Exhibit I - Ratio Comparison

Purpose: To compare API's financial ratios to industry benchmarks.

Benchmark	2023	2022	2021	Industry Average	Trend	Industry Comparison
Current ratio	0.6	0.6	0.8	1.1	Decreasing	Lower
Days in inventory	45	41	N/A	45 days	Increasing	In-Line
Interest-bearing debt to EBITDA	2.7	3.5	7.3	2.1	Decreasing	Higher
Operating profit margin	13.82%	10.66%	-0.76%	17.00%	Increasing	Lower
Net profit margin	5.34%	1.87%	-9.10%	9.00%	Increasing	Lower

Purpose: To calculate ratios that compare how the parks contribute to API.

	% of EBTIDA	% of Capacity Used
Magical Land	41.13%	58.65%
Splash N Fun Water Park	21.81%	88.22%
Sparkle Amusement Park	13.27%	78.38%
Aqua Bleu Parc	14.91%	43.97%
Dinoland Amusement Park	8.88%	75.02%
	100.00%	

Conclusion: Magical Land contributes the most to EBITDA of API, while Splash N Fun is the most utilized park in the portfolio (relative to capacity).

<u>Exhibit 2.1 Great Eastern Amusements Proposal</u>

Purpose: To analyze impact of GEA on EBITDA

	Beg 2025	2025	2026	2027	2028	2029	
Total Revenue		$4,778,000	$5,019,000	$5,848,000	$6,239,000	$6,434,000	1
Equipment lease		(298,000)	(298,000)	(298,000)	(298,000)	(498,000)	2
Semi-trailer lease		(345,800)	(345,800)	(345,800)	(345,800)	(720,800)	2
Capital equipment	(1,000,000)						
Staff Costs		(1,287,500)	(1,326,125)	(1,365,909)	(1,406,886)	(1,449,093)	3
Vehicle costs (given)		(1,246,000)	(1,246,000)	(1,246,000)	(1,246,000)	(1,246,000)	
Operating costs (given)		(1,092,300)	(1,092,300)	(1,092,300)	(1,092,300)	(1,092,300)	
Marketing & Advertising		(450,000)	(350,000)	(150,000)	(150,000)	(150,000)	
EBITDA		58,400	360,775	1,349,991	1,700,014	1,277,807	
CCA - Equipment (20%)		(200,000)	(160,000)	(128,000)	(102,400)	(81,920)	4
Net Income		(141,600)	200,775	1,221,991	1,597,614	1,195,887	
Income Tax (27%)		38,232	(54,209)	(329,938)	(431,356)	(322,890)	
Net Income after Tax		(103,368)	146,566	892,054	1,166,258	872,998	
Add Back CCA		200,000	160,000	128,000	102,400	81,920	
After Tax Cash		96,632	306,566	1,020,054	1,268,658	954,918	
Lease impact for discounting	(643,800)	0	0	0	0	643,800	5
Cash to discount		96,632	306,566	1,020,054	1,268,658	1,598,718	
Discount factor (13%)		0.88	0.78	0.69	0.61	0.54	
Sum of Discounted Cash Flows	1,034,561	85,515	240,086	706,948	778,092	867,720	
NPV	$1,034,561						
EBITDA as a Percentage		1.22%	7.19%	23.08%	27.25%	19.86%	

<u>Conclusion</u>: The net present value of the Great Eastern Amusements proposal is $1,034,561. Therefore this appears to be a viable investment for API.

Note 1 - Revenues

	2025	2026	2027	2028	2029
Ticket purchasers (assumption)	8,300	10,400	17,800	18,900	19,400
Tickets Revenue (30 @ $2)	$498,000	$624,000	$1,068,000	$1,134,000	$1,164,000
Bracelet purchasers (assumption)	85,600	87,900	95,600	102,100	105,400
Bracelet Revenue ($50)	$4,280,000	$4,395,000	$4,780,000	$5,105,000	$5,270,000
Total Revenue	$4,778,000	$5,019,000	$5,848,000	$6,239,000	$6,434,000

Note 2 - Leases	Equipment		Semi-Trailer	
Annual lease payments	298,000		345,800	
Guaranteed residual payable yr 5	200,000		375,000	
Capital versus operating lease		Met		Met
Title transfer to API at end of lease	Returned	No	Returned	No
Lease term majority of economic life	5/8 yrs, 62.5%	No	5/7 yrs, 71.4%	No
PV lease payments substantially all of fair value	(a) 85.43%	No	(b) 81.42%	No
Lease Type	**Operating**		**Operating**	

	Type	**FV**	**PMT**	**N**	**I/Y**	**CPT PV**	**FMV**	% useful life
Equipment (a)	BGN	200,000	298,000	5	10%	(1,366,804)	1,600,000	85.43%
Semi-Trailer (b)	BGN	375,000	345,800	5	9%	(1,709,819)	2,100,000	81.42%

Note 3 - Staff Costs

Seasonal Staff, 30 employees at $42,000 ($32,000 plus 25% benefits) increasing 3% annually

Office staff, 2 employees at $43,750 (35,000 plus 25% benefits) increasing 3% annually

Note 4 - CCA, accelerated investment incentive of 100% in first year (not half year rule)

		2025	**2026**	**2027**	**2028**	**2029**
Rate	20%					
Value	1,000,000	200,000	160,000	128,000	102,400	81,920

Note 5 - Lease payments ($298K+345.8K=643.8K) occur at the beginning of each year and are shifted ahead to better match payment timing. First payment is not discounted. There is no impact on discounts in years 2-4. Only guaranteed reisdual lease payment is discounted in year 5.

Exhibit 2.2 - Key Financial Objectives

Purpose: Compare the proposal's performance as it relates to API's key objectives.

Key Financial Objectives by 2027				
	2025	**2026**	**2027**	**Result**
Objective 1: Achieve annual revenues equal to or higher than pre-pandemic ($95 million)				
API Revenue	$68,179,867	$84,075,637	$84,075,637	
GEA Revenue	$4,778,000	$5,019,000	$5,848,000	
Total Revenue	$72,957,867	$89,094,637	$89,923,637	Fail (<95M)
Objective 2: Increase average in-park per capita spending by 10%				
GEA	$50.88	$51.06	$51.57	
Other API Parks	$40.11	$40.11	$40.11	
Total Per Capita Spending	$41.90	$41.90	$41.93	
Increase in Average	4.48%	4.48%	4.55%	Fail (<10%)
Objective 3: Increase operating margin to 17%				
Operating Income	11,475,400	11,817,775	12,838,991	
Total Revenues	$72,957,867	$89,094,637	$89,923,637	
Operating Margin	15.73%	13.26%	14.28%	Fail (<17%)

Conclusion: **None of the financial objectives are met**

Exhibit 2.3 - Financing

Purpose: To assess financing options for GEA

Internal Financing: Current R&W covenant - Max interest bearing debt 3.0 times EBITDA						
	2025	**2026**	**2027**	**2028**	**2029**	
London's Bank loan	45,600,000	39,900,000	34,200,000	28,500,000	22,800,000	
R&W Loan	9,000,000	0	0	0	0	
Interest Bearing Debt	54,600,000	39,900,000	34,200,000	28,500,000	22,800,000	
New EBITDA	24,915,400	25,217,775	26,206,991	26,557,014	26,134,807	
	2.2	1.6	1.3	1.1	0.9	< 3, Met
Refinancing Term Loan: Interest bearing debt may not exceed 2.5 times EBITDA						
	2025	**2026**	**2027**	**2028**	**2029**	
New London's Bank loan	58,500,000	52,000,000	45,500,000	39,000,000	32,500,000	
R&W Loan (Note 1)	2,643,800	0	0	0	0	
Interest Bearing Debt	61,143,800	52,000,000	45,500,000	39,000,000	32,500,000	
New EBITDA	$24,915,400	$25,217,775	$26,206,991	$26,557,014	$26,134,807	
	2.3	2.1	1.7	1.5	1.2	< 2.5, Met

Conclusion: **Both financing options meet the required covenants**

Note 1 - In 2024, $65M - $57M gives $8M available, holding back $1,643,800 for GEA leaves $6,356,200 to apply against $9M R&W principal.

Exhibit 3.1 - Impact on Financial Results

Purpose: To analyze the impact of the Co-sponsorship with AOC on API's financial results.

	Notes	Beg 2025	2025	2026	2027	2028	2029
Total Revenue increase	1		4,900,000	9,700,000	12,100,000	14,500,000	16,900,000
Annual operating costs			(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)
New VR headsets			(800,000)	(800,000)	(800,000)	(800,000)	(800,000)
Lease payments			(820,000)	(820,000)	(820,000)	(820,000)	(820,000)
Salaries & Wages	2		(787,500)	(1,622,250)	(1,670,918)	(1,721,045)	(1,772,676)
Marketing costs			(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Uniforms			(102,800)	(205,600)	(205,600)	(205,600)	(205,600)
Initial Investment		(9,000,000)					
PV of the tax shield on CCA	3	1,725,852					
EBITDA			(1,610,300)	2,252,150	4,603,483	6,953,355	9,301,724
CCA	5		(4,456,250)	(1,228,438)	(914,984)	(712,974)	(476,460)
Net income			(6,066,550)	1,023,713	3,688,498	6,240,381	8,825,263
Income tax (27 %)			1,637,969	(276,402)	(995,894)	(1,684,903)	(2,382,821)
Net income after tax			(4,428,582)	747,310	2,692,604	4,555,478	6,442,442
Add back CCA	5		4,456,250	1,228,438	914,984	712,974	476,460
After-tax annual operating cash flows		(7,274,148)	27,669	1,975,748	3,607,588	5,268,452	6,918,903
Salvage value - proceeds on sale							450,000
PV tax shield on CCA on salvage	4						(69,429)
Net incremental cash flow		(7,274,148)	27,669	1,975,748	3,607,588	5,268,452	7,299,474
Discount factor (15%)			0.87	0.76	0.66	0.57	0.50
Sum of Discounted Cash Flows		10,531,440	24,060	1,493,949	2,372,048	3,012,255	3,629,129
NPV		3,257,292					
EBITDA as a Percentage			**-32.86%**	**23.22%**	**38.05%**	**47.95%**	**55.04%**

Conclusion: The net present value of the Canadian High Arctic Immersion Experience proposal is $3,257,292. Therefore this appears to be a viable investment for API.

Note 1 - Revenues increase

	2024	2025	2026	2027	2028	2029
Total Visitors		100,000	200,000	250,000	300,000	350,000
Admission price		45.00	45.00	45.00	45.00	45.00
Revenue from admission		4,500,000	9,000,000	11,250,000	13,500,000	15,750,000
Fixed revenue		100,000	100,000	100,000	100,000	100,000
Royalty on food		300,000	600,000	750,000	900,000	1,050,000
Total Revenue increase		4,900,000	9,700,000	12,100,000	14,500,000	16,900,000

Note 2 - Salaries & wages

	2024	2025	2026	2027	2028	2029
Assistant manager		40,000.00	82,400.00	84,872.00	87,418.16	90,040.70
Support staff		350,000.00	721,000.00	742,630.00	764,908.90	787,856.17
Engineers		240,000.00	494,400.00	509,232.00	524,508.96	540,244.23
Employee Benefits		157,500.00	324,450.00	334,183.50	344,209.01	354,535.28
Total Salaries & Wages		787,500.00	1,622,250.00	1,670,917.50	1,721,045.03	1,772,676.38

*Head manager wages excluded as it is a re-allocation within API.

Note 3 - PV of the tax shield on CCA

	2024	2025	2026	2027	2028	2029
Leasehold improvements (S-L over 5 years)	1,000,000	300,000	200,000	200,000	200,000	100,000
Tax shield (27%)		81,000.00	54,000.00	54,000.00	54,000.00	27,000.00
discount rate (15%)		0.87	0.76	0.66	0.57	0.50
PV of the tax shield	**$191,070.86**	70,434.78	40,831.76	35,505.88	30,874.68	13,423.77

PV of the tax shield on CCA $$\frac{\text{Investment * CCA rate * corporate tax rate}}{\text{CCA rate + discount rate}} \quad X \quad \frac{\text{1+1.25 * discount rate}}{\text{1 + discount rate}}$$

3D Film	(2,550,000*0.3*0.27)/(0.3+0.15) * (1+1.25*0.15)/(1+0.15)	**$474,147**
Computer hardware	(1,950,000*0.55*0.27)/(0.55+0.15) * (1+1.25*0.15)/(1+0.15)	**$427,330**
Applications software	($500,000 * 0.27)/0.87	**$155,172**
Additional equipment	(3,000,000*0.2*0.27)/(0.2+0.15) * (1+1.25*0.15)/(1+0.15)	**$478,131**

PV of the tax shield **$1,725,852.11**

Note 4 - PV of the lost tax shield on CCA on salvage

PV of the lost tax shield on CCA on salvage

$$\frac{\text{Salvage proceeds} * \text{CCA rate} * \text{Corporate tax rate}}{\text{CCA rate} + \text{discount rate}}$$

PV of the tax shield	(450,000 * 0.2 * 0.27) / (0.2 + 0.15)	**$69,429**

Note 5 - CCA

	CCA rate	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
3D film	30%	2,550,000	1,147,500	420,750	294,525	206,168	144,317
Computer hardware & systems softwar	55%	1,950,000	1,608,750	187,688	84,459	38,007	17,103
Applications software	100%	500,000	500,000	0	0	0	0
Additional equipment	20%	3,000,000	900,000	420,000	336,000	268,800	215,040
Leasehold improvements (S-L 5 years)		1,000,000	300,000	200,000	200,000	200,000	100,000
			$4,456,250.00	$1,228,437.50	$914,984.38	$712,974.22	$476,460.27

Exhibit 3.2 - Key Financial Objectives

Purpose: Compare the proposal's performance as it relates to API's key objectives.

Key Financial Objectives by 2027

	2025	2026	2027	Result
Objective 1: Achieve annual revenues equal to or higher than pre-pandemic ($95 million)				
API Revenue	84,075,637	84,075,637	84,075,637	
CIAIE Revenue	4,900,000	9,700,000	12,100,000	
Total revenue	88,975,637	93,775,637	96,175,637	Pass(>95M)
Objective 2: Increase average in-park per capita spending by 10%				
Total revenue	4,900,000	9,700,000	12,100,000	
Total Visitors	100,000.00	200,000.00	250,000.00	
In-Park per Capita Spending	49	48.5	48.4	
2023 Average Ratio	40.11	40.11	40.11	
Ratio Growth	22.17%	20.92%	20.67%	Pass (>10%)
Objective 3: Increase operating margin to 17%				
Operating Income	5,550,450	12,640,713	15,305,498	
Total Revenues	88,975,637	93,775,637	96,175,637	
Operating Margin	6.24%	13.48%	15.91%	Fail (< 17%)

Conclusion: The proposal meets objectives 1 and 2, but fails to meet objective 3.

Exhibit 3.3 - Financing

Purpose: To assess financing options for GEA

Refinancing Term Loan: Interest bearing debt may not exceed 2.5 times EBITDA

	2025	2026	2027	2028	2029	
New London's Bank loan	58,500,000	52,000,000	45,500,000	39,000,000	32,500,000	
R&W Loan	9,000,000	0	0	0	0	
Interest Bearing Debt	67,500,000					
New EBITDA	23,246,700	27,109,150	29,460,483	31,810,355	34,158,724	
	2.90	1.92	1.54	1.23	0.95	< 2.5, Not Met

Internal Financing: Current R&W covenant - Max interest bearing debt 3.0 times EBITDA

London's bank loan	45,600,000	39,900,000	34,200,000	28,500,000	22,800,000	
R & W loan	9,000,000					
Interest Bearing Debt	54,600,000	39,900,000	34,200,000	28,500,000	22,800,000	
New EBITDA	23,246,700	27,109,150	29,460,483	31,810,355	34,158,724	
	2.35	1.47	1.16	0.90	0.67	< 3, Met

Conclusion : Refinancing breaches the covenant requirements and should not be pursued. Internal financing meets the required covenants.

Exhibit 4.1 - GIH Capital Budget

Purpose: Determine EBITDA for each year of the lease term under the GIH indoor park proposal (in 000's).

	2024	2025	2026	2027	2028	2029	2030	2031
Revenue (Note 1)								
Year-Round Pass	$0	$5,250	$7,175	$8,750	$8,750	$8,750	$8,750	$8,750
Single-Day Pass	$0	$2,145	$2,932	$3,575	$3,575	$3,575	$3,575	$3,575
Group Events (Note 2)	$0	$24	$48	$95	$95	$95	$95	$95
Food Sales	$0	$2,168	$2,967	$3,630	$3,630	$3,630	$3,630	$3,630
Total Revenue	$0	$9,586	$13,121	$16,050	$16,050	$16,050	$16,050	$16,050
Expenses								
Operating Expenses								
Park Operations	$0	$4,314	$5,904	$7,223	$7,223	$7,223	$7,223	$7,223
Food and Beverage	$0	$564	$771	$944	$944	$944	$944	$944
API Marketing	$650	$650	$650	$650	$650	$650	$650	$650
Net Operating Income	$(650)	$4,059	$5,795	$7,234	$7,234	$7,234	$7,234	$7,234
GIH Administrative Fee (3)	$0	$2,000	$3,000	$3,477	$4,340	$4,340	$4,340	$4,340
EBITDA	$(650)	$2,059	$2,795	$3,757	$2,893	$2,893	$2,893	$2,893
EBITDA Percentage	N/A	21.48%	21.30%	23.41%	18.03%	18.03%	18.03%	18.03%

Conclusion: API earns a positive EBITDA in all but one year of GIH the lease term. Cash flow strategies must be utilized to minimize losses.

Note 1 - Projected Park Visitors and Frequency

	2025	2026	2027	2028	2029	2030	2031
Year-Round Pass	21,000	28,700	35,000	35,000	35,000	35,000	35,000
Number of Visits	5	5	5	5	5	5	5
Single-Day Pass	39,000	53,300	65,000	65,000	65,000	65,000	65,000
Number of Visits	1	1	1	1	1	1	1
Total Visitors	60,000	82,000	100,000	100,000	100,000	100,000	100,000
Group Events	50	100	200	200	200	200	200

Note 2 - Group Events Attendance

Group events have a maximum of 10 attendees. Therefore, we assume that the events will hold at least 10 attendees for each event when determining food sales.

Note 3 - GIH Administrative Fee

API owes GIH an admin fee equal to the greater of 60% of operating profits or $3 million each year. $2M is due on July 1st of each year and the remainder must be paid on or before January 31st of the following year

Exhibit 4.2 - GIH Net Present Value

Purpose: Determine NPV of GIH proposal and assess the resulting implications (in 000's).

	2024	2025	2026	2027	2028	2029	2030	2031
EBITDA	$(650)	$2,059	$2,795	$3,757	$2,893	$2,893	$2,893	$2,893
Capital Expenditures	$(7,000)	$0	$0	$0	$0	$(3,000)	$(1,000)	$(1,000)
CCA (Note 1)	$0	$(1,400)	$(1,120)	$(896)	$(717)	$(1,473)	$(1,179)	$(1,143)
Income Taxes (27%)	$0	$(556)	$(755)	$(1,014)	$(781)	$0	$(511)	$(511)
Net Income	$(7,650)	$103	$920	$1,846	$1,395	$(1,580)	$203	$239
Add Back CCA	$0	$1,400	$1,120	$896	$717	$1,473	$1,179	$1,143
After Tax Cash Flows	$(7,650)	$1,503	$2,040	$2,742	$2,112	$(107)	$1,382	$1,382
Discounted Cash Flows (Note 2)	$7,528							
Net Present Value	-$122							

Conclusion: The GIH proposal offers a negative NPV, which indicates that undertaking this alternative would not net API overall profits.

Note 1 - CCA

	2024	2025	2026	2027	2028	2029	2030	2031
Beginning UCC Balance	$0	$7,000	$5,600	$4,480	$3,584	$2,867	$4,394	$4,215
Purchases	$7,000	$0	$0	$0	$0	$3,000	$1,000	$1,000
First Year CCA Adjustment	$0	$0	$0	$0	$0	$1,500	$500	$500
Disposals	$0	$0	$0	$0	$0	$0	$0	$0
CCA Claimed (20%)	$0	$1,400	$1,120	$896	$717	$1,473	$1,179	$1,143
Ending UCC Balance	$7,000	$5,600	$4,480	$3,584	$2,867	$4,394	$4,215	$4,072

Note 2 - Required Rate of Return

Per Divya, API requires a rate of return of 12% on their investment.

Exhibit 4.3 - GIH Key Objectives

Purpose: Compare the proposal's performance as it relates to API's key objectives.

	2025	2026	2027	Result
Objective 1: Achieve annual revenues equal to or higher than pre-pandemic ($95 million)				
GIH Park	$9,586,250	$13,121,000	$16,050,000	
Other API Parks	$84,075,637	$84,075,637	$84,075,637	
Total Revenues	$93,661,887	$97,196,637	$100,125,637	Pass (>$95M)
Objective 2: Increase average in-park per capita spending by 10%				
GIH Park	$48.46	$54.22	$66.32	
Other API Parks	$40.11	$40.11	$40.11	
Total Per Capita Spending	$41.50	$42.46	$44.48	
Increase in Average	3.47%	5.86%	10.89%	Pass (>10%)
Objective 3: Increase operating margin to 17%				
GIH Park	$658,888	$1,675,130	$2,860,622	
Other API Parks	$11,617,000	$11,617,000	$11,617,000	
Total Operating Margin	$12,275,888	$13,292,130	$14,477,622	
Operating Margin Percentage	13.11%	13.68%	14.46%	Fail (<17%)

Conclusion: **The proposal meets objectives 1 and 2 but fails to reach a 17% operating margin within API's desired timeframe.**

Exhibit 4.4 - Financing

Purpose: Assess the proposal's impact on API's loan covenant and identify cash flow strategies (in 000's).

Utilize Existing Term Loan: Interest bearing debt may not exceed 3.0 times EBITDA								
	2024	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
Existing Term Loan Amount	$51,300	$45,600	$39,900	$34,200	$28,500	$22,800	$17,100	$11,400
R&W Loan (Note 1)	$9,000	$0	$0	$0	$0	$0	$0	$0
New EBITDA	$24,857	$24,857	$24,857	$24,857	$24,857	$24,857	$24,857	$24,857
Result: MET	2.4	1.8	1.6	1.4	1.1	0.9	0.7	0.5
Refinance Term Loan: Interest bearing debt may not exceed 2.5 times EBITDA								
	2024	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
New Term Loan Amount	$58,500	$52,000	$45,500	$39,000	$32,500	$26,000	$19,500	$13,000
R&W Loan (Note 1)	$0	$0	$0	$0	$0	$0	$0	$0
New EBITDA	$24,207	$26,916	$27,652	$28,614	$27,750	$27,750	$27,750	$27,750
Result: MET	2.4	1.9	1.6	1.4	1.2	0.9	0.7	0.5

Conclusion: **API can either utilize the existing term loan or refinance to finance the option.**

Note 1: Refinancing grants API $8.00M, plus $10.18M in cash on hand at YE. If refinancing, they would be required to pay off their R&W loan in 2024 to avoid breaching the covenant. If API uses their existing cash on hand, they can finance the proposal without breaching their covenants. This would limit the risk of API encountering liquidity problems in 2024.

<u>Exhibit 5.1 - Impact on Financial Results</u>

Purpose: To analyze the impact of the joint arrangement with WLAP on API's financial results.

	2025	2026	2027	Notes
Total Visitors	558,600	598,500	622,440	1
In-Park per Capita Spending	59.20	59.20	59.20	Given
Total Revenue	33,069,120	35,431,200	36,848,448	
Park Operating Costs	15,016,722	16,089,345	16,732,919	2
COGS	2,895,782	3,102,624	3,226,729	3
Raoul's Salary	350,000	360,500	371,315	4
Operating Profit for Aqua Bleu	14,806,615	15,878,731	16,517,485	
API's Portion (45%)	6,662,977	7,145,429	7,432,868	5
2023 Operating Profit for Aqua Bleu	5,468,210	5,468,210	5,468,210	
Increase (Aqua Bleu)	1,194,767	1,677,219	1,964,658	
Other impacts:				
Marketing Costs	(1,000,000)	(1,000,000)	(1,000,000)	6
Admin & General	(65,676)	(133,322)	(202,998)	7
Decrease in Amortization (Assets Given)	2,800,541	2,800,541	2,800,541	8
Decrease in Amortization (15% Savings)	175,000	350,000	525,000	9
Savings on COGS (Other Parks)	1,021,681	1,021,681	1,021,681	10
Impact on Operating Income	4,126,313	4,716,119	5,108,883	11
Increase in taxes (27%)	(1,114,105)	(1,273,352)	(1,379,398)	
Impact on Net Income	3,012,209	3,442,767	3,729,484	

<u>Conclusion:</u> The operating income of API will be $4.1M to $5.1M higher than anticipated if this proposal is chosen.

Note 1: Based on percentages of full capacity given per year.

Note 2: Based on perentage of park operating costs.

Note 3: COGS calculated as 27% (given) of total food/merchandise revenue based on $19.20 per customer multiplied by # of customers/year.

Note 4: $350,000 salary for Raoul per year, increasing with 3% inflation, as provided.

Note 5: API earns 45% of net operating profits before taxes.

Note 6: Overall marketing costs of API will increase from $0.75M to $1.75M, which lowers overall operating income.

Note 7: Administrative costs will remain constant for API but will increase with inflation, assumed 3%, which lowers overall operating income.

Note 8: As the net assets will be transferred to the joint arrangement, the depreciation will not be recorded in API. Decrease in depreciation is calculated as original cost of the assets depreciated straight-line over the number of years used for accounting purposes depending on type of asset.

Note 9: Decrease in amortization (12 year S-L) related to the 15% savings on an estimated $14M of rides purchased each year.

Note 10: API will recognize a savings on food/merchandise across all parks. Based on 2023 food/merchandise revenues of the other 4 parks, and the 2023 COGS %, decreasing it to 27% would result in a savings of $1,021,681 annually.

Note 11: Increase in operating income for API if this proposal is selected compared to 2023 operating income.

Exhibit 5.2 - Valuation of Aqua Bleu

Purpose: To value the assets of Aqua Bleu using a market-based and asset-based approach.

Market-based approach		
Total Revenue	15,895,770	1
1.5 times revenue	23,843,655	2
Valuation of Net Assets	23,843,655	

Note 1: Aqua Bleu's total revenue for 2023.
Note 2: Used x1.5 revenue which is between the suggestions of x1-2.

Asset-Based Approach	Book Value	Adjustment to FMV	Adjusted Net Asset Value	
Inventory	184,648	7,352	192,000	
Land	5,610,735	2,229,265	7,840,000	1
Land Improvements	1,685,090	74,910	1,760,000	
Building	3,598,400	142,900	3,741,300	
Equipment	9,767,391	3,218,009	12,985,400	
Selling Costs		(1,579,602)	(1,579,602)	2
Forgone Tax Shield		(848,084)	(848,084)	3
	20,846,264	3,244,750	24,091,014	
Deferred Revenue	(1,731,394)		(1,731,394)	
Valuation of Net Assets	19,114,870	3,244,750	22,359,620	

Note 1: Redundant assets are only considered separately under income-based approaches so included 1/4 of land not used/developed.

Note 2: Selling costs on the sale of capital assets have been deducted.
Note 3: The forgone tax shield is the present value of the CCA tax shield calculated on the FMV of the depreciable assets, not available to a purchaser of shares.

Land Improvements	190,080	190,354	(274)
Building	336,717	285,684	51,033
Equipment	2,191,286	1,393,961	797,326
			848,084

Conclusion: **Under the market-based approach, the valuation is $23.8M and under the asset-based approach, it is $22.4M.**

Exhibit 5.3 - Key Financial Objectives

Purpose: To determine if API's key financial objectives are met under the WLAP proposal by 2027.

	2025	2026	2027	Result
Objective 1: Achieve annual revenues equal to or higher than pre-pandemic ($95 million)				
API Revenue (Other Parks)	68,179,867	68,179,867	68,179,867	
Aqua Bleu Revenue (45%)	14,881,104	15,944,040	16,581,802	
Total Revenue	83,060,971	84,123,907	84,761,669	Fail (<95M)
Objective 2: Increase average in-park per capita spending by 10%				
Total Revenue	83,060,971	84,123,907	84,761,669	
Total Visitors	1,906,516	1,924,471	1,935,244	1
In-Park per Capita Spending	43.57	43.71	43.80	
2023 Average Ratio	40.11	40.11	40.11	
Ratio Growth	8.62%	8.99%	9.20%	Fail (<10%)
Objective 3: Increase operating margin to 17%				
Operating Income	15,743,313	16,333,119	16,725,883	2
Total Revenues	83,060,971	84,123,907	84,761,669	
Operating Margin	18.95%	19.42%	19.73%	Pass (>17%)

Conclusion: Only objective 3 has been met under this proposal.

Note 1: As revenue only considers 45% of Aqua Bleu revenue under new proposal, only 45% of Aqua Bleu visitors were considered to maintain consistency in comparisons.

Note 2: Operating income from 2023 plus additional operating income under the new proposal per Exhibit 5.1.

Exhibit 5.4 - Interest-Bearing Debt to EBITDA Ratio

Purpose: To determine the impact on the interest-bearing debt to EBITDA ratio of this proposal.

Current EBITDA	2.7	
Interest-Bearing Debt	66,000,000	
EBITDA (new)	28,918,313	
	2.28	< 2.5, Met
Obtaining $10M for new common shares, and paying off R&W loan:		
Interest-Bearing Debt	57,000,000	
EBITDA (new)	28,918,313	
	1.97	< 2.5, Met
Using London Bank's refinancing proposal, and paying off R&W loan:		
Interest-Bearing Debt	65,000,000	
EBITDA (new)	28,918,313	
	2.25	< 2.5, Met

Conclusion: Either financing option is on-side with the ratio covenant as long as the financing is used to repay the R&W loan.

Exhibit 6 - Pro-forma Financial Statements

Purpose: To prepare and analyze pro-froma financial statements up to Year End 2027.

Amuzu Park Inc.
Pro-forma Statement of Earnings and Retained Earnings
For the years ended December 31 (in C$'000s)

	Note	AUDITED 2023	2024	2025	2026	2027
Revenues						
Park admission	1a	$54,475	$56,055	$46,732	$48,088	$48,088
Park food, beverage, and merchandise	1b	29,601	30,459	20,056	20,638	20,638
Royalty revenue - Zucarelli's Pizza	Ex. 7, 1			1,626	1,673	1,673
Total revenue		84,076	86,514	68,415	70,399	70,399
Expenses						
Park operating expenses	2	38,179	39,286	32,367	31,208	31,208
Cost of goods sold - food, beverage and merchandise	3	9,219	9,442	3,935	5,572	5,572
Marketing and advertising	4	4,879	4,879	5,258	5,258	5,258
Amortization	5	13,175	13,175	10,991	11,983	12,974
General and administrative	6	7,007	7,252	7,441	7,652	7,881
Total expenses		72,459	74,035	59,992	61,673	62,894
Share of Aqua Bleu equity income (Ex 5.1)				6,663	7,145	7,433
Operating income		11,617	12,479	15,085	15,871	14,938
Interest income on cash equivalents		65				
Interest expense - loan - London's Bank	7	(4,045)	(4,729)	(5,216)	(4,631)	(4,046)
Interest expense - loan - R&W Bank	7	(990)	(495)			
Interest and penalties - tax (Ex 8)			(76)			
Income before taxes		6,647	7,179	9,869	11,240	10,891
Income taxes (addback non-deductible penalty/int)		(2,155)	(1,959)	(2,665)	(3,035)	(2,941)
Prior year taxes (Ex. 8)			(431)			
Net earnings for the year		4,492	4,789	7,204	8,205	7,951
Opening retained earnings		20,401	24,893	29,682	36,886	45,092
Closing retained earnings		$24,893	$29,682	$36,886	$45,092	$53,042

2027 Key Financial Objectives		Goal	Actual	Result
Achive pre-pandemic revenues ('000)	8	95,000	86,981	Not met
Increase average in-park per capita spending by 10%	9	10% increase	12.1%	Met
Increase operating margin to 17%	10	17%	17.2%	Met

Statement assumes API enters into Joint Venture with WLAP as of January 1, 2025 and outsources pizza to Zucarelli's for 2025 season.

Note 1 - Revenue - consumer spending increases 2.9% annually to 2026

Note 1a		**2024**	**2025**	**2026**	**2027**
Admission Revenue		56,055	57,680	48,088	48,088
Less Aqua Bleu Revenues			(10,948)		
Total admission revenue		56,055	46,732	48,088	48,088

Note 1b					
Park food, beverage, and merchandise	1.1	30,459	31,343	20,638	20,638
Less Aqua Bleu Revenues			(4,948)		
Less - revenue lost - outsourcing pizza	Ex. 7		(6,339)		
Total food, bev, merch revenue		30,459	20,056	20,638	20,638

Note 2 - Park operating expenses					
2023 operating costs as % of 2023 revenue	45%	**2024**	**2025**	**2026**	**2027**
Revenue	2.1	86,514	66,789	68,725	68,725
Add back lost pizza revenues	2.2		6,339		
Adjusted revenue		86,514	73,127	68,725	68,725
Operating expenses		39,286	33,207	31,208	31,208
Less Pizza operating expenses (Ex. 7)	2.3		(840)		
Total operating expenses		39,286	32,367	31,208	31,208

2.1 Operating expenses as a percentage of revenue is expected to remain the same

2.2 Lost pizza revenue is added back to adjust the base for calculation as operating expense reduction for outsourcing is known

2.3 Actual pizza operating expenses (assistant managers, variable overhead per Ex. 7) are deducted

Note 3 - COGS - food, beverage and merchandise		**2024**	**2025**	**2026**	**2027**
Food, Bev, Merch Revenue		30,459	20,056	20,638	20,638
Addback lost pizza revenue	3.1		6,339		
Adjusted revenue		30,459	26,395	20,638	20,638
Other Park COGS (31% 2024, 27% 2025 onward)		9,442	7,127	5,572	5,572
Less Pizza COGS savings			(3,191)		
Total COGS		9,442	3,935	5,572	5,572

3.1 Lost pizza revenue is added back to adjust the base for calculation as actual COGS reduction for outsourcing is known

3.2 2024 COGS as a% of Food sales remains the same as 2023 (31%) and 2025 onward reduces to 27% by leveraging WLAP's buying power

3.3 Actual pizza COGS (direct material, direct laboour per Ex. 7) are deducted

Note 4 - Marketing Cost		**2024**	**2025**	**2026**	**2027**
Base Costs		4,879	4,879	5,258	5,258
Less Pizza marketing per Ex. 7			(621)		
Additional - Aqua Bleu per Ex. 5.1			1,000		
Marketing Costs		4,879	5,258	5,258	5,258

Note 5 - PP&E		2024	2025	2026	2027
Net, opening		105,196	106,021	84,018	83,935
Additions	5.1	14,000	11,900	11,900	11,900
Less: Aqua Bleu Capital Assets NBV			(20,662)		
Less: Pizza Ovens NVB	5.2		(2,250)		
Adjusted NBV		119,196	95,009	95,918	95,835
Amortization	5.3	13,175	14,167	11,983	12,974
Less Aqua Bleu amortization per Ex. 5.1			(2,801)		
Less pizza oven amortization per Exh. 7			(375)		
Total amortization		13,175	10,991	11,983	12,974
Net, closing		106,021	84,018	83,935	82,861

Assumption assets transfered to Aqua Bleu and Pizza ovens are the only disposals

5.1 Assumption per commitment made, ride additions are $14M in 2024 and $14M less 15% discount for years 2025 onward

5.2 Assuming ovens are half used and amortized straightline over the average 12 years useful life with no salvage value

5.3 Assumpting no assets are fully amortized by 2027, addtional amortization of $992 ($14M *85%/12yrs) added annually for additions.

Note 6 - General and administration		2024	2025	2026	2027
Base cost	6.1	7,217	7,434	7,652	7,881
Less savings from Zucerelli's	Ex. 7		(5)		
Adjusted General and admin		7,217	7,429	7,652	7,881
Consultant - Balanced Scorecard	6.2	10			
Consultant - Environmental	6.2		10		
Legal fees Zucarelli's			2		
Legal fees - Joint venture		25			
Total General Admin		7,252	7,441	7,652	7,881

6.1 General Admin expenses increase 3% based on the adjusted value

6.2 Consultant fees are a one time expense

Note 7 - Interest & Loans		Year	Balance	Interest rate	Annual interest	Prorated interest
Loan interest						Jan 1 - Jun 30
London's Bank original		2024	57,000	6.50%	3,705	1,853
R&W Loan		2024	9,000	11%	990	495

London's Bank refinanced amortization			opening balance	interest (9%)	principal	ending balance
July 1 - Nov 30, 2024		2024	65,000	2,438	6,500	58,500
	December 31, 2024	2024	58,500	439		58,500
Jan 1 - Nov 30, 2025		2025	58,500	4,826	6,500	52,000
	December 31, 2025	2025	52,000	390		52,000
Jan 1 - Nov 30, 2026		2026	52,000	4,290	6,500	45,500
	December 31, 2026	2026	45,500	341		45,500
Jan 1 - Nov 30, 2027		2027	45,500	3,754	6,500	39,000
	December 31, 2027	2027	39,000	293		39,000

Note 8

Total revenue is calculated as total revenue on income statement plus 45% of revenue from Aqua Bleu equity income.

Per Exhibit 5.3 Objective 1, 45% Aqua Bleu 2027 revenue	$16,582
Revenue per income statement	70,399
Total revenues	$86,981

Note 9

In-park per capita spending is calculated as total revenues divided by number of visitors

Total revenues per Note 8	$86,981
Number of visitors per Exhibit 5.3, Objective 2	1,935
In-park per capita spending	$44.95
Current average in-park per capita	$40.11
% increase	12.1%

Note 10

Operating margin is calculated as Operating income divided by Total revenues including 45% share of Aqua Bleu revenue

Operating income	$14,938
Total revenue per Note 8	86,981
Operating margin	17.2%

Amuzu Park Inc.

Balance Sheet

As at December 31 (in C$'000s)

		AUDITED 2023	2024	2025	2026	2027
Assets						
Current assets						
Cash and cash equivalents		$10,180	$6,644	$27,804	$29,592	$32,118
Inventories - merchandise for sale	1	1,106	1,106	921	921	921
Prepaid - spare parts for equipment	2	2,596	2,596	2,596	2,596	2,596
Total current assets		13,882	10,346	31,322	33,110	35,635
Property, plant and equipment — net	3	105,196	106,021	84,018	83,935	82,861
Total assets		$119,078	$116,367	$115,340	$117,045	$118,496
Liabilities						
Current liabilities						
Trade payables and accrued liabilities	4	$6,151	$6,151	$6,151	$6,151	$6,151
Income taxes payable	5	1,419	1,419	1,419	1,419	1,419
Deferred revenue	6	8,615	8,615	6,884	6,884	6,884
Current portion — loan - London's Bank	7	5,700	6,500	6,500	6,500	6,500
Total current liabilities		21,885	22,685	20,954	20,954	20,954
Term loan - London's Bank	7	51,300	0	0	0	0
Term loan - London's Bank refinanced	8		52,000	45,500	39,000	32,500
Loan - R&W Bank	9	9,000	0	0	0	0
Total liabilities		$82,185	$74,685	$66,454	$59,954	$53,454
Shareholders' equity						
Share capital —120,000 common shares outstanding		$12,000	$12,000	$12,000	$12,000	$12,000
Retained earnings		24,893	29,682	36,886	45,092	53,042
Total shareholders' equity		36,893	41,682	48,886	57,092	65,042
Total liabilities and shareholders' equity		$119,078	$116,367	$115,340	$117,045	$118,496
Interest-bearirng debt to EBITDA	10	2.43	2.03	1.74	1.40	1.16
Maximum Interest-bearirng debt to EBITDA			2.5	2.5	2.5	2.5

Note 1 - To be conservative inventory remains constant in 2024 and is reduced by portion transferred to Joint Venture in 2025 onward

Note 2 - Assumption that prepaids remain constant

Note 3 - PP&E net book value per Pro-forma Income Statement Note 5.

Note 4 - Assumption Trade payables and accrued liabilities remain constant

Note 5 - Income taxes payable remains constant assuming installments are paid throughout the year

Note 6 - To be conservative deferred revenue remains constant in 2024 and is reduced by portion transferred to Joint Venture in 2025 onward

Note 7 - London's Bank loan is refinanced with current loan settled June 30, 2024

Note 8 - London's Bank loan is refinanced, see amortization schedule in Income Statement Note 7

Note 9 - R&W bank loan is repaid in full

Note 10 - EBITDA is calculated as Operating income adding back Amortization

Exhibit 7 - Zucarelli's Pizza Proposal

Purpose: to analyse the impact of Zucarelli's pizza proposal in API's financials

Reduction in revenues		(4,712,585)	1
Cost savings			
Direct material - COGS	2,273,232		
Direct labour	918,036		
Assistant managers	350,000		
Marketing	621,000		
Variable overhead	490,000		
Amortization of cooking equipment	375,000		
Allocated head office costs	5,000		2
Total Cost Saving		5,032,268	
Net savings		319,683	

Conclusion: Outsourcing to Zucarelli's Pizza results in costs savings of $319,683 based on API's 2023 financials

Note 1 - Revenue

API Price per pizza	14.5	=$6,338,820/437,160 pizzas
New pizza price	15.5	$1 increase
Increased pizza sales	524,592	20% more volume in sales
Total pizza revenue	8,131,176	=$15.5 *524,592
API royalties	1,626,235	=20% royalty *8,131,176 revenue
Lost revenues	4,712,585	=6,338,820-1,626,235

Note 2 - Allocated head office costs

$40,000 related to administration employee does not vary between options so is not considered.

Assumed additional 5,000 is related to administration expenses that Zucarelli will be now responsible for.

General notes

Fixed cost allocation does does not vary between options so is not considered in the calculation.

API still owns the buildings so depreciation does not vary between options and is not considered in the calculation.

As no salvage value is provided for pizza ovens owned by API, it is assumed these are disposed of with no cash proceeds.

Exhibit 8 - CCA Error

Purpose: To calculate the impact of the 2022 CCA error.

		Reported	Actual	
CCA on Land improvements taken		1,040,000.00	124,800.00	Note 1
CCA on Building		750,000.00	67,500.00	Note 1
Total CCA Taken		1,790,000.00	192,300.00	
Tax rate		27.00%	27.00%	
Income tax		483,300.00	51,921.00	
Income tax expense understated		431,379.00		
Penalties		21,568.95		
Interest		54,709.65		
Monthly interest rate	1.00%			
Monthly interest pmt	4,313.79			

<u>Conclusion</u>**: The error results in a tax balance owing of $431,379, plus penalties of $21,569 and interest of $54,710.**

Note 1: The appropriate CCA classes are 6% for building and 8% for Land improvements. The CCA should be accelerated and multipled by 1.5 to get the appropriate amount of CCA for these classes.