Canlan Reports Q1 Results and Announces Quarterly Dividend

Burnaby, British Columbia--(Newsfile Corp. - May 14, 2019) - Canlan Ice Sports Corp. (TSX: ICE) (the "Corporation") today reported its financial results for the first quarter ended March 31, 2019.

Overview of Q1 2019

- Revenue of $26.0 million increased by $0.4 million or 1.4% compared to 2018;
- EBITDA of $7.6 million remained consistent compared to the prior year;
- On March 19, 2019, the Company completed the purchase of a 3-pad ice rink facility in Chicago, Illinois for US$10.0 million. This acquisition expands the Company's footprint in one of its targeted U.S. markets; and
- The Company announced a planned divestiture of its ice rink facility in Brossard, Quebec.

First Quarter Results

	For the 3 months ended March 31	
(in thousands)	**2019**	**2018**
Revenue	**$25,986**	$25,624
Operating expense	**16,981**	16,559
	9,005	9,065
G&A expense	**1,387**	1,483
EBITDA[1]	**7,618**	7,582
EBITDA per share	**$0.57**	$0.57
Depreciation, interest and taxes	**4,242**	3,376
Gain on sale of assets	**(408)**	(4)
Loss (gain) on foreign exchange	**21**	(10)
Net earnings	**$3,763**	$4,220
Net earnings per share	**$0.28**	$0.32

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

Key Balance Sheet Figures *(in thousands)*:

	March 31, 2019	December 31, 2018
Assets		
Cash and cash equivalents	**$15,001**	$19,845
Property plant and equipment	**117,198**	99,582
Assets held-for-sale	**565**	596
Other assets	**10,980**	8,912
Total assets	**$143,744**	$128,935
Liabilities and Equity		
Interest bearing debt	**$69,005**	$52,525
Accounts payable and accrued liabilities	**12,537**	12,567
Deferred revenue	**7,976**	12,881
Other liabilities	**2,417**	1,138
Total liabilities	**91,935**	79,111
Share capital and contributed surplus	**63,652**	63,652
Foreign currency translation reserve	**3,313**	3,775
Deficit	**(15,156)**	(17,603)
Total shareholders' equity	**51,809**	49,824
Total liabilities and equity	**$143,744**	$128,935

First Quarter Results

(three months ended March 31, 2019 compared with three months ended March 31, 2018)

- Total revenue of $26.0 million increased by $0.4 million or 1.4% compared to 2018 due to growth in soccer league participation, soccer programs registrations, and sponsorship revenue;
- Total direct operating expense of $17.0 million increased moderately by $0.4 million or 2.6% compared to 2018 mainly due to the timing of certain costs incurred offset by the decrease in facility lease expense due to the adoption of IFRS 16 to account for leases;
- Quarterly EBITDA of $7.6 million remained consistent with 2018;
- A gain of $0.4 million was generated on the sale of an excess land parcel in Ontario; and
- Net earnings for the quarter was $3.8 million or $0.28 per share compared to $4.2 million or $0.32 per share a year ago.

"The moderate revenue growth in the first quarter was anticipated given the announcement of the closure of our Brossard facility at the start of the year. In addition, we are excited to expand our footprint in the Illinois market with the purchase of the West Dundee, Illinois ice rink facility towards the end of March," said Canlan's CEO, Joey St-Aubin. "Since acquisition, this facility has gotten off to a great start and we are now in the process of rolling out our training programs and standard operating procedures to ensure we maximize utilization and operate at optimum efficiency."

"While EBITDA for the three months ended March 31, 2019 remained steady with 2018, it is important to note that labour and utility cost efficiencies developed over the past 24 months continue to help us maintain operating margins," added Canlan's CFO, Ivan Wu. "In addition to cost management, our teams are currently focused on filling our spring/summer leagues, tournaments, and programs to maximize ice and field utilization during the second and third quarters."

Dividend Policy

Canlan's Board of Directors has approved the continuation of the Corporation's quarterly dividend policy and declared eligible dividends totaling $0.025 per common share that will next be paid on July 16, 2019 to shareholders of record at the close of business June 28, 2019. 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 period ended March 31, 2019 will be available via SEDAR on or before May 15, 2019 and through the Company's website, www.icesports.com.

About Canlan

Canlan Ice Sports Corp. is the North American leader in the development, operations and ownership of multi-purpose recreation and entertainment facilities. We are the largest private sector owner and operator of recreation facilities in North America and currently own, lease and/or manage 21 facilities in Canada and the United States with 60 ice surfaces, as well as five indoor soccer fields, and 15 sport, volleyball, and basketball courts. To learn more about Canlan please visit www.icesports.com.

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

Caution concerning forward-looking statements

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

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