

# **CAA Club Group**

Consolidated Financial Statements  
**December 31, 2023**

*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)

	2023	2022 (restated)	January 1, 2022 (restated)
<b>Assets</b>			
Cash and cash equivalents	\$ 339,760	\$ 256,800	\$ 352,239
Accounts receivable	30,312	25,012	11,805
Income taxes recoverable	22,515	29,249	5,624
Prepaid expenses and deposits	20,170	19,418	16,596
Deferred membership acquisition expenses (note 7)	11,254	11,207	10,602
Investments (note 5)	1,425,492	1,388,215	1,261,330
Reinsurance contract assets (note 9)	566,460	329,673	172,230
Deferred income tax assets (note 18)	54,244	48,990	50,756
Investments in joint arrangements and associates (note 10)	2,116	4,105	7,098
Property and equipment (note 11)	50,965	51,434	52,672
Right-of-use assets (note 12)	11,269	8,971	11,977
Intangible assets (note 13)	112,594	113,044	103,488
Other assets	3,052	333	59
Other financial assets (note 20)	-	1,182	-
Goodwill (note 14)	29,753	29,753	29,753
Total assets	<u>\$ 2,679,956</u>	<u>\$ 2,317,386</u>	<u>\$ 2,086,229</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 74,763	\$ 77,024	\$ 60,709
Income taxes payable	13,732	210	2,899
Insurance contract liabilities (note 9)	1,724,589	1,338,842	1,081,381
Contract liabilities (note 19)	134,431	130,667	126,283
Lease liabilities (note 12)	12,144	9,547	12,739
Borrowings (note 20)	48,561	34,300	40,100
Other financial liabilities (note 20)	1,416	-	527
Deferred income tax liabilities (note 18)	8,765	15,014	13,030
Employee defined benefit liabilities, net (note 8)	13,360	6,621	21,558
Retirement benefits, other than pension (note 8)	11,060	9,922	13,735
Total liabilities	<u>2,042,821</u>	<u>1,622,147</u>	<u>1,372,961</u>
<b>Surplus</b>			
Surplus before accumulated other comprehensive income	619,633	662,011	699,596
Accumulated other comprehensive loss (AOCI) (note 6)	(15,162)	(3,801)	(23,771)
Surplus attributable to members of CAA (note 15)	604,471	658,210	675,825
Non-controlling interest (NCI)	32,664	37,029	37,443
Total surplus	<u>637,135</u>	<u>695,239</u>	<u>713,268</u>
Total liabilities and surplus	<u>\$ 2,679,956</u>	<u>\$ 2,317,386</u>	<u>\$ 2,086,229</u>

# CAA Club Group

## Consolidated Statement of Income (Loss)

### For the year ended December 31

(in thousands of dollars)

	<b>2023</b>	<b>2022 (restated)</b>
<b>Contracts with customers</b>		
Revenue from contracts with customers (note 19)	\$ 289,883	\$ 273,217
Other income	9,337	5,805
Total revenue and other income from contracts with customers	299,220	279,022
Member services expenses	185,820	177,364
Advertising and promotion expenses	33,932	31,243
Retail centres expenses	71,045	69,747
Administration expenses	91,891	47,932
Finance costs	677	534
Other expenses	2	47
Expenses from contracts with customers (note 17)	383,367	326,867
<b>Net results from contracts with customers</b>	<b>(84,147)</b>	<b>(47,845)</b>
<b>Insurance</b>		
Insurance contract revenue	1,950,054	1,552,767
Insurance service expenses	1,923,278	1,448,287
Net expense (income) from reinsurance contracts held	(11,935)	(4,520)
Insurance service result	38,711	109,000
Other insurance income	3,548	74
Other insurance operating expenses (note 17)	70,206	72,190
Finance (expense) income from insurance contracts issued	(71,289)	11,918
Finance income from reinsurance contracts held	22,687	2,664
<b>Net results from insurance</b>	<b>(76,549)</b>	<b>51,466</b>
<b>Net investment income (loss) (note 5)</b>	<b>97,577</b>	<b>(55,453)</b>
<b>Operating loss</b>		
Loss from equity investments in joint arrangements and associates (note 10)	(1,989)	(2,748)
<b>Net loss before income taxes</b>	<b>(65,108)</b>	<b>(54,580)</b>
<b>Income taxes (note 18)</b>		
Current	(8,013)	(14,723)
Deferred	(9,796)	(1,434)
Total income tax recovery	(17,809)	(16,157)
<b>Net loss for the year</b>	<b>(47,299)</b>	<b>(38,423)</b>
Less: net loss attributable to NCI	(4,068)	(838)
<b>Net loss attributable to members of CAA</b>	<b>\$ (43,231)</b>	<b>\$ (37,585)</b>

# CAA Club Group

## Consolidated Statement of Comprehensive Income (Loss)

For the year ended December 31

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(in thousands of dollars)

	<u>2023</u>	<u>2022</u> <u>(restated)</u>
<b>Net loss attributable to members of CAA</b>	\$ (43,231)	\$ (37,585)
<b>Other comprehensive (loss) income (OCI)</b>		
Items that may be reclassified subsequently to net income:		
Change in net unrealized (loss) gain on interest rate swap	(2,598)	1,708
Items that will not be reclassified subsequently to net income:		
Remeasurement gain on employee defined benefit and post-retirement benefit plans, net of tax recovery of \$1,707 (2022 - \$5,184 tax expense)	(8,207)	18,686
<b>Total OCI for the year</b>	(10,805)	20,394
Less: other comprehensive (loss) income attributable to NCI	(297)	424
<b>Total OCI attributable to members of CAA</b>	(10,508)	19,970
<b>Comprehensive loss attributable to members of CAA</b>	<u>\$ (53,739)</u>	<u>\$ (17,615)</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
<b>Balance as at January 1, 2023</b>	\$ 662,011	\$ (3,801)	\$ 658,210	\$ 37,029	\$ 695,239
Net loss	(43,231)	-	(43,231)	(4,068)	(47,299)
OCI	-	(10,508)	(10,508)	(297)	(10,805)
Total comprehensive loss for the year	(43,231)	(10,508)	(53,739)	(4,365)	(58,104)
Transfer of re-measurement gain on pension plans to retained earnings	853	(853)	-	-	-
<b>Balance as at December 31, 2023</b>	<b>\$ 619,633</b>	<b>\$ (15,162)</b>	<b>\$ 604,471</b>	<b>\$ 32,664</b>	<b>\$ 637,135</b>
<b>Balance as at January 1, 2022 as originally presented</b>	<b>\$ 675,472</b>	<b>\$ (23,771)</b>	<b>\$ 651,701</b>	<b>\$ 35,519</b>	<b>\$ 687,220</b>
Adjustments on initial application of IFRS 17, net of tax expenses of \$9,528 (note 2)	24,124	-	24,124	1,924	26,048
<b>Restated balance as of January 1, 2022</b>	<b>699,596</b>	<b>(23,771)</b>	<b>675,825</b>	<b>37,443</b>	<b>713,268</b>
Net loss	(37,585)	-	(37,585)	(838)	(38,423)
OCI	-	19,970	19,970	424	20,394
Total comprehensive (loss) income for the year	(37,585)	19,970	(17,615)	(414)	(18,029)
<b>Restated balance as at December 31, 2022</b>	<b>\$ 662,011</b>	<b>\$ (3,801)</b>	<b>\$ 658,210</b>	<b>\$ 37,029</b>	<b>\$ 695,239</b>

# CAA Club Group

## Consolidated Statement of Cash Flows

### For the year ended December 31

(in thousands of dollars)

	<b>2023</b>	<b>2022</b> <b>(restated)</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss attributable to members of CAA	\$ (43,231)	\$ (37,585)
Adjustments for:		
Amortization of property and equipment and intangible assets	28,514	24,701
Amortization of right-of-use assets	2,914	3,013
Finance costs	677	534
Income tax recovery	(8,013)	(14,723)
Deferred income tax recovery	(9,796)	(1,434)
Loss on sale of investments	12,159	6,017
Fair value (gains) losses on investments	(52,901)	87,081
Changes in employee defined benefit liabilities, net	(1,082)	1,463
Changes in retirement benefits, other than pension	243	425
Loss on sale of property, equipment and intangible assets, net	192	1,586
Loss on disposition of leases	-	139
Equity loss from investments in joint arrangements and associates	1,989	2,748
NCI	(4,068)	(838)
Changes in non-cash working capital items (note 16)	140,447	107,127
	<u>68,044</u>	<u>180,254</u>
Income taxes refunded (paid), net	28,269	(12,085)
Cash provided by operating activities	<u>96,313</u>	<u>168,169</u>
<b>Investing activities</b>		
Purchase of investments	(626,086)	(671,824)
Proceeds from sale of investments	629,551	451,841
Dividends received	-	245
Purchase of property and equipment and intangible assets, net	(27,787)	(34,198)
Cash used in investing activities	<u>(24,322)</u>	<u>(253,936)</u>
<b>Financing activities</b>		
Proceeds from (repayment of) borrowings	14,261	(5,800)
Payment of lease liabilities	(3,292)	(3,872)
Cash provided by (used in) financing activities	<u>10,969</u>	<u>(9,672)</u>
<b>Increase (decrease) in cash and cash equivalents during the year</b>	82,960	(95,439)
<b>Cash and cash equivalents - beginning of year</b>	<u>256,800</u>	<u>352,239</u>
<b>Cash and cash equivalents - end of year</b>	<u>339,760</u>	<u>256,800</u>
<b>Cash and cash equivalents comprise</b>		
Cash	251,044	199,844
Short-term deposits	88,716	56,956
	<u>\$ 339,760</u>	<u>\$ 256,800</u>
<b>Cash flow from operating activities include:</b>		
Interest received	31,186	28,300