

AutoCanada Acquires Illinois Based Grossinger Auto Group

*Company adds eight dealerships in Metro Chicago plus six luxury/premium brands
in auto mall in nearby Bloomington/Normal, IL*

Edmonton and Chicago, March 22, 2018 – AutoCanada (TSX:ACQ) (or the “Company”) today announced it has entered into a definitive agreement to purchase Grossinger Auto Group (“Grossinger”), a successful family business that has been retailing new and used vehicles in Illinois for 90 years. Grossinger generated revenue of US\$401 million (C\$513 million) in 2017 from dealerships representing 11 different manufacturers. The acquisition includes eight metro dealerships in Chicagoland, selling and servicing five different brands. The agreement also includes six luxury and premium brands in an auto mall under one roof in Bloomington/Normal, Illinois, approximately a two-hour drive southwest of Chicago. The acquisition diversifies the AutoCanada portfolio adding four new brands – Toyota, Honda, Lincoln and Volvo – and extends its geographical presence into the U.S. for the first time.

Transaction Rationale

The U.S. market provides AutoCanada with highly attractive growth opportunities. While AutoCanada broadens its relationships in the U.S., the current growth strategy and performance strength in Canada remains on track. Grossinger offers well established assets, a large customer base and significant potential benefit that could be realized through the implementation of enhanced marketing and customer relationship management practices.

“This is a pivotal move for AutoCanada as this U.S. acquisition broadens our geographical reach and brand diversification through adding a combination of domestic, import and luxury dealerships to our portfolio,” said Steven Landry, President & CEO. “This is exactly the kind of acquisition that will be instrumental to accelerating our growth. It is a well-established business that is immediately accretive to our earnings and brings new valuable OEM relationships. Acquiring a cluster of dealerships in Chicago gives us a significant presence in a major urban market and follows our pattern of success in Canada.”

“My business partner and co-president of the Grossinger Auto Group, Gary and I have always had tremendous passion for our business and a deep appreciation for our outstanding personnel and loyal customers,” stated Caroline Grossinger. “Once we decided to sell our business we needed to ensure we found a purchaser who was aligned with our priorities of providing employee security, continuity of our community relationships, and our focus on the customer experience. We were able to find those priorities within the AutoCanada team. We are looking forward to the franchises operating under the very successful AutoCanada team with much success and prosperity in the future.”

Platform Leadership

A majority of the acquired dealerships will continue to operate under the Grossinger name and local store leadership and staff will be encouraged to remain, ensuring continuity in each dealership. As is the case in Canada, success in U.S. automotive retailing is enhanced through longstanding relationships with customers who have been well-served by local dealers.

AutoCanada has existing senior management talent with prior experience in the U.S. which it will draw from to build on the continued success of the Grossinger business. Mr. Richard Zanetti, an experienced dealer operator from New York, will oversee the platform of dealerships. Mr. Zanetti currently leads AutoCanada’s dealership platform in Calgary, Alberta and will relocate to Chicago to manage the newly

acquired group. Mr. Zanetti will also have a localized U.S. management team in the Chicago area to assist in operating the dealerships.

Mr. Landry also has extensive U.S. automotive experience, having spent 12 years in Detroit working with Fiat Chrysler Automobiles (FCA) leading U.S. sales and marketing, including direct oversight of corporately owned retail dealerships. Mr. Landry is a dual American-Canadian citizen and will be the responsible executive for the dealerships.

Transaction Details

AutoCanada will pay approximately C\$110 million (US\$86 million) for Grossinger and will finance the transaction through a combination of funds drawn on the recently announced syndicated credit facility and payments received from the Company's recent divestiture of dealerships in Canada. The acquisition is subject to customary conditions and is expected to close in the second quarter of 2018.

Additional Information on the Grossinger Auto Group

Grossinger is the oldest and longest continuously operated automotive retailer in Illinois, operating with 200 service bays across the platform and employing over 700 people. In 2017, the acquired dealerships sold 7,626 new vehicles and 7,304 used vehicles.

The acquired dealerships are in and around the metropolitan Chicago area:

Chicago Metro

- Grossinger City Autoplex (Chevrolet & Cadillac)
- Grossinger City Toyota
- North City Honda (formerly Grossinger Honda)

Lincolnwood, IL

- Grossinger Toyota North
- Grossinger Hyundai North
- Grossinger Kia

Palatine, IL

- Grossinger Chevrolet Palatine
- Grossinger Hyundai Palatine

Bloomington/Normal, IL

- Audi, Lincoln, Mercedes-Benz, Subaru, Volvo, Volkswagen

Additional Information on Chicagoland

The Chicago metropolitan area, or Chicagoland, is the third largest metropolitan area in the US, with a population estimated at 9.4 million people. It is the main driver of economic growth in Illinois, accounting for over 80 per cent of overall activity in the state. Metropolitan Chicago accounts for more than 25 per cent of overall economic activity in the Great Lakes region. The Chicago region is the third largest retail auto market in the US.

Conference Call and Investor Presentation

A conference call to discuss this transaction will be held on March 22, 2018 at 12:00 pm ET (11:00 am CT, 10:00 am MT). To participate in the conference call, please dial 888.231.8191 approximately 10 minutes prior to the call. An investor presentation will be referenced during the conference call and is available on the AutoCanada website at: <http://www.autocan.ca/investors/presentations-events.htm>.

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

About AutoCanada

AutoCanada is Canada's largest multi-location automobile dealership group by volume, currently operating 54 franchised dealerships, comprised of 62 franchises, in eight provinces and has over 3,500 employees. AutoCanada currently sells Chrysler, Dodge, Jeep, Ram, FIAT, Alfa Romeo, Chevrolet, GMC, Buick, Cadillac, Infiniti, Nissan, Hyundai, Subaru, Mitsubishi, Audi, Volkswagen, Kia, Mazda, Mercedes-Benz, Smart, BMW and MINI branded vehicles. In 2017, the Company's dealerships sold approximately 63,000 vehicles and processed approximately 870,000 service and collision repair orders in our 999 service bays generating revenue in excess of C\$3 billion.

Forward Looking Statements

Certain statements contained in this news 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 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" 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 release.

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

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