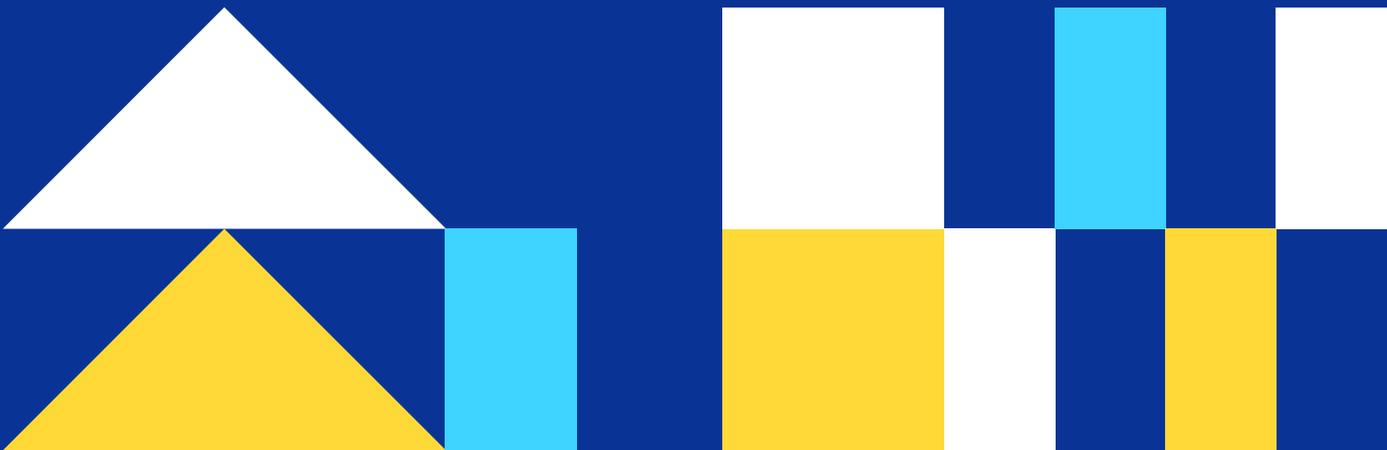




# Annual Report

## 2024



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# LETTER TO SHAREHOLDERS

Dear Shareholders,

As we reflect on the achievements and milestones of the past year, I am filled with immense pride and gratitude. Our journey in 2024 has been nothing short of transformative, marked by unwavering dedication, innovative strides, and a shared vision for the future.

This year has seen remarkable progress across various fronts. Our financial performance has been robust, with significant growth in revenue and profitability. We successfully launched several new products in response to the needs and trends in the market, setting new industry standards and aiming to exceed customer expectations. We did this while reinvesting in our infrastructure to ensure that we remain best in class with safe and efficient sports complexes.

One of our most pivotal undertakings has been our digital transformation. Through the integration of leading technologies and the modernization of our restaurants with state-of-the-art audio and visual systems, we've streamlined operations, elevated the customer experience, and unlocked the power of data-driven decision-making. Our strategic investments in both talent and technology are fueling operational efficiency and paving the way for new growth opportunities.

Innovation remains at the heart of our strategy. We've cultivated a culture where bold ideas and forward thinking are not only welcomed but celebrated. Our team continues to push boundaries and deliver pioneering solutions that set the pace and shape the future of our industry.

None of our achievements would be possible without the relentless dedication of our outstanding employees. Their passion, expertise, and commitment are the foundation of everything we've accomplished. I offer my heartfelt thanks to every team member for their remarkable contributions.

We are also deeply grateful to our shareholders for their continued support and trust in our vision. Your confidence has been a key driver of our momentum, and we remain focused on delivering long-term value and meaningful growth.

As we look to the future, we are ready to take on new challenges and embrace exciting opportunities. With the knowledge we've gained and the strength of our shared purpose, we are committed to making a lasting impact in our communities and across the sports world.

Thank you for being a part of our journey.

Sincerely,  
Joey St-Aubin  
President & CEO

# FACILITY LOCATIONS

PROVINCE /STATE	METROPOLITAN AREA	FACILITY NAME		FEATURES
British Columbia	Greater Vancouver Area	Scotia Barn	(1)	7 ice rinks & 1 indoor soccer field
		Canlan Sports North Shore	(3)	3 ice rinks
		Canlan Sports Langley Twin Rinks	(2)	2 ice rinks
Saskatchewan	Saskatoon	Canlan Sports Jemini	(1)	4 ice rinks
		Canlan Sports Agriplace	(1)	2 ice rinks
Manitoba	Winnipeg	Canlan Sports Winnipeg	(1)	3 ice rinks & 1 indoor soccer field
Ontario	Greater Toronto Area	Canlan Sports Etobicoke	(1)	4 ice rinks
		Canlan Sports Oakville	(1)	4 ice rinks
		Canlan Sports Scarborough	(1)	4 ice rinks & 1 sport court
		Canlan Sports York	(2)	6 ice rinks
		Canlan Sports Oshawa	(1)	2 ice rinks & 6 beach volleyball courts
Illinois	Chicago	Canlan Sports Romeoville	(1)	3 ice rinks
		Canlan Sports Lake Barrington	(1)	4 soccer fields 2 baseball diamonds 4 multi-sport courts
		Canlan Sports West Dundee	(1)	3 ice rinks
		Canlan Sports Libertyville	(1)	4 soccer fields 1 baseball diamond 6 multi-sport courts & 1 fitness gym

(1) Owned Property

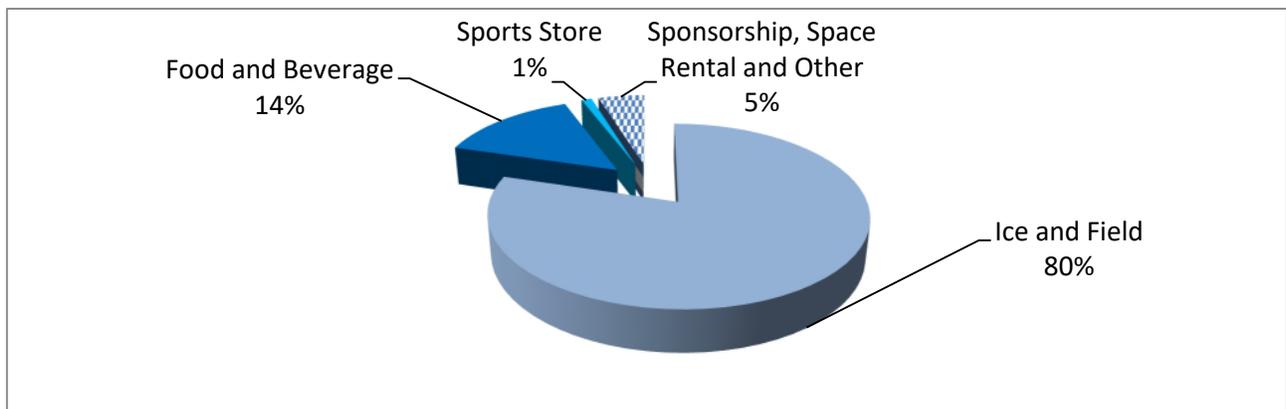
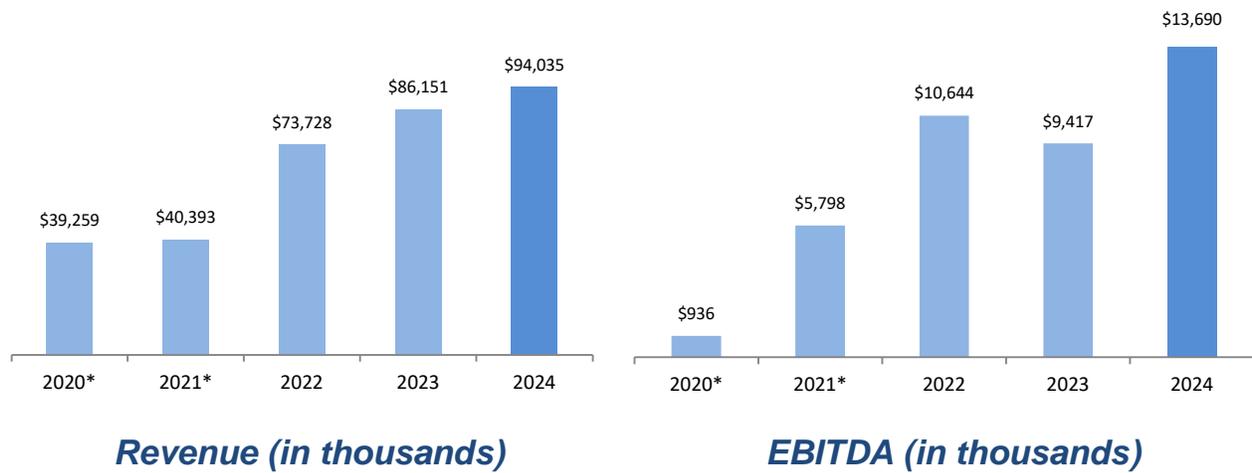
(2) Leased Property

(3) Operating Agreement

# FINANCIAL HIGHLIGHTS

<i>in thousands, except per share information</i>	2024	2023	2022
Revenue	\$94,035	\$86,151	\$73,728
Operating earnings	\$13,690	\$9,417	\$10,644
Net earnings (loss) before taxes	\$3,039	(\$726)	\$5,129
Net earnings	\$2,800	\$435	\$4,730
Total assets	\$130,502	\$121,999	\$121,713
Shareholders' equity	\$48,818	\$44,656	\$46,651
Earnings per common share	\$0.21	\$0.03	\$0.35
Shareholders' equity per share	\$3.66	\$3.35	\$3.50

\* Operations affected by COVID-19 pandemic



**2024 Sources of Revenue**

# Canlan Ice Sports Corp.

## Management's Discussion and Analysis

The following management's discussion and analysis (MD&A) summarizes significant factors affecting the consolidated operating results and financial condition of Canlan Ice Sports Corp. ("Canlan", the "Company", "we", "our" or "us") for the years ended December 31, 2024 and 2023. This document should be read in conjunction with our audited consolidated financial statements for the years ended December 31, 2024 and 2023 and accompanying notes. The results reported herein have been prepared in accordance with IFRS Accounting Standards ('IFRS'), as issued by the International Accounting Standards Board, and are presented in Canadian dollars.

### Non-IFRS Financial Measure ("Operating Earnings")

In the following discussion, we define operating earnings as earnings after general and administrative expenses and before interest, depreciation, foreign currency exchange, gain on assets sold, early lease termination and interest rate swap, and income tax. Operating earnings is not a term that has specific meaning in accordance with IFRS, and may be calculated differently by other companies. The Company discloses operating earnings because it is a useful indicator of operating performance.

Additional information relating to our Company, including quarterly reports and our annual information form, is filed on SEDAR+ and can be viewed at [www.sedarplus.ca](http://www.sedarplus.ca) and our website [www.canlansports.com](http://www.canlansports.com).

The date of this MD&A is March 21, 2025.

### Forward Looking Information

*This MD&A 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 MD&A includes, but is not limited to, anticipated benefits of capital and operating expenditures (including energy efficiencies) 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 MD&A 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.*

## Overview – Year Ended December 31, 2024

- Total operating revenue of \$94.0 million increased by \$7.9 million or 9.2% compared to a year ago;
- Food and beverage revenue increased by \$1.2 million or 9.8% compared to 2023;
- Total operating earnings (see “**Non-IFRS Financial Measure**” above) of \$13.7 million increased by \$4.3 million or 45.4% compared to 2023;
- Net earnings were \$2.8 million or \$0.21 per share compared to \$0.4 million or \$0.03 per share in 2023; and
- Aside from sustaining capital expenditures, approximately \$3.4 million of capital projects to enhance customer experience and to expand the Company’s activity offerings were completed during the year. These 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.

## Overview of the Company

Canlan is a leading operator of ice rink and multi-purpose recreational facilities. The Company’s head office is located in its Burnaby, B.C. sports complex and it maintains a second corporate office at its Canlan Sports York location in Toronto, Ontario.

As at the date of this MD&A, the Company owns, leases or manages a network of 15 facilities in Canada and the United States containing playing surfaces as outlined below. The Company owns 12 of these facilities and associated land, containing 1.4 million square feet of space situated on 170 acres of land. Of the three facilities not situated on land owned by Canlan, one facility is owned and operated by Canlan on land that has been leased under a long-term land lease arrangement, one facility is operated under an operating agreement with a municipality that consists of a long-term land lease arrangement, and the third facility is operated under a sub-lease agreement of both land and building.

Operations are primarily in the sports and recreation industry, with a focus on ice, turf and court sports. In typical years, the largest revenue source within this segment is recreational adult hockey, catering to both men and women operating under the Adult Safe Hockey League (ASHL) brand.

**Facility Portfolio:**

	<b>Facilities</b>	<b>Ice Surfaces</b>	<b>Indoor Turf Fields</b>	<b>Courts</b>	<b>Total Playing Surfaces</b>
British Columbia	3	12	1	-	13
Saskatchewan	2	6	-	-	6
Manitoba	1	3	1	-	4
Ontario	5	20	-	7	27
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	11	41	2	7	50
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>USA:</b>					
Illinois	4	6	8	11	25
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	15	47	10	18	75
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Canlan is a publicly traded Canadian Company with shares listed on the Toronto Stock Exchange (TSX) under the trading symbol **ICE**. Canlan's shares were first listed for trading on March 1, 1990.

There are approximately 13.3 million shares outstanding and these have traded in the \$3.60 to \$4.40 range during 2024. The Company has not issued any shares from treasury since November 2004.

In 2024, Company continues to derive revenue from five primary sources:

- 1. Ice and field sales**  
Revenue from ice, field, court rentals, and internal programming.
- 2. Food and beverage**  
Sales from our licensed restaurants and concession operations within our facilities.
- 3. Sports stores**  
Sales and rental of sports equipment, apparel, and skate sharpening services.
- 4. Sponsorship**  
Revenue from sponsorship and advertising sales.
- 5. Space rental**  
Rental of space within our facilities.

## Selected Financial Information

The following selected consolidated financial information as at December 31, 2024, 2023, and 2022 and each of the quarters and years then ended has been derived from our 2024 and 2023 annual and interim consolidated financial statements. This data should be read together with those financial statements.

	<i>(unaudited)</i>		<i>(audited)</i>		
	Quarter ended December 31		Year ended		
<i>in thousands, except earnings per share</i>	2024	2023	2024	2023	2022
<b>Statement of Operations Data:</b>					
Revenue	\$ 26,043	\$ 24,617	\$ 94,035	\$ 86,151	\$ 73,728
Expenses <sup>(1)</sup>	(17,612)	(17,918)	(69,391)	(66,771)	(55,729)
Earnings from ice rink & recreational facilities before the undernote	8,431	6,699	24,644	19,380	17,999
General & administration expenses	(3,249)	(3,680)	(10,954)	(9,963)	(7,355)
<b>Earnings before the undernoted</b>	<b>5,182</b>	<b>3,019</b>	<b>13,690</b>	<b>9,417</b>	<b>10,644</b>
<b>Other gains (expenses):</b>					
Depreciation	(1,964)	(1,763)	(7,558)	(7,513)	(8,379)
Finance expenses	(672)	(665)	(2,424)	(2,195)	(2,428)
Foreign exchange gain	31	-	34	5	11
Gain (loss) on interest rate swap	61	(1,682)	(712)	(455)	645
Gain on early lease termination	-	-	-	-	4,530
Gain on sale of assets	-	5	9	15	106
Income tax recovery (expense)	(278)	1,126	(239)	1,161	(399)
<b>Net earnings for the year</b>	<b>\$ 2,360</b>	<b>\$ 40</b>	<b>\$ 2,800</b>	<b>\$ 435</b>	<b>\$ 4,730</b>
<b>Other comprehensive income (loss)</b>	<b>2,273</b>	<b>(754)</b>	<b>2,962</b>	<b>(830)</b>	<b>1,905</b>
<b>Total comprehensive income (loss)</b>	<b>\$ 4,633</b>	<b>\$ (714)</b>	<b>\$ 5,762</b>	<b>\$ (395)</b>	<b>\$ 6,635</b>
Basic and fully diluted earnings per share	\$ 0.18	\$ 0.00	\$ 0.21	\$ 0.03	\$ 0.35
<b>Balance Sheet Data:</b>					
Cash and cash equivalents			\$ 21,677	\$ 19,029	\$ 18,532
Current assets (excluding cash and cash equivalents)			5,573	4,871	4,264
Property, plant and equipment – facilities			97,679	93,328	95,523
Other assets			5,573	4,609	3,188
Non-current interest rate swap			-	162	206
<b>Total assets</b>			<b>\$130,502</b>	<b>\$121,999</b>	<b>\$121,713</b>
Current liabilities, excluding debt			\$ 29,704	\$ 26,167	\$ 23,774
Debt			40,995	42,948	39,812
Lease liabilities			7,478	6,327	10,331
Deferred tax liabilities			942	955	1,145
Other long-term liabilities			2,015	946	-
Interest rate swap			550	-	-
<b>Total liabilities</b>			<b>81,684</b>	<b>77,343</b>	<b>75,062</b>
<b>Shareholders' equity</b>			<b>48,818</b>	<b>44,656</b>	<b>46,651</b>
<b>Total liabilities and shareholders' equity</b>			<b>\$130,502</b>	<b>\$121,999</b>	<b>\$121,713</b>
<b>Dividends declared</b>			<b>\$ 1,600</b>	<b>\$ 1,600</b>	<b>\$ 400</b>

(1) Expenses include all operating costs related to the operation of our facilities, excluding depreciation.

## Competitive Strengths

The Company believes that it has the following competitive strengths:

- **The Team.** Canlan typically employs approximately 1,000 full and part-time employees in Canada and the USA. Through training and internal communications, Canlan's employees have industry-specific knowledge and are focused on providing quality customer service within a safe environment. In addition, Canlan's executive team plans and monitors operations in all departments, sets policies, and assesses future growth strategies. These individuals have extensive expertise in facility operations, sales, marketing, customer service, finance and human resources.
- **Leagues and Tournaments.** In addition to renting ice, turf and court times to third-party user groups, Canlan operates in-house branded sports leagues, instructional camps and classes, and tournaments. The Company operates the largest adult recreational hockey league in North America called the Adult Safe Hockey League (ASHL), that offers superior services and competition in a fun environment for over 60,000 players. Canlan also operates its own branded adult and youth soccer leagues, youth hockey leagues and a tournament division called Canlan Classic Tournaments (CCT). CCT hosts hockey tournaments in which more than 2,000 teams participate on an annual basis.
- **Real Estate.** Canlan currently owns and operates facilities in four provinces in Canada plus one U.S. state giving us broad geographic coverage. Our geographic diversity and wide customer base help to mitigate the effects of economic cycles.
- **Buying Power.** As a result of being geographically diversified, and having significant product volumes, we are able to negotiate national supply agreements with preferred pricing.

## Review of Fiscal 2024 Operations

### Revenue

Total operating revenue of \$94.0 million increased by \$7.9 million or 9.2% compared to 2023. Price and volume growth in third-party surface rentals, tournament registrations, ASHL and food and beverage sales were the key drivers for the increase in revenue.

Revenue from sponsorship, space rental, vending, and facility management fees of \$4.5 million also increased by \$0.5 million or 11.4% compared to 2023.

The Company recorded the following revenue by quarter:

<i>in thousands</i>	2024		2023	
	Revenue	% of total	Revenue	% of total
Q1	\$ 26,186	28	\$ 24,477	28
Q2	21,848	23	19,811	23
Q3	19,958	21	17,246	20
Q4	26,043	28	24,617	29
	<u>\$ 94,035</u>	<u>100</u>	<u>\$ 86,151</u>	<u>100</u>

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:

<i>in thousands</i>	2024		2023	
	Revenue	% of total	Revenue	% of total
Ice and Field Sales	\$ 74,936	80	\$ 68,704	80
Food and Beverage	13,598	14	12,385	14
Sports Store	1,001	1	1,022	1
Sponsorship	1,503	2	1,222	2
Space Rental	2,149	2	1,942	2
Management & Consulting Fees	254	-	318	-
Other	594	1	558	1
	<b>\$ 94,035</b>	<b>100</b>	<b>\$ 86,151</b>	<b>100</b>

<i>in thousands</i>	2024		2023	
	Revenue	% of total	Revenue	% of total
<b>Canada:</b>				
British Columbia	\$ 22,549	24	\$ 20,403	24
Saskatchewan	8,020	9	7,525	9
Manitoba	5,080	5	4,795	5
Ontario	43,438	46	40,299	47
	<b>79,087</b>	<b>84</b>	<b>73,022</b>	<b>85</b>
<b>USA (Illinois)</b>	<b>14,948</b>	<b>16</b>	<b>13,129</b>	<b>15</b>
	<b>\$ 94,035</b>	<b>100</b>	<b>\$ 86,151</b>	<b>100</b>

Revenue generated from ice and field activities are broken down as follows:

<i>in thousands</i>	2024		2023	
	Revenue	% of total	Revenue	% of total
Adult hockey leagues	\$ 27,934	37	\$ 26,391	38
3rd party contract users	24,401	33	21,427	31
Camps, hockey & skating schools	6,067	8	6,249	9
Youth hockey leagues	2,860	4	2,588	4
Public programs & spot rentals	4,344	6	4,018	6
Tournaments	4,842	6	4,156	6
Soccer field rentals and leagues	3,627	5	3,055	5
Other	861	1	820	1
	<b>\$ 74,936</b>	<b>100</b>	<b>\$ 68,704</b>	<b>100</b>

### Operating Expenses

Facility operating expenses of \$69.4 million increased by \$2.6 million or 3.9% compared to 2023 due to increased property taxes, utilities expense, labour and other variable expenses to service increased business volumes.

Utilities expense increased mainly due to higher rates and increased energy consumption with higher ice activity levels. Rates and energy usage are continuously managed with energy contracts when appropriate and investments in new equipment and automation

systems that help reduce consumption. Property tax expense increased mainly due the commencement of property tax accruals in Canlan Sports Libertyville, a facility purchased in 2023. Property tax expense was not required while this facility was leased in the prior year.

Operating expenses also included roof remediation costs of \$4.5 million, which decreased from \$5.3 million incurred in 2023.

Facility operating expenses by quarter were as follows:

<i>in thousands</i>	2024		2023	
	Expenses	% of total	Expenses	% of total
Q1	\$ 16,336	24	\$ 15,018	23
Q2	17,556	25	15,505	23
Q3	17,887	26	18,330	27
Q4	17,612	25	17,918	27
	<b>\$ 69,391</b>	<b>100</b>	<b>\$ 66,771</b>	<b>100</b>

Before G&A expenses, earnings from facility operations of \$24.6 million increased by \$5.3 million or 27.2% compared to 2023.

Total G&A expenses of \$11.0 million increased by \$1.0 million or 9.9% from 2023 mainly due to increased post-employment benefits and the Company's long-term incentive plan (LTIP).

After G&A, operating earnings<sup>1</sup> of \$13.7 million increased by \$4.3 million or 45.4% compared 2023.

### Other Gains and Expenses

Total depreciation expense of \$7.6 million increased by \$0.1 million compared to 2023.

Net finance costs of \$3.1 million increased by \$0.5 million mainly due to valuation fluctuations in accounting for interest rate swap contracts that are used to fix the Company's interest rate on bank debt and interest recognized from the accounting of the Company's LTIP. Finance income and expenses consist of interest income earned on cash deposits, interest expense on bank debt and lease liabilities, implicit interest on other long-term liabilities (see "**Review of Liabilities and Shareholders' Equity**"), amortization of deferred financing costs, and mark-to-market gains or losses on interest rate swap contracts (see "**Financial Instruments**" below for further details).

A breakdown of net finance expense is as follows:

<i>in thousands</i>	2024	2023
Mortgage interest	\$ 2,320	\$ 2,039
Interest income	(640)	(593)
Lease liabilities interest	448	373
Mark-to-market loss on interest rate swap	712	455
Amortization of deferred financing costs and other	296	376
	<b>\$ 3,136</b>	<b>\$ 2,650</b>

<sup>1</sup> Non-IFRS Financial Measure ("Operating Earnings")

## Net Earnings

For the year ended December 31, 2024, the Company recorded net income tax expense of \$0.2 million (2023 – tax recovery of \$1.2 million). This net expense includes a deferred income tax recovery of \$1.0 million mainly related to capital losses carried forward that can be used to offset capital gains in future years and compensation expenditures deductible in the future for tax purposes. Net earnings for the year were \$2.8 million or \$0.21 per share compared to \$0.4 million or \$0.03 per share in the prior year.

## Foreign Currency Translation and Other Comprehensive loss

Other comprehensive income (OCI) was \$3.0 million in 2024 compared to other comprehensive loss (OCL) of \$0.8 million in 2023. OCI or OCL comprises foreign currency translation adjustments related to the Company's U.S. subsidiaries.

Transactions in U.S. dollars that are not part of the Company's U.S. subsidiaries, are recognized at the rates of exchange prevailing at the date of the transaction. In addition, monetary items denominated in foreign currencies not part of the Company's U.S. subsidiaries are retranslated at the rates prevailing at the period end date. As a result, foreign currency differences arising on the retranslation are recognized in net earnings.

## Review of Fourth Quarter 2024

Total operating revenue of \$26.0 million increased by \$1.4 million or 5.8% compared to 2023 mainly due to increased revenue from third-party field contracts, ASHL and F&B operations.

Facility operating expenses of \$17.6 million decreased by \$0.3 million or 1.7% from the prior year mainly due to lower repairs and maintenance expenses compared to 2023. Total G&A expenses of \$3.2 million decreased by \$0.4 million or 11.7% mainly due to reduced accruals required for LTIP compensation, wages, travel expense and professional fees compared to Q4 2023 (see ***“Review of Fiscal 2024 Operations”***).

After G&A expenses, operating earnings<sup>1</sup> of \$5.2 million increased by \$2.2 million or 71.6% for the quarter compared to 2023.

Total depreciation expense, net finance expenses, foreign exchange gain, and gain on interest rate swap contracts was \$2.5 million compared to \$4.1 million in 2023 mainly due to a \$1.7 million accounting charge recognized on the change in valuation of interest rate swap contracts during the fourth quarter in 2023 compared to a nominal gain in 2024.

After recording an income tax expense of \$0.3 million (2023 – recovery of \$1.1 million), net earnings for the quarter were \$2.4 million or \$0.18 per share compared to \$40,000 (< \$0.01 per share) a year ago.

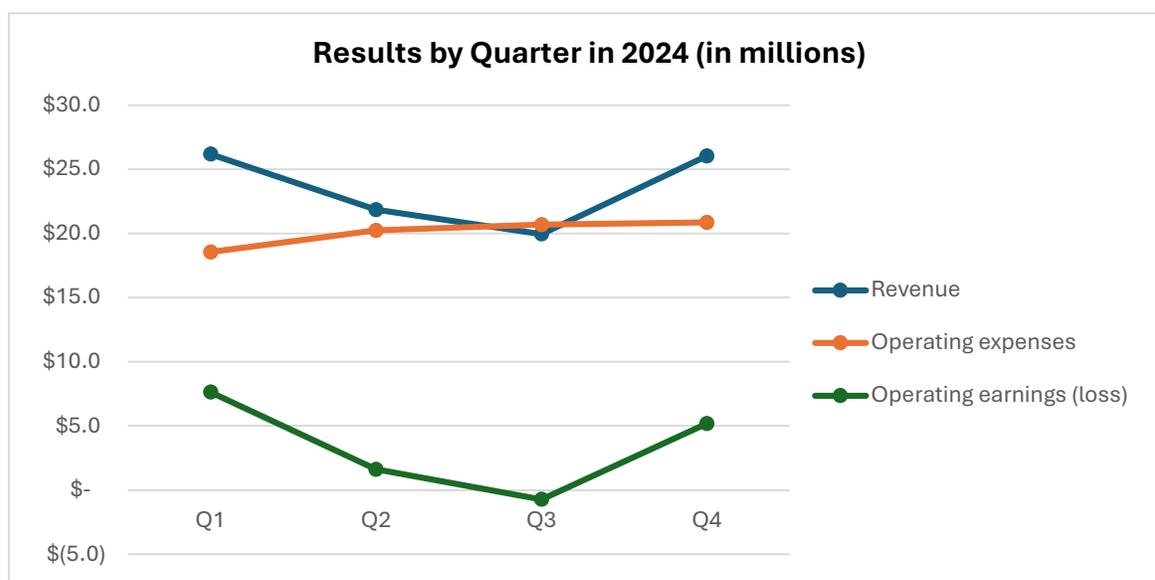
<sup>1</sup> Non-IFRS Financial Measure (“Operating Earnings”)

## Operating Earnings<sup>1</sup>

The Company's annual operating earnings<sup>1</sup> are predominantly earned in the first and fourth fiscal quarters due to the seasonal nature of ice sports and indoor soccer, plus major maintenance projects are usually completed during the slower spring and summer months.

Operating earnings<sup>1</sup> by quarter for 2024 and 2023 are as follows:

<i>in thousands</i>		2024		2023	
Q1	\$	7,630	\$	7,428	
Q2		1,608		2,251	
Q3		(730)		(3,281)	
Q4		5,182		3,019	
	\$	13,690	\$	9,417	



<sup>1</sup>Non-IFRS Financial Measure (“Operating Earnings”)

The following table is a summary of operations that reconciles operating earnings<sup>1</sup> to net earnings:

### Summary of Operations

For the years ended December 31

<i>in thousands</i>	2024	2023	2022
Revenue	\$ 94,035	\$ 86,151	\$ 73,728
Expenses	(69,391)	(66,771)	(55,729)
	24,644	19,380	17,999
General & administration expenses	(10,954)	(9,963)	(7,355)
Earnings before the undernoted (Operating earnings <sup>1</sup> )	13,690	9,417	10,644
Other gains (expenses):			
Depreciation	(7,558)	(7,513)	(8,379)
Gain on sale of assets	9	15	106
Foreign exchange gain	34	5	11
Gain on early lease termination	-	-	4,530
	(7,515)	(7,493)	(3,732)
Finance income (expenses)			
Finance expense	(3,064)	(2,788)	(2,636)
Finance income	640	593	208
Gain (loss) on interest rate swap	(712)	(455)	645
	(3,136)	(2,650)	(1,783)
Earnings (loss) before income taxes	3,039	(726)	5,129
Income tax expense (recovery) (note 15)			
Current	1,273	334	595
Deferred	(1,034)	(1,495)	(196)
	239	(1,161)	399
Net earnings for the year	2,800	435	4,730
Other comprehensive income (loss):			
Items that may be reclassified subsequently to net earnings (loss):			
Foreign currency translation differences	2,962	(830)	1,905
Total comprehensive income (loss)	\$ 5,762	\$ (395)	\$ 6,635

<sup>1</sup> Non-IFRS Financial Measure (“Operating Earnings”)



## Liquidity and Capital Resources

Canlan's cash and cash equivalents balance as at December 31, 2024 was \$21.7 million compared to \$19.0 million at the end of the prior year. In addition to cash-on-hand, the Company also has access to \$8.0 million of a \$10.0 million revolving credit facility (operating credit facility) that forms part of its bank term debt package (see "Review of Liabilities and Shareholders' Equity").

Cash provided by operations, less interest paid on debt and leases was \$13.8 million compared to \$9.3 million a year ago.

In terms of finance activities, net cash of \$2.9 million was used to reduce term debt and lease liabilities. The Company also continued its dividend policy in 2024 and \$1.6 million was used to pay dividends on common shares. During 2023, \$4.6 million was used to repay a lease liability upon exercise of an option to purchase a sports complex in Libertyville, Illinois. In addition, \$5.2 million of debt was drawn in 2023 to finance capital expenditures and to exercise the purchase option.

In addition to the \$10.0 million revolving credit facility, the Company also continues to have available a \$20.0 million committed line of credit that can be utilized for sustaining or expansion capital expenditures. As at December 31, 2024 approximately \$4.1 million (2023 - \$4.2 million) of the line has been drawn for refrigeration and building equipment so \$15.9 million is available for future capital expenditures.

In terms of investing activities, cash of \$6.9 million was used for capital expenditures. Capital investments during the year mainly consisted of new dehumidification systems focused on improving ice and air quality, new golf/sports simulator amenities to expand our recreation and entertainment product offerings, renovation of the Libertyville sportsplex to add indoor soccer pitches, new audio/video equipment for dining areas, and a complete refresh of the sports bar at Canlan Sports York to further enhance customer experience.

### Summarized Statements of Cash Flows:

<i>in thousands</i>	2024	2023
<b>Cash inflows and (outflows) by activity</b>		
Operating activities	\$ 14,209	\$ 9,182
Financing activities	(4,459)	(4,063)
Investing activities	(7,102)	(4,622)
	<u>2,648</u>	<u>497</u>
<b>Cash position, beginning of year</b>	<b>19,029</b>	<b>18,532</b>
<b>Cash position, end of year</b>	<b>\$ 21,677</b>	<b>\$ 19,029</b>

The following table provides a reconciliation of operating earnings<sup>1</sup> to cash flow from operations and the change in cash and cash equivalents position for the last two years:

<i>in thousands</i>	<b>2024</b>	<b>2023</b>
Operating earnings <sup>1</sup>	\$ 13,690	\$ 9,417
Net change in non-cash working capital	2,835	1,375
Net interest paid	(2,383)	(2,145)
Other long-term liabilities	1,069	946
Income tax expense - current	(1,273)	(334)
Foreign exchange	(126)	50
Cash flow from operations	<u>13,812</u>	<u>9,309</u>
<b>Add (deduct):</b>		
Principal repayments of debt	(1,993)	(1,925)
Increase in principal of debt	-	5,200
Expenditures on recreational facilities and other assets	(7,111)	(4,637)
Principal repayments on obligations under lease liabilities	(866)	(976)
Financing fee	-	(190)
Repayment of lease liability upon exercise of purchase option	-	(4,572)
Payment of dividends on common shares	(1,600)	(1,600)
Net proceeds on sale of assets	9	15
Effect of changes in foreign currency rates on cash and cash equivalents	397	(127)
Increase in cash and cash equivalents	<u>\$ 2,648</u>	<u>\$ 497</u>

### Contractual Obligations

The following table presents the aggregate amount of future cash outflows for contractual obligations in each of the next five years and thereafter.

In thousands	2025	2026	2027	2028	2029	Thereafter	Total
Accounts payable and accrued liabilities	\$ 15,249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,249
Other liabilities	-	2,171	2,200	-	-	-	4,371
Debt:							
Mortgage principal and interest	4,253	4,129	38,765	-	-	-	47,147
Lease liabilities, including interest	1,225	1,126	969	969	1,182	5,845	11,316
	<u>5,478</u>	<u>5,255</u>	<u>39,734</u>	<u>969</u>	<u>1,182</u>	<u>5,845</u>	<u>58,463</u>
	<u>\$ 20,727</u>	<u>\$ 7,426</u>	<u>\$ 41,934</u>	<u>\$ 969</u>	<u>\$ 1,182</u>	<u>\$ 5,845</u>	<u>\$ 78,083</u>

<sup>1</sup> Non-IFRS Financial Measure ("Operating Earnings")

## Review of Assets

The table below summarizes the Company's asset base:

<i>in thousands</i>	2024	2023
Property, plant and equipment – facilities	\$ 97,679	\$ 93,328
Cash and cash equivalents	21,677	19,029
Accounts receivable	3,300	2,991
Inventory	637	624
Prepaid and other expenses	1,636	1,256
Other assets	965	1,022
Deferred income taxes	4,608	3,587
Interest rate swap	-	162
	<u>\$ 130,502</u>	<u>\$ 121,999</u>

At December 31, 2024, total property, plant and equipment (PP&E) of \$97.7 million increased by \$4.4 million mainly due to capital expenditures of \$6.9 million and foreign currency translation differences on the Company's US-based PP&E, offset by scheduled depreciation during the year. In addition, the Company completed a four-year lease renewal with a five-year extension option, of its ice-rink facility in Langley, B.C, which resulted in an addition of \$2.0 million in PP&E, in accordance with IFRS 16.

On February 28, 2023, the Company exercised its option to purchase a sports complex in Libertyville, Illinois for \$4.6 million. The purchase was financed using available cash on hand and additional bank financing of \$3.2 million (see “**See Review of Liabilities and Shareholders' Equity**”). Previous to the purchase, this asset was already included in PP&E as the Company was operating the facility under a lease agreement that would have expired in June 2023.

Cash-on-hand at December 31, 2024 was \$21.7 million compared to \$19.0 million a year ago. See “**Liquidity and Capital Resources**” for sources and uses of cash.

Deferred income tax assets of \$4.6 million increased by \$1.0 million mainly due to capital losses that can be used to offset future capital gains and compensation expenditures deductible in the future for tax purposes.

Disclosures in the consolidated financial statements for the year ended December 31, 2024 note that cash included \$0.5 million of restricted cash representing funds held in trust in accordance with the terms of a lease agreement, consistent with 2023.

Prepaid expenses consist of amounts paid in advance that will be expensed in the subsequent 12 months, such as insurance and property taxes.

## Review of Liabilities and Shareholders' Equity

The table below summarizes the Company's capital structure:

<i>in thousands</i>	<b>2024</b>	2023
Debt	\$ 40,995	\$ 42,948
Deferred revenue and customer deposits	14,455	14,425
Accounts payable and accrued liabilities	15,249	11,742
Lease liabilities	7,478	6,327
Deferred tax liabilities	942	955
Other long-term liabilities	2,015	946
Interest rate swap	550	-
	<b>81,684</b>	77,343
Shareholders' equity	48,818	44,656
	<b>\$ 130,502</b>	\$ 121,999

At December 31, 2024, bank debt of \$41.0 million decreased by \$2.0 million mainly due to scheduled principal repayments.

Total lease liabilities of \$7.5 million increased by \$1.2 million mainly due to the renewal of the lease of Canlan Sports Langley (see "**Review of Assets**"), offset by scheduled lease payments.

Deferred revenue and customer deposits represent customer registration and rental fees received in advance of when surface times are used. At December 31, 2024, customer deposits totaled \$14.5 million compared to \$14.4 million at the end of 2023 and represented amounts paid in advance for surface rentals, sports leagues, and instructional programs.

Other long-term liabilities represents a provision for the Company's long-term incentive compensation plan for eligible directors and employees.

### Debt

As at December 31, 2024, total bank debt consists of the following:

- 1) \$25.3 million non-revolving loan amortized over 25 years, maturing on November 30, 2027, interest at Canadian Overnight Repo Rate Average (CORRA) rate plus 1.85% payable monthly. The Company has entered into an interest rate swap contract, maturing on November 21, 2027, to fix the interest rate at 5.04% per annum payable monthly. At December 31, 2024, the balance outstanding was \$22.9 million;
- 2) \$5.2 million 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, maturing on November 30, 2027, to fix the interest rate at 5.20% per annum payable monthly. At December 31, 2024, the balance outstanding was \$4.8 million;

- 3) \$10.0 million 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, maturing on November 30, 2027, to fix the interest rate at 5.20% per annum payable monthly. At December 31, 2024, the balance outstanding was \$2.0 million;
- 4) \$20.0 million revolving capital expenditure loan amortized over 25 years, maturing on November 30, 2027. At December 31, 2024, the balance outstanding on this credit facility was \$4.1 million. Of this total, \$2.1 million accrues interest at CORRA rate plus 1.85% per annum payable monthly. The Company entered into an interest rate swap contract, maturing on November 30, 2027, to fix the interest rate at 5.20% per annum payable monthly. The remaining \$1.9 million outstanding at December 31, 2024, accrues interest at Prime plus 0.25% per annum payable monthly;
- 5) \$8.5 million 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, maturing on September 29, 2027 to fix the interest rate at 5.70% per annum payable monthly. At December 31, 2024, the balance outstanding was \$7.3 million; and
- 6) \$0.7 million demand revolving operating loan, interest at Prime rate plus 0.25% per annum. No amounts have been drawn on this loan to date.

## Share Capital

The total and weighted average number of shares issued and outstanding at December 31, 2024 and December 31, 2023 was 13,336,999 <sup>(1)</sup>.

No new shares have been issued from treasury since November 2004, and the Company does not have a stock option plan.

## Transactions with Related Parties

Canlan's controlling shareholder, Bartrac Investments Ltd., owns approximately 10.1 million shares of the Company, or 75.5% of the outstanding shares. Bartrac's ownership position in TSX: ICE has remained unchanged since November 2004. The Company did not record any related party transactions with Bartrac during the period.

An independent director of the Company is the board-chair of a vendor from which the Company purchases services in the normal course of business. There were \$7,000 in purchases from this vendor for the year ended December 31, 2024 (2023 – \$7,000).

<sup>(1)</sup> Corrected from 13,337,448 common shares previously reported in error.

## Financial Instruments

The Company has the following financial instruments:

				2024
	Accounting classification	Fair value level	Carrying Amount	Fair value
Financial assets not measured at fair value:				
Cash and cash equivalents (i)	Amortized cost	1	\$21,677	\$21,677
Accounts receivable (i)	Amortized cost	2	3,300	3,300
Financial assets measured at fair value:				
Investment (ii)	FVOCI <sup>(1)</sup>	3	350	350
Financial liabilities not measured at fair value:				
Accounts payable and accrued liabilities (i)	Amortized cost	2	15,249	15,249
Debt	Amortized cost	2	40,995	41,130
Financial liabilities measured at fair value:				
Interest rate swap (iii)	Financial liability at FVTPL <sup>(2)</sup>	2	550	550
				2023
	Accounting classification	Fair value level	Carrying Amount	Fair value
Financial assets not measured at fair value:				
Cash and cash equivalents (i)	Amortized cost	1	\$19,029	\$19,029
Accounts receivable (i)	Amortized cost	2	2,991	2,991
Financial assets measured at fair value:				
Investment (ii)	FVOCI <sup>(1)</sup>	3	350	350
Interest rate swap (iii)	Financial assets at FVTPL <sup>(2)</sup>	2	162	162
Financial liabilities not measured at fair value:				
Accounts payable and accrued liabilities (i)	Amortized cost	2	11,742	11,742
Debt	Amortized cost	2	42,948	43,123

<sup>(1)</sup> FVOCI - fair value through other comprehensive income

<sup>(2)</sup> FVTPL - fair value through profit or loss

- (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 terms) to fix the interest rate on certain of its debt. The fair value of these derivative instruments have been presented as an

interest rate swap on the statements of financial position. Changes in fair value of the instruments are recognized in net earnings for the period. For the year ended December 31, 2024, a loss of \$0.7 million (2023 – \$0.5 million) was recognized.

The Company does not have held-to-maturity investments at December 31, 2024. The Company had no “other comprehensive income or loss” transactions related to financial instruments during the year ended December 31, 2024 and no opening or closing balances for accumulated other comprehensive income or loss related to financial instruments.

## **Disclosure Controls and Procedures**

The Company has established and maintain disclosure controls and procedures designed to provide reasonable assurance that material information relating to the Company is made known to the appropriate level of management in a timely manner.

Based on current securities legislation in Canada, the Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are required to certify that they have assessed the effectiveness of the Company's disclosure controls and procedures as at December 31, 2024.

The Company's management has evaluated, under the supervision and with the participation of our CEO and CFO, the design and effectiveness of the Company's disclosure controls and procedures as at and for the year ended December 31, 2024. Management has concluded that these disclosure controls and procedures, as defined in National Instrument 52-109 – Certification of Disclosure in Issuers Annual and Interim Filings (NI 52-109), are adequate and effective and that material information relating to the Company was made known to them and reported within the time periods specified under applicable securities legislation.

The Company's management, under the supervision of our CEO and CFO, has also designed and evaluated the effectiveness of the Company's internal controls over financial reporting (ICFR) using the Internal Control – Integrated Framework as published by the Committee of Sponsoring Organization of the Treadway Commission (2013 Framework) (COSO) Framework. Based on the Company's evaluation, management has concluded that ICFR, as defined in NI 52-109 and using the COSO integrated framework are effective as of December 31, 2024.

## **Risk Factors**

Canlan is engaged primarily in the operation of multi-pad recreation facilities throughout North America, and is exposed to a number of risks and uncertainties that can affect operating performance and profitability. The Company's past performance is no guarantee of our performance in future periods.

## **Economic Conditions**

The Company's results from operations are sensitive to and may be significantly impacted by general economic conditions, which may also impact overall demand for recreation and entertainment, operating costs, energy cost and availability, foreign exchange costs, tax costs and the costs and availability of capital and supplies.

Statements or actions by governments relating to the imposition of (or threats to impose) tariffs or trade restrictions on exports or imports, as well as reactions from customers may pose significant risks to Canlan's business activity levels, adversely affect input costs, or disrupt supply chains.

Market inflation and increases in interest rates decrease consumers' discretionary spending and increase the difficulty for the Company to operate profitably due to increased input and debt service costs while balancing the need to maintain competitive pricing.

## **Control by Principal Shareholder and Liquidity of Common Shares**

The principal shareholder, Bartrac Investments Ltd. holds 10,075,947 Common Shares and controls approximately 75.5% of the aggregate voting shares of the Corporation, which will allow it to control substantially all the actions taken by the shareholders of the Company, including the election of the directors. In addition, at the date of this MD&A, a Trust in the U.S. holds 2,308,500 Common Shares, which represents 17.3% of total outstanding Common Shares. Such concentration of ownership could also have the effect of delaying, deterring, or preventing a change of control of the Company that might otherwise be beneficial to its shareholders and may also discourage acquisition bids for the Company and limit the amount certain investors may be willing to pay for the Common Shares.

## **Pandemic or Epidemic Diseases**

Outbreaks or the threat of outbreaks of viruses or other contagions such as the COVID-19 outbreak of 2020, may lead to voluntary or mandatory building closures, government restrictions on travel, or gatherings, which may lead to a general slowdown of economic activity and disrupt our workforce and business operations. Such occurrences, could have a material adverse effect on the demand for recreation services. The Company has created an exposure control program that would be put into effect, when required, to prevent or limit the spread of disease.

Mitigating factors and strategies:

- Management established control measures and enhanced standard operating procedures to help protect the health and safety of employees and guests, when required.
- During periods of reduced business activity, management establishes cost management measures with the objective of preserving cash and mitigating the effects of a reduction in business activity.
- Through collaboration with senior lenders, the Company arranges, where possible, debt covenant waivers, deferrals of principal repayments and/or additional credit facilities that can be accessed if necessary.
- During such occurrences, financial support for businesses and individuals may be made available by various levels of government that the Company will access where appropriate.

## **Leverage and Ability to Service Indebtedness**

The Company's level of debt and the limitations imposed on it by its debt agreements could have important consequences, including the following:

- the Company may have to use a significant portion of its cash flow from operations for debt service, rather than for operations.
- the Company may not be able to obtain additional debt financing for future working capital, capital expenditures or other corporate purposes.
- the Company could be more vulnerable to economic downturns and less able to take advantage of significant business opportunities or to react to changes in market or industry conditions.
- the Company's less leveraged competitors could have a competitive advantage.

The Company's ability to pay the principal and interest on debt obligations will depend on its future performance. To a significant extent, the Company's performance will be subject to general economic, financial and competitive factors. The Company can provide no assurances that business activity will generate cash flow from operations sufficient to pay the Company's indebtedness, fund other liquidity needs or permit the Company to refinance its indebtedness. The Company can provide no assurances that it can secure any further credit facilities or that the terms of any such credit facilities will be favourable.

If the Company has difficulty servicing its debt, the Company may be forced to adjust capital expenditures, seek additional financing, sell assets, restructure or refinance the Company's debt, adjust dividends, or seek equity capital. The Company might not be able to implement any of these strategies on satisfactory terms, if at all. The Company's inability to generate sufficient cash flow or refinance its indebtedness would have a material adverse effect on the Company's financial condition, results of operations and ability to satisfy the Company's obligations.

Term debt may also require the Company to grant security interests in favour of third parties. Neither the Company's articles nor notice of articles limit the amount of indebtedness that the Company may incur or its ability to grant security interests. Should the Company default on any of its obligations under any secured credit facility, this could result in seizure of the Company's assets.

Mitigating factors and strategies:

- The Company manages its capital with the objectives of maintaining a financial position suitable for servicing debt in accordance with repayment schedules, complying with debt covenants, and supporting our growth strategies.
- The Company maintains good relationships with its lenders through regular communications and reporting.
- The Company continuously evaluates asset profitability and cost of capital to optimize return on capital.
- During periods where business operations are widely impacted by pandemics or other isolated incidences, the Company has arranged for debt covenant waivers and/or amendments.

## **Insurance**

The Company develops and organizes sports leagues to play at the facilities it owns and operates. Due to the nature of the sports we host, incidents can occur. We purchase liability and accident insurance, the cost of which is dependent upon the history of the number of injury claims and the quantum of such claims. There is always a risk that the cost of acquiring sufficient insurance to cover any such injury claims will become prohibitive or that such insurance will become unavailable. The Company has obtained insurance coverage that it believes would ordinarily be maintained by an operator of facilities similar to that of the Company. The Company's insurance is subject to various limits and exclusions. Damage or destruction to any of our facilities or lawsuits arising from use of such facilities could result in claims that are excluded by, or exceed the limits of, the Company's insurance coverage.

Mitigating factors and strategies:

- The Company maintains its facilities to high standards and continually monitors league activities and enforces a strict set of rules.
- The Company has developed risk management procedures and emergency preparedness guides at all of its locations.
- Management works closely with insurance providers.

## **Expansion and U.S. Operations**

The Company's expansion strategies may include purchase of facilities in new markets or the creation of new product offerings. Should market conditions of new locations or consumer preferences surrounding new products vary significantly from what was anticipated, the Company's financial results could be adversely affected.

Specifically, expansion strategies include certain markets in the U.S. As such, the Company faces the risks of operating in new markets where the demographics, consumer preferences, and economic conditions can be very different from Canadian markets in which the Company primarily operates.

Operating in the U.S. also creates foreign currency risk on sales and purchases that are denominated in U.S. dollars. Should the financial results of the Company's U.S. subsidiaries significantly fall short of targets, the Company could be exposed to the risk of loss depending on the relative movement of this currency against the Canadian dollar. The Company does not currently enter into forward contracts to mitigate this risk. However, management anticipates that earnings from U.S. business activities are adequate to service the working capital needs of U.S. operations.

Mitigating factors and strategies:

- The Company performs due diligence to evaluate the structural condition of facilities, and conditions that support supply and demand in the marketplace of target investments.
- The Company performs extensive research and due diligence to evaluate and test new product offerings to ensure consumer demand matches the product offering prior to a full product launch.
- Management closely monitors the Canadian-U.S. foreign exchange rate and could utilize hedging instruments if necessary. In addition, a reasonable amount of U.S. currency is maintained on hand to meet operating needs.
- Equipment and supplies required for facility operations are mostly sourced from the local region to minimize the need for importing supplies and equipment.

## **Competition**

The recreation industry is highly competitive and Canlan competes with other private and municipal operators in various major markets. Other private operators may have more resources and less debt than Canlan, and municipal operators can operate at a loss for an indefinite period without the same negative consequences such losses would have on private companies.

Mitigating factors and strategies:

- Canlan has developed customer loyalty by providing superior customer service and facilities.
- The ice rink industry is capital intensive with high start-up expenses; therefore barriers to enter the business exist.
- We have developed expertise in all aspects of the ice rink development and multi-sport complex operations.

## **Employee and Union Relations**

The Company has unionized employees at four of its facilities. The Company may not be able to negotiate a new contract on favourable terms, which could result in increased operating costs as a result of higher wages or benefits paid to its unionized workers. If unionized workers engage in a strike or other work stoppage, the Company could experience a significant disruption in its operations or higher ongoing labour costs, which could have material adverse effects on the business, financial condition, results of operations and cash flows.

Mitigating factors and strategies:

- The Company maintains positive relationships with the unions and management and union representatives have bargained in good faith.
- The Company garners assistance and guidance from professional labour consultants where needed.

## **Key Personnel**

The Company's future success depends, to a large extent, on the efforts and abilities of its executive officers and other key personnel. As the Company's ability to retain these key personnel and executive officers is important to its success and growth, the loss of such personnel could adversely affect the Company's business, financial condition, cash flows and results of operations.

Mitigating factors and strategies:

- The Company has established short-term and long-term compensation and incentive programs for its executive officers that are commensurate with their responsibilities and with market conditions.
- The Company maintains an open and candid working environment where executive officers can offer input into business strategies and decisions.

## **Utility Costs**

Electricity, natural gas and water are significant components of operating costs of our facilities and the Company is susceptible to fluctuations in the market price of energy and related regulatory charges. In addition, the Company may experience power fluctuations or outages or cannot maintain adequate sources of natural gas and water. These factors

may have a material adverse effect on the Company's business, financial conditions, results of operations and cash flows.

Mitigating factors and strategies:

- Where considered appropriate, the Company enters into medium-term energy contracts to mitigate the price fluctuations of gas and electricity.
- The Company carefully manages utility consumption through standard operating procedures and capital asset program.
- The Company has implemented an equipment replacement program, which utilizes newer technology and reduces energy consumption.
- The Company employs a full-time subject matter expert in energy management.

## **Privacy and Security of Information**

In the ordinary course of our business we receive, process and store information from our guests and others, including personal information of our guests and employees often through online operations that depend upon the secure communication of information over public networks and in reliance on third party service providers. The secure operation of the networks and systems on which this information is stored, processed and maintained is critical to our business operations and strategy. Although we maintain systems to protect this information and rely on systems security of third-party software service providers, these systems must be continuously monitored and updated and could be compromised, in which case our guest information could become subject to intrusion, tampering or theft. Any compromise of our data security systems or the security systems of our third-party service providers could have an adverse impact on our reputation, be costly to remediate and could have a material adverse effect on our business.

Mitigating factors and strategies:

- The Company has deployed network security measures and performs periodic security compliance audits.
- Information security has been made a part of the Company's Enterprise Risk Management Strategy to provide oversight over this particular risk.

## **Climate Change**

Canlan, like many other companies, is subject to climate change-related risks. Government regulations and public perception may adversely impact Canlan's operations. Climate change may also increase the frequency and intensity of severe weather events, which may negatively impact our facilities, cause property damage or other disruption to the Company's operations. Natural disasters resulting from climate change may also result in disruptive events that can impact operations, customer satisfaction and client experience, and may result in increased insurance premiums or deductibles, and the decrease in the availability of, or loss of insurance coverage. To reduce the potential impact that business operations may pose on the environment, the Company continuously invests in cooling, heating and lighting equipment that is energy-efficient and implements technologies or processes to reduce energy, water and paper consumption where appropriate. In addition, the Company follows guidance provided by its insurers on policies and procedures that can help mitigate property damage that may be caused by severe climate such as sudden heavy precipitation or wind storms.

## **Infrastructure Expenditures**

The Company's recreation facilities consist of property, plant and equipment that have useful lives estimated by management. Assets may become obsolete and may require replacement before the end of their estimated useful lives, which will necessitate significant capital expenditure.

Mitigating factors and strategies:

- The Company has implemented formal standard operating procedures and operational support visits to help protect our assets.
- The Company has a stringent asset repair and maintenance program.
- The Company has a long-term capital project program that plans capital expenditures in accordance with priorities and estimated useful lives.

## **Critical Accounting Policies and Estimates**

Canlan's material accounting policies are described in Note 3 to the audited consolidated financial statements. The preparation of the consolidated financial statements in conformity with IFRS requires us to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and judgments 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. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty are the areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities. These are:

### **Recoverability of Property, Plant and Equipment - Facilities**

At each reporting date, the Company performs an assessment for indicators of impairment for each cash-generating unit. If any such indication exists, the Company estimates the cash-generating unit's recoverable amount based on the greater of its value in use and its fair value less costs to sell. When the carrying amount exceeds the recoverable amount, an impairment loss is recognized in an amount equal to the excess. In determining the recoverable amount of the cash-generating units under the value in use method, significant assumptions include estimated revenue and expense growth rates, pre-tax discount rates, and useful lives of property, plant and equipment. In determining the recoverable amount of the cash-generating units under the fair value less costs to sell method, significant assumptions include the capitalization rate and the estimated value per square foot of the recreational property.

### **Useful Lives of Property, Plant and Equipment**

Property, plant, and equipment are depreciated on a straight-line basis over their estimated useful life and residual values which are determined through exercise of judgment. Approximately 76% of the Company's total assets are comprised of recreational properties. The method of depreciation and length of the depreciation period could have a material impact on depreciation expense and the net book value of the Company's assets. Assets may become obsolete or require replacement before the end of their estimated useful lives, in which case any remaining unamortized costs would be expensed.

**Deferred Income Tax**

Deferred income tax assets and liabilities require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize or recognize net deferred tax assets, if any, at the reporting date could be impacted.

**Ivan Wu**  
**Chief Financial Officer**



**CANLAN ICE SPORTS CORP.**

YEARS ENDED DECEMBER 31, 2024 AND 2023



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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Canlan Ice Sports Corp.

### ***Opinion***

We have audited the consolidated financial statements of Canlan Ice Sports Corp. (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2024 and December 31, 2023
- the consolidated statements of earnings (loss) and comprehensive income (loss) for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies policy information

(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024 and December 31, 2023, its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

### **Assessment of property, plant and equipment – facilities for indicators of impairment**

#### **Description of the matter**

We draw attention to Notes 2(d), 3(m) and 6 to the financial statements. The Entity measures property, plant and equipment – facilities, consisting of 15 recreational properties, at cost less accumulated depreciation and impairment losses. The Entity defines each recreational property as a separate cash-generating unit for purposes of assessing indicators of impairment. Each cash-generating unit is comprised of property, plant and equipment which were recorded at a carrying amount of \$97,679 thousand in aggregate. At each reporting date, the Entity performs an assessment for indicators of impairment for each cash-generating unit. At December 31, 2024, the Entity identified no indicators of impairment for each of its cash-generating units. Accordingly, no quantitative impairment tests were performed.

#### **Why the matter is a key audit matter**

We identified the assessment of property, plant and equipment- facilities for indicators of impairment as a key audit matter. This matter represented an area of significant risk of material misstatement, and evaluation of this matter required significant auditor judgement.

#### **How the matter was addressed in the audit**

The primary procedures we performed to address the key audit matter included the following:

We evaluated the Entity's identification and assessment for indicators of impairment, including comparing the current year performance of the cash-generating units against historical results. We also performed an independent assessment of impairment indicators taking into account current market conditions, as well as the economic and legal environment.

#### **Other Information**

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.
- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "Annual Report".



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Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "Annual Report" is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine



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that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*KPMG LLP*

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditor's report is Pauline Wu.

Vancouver, Canada  
March 21, 2025

# CANLAN ICE SPORTS CORP.

Consolidated Statements of Financial Position

(Expressed in thousands of dollars)

Years ended December 31, 2024 and 2023

	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 4)	\$ 21,677	\$ 19,029
Accounts receivable	3,300	2,991
Inventory (note 5)	637	624
Prepaid and other expenses	1,636	1,256
	27,250	23,900
Non-current assets:		
Property, plant and equipment – facilities (note 6)	97,679	93,328
Deferred tax assets (note 15b)	4,608	3,587
Other assets	965	1,022
Interest rate swap (notes 10b and 16a)	-	162
	103,252	98,099
	\$ 130,502	\$ 121,999
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities (notes 9 and 16a)	\$ 15,249	\$ 11,742
Deferred revenue and customer deposits	14,455	14,425
Current portion of:		
Lease liabilities (note 7b)	781	951
Debt (note 10a)	2,041	2,041
	32,526	29,159
Non-current liabilities:		
Lease liabilities (note 7b)	6,697	5,376
Debt (note 10a)	38,954	40,907
Other long-term liabilities (note 12b)	2,015	946
Deferred tax liabilities (note 15b)	942	955
Interest rate swap (notes 10b and 16a)	550	-
	49,158	48,184
Total liabilities	81,684	77,343
Shareholders' equity:		
Share capital (note 11)	63,109	63,109
Contributed surplus	543	543
Foreign currency translation reserve	5,794	2,832
Deficit	(20,628)	(21,828)
	48,818	44,656
	\$ 130,502	\$ 121,999

Commitments and contingencies (note 14)

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

Approved on behalf of the Board:

/s/ Victor D'Souza

Director

/s/ Joey St-Aubin

Director

# CANLAN ICE SPORTS CORP.

Consolidated Statements of Earnings (Loss) and Comprehensive Income (Loss)  
(Expressed in thousands of dollars, except for share and per share amounts)

Years ended December 31, 2024 and 2023

	2024	2023
Revenue:		
Ice rink and recreational facilities (note 19)	\$ 94,035	\$ 86,151
Expenses (note 21):		
Ice rink and recreational facilities:		
Salaries, wages and benefits (note 12)	32,501	31,654
Selling and customer service	11,796	10,416
Utilities	6,862	6,420
Cost of goods sold	5,496	5,207
Repairs and maintenance	9,347	10,168
Property tax	3,389	2,906
	69,391	66,771
Earnings from ice rink and recreational facilities before the undernoted	24,644	19,380
General and administration expenses (notes 12, 13 and 21)	10,954	9,963
Earnings before the undernoted	13,690	9,417
Other gains (expenses) (note 21):		
Depreciation	(7,558)	(7,513)
Gain on sale of assets	9	15
Foreign exchange gain	34	5
	(7,515)	(7,493)
Finance income (expenses):		
Finance income	640	593
Finance expense	(3,064)	(2,788)
Loss on interest rate swap (note 16a)	(712)	(455)
	(3,136)	(2,650)
Earnings (loss) before income taxes	3,039	(726)
Income tax expense (recovery) (note 15)		
Current	1,273	334
Deferred	(1,034)	(1,495)
	239	(1,161)
Net earnings for the year	2,800	435
Other comprehensive income (loss):		
<i>Items that may be reclassified subsequently to net earnings (loss):</i>		
Foreign currency translation differences	2,962	(830)
Total comprehensive income (loss)	5,762	(395)
Basic and fully diluted earnings per share	\$ 0.21	\$ 0.03
Weighted average common shares issued for basic and diluted earnings per share calculations	13,336,999	13,336,999

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

# CANLAN ICE SPORTS CORP.

Consolidated Statements of Changes in Equity  
(Expressed in thousands of dollars)

Years ended December 31, 2024 and 2023

	Share capital	Contributed surplus	Foreign currency translation reserve	Deficit	Total
Balance at January 1, 2023	\$ 63,109	\$ 543	\$ 3,662	\$ (20,663)	46,651
Net earnings for the year	-	-	-	435	435
Other comprehensive loss	-	-	(830)	-	(830)
Dividends to common shareholders	-	-	-	(1,600)	(1,600)
Balance at December 31, 2023	\$ 63,109	\$ 543	\$ 2,832	\$ (21,828)	\$ 44,656
Net earnings for the year	-	-	-	2,800	2,800
Other comprehensive income	-	-	2,962	-	2,962
Dividends to common shareholders	-	-	-	(1,600)	(1,600)
Balance at December 31, 2024	\$ 63,109	\$ 543	\$ 5,794	\$ (20,628)	\$ 48,818

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

# CANLAN ICE SPORTS CORP.

## Consolidated Statements of Cash Flows

(Expressed in thousands of dollars)

Years ended December 31, 2024 and 2023

	2024	2023
<b>Cash provided by (used in):</b>		
<b>Operations:</b>		
Net earnings for the year	\$ 2,800	\$ 435
Adjustments for:		
Depreciation	7,558	7,513
Other long-term liabilities	1,069	946
Gain on sale of assets	(9)	(15)
Net finance expense	3,136	2,650
Deferred income taxes	(1,034)	(1,495)
Foreign exchange loss (gain)	(160)	45
Net change in non-cash working capital (note 20)	2,835	1,375
Interest paid (note 10)	(3,023)	(2,738)
Interest received	640	593
	<b>13,812</b>	<b>9,309</b>
<b>Financing:</b>		
Principal repayments of debt	(1,993)	(1,925)
Principal repayments on obligations under lease liabilities	(866)	(976)
Payment of dividends on common shares	(1,600)	(1,600)
Increase in principal of debt	-	5,200
Financing fee	-	(190)
Repayment of lease liability upon exercise of purchase option (note 6)	-	(4,572)
	<b>(4,459)</b>	<b>(4,063)</b>
<b>Investments:</b>		
Net proceeds on sale of assets	9	15
Expenditures on ice rink and recreational facilities	(6,881)	(4,241)
Expenditures on other assets	(230)	(396)
	<b>(7,102)</b>	<b>(4,622)</b>
Effect of changes in foreign currency rates on cash and cash equivalents	397	(127)
Increase in cash and cash equivalents	2,648	497
Cash and cash equivalents, beginning of year	19,029	18,532
Cash and cash equivalents, end of year	<b>\$ 21,677</b>	<b>\$ 19,029</b>

Supplemental cash flow information (note 20)

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

# CANLAN ICE SPORTS CORP.

Notes to Consolidated Financial Statements

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

Years ended December 31, 2024 and 2023

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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 consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were approved and authorized for issue by the Board of Directors on March 21, 2025.

### (b) Basis of measurement:

These consolidated 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 (loss) 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 (loss) 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 (loss).

### (d) Significant judgments, estimates and assumptions:

The preparation of these consolidated financial statements in conformity with IFRS 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.

# CANLAN ICE SPORTS CORP.

Notes to Consolidated Financial Statements

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

Years ended December 31, 2024 and 2023

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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 consolidated financial statements are as follows:

(i) Recoverability of property, plant and equipment - facilities

At each reporting date, the Company performs an assessment for indicators of impairment for each cash-generating unit. If any such indication exists, the Company estimates the cash-generating unit's recoverable amount based on the greater of its value in use and its fair value less costs to sell. When the carrying amount exceeds the recoverable amount, an impairment loss is recognized in an amount equal to the excess. In determining the recoverable amount of the cash-generating units under the value in use method, significant assumptions include estimated revenue and expense growth rates, pre-tax discount rates, and useful lives of property, plant and equipment. In determining the recoverable amount of the cash-generating units under the fair value less costs to sell method, significant assumptions include the capitalization rate and the estimated value per square foot of the recreational property.

(ii) Useful lives of property, plant, and equipment

Property, plant, and equipment are depreciated on a straight-line basis over their estimated useful life and residual values which are determined through exercise of judgment. The method of depreciation and length of the depreciation period could have a material impact on depreciation expense and the net book value of the Company's assets. Assets may become obsolete or require replacement before the end of their estimated useful lives, in which case any remaining unamortized costs would be expensed.

(iii) Deferred income tax

Deferred income tax assets and liabilities require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize or recognize net deferred tax assets, if any, at the reporting date could be impacted.

# CANLAN ICE SPORTS CORP.

Notes to Consolidated Financial Statements

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

Years ended December 31, 2024 and 2023

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### 3. Material accounting policies:

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

#### (a) Basis of consolidation:

##### (i) Subsidiaries:

These consolidated financial statements include the accounts of the Company and the following wholly-owned subsidiaries:

- Canlan Ventures Ltd.
- Canlan Ice Sports (USA) Corp.
- P.C. Development Inc. (this subsidiary was dissolved on January 12, 2024)

Subsidiaries are entities controlled by the Company. The statements of financial position of the subsidiaries are included in these consolidated financial statements from the date that control commences. They are de-consolidated from the date that control ceases. The accounting policies of subsidiaries are aligned with those adopted by the Company.

##### (ii) Transactions eliminated on consolidation:

Intercompany balances are eliminated in preparing these consolidated financial statements.

#### (b) Inventory:

Inventory consists of hockey equipment, supplies and sportswear held for sale, and food and beverage supplies. Inventory is recorded at the lower of cost and estimated net realizable value and is based on the first-in, first-out principle. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

#### (c) Property, plant, and equipment:

##### (i) Recognition and measurement:

Items of property, plant, and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, costs directly attributable to bringing the assets to a working condition for their intended use, and borrowing costs on qualifying assets.

When parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment.

Gains and losses recognized in the consolidated statements of earnings (loss) and comprehensive income (loss) on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized within gain or loss on sale of assets.

# CANLAN ICE SPORTS CORP.

Notes to Consolidated Financial Statements

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

Years ended December 31, 2024 and 2023

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(ii) Subsequent costs:

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in net earnings (loss) as incurred.

(iii) Depreciation:

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in net earnings (loss) on a straight-line basis over the estimated useful lives of each component of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term or their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

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Asset	
Buildings	40 years
Rink board systems	25 years
Refrigeration equipment	20 years
Building improvements	10 years
Leasehold improvements	Shorter of useful life or remaining lease term
Machinery and equipment	10 years
Computers, furniture and fixtures	5 years
Ice resurfacing equipment	5 years

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Depreciation methods, useful lives and residual values are reviewed annually at the reporting date and adjusted if appropriate.

(d) Other assets:

Included in other assets are fixed assets located in the Company's corporate offices.

(e) Leases:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

# CANLAN ICE SPORTS CORP.

Notes to Consolidated Financial Statements

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

Years ended December 31, 2024 and 2023

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The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset may be periodically adjusted by impairment losses.

The lease liability is initially measured at the present value of future lease payments discounted using an implicit interest rate or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

If the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases in net earnings (loss) on a straight-line basis over the lease term.

(f) Revenue recognition:

The Company evaluates all contractual arrangements, the nature of the promises it makes, and its rights and obligations under the arrangement, in determining the nature of its performance obligations. Where such performance obligations are determined to be distinct from each other, the consideration is allocated to each performance obligation based on its relative estimated stand-alone selling price. Performance obligations that are concluded not to be distinct are combined together into a single unit of account. Revenue is recognized at an amount equal to the transaction price allocated to the specific performance obligation as it is satisfied.

Ice and field sales:

- Sports league - Customers obtain the benefits of sport leagues service as league games are played (which are scheduled and provided by the Company) over the course of a league season. Revenue is recognized over time as games are played. Invoices are payable during each league season in accordance with a payment schedule with non-refundable deposits paid in advance.
- Instructional sports programs - Customers obtain the benefits of programs service as they attend each session of the instructional programs provided by the Company. Revenue is recognized over time as program sessions are completed. Invoices are payable at the time of program registration.

Food and beverage:

Customers obtain the benefits of the food and beverage as they receive their orders. Revenue is recognized and amounts are payable at the point when the customers' orders are delivered.

# CANLAN ICE SPORTS CORP.

Notes to Consolidated Financial Statements

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

Years ended December 31, 2024 and 2023

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## Sports store:

Customers obtain control of the product at the time of purchase. Revenue is recognized at the point when the customers purchase the product in-store. Customers pay at the time of purchase.

## Sponsorship:

Customers obtain the benefits of sponsorship and advertising services as sponsorship and advertising material are displayed on and in the Company's digital and physical assets and as promotional events occur. Advertisements are displayed or presented during the contractual period through the duration of the sponsorship campaign and revenue is recognized over time during the contractual period. Invoices are payable during each sponsorship campaign in accordance with contractual payment terms.

## Space rental:

Tenants obtain the benefits as they use the space provided by the Company. Revenue is recognized over time as the space is being used by the tenants. Invoices are payable at the beginning of each month.

## Management and consulting fees:

Customers obtain the benefits as the Company provides management/consulting services. Revenue is recognized over time as the management/consulting services are provided. Invoices are payable at the beginning of each month.

## (g) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures financial instruments at fair value at the end of each reporting period.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement or disclosure:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for assets or liability.

## (h) Financial instruments:

### Recognition and initial measurement:

At initial recognition, a financial asset not at fair value through profit or loss (FVTPL) is measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

# CANLAN ICE SPORTS CORP.

Notes to Consolidated Financial Statements

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

Years ended December 31, 2024 and 2023

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Financial liabilities are recognized initially at fair value and are classified as amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition.

Classification and subsequent measurement:

The Company classifies its financial assets between those to be measured subsequently at fair value (either through other comprehensive income (loss), or profit or loss), and those to be measured at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment is measured at fair value through other comprehensive income (FVOCI) if it meets the following conditions and is not designated as at FVTPL:

- the investment is held mainly to execute the Company's strategic objectives.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The Company's financial instruments measured at amortized cost include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and debt.

Derivative instruments are financial contracts whose values are derived from interest rates, foreign exchange rates or other financial or commodity indices. The Company holds interest rate swap contracts at December 31, 2024 and 2023. These contracts have not been designated as a hedge and are measured at FVTPL. The resulting unrealized gains and losses during the year on the interest rate swap

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contracts are recorded in net earnings (loss) with a corresponding asset or liability recorded on the consolidated statements of financial position. Payments and receipts under the interest rate swap contracts are recognized as adjustments to interest expense which are recognized within finance costs.

Impairment of financial assets:

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes obtaining evidence of significant financial difficulty of the customer or a breach of contract such as a default or being more than 90 days past due.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amounts of the assets.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses ("ECLs"). Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. ECLs are probability-weighted estimate of credit losses, and credit losses are measured as the present value of cash shortfalls from a financial asset.

(i) Earnings per share:

The Company presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the net earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the net earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, if any.

(j) Employee benefits:

(i) Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in net earnings (loss) in the period in which services are rendered by employees.

(ii) Long-term incentive plan:

The Company's long-term incentive plan provides cash compensation to officers and directors based upon a specified formula. The compensation expense is determined based on an expected enterprise value supported by a discounted cashflow model. The key inputs include estimates of future earnings, capital expenditures, cash and debt balances, and a risk-adjusted discount rate. The compensation expense is cash-settled and is recognized on a straight-line basis during the vesting period over three years.

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(k) Finance income and finance expenses:

Finance income comprises bank interest income and changes in the fair value of financial assets and liabilities at fair value through profit or loss. Interest income is recognized in net earnings (loss) as it accrues.

Finance expenses comprise interest expense on borrowings and obligations under finance leases, bank charges and changes in the fair value of financial assets and liabilities at fair value through profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in net earnings (loss) using the effective interest method.

(l) Income tax:

Income tax expense comprises current and deferred tax. Current and deferred tax are recognized in net earnings (loss) except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income (loss).

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are increased or reduced dependent on the probability that the related tax benefit will be realized.

(m) Impairment of properties, plant and equipment - facilities:

The Company's property, plant, and equipment – facilities is assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell.

A CGU is defined under IAS 36 as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets. The Company generates

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cash inflows from its recreational properties and each recreational property is a CGU. The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its estimated recoverable amount. Impairment losses are recognised in net earnings (loss) in the consolidated statements of earnings (loss) and comprehensive income (loss).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell is based on valuations performed by independent external appraisers accredited by professional institutes with experience in the location of the property being valued and reviewed by management. In determining fair value less costs to sell, recent market transactions are taken into account as well as stabilized net income and relevant capitalization rates.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGU's to which individual assets are allocated.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed if there has been a change in the assumptions used to determine the recoverable amount since the last impairment loss was recognized. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Segment reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's management to make decisions about resources to be allocated to the segment and assess its performance. Segment results include items directly attributable to a segment.

(o) Accounting standards effective in the year:

The Company has adopted the following accounting standards amendments from January 1, 2024:

- The first amendment clarifies that the classification between current and non-current liabilities is based on rights that are in existence at the end of the reporting period. The classification is unaffected by expectations of whether an entity will exercise its right to defer settlement of a liability. It also introduces a definition of "settlement" as the transfer of cash, equity instruments, other assets or services to the counterparty.
- The second amendment introduces Non-Current Liabilities with Covenants. It specifies that the classification of debt as current or non-current at the reporting date is not affected by the entity's compliance to the covenants after the reporting date.

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The adoption of these amendments does not have any material impact on the Company's financial disclosures.

(p) Accounting standards issued but not yet effective in the year:

The following new accounting standards are effective for annual reporting periods beginning after January 1, 2024 and earlier adoption is permitted. However, the Company has not early adopted these standards in preparing these consolidated financial statements.

(i) IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key requirements.

- Entities are required to classify all income and expenses into three categories in the statement of earnings (loss) and comprehensive income, namely the operating, investing, and financing categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements;
- Entities are required to improve grouping of information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of earnings (loss) and comprehensive income, statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements.

(ii) The following new and amended accounting standards are not expected to have a significant impact on the Company's consolidated financial statements.

- Lack of Exchangeability (Amendments to IAS 21)
- Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and IFRS 9)

#### 4. Restricted cash:

Cash and cash equivalents include \$500,000 (2023 – \$500,000) of restricted cash representing funds held in trust in accordance with the terms of a facility lease agreement with a third party. These funds are maintained as operating reserves.

#### 5. Inventory:

	2024	2023
Sports store	\$ 207	\$ 242
Food and beverage	430	382
	<u>\$ 637</u>	<u>\$ 624</u>

The amount of inventory expensed during the year is equal to the amount of cost of goods sold presented in the consolidated statements of earnings (loss) and comprehensive income (loss).

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

	Land	Buildings and building improvements	Leasehold improvements	Rink board systems	Refrigeration equipment	Machinery and equipment	Computers, furniture and fixtures	Ice resurfacing equipment	Work in process	Total
<b>Cost</b>										
Balance at January 1, 2023	\$ 16,606	\$ 121,796	\$ 577	\$ 4,636	\$ 22,451	\$ 19,640	\$ 12,266	\$ 6,840	\$ 449	\$ 205,261
Reclassification	3,262	(3,397)	-	-	425	135	-	-	(425)	-
Additions	-	4	17	2	2,820	1,293	1,320	73	257	5,786
Disposals	-	-	-	-	-	-	-	(178)	-	(178)
Effect of movements in exchange rate	(172)	(551)	-	(12)	(89)	(94)	(54)	(20)	-	(992)
Balance at December 31, 2023	19,696	117,852	594	4,626	25,607	20,974	13,532	6,715	281	209,877
Reclassification	-	-	-	-	114	24	140	-	(278)	-
Additions	-	2,620	-	-	579	2,439	2,540	72	648	8,898
Disposals	-	-	-	-	-	-	-	(77)	-	(77)
Effect of movements in exchange rate	653	2,016	-	44	331	412	216	75	1	3,748
Balance at December 31, 2024	\$ 20,349	\$ 122,488	\$ 594	\$ 4,670	\$ 26,631	\$ 23,849	\$ 16,428	\$ 6,785	\$ 652	\$ 222,446
<b>Accumulated depreciation</b>										
Balance at January 1, 2023	\$ -	\$ (65,180)	\$ (484)	\$ (3,268)	\$ (11,714)	\$ (13,661)	\$ (10,475)	\$ (4,956)	\$ -	\$ (109,738)
Depreciation for the year	-	(3,849)	(48)	(114)	(880)	(1,113)	(698)	(531)	-	(7,233)
Disposals	-	-	-	-	-	-	-	178	-	178
Effect of movements in exchange rate	-	124	(1)	5	27	41	38	10	-	244
Balance at December 31, 2023	-	(68,905)	(533)	(3,377)	(12,567)	(14,733)	(11,135)	(5,299)	-	(116,549)
Depreciation for the year	-	(3,533)	(44)	(105)	(1,007)	(1,188)	(964)	(430)	-	(7,271)
Disposals	-	-	-	-	-	-	-	77	-	77
Effect of movements in exchange rate	-	(505)	-	(20)	(117)	(170)	(167)	(45)	-	(1,024)
Balance at December 31, 2024	\$ -	\$ (72,943)	\$ (577)	\$ (3,502)	\$ (13,691)	\$ (16,091)	\$ (12,266)	\$ (5,697)	\$ -	\$ (124,767)
<b>Carrying amounts</b>										
Balance at December 31, 2023	\$ 19,696	\$ 48,947	\$ 61	\$ 1,249	\$ 13,040	\$ 6,241	\$ 2,397	\$ 1,416	\$ 281	\$ 93,328
Balance at December 31, 2024	\$ 20,349	\$ 49,545	\$ 17	\$ 1,168	\$ 12,940	\$ 7,758	\$ 4,162	\$ 1,088	\$ 652	\$ 97,679

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

	2024	2023
Property, plant and equipment owned	\$ 91,378	\$ 87,690
Right-of-use property, plant and equipment leased (note 7a)	6,301	5,638
	\$ 97,679	\$ 93,328

On February 28, 2023, the Company exercised its option to purchase a sports complex in Libertyville, Illinois, for \$4,572,000. The property was previously leased and recorded as a right-of-use asset within property, plant and equipment on the statement of financial position. The purchase was financed by cash and bank financing of \$3,200,000.

For the years ended December 31, 2024 and 2023, no impairment losses were recognized in relation to property, plant and equipment – facilities.

## 7. Right-of-use assets:

(a) The Company has the following right-of-use assets which are included in property, plant and equipment – facilities on the balance sheet (note 6):

	Equipment	Building and building improvements	Total
December 31, 2022	\$ 2,180	\$ 7,610	\$ 9,790
Additions	1,545	-	1,545
Depreciation	(487)	(377)	(864)
Buyout of assets	-	(4,823)	(4,823)
Foreign exchange	-	(10)	(10)
December 31, 2023	\$ 3,238	\$ 2,400	\$ 5,638
Additions	-	2,017	2,017
Depreciation	(483)	(333)	(816)
Buyout of assets	(538)	-	(538)
December 31, 2024	\$ 2,217	\$ 4,084	\$ 6,301

The \$4,823,000 buyout of assets relates to a purchase option of a previously leased sports complex which the Company exercised in February 2023 (see note 6).

During the year ended December 31, 2024, \$2,017,000 of additions related to an extension of an existing building lease. This lease was renewed for a four-year term plus an option to extend for an additional five years.

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

	2024	2023
Maturity analysis – contractual undiscounted cash flows		
Less than one year	\$ 1,225	\$ 1,306
One to five years	4,246	3,090
More than five years	5,845	5,525
<b>Total undiscounted lease liabilities</b>	<b>\$ 11,316</b>	<b>\$ 9,921</b>
Lease liabilities included in the statements of financial position:		
Current	\$ 781	\$ 951
Non-current	6,697	5,376
	<b>\$ 7,478</b>	<b>\$ 6,327</b>

During the year ended December 31, 2024, interest expense related to lease liabilities was \$448,000 (2023 - \$373,000). Total lease payments made during 2024 were \$1,306,000 (2023 - \$1,362,000). Total lease expense related to leases of low-value items were \$114,000 during the year ended December 31, 2024 (2023 - \$136,000). The Company also recorded a variable lease payment of \$264,000 during 2024 (2023 - \$151,000) which was included in the ice rink and recreational facilities expenses.

## 8. Investment:

In September 2020, the Company acquired 22.69 shares, representing a 5.75% equity interest in a start-up technology company (investee). This investment is initially accounted for on a cost basis and subsequently measured at FVOCI. The investee is a private company that develops software to facilitate sport surface rentals in recreation facilities in large metropolitan centers and in July 2021, the Company implemented the use of this software to sell spot ice rentals. The shares owned by the Company have an intrinsic value of \$350,000. As consideration for the equity interest, the Company is obligated to provide marketing services to the investee to help promote its software application. Accordingly, a current liability of \$201,000 (2023 - \$297,000) has been included in accounts payable and accrued liabilities in the consolidated statements of financial position (note 9).

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## 9. Accounts payable and accrued liabilities and deferred revenue and customer deposits:

(a) Accounts payable and accrued liabilities consist of the following:

		2024		2023
Trade payables	\$	4,998	\$	3,298
Wages payable		3,748		3,664
Other accrued liabilities		4,291		3,304
Marketing services (note 8)		201		297
Dividends payable		400		400
Indirect tax payables		599		779
Income tax payable		1,012		-
	\$	15,249	\$	11,742

All current trade and accrued liabilities are payable within 12 months and bear no interest.

(b) Deferred revenue and customer deposits:

Deferred revenue and customer deposits consist of amounts received from customers for ice and field activities that will take place during the next 12 months. Revenue related to these deferred revenue and customer deposits will be recognized as games are played and sessions are completed in the next 12 months.

## 10. Debt:

(a) Credit Facilities:

	Maturity dates	Interest rates	2024	2023
Variable rate -	2027	CORRA + 1.85% (i)	\$ 22,947	\$ 23,948
fixed with interest rate	2027	CORRA + 1.85% (ii)	4,796	5,004
swap contracts	2027	CORRA + 1.85% (iii)	1,991	2,077
(note 10 (b))	2027	CORRA + 1.85% (iv)	2,148	2,242
	2027	CORRA + 2.39% (v)	7,328	7,852
Variable rate	2027	Prime + 0.25% (iv)	1,920	2,000
			41,130	43,123
Deferred financing costs			(135)	(175)
			40,995	42,948
Current portion			2,041	2,041
Non-current portion			\$ 38,954	\$ 40,907

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As at December 31, 2024, 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% payable monthly. The Company entered into an interest rate swap contract (notes 10 (b)(i) and 16(a)), maturing on November 21, 2027, to fix the interest rate at 5.04% per annum payable monthly. At December 31, 2024, the balance outstanding was \$22,947,000;
- (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 (notes 10 (b)(ii) and 16(a)), maturing on November 30, 2027, to fix the interest rate at 5.20% per annum payable monthly. At December 31, 2024, the balance outstanding was \$4,796,000;
- (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 (notes 10 (b)(ii) and 16(a)), maturing on November 30, 2027, to fix the interest rate at 5.20% per annum payable monthly. At December 31, 2024, the balance outstanding was \$1,991,000;
- (iv) \$20,000,000 revolving capital expenditure loan amortized over 25 years, maturing on November 30, 2027. At December 31, 2024, the balance outstanding on this credit facility was \$4,068,000. Of this total, \$2,148,000 accrues interest at CORRA rate plus 1.85% per annum payable monthly. The Company entered into an interest rate swap contract (notes 10 (b)(ii) and 16(a)), maturing on November 30, 2027, to fix the interest rate at 5.20% per annum payable monthly. The remaining \$1,920,000 outstanding at December 31, 2024, accrues interest at Prime plus 0.25% 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 (notes 10 (b)(iii) and 16(a)), maturing on September 29, 2027 to fix the interest rate at 5.70% per annum payable monthly. At December 31, 2024, the balance outstanding was \$7,328,000; 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.

Amortization of deferred financing costs related to these facilities totaling \$40,000 (2023 - \$50,000) 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 December 31, 2024, 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

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floating-rate debt. The Company has not designated, for accounting purposes, its interest rate swap contracts as a cash flow hedge of its debt.

As of December 31, 2024 and 2023, the Company has the following interest rate swap contracts:

	Note Reference	Interest Rate Index	Term	Swap rate	Notional Amount		Fair Value	
					2024	2023	2024	2023
(i)	10(a)(i)	CORRA	2023-2027	5.04%	\$ 22,947	\$ 23,948	\$ (293)	\$ 139
(ii)	10(a)(ii)(iii)(iv)	CORRA	2022-2027	5.20%	8,935	9,323	(152)	-
(iii)	10(a)(v)	CORRA	2023-2027	5.70%	5,062	7,899	(105)	23
					\$ 36,944	\$ 41,170	\$ (550)	\$ 162

## 11. 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:		
December 31, 2024 and 2023	13,336,999	\$ 63,109

On November 13, 2024, the Company declared a quarterly dividend of \$0.03 per share which was paid on January 15, 2025. In addition, the Company paid quarterly dividends of \$0.03 per share on each of April 12, 2024, July 16, 2024, and October 16, 2024. On November 10, 2023, the Company declared a quarterly dividend of \$0.03 per share which was paid on January 15, 2024.

## 12. Employee benefits:

### (a) Defined contribution plans:

The Company has a defined contribution plan for its employees whereby the Company matches contributions to a maximum of 4% of salaries. Defined plan contributions included in salaries, wages and benefits within ice rink and recreational facilities was \$168,000 (2023 - \$ 170,000) and included in general and administration expenses was \$125,000 (2023 - \$132,000).

### (b) Long-term incentive plan:

On January 1, 2023, a new long-term incentive plan, (the LTI Plan) commenced and units were granted to eligible directors and employees of the company (plan participants). The LTI Plan granted units to plan participants on March 15, 2023 and on March 15, 2024 that would vest and be exercisable after December 31, 2025 and December 31, 2026 respectively. The amount compensated to plan participants would be equal to the increase in "enterprise value" per common share of the company from December 31, 2022 to December 31, 2025 and from December 31, 2023 to December 31, 2026, multiplied by the number of units granted to each plan participant. The "enterprise value" per common share is calculated based on a formula set out in the LTI Plan supported by a discounted cashflow model. The key inputs include

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estimates of future earnings, capital expenditures, cash and debt balances, and a risk-adjusted discount rate. The cash-settled compensation expense is recognized on a straight-line basis during the vesting period over three years.

During the year ended December 31, 2024, \$1,499,000 (2023 - \$827,000) of compensation expense (note 13) and \$69,000 (2023 - \$119,000) of interest expense with respect to the LTI Plan was recorded and a liability of \$2,015,000 was recorded as long-term incentive plan accrued liability at December 31, 2024 (2023 - \$946,000) as the calculated enterprise value projected for December 31, 2025 and December 31, 2026 was above the value as at December 31, 2022 and December 31, 2023 respectively. During the year ended December 31, 2024, \$149,000 of LTI Plan compensation was paid to retired plan participants in accordance with the LTI Plan provisions.

### 13. General and administration expenses:

General and administration expenses consist of the following:

	2024	2023
Salaries, wages and benefits	\$ 7,434	\$ 7,100
Professional and regulatory fees	543	601
Office	943	773
Travel	263	311
LTI Plan	1,499	827
Other	272	351
	\$ 10,954	\$ 9,963

Compensation expense related to the LTI Plan for the year ended December 31, 2024 has been included in other long-term liabilities as at December 31, 2024.

### 14. 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.

### 15. Income taxes:

(a) The major factors which caused variations from the Company's expected combined Canadian and U.S. income tax rate of 27% for 2024 (2023 - 31%) were as follows:

	2024	2023
Statutory rate applied to earnings (loss) before income taxes	\$ 820	\$ (222)
Changes in deferred tax assets not recognized	-	(1,104)
Substantively enacted tax rate change	(34)	73
Foreign currency translation differences	-	(20)
Deferred tax asset recognized for debt write off	(420)	-
Permanent differences and other	(127)	112
	\$ 239	\$ (1,161)

# CANLAN ICE SPORTS CORP.

Notes to Consolidated Financial Statements

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

Years ended December 31, 2024 and 2023

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

	2024	2023
Deferred income tax assets:		
Unused tax losses	\$ 2,669	\$ 2,158
Properties	1,009	1,012
Other	930	417
<b>Total deferred income tax assets</b>	<b>\$ 4,608</b>	<b>\$ 3,587</b>
Deferred income tax liabilities:		
Properties	(907)	(911)
Other	(35)	(44)
<b>Total deferred income tax liabilities</b>	<b>\$ (942)</b>	<b>\$ (955)</b>

The following deferred tax assets have not been recognized as at December 31, 2024 and December 31, 2023:

	2024	2023
U.S. tax losses set to expire between 2024 and 2037	\$ -	\$ 30
Tax losses that do not expire	-	45
<b>Total deferred income tax assets</b>	<b>\$ -</b>	<b>\$ 75</b>

# CANLAN ICE SPORTS CORP.

Notes to Consolidated Financial Statements

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

Years ended December 31, 2024 and 2023

## 16. Financial instruments:

(a) Fair value:

The Company has the following financial instruments:

				<b>2024</b>
	Accounting classification	Fair value level	Carrying Amount	Fair value
Financial assets not measured at fair value:				
Cash and cash equivalents (i)	Amortized cost	1	\$21,677	\$21,677
Accounts receivable (i)	Amortized cost	2	3,300	3,300
Financial assets measured at fair value:				
Investment (ii)	FVOCI	3	350	350
Financial liabilities not measured at fair value:				
Accounts payable and accrued liabilities (i)	Amortized cost	2	15,249	15,249
Debt	Amortized cost	2	40,995	41,130
Financial liabilities measured at fair value:				
Interest rate swap (iii)	Financial liability at FVTPL	2	550	550
				<b>2023</b>
	Accounting classification	Fair value level	Carrying Amount	Fair value
Financial assets not measured at fair value:				
Cash and cash equivalents (i)	Amortized cost	1	\$19,029	\$19,029
Accounts receivable (i)	Amortized cost	2	2,991	2,991
Financial assets measured at fair value:				
Investment (ii)	FVOCI	3	350	350
Interest rate swap (iii)	Financial assets at FVTPL	2	162	162
Financial liabilities not measured at fair value:				
Accounts payable and accrued liabilities (i)	Amortized cost	2	11,742	11,742
Debt	Amortized cost	2	42,948	43,123

(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 10). The fair value of these derivative instruments have been presented as an interest rate swap on the statement of

# CANLAN ICE SPORTS CORP.

Notes to Consolidated Financial Statements

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

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financial position. Changes in fair value of the instruments are recognized in earnings (loss) for the year. For the year ended December 31, 2024, a loss of \$712,000 (2023 – \$455,000) 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 10. As \$1,920,000 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 \$19,000 (2023 - \$20,000) 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 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 10). 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 December 31, 2024, the Company has a working capital deficiency of \$5,276,000 (2023 – \$5,259,000). The Company anticipates that sufficient cash flows will be generated from operations to meet its current liabilities as they become due.

The following table presents the aggregate amount of future cash outflows for contractual obligations in each of the next five years and thereafter.

In thousands	2025	2026	2027	2028	2029	Thereafter	Total
Accounts payable and accrued liabilities	\$15,249	\$ -	\$ -	\$ -	\$ -	\$ -	\$15,249
Other liabilities	-	2,171	2,200	-	-	-	4,371
Debt:							
Mortgage principal and interest	4,253	4,129	38,765	-	-	-	47,147
Lease liabilities, including interest	1,225	1,126	969	969	1,182	5,845	11,316
	5,478	5,255	39,734	969	1,182	5,845	58,463
	\$20,727	\$ 7,426	\$41,934	\$ 969	\$ 1,182	\$ 5,845	\$78,083

# CANLAN ICE SPORTS CORP.

Notes to Consolidated Financial Statements

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

Years ended December 31, 2024 and 2023

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(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.

## 17. 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 facility available of \$15,932,000 as at December 31, 2024 (note 10a(iv)). The Company is required to comply with covenant criteria established by its lenders (see note 10). These include tangible net worth and debt coverage ratio measurements. As at December 31, 2023 and 2024, the Company was in compliance with its debt covenants.

# CANLAN ICE SPORTS CORP.

Notes to Consolidated Financial Statements

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

Years ended December 31, 2024 and 2023

## 18. Related party transactions:

- (a) During the year ended December 31, 2024, the Company expensed \$238,000 (2023 - \$271,000) 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 \$7,000 purchases from this vendor for the year ended December 31, 2024 (2023 - \$7,000).
- (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:

	2024		2023	
Short-term employee benefits	\$	2,900	\$	2,736
LTI Plan		1,499		827
Post employment benefits		767		453
	\$	5,166	\$	4,016

## 19. 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:

	2024		2023	
Ice and field sales	\$	74,936	\$	68,704
Food and beverage		13,598		12,385
Sports store		1,001		1,022
Sponsorship		1,503		1,222
Space rental		2,149		1,942
Management and consulting fees		254		318
Other		594		558
	\$	94,035	\$	86,151

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

- (b) Geographic:

	2024			2023		
	Canada	USA	Total	Canada	USA	Total
Revenue	\$ 79,087	\$ 14,948	\$ 94,035	\$ 73,022	\$ 13,129	\$ 86,151
Non-current assets	69,167	34,085	103,252	67,084	31,015	98,099
Total assets	89,563	40,939	130,502	85,348	36,651	121,999

# CANLAN ICE SPORTS CORP.

Notes to Consolidated Financial Statements

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

Years ended December 31, 2024 and 2023

## 20. Supplemental cash flow information:

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

	2024	2023
Accounts receivable	\$ (309)	\$ (807)
Inventory	(13)	(17)
Prepaid and other expenses	(380)	(194)
Accounts payable and accrued liabilities	3,507	2,049
Deferred revenue and customer deposits	30	344
	<u>\$ 2,835</u>	<u>\$ 1,375</u>

### (b) Non-cash transactions:

	2024	2023
Lease obligation	\$ 2,017	\$ 1,545

### (c) Changes in liabilities arising from financing activities:

	December 31, 2023	Cash flow changes	Non-cash changes	December 31, 2024
Debt (note 10)	\$ 42,948	\$ (1,993)	\$ 40	\$ 40,995
Lease liabilities (note 7)	6,327	(866)	2,017	7,478
Dividends payable	400	-	-	400
	<u>\$ 49,675</u>	<u>\$ (2,859)</u>	<u>\$ 2,057</u>	<u>\$ 48,873</u>

## 21. Expenses by function:

The Company's consolidated statements of earnings (loss) and comprehensive income (loss) 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:

	2024	2023
Ice rink and recreational facilities expense	\$ 76,662	\$ 74,005
General and administration expenses	11,241	10,242
Other gains	(43)	(20)

The presentation in the above table, as compared to the consolidated statements of earnings (loss) and comprehensive income (loss), relate to depreciation of \$7,558,000 (2023 - \$7,513,000) being allocated from other expenses to ice rink and recreational facilities in the amount of \$7,271,000 (2023 - \$7,233,000), and to general and administration expenses in the amount of \$287,000 (2023 - \$280,000).

# FIVE YEAR REVIEW

## Statements of Financial Position

<i>in thousands, except statistics</i>	2024	2023	2022	2021	2020
<b>Assets:</b>					
Property, plant and equipment - facilities	\$ 97,679	\$ 93,328	\$ 95,523	\$ 97,432	\$ 98,771
Other	28,215	25,084	23,908	17,269	18,884
Deferred tax assets	4,608	3,587	2,282	1,911	3,829
	<b>\$ 130,502</b>	<b>\$ 121,999</b>	<b>\$ 121,713</b>	<b>\$ 116,612</b>	<b>\$ 121,484</b>
<b>Liabilities:</b>					
Debt	\$ 40,995	\$ 42,948	\$ 39,812	\$ 43,796	\$ 56,168
Other	39,747	33,440	34,105	31,430	21,316
Deferred tax liabilities	942	955	1,145	970	2,292
	<b>\$ 81,684</b>	<b>\$ 77,343</b>	<b>\$ 75,062</b>	<b>\$ 76,196</b>	<b>\$ 79,776</b>
<b>Shareholders' Equity:</b>					
Share capital	\$ 63,109	\$ 63,109	\$ 63,109	\$ 63,109	\$ 63,109
Contributed surplus	543	543	543	543	543
Foreign currency translation reserve	5,794	2,832	3,662	1,757	1,957
Deficit	(20,628)	(21,828)	(20,663)	(24,993)	(23,901)
	<b>\$ 48,818</b>	<b>\$ 44,656</b>	<b>\$ 46,651</b>	<b>\$ 40,416</b>	<b>\$ 41,708</b>
<b>Statistics:</b>					
Debt to equity ratio	0.99:1	1.10:1	1.07:1	1.36:1	1.51:1
Share price range	\$3.60-4.40	\$3.30-5.30	\$3.20-4.35	\$2.63-4.81	\$2.43-5.58

## Statements of Earnings (loss) and Comprehensive Income (loss)

<i>in thousands, except share and per share amounts</i>	2024	2023	2022	2021	2020
Facility revenue	\$ 94,035	\$ 86,151	\$ 73,728	\$ 40,393	\$ 39,259
Other income - government subsidy	-	-	-	6,537	6,371
Total revenue and other income	<b>\$ 94,035</b>	<b>\$ 86,151</b>	<b>\$ 73,728</b>	<b>\$ 46,930</b>	<b>\$ 45,630</b>
Facility operating expenses	69,391	66,771	55,729	35,353	39,420
General and administrative	10,954	9,963	7,355	5,779	5,274
Total operating and G&A expenses	<b>\$ 80,345</b>	<b>\$ 76,734</b>	<b>\$ 63,084</b>	<b>\$ 41,132</b>	<b>\$ 44,694</b>
<b>Earnings before interest, taxes, depreciation and amortization</b>	<b>13,690</b>	<b>9,417</b>	<b>10,644</b>	<b>5,798</b>	<b>936</b>
<b>Other expenses (gains):</b>					
Depreciation	7,558	7,513	8,379	7,801	7,951
Net finance cost	3,136	2,650	1,783	2,072	3,580
Gain on early lease termination	-	-	(4,530)	-	-
Gain on sale of assets	(9)	(15)	(106)	(1,510)	(2,297)
Other	(34)	(5)	(11)	(19)	(45)
Income tax expense (recovery)	239	(1,161)	399	(1,454)	(1,890)
	<b>10,890</b>	<b>8,982</b>	<b>5,914</b>	<b>6,890</b>	<b>7,299</b>
<b>Net earnings (loss)</b>	<b>\$2,800</b>	<b>\$435</b>	<b>\$4,730</b>	<b>(\$1,092)</b>	<b>(\$6,363)</b>
Other comprehensive income (loss) related to foreign currency translation differences	2,962	(830)	1,905	(200)	(313)
<b>Total comprehensive income (loss)</b>	<b>\$5,762</b>	<b>(\$395)</b>	<b>\$6,635</b>	<b>(\$1,292)</b>	<b>(\$6,676)</b>
<b>Earnings (loss) per common share</b>	<b>\$0.21</b>	<b>\$0.03</b>	<b>\$0.35</b>	<b>(\$0.08)</b>	<b>(\$0.48)</b>
Issued and average shares outstanding at year end	13,336,999	13,336,999	13,336,999	13,336,999	13,336,999

# CORPORATE INFORMATION

## Directors

**Victor D'Souza**  
Chair  
Ontario

**Frank D. Barker**  
Director  
British Columbia

**Geoffrey J. Barker**  
Director  
British Columbia

**Connie Carras**  
Director  
Ontario

**Doug Brownridge**  
Director  
British Columbia

**Chris McMullen**  
Director  
Ontario

**Don Crowe**  
Director  
Washington State

**Joey St-Aubin**  
President & CEO  
Ontario

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## Officers

**Victor D'Souza**  
Chair

**Joey St-Aubin**  
President & CEO

**Ivan Wu**  
CFO

**Rita Price**  
Vice-President  
People & Culture

**Chad Mahabir**  
Vice-President  
Technology

**S. Liana Guiry**  
Vice-President  
Sales, Marketing & Customer Experience

**Casey Pelter**  
Vice-President  
Operations

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**Shares Listed**  
Toronto Stock Exchange, Symbol ICE

**Corporate Website**  
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It's where we **play.**<sup>TM</sup>



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