly acquired collision centres and expanded core collision capacity.

Gross profit increased driven by contributions from collision centre acquisitions and new construction capacity in core collision, which helped absorb the losses in PDR earnings.

Gross profit percentage increased as sales shifted toward higher-margin core collision work and away from lower-margin PDR business.

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 the decrease in PDR revenue.

For the six-month period ended June 30, 2026

The following table summarizes the continuing operations and same store financial metrics for the six-month period ended June 30, 2026 and changes compared to the six-month period ended June 30, 2025.

	Six-Months Ended June 30			
Collision Repair Financial Results	**2026 $**	**2025 $**	**Change $**	**Change %**
Revenue	75,987	78,746	(2,759)	(3.5)%
Gross profit	36,072	34,759	1,313	3.8%
Gross profit percentage (%)	47.5%	44.1%		3.4 ppts
Same store revenue	64,929	78,746	(13,817)	(17.5)%
Same store gross profit	31,657	34,759	(3,102)	(8.9)%
Same store gross profit percentage (%)	48.8%	44.1%		4.7 ppts

Continuing Operations

Revenue decreased due to lower volumes from PDR business driven by low hailstorm activity. This was partially offset by revenue from newly acquired collision centres and expanded core collision capacity.

Gross profit increased driven by contributions from collision centre acquisitions and new construction capacity in core collision, which helped absorb the losses in PDR earnings.

Gross profit percentage increased as sales shifted toward higher-margin core collision work and away from lower-margin PDR business.

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 the decrease in PDR revenue.

Finance, insurance and other

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

For the three-month period ended June 30, 2026

The following table summarizes the continuing operations and same store financial metrics for the three-month period ended June 30, 2026 and changes compared to the three-month period ended June 30, 2025.

	Three-Months Ended June 30			
F&I Financial Results	**2026 $**	**2025 $**	**Change $**	**Change %**
Revenue	72,994	70,560	2,434	3.4%
Gross profit	66,810	64,213	2,597	4.0%
Gross profit percentage (%)	91.5%	91.0%		0.5 ppts
F&I gross profit per retail unit average ($)	3,410	3,337	73	2.2%
Same store revenue	72,994	70,560	2,434	3.4%
Same store gross profit	66,810	64,213	2,597	4.0%
Same store gross profit percentage (%)	91.5%	91.0%		0.5 ppts
Same store F&I gross profit per retail unit average ($)	3,410	3,337	73	2.2%

Continuing Operations

Revenue and gross profit increased compared to the three-month period ended June 30, 2025. While higher retail vehicle volume contributed to this growth, the performance was primarily driven by an increase in average products sold per deal, which boosted gross profit gross profit percentage, and F&I average gross profit per retail unit.

Same Store Results

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

For the six-month period ended June 30, 2026

The following table summarizes the continuing operations and same store financial metrics for the six-month period ended June 30, 2026 and changes compared to the six-month period ended June 30, 2025.

	Six-Months Ended June 30			
F&I Financial Results	**2026 $**	**2025 $**	**Change $**	**Change %**
Revenue	133,058	133,905	(847)	(0.6)%
Gross profit	122,212	122,065	147	0.1%
Gross profit percentage (%)	91.8%	91.2%		0.6 ppts
F&I gross profit per retail unit average ($)	3,412	3,303	109	3.3%
Same store revenue	133,058	133,905	(847)	(0.6)%
Same store gross profit	122,212	122,065	147	0.1%
Same store gross profit percentage (%)	91.8%	91.2%		0.6 ppts
Same store F&I gross profit per retail unit average ($)	3,412	3,302	110	3.3%

Continuing Operations

Revenue decreased driven mainly by lower total retail vehicles sold, while gross profit remained flat as compared to the prior period. F&I average gross profit per retail unit and gross profit percentage increased as compared to the six-month period ended June 30, 2025, driven by an increase in average products sold per deal.

Same Store Results

Revenue, gross profit and gross profit percentage 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 and professional 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.

For the three-month period ended June 30, 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 June 30, 2026, and changes compared to the respective for the three-month period ended June 30, 2025.

	Three-Months Ended June 30			
	2026 $	**2025 $**	**Change $**	**Change %**
Employee costs	106,199	106,347	(148)	(0.1)%
Administrative costs	45,499	50,187	(4,688)	(9.3)%
Facility lease costs	1,233	560	673	120.2%
Depreciation and amortization [1]	13,329	13,643	(314)	(2.3)%
Operating expenses ("Opex")	166,260	170,737	(4,477)	(2.6)%
Less: Depreciation and amortization [1]	(13,329)	(13,643)	314	2.3%
Opex before depreciation	152,931	157,094	(4,163)	(2.7)%
Less:				
Acquisition-related costs	(73)	(36)	(37)	102.8%
Software implementation costs	151	(1,256)	1,407	(112.0)%
Canadian franchise dealership and corporate restructuring charges	(2,908)	(5,984)	3,076	(51.4)%
Share-based compensation	(2,394)	(2,340)	(54)	2.3%
Normalized opex before depreciation	147,707	147,478	229	0.2%
Opex before depreciation as a percentage of gross profit (%)	73.9%	69.7%		4.2 ppts
Normalized opex before depreciation as a percentage of gross profit (%)	71.3%	65.4%		5.9 ppts

1 *See Section 16 Segmented Operating Results Data for a breakdown of the types of depreciation and amortization.*

Continuing Operations

Operating expenses before depreciation decreased (2.7)% to $152.9 million for the three-month period ended June 30, 2026, compared to the prior period. On a normalized basis, it increased by 0.2% or $0.2 million year-over-year to $147.7 million, of which $2.9 million of restructuring charges was adjusted for.

Normalized operating expenses before depreciation as a percentage of gross profit increased by 5.9 ppts to 71.3% for the three-month period ended June 30, 2026 compared to 65.4% in the three-month period ended June 30, 2025. This is mainly 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. In addition, there are setup and upfront costs associated with the expansion of the Collision business incurred in the three-month period ended June 30, 2026.

For the six-month period ended June 30, 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 six-month period ended June 30, 2026 and changes compared to the six-month period ended June 30, 2025.

	Six-Months Ended June 30			
	2026 $	2025 $	Change $	Change %
Employee costs	195,542	212,556	(17,014)	(8.0)%
Administrative costs	94,095	104,563	(10,468)	(10.0)%
Facility lease and storage costs	1,823	1,170	653	55.8%
Depreciation and amortization [1]	26,530	27,324	(794)	(2.9)%
Operating expenses	317,990	345,613	(27,623)	(8.0)%
Less: Depreciation and amortization [1]	(26,530)	(27,324)	794	2.9%
Operating expenses before depreciation	291,460	318,289	(26,829)	(8.4)%
Less:				
Acquisition-related costs	(225)	(199)	(26)	13.1%
Software implementation costs	(467)	(1,706)	1,239	(72.6)%
Canadian franchise dealership and corporate restructuring charges	(8,129)	(21,750)	13,621	(62.6)%
RightRide restructuring charges	—	(1,683)	1,683	(100.0)%
Share-based compensation	484	(3,983)	4,467	(112.2)%
Normalized operating expenses before depreciation	283,123	288,968	(5,845)	(2.0)%
Opex before depreciation as a percentage of gross profit (%)	77.5%	75.2%		2.3 ppts
Normalized operating expenses before depreciation as a percentage of gross profit	75.3%	68.2%		7.1 ppts

See Section 16 Segmented Operating Results Data for a breakdown of the types of depreciation and amortization.

Continuing Operations

Operating expenses before depreciation decreased (8.4)% to $291.5 million for the six-month period ended June 30, 2026 compared to the prior period. On a normalized basis, it decreased by (2.0)% or $(5.8) million year-over-year to $283.1 million, of which $8.1 million of restructuring charges was adjusted for.

Normalized operating expenses as a percentage of gross profit increased by 7.1 ppts to 75.3% for the first two quarters of 2026 compared to 68.2% in the prior year. This is mainly 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. In addition, there are setup and upfront costs associated with the expansion of the Collision business incurred in the second 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 $147.0 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 and six-month periods ended June 30:

	Three-Months Ended June 30		Six-Months Ended June 30	
	2026 $	2025 $	2026 $	2025 $
Finance costs:				
Interest on long-term indebtedness	9,166	8,755	19,049	16,413
Interest on lease liabilities	8,006	7,655	15,537	15,300
Loss on extinguishment of debt	942	—	942	—
Unrealized fair value changes on non-hedging instruments	50	(2,658)	(1,760)	1,121
	18,164	**13,752**	**33,768**	**32,834**
Floorplan financing	9,275	9,018	18,106	19,281
Interest rate swap settlements	329	396	558	394
Other finance costs	666	1,073	1,152	1,279
	28,434	**24,239**	**53,584**	**53,788**

Floorplan financing expenses increased by 2.8% to $9.3 million driven 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.

During the six-month period ended June 30, 2026, floorplan financing decreased by 6.1% to $18.1 million compared to the prior period reflecting lower interest rate and lower average 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 and six-month periods ended June 30:

	Three-Months Ended June 30		Six-Months Ended June 30	
	2026 $	2025 $	2026 $	2025 $
Current tax expense	4,281	1,818	4,127	3,293
Deferred tax (recovery) expense	(333)	6,479	(1,707)	6,822
Total income tax expense	**3,948**	**8,297**	**2,420**	**10,115**
Effective income tax rate	24.6%	30.5%	21.6%	26.1%
Statutory income tax rate	25.5%	25.5%	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.

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 June 30, 2026

The following table summarizes net income, adjusted EBITDA, and adjusted EBITDA margin from continuing operations for the three-month periods ended June 30, 2026:

	Three-Months Ended June 30			
	2026 $	2025 $	Change $	Change %
Net income for the period	12,088	18,911	(6,823)	(36.1)%
Adjusted EBITDA	52,149	64,380	(12,231)	(19.0)%
Adjusted EBITDA margin	3.7%	4.8%		(1.1) ppts

Net (Loss) Income

Net income for the period decreased (36.1)% to a net income of $12.1 million in the three-month periods ended June 30, 2026 compared to $18.9 million in the three-month period ended June 30, 2025, as a result of lower gross profits and higher finance costs, partially offset by lower operating expenses, lower impairment of assets, higher gain on redemption of liability, higher/(lower) unrealized FX gains/(losses) and lower income tax expenses.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA decreased (19.0)% to $52.1 million in the three-month periods ended June 30, 2026 compared to the three-month period ended June 30, 2025, primarily driven by a decline in gross profit and higher finance costs, partially offset by lower operating expenses before depreciation. Adjusted EBITDA margin decreased by (1.1) percentage points ("ppts") to 3.7% for the reasons noted above.

For the six-month period ended June 30, 2026

The following table summarizes net income, adjusted EBITDA, and adjusted EBITDA margin from continuing operations for the six-month period ended June 30, 2026:

	Six-Months Ended June 30			
	2026 $	2025 $	Change $	Change %
Net income for the period	8,789	28,618	(19,829)	(69.3)%
Adjusted EBITDA	83,128	107,377	(24,249)	(22.6)%
Adjusted EBITDA margin	3.2%	4.2%		(1.0) ppts

Net Income

Net income decreased (69.3)% to $8.8 million for the six-month period ended June 30, 2026 compared to $28.6 million for the six-month period ended June 30, 2025, as a result of lower gross profits, lower gain on disposal of assets, partially offset by lower operating expenses, lower finance costs, lower impairment of assets, higher gain on redemption of liability, higher/(lower) unrealized FX gains/(losses) and lower income tax expenses.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA decreased (22.6)% to $83.1 million in the six-months ended June 30, 2026, primarily driven by a decline in gross profit, partially offset by lower operating expenses before depreciation. Adjusted EBITDA margin decreased by (1.0) ppts to 3.2% for the reasons noted above.

5. ACQUISITIONS, DIVESTITURES, AND DISCONTINUED OPERATIONS

The following is a list of acquisitions, divestitures, wind-downs, or other recent developments that have occurred since January 1, 2026.

Acquisitions

Modern Autobody

On January 19, 2026, the Company acquired 100% of the shares of Modern Autobody Limited in Edmonton, Alberta. 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.

Contemporary Coachworks

On June 1, 2026, the Company acquired substantially all of the assets to be used in the operations of Contemporary Coachworks Ltd. ("Contemporary Coachworks") in Calgary, Alberta. The acquisition supports management's strategic objectives of expanding the Company's collision repair capacity in the Calgary market and establishes the Company's first luxury collision repair presence in Calgary.

Mascarin Collision Centre

On June 9, 2026, the Company acquired 100% of the shares of Lakeport Auto Painting Limited ("Mascarin Collision Centre") in Thunder Bay, Ontario. The acquisition supports management's strategic objective of expanding the Company's collision repair capacity in the Thunder Bay market.

ACX Stratford

On June 29, 2026, the Company acquired 100% of the shares of a collision repair business in Stratford, Ontario. The business, formerly operating as Fix Auto Stratford, now operates as ACX Stratford. The acquisition supports management's strategic objective of building regional density in the Ontario market to leverage its operating scale, insurer relationships, dealership referral network and OEM partnerships.

Discontinued Operations

The Company’s U.S. retail automobile dealerships in its Dealership Operations segment continue to be reported as a discontinued operation for the six-month period ended June 30, 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 $11.7 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 $15.9 million plus closing adjustments.

Divestiture of Hyundai of Lincolnwood

On April 09, 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.

Divestiture of Toyota of Lincolnwood

On June 22, 2026, the Company sold substantially all of the operating assets of Toyota of Lincolnwood, located in Lincolnwood, Illinois, for cash consideration of $42.4 million plus closing adjustments.

The financial performance and cash flow information from discontinued operations for the three and six-month periods ended June 30 are summarized as follows:

	Three-Months Ended June 30, 2026			**Three-Months Ended June 30, 2025**		
	RightRide $	**U.S. Retail Automobile Dealerships $**	**Total $**	**RightRide $**	**U.S. Retail Automobile Dealerships $**	**Total $**
Revenue	(19)	53,681	53,662	306	149,139	149,445
Cost of sales	—	(46,241)	(46,241)	(431)	(122,075)	(122,506)
Gross (loss) profit	(19)	7,440	7,421	(125)	27,064	26,939
Operating expenses	(80)	(8,761)	(8,841)	(300)	(23,221)	(23,521)
Operating (loss) income before other income and expenses	(99)	(1,321)	(1,420)	(425)	3,843	3,418
Lease and other (losses) income, net	(40)	51	11	41	113	154
Gain on disposal of dealerships	—	13,988	13,988	—	—	—
Gain (loss) on disposal of assets, net	—	2,094	2,094	—	(16)	(16)
Loss on lease terminations	—	(10)	(10)	—	—	—
Impairment on trade and other receivables	—	(1)	(1)	—	—	—
Operating (loss) income	(139)	14,801	14,662	(384)	3,940	3,556
Finance costs	(26)	(580)	(606)	(77)	(3,511)	(3,588)
Finance income	10	—	10	—	—	—
(Loss) income for the period before taxation from discontinued operations	(155)	14,221	14,066	(461)	429	(32)
Income tax expense	—	1,758	1,758	—	—	—
Net (loss) income from discontinued operations	(155)	12,463	12,308	(461)	429	(32)
Other comprehensive income (loss):						
Exchange differences on translation of discontinued operations	—	2,087	2,087	—	(7,168)	(7,168)
Income tax relating to these items	—	—	—	—	(1,226)	(1,226)
Other comprehensive income (loss) from discontinued operations	—	2,087	2,087	—	(8,394)	(8,394)
Comprehensive (loss) income from discontinued operations	(155)	14,550	14,395	(461)	(7,965)	(8,426)

	Three-Months Ended June 30		**Six-Months Ended June 30**	
	2026 $	**2025 $**	**2026 $**	**2025 $**
Net cash (outflow) inflow from operating activities	8,024	6,000	(7,555)	3,179
Net cash inflow (outflow) from investing activities	45,437	(1,861)	62,301	(967)
Net cash outflow from financing activities	(57,968)	(2,640)	(59,214)	(3,870)
Net (decrease) increase in cash from discontinued operations	(4,507)	1,499	(4,468)	(1,658)

For the three-month period ended June 30, 2026

Revenue, gross profit, 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.

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 decreased driven by both decreases in used vehicle gross profit per unit sold and 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 vehicles sold and lower gross profit per unit sold.

Net income for the period increased primarily driven by gains on sales of dealerships and disposal of assets, lower operating expenses and lower finance costs, partially offset by lower gross profits and higher income tax expenses.

Adjusted EBITDA for the period decreased largely as a result of the items noted above.

	Six-Months Ended June 30, 2026			Six-Months Ended June 30, 2025		
	RightRide $	Retail Automobile Dealerships - U.S. Operations $	Total $	RightRide $	Retail Automobile Dealerships - U.S. Operations $	Total $
Revenue	(37)	119,538	119,501	9,963	304,020	313,983
Cost of sales	—	(99,030)	(99,030)	(9,443)	(253,528)	(262,971)
Gross (loss) profit	(37)	20,508	20,471	520	50,492	51,012
Operating expenses	(165)	(26,743)	(26,908)	(2,184)	(48,816)	(51,000)
Operating loss (income) before other income and expenses	(202)	(6,235)	(6,437)	(1,664)	1,676	12
Lease and other (losses) income, net	(36)	87	51	(427)	94	(333)
Gain on disposal of dealerships	—	28,442	28,442	—	—	—
Gain (loss) on disposal of assets, net	—	2,094	2,094	(1,117)	881	(236)
Gain on lease terminations	615	130	745	—	—	—
Impairment on trade and other receivables	—	(126)	(126)	—	—	—
Impairment of non-financial assets	—	—	—	(3,369)	—	(3,369)
Operating income (loss)	377	24,392	24,769	(6,577)	2,651	(3,926)
Finance costs	(53)	(2,282)	(2,335)	(169)	(8,796)	(8,965)
Finance income	16	—	16	—	—	—
Income (loss) for the period before taxation from discontinued operations	340	22,110	22,450	(6,746)	(6,145)	(12,891)
Income tax expense	—	1,759	1,759	—	—	—
Net income (loss) from discontinued operations	340	20,351	20,691	(6,746)	(6,145)	(12,891)
Other comprehensive income (loss):						
Exchange differences on translation of discontinued operations	—	3,748	3,748	—	(6,862)	(6,862)
Income tax relating to these items	—	—	—	—	(1,226)	(1,226)
Other comprehensive income (loss) from discontinued operations	—	3,748	3,748	—	(8,088)	(8,088)
Comprehensive income (loss) from discontinued operations	340	24,099	24,439	(6,746)	(14,233)	(20,979)

For the six-month period ended June 30, 2026

Revenue, gross profit, 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.

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 decreased driven by decreases in used retail units sold, partially offset by increases in used vehicle gross profit per unit 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 vehicles sold and lower gross profit per unit sold.

Net income for the period increased primarily driven by gains on sales of dealerships and disposal of assets, lower operating expenses and lower finance costs, partially offset by lower gross profits and higher income tax expenses.

Adjusted EBITDA for the period decreased largely as a result of the items noted above.

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 six-month period ended June 30, 2026, the Company had a comprehensive income of $33.2 million and cash flows from operations of $50.4 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 June 30, 2026, the Company had total liquidity[7] of $400.7 million comprised of $142.3 million cash and $258.4 million available under the revolving credit facility.

Credit Facilities

On March 27, 2026, the Company obtained consent to increase the Company's maximum permitted Total Net Funded Debt to Bank EBITDA Ratio under the fourth amended and restated syndicated credit facility ("Previous Credit Facility" and "4ARCA") from 4.00:1.00 to 4.50:1.00 for the period from January 1, 2026 to June 30, 2026. This consent to increase the Company's maximum permitted Total Net Funded Debt to Bank EBITDA Ratio was superseded by the amendment to the credit agreement, which included an increase to certain financial covenant thresholds including the Total Net Funded Debt to Bank EBITDA Ratio as discussed below.

On April 22, 2026, the Company entered into the fifth amended and restated $1,380 million syndicated credit agreement ("Credit Facility" and "5ARCA") 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 elimination of borrowing base and goodwill-linked revolver structure, 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 Credit Facility agreement can be found on the SEDAR+ website at www.sedarplus.ca.

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

The following tables summarize the limits, amounts drawn and capacity of the Credit Facility as at June 30, 2026:

Type of Facility	Limit	Drawn	Available Capacity
Revolving credit [1]	375,000	116,583	258,417
Wholesale inventory floorplan and lease financing	1,005,000	581,419	423,581
Total	**1,380,000**	**698,002**	**681,998**

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

Revolving Credit Capacity

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

Floorplan Financing Capacity

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

Other Floorplan Financing

The Company has multiple standalone floorplan facilities with other lenders outside of the Credit Facility. The following table provides a breakdown of the Company’s floorplan and lease facilities as at June 30, 2026:

Lender	Limit	Drawn	Available Capacity
Credit Facility – Wholesale Floorplan and Lease	1,005,000	581,419	423,581
Other Canadian Floorplan Facilities	541,900	402,682	139,218
Other U.S. Floorplan Facility	40,520	34,257	6,263
Total	**1,587,420**	**1,018,358**	**569,062**

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 June 30, 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 June 30, 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 April 22, 2026, the Company made changes to the definition of Bank EBITDA to expand allowable add backs as part of the executed Credit Facility.

The following tables summarize financial covenants under the Credit Facility as at June 30, 2026:

Financial Covenants	Requirement	
Senior Net Funded Debt to Bank EBITDA Ratio	Shall not exceed	3.50
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	Q2 2026
Senior Net Funded Debt to Bank EBITDA Ratio	0.57
Total Net Funded Debt to Bank EBITDA Ratio	3.62
Fixed Charge Coverage Ratio	2.80

At this time, the Company's ability to comply with its financial covenants in the next twelve months is dependent on 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.

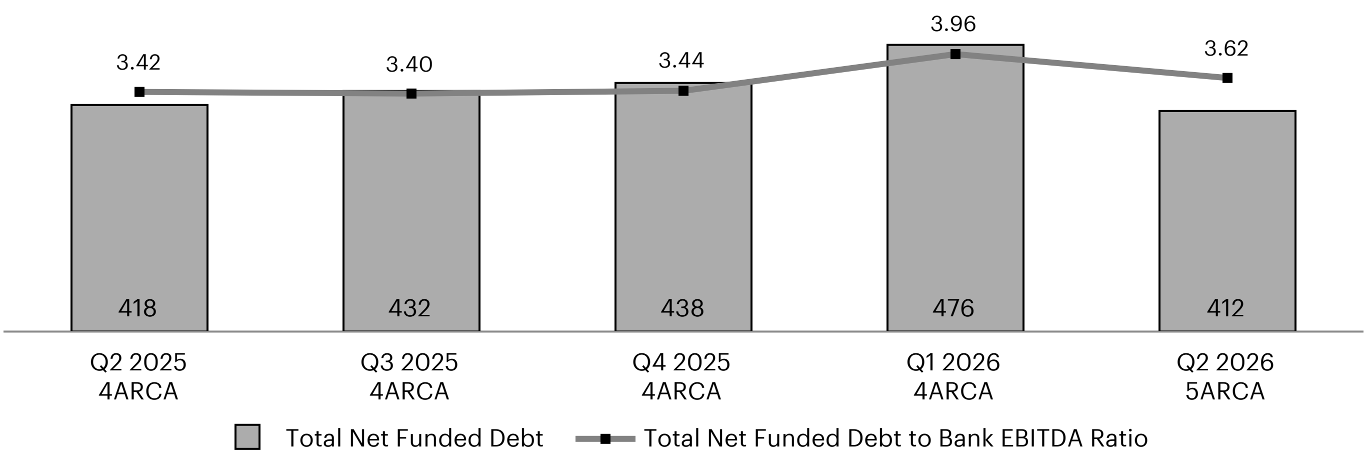
Total Net Funded Debt to Bank EBITDA Ratio Covenant Summary

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 and as at December 31, 2025 under the Previous Credit Facility.

Credit Facility	June 30, 2026 $	December 31, 2025 $
Credit Facility, net of unamortized deferred financing costs	115,959	128,711
$350 Million Notes, net of unamortized deferred financing costs	347,649	347,200
Other funded debt according to Credit Facility	47,435	32,458
Total Funded Debt	511,043	508,369
Less: Allowable Cash Netting according to Credit Facility	(98,701)	(70,000)
Total Net Funded Debt	**412,342**	**438,369**

The following illustrates Total Net Funded Debt and Total Net Funded Debt Ratio as at June 30, 2026 under the Credit Facility and the trailing four quarters under the Previous Credit Facility.

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



Senior Unsecured Notes

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

Non-Recourse Mortgage Financing

On June 22, 2022, the Company executed a non-recourse mortgage for the land and construction costs associated with the development of two dealerships on a property in Maple Ridge, British Columbia. The mortgage comprised of three facilities with an aggregate limit of $39.0 million, at a variable interest rate of prime + 1.50%. The mortgage had a three-year term and twenty-year amortization. It required monthly interest-only payments until construction was complete. On September 27, 2024, the Company updated the mortgage terms and advanced an additional $10.0 million on the non-recourse mortgage. The updated mortgage had a one-year term with a variable interest rate of prime + 1.00%. On September 26, 2025, the Company renewed the mortgage with a two-year term and a variable interest rate of CORRA + 2.45% (combined total rate of 4.98% as at June 30, 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 June 30, 2026, the value of this mortgage, net of unamortized deferred financing costs, was $22.0 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 June 30, 2026, the value of the mortgages, net of unamortized deferred financing costs, was $15.6 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[8] Summary

Gross lease adjusted leverage ratio[9] ("Gross Lease Ratio") is a leverage measure used by management to evaluate the leverage of the Company as it includes lease liabilities 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 June 30, 2026 and December 31, 2025.

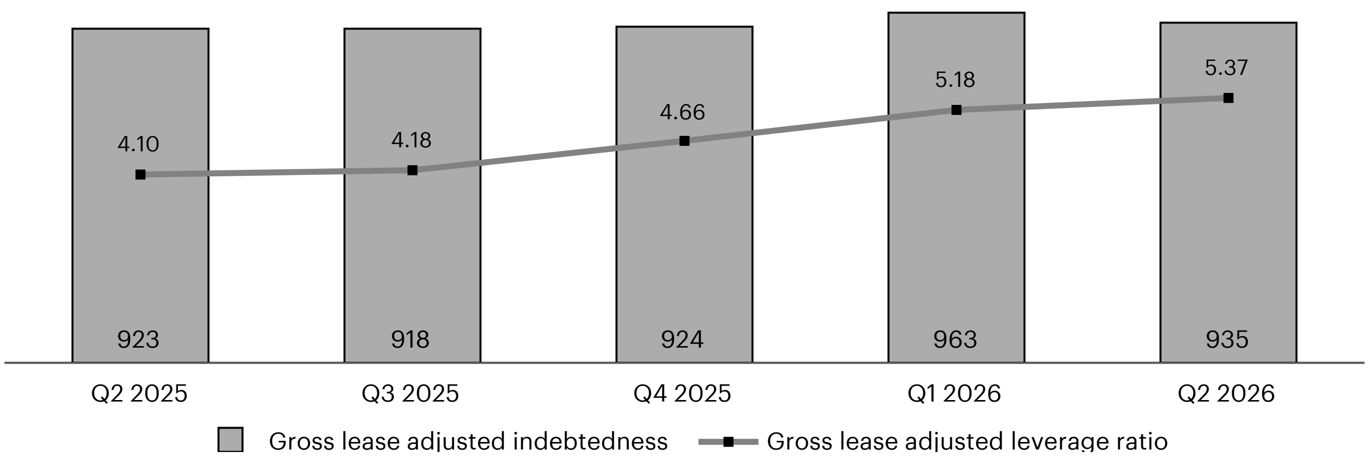
	June 30, 2026 **$**	**December 31, 2025** **$**
Credit facility, net of unamortized deferred financing costs	115,959	128,711
$350 Million Notes, net of unamortized deferred financing costs	347,649	347,200
Non-recourse mortgages and other debt	39,411	38,798
Total indebtedness	503,019	514,709
Add: Lease liabilities	431,613	409,341
Gross lease adjusted indebtedness	**934,632**	**924,050**
Adjusted EBITDA - trailing twelve months	173,921	198,171
Gross lease adjusted leverage ratio ("Gross Lease Ratio")	**5.37x**	**4.66x**

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

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

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



Summary Cash Flows

The following table summarizes the Company's net increase (decrease) in cash from continuing operations for the three and six-month periods ended June 30.

	Three-month period ended		Six-month period ended	
	June 30, 2026 $	**June 30, 2025 $**	**June 30, 2026 $**	**June 30, 2025 $**
Net cash inflow from operating activities	43,605	19,581	50,383	38,284
Net cash inflow (outflow) from investing activities	23,501	(2,875)	31,071	25,079
Net cash outflow from financing activities	(55,290)	(53,443)	(45,108)	(68,578)
Net increase (decrease) in cash from continuing operations	11,816	(36,737)	36,346	(5,215)

For the three-month period ended June 30, 2026

The increase in cash generated from operating activities was primarily driven by changes in working capital. The increase in cash used for investing activities was primarily driven by the sale of discontinued operations, partially offset by business acquisitions. The changes in cash used for financing activities was largely due to the settlement of forward share purchases and the repayment of indebtedness.

For the six-month period ended June 30, 2026

The Company's net increase (decrease) in cash from continuing operations changed for the reasons noted above.

Capital Expenditures

Non-Growth Capital Expenditures

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

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

Growth Capital Expenditures

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

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

For the six-months ended June 30, 2026, the Company incurred $8.5 million in capital expenditures primarily related to growth initiatives in collision and OEM mandated reimaging 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 June 30		Six-Months Ended June 30	
	2026 $	2025 $	2026 $	2025 $
Non-growth capital expenditures	2,849	468	4,182	636
Growth capital expenditures	17	8,535	4,294	10,948
Total capital expenditures	2,866	9,003	8,476	11,584
Real estate acquisition expenditures	1,051	924	1,236	1,741
Total capital related expenditures	3,917	9,927	9,712	13,325

Capital Commitments

At June 30, 2026, the Company is committed to capital expenditure obligations in the amount of approximately $20.8 million related to dealership reimagings and other renovations with expected completion of these commitments in 2030. The Company is in discussions with OEMs to adjust spending and/or capital commitments as appropriate for changing conditions.

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

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

Working Capital

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

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

Corporate Credit Rating

The Company is rated by S&P Global Ratings (“S&P”), an independent credit rating agency. S&P issued the following research updates and updated the Company's ratings and outlook as follows:

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

7. RELATED PARTY TRANSACTIONS

Transactions with related parties

During the three and six-month periods ended June 30, 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		Six-month period ended	
	June 30, 2026 $	June 30, 2025 $	June 30, 2026 $	June 30, 2025 $
Administrative and other support and transportation fees	11	578	21	980
Vehicle sales to related parties	—	829	—	1,278
Total	11	1,407	21	2,258

8. OUTSTANDING SHARES

As at June 30, 2026, the Company had 23,121,433 (2025 - 23,150,233) common shares outstanding. Basic and diluted weighted average number of shares outstanding for the three-month period ended June 30, 2026 were 23,068,316 and 24,321,652, respectively. As at August 12, 2026, there were 22,987,644 common shares issued and outstanding.

As at June 30, 2026, the value of the shares held in trust, to hedge equity-based compensation plans, was $1.7 million (2025 - $0.1 million), which was comprised of 73,656 shares (2025 - 1,928 shares).

Normal course issuer bid

On May 13, 2026, in connection with its previously announced normal course issuer bid ("NCIB") to purchase up to 1,177,539 common shares, the Company received approval from the TSX to implement 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.

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.

During the six-month period ended June 30, 2026, the Company repurchased 31,900 and cancelled 28,800 common shares (2025 - nil) under its NCIB for cash consideration of $0.7 million (2025 - $nil) which were recorded in share capital. The 3,100 common shares repurchased on June 30, 2026 were cancelled in July 2026. The average share purchase price was $22.81, with prices ranging from $22.66 to $22.99.

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 June 30, 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.

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 period and current period new vehicle and demo vehicle inventory divided by current period new and demo vehicle cost of sales, multiplying the total by days in the period.

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 period and current period used vehicle inventory divided by current period used vehicle cost of sales, multiplying the total by days in the period.

Used Wholesale Vehicles

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

14. NON-GAAP AND OTHER FINANCIAL MEASURE RECONCILIATIONS

Adjusted EBITDA

The following tables illustrate segmented adjusted EBITDA for the three and six-month periods ended June 30:

	Three-Months Ended June 30, 2026			Three-Months Ended June 30, 2025		
	Dealership Operations	Collision Operations	Total	Dealership Operations	Collision Operations	Total
Period from April 1 to June 30						
Net income for the period	23,139	1,257	24,396	17,149	1,730	18,879
Add back (deduct):						
Income tax expense	5,706	—	5,706	8,297	—	8,297
Depreciation of property and equipment	4,336	744	5,080	4,869	468	5,337
Interest on long-term indebtedness	9,166	—	9,166	9,692	—	9,692
Depreciation of right of use assets	7,405	734	8,139	7,483	698	8,181
Amortization of intangible assets	107	3	110	125	—	125
Lease liability interest	7,173	982	8,155	7,505	973	8,478
Impairment of non-financial assets	—	—	—	2,380	—	2,380
Gain on redemption liabilities	(1,078)	—	(1,078)	1,183	—	1,183
Canadian franchise dealership and corporate restructuring charges	2,908	—	2,908	5,984	—	5,984
Loss on extinguishment of debt	942	—	942	—	—	—
Unrealized fair value changes on derivative instruments	34	—	34	(3,454)	—	(3,454)
Unrealized foreign exchange gains	1,473	—	1,473	2,338	—	2,338
Software implementation costs	(151)	—	(151)	1,256	—	1,256
Cybersecurity incident costs	3	—	3	473	—	473
Acquisition related and transaction costs	(2,462)	—	(2,462)	36	—	36
Share-based compensation for transformation plan awards	1,439	—	1,439	1,281	—	1,281
Gain on disposal of assets	(16,095)	(7)	(16,102)	(1,831)	(132)	(1,963)
Adjusted EBITDA	44,045	3,713	47,758	64,766	3,737	68,503
Adjusted EBITDA from discontinued operations	4,391	—	4,391	(4,123)	—	(4,123)
Adjusted EBITDA from continuing operations	48,436	3,713	52,149	60,643	3,737	64,380

	Six-Months Ended June 30, 2026			Six-Months Ended June 30, 2025		
	Dealership Operations	Collision Operations	Total	Dealership Operations	Collision Operations	Total
Period from January 1 to June 30						
Net income (loss) for the period	25,893	3,587	29,480	9,814	5,913	15,727
Add back (deduct):						
Income tax expense	4,179	—	4,179	10,115	—	10,115
Depreciation of property and equipment	8,581	1,423	10,004	9,786	908	10,694
Interest on long-term indebtedness	19,049	—	19,049	19,590	—	19,590
Depreciation of right of use assets	14,853	1,457	16,310	15,188	1,305	16,493
Amortization of intangible assets	211	5	216	248	—	248
Lease liability interest	14,298	1,959	16,257	15,106	1,799	16,905
Impairment (recovery) of non-financial assets	—	—	—	5,749	—	5,749
(Gain) loss on redemption liabilities	(1,853)	—	(1,853)	(1,141)	—	(1,141)
Canadian franchise dealership and corporate restructuring charges	9,501	—	9,501	21,750	—	21,750
Loss on extinguishment of debt	942	—	942	—	—	—
Unrealized fair value changes on derivative instruments	341	—	341	(1,022)	—	(1,022)
Unrealized foreign exchange losses	1,440	—	1,440	1,264	—	1,264
Software implementation costs	467	—	467	1,706	—	1,706
Cybersecurity incident costs	49	—	49	601	—	601
RightRide restructuring charges	—	—	—	1,683	—	1,683
Acquisition related and transaction costs	225	—	225	199	—	199
Share-based compensation for transformation plan awards	2,069	—	2,069	1,281	—	1,281
Gain on disposal of assets	(32,263)	(24)	(32,287)	(14,660)	(132)	(14,792)
Adjusted EBITDA	67,982	8,407	76,389	97,257	9,793	107,050
Adjusted EBITDA from discontinued operations	6,739	—	6,739	327	—	327
Adjusted EBITDA from continuing operations	74,721	8,407	83,128	97,584	9,793	107,377

Adjusted EBITDA Margin

The following tables illustrate segmented adjusted EBITDA margin from continuing operations for the three and six-month periods ended June 30:

	Three-Months Ended June 30, 2026			Three-Months Ended June 30, 2025		
	Dealership Operations	**Collision Operations**	**Total**	**Dealership Operations**	**Collision Operations**	**Total**
Adjusted EBITDA	48,436	3,713	52,149	60,643	3,737	64,380
Revenue	1,382,058	36,376	1,418,434	1,299,779	38,420	1,338,199
Adjusted EBITDA Margin	3.5%	10.2%	3.7%	4.7%	9.7%	4.8%

	Six-Months Ended June 30, 2026			Six-Months Ended June 30, 2025		
	Dealership Operations	**Collision Operations**	**Total**	**Dealership Operations**	**Collision Operations**	**Total**
Adjusted EBITDA	74,720	8,407	83,128	97,584	9,793	107,377
Revenue	2,531,402	75,987	2,607,389	2,499,553	78,746	2,578,299
Adjusted EBITDA Margin	3.0%	11.1%	3.2%	3.9%	12.4%	4.2%

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

The following tables illustrate segmented normalized opex before depreciation and normalized opex before depreciation as a percentage of gross profit from continuing operations for the three and six-month periods ended June 30:

	Three-Months Ended June 30, 2026			Three-Months Ended June 30, 2025		
	Dealership Operations	**Collision Operations**	**Total**	**Dealership Operations**	**Collision Operations**	**Total**
Operating expenses before depreciation	138,818	14,113	152,931	144,302	12,792	157,094
Normalizing Items:						
Acquisition-related costs	(73)	—	(73)	(36)	—	(36)
Software implementation costs	151	—	151	(1,256)	—	(1,256)
Canadian franchise dealership and corporate restructuring charges	(2,908)	—	(2,908)	(5,984)	—	(5,984)
Share-based compensation expense	(2,394)	—	(2,394)	(2,340)	—	(2,340)
Normalized Opex before depreciation	133,594	14,113	147,707	134,686	12,792	147,478
Gross profit	189,324	17,730	207,054	208,806	16,561	225,367
Normalized Opex Before Depreciation as a percentage of gross profit (%)	70.6%	79.6%	71.3%	64.5%	77.2%	65.4%

	Six-Months Ended June 30, 2026			Six-Months Ended June 30, 2025		
	Dealership Operations	Collision Operations	Total	Dealership Operations	Collision Operations	Total
Operating expenses before depreciation	263,503	27,957	291,460	293,244	25,045	318,289
Normalizing Items:						
Acquisition-related costs	(225)	—	(225)	(199)	—	(199)
Software implementation costs	(467)	—	(467)	(1,706)	—	(1,706)
Canadian franchise dealership and corporate restructuring charges	(8,129)	—	(8,129)	(21,750)	—	(21,750)
RightRide restructuring charges	—	—	—	(1,683)	—	(1,683)
Share-based compensation expense	484	—	484	(3,983)	—	(3,983)
Normalized Opex before depreciation	255,166	27,957	283,123	263,923	25,045	288,968
Gross profit	340,064	36,072	376,136	388,644	34,759	423,403
Normalized Opex Before Depreciation as a percentage of gross profit (%)	75.0%	77.5%	75.3%	67.9%	72.1%	68.2%

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

Gross Lease Adjusted Indebtedness and Gross Lease Adjusted Leverage Ratio Reconciliation

The following table illustrates the Company's gross lease adjusted indebtedness and gross lease adjusted leverage ratio from continuing operations as at June 30, 2026 and December 31, 2025:

	June 30, 2026 $	December 31, 2025 $
Credit facility, net of unamortized deferred financing costs	115,959	128,711
$350 Million Notes, net of unamortized deferred financing costs	347,649	347,200
Non-recourse mortgages and other debt	39,411	38,798
Total indebtedness	503,019	514,709
Add: Lease liabilities	431,613	409,341
Gross lease adjusted indebtedness	**934,632**	**924,050**
Adjusted EBITDA - trailing twelve months	173,921	198,171
Gross lease adjusted leverage ratio	**5.37x**	**4.66x**

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	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024 Revised [3]	Q3 2024 Revised [3]
Income Statement Data								
New vehicles	635,972	491,253	509,046	550,832	617,508	550,894	574,956	629,421
Used vehicles	537,038	478,873	387,919	417,955	474,165	462,722	440,850	524,916
Parts and service	136,054	119,154	129,814	125,044	137,546	122,813	144,524	144,000
Collision repair	36,376	39,611	35,366	37,519	38,420	40,326	36,262	31,487
Finance, insurance and other	72,994	60,064	54,419	70,107	70,560	63,345	69,245	82,701
Revenue	1,418,434	1,188,955	1,116,564	1,201,457	1,338,199	1,240,100	1,265,837	1,412,525
New vehicles	36,716	32,573	26,713	33,626	40,534	36,419	40,291	44,522
Used vehicles	11,766	1,982	5,076	8,809	25,157	19,423	18,529	26,245
Parts and service	74,032	60,783	69,626	67,596	78,902	66,144	76,843	77,164
Collision repair	17,730	18,342	18,136	17,334	16,561	18,198	17,242	17,527
Finance, insurance and other	66,810	55,402	54,419	60,046	64,213	57,852	63,213	75,530
Gross Profit	207,054	169,082	173,970	187,411	225,367	198,036	216,118	240,988
Gross profit percentage	14.6%	14.2%	15.6%	15.6%	16.8%	16.0%	17.1%	17.1%
Operating expenses	166,260	151,730	150,212	161,807	170,737	174,876	178,675	180,274
Operating expenses as a % of gross profit	80.3%	89.7%	86.3%	86.3%	75.8%	88.3%	82.7%	74.8%
Net income (loss)	12,088	(3,299)	(2,331)	(2,901)	18,911	9,707	9,847	27,159
Net income (loss) attributable to AutoCanada shareholders	11,234	(3,504)	(1,377)	(3,566)	17,389	9,035	10,677	26,098
Basic net income (loss) per share attributable to AutoCanada shareholders	0.49	(0.15)	(0.06)	(0.15)	0.75	0.39	0.46	1.13
Diluted net income (loss) per share attributable to AutoCanada shareholders	0.46	(0.15)	(0.06)	(0.14)	0.72	0.37	0.45	1.09
Adjusted EBITDA	52,149	30,978	32,703	58,091	64,380	42,997	54,379	63,103
Operating Data								
New retail vehicles sold	8,091	6,294	7,028	7,898	8,790	7,665	8,544	9,599
Used retail vehicles sold	11,499	9,934	8,741	10,048	10,452	10,046	10,585	13,279
Total retail vehicles sold	19,590	16,228	15,769	17,946	19,242	17,711	19,129	22,878
# of dealerships at period end [1]	67	67	67	67	67	68	68	69
# of same store dealerships [1, 2]	67	67	67	66	66	66	66	67
# of service bays at period end	1,079	1,081	1,105	1,116	1,143	1,143	1,151	1,173
Total Operations								
Net income (loss) attributable to AutoCanada shareholders	23,542	4,879	(13,601)	16,102	17,357	(3,824)	(37,452)	5,992
Basic net income (loss) per share attributable to AutoCanada shareholders	1.02	0.21	(0.59)	0.70	0.75	(0.17)	(1.62)	0.26
Diluted net income (loss) per share attributable to AutoCanada shareholders	0.97	0.21	(0.55)	0.66	0.72	(0.16)	(1.57)	0.25

1 *Dealerships is defined as 64 franchised automobile dealerships and 3 independent used dealerships.*
2 *Refer to Section 17 Same Store Results Data for further information.*
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 and six-month periods ended June 30:

	Three-Months Ended June 30, 2026			Three-Months Ended June 30, 2025 Revised (2)		
	Dealership Operations	Collision Operations	Total	Dealership Operations	Collision Operations	Total
New vehicles	661,889	—	661,889	700,306	—	700,306
Used vehicles	554,847	—	554,847	508,316	—	508,316
Parts and service	144,018	—	144,018	162,847	—	162,847
Collision repair	—	36,376	36,376	—	38,420	38,420
Finance, insurance and other	74,966	—	74,966	77,755	—	77,755
Total revenue	1,435,720	36,376	1,472,096	1,449,224	38,420	1,487,644
New vehicles	37,641	—	37,641	43,556	—	43,556
Used vehicles	11,546	—	11,546	26,708	—	26,708
Parts and service	78,776	—	78,776	94,072	—	94,072
Collision repair	—	17,730	17,730	—	16,561	16,561
Finance, insurance and other	68,782	—	68,782	71,409	—	71,409
Total gross profit	196,745	17,730	214,475	235,745	16,561	252,306
Employee costs	102,985	8,692	111,677	112,039	7,940	119,979
Administrative costs	45,557	4,471	50,028	55,207	4,360	59,567
Facility lease and storage costs	(883)	950	67	577	492	1,069
Depreciation of right-of-use assets	7,405	734	8,139	7,483	698	8,181
Depreciation of property and equipment	4,336	744	5,080	4,868	469	5,337
Amortization of intangible assets	107	3	110	125	—	125
Total operating expenses	159,507	15,594	175,101	180,299	13,959	194,258
Operating profit before other income	37,238	2,136	39,374	55,446	2,602	58,048

	Three-Months Ended June 30, 2026			Three-Months Ended June 30, 2025 Revised (2)		
	Dealership Operations	Collision Operations	Total	Dealership Operations	Collision Operations	Total
Operating data						
New retail vehicles sold	8,484	—	8,484	10,229	—	10,229
Used retail vehicles sold	11,862	—	11,862	11,463	—	11,463
Total retail vehicles sold	20,346	—	20,346	21,692	—	21,692
# of dealerships at period end [1]	76	—	76	84	—	84
# of service bays at period end	1,130	—	1,130	1,378	—	1,378

1 *Dealerships is defined as 64 Canadian franchised automobile dealerships, 9 U.S. franchised automobile dealerships (2 individual storefronts), and 3 independent used dealerships as at June 30, 2026.*

2 *Comparative period revised to reflect current period presentation for segmented reporting.*

The following table shows the segmented operating results for the Company for the six-month period ended June 30, 2026 and June 30, 2025.

	Six-Months Ended June 30, 2026			Six-Months Ended June 30, 2025		
	Dealership Operations $	Collision Operations $	Total $	Dealership Operations $	Collision Operations $	Total $
New vehicles	1,186,133	—	1,186,133	1,331,977	—	1,331,977
Used vehicles	1,051,638	—	1,051,638	1,022,258	—	1,022,258
Parts and service	274,651	—	274,651	310,374	—	310,374
Collision repair	—	75,987	75,987	—	78,746	78,746
Finance, insurance and other	138,481	—	138,481	148,927	—	148,927
Total revenue	2,650,903	75,987	2,726,890	2,813,536	78,746	2,892,282
New vehicles	71,704	—	71,704	81,926	—	81,926
Used vehicles	14,374	—	14,374	45,841	—	45,841
Parts and service	146,822	—	146,822	174,802	—	174,802
Collision repair	—	36,072	36,072	—	34,759	34,759
Finance, insurance and other	127,635	—	127,635	137,087	—	137,087
Total gross profit	360,535	36,072	396,607	439,656	34,759	474,415
Employee costs	192,114	17,075	209,189	226,468	15,484	241,952
Administrative costs	98,752	9,158	107,910	116,809	8,431	125,240
Facility lease and storage costs	(455)	1,724	1,269	855	1,130	1,985
Depreciation of right-of-use assets	14,853	1,457	16,310	15,188	1,305	16,493
Depreciation of property and equipment	8,581	1,423	10,004	9,786	908	10,694
Amortization of intangible assets	211	5	216	248	—	248
Total operating expenses	314,056	30,842	344,898	369,354	27,258	396,612
Operating profit before other income	46,479	5,230	51,709	70,302	7,501	77,803
Operating data						
New retail vehicles sold	15,337	—	15,337	19,231	—	19,231
Used retail vehicles sold	22,240	—	22,240	22,672	—	22,672
Total retail vehicles sold	37,577	—	37,577	41,903	—	41,903
# of dealerships at period end [1]	76	—	76	84	—	84
# of service bays at period end	1,130	—	1,130	1,378	—	1,378

1 *Dealerships is defined as 64 Canadian franchised automobile dealerships, 9 U.S. franchised automobile dealerships, and Used Digital Division dealerships (including 3 used vehicle dealerships) as at June 30, 2026.*

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 and six-month periods ended June 30:

	Three-Months Ended June 30		Six-Months Ended June 30	
	2026 $	**2025 $**	**2026 $**	**2025 $**
New vehicles	635,972	617,508	1,127,225	1,168,402
Used vehicles	537,038	474,165	1,015,911	936,887
Parts and service	136,054	137,497	255,208	260,200
Collision repair	30,325	38,420	64,929	78,746
Finance, insurance and other	72,994	70,560	133,058	133,905
Total revenue	1,412,383	1,338,150	2,596,331	2,578,140
New vehicles	36,716	40,534	69,289	76,953
Used vehicles	11,766	25,157	13,748	44,580
Parts and service	74,032	78,863	134,815	144,897
Collision repair	15,302	16,561	31,657	34,759
Finance, insurance and other	66,810	64,213	122,212	122,065
Total gross profit	204,626	225,328	371,721	423,254
New vehicles (%)	5.8%	6.6%	6.1%	6.6%
Used vehicles (%)	2.2%	5.3%	1.4%	4.8%
Parts and service (%)	54.4%	57.4%	52.8%	55.7%
Collision repair (%)	50.5%	43.1%	48.8%	44.1%
Finance, insurance and other (%)	91.5%	91.0%	91.8%	91.2%
Total gross profit percentage (%)	14.5%	16.8%	14.3%	16.4%
New retail vehicles sold (units)	8,091	8,790	14,385	16,455
Used retail vehicles sold (units)	11,499	10,452	21,433	20,498
Total vehicles retailed (units)	19,590	19,242	35,818	36,953
New vehicle gross profit per retail unit	4,462	4,544	4,747	4,590
Used vehicle gross profit per retail unit	587	1,729	292	1,504
F&I gross profit per retail unit average	3,410	3,337	3412	3303

For the three-month period ended June 30, 2026

Same store results make up 99.6% of revenue and 98.8% of gross profit in the current quarter.

Revenue increased by 5.5% driven by higher new vehicle 3.0%, used vehicle 13.3% and and F&I 3.4%, partially offset by lower parts and service (1.0)% and Collision repair (21.1)%.

Gross profit decreased (9.1)% driven by decreases in new vehicle gross profit (9.4)%, used vehicle gross profit (53.2)%, parts and service (6.1)% and collision repair services (7.1)%, partially offset by increases in F&I gross profit 4.0%.

New vehicle gross profit declined (9.4)% in the three-month period ended June 30, 2026 compared with the three-month period ended June 30, 2025, driven mainly by lower new retail vehicles sold (8.0)% and lower new gross profit per retail unit (1.8)%.

Used vehicle gross profit declined (53.2)% in the three-month period ended June 30, 2026 compared with the three-month period ended June 30, 2025, driven mainly by lower used gross profit per retail unit (66.1)%, partially offset by higher used retail vehicles sold 10.0%.

Parts and service gross profit declined (6.1)% in the three-month period ended June 30, 2026 compared with the three-month period ended June 30, 2025, driven mainly by a lower number of service repair orders[10], and higher labour and material costs.

F&I gross profit increased 4.0% in the three-month period ended June 30, 2026 compared with the three-month period ended June 30, 2025, driven by higher total retail vehicles sold of 4.1% and higher gross profit per retail unit average of 2.2% thanks to increases in average products sold per deal.

For the six-month period ended June 30, 2026

Same store results make up 99.6% of revenue and 98.8% of gross profit in the current quarter.

Revenue increased by 0.7% driven by higher used vehicle revenue 8.4%, partially offset by lower new vehicle (3.5)%, parts and service (1.9)%, F&I (0.6)% and Collision repair (17.5)%.

Gross profit decreased (12.2)% driven by decreases in new vehicle (10.0)%, used vehicle (69.2)%, parts and service (7.0)% and collision repair services (8.9)%, partially offset by increases in F&I 0.1%.

New vehicle gross profit declined (10.0)% in the six-month period ended June 30, 2026 compared with the six-month period ended June 30, 2025, driven mainly by lower new retail vehicles sold (12.6)% partially offset by higher new gross profit per retail unit 3.4%.

Used vehicle gross profit declined (69.2)% in the six-month period ended June 30, 2026 compared with the six-month period ended June 30, 2025, driven mainly by lower used gross profit per retail unit (80.6)%, partially offset by higher used retail vehicles sold 4.6%.

Parts and service gross profit declined (7.0)% in the six-month period ended June 30, 2026 compared with the six-month period ended June 30, 2025, driven mainly by a lower number of service repair orders[11], and higher labour and material costs.

F&I gross profit increased 0.1% in the six-month period ended June 30, 2026 compared with the six-month period ended June 30, 2025, driven by higher gross profit per retail unit average of 3.3% thanks to increases in average products sold per deal, partially offset by lower total retail vehicles sold (3.1)%.

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

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

The following table summarizes same store revenue and gross profit by geography for the three and six-month periods ended June 30:

	Three-Months Ended June 30			Six-Months Ended June 30		
	2026	2025	% Change	2026	2025	% Change
British Columbia	131,259	108,522	21.0 %	251,079	223,120	12.5 %
Alberta	399,393	376,032	6.2 %	764,300	753,650	1.4 %
Saskatchewan	97,203	100,283	(3.1)%	183,620	203,665	(9.8)%
Manitoba	120,055	111,355	7.8 %	219,975	221,594	(0.7)%
Ontario	423,108	408,646	3.5 %	760,742	771,281	(1.4)%
Quebec	193,384	191,499	1.0 %	327,781	329,208	(0.4)%
Atlantic	47,775	41,288	15.7 %	88,620	75,097	18.0 %
Illinois	206	525	(60.8)%	214	525	(59.2)%
Total revenue	1,412,383	1,338,150	5.5 %	2,596,331	2,578,140	0.7 %
British Columbia	17,043	17,557	(2.9)%	31,408	33,731	(6.9)%
Alberta	55,704	65,550	(15.0)%	102,601	127,546	(19.6)%
Saskatchewan	15,372	17,182	(10.5)%	29,847	34,173	(12.7)%
Manitoba	17,649	19,255	(8.3)%	32,567	37,725	(13.7)%
Ontario	66,237	70,228	(5.7)%	117,067	127,272	(8.0)%
Quebec	27,051	29,972	(9.7)%	47,542	52,574	(9.6)%
Atlantic	5,488	5,397	1.7%	10,606	10,046	5.6%
Illinois	82	187	(56.1)%	83	187	(55.6)%
Total gross profit	204,626	225,328	(9.2)%	371,721	423,254	(12.2)%

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 June 30, 2026 from continuing operations and discontinued operations.

Location	Franchised Dealerships	Same Store Franchised Dealerships [1]	Used Vehicle Operations	Same Store Used Vehicle Operations	Collision Centres [2]	Same Store Stand-Alone Collision Centres
Canada	**64**	**64**	**3**	**3**	**37**	**15**
Alberta	17	17	—	—	10	4
Atlantic	2	2	—	—	1	—
British Columbia	9	9	—	—	2	1
Manitoba	5	5	1	1	4	—
Ontario	23	23	2	2	12	7
Quebec	4	4	—	—	4	2
Saskatchewan	4	4	—	—	4	1
U.S.	**9**	**—**	**—**	**—**	**—**	**—**
Illinois [3, 4]	9	—	—	—	—	—
Total	**73**	**64**	**3**	**3**	**37**	**15**

1 *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.*

2 *Collision centres includes 22 stand-alone collision centres within our group of 37 collision centres. DCCHail Illinois is excluded from the Collision centre count as there is no physical location.*

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

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

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