

CAA Club Group

**Consolidated Financial Statements
December 31, 2025**

*Selected Financial Information only
Audited Consolidated Financial Statements are available upon request.*

CAA Club Group

Consolidated Statement of Financial Position

As at December 31

(in thousands of dollars)

	2025	2024
	\$	\$
Assets		
Cash and cash equivalents	384,169	305,745
Accounts receivable	20,515	31,233
Income taxes recoverable	805	6,089
Prepaid expenses and deposits	26,641	22,006
Deferred membership acquisition expenses	9,156	9,771
Investments (note 4)	1,860,593	1,715,543
Reinsurance contract assets (note 7)	949,662	708,069
Deferred income tax assets (note 13)	48,787	49,311
Investments in joint arrangements and associates	2,966	1,433
Property and equipment (note 8)	48,795	50,755
Right-of-use assets	10,799	12,788
Intangible assets (note 9)	112,058	110,861
Goodwill	29,753	29,753
Total assets	<u>3,504,699</u>	<u>3,053,357</u>
Liabilities		
Accounts payable and accrued liabilities	102,517	95,684
Income taxes payable	12,843	5,348
Insurance contract liabilities (note 7)	2,363,206	2,011,693
Contract liabilities (note 14)	144,835	139,427
Lease liabilities	12,859	14,292
Borrowings (note 15)	68,247	70,240
Other financial liabilities (note 15)	1,497	1,604
Deferred income tax liabilities (note 13)	557	3,935
Employee defined benefit liabilities, net (note 6)	8,502	16,784
Retirement benefits, other than pension (note 6)	10,766	11,104
Total liabilities	<u>2,725,829</u>	<u>2,370,111</u>
Surplus		
Surplus before accumulated other comprehensive income (loss)	747,179	665,855
Accumulated other comprehensive income (loss) (AOCI) (note 5)	(7,768)	(16,553)
Surplus attributable to members of CAA (note 10)	<u>739,411</u>	<u>649,302</u>
Non-controlling interest (NCI)	39,459	33,944
Total surplus	<u>778,870</u>	<u>683,246</u>
Total liabilities and surplus	<u>3,504,699</u>	<u>3,053,357</u>

CAA Club Group

Consolidated Statement of Income (Loss)

For the year ended December 31

(in thousands of dollars)

	2025	2024
	\$	\$
Contracts with customers		
Revenue from contracts with customers (note 14)	318,926	307,317
Other income	13,044	6,360
Total revenue and other income from contracts with customers	331,970	313,677
Member services expenses	202,520	200,826
Advertising and promotion expenses	36,905	37,968
Retail centres expenses	67,099	62,516
Administration expenses	78,169	74,543
Finance costs	815	820
Expenses from contracts with customers (note 12)	385,508	376,673
Net results from contracts with customers	(53,538)	(62,996)
Insurance		
Insurance contract revenue	2,653,677	2,354,831
Insurance service expenses (note 12)	2,528,764	2,230,745
Net expenses (income) from reinsurance contracts held	(34,430)	(14,761)
Insurance service result	159,343	138,847
Other insurance income (expenses)	1,287	(1,587)
Other insurance operating expenses (note 12)	51,749	76,807
Finance income (expense) from insurance contracts issued	(74,401)	(90,442)
Finance income (expense) from reinsurance contracts held	29,499	33,963
Net results from insurance	63,979	3,974
Net investment income (loss) (note 4)	106,915	130,250
Operating income (loss)	117,356	71,228
Income (loss) from equity investments in joint arrangements and associates	308	(683)
Net income (loss) before income taxes	117,664	70,545
Income taxes (note 13)		
Current	35,752	22,478
Deferred	(4,705)	599
Total income tax expense (recovery)	31,047	23,077
Net income (loss) for the year	86,617	47,468
Less: net income (loss) attributable to NCI	5,293	1,246
Net income (loss) attributable to members of CAA	81,324	46,222

CAA Club Group

Consolidated Statement of Comprehensive Income (Loss) For the year ended December 31

(in thousands of dollars)

	2025	2024
	\$	\$
Net income (loss) attributable to members of CAA	<u>81,324</u>	<u>46,222</u>
Other comprehensive income (loss) (OCI)		
Items that may be reclassified subsequently to net income (loss):		
Change in net unrealized gain (loss) on interest rate swap	107	(188)
Items that will not be reclassified subsequently to net income (loss):		
Remeasurement gain (loss) on employee defined benefit and post-retirement benefit plans, net of tax expense (recovery) of \$1,851 (2024 - (\$496))	<u>8,900</u>	<u>(1,169)</u>
Total OCI for the year	9,007	(1,357)
Less: OCI attributable to NCI	<u>222</u>	<u>34</u>
Total OCI attributable to members of CAA	8,785	(1,391)
Comprehensive income (loss) attributable to members of CAA	<u>90,109</u>	<u>44,831</u>

CAA Club Group

Consolidated Statement of Surplus (Deficit)

For the year ended December 31

(in thousands of dollars)

	Surplus before AOCI attributable to members of CAA \$	AOCI attributable to members of CAA \$	Surplus attributable to members of CAA \$	NCI \$	Total surplus \$
Balance as at January 1, 2025	665,855	(16,553)	649,302	33,944	683,246
Net income (loss)	81,324	-	81,324	5,293	86,617
OCI	-	8,785	8,785	222	9,007
Total comprehensive income (loss) for the year	81,324	8,785	90,109	5,515	95,624
Balance as at December 31, 2025	747,179	(7,768)	739,411	39,459	778,870
Balance as at January 1, 2024	619,633	(15,162)	604,471	32,664	637,135
Net income (loss)	46,222	-	46,222	1,246	47,468
OCI	-	(1,391)	(1,391)	34	(1,357)
Total comprehensive income (loss) for the year	46,222	(1,391)	44,831	1,280	46,111
Balance as at December 31, 2024	665,855	(16,553)	649,302	33,944	683,246

CAA Club Group

Consolidated Statement of Cash Flo

For the year ended December 31

(in thousands of dollars)

	2025 \$	2024 \$
Cash provided by (used in)		
Operating activities		
Net income (loss) attributable to members of CAA	81,324	46,222
Adjustments for:		
Amortization of property and equipment and intangible assets	29,702	27,348
Amortization of right-of-use assets	2,964	2,782
Finance costs	815	820
Income tax expense (recovery)	35,752	22,478
Deferred income tax expense (recovery)	(4,705)	599
Loss (gain) on sale of investments	(19,940)	(13,796)
Fair value losses (gains) on investments	(8,732)	(47,632)
Changes in employee defined benefit liabilities, net	1,727	1,342
Changes in retirement benefits, other than pension	237	240
Loss (gain) on sale of property, equipment and intangible assets, net	(2,372)	(204)
Loss (gain) on disposition of leases	-	103
Equity loss (income) from investments in joint arrangements and associates	(308)	683
NCI	5,293	1,246
Changes in non-cash working capital items (note 11)	129,153	172,131
	250,910	214,362
Income taxes refunded (paid), net	(23,100)	(14,436)
Cash provided by (used in) operating activities	227,810	199,926
Investing activities		
Purchase of investments	(1,278,173)	(1,101,583)
Proceeds from sale of investments	1,161,795	876,012
Purchase of shares in equity accounted investment	(1,225)	-
Purchase of property and equipment and intangible assets, net	(26,567)	(25,201)
Cash provided by (used in) investing activities	(144,170)	(250,772)
Financing activities		
Proceeds from borrowings	-	25,000
Repayment of borrowings	(1,993)	(3,321)
Payment of lease liabilities	(3,223)	(3,076)
Cash provided by (used in) financing activities	(5,216)	18,603
Increase (decrease) in cash and cash equivalents during the year	78,424	(32,243)
Cash and cash equivalents - beginning of year	305,745	337,988
Cash and cash equivalents - end of year	384,169	305,745
Cash and cash equivalents comprise:		
Cash	283,728	234,687
Short-term deposits	100,441	71,058
	384,169	305,745
Cash flow from operating activities include:		
Dividends received	3,325	5,011
Interest received	48,160	42,827
Interest paid	3,567	4,654
Distributions received	18,104	19,687