

## **Canlan Reports Record High Q2 Revenue and Continues Quarterly Dividend**

Burnaby, B.C., August 14, 2024 – Canlan Ice Sports Corp. (the “Corporation”) (TSX: ICE) today reported its financial results for the second quarter ended June 30, 2024.

### **Overview of Q2 2024**

- Total operating revenue of \$21.8 million increased by \$2.0 million or 10.3% compared to a year ago and represents a record high for the second quarter;
- Total operating earnings was \$1.6 million compared to \$2.3 million in 2023 as the Company incurred increased expenses related to its roof remediation program and other major maintenance projects to improve dressing rooms, rink floors and parking lots compared to 2023; and
- Food and beverage revenue was up 12.3% due to increased tournament business and additional promotional programs that drove increased traffic into the Company’s restaurants.

## Three Months and Six Months Ended June 30, 2024 Results

<i>(in thousands)</i>	For the 3 months ended June 30		For the 6 months ended June 30	
	2024	2023	2024	2023
Ice rink & recreational facilities revenue	\$21,848	\$19,811	\$48,034	\$44,288
Operating expense	17,556	15,505	33,892	30,523
	4,292	4,306	14,142	13,765
G&A expense	2,684	2,055	4,904	4,086
Operating earnings <sup>1</sup>	\$1,608	\$2,251	\$9,238	\$9,679
Operating earnings per share	\$0.12	\$0.17	\$0.69	\$0.73
Depreciation	1,878	1,912	3,736	3,842
Interest	607	469	1,242	918
Interest rate swap (gain) loss	212	(1,107)	(302)	(527)
Foreign exchange (gain) loss	(2)	1	(4)	1
Gain on sale of assets	-	-	-	(10)
Income tax expense	91	174	1,506	1,208
Net earnings (loss)	(\$1,178)	\$802	\$3,060	\$4,247
Net earnings (loss) per share	(\$0.09)	\$0.06	\$0.23	\$0.32

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

	June 30, 2024	December 31, 2023
<b>Assets</b>		
Cash and cash equivalents	\$16,446	\$19,029
Property plant and equipment	92,780	93,328
Other assets	9,563	9,642
Total assets	\$118,789	\$121,999
<b>Liabilities and Equity</b>		
Debt	\$42,001	\$42,948
Lease liabilities	5,866	6,327
Accounts payable and accrued liabilities	11,958	11,742
Deferred revenue	8,345	14,425
Other liabilities	2,530	1,901
Total liabilities	70,700	77,343
Share capital and contributed surplus	63,652	63,652
Foreign currency translation reserve	4,005	2,832
Deficit	(19,568)	(21,828)
Total shareholders' equity	48,089	44,656
Total liabilities and equity	\$118,789	\$121,999

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

## **Second Quarter Results**

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

- Total operating revenue of \$21.8 million increased by \$2.0 million or 10.3% compared to 2023. Higher tournament registrations, third-party contract rentals, youth hockey league registrations and food and beverage sales were key drivers of the increase;
- Total operating expenses of \$17.6 million increased by \$2.1 million or 13.2% mainly due to costs incurred related to its roof remediation program and maintenance projects to improve dressing rooms, rink floors and parking lots compared to 2023;
- Earnings before G&A expenses, excluding roof remediation costs, were \$4.9 million compared to \$4.5 million in 2023;
- Total G&A expenses of \$2.7 million increased by \$0.6 million or 30.6% mainly due to increased wages and accounting accruals related to a long-term incentive compensation plan that began mid-2023;
- After G&A, operating earnings were \$1.6 million compared to \$2.3 million in 2023; and
- After recording depreciation expense of \$1.9 million, net finance costs of \$0.8 million, and income tax expense of \$0.1 million, net loss for the quarter was \$1.2 million or \$0.09 per share compared to net earnings of \$0.8 million or \$0.06 per share in the prior year.

## **Six Months Ended June 30, 2024 Results**

*(six months ended June 30, 2024 compared with six months ended June 30, 2023)*

- Total operating revenue of \$48.0 million increased by \$3.7 million or 8.5% principally due to higher third-party contract ice rentals, tournament registrations and food and beverage revenue. Demand for Canlan-operated youth hockey tournaments remained strong in the BC and Ontario regions;
- Total operating expenses of \$33.9 million increased by \$3.4 million or 11.0% mainly due to increased labour and other expenses to service higher customer volumes, increased maintenance expense as we were able to commence major maintenance projects earlier than we did in the prior year, including roof remediation projects;
- Earnings before G&A expenses, excluding roof remediation costs, were \$15.1 million compared to \$14.0 million in 2023;
- Total G&A expenses of \$4.9 million increased by \$0.8 million or 20.0%. Incremental costs relate to labour and software implemented at the central office to strengthen operations support to sports complexes, provide enhanced KPI reporting, develop new products/programs to diversify the Company's revenue streams, and the Company recorded compensation expense of \$0.3 million during the first six months of 2024 (no expense required during the same period of 2023) related to a new long-term incentive compensation plan that commenced in fiscal 2023;
- Operating earnings before interest, depreciation and taxes was \$9.2 million compared to \$9.7 million in 2023; and
- After recording depreciation expense of \$3.7 million, net finance costs of \$0.9 million, and income tax expense of \$1.5 million, net earnings were \$3.1 million or \$0.23 per share compared to \$4.2 million or \$0.32 per share in the prior year.

"During the first half of 2024, we saw remarkable growth in surface utilization rates across nearly all regions, driven by a surge in contract surface rentals and a booming interest in youth hockey leagues and tournaments," said Canlan's President & CEO, Joey St-Aubin. "It's

incredibly rewarding to witness the continued, year-on-year growth of Canlan's tournament division post-pandemic, significantly boosting our food and beverage revenues. Our teams are now energized and committed to delivering top-tier programs for our summer campers and completing our new sports simulator projects at Scotia Barn and Canlan Sports York. These innovative projects are set to further amplify our offerings by seamlessly blending virtual and physical sports activities, elevating the Canlan experience to new heights."

## **Dividend Policy**

Canlan's Board of Directors has approved the continuation of the Corporation's quarterly dividend policy. As such, the Board declares eligible dividends totaling \$0.03 per common share that will next be paid on October 16, 2024 to shareholders of record at the close of business September 30, 2024. Canlan's Board of Directors reviews the Corporation's dividend policy on a quarterly basis. Canlan's dividend is designated as an "eligible" dividend under the Income Tax Act (Canada) and any corresponding provincial legislation. Under this legislation, individuals resident in Canada may be entitled to enhanced dividend tax credits, which reduce income tax otherwise payable.

## **Filings**

Canlan's financial statements and Management's Discussion & Analysis for the quarter ended June 30, 2024 will be available via SEDAR+ on or before August 14, 2024 and through the Company's website, [www.canlansports.com](http://www.canlansports.com).

## **About Canlan**

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

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

## **Caution concerning forward-looking statements**

*This News Release may contain information that constitutes "forward-looking" information within the meaning of applicable securities laws. Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budgets", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information in this press release includes, but is not limited to, anticipated benefits of capital expenditures (including energy efficiencies and enhanced customer experiences) and expectations of business growth. Forward-looking information is based on the reasonable assumptions, estimates, analyses, beliefs and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable at the date that such information is disclosed. Forward-looking information is subject to various known and unknown risks and uncertainties, many of which are beyond the ability of Canlan to control or predict, that may cause Canlan's actual results, performance or achievements to be materially different from those expressed or implied thereby. Material risk factors that could cause actual results to differ materially from the forward-looking information provided herein include those factors identified in Canlan's public disclosure file available at [www.sedarplus.ca](http://www.sedarplus.ca) and, in particular, the risk factors set out under the heading "Risk Factors" in the Company's MD&A available for review on the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca). Such forward-*

*looking information represents management's best judgment based on information currently available. Accordingly, readers are advised not to place undue reliance on forward-looking information. The forward-looking information herein is made as of the date of this press release only, and the Company does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable securities law.*

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