

AUTOCANADA REPORTS STRONG 2020 SECOND QUARTER RESULTS - OUTPERFORMED CANADIAN MARKET FOR SIXTH CONSECUTIVE QUARTER, SIGNIFICANTLY REDUCED NET INDEBTEDNESS AND ADVANCED STRATEGIC PRIORITIES

- Revenue was \$727.4 million as compared to \$945.8 million in the prior year, a decrease of (23.1)%
- Canadian total retail unit sales progressively improved from a decrease of (50)% for the month of April to a decrease of (25)% for the month of May to an increase of 33% for the month of June (all changes year-over-year)
- Significantly outperformed the Canadian market with same store new retail unit sales decreasing (23.9)% compared to the Canadian market decrease of (44.3)% as reported by DesRosiers Automotive Consultants
- Canadian used to new retail units ratio increased 36.8% to 1.00 from 0.73 last year
- Same store finance and insurance gross profit per unit grew by 18.0% compared to prior year
- In response to COVID-19, re-engineered business model to better position the Company for top decile operating performance with permanent annualized cost savings of approximately \$10 million identified and actioned
- Net indebtedness decreased by \$45.8 million from \$170.0 million at the end of Q1 2020 to \$124.2 million at the end of Q2 2020
- Free cash flow of \$52.6 million in the quarter as compared to \$(21.8) million in the prior year. Free cash flow on a 12 month trailing basis of \$178.1 million at Q2 2020 as compared to \$(19.5) million in Q2 2019 on a 12 month trailing basis

EDMONTON, Alberta, August 11, 2020 - AutoCanada Inc. ("AutoCanada" or the "Company") (TSX: ACQ), a multi-location North American automobile dealership group, today reported its financial results for the three month period ended June 30, 2020.

"AutoCanada achieved a number of significant milestones in the second quarter, advancing our strategic priorities and continuing to execute on our Go Forward Plan while substantially strengthening our balance sheet, reducing net debt and increasing free cash flow in spite of COVID-19," said Paul Antony, Executive Chairman of AutoCanada. "Very early on in the COVID-19 pandemic, we took decisive actions, implementing a range of measures in response to the crisis that have enhanced our resiliency and positioned the Company for industry-leading performance that will drive growth and competitive differentiation going forward. Our cost reduction measures have resulted in structural cost savings of approximately \$10 million."

"I'm extremely proud of our people, who have worked hard and delivered excellent performance, continuing to prove our complete business model under challenging conditions. We remain confident that AutoCanada's resilient business model, transformed platform and strengthened balance sheet position us to emerge from this period even stronger and with momentum."

2020 Second Quarter Key Highlights and Recent Developments

All comparisons presented below are between the three-month period ended June 30, 2020 and the three-month period ended June 30, 2019, unless otherwise indicated.

Executive Overview

The Company continued to demonstrate strong performance through the second quarter as we executed on all elements of our complete business model during a complex and unpredictable period in the market. We outperformed the Canadian new vehicle retail market for the sixth consecutive quarter, delivered a second consecutive quarter where our used to new retail units ratio was at or better than 1.0, and increased our same store finance and insurance gross profit per unit by 18.0%, the eighth consecutive quarter of year-over-year growth. Notably, we reduced our net indebtedness by \$45.8 million from March 31, 2020 in a challenging quarter where revenues were down by (23.1)%. Importantly, Q2 volatility served as a catalyst for re-evaluating the Company's business practices, operations and other key initiatives. This includes both operating performance in existing segments as well as initiatives expected to drive growth and competitive differentiation going forward. As a result, management believes AutoCanada is better positioned to deliver industry-leading performance going forward.

Our priorities, both from the onset of COVID-19 and to date, included focusing on the safety of our people and customers and ensuring we followed all government requirements to safely address the pandemic.

Over the last quarter, management developed and staged an action plan to mitigate losses, manage inventory and protect cash and liquidity. Cost reduction actions included employee reductions, aggressive expense management, and deferral of all discretionary costs. Inventory management actions included recognition of inventory write-downs to capture the impact from the loss of a key selling period (last two weeks of March, April and May) and the resulting buildup of inventory. The write-down allowed management to address the buildup of dealership inventory with 2019 and 2020 models in advance of expected receipt of 2021 models.

With the onset of COVID-19, the Company used the opportunity to complete a comprehensive review of all aspects of the business, in essence re-engineering the business model where applicable. With the objective of positioning the Company well for Q3 2020 and beyond, annualized cost savings of approximately \$10 million were identified and actioned, and all identified impacts to inventory, receivables and other accounts were provisioned. Importantly, none of these cost saving actions are expected to impact the Company's strategic position in the market or ability to execute.

Total write-downs, provisions, and typically non-recurring charges recognized in the quarter included:

- Inventory write-down of \$20.9 million, comprised of the following:
 - Write-down to Canadian new vehicle inventory of \$9.2 million, used vehicle inventory of \$4.8 million and parts inventory of \$3.9 million
 - Write-down to U.S. new vehicle inventory of \$2.6 million and used vehicle inventory of \$0.4 million
- Severance charges of \$8.2 million
- Incremental provision for aged receivables of \$3.2 million
- Provision for contingent liabilities, and charges taken for facility sublease, and other expenses of \$2.6 million
- Write-off of prepaid advertising leads of \$2.1 million
- One-time retention and recognition payments of \$1.7 million for key dealership employees
- Other charges including true-up of accruals and other liabilities of \$4.5 million

The greater majority, or approximately \$40 million of these charges were non-cash in the quarter.

Cash management actions included an amendment to our syndicated credit facility (the "Credit Facility") providing covenant relief through June 30, 2021, the suspension of our dividend, and the deferral of capital spending. These actions provide us with ample liquidity and full access to the \$175 million revolving facility in our Credit Facility.

Our action plan measures were taken with both an eye to managing a range of COVID-19 impacts to date, and to ensure the Company enters Q3 2020 well positioned to deliver exceptional operating performance going forward.

The Company's same store new retail unit sales outperformed the Canadian market for the sixth consecutive quarter. Consolidated revenues of \$727.4 million reflected a decrease of (23.1)% over the prior year while same store new retail unit sales decreased by (23.9)% as compared to the Canadian market decrease of (44.3)%, for brands represented by AutoCanada, as reported by DesRosiers Automotive Consultants. Canadian total retail unit sales progressively improved from a decrease of (50)% for the month of April to a decrease of (25)% for the month of May to an increase of 33% for the month of June (all changes year-over-year). Preliminary Canadian total retail unit sales for the month of July reflects an increase of 19%.

The challenging environment and management's response to the pandemic drove a decrease of \$(27.3) million from the prior year, to an Adjusted EBITDA of \$4.8 million. Adjusted EBITDA included \$43.2 million in inventory write-downs, provisions, and typically non-recurring charges, as highlighted above. The greater majority, or approximately \$40 million of these charges were non-cash in the quarter. Results also reflect the recognition of \$26.2 million in Canada Emergency Wage Subsidy ("CEWS"), recorded as a reduction to employee costs; of this amount recognized, half was received in the quarter, with the balance due in Q3.

Net indebtedness (total indebtedness less cash and cash equivalents on hand) decreased by \$45.8 million from \$170.0 million at the end of Q1 2020 to \$124.2 million at the end of Q2 2020. Free cash flow was \$52.6 million in the quarter as compared to \$(21.8) million in the prior year.

While we don't know what the future holds at this point with COVID-19, we've taken our learnings from this situation to re-evaluate and adapt our business to drive industry-leading performance. We're confident that we will be a top decile performer in any environment. With our complete business model, our strong balance sheet and our team, we are well positioned to emerge from this pandemic even stronger.

Consolidated AutoCanada Highlights

COVID-19 NEGATIVELY IMPACTS QUARTER; NET INDEBTEDNESS IMPROVED \$45.8M FROM END OF Q1 2020

For the first two months of Q2 2020, our performance was negatively impacted by COVID-19. In June, our total retail vehicles unit sales performance improved by 28% as compared to the prior year.

For the three-month period ended June 30, 2020:

- Revenue was \$727.4 million, a decrease of \$(218.3) million or (23.1)%
- Total vehicles sold were 15,094, a decrease of (4,259) units or (22.0)%
- Net income (loss) for the period was \$(20.1) million (or \$(0.72) per diluted share) versus \$(3.5) million (or \$(0.15) per diluted share)
- Adjusted EBITDA decreased by (85.0)% to \$4.8 million, a decrease of \$(27.3) million
 - Typically non-recurring provisions of \$43.2 million were recorded in the quarter, of which approximately \$40 million were non-cash in nature
 - CEWS of \$26.2 million was recorded in the quarter, of which \$13.0 million was received in cash; remaining balance to be received in Q3 2020
 - Adjusting for both the provisions and CEWS, normalized Adjusted EBITDA improves to \$21.8 million as compared to \$32.1 million in the prior year
- Ending net indebtedness was \$124.2 million, an improvement in the quarter of \$45.8 million from the end of Q1 2020; based on cash and cash equivalents and availability on our Credit Facility, our liquidity was \$177.8 million. Total Net Funded Debt to Bank EBITDA ratio of 3.23x at the end of Q2 2020 was well within our covenant threshold of 5.00x.

Canadian Operations Highlights

FOR THE SIXTH CONSECUTIVE QUARTER, OUTPERFORMED CANADIAN NEW RETAIL MARKET

Management continued to execute its complete business model during the quarter. For the sixth consecutive quarter, we outperformed the Canadian market, as same store new retail unit sales decreased by (23.9)% as compared to the market decrease of (44.3)%, for brands represented by AutoCanada, as reported by DesRosiers Automotive Consultants. Our F&I initiative helped increase gross profit per retail unit average to \$2,646, an increase of 16.2% year-over-year. Our used to new retail units ratio increased to 1.00 from 0.73 in the prior year; this was our second consecutive quarter where our used to new retail units ratio is at or better than 1.0.

For the first two months of Q2 2020, the impact of COVID-19 resulted in a slow-down in the Canadian market as non-essential business closure orders were implemented across provinces and cities. As a result of the broader market restrictions, on a year-over-year basis, the Company's total retail vehicles sold decreased (50)% for the month of April and decreased (25)% for the month of May. For the month of June, total retail vehicles sold increased by 33% as compared to the prior year.

For the three-month period ended June 30, 2020:

- Revenue was \$656.4 million, a decrease of (20.9)%
- Total retail vehicles sold were 13,053, a decrease of (2,139) units or (14.1)%
 - Same store new and used retail unit sales decreased by (13.4)% to 12,307 units
 - Same store used retail unit sales increased by 0.7%
- Used to new retail units ratio increased to 1.00 from 0.73, an increase of 36.8%

- Finance and insurance gross profit per retail unit average increased to \$2,646, up 16.2% or \$369 per unit
- Net (loss) income for the period was \$(13.7) million, down (207.0)% from a net income of \$12.8 million in 2019
- Adjusted EBITDA decreased (74.2)% to \$8.3 million, a decrease of \$(24.0) million
 - Typically non-recurring provisions of \$38.8 million were recorded in the quarter, of which approximately \$36 million were non-cash in nature
 - CEWS of \$26.2 million was recorded in the quarter, of which \$13.0 million was received in cash; remaining balance to be received in Q3 2020
 - Adjusting for both the provisions and CEWS, normalized Adjusted EBITDA improves to \$20.9 million as compared to \$32.3 million in the prior year

U.S. Operations Highlights

COVID-19 NEGATIVELY IMPACTS U.S. PERFORMANCE

The U.S. Operations segment was particularly negatively impacted by the pandemic, including government restrictions in the state of Illinois. Despite the impacts of COVID-19, management continues to focus on profitability by ensuring vehicle profits are not sacrificed in the pursuit of vehicle unit sales and continued improvements to the expense structure. Signalling good progress on driving improved segment profitability, used vehicles, parts, service and collision repair, and finance and insurance gross profit percentage were up over the prior year.

- Revenue was \$71.1 million, a decrease of (38.8)%
- Retail unit sales decreased to 1,701 units, down (666) units or (28.1)%
- Net (loss) income for the period was \$(6.4) million, an increase of 61.0% from \$(16.3) million in 2019
- Adjusted EBITDA was \$(3.5) million, a decrease of \$(3.3) million from 2019
 - Typically non-recurring non-cash provisions of \$4.4 million were recorded in the quarter, primarily associated with inventory write-downs
 - Adjusting for these provisions, normalized Adjusted EBITDA was \$0.9 million, an increase of \$1.1 million from 2019

Same Store Metrics

SAME STORE USED RETAIL UNIT SALES GROWTH OF 0.7%

Total same store new and used retail unit sales for Canadian Operations decreased by (13.4)% to 12,307 units, with new retail units showing a decrease of (23.9)% and used retail units showing an increase of 0.7%. The Company continues to strengthen and build on our complete business model, as highlighted through continued success of the F&I department, which led to an increase in average F&I gross profit per retail unit of \$409 per unit compared to the prior year. In addition, despite the (13.4)% reduction in total same store retail units sold, finance and insurance gross profit increased by 2.2% and demonstrates the stability of our complete business model. The decrease of new retail units by (23.9)% outperformed the market decrease of (44.3)% in the Canadian new vehicle market for the brands represented by AutoCanada, as reported by DesRosiers Automotive Consultants. The same stores metric includes only Canadian dealerships which have been owned for at least two full years since acquisition.

- Revenue decreased to \$589.7 million, a decrease of (22.4)%
- Gross profit decreased by \$(43.3) million or (33.9)%
 - Adjusting for the same store inventory write-down of \$16.9 million recognized, gross profit decreased by \$(26.4) million or (20.7)%; gross profit percentage increased to 17.2% as compared to 16.8% in the prior year
- Used to new retail units ratio increased to 0.99 from 0.75
- Finance and insurance gross profit per retail unit average increased to \$2,678, up 18.0% or \$409 per unit; gross profit increased to \$33.0 million as compared to \$32.2 million in the prior year

- Parts, service and collision repair gross profit decreased to \$38.0 million, a decrease of (26.3)%
 - Adjusting for the same store parts inventory write-down of \$3.7 million recognized, gross profit decreased by (19.1)%; gross profit percentage increased to 54.8%, as compared to 51.2% in the prior year

Financing and Investing Activities and Other Recent Developments

AMENDMENT EXECUTED EXTENDING COVENANT RELIEF TO JUNE 30, 2021

As at June 30, 2020, based on cash and cash equivalents and availability on our Credit Facility, our liquidity was \$177.8 million.

In response to the impacts of COVID-19, management has taken the following financial resilience measures to manage liquidity for the next twelve months:

- Executed Credit Facility amendment dated April 20, 2020 that extends covenant relief to June 30, 2021
 - Includes replacement of Q2 2020 results with Q2 2019 results for covenant calculation purposes
- Entered into arrangement with Ally Financial to replace previous floorplan financing
- Continued suspension of the quarterly dividend
- Reduced capital expenditures to approximate \$17 million for the year as compared to a 2-year average of \$29 million
 - Increase from initial reduction in capital expenditures was driven by improved performance through Q2 and an improved outlook for the balance of year

Our immediate focus has been on preserving cash and managing liquidity. By replacing Q2 2020 financial results with Q2 2019 financial results for covenant calculation purposes, we have addressed covenant risks brought on by the impacts the pandemic.

Board Member Retirement

The Company also announced today Dennis DesRosiers' decision to retire from the Board of Directors, effective March 2021.

Mr. DesRosiers has been a member of the Board since 2007, bringing more than 40 years of experience in the Canadian automotive sector to the role. Mr. DesRosiers helped successfully guide the Company through several major events including a period of extraordinary transformation for the Company. During his tenure on the Board, Mr. DesRosiers served on the Governance and Compensation Committee. Following Mr. DesRosiers' retirement, AutoCanada will continue to work with Dennis as a resource to the Company.

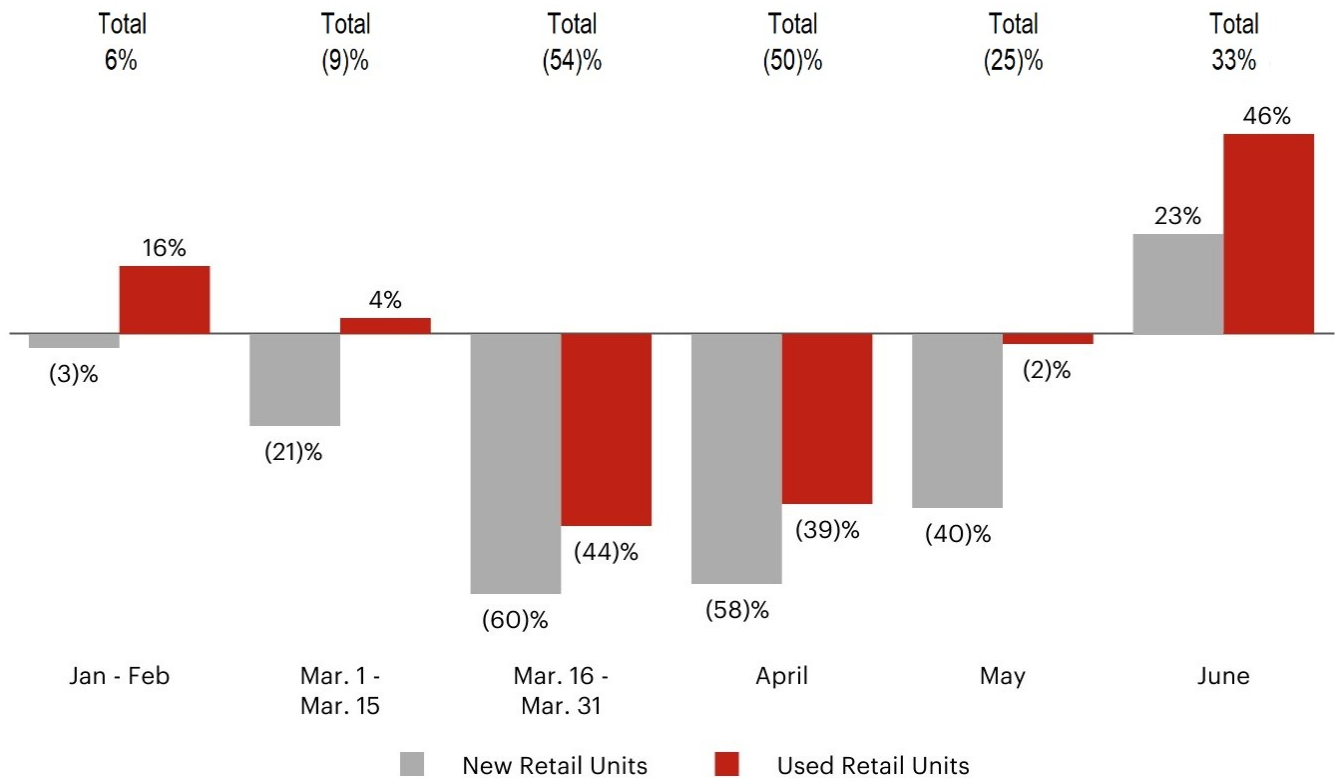
"On behalf of the Board of Directors, I would like to thank Dennis for his many years of leadership, strategic guidance and dedicated service to our Company," said Mr. Antony. "We are grateful for the unmatched knowledge he brought to the AutoCanada Board. His wisdom and experience will be missed, and we wish him well in his retirement."

Recent Performance

Based on current trending information, the impacts of COVID-19 on our business model have been more moderate than initially expected. We entered Q2 2020 well prepared as a result of management's actions taken early in the crisis and the continued refinement of our business model.

The graph below shows the impact the challenging environment had on our Canadian year-over-year retail unit results. Most notably, June represented an impressive return to positive growth of 33%. In July, we continued to see positive growth of 19%.

Canadian Retail Vehicle Unit Count YoY % Change



COVID-19 Response

Actions Taken in Response to COVID-19

Since the outset of COVID-19, the Company has carefully followed the most current direction of government and related health agencies in our policies and procedures across our operations. To that end, we continue to implement stringent operating practices to ensure personal protection, cleanliness, distancing, overall employee and customer safety, work from home protocols wherever possible, halting all non-essential travel, and following established guidelines.

The Company continues to operate in accordance with local government orders regarding the operation of non-essential businesses due to COVID-19. From mid-March to mid-May, AutoCanada was providing service operations and limited sales in New Brunswick, Ontario, and Illinois, only service operations in Quebec, and full operations in the balance of Canada. Currently, in conjunction with the re-opening of the market and staged easing of restrictions, AutoCanada's Canadian and U.S. dealerships are now fully operational. We continue to monitor and ensure our operations comply with all restrictions.

Across all our operations, AutoCanada will continue to safely support customers with their vehicle servicing and purchasing requirements, and customers are encouraged to contact their local dealership as needed.

Combined with the measures taken as identified below, and the Company's comprehensive business model, management believes the Company to be well-positioned to operate within the COVID-19 environment. We continue to be mindful of the potential impacts of COVID-19 over the coming months.

Financial Resilience Measures Taken

Our main priorities continue to be the management of our inventory and cash and to ensure we remain adaptable and resilient through the coming quarters. The Company has taken measures to enhance financial resilience in response to the evolving market conditions due to COVID-19. These measures are designed to address immediate challenges, while reinforcing the balance sheet to ensure we are well-prepared to respond to market given the pandemic is expected to continue for an unknown period of time.

Measures Taken	Impact of Measures Taken
Amended Credit Facility	Staged covenant relief thresholds for the Total and Senior Net Funded Debt to Bank EBITDA and Fixed Charge Coverage Ratios through to Q2 2021
Employee Reductions and Compensation	- At the peak of the COVID-19 situation, the Company had reduced its workforce by approximately 1,700, or 40% - Adjusted pay plans to further bias to variable cost structure
Discretionary Vendor and Landlord Expenses	- Deferred, reduced, or eliminated most discretionary and non-essential operational and administrative spending - Worked with several vendors and landlords to reduce costs through this period and/or defer payments on goods, services, and rent
Reduced Capital Expenditures	Reduced capital spending forecast to approximately \$17 million for the year, down approximately \$(12) million from two year average
Suspension of Dividend	Suspension represents approximately \$11 million in annualized cash savings; approximately \$8 million for 2020
Non-Core Asset Portfolio	Non-core assets valued at \$12.5 million; \$1.1 million realized Q2 2020 YTD
Government Program and Subsidies	- CEWS provided a total of \$27.2 million in income for the 16 week period from March 15 to July 4, 2020 - Recognized \$26.2 million as income and \$13.0 million as cash in Q2 2020; remainder to be recognized in Q3 2020 - Will assess eligibility for the remaining 20 week period of the program (July 5 to November 21, 2020) in accordance with relevant program requirements - U.S. dealerships received a loan of \$5.4 million (USD) under the Paycheck Protection Program implemented by the Small Business Administration, with opportunity for forgiveness - Continued deferral of corporate income tax installments
Hedging Actions	Restructured nearly half of interest rate swap portfolio in the first half of the year, to drive approximately \$2.2 million in annual cash savings

COVID-19 Operating Impacts to Business Objectives and Strategy

Our business model continues to operate well, and we are gaining traction from the success of the Go Forward Plan initiatives to manage impacts from COVID-19. Based on currently available information, we have created a detailed plan to ensure we successfully weather the pandemic, while also improving and strengthening our business model to best address the ever-changing market condition. This includes actively managing headcount, continued focus on used retail sales, leveraging our Business Development Centre ("BDC") to drive parts and service, and ensuring pay plan programs align with changing market conditions to drive greater consistency across platforms and better alignment with operating targets.

Management is actively assessing what the "new normal" will be. Despite the market beginning to re-open in varying stages across Canada and U.S., we are aware that consumer uncertainty in our markets will likely create a lag in the anticipated recovery. We will continue to respond according to market conditions as they evolve.

The Company intends to emerge from this unprecedented event as a stronger and more efficient operating entity.

Second Quarter Financial Information

The following table summarizes the Company's performance for the quarter:

Consolidated Operational Data	Three Months Ended June 30		
	2020	2019	% Change
Revenue	727,447	945,767	(23.1)%
Gross profit	97,879	153,366	(36.2)%
Gross profit %	13.5%	16.2%	(2.7)%
Operating expenses	99,736	128,190	(22.2)%
Operating (loss) profit	(4,388)	18,906	(123.2)%
Net (loss) for the period	(20,052)	(3,512)	471.0%
Basic net (loss) per share attributable to AutoCanada shareholders	(0.72)	(0.15)	380.0%
Adjusted EBITDA ¹	4,828	32,100	(85.0)%
New retail vehicles sold (units)	7,526	10,310	(27.0)%
New fleet vehicles sold (units)	340	1,794	(81.0)%
Total new vehicles sold (units)	7,866	12,104	(35.0)%
Used retail vehicles sold (units)	7,228	7,249	(0.3)%
Total vehicles sold	15,094	19,353	(22.0)%
Same store new retail vehicles sold (units)	6,184	8,129	(23.9)%
Same store new fleet vehicles sold (units)	321	1,602	(80.0)%
Same store used retail vehicles sold (units)	6,123	6,080	0.7%
Same store total vehicles sold	12,628	15,811	(20.1)%
Same store revenue	589,717	760,208	(22.4)%
Same store gross profit	84,295	127,591	(33.9)%
Same store gross profit %	14.3%	16.8%	(2.5)%

See the Company's Management's Discussion and Analysis for the quarter ended June 30, 2020 for complete footnote disclosures.

The following table shows the segmented operating results for the Company for the three month periods ended June 30, 2020 and June 30, 2019.

	Three Months Ended June 30, 2020			Three Months Ended June 30, 2019		
	Canada \$	U.S. \$	Total \$	Canada \$	U.S. \$	Total \$
New vehicles	337,999	43,428	381,427	480,903	73,783	554,686
Used vehicles	200,088	14,944	215,032	200,716	22,542	223,258
Parts, service and collision repair	80,493	9,924	90,417	109,989	15,833	125,822
Finance, insurance and other	37,801	2,770	40,571	38,120	3,881	42,001
Total revenue	656,381	71,066	727,447	829,728	116,039	945,767
New vehicles	12,485	(1,851)	10,634	35,196	1,449	36,645
Used vehicles	2,839	1,385	4,224	12,172	1,764	13,936
Parts, service and collision repair	40,008	5,828	45,836	56,118	8,400	64,518
Finance, insurance and other	34,534	2,651	37,185	34,591	3,676	38,267
Total gross profit	89,866	8,013	97,879	138,077	15,289	153,366
Employee costs	66,167	6,129	72,296	67,348	8,957	76,305
Administrative costs	37,237	5,409	42,646	34,889	5,241	40,130
Facility lease and storage costs	648	—	648	75	910	985
Depreciation of property and equipment	3,744	307	4,051	4,302	696	4,998
Depreciation of right-of-use assets ²	5,682	636	6,318	5,210	562	5,772
Total operating expenses	87,255	12,481	99,736	111,824	16,366	128,190
Operating profit (loss) before other income	2,611	(4,468)	(1,857)	26,253	(1,077)	25,176
Operating data						
New retail vehicles sold ¹	6,518	1,008	7,526	8,768	1,542	10,310
New fleet vehicles sold ¹	337	3	340	1,791	3	1,794
Total new vehicles sold ¹	6,855	1,011	7,866	10,559	1,545	12,104
Used retail vehicles sold ¹	6,535	693	7,228	6,424	825	7,249
Total vehicles sold ¹	13,390	1,704	15,094	16,983	2,370	19,353
# of service and collision repair orders completed ¹	146,422	20,138	166,560	205,104	37,030	242,134
# of dealerships at period end	50	13	63	51	14	65
# of service bays at period end	867	177	1,044	897	200	1,097

See the Company's Management's Discussion and Analysis for the quarter ended June 30, 2020 for complete footnote disclosures.

MD&A and Financial Statements

Information included in this press release is a summary of results. It should be read in conjunction with AutoCanada's Consolidated Financial Statements and Management's Discussion and Analysis for the quarter ended June 30, 2020, which can be found on the Company's website at www.autocan.ca or on www.sedar.com.

Non-GAAP Measures

This press release contains certain financial measures that do not have any standardized meaning prescribed by Canadian 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 earnings (loss) or to cash provided by (used in) operating, investing, and financing activities determined in accordance with Canadian GAAP, as indicators of our performance. We provide these measures to assist investors in determining our ability to generate earnings and cash provided by (used in) operating activities and to provide additional information on how these cash resources are used. The following "Non-GAAP Measures" are defined in the annual MD&A: Adjusted EBITDA; Free Cash Flow; Net Indebtedness and Lease Adjusted Leverage Ratio.

Conference Call

A conference call to discuss the results for the three months ended June 30, 2020 will be held on August 12, 2020 at 9:00am Mountain (11:00am Eastern). To participate in the conference call, please dial 1.888.231.8191 approximately 10 minutes prior to the call.

This conference call will also be webcast live over the internet and can be accessed by all interested parties at the following URL: <https://www.autocan.ca/investors/q22020-presentation/>

About AutoCanada

AutoCanada is a leading North American multi-location automobile dealership group currently operating 62 franchised dealerships, comprised of 26 brands, in eight provinces in Canada as well as a group in Illinois, USA. AutoCanada currently sells Chrysler, Dodge, Jeep, Ram, FIAT, Alfa Romeo, Chevrolet, GMC, Buick, Cadillac, Ford, Infiniti, Nissan, Hyundai, Subaru, Audi, Volkswagen, Kia, Mazda, Mercedes-Benz, BMW, MINI, Volvo, Toyota, Lincoln, and Honda branded vehicles. In 2019, our dealerships sold approximately 71,000 vehicles and processed approximately 900,000 service and collision repair orders in our 1,047 service bays generating revenue in excess of \$3 billion.

Additional information about AutoCanada Inc. is available at www.sedar.com and the Company's website at www.autocan.ca.

Forward Looking Statements

Certain statements contained in this press release are forward-looking statements and information (collectively "forward-looking statements"), within the meaning of the applicable Canadian securities legislation. We hereby provide cautionary statements identifying important factors that could cause our 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 of 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) are not 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.

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

The Company's Annual Information Form and other documents filed with securities regulatory authorities (accessible through the SEDAR website at www.sedar.com) describe the risks, material assumptions and other factors that could influence actual results and which are incorporated herein by reference.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as

required by applicable law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Additional Information

Additional information about AutoCanada is available at the Company's website at www.autocan.ca and www.sedar.com.

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