



Canadian Tire Corporation completes strategic review of its Financial Services business

Company will retain 100% ownership, cementing strategic flexibility to scale Triangle Rewards

Toronto, December 6, 2024 – Canadian Tire Corporation, Limited (TSX: CTC) (TSX: CTC.A) (CTC or the Company) has completed the assessment of strategic alternatives for Canadian Tire Financial Services (CTFS or the Bank). CTC will retain 100% ownership of the Bank.

The Company explored options with a range of interested parties, including several of Canada's leading financial services companies, and has chosen a path which builds upon the Bank's strong return profile and meaningful earnings stream, and maximizes its contribution to CTC's retail portfolio. As CTC scales the Triangle Rewards loyalty program, CTFS will continue to add value through its relationship with Triangle credit card holders and its lens on the Canadian consumer.

"The review underscored that Canadian Tire is uniquely positioned to maximize the Bank's long-term financial and strategic potential," said Greg Hicks, President and CEO, Canadian Tire Corporation. "Having reviewed the alternatives, we have gained insights that will make us an even better bank owner, with confidence that this is the optimal path for shareholder value creation, including through a scaled loyalty program.

"Retaining the Bank cements our flexibility to drive value to our retail businesses and pursue partnerships that will make Triangle Rewards membership more rewarding every day, in our stores and beyond. We are actively engaged in conversations with several of Canada's largest brands about loyalty partnerships that are expected to broaden the value of Triangle Rewards – giving more Canadians more reasons to shop with us."

The Company is expanding its retail ecosystem around Triangle Rewards, powered by its store banners and bank, as well as strategic loyalty partners like Petro-Canada – which allows Triangle members to earn eCTM outside CTC channels, every day.

Triangle Rewards is the cornerstone of the Company's customer-focused retail strategy. The program uses insights, strategic offers and Canadian Tire Money (eCTM) to reward and engage more than 11 million loyalty members. CTFS distributes approximately 75% of all eCTM through its relationship with 2.3 million members who carry Triangle credit cards. Engaged Triangle Rewards members spend more than twice as much as non-members on average. Triangle credit card holders represent some of CTC's most engaged customers.

Canadian Tire Financial Services has been integrated with CTC's retail business and customers for nearly three decades. It provides a competitive advantage – acquiring new accounts and issuing eCTM to loyal customers. The Company's strategic review highlighted CTFS' differentiated capabilities for assessing and managing credit card risk.

Over the last 10 years, the number of Triangle credit card holders has increased from 1.8 million to 2.3 million, and average receivables have grown by more than 65% to approximately \$7.3 billion at the end of Q3 2024. In 2023, the CTFS business ranked as Canada's seventh largest

issuer of credit cards by receivables outstanding, generating \$385 million of income before income taxes.

FINANCIAL CONSIDERATIONS

In conjunction with the announcement, CTC confirmed its intention to substantially reduce the borrowings associated with its October 2023 repurchase of 20% of the Canadian Tire Financial Services business through the significant improvement in cash from operations to the end of Q3 2024 and the \$258 million proceeds from the sale of a Brampton industrial property announced on November 15, 2024.

CTFS' existing committed credit facility of \$1.1 billion remains in place until April 2025 and the Company is exploring alternatives to replace the facility at maturity.

FORWARD-LOOKING INFORMATION

This press release contains forward-looking information within the meaning of applicable securities laws. All statements other than statements of historical facts contained in this press release may constitute forward-looking information, including, but not limited to, statements concerning: ownership and operation of CTFS; potential loyalty partnerships; reducing borrowings associated with the repurchase of the CTFS business; and CTFS' committed credit facility. CTC has provided these forward-looking statements for the purpose of presenting information about management's current expectations and plans, which allows investors and others to better understand the Company's anticipated financial position, results of operations and operating environment. Readers are cautioned that these statements may not be appropriate for other purposes. Forward-looking information is based on the reasonable assumptions, estimates, analyses, beliefs and opinions of management, made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable at the date that such information is disclosed. Forward-looking information is necessarily subject to a number of business, economic, competitive and other risk factors that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking information. For information on the material risk factors and uncertainties and the material factors and assumptions applied in preparing the forward-looking information that could cause CTC's actual results to differ materially from predictions, forecasts, projections, expectations or conclusions, refer to section 13.0 (Forward-Looking Information and Other Investor Communications) of the Third Quarter 2024 Management's Discussion and Analysis as well as CTC's other public filings, available at <https://www.sedarplus.com> and at <https://investors.canadiantire.ca>. CTC does not undertake to update any forward-looking information, whether written or oral, that may be made from time to time by it or on its behalf, to reflect new information, future events or otherwise, except as is required by applicable securities laws.

ABOUT CANADIAN TIRE CORPORATION

Canadian Tire Corporation, Limited, (TSX: CTC.A) (TSX: CTC) (or “CTC”), is a group of companies that includes a Retail segment, a Financial Services division and CT REIT. Our retail business is led by Canadian Tire, which was founded in 1922 and provides Canadians with products for life in Canada across its Living, Playing, Fixing, Automotive and Seasonal & Gardening divisions. Party City, PartSource and Gas+ are key parts of the Canadian Tire network. The Retail segment also includes Mark's, a leading source for casual and industrial wear; Pro Hockey Life, a hockey specialty store catering to elite players; and SportChek, Hockey Experts, Sports Experts and Atmosphere, which offer the best active wear brands. The Company's close to 1,700 retail and gasoline outlets are supported and strengthened by CTC's Financial Services division and the tens of thousands of people employed across Canada and around the world by CTC and its local dealers, franchisees and petroleum retailers. In addition, CTC owns and operates Helly Hansen, a leading technical outdoor brand based in Oslo, Norway. For more information, visit Corp.CanadianTire.ca.

FOR MORE INFORMATION

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