

# Canlan Reports Record High Q3 Revenue and Continues Quarterly Dividend

Burnaby, British Columbia--(Newsfile Corp. - November 13, 2024) - Canlan Ice Sports Corp. (TSX: ICE) (the "Company" or "Corporation") today reported its financial results for the third quarter ended September 30, 2024.

## Overview of Q3 2024

- Total operating revenue of \$20.0 million (a record high for Q3) increased by \$2.7 million or 15.7% compared to a year ago;
- Operating loss was \$0.7 million compared to a loss of \$3.3 million in 2023;
- The Company continued to invest in capital projects to enhance customer experience and to expand the Company's activity offerings. These projects were completed or close to completion during the quarter and include the construction of new golf/sports simulators at the Scotia Barn and Canlan Sports York facilities, the renovation of the Canlan Sports York sports bar, and the addition of new soccer pitches at Canlan Sports Libertyville; and
- The Company also continued its quarterly dividend policy with the declaration of eligible dividends of \$0.03 per common share that will next be paid on January 15, 2025 to shareholders of record at the close of business December 31, 2024.

## Three Months and Nine Months Ended September 30, 2024 Results

<i>(in thousands)</i>	For the 3 months ended September 30		For the 9 months ended September 30	
	2024	2023	2024	2023
Ice rink & recreational facilities revenue	\$ 19,958	\$ 17,246	\$ 67,992	\$ 61,534
Operating expense	17,887	18,330	51,779	48,853
	2,071	(1,084)	16,213	12,681
G&A expense	2,801	2,197	7,705	6,283
Operating earnings (loss) <sup>1</sup>	(\$730)	(\$3,281)	\$ 8,508	\$ 6,398
Operating earnings (loss) per share	(\$0.05)	(\$0.25)	\$ 0.64	\$ 0.48
Depreciation	1,858	1,908	5,594	5,750
Interest	510	612	1,752	1,530
Interest rate swap (gain) loss	1,075	(700)	773	(1,227)
Foreign exchange (gain) loss	1	(6)	(3)	(5)
Gain on sale of assets	(9)	-	(9)	(10)
Income tax recovery	(1,545)	(1,243)	(39)	(35)
Net earnings (loss)	(\$2,620)	(\$3,852)	\$ 440	\$ 395
Net earnings (loss) per share	(\$0.20)	(\$0.29)	\$ 0.03	\$ 0.03

## Key Balance Sheet Figures *(in thousands)*:

	September 30, 2024	December 31, 2023
<b>Assets</b>		
Cash and cash equivalents	\$ 17,800	\$ 19,029
Property plant and equipment	94,870	93,328
Other assets	11,549	9,642
<b>Total assets</b>	\$ 124,219	\$ 121,999
<b>Liabilities and Equity</b>		
Debt	\$ 41,503	\$ 42,948
Lease liabilities	7,650	6,327
Accounts payable and accrued liabilities	13,135	11,742
Deferred revenue	13,894	14,425
Other liabilities	3,452	1,901
<b>Total liabilities</b>	<b>79,634</b>	<b>77,343</b>
Share capital and contributed surplus	63,652	63,652
Foreign currency translation reserve	3,521	2,832
Deficit	(22,588)	(21,828)
<b>Total shareholders' equity</b>	<b>44,585</b>	<b>44,656</b>

Total liabilities and equity	\$	124,219	\$	121,999
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"Summer revenue from our leagues, tournaments, surface rentals, and food and beverage exceeded expectations, thanks to the dedicated efforts of our team members across all facilities. Through timely, targeted marketing and exceptional customer service, we saw strong engagement," said Canlan's President & CEO, Joey St-Aubin. "I'm particularly encouraged by the significant growth in teams playing in our Adult Safe Hockey League (ASHL) this fall/winter season. Additionally, our customers are thrilled about the completion or near-completion of three major projects planned in 2024:

1. The new Game Deck Interactive Sports (golf and sports simulators) at Canlan Sports - Scotia Barn and Canlan Sports - York;
2. A substantial renovation at Canlan Sports - Libertyville, doubling our indoor turf capacity from two to four turf surfaces; and
3. A complete refresh of our restaurant and sports bar at Canlan Sports - York.

These projects are strategically designed to broaden our activity offerings, and enhance the customer experience across our sports complexes."

### Third Quarter Results

*(three months ended September 30, 2024 compared with three months ended September 30, 2023)*

- Total operating revenue of \$20.0 million increased by \$2.7 million or 15.7% compared to 2023. Pricing and volume growth in summer hockey leagues, third-party surface rentals, and tournament activity were key drivers of the increase. This in turn, elevated restaurant and concession traffic, which resulted in increased food and beverage revenue by 11.6%;
- Total operating expenses (which include the Company's roof remediation program costs) of \$17.9 million decreased by \$0.4 million or 2.4% mainly due to a reduction in repair and maintenance costs due to timing of projects. Maintenance costs incurred during the quarter mainly related to the Company's roof remediation program and projects to improve dressing rooms, playing surfaces and parking lots;
- Operating earnings before G&A expenses, excluding roof remediation costs, were \$4.4 million compared to \$2.1 million in 2023;
- Total G&A expenses of \$2.8 million increased by \$0.6 million or 27.5% mainly due to increased provisions related to the Company's long-term incentive compensation plan (LTIP) and retirement compensation for a member of the senior management team;
- After G&A, operating loss was \$0.7 million compared to \$3.3 million in 2023; and
- After recording depreciation expense of \$1.9 million, finance costs of \$0.5 million, interest rate swap contract valuation loss of \$1.1 million, and income tax recovery of \$1.5 million, net loss for the quarter was \$2.6 million or \$0.20 per share compared to a loss of \$3.9 million or \$0.29 per share in the prior year.

### Nine Months Ended September 30, 2024 Results

*(nine months ended September 30, 2024 compared with nine months ended September 30, 2023)*

- Total operating revenue of \$68.0 million increased by \$6.5 million or 10.5% principally due to increased adult hockey league registrations, higher third-party surface rentals, growth in tournament registrations and food and beverage revenue;
- Total operating expenses of \$51.8 million increased by \$2.9 million or 6.0% mainly due to increased labour and other expenses to service higher customer volumes, increased utilities, and

property tax expenses;

- Earnings before G&A expenses, excluding roof remediation costs, were \$19.4 million compared to \$16.2 million in 2023;
- Total G&A expenses of \$7.7 million increased by \$1.4 million or 22.6% mainly due to increased accounting accruals related to retirement compensation for a member of the senior management team, and the Company's LTIP;
- Operating earnings before interest, depreciation and taxes was \$8.5 million compared to \$6.4 million in 2023; and
- After recording depreciation expense of \$5.6 million, net finance costs of \$1.8 million, mark-to-market loss of \$0.8 million from a change in the value of interest rate swap contracts, and income tax recovery of \$39,000, net earnings were \$0.4 million or \$0.03 per share, consistent with the prior year.

## Dividend Policy

Canlan's Board of Directors has approved the continuation of the Corporation's quarterly dividend policy. As such, the Board declares eligible dividends totaling \$0.03 per common share that will next be paid on January 15, 2025 to shareholders of record at the close of business December 31, 2024. 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 any 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 quarter ended September 30, 2024 will be available via SEDAR+ on or before November 14, 2024 and through the Company's website, [www.canlansports.com](http://www.canlansports.com).

## About Canlan

Canlan Ice Sports Corp. (operating as Canlan Sports) is the North American leader in the ownership, operations and programming of multi-purpose recreation and entertainment facilities. We currently own, lease and/or manage 16 facilities in Canada and the United States with 48 ice surfaces, as well as five indoor soccer fields, and 20 sport, volleyball, and basketball courts. To learn more about Canlan please visit [www.canlansports.com](http://www.canlansports.com).

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

## Caution concerning forward-looking information

*This News Release may contain information that constitutes "forward-looking" information within the meaning of applicable securities laws. Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budgets", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information in this press release includes, but is not limited to, anticipated benefits of capital expenditures (including energy efficiencies and enhanced customer experiences) and expectations of business growth. 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 subject to various known and unknown risks and uncertainties, many of which are beyond the ability of Canlan to control or predict, that may cause Canlan's actual results, performance or achievements to be materially different from those expressed or implied thereby. Material risk factors that could cause actual results to differ materially from the forward-looking information provided herein include those factors identified in Canlan's public disclosure file available at [www.sedarplus.ca](http://www.sedarplus.ca) and, in particular, the risk factors set out under the heading "Risk Factors" in the Company's MD&A available for review on the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca). Such forward-looking information represents management's best judgment based on information currently available. Accordingly, readers are advised not to place undue reliance on forward-looking information. The forward-looking information herein is made as of the date of this press release only, and the Company does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable securities law.*

**For more information:**

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<sup>1</sup> Operating earnings is defined as earnings after general and administrative expenses and before interest, depreciation, foreign currency exchange, gain on assets sold and income tax. However, operating earnings is not a term that has specific meaning in accordance with IFRS, and may be calculated differently by other companies. Canlan reconciles operating earnings to its net earnings.



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