

CAA Club Group

**Consolidated Financial Statements
December 31, 2024**

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)

	2024	2023
	\$	\$
Assets		
Cash and cash equivalents	305,745	337,988
Accounts receivable	31,233	27,894
Income taxes recoverable	6,089	22,515
Prepaid expenses and deposits	22,006	20,321
Deferred membership acquisition expenses	9,771	11,254
Investments (note 4)	1,715,543	1,428,544
Reinsurance contract assets (note 7)	708,069	566,460
Deferred income tax assets (note 14)	49,311	54,244
Investments in joint arrangements and associates	1,433	2,116
Property and equipment (note 8)	50,755	50,965
Right-of-use assets	12,788	11,269
Intangible assets (note 9)	110,861	112,594
Goodwill (note 10)	29,753	29,753
Total assets	<u>3,053,357</u>	<u>2,675,917</u>
Liabilities		
Accounts payable and accrued liabilities	95,684	70,724
Income taxes payable	5,348	13,732
Insurance contract liabilities (note 7)	2,011,693	1,724,589
Contract liabilities (note 15)	139,427	134,431
Lease liabilities	14,292	12,144
Borrowings (note 16)	70,240	48,561
Other financial liabilities	1,604	1,416
Deferred income tax liabilities (note 14)	3,935	8,765
Employee defined benefit liabilities, net (note 6)	16,784	13,360
Retirement benefits, other than pension (note 6)	11,104	11,060
Total liabilities	<u>2,370,111</u>	<u>2,038,782</u>
Surplus		
Surplus before accumulated other comprehensive income (loss)	665,855	619,633
Accumulated other comprehensive income (loss) (AOCI) (note 5)	(16,553)	(15,162)
Surplus attributable to members of CAA (note 11)	<u>649,302</u>	<u>604,471</u>
Non-controlling interest (NCI)	33,944	32,664
Total surplus	<u>683,246</u>	<u>637,135</u>
Total liabilities and surplus	<u>3,053,357</u>	<u>2,675,917</u>

CAA Club Group

Consolidated Statement of Income (Loss)

For the year ended December 31

(in thousands of dollars)

	2024 \$	2023 \$
Contracts with customers		
Revenue from contracts with customers (note 15)	307,317	289,883
Other income	6,360	9,337
Total revenue and other income from contracts with customers	313,677	299,220
Member services expenses	200,826	185,820
Advertising and promotion expenses	37,968	33,932
Retail centres expenses	62,516	71,045
Administration expenses	74,543	92,125
Finance costs	820	677
Other expenses	-	2
Expenses from contracts with customers (note 13)	376,673	383,601
Net results from contracts with customers	(62,996)	(84,381)
Insurance		
Insurance contract revenue	2,354,831	1,950,054
Insurance service expenses (note 13)	2,230,745	1,923,278
Net expenses (income) from reinsurance contracts held	(14,761)	(11,935)
Insurance service result	138,847	38,711
Other insurance income (expenses)	(1,587)	3,701
Other insurance operating expenses (note 13)	76,807	70,215
Finance income (expense) from insurance contracts issued	(90,442)	(71,289)
Finance income (expense) from reinsurance contracts held	33,963	22,687
Net results from insurance	3,974	(76,405)
Net investment income (loss) (note 4)	130,250	97,667
Operating income (loss)	71,228	(63,119)
Income (loss) from equity investments in joint arrangements and associates	(683)	(1,989)
Net income (loss) before income taxes	70,545	(65,108)
Income taxes (note 14)		
Current	22,478	(8,013)
Deferred	599	(9,796)
Total income tax expense (recovery)	23,077	(17,809)
Net income (loss) for the year	47,468	(47,299)
Less: net income (loss) attributable to NCI	1,246	(4,068)
Net income (loss) attributable to members of CAA	46,222	(43,231)

CAA Club Group

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

(in thousands of dollars)

	2024	2023
	\$	\$
Net income (loss) attributable to members of CAA	<u>46,222</u>	<u>(43,231)</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	(188)	(2,598)
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 (\$496) (2023 - (\$1,707))	<u>(1,169)</u>	<u>(8,207)</u>
Total OCI for the year	(1,357)	(10,805)
Less: OCI attributable to NCI	<u>34</u>	<u>(297)</u>
Total OCI attributable to members of CAA	(1,391)	(10,508)
Comprehensive income (loss) attributable to members of CAA	<u>44,831</u>	<u>(53,739)</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, 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
Balance as at January 1, 2023	662,011	(3,801)	658,210	37,029	695,239
Net income (loss)	(43,231)	-	(43,231)	(4,068)	(47,299)
OCI	-	(10,508)	(10,508)	(297)	(10,805)
Total comprehensive income (loss) for the year	(43,231)	(10,508)	(53,739)	(4,365)	(58,104)
Transfer of re-measurement gain on pension plans to surplus before AOCI	853	(853)	-	-	-
Balance as at December 31, 2023	619,633	(15,162)	604,471	32,664	637,135

CAA Club Group

Consolidated Statement of Cash Flows

For the year ended December 31

(in thousands of dollars)

	2024	2023
	\$	\$
Cash provided by (used in)		
Operating activities		
Net income (loss) attributable to members of CAA	46,222	(43,231)
Adjustments for:		
Amortization of property and equipment and intangible assets	27,348	28,514
Amortization of right-of-use assets	2,782	2,914
Finance costs	820	677
Income tax expense (recovery)	22,478	(8,013)
Deferred income tax expense (recovery)	599	(9,796)
Loss (gain) on sale of investments	(13,796)	12,159
Fair value losses (gains) on investments	(47,632)	(55,620)
Changes in employee defined benefit liabilities, net	1,342	(1,082)
Changes in retirement benefits, other than pension	240	243
Loss (gain) on sale of property, equipment and intangible assets, net	(204)	192
Loss (gain) on disposition of leases	103	-
Equity loss (income) from investments in joint arrangements and associates	683	1,989
NCI	1,246	(4,068)
Changes in non-cash working capital items (note 12)	172,131	140,850
	214,362	65,728
Income taxes refunded (paid), net	(14,436)	28,269
Cash provided by (used in) operating activities	199,926	93,997
Investing activities		
Purchase of investments	(1,101,583)	(626,086)
Proceeds from sale of investments	876,012	629,551
Purchase of property and equipment and intangible assets, net	(25,201)	(27,787)
Cash provided by (used in) investing activities	(250,772)	(24,322)
Financing activities		
Proceeds from borrowings	25,000	20,000
Repayment of borrowings	(3,321)	(5,739)
Payment of lease liabilities	(3,076)	(3,292)
Cash provided by (used in) financing activities	18,603	10,969
Increase (decrease) in cash and cash equivalents during the year	(32,243)	80,644
Cash and cash equivalents - beginning of year	337,988	257,344
Cash and cash equivalents - end of year	305,745	337,988
Cash and cash equivalents comprise:		
Cash	234,687	249,272
Short-term deposits	71,058	88,716
	305,745	337,988
Cash flow from operating activities include:		
Dividends received	3,599	4,016
Interest received	46,051	31,186
Interest paid	4,654	1,599