

Canlan Reports Record Q3 Results and Continues Quarterly Dividend

Burnaby, British Columbia--(Newsfile Corp. - November 14, 2018) - Canlan Ice Sports Corp. (TSX: ICE) (the "Corporation") today reported its financial results for the third quarter ended September 30, 2018.

Highlights:

- Record Q3 revenue of \$18.3 million, increased by \$0.9 million or 5.2% compared to 2017;
- Operating expenses of \$15.8 million decreased by \$0.2 million or 1.0%. Savings were achieved through a combination of selling cost efficiencies and continued reduction of utilities consumption through energy management initiatives; and
- EBITDA of \$1.1 million increased by \$0.9 million compared to the prior year.

Three Months and Nine Months Ended September 30, 2018 Results

| <i>(in thousands)</i> | For the 3 months ended September 30 | | For the 9 months ended September 30 | |
|---------------------------------|--|-----------|--|----------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenue | \$18,272 | \$17,370 | \$62,839 | \$61,133 |
| Operating expense | 15,834 | 15,998 | 49,512 | 49,999 |
| | 2,438 | 1,372 | 13,327 | 11,134 |
| G&A expense | 1,332 | 1,144 | 4,190 | 3,845 |
| EBITDA ¹ | \$1,106 | \$228 | \$9,137 | \$7,289 |
| EBITDA per share | \$0.08 | \$0.02 | \$0.69 | \$0.55 |
| Depreciation | 1,703 | 1,699 | 5,153 | 5,245 |
| Interest | 526 | 544 | 1,544 | 1,606 |
| Gain on interest rate swap | (228) | (542) | (361) | (942) |
| Loss (gain) on foreign exchange | 18 | 17 | (27) | 27 |
| Gain on sale of assets | (1) | (1) | (5) | (7) |
| Income tax expense (recovery) | (188) | (324) | 614 | 237 |
| Net earnings (loss) | (\$724) | (\$1,165) | \$2,219 | \$1,123 |
| Net earnings (loss) per share | (\$0.05) | (\$0.09) | \$0.17 | \$0.08 |

¹ Earnings before interest, taxes, depreciation and amortization (EBITDA) is often used as a measure of financial performance. However, EBITDA is not a term that has specific meaning in accordance with IFRS, and may be calculated differently by other companies. Canlan reconciles EBITDA to its net earnings.

Key Balance Sheet Figures *(in thousands)*:

| | September 30, 2018 | December 31, 2017 |
|--|--------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$15,961 | \$18,629 |
| Property plant and equipment | 98,868 | 98,596 |
| Investment properties | 557 | 550 |
| Other assets | 9,023 | 7,945 |
| Total assets | \$124,409 | \$125,720 |
| Liabilities and Equity | | |
| Interest bearing debt | \$53,512 | \$56,020 |
| Accounts payable and accrued liabilities | 10,916 | 10,105 |
| Deferred revenue | 11,888 | 13,209 |
| Other liabilities | 1,336 | 1,188 |
| Total liabilities | 77,652 | 80,522 |
| Share capital and contributed surplus | 63,652 | 63,652 |
| Foreign currency translation reserve | 2,639 | 2,365 |
| Deficit | (19,534) | (20,819) |
| Total shareholders' equity | 46,757 | 45,198 |
| Total liabilities and equity | \$124,409 | \$125,720 |

Third Quarter Results

(three months ended September 30, 2018 compared with three months ended September 30, 2017)

- Total revenue of \$18.3 million increased by \$0.9 million or 5.2% compared to 2017 due to sales growth in contract ice rentals, tournament operations, summer youth programs, and restaurant sales;
- Total direct operating costs of \$15.8 million decreased moderately by \$0.2 million or 1.0% compared to 2017 mainly due to increased energy efficiencies and reduced selling costs;
- Quarterly EBITDA of \$1.1 million increased by \$0.9 million compared to 2017; and
- After recording \$1.8 million of depreciation, interest, valuation gain on derivatives, foreign exchange differences, and income tax recovery, net loss for the period was \$0.7 million compared to \$1.2 million a year ago.

Nine Months Ended September 30, 2018 Results

(nine months ended September 30, 2018 compared with nine months ended September 30, 2017)

- Total revenue of \$62.8 million increased by \$1.7 million or 2.8% compared to the prior year;
- While participation in summer youth and adult hockey leagues were lower than expected, tournament operations experienced strong growth and restaurant sales benefited from the increased tournament traffic;
- Total direct operating expense of \$49.5 million decreased by \$0.5 million or 1.0% from a year ago mainly due to lower utilities expenses and overall efficiencies achieved in labour structure and marketing costs;
- EBITDA of \$9.1 million increased by \$1.8 million or 25.4% compared to the prior year; and
- After recording \$6.9 million of depreciation, interest, valuation gain on derivatives, foreign exchange differences, and income tax expense, net earnings for the period was \$2.2 million compared to \$1.1 million a year ago.

"We saw strong growth in summer camp and tournament participation, which helped augment our revenue during the seasonally slower months," said Canlan's CEO, Joey St-Aubin. "In addition, food and beverage operations directly benefited from the increased traffic in many of our facilities. Our restaurants' new menu has also helped increase sales and we continue to roll out the refreshed brand through the remainder of 2018."

"During the quarter, we continued to focus on cost management and completed important infrastructure projects that will create further cost efficiencies and improve the overall experience for our customers," added Canlan's CFO, Ivan Wu.

Dividend Policy

Canlan's Board of Directors has approved the continuation of the Corporation's quarterly dividend policy and declared eligible dividends totaling \$0.025 per common share that will be paid on January 16, 2019 to shareholders of record at the close of business December 31, 2018. Canlan's Board of Directors reviews the Corporation's dividend policy on a quarterly basis. Canlan's dividend is designated as an "eligible" dividend under the Income Tax Act (Canada) and corresponding provincial legislation. Under this legislation, individuals resident in Canada may be entitled to enhanced dividend tax credits, which reduce income tax otherwise payable.

Filings

Canlan's financial statements and Management's Discussion & Analysis for the period ended September 30, 2018 will be available via SEDAR on or before November 14, 2018 and through the Company's website, www.icesports.com.

About Canlan

Canlan Ice Sports Corp. is the North American leader in the development, operations and ownership of multi-purpose recreation and entertainment facilities. We are the largest private sector owner and operator of recreation facilities in North America and currently own, lease and/or manage 20 facilities in Canada and the United States with 57 ice surfaces, as well as five indoor soccer fields, and 15 sport, volleyball, and basketball courts. To learn more about Canlan please visit www.icesports.com.

Canlan Ice Sports Corp. is listed on the Toronto Stock Exchange under the symbol "ICE."

Caution concerning forward-looking statements

Certain statements in this news release may constitute "forward looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this news release, such statements may use such words as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this news release. These forward-looking statements involve a number of risks and uncertainties. Some of the factors that could cause actual results to differ materially from those expressed in or underlying such forward-looking statements are the effects of, as well as changes in: international, national and local business and economic conditions; political or economic instability in the Corporation's markets; competition; legislation and governmental regulation; and accounting policies and practices. The foregoing list of factors is not exhaustive.

For more information:

Canlan Ice Sports Corp.
Ivan Wu
CFO
604 736 9152