



Condensed Consolidated Interim Financial Statements

**CANLAN ICE SPORTS CORP.**

For the three and nine months ended September 30, 2025 and 2024

(Unaudited)

***Notice of no auditor review of condensed consolidated interim financial statements***

*The accompanying condensed consolidated interim financial statements of the Company, as at and for the three and nine months ended September 30, 2025 and 2024 have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by the entity's auditor.*

# CANLAN ICE SPORTS CORP.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in thousands of dollars)

	September 30, 2025		December 31, 2024
	(unaudited)		(audited)
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 14,586	\$	21,677
Accounts receivable	3,499		3,300
Inventory	655		637
Prepaid and other expenses	2,260		1,636
	21,000		27,250
Non-current assets:			
Property, plant and equipment – facilities (note 4)	94,944		97,679
Deferred tax assets (note 10)	4,949		4,608
Other assets	1,032		965
	100,925		103,252
	\$ 121,925	\$	130,502
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 13,082	\$	15,249
Deferred revenue and customer deposits	14,950		14,455
Current portion of:			
Lease liabilities (note 5)	1,114		781
Debt (note 6(a))	2,089		2,041
	31,235		32,526
Non-current liabilities:			
Lease liabilities (note 5)	7,610		6,697
Debt (note 6(a))	38,601		38,954
Other long-term liabilities (note 8)	1,503		2,015
Deferred tax liabilities (note 10)	974		942
Interest rate swap (notes 6(b) and 11(a))	688		550
	49,376		49,158
<b>Total liabilities</b>	<b>80,611</b>		<b>81,684</b>
Shareholders' equity:			
Share capital (note 7)	63,109		63,109
Contributed surplus	543		543
Foreign currency translation reserve	4,607		5,794
Deficit	(26,945)		(20,628)
	41,314		48,818
	\$ 121,925	\$	130,502

Nature of operations (note 1)

Commitments and contingencies (note 9)

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Approved on behalf of the Board:

/s/ Victor D'Souza

Director

/s/ Joey St-Aubin

Director

# CANLAN ICE SPORTS CORP.

Condensed Consolidated Interim Statements of Earnings (loss) and Comprehensive Income (loss)  
(Unaudited)

(Expressed in thousands of dollars, except for share and per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>Revenue:</b>				
Ice rink and recreational facilities (note 14)	\$ 21,140	\$ 19,958	\$ 72,614	\$ 67,992
<b>Expenses (note 16):</b>				
Ice rink and recreational facilities:				
Salaries, wages and benefits (note 17(a))	8,216	7,791	25,710	24,270
Selling and customer service (note 17(a))	3,237	2,922	9,966	8,808
Utilities	1,743	1,627	5,426	5,125
Cost of goods sold	1,101	1,020	4,252	4,039
Repairs and maintenance	3,806	3,717	7,143	6,977
Property tax	825	810	2,368	2,560
	18,928	17,887	54,865	51,779
Earnings from ice rink and recreational facilities before the undernoted	2,212	2,071	17,749	16,213
General and administration expenses (notes 8 and 16)	2,593	2,801	7,658	7,705
Earnings (loss) before the undernoted	(381)	(730)	10,091	8,508
Other gains (expenses) (note 16):				
Depreciation	(1,982)	(1,858)	(5,908)	(5,594)
Gain on sale of assets	-	9	-	9
Foreign exchange gain (loss)	4	(1)	(8)	3
	(1,978)	(1,850)	(5,916)	(5,582)
Finance income (expenses):				
Finance income	79	135	334	502
Finance expense	(772)	(645)	(2,245)	(2,254)
Loss on interest rate swap (note 11a)	(40)	(1,075)	(138)	(773)
	(733)	(1,585)	(2,049)	(2,525)
Earnings (loss) before income taxes	(3,092)	(4,165)	2,126	401
Income tax expense (recovery) (note 10)				
Current	(432)	(684)	883	576
Deferred	(189)	(861)	(309)	(615)
	(621)	(1,545)	574	(39)
Net earnings (loss) for the period	(2,471)	(2,620)	1,552	440
Other comprehensive income (loss):				
<i>Items that may be reclassified subsequently to net earnings (loss):</i>				
Foreign currency translation differences	747	(484)	(1,187)	689
<b>Total comprehensive income (loss)</b>	<b>\$ (1,724)</b>	<b>\$ (3,104)</b>	<b>\$ 365</b>	<b>\$ 1,129</b>
Basic and fully diluted earnings (loss) per share	\$ (0.19)	\$ (0.20)	\$ 0.12	\$ 0.03
Weighted average common shares issued for basic and diluted earnings per share calculations	13,336,999	13,336,999	13,336,999	13,336,999

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

# CANLAN ICE SPORTS CORP.

Condensed Consolidated Interim Statements of Changes in Equity  
(Unaudited)

(Expressed in thousands of dollars)

	Share capital	Contributed surplus	Foreign currency translation reserve	Deficit	Total
Balance at December 31, 2023	\$ 63,109	\$ 543	\$ 2,832	\$ (21,828)	\$ 44,656
Net earnings	-	-	-	440	440
Other comprehensive income	-	-	689	-	689
Dividends to common shareholders	-	-	-	(1,200)	(1,200)
Balance at September 30, 2024	\$ 63,109	\$ 543	\$ 3,521	\$ (22,588)	\$ 44,585
Balance at December 31, 2024	\$ 63,109	\$ 543	\$ 5,794	\$ (20,628)	\$ 48,818
Net earnings	-	-	-	1,552	1,552
Other comprehensive loss	-	-	(1,187)	-	(1,187)
Dividends to common shareholders	-	-	-	(7,869)	(7,869)
Balance at September 30, 2025	\$ 63,109	\$ 543	\$ 4,607	\$ (26,945)	\$ 41,314

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# CANLAN ICE SPORTS CORP.

Condensed Consolidated Interim Statements of Cash Flows  
(Unaudited)

(Expressed in thousands of dollars)

Nine months ended September 30

	2025	2024
Cash provided by (used in):		
Operations:		
Net earnings for the period	\$ 1,552	\$ 440
Adjustments for:		
Depreciation	5,908	5,594
Other long-term liabilities	1,382	901
Gain on sale of assets	-	(9)
Net finance expense	2,049	2,525
Deferred income taxes	(309)	(615)
Foreign exchange loss (gain) (note 17(b))	102	(45)
Net change in non-cash working capital (note 15 and 17(b))	(4,406)	(670)
Interest paid	(2,209)	(2,223)
Interest received	334	502
	4,403	6,400
Financing:		
Principal repayments of debt	(1,540)	(1,475)
Increase in debt on ice rinks	1,200	-
Principal repayments on obligations under lease liabilities	(737)	(694)
Payment of dividends on common shares	(7,869)	(1,200)
Proceeds from sale and leaseback of equipment	571	-
	(8,375)	(3,369)
Investments:		
Net proceeds on sale of assets	-	9
Expenditures on ice rink and recreational facilities	(2,720)	(4,260)
Expenditures on other assets	(210)	(102)
	(2,930)	(4,353)
Effect of changes in foreign currency rates on cash and cash equivalents	(189)	93
Decrease in cash and cash equivalents	(7,091)	(1,229)
Cash and cash equivalents, beginning of year	21,677	19,029
Cash and cash equivalents, end of period	\$ 14,586	\$ 17,800

Supplemental cash flow information (note 15)

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

# CANLAN ICE SPORTS CORP.

Notes to Condensed Consolidated Interim Financial Statements  
Nine months ended September 30, 2025 and 2024

(Tabular amounts expressed in thousands, except share and per share amounts)

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## 1. Nature of operations:

Canlan Ice Sports Corp. and its subsidiaries (collectively referred to as the "Company") focus on the development, lease, acquisition and operation of multi-purpose recreation and entertainment facilities in North America. Canlan Ice Sports Corp. is a company incorporated in Canada, whose shares are publicly traded on the Toronto Stock Exchange. The Company's head office is located at 6501 Sprott Street, Burnaby, British Columbia, Canada.

## 2. Basis of preparation:

### (a) Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34"), Interim Financial Reporting. The Interim Financial Statements should be read in conjunction with the notes to the Company's annual audited consolidated financial statements as at and for the year ended December 31, 2024 ("Annual Audited Financial Statements") which were prepared in accordance with IFRS Accounting Standards, since these interim financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") for annual financial statements.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 12, 2025.

### (b) Basis of measurement:

The condensed consolidated interim financial statements have been prepared on the historical cost basis with the exception of derivative financial instruments, which are measured at fair value.

### (c) Functional and presentation currency:

The Company's presentation currency is the Canadian dollar. The functional currency of the Company's Canadian entities is the Canadian dollar and for the United States (U.S.) subsidiaries is the U.S. dollar. Accordingly, the financial statements of the Company's U.S. subsidiaries have been translated into Canadian dollars as follows:

- i) Asset and liability amounts are translated at the exchange rate at the end of each reporting period;
- ii) Amounts included in the determination of earnings are translated at the respective monthly average exchange rates; and
- iii) Any gains or losses from the translation of amounts determined in (i) and (ii) above are recognized in other comprehensive income and accumulated in the foreign currency translation reserve, which is a separate component of shareholders' equity.

Transactions in currencies other than the Company's functional currency, and not related to the Company's U.S. subsidiaries, are translated at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on the retranslation are recognized in net earnings.

# CANLAN ICE SPORTS CORP.

Notes to Condensed Consolidated Interim Financial Statements  
Nine months ended September 30, 2025 and 2024

(Tabular amounts expressed in thousands, except share and per share amounts)

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(d) Significant judgments, estimates and assumptions:

The preparation of the consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses, and the disclosure of contingent liabilities. Key sources of uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

In the process of applying the Company's accounting policies, management has made judgments, estimates and assumptions. Significant judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements are the same as those described in the December 31, 2024 consolidated financial statements.

**3. Material accounting policies:**

These condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the December 31, 2024 consolidated financial statements.

# CANLAN ICE SPORTS CORP.

Notes to Condensed Consolidated Interim Financial Statements  
 Nine months ended September 30, 2025 and 2024

(Tabular amounts expressed in thousands, except share and per share amounts)

## 4. Property, plant and equipment - facilities:

September 30, 2025	Cost	Accumulated amortization	Net book value
Land	\$ 20,086	\$ -	\$ 20,086
Buildings and building improvements	121,601	75,310	46,291
Leasehold improvements	593	583	10
Rink board systems	4,652	3,567	1,085
Refrigeration equipment	28,414	14,461	13,953
Machinery and equipment	24,377	17,017	7,360
Computers, furniture and fixtures	17,385	13,090	4,295
Ice resurfacing equipment	7,179	6,060	1,119
Work in process	745	-	745
	<b>\$ 225,032</b>	<b>\$ 130,088</b>	<b>\$ 94,944</b>

December 31, 2024	Cost	Accumulated amortization	Net book value
Land	\$ 20,349	\$ -	\$ 20,349
Buildings and building improvements	122,488	72,943	49,545
Leasehold improvements	594	577	17
Rink board systems	4,670	3,502	1,168
Refrigeration equipment	26,631	13,691	12,940
Machinery and equipment	23,849	16,091	7,758
Computers, furniture and fixtures	16,428	12,266	4,162
Ice resurfacing equipment	6,785	5,697	1,088
Work in process	652	-	652
	<b>\$ 222,446</b>	<b>\$ 124,767</b>	<b>\$ 97,679</b>

For the three and nine months ended September 30, 2025 and 2024, no impairment losses were recognized in property, plant and equipment.

Property, plant and equipment comprise owned and leased assets as follows:

	September 30, 2025	December 31, 2024
Property, plant and equipment owned	\$ 87,263	\$ 91,378
Right-of-use property, plant and equipment leased (note 5a)	7,681	6,301
	<b>\$ 94,944</b>	<b>\$ 97,679</b>

# CANLAN ICE SPORTS CORP.

Notes to Condensed Consolidated Interim Financial Statements  
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(Tabular amounts expressed in thousands, except share and per share amounts)

## 5. Right-of-use assets:

- (a) The Company has the following right-of-use assets which are included in property, plant and equipment on the statement of financial position (note 4):

		Equipment	Buildings and building improvements	Total
December 31, 2024	\$	2,217	\$ 4,084	\$ 6,301
Additions		1,977	-	1,977
Depreciation		(344)	(246)	(590)
Buyout of assets		(7)	-	(7)
September 30, 2025	\$	3,843	\$ 3,838	\$ 7,681

		Equipment	Buildings and building improvements	Total
December 31, 2023	\$	3,238	\$ 2,400	\$ 5,638
Additions		-	2,017	2,017
Depreciation		(375)	(251)	(626)
Buyout of assets		(538)	-	(538)
September 30, 2024	\$	2,325	\$ 4,166	\$ 6,491

- (b) Right-of-use assets are financed with the following leases payable:

		September 30, 2025	December 31, 2024
Maturity analysis – contractual undiscounted cash flows			
Less than one year	\$	1,575	\$ 1,225
One to five years		5,530	4,246
More than five years		5,354	5,845
Total undiscounted lease liabilities	\$	12,459	\$ 11,316
Lease liabilities included in the statements of financial position:			
Current	\$	1,114	\$ 781
Non-current		7,610	6,697
	\$	8,724	\$ 7,478

During the three and nine months ended September 30, 2025, interest expense related to lease liabilities were \$140,000 and \$438,000 respectively (2024 - \$110,000 and \$320,000 respectively). During the three and nine months ended September 30, 2025, total lease expense related to leases of low-value items, which are not included in property, plant and equipment – facilities, was \$25,000 and \$78,000 respectively (2024 - \$29,000 and \$86,000 respectively).

# CANLAN ICE SPORTS CORP.

Notes to Condensed Consolidated Interim Financial Statements  
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## 6. Debt:

### (a) Credit Facilities

	Maturity dates	Interest rates	September 30, 2025	December 31, 2024
Variable rate -	2027	CORRA + 1.85% (i)	\$ 22,196	\$ 22,947
fixed with interest rate	2027	CORRA + 1.85% (ii)	4,639	4,796
swap contracts	2027	CORRA + 1.85% (iii)	1,926	1,991
(note 11 (b))	2027	CORRA + 1.85% (iv)	2,078	2,148
	2027	CORRA + 2.39% (v)	6,900	7,328
Variable rate	2027	Prime + 0.25% (iv)	1,867	1,920
	2027	CORRA + 1.85% (iv)	1,184	-
			40,790	41,130
Deferred financing costs			(100)	(135)
			40,690	40,995
Current portion			2,089	2,041
Non-current portion			\$ 38,601	\$ 38,954

As at September 30, 2025, total bank debt consists of the following:

- (i) \$25,337,000 non-revolving loan amortized over 25 years, maturing on November 30, 2027, interest at Canadian Overnight Repo Rate Average (CORRA) rate plus 1.85% per annum payable monthly. The Company has entered into an interest rate swap contract (note 6 (b)(i) and 11(a)), maturing on November 21, 2027, to fix the interest rate at 5.04% per annum payable monthly. At September 30, 2025, the balance outstanding was \$22,196,000;
- (ii) \$5,213,000 non-revolving loan amortized over 25 years, maturing on November 30, 2027, interest at CORRA rate plus 1.85% per annum payable monthly. The Company entered into an interest rate swap contract (note 6 (b)(ii) and 11(a)), maturing on November 30, 2027, to fix the interest rate at 5.20% per annum payable monthly. At September 30, 2025, the balance outstanding was \$4,639,000;
- (iii) \$10,000,000 revolving loan amortized over 25 years, maturing on November 30, 2027, interest at CORRA rate plus 1.85% per annum payable monthly. The Company entered into an interest rate swap contract (note 6 (b)(ii) and 11(a)), maturing on November 30, 2027, to fix the interest rate at 5.20% per annum payable monthly. At September 30, 2025, the balance outstanding was \$1,926,000;
- (iv) \$20,000,000 revolving capital expenditure loan amortized over 25 years, maturing on November 30, 2027. At September 30, 2025, the balance outstanding on this credit facility was \$5,129,000. Of this total, \$2,078,000 accrues interest at CORRA rate plus 1.85% per annum payable monthly. The Company entered into an interest rate swap contract (note 6 (b)(ii) and 11(a)), maturing on November 30, 2027, to fix the interest rate at 5.20% per annum payable monthly. Of the remaining balance, \$1,867,000 accrues interest at Prime plus 0.25% per annum payable monthly, and \$1,184,000 accrues interest at CORRA plus 1.85% per annum payable monthly;
- (v) \$8,525,000 loan amortized over 15 years, maturing on September 30, 2027, interest at CORRA plus 2.39% per annum payable monthly. The Company entered into an interest rate swap contract (note 6

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(b)(iii) and 11(a)), maturing on September 29, 2027 to fix the interest rate at 5.70% per annum payable monthly. At September 30, 2025, the balance outstanding was \$6,900,000; and

(vi) \$745,000 demand revolving operating loan, interest at Prime rate plus 0.25% per annum. No amounts have been drawn on this loan to date.

Credit facilities are secured by first mortgages, demand debentures, general security agreements, general assignments of book debts, assignments of rents and insurance, and specific pledging of title to, and interest in the respective land and buildings.

For the three and nine months ended September 30, 2025, amortization of deferred financing costs related to these facilities totaling \$11,000 and \$35,000 respectively (2024 - \$11,000 and \$30,000 respectively) was recorded in finance costs.

The Company is required to comply with covenant criteria established by its lenders. These include tangible net worth and debt coverage ratio measurements. As at September 30, 2025, the Company was in compliance with these covenants.

(b) Derivative instruments:

The Company uses derivative instruments in accordance with its overall risk management policies. The Company enters into interest rate swap agreements which exchange a receipt of floating interest for a payment of fixed interest to reduce the Company's exposure to interest rate variability on its outstanding floating-rate debt. The Company has not designated, for accounting purposes, its interest rate swaps as a cash flow hedge of its debt.

As of September 30, 2025, the Company has the following interest rate swap contracts:

	Note Reference	Interest Rate Index	Term	Sw ap rate	Notional Amount		Fair Value	
					September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
(i)	6(a)(i)	CORRA	2023-2027	5.04%	\$ 22,196	\$ 22,947	\$ (385)	\$ (293)
(ii)	6(a)(ii)(iii)(iv)	CORRA	2022-2027	5.20%	8,643	8,935	(178)	(152)
(iii)	6(a)(v)	CORRA	2023-2027	5.70%	6,900	5,062	(125)	(105)
					\$ 37,739	\$ 36,944	\$ (688)	\$ (550)

## 7. Share capital:

The common shares of the Company are listed on the Toronto Stock Exchange.

	Number of Shares	Amount
(a) Authorized: 500,000,000 common shares of no par value		
(b) Issued and outstanding: September 30, 2025 and December 31, 2024	13,336,999	\$ 63,109

On June 20, 2025, the Company declared a special dividend of \$0.50 per share which was paid on August 15, 2025.

# CANLAN ICE SPORTS CORP.

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(Tabular amounts expressed in thousands, except share and per share amounts)

## 8. General and administration expenses:

General and administration expenses consist of the following:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Salaries, wages and benefits	\$ 1,484	\$ 1,660	\$ 4,331	\$ 5,156
Long Term Incentive Plan ("LTI Plan")	523	654	1,442	991
Professional and regulatory fees	159	140	524	440
Office	289	219	900	703
Travel	51	57	226	205
Other	87	71	235	210
	\$ 2,593	\$ 2,801	\$ 7,658	\$ 7,705

Compensation expense related to the LTI Plan for the three and nine months ended September 30, 2025 has been included in accounts payable and accrued liabilities and other long-term liabilities as at September 30, 2025.

## 9. Commitments and contingencies:

The Company is involved in various lawsuits that are in the normal course for the sports and recreation business. Management, based on legal counsel's opinion, believe that the outcome of these will not materially affect the Company's financial position.

## 10. Income taxes:

The tax effects of timing differences that give rise to deferred tax assets and liabilities are presented below:

	September 30,	December 31,
	2025	2024
Deferred income tax assets:		
Unused tax losses	\$ 2,556	\$ 2,669
Properties	1,127	1,009
Other	1,266	930
Total deferred income tax assets	\$ 4,949	\$ 4,608
Deferred income tax liabilities:		
Properties	(940)	(907)
Other	(34)	(35)
Total deferred income tax liabilities	\$ (974)	\$ (942)

# CANLAN ICE SPORTS CORP.

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(Tabular amounts expressed in thousands, except share and per share amounts)

## 11. Financial instruments:

### (a) Fair value:

The Company has the following financial instruments:

	Accounting classification	Fair value level
Financial assets not measured at fair value:		
Cash and cash equivalents (i)	Amortized cost	1
Accounts receivable (i)	Amortized cost	2
Financial assets measured at fair value:		
Investment (included in other assets) (ii)	FVOCI	3
Financial liabilities not measured at fair value:		
Accounts payable and accrued liabilities (i)	Amortized cost	2
Debt	Amortized cost	2
Financial liabilities measured at fair value:		
Interest rate swaps (iii)	Financial liability at FVTPL	2

(i) The carrying values of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are considered by management to approximate their fair values due to their short-term nature.

(ii) The carrying value of the investment is considered by management to approximate its fair value.

(iii) In November 2022 and January 2023, respectively, the Company entered into interest rate swap agreements (five-year term) to fix the interest rate on certain of its debt (note 6). The fair value of this derivative instrument has been presented as an interest rate swap on the statement of financial position. Changes in fair value of the instrument are recognized in net earnings (loss) for the period. For the three and nine months ended September 30, 2025, a loss of \$40,000 and \$138,000 respectively (2024 – a loss of \$1,075,000 and \$773,000 respectively) was recognized.

### (b) Financial risk management:

#### (i) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company monitors its interest rate exposure on an ongoing basis.

The terms of the Company's outstanding debt are described in note 6. As \$3,051,000 of the Company's debt instruments bear interest at floating rates and are not economically hedged by interest rate swaps, fluctuations in these rates will impact the cost of financing incurred in future periods. A change in the base market rates upon which these loans accrue interest by 1% will increase or decrease interest expense by approximately \$31,000 (2024 - \$19,000) per annum.

#### (ii) Liquidity risk:

Liquidity risk is the risk from the Company's potential inability to meet its financial obligations. To mitigate this risk, the Company constantly monitors its cash flows and operations to ensure current and long-term obligations can be met. The Company's capital resources are comprised of cash and cash

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(Tabular amounts expressed in thousands, except share and per share amounts)

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equivalents, cash flow from operating activities, and a long-term debt arrangement that includes revolving credit lines that can be utilized for working capital and capital expenditures (note 6). Cash and cash equivalents are comprised of cash balances and deposits with financial institutions. Due to the seasonality of the business, the Company finances a portion of its assets through customer deposits received in advance of the services being provided.

At September 30, 2025, the Company has a working capital deficit of \$10,235,000 (December 31, 2024 – \$5,276,000). The Company anticipates that sufficient cash flows will be generated from operations to meet its current liabilities as they become due.

(iii) Credit risk:

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's accounts receivable. Effective collection management procedures and monitoring of credit risk of amounts receivable are core control procedures of the Company. Appropriate provisions, if required, are recorded for impaired accounts. Historically, the Company has not experienced significant losses related to trade accounts receivable from individual customers. The Company does not face any material concentrations of credit risk. The Company's credit risk on cash is limited as it maintains its holdings with large highly rated financial institutions.

(iv) Currency risk:

The Company is exposed to currency risk on sales, purchases, and amounts receivable that are denominated in a currency other than the respective functional currency of the Company, the Canadian dollar. The currency in which these transactions primarily are denominated is the U.S. dollar. The Company is exposed to the risk of loss depending on the relative movement of this currency against the Canadian dollar. The Company has not entered into forward contracts to mitigate this risk; however, cash generated from U.S. business activities is used to service working capital needs of U.S. operations.

## 12. Capital risk management:

The Company defines capital that it manages as the sum of cash, long-term borrowings, and shareholders' equity.

The Company's objectives when managing its capital are:

- (a) To safeguard the Company's ability to continue as a going concern so that it can provide services to its customers and continue to reduce debt;
- (b) To comply with debt covenants;
- (c) To maintain a financial position suitable for supporting the Company's growth strategies and provide an adequate return to shareholders; and
- (d) To return excess cash to shareholders through payment of dividends.

The Company executes a planning and budgeting process to determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. The Company ensures there are sufficient credit facilities to meet its current and future business requirements, taking into account its anticipated cash flows from operations and its cash balance on-hand. In addition, the Company has a capital expenditure

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facility available of \$14,871,000 as at September 30, 2025 (note 6(a)(iv)). The Company is required to comply with covenant criteria established by its lenders (see note 6). These include tangible net worth and debt coverage ratio measurements. As at September 30, 2025, the Company was in compliance with its debt covenants.

### 13. Related party transactions:

- (a) During the three and nine months ended September 30, 2025, the Company expensed \$58,000 and \$180,000 respectively (2024 - \$58,000 and \$180,000 respectively) in directors' fees.
- (b) A director of the Company is the chairman of a vendor from which the Company purchases services in the normal course of business. There were \$2,000 and \$6,000 in purchases from this vendor for the three and nine months ended September 30, 2025 respectively (2024 - \$2,000 and \$6,000 respectively).
- (c) The Company's key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including Directors and executive officers of the Company. Key management personnel compensation comprised the following:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 439	\$ 449	\$ 1,431	\$ 1,587
LTI Plan	523	654	1,442	991
Post employment benefits	12	249	37	512
	\$ 974	\$ 1,352	\$ 2,910	\$ 3,090

### 14. Segmented information:

The Company's operations consist of full service ice rink and recreational facilities which constitute a single operating segment.

- (a) Ice rink and recreational facilities revenue:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Ice and field sales	\$ 17,147	\$ 16,249	\$ 57,798	\$ 54,347
Food and beverage	2,728	2,455	10,769	9,889
Sports store	215	183	805	725
Sponsorship	303	389	931	890
Space rental	550	524	1,690	1,560
Other	197	105	621	381
Management and consulting fees	-	53	-	200
	\$ 21,140	\$ 19,958	\$ 72,614	\$ 67,992

There is no single customer who accounts for 10% or more of the Company's revenue.

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(b) Geographic:

Revenue	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Canada	\$ 18,590	\$ 17,329	\$ 61,143	\$ 57,316
USA	2,550	2,629	11,471	10,676
	\$ 21,140	\$ 19,958	\$ 72,614	\$ 67,992

Assets	September 30, 2025			December 31, 2024		
	Canada	USA	Total	Canada	USA	Total
Non-current assets	\$ 69,220	\$ 31,705	\$ 100,925	\$ 69,167	\$ 34,085	\$ 103,252
Total assets	\$ 83,113	\$ 38,812	\$ 121,925	\$ 89,563	\$ 40,939	\$ 130,502

## 15. Supplemental cash flow information:

(a) Net changes in non-cash working capital:

	Nine months ended September 30,	
	2025	2024
Accounts receivable	\$ (199)	\$ (514)
Inventory	(18)	75
Prepaid and other expenses	(624)	(1,093)
Accounts payable and accrued liabilities	(4,060)	1,393
Deferred revenue and customer deposits	495	(531)
	\$ (4,406)	\$ (670)

(b) Non-cash transactions:

	Nine months ended September 30,	
	2025	2024
Lease obligation	\$ 1,412	\$ -

(c) Changes in liabilities arising from financing activities:

	December 31,		Cash flow changes	Non-cash changes	September 30,	
	2024				2025	
Debt (note 6)	\$ 40,995	\$ (340)	\$ 35	\$ 40,690		
Lease liabilities (note 5)	7,478	(166)	1,412	8,724		
Dividends payable	400	-	-	400		
	\$ 48,873	\$ (506)	\$ 1,447	\$ 49,814		

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## 16. Expenses by function:

The Company's consolidated statement of earnings and comprehensive income presents expenses on a mixed basis. IFRS requires a Company to present expenses according to its nature or function. The following information has been provided to disclose the Company's expenses by function:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Ice rink and recreational facilities expense	\$ 20,863	\$ 19,680	\$ 60,631	\$ 57,154
General and administration expenses	2,640	2,866	7,800	7,924
Other (gain) loss	(4)	(8)	8	(12)

The changes in the above table, as compared to the consolidated statement of earnings and comprehensive income, relate to depreciation expense being allocated from other expenses to ice rink and recreational facilities and to general and administrative expenses. Total depreciation expenses for the three and nine months ended September 30, 2025 of \$1,982,000 and \$5,908,000, respectively (2024 - \$1,858,000 and \$5,594,000 respectively) were reallocated. For the three and nine months ended September 30, 2025, \$1,935,000 and \$5,766,000 respectively, (2024 - \$1,793,000 and \$5,375,000) were allocated to ice rink and recreational facilities and \$47,000 and \$142,000 respectively, (2024 - \$65,000 and \$219,000 respectively) were allocated to general and administrative expenses.

## 17. Comparative Figures:

- On the condensed consolidated statement of earnings (loss) and comprehensive income (loss), salaries, wages and benefits of \$150,000 and \$431,000 have been reclassified to selling and customer service for the three and nine months ended September 30, 2024 respectively.
- On the condensed consolidated statement of cash flows, effect of changes in foreign currency rates on cash and cash equivalents of \$93,000 has been reclassified from net change in non-cash working capital to foreign exchange loss (gain) within the cash provided by (used in) operations section for the nine months ended September 30, 2024.