



May 10, 2018  
*For Immediate Release*

## *News Release*

### ***Circa Reports Significantly Improved Sales and Operating results for the First Quarter Ended March 31, 2018***

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Calgary, AB – Circa Enterprises Inc. (CTO-TSXV) (the "Company" or "Circa"), a manufacturer of equipment for the telecommunication, electrical utility, and construction industries, reports results of operations for the first quarter ended March 31, 2018.

#### Summary of first quarter operating results:

- Q1 2018 consolidated sales of \$7.3 million, an increase of \$1.8 million or 33% over Q1 2017 sales of \$5.5 million
- Q1 2018 profit from continuing operations of \$330,000, an increase of \$280,000 over Q1 2017 profit from continuing operations of \$50,000
- Earnings per share of \$0.03 in Q1 2018 compared to earnings per share of \$0.01 for Q1 2017
- Q1 2018 EBITDA of \$676,000, an increase of \$598,000 compared to EBITDA of \$78,000 for Q1 2017 (see below for explanation and calculation of EBITDA)
- Working capital of \$7.1 million

EBITDA is earnings before interest, taxes, depreciation and amortization. EBITDA is a non-IFRS financial measure and does not have any standardized meaning prescribed by International Financial Reporting Standards and, therefore, may not be comparable to similar measures presented by other issuers. Management believes that EBITDA is a useful supplemental measure, which provides an indication of the results generated by Circa's primary business activities prior to consideration of how those activities are financed, amortized or taxed. Readers are cautioned, however, that EBITDA should not be construed as an alternative to comprehensive income determined in accordance with IFRS as an indicator of the Company's financial performance. EBITDA is calculated by the Company as follows:

	<b>Three months 31 Mar 2018</b>	Three months 31 Mar 2017
	<b>\$000's</b>	\$000's
Earnings for the period from continuing operations	<b>330</b>	50
Income taxes	<b>90</b>	(27)
Interest	<b>22</b>	-
Depreciation and amortization	<b>234</b>	55
<b>EBITDA</b>	<b>676</b>	78

Consolidated sales for the first quarter of 2018 were \$7.3 million -- a \$1.8 million or 33.1% increase over the same three month period in 2017. Sales in the Telecom segment increased \$1.3 million as the Company recorded \$1.4 million of sales from the Guardian Telecom acquisition and saw a reduction in orders on its legacy surge protection line due to decreased demand for copper-based infrastructure products. Sales in the Circa Metals segment were up \$0.5 million on strong custom sales activity and a greater market share of Hydrel brand sales in the quarter, compared to the same period in 2017.

As a result of the strong first quarter sales, the Company posted after tax profit of \$330,000 in the first quarter of 2018 compared to profit of \$50,000 in the first quarter of the previous year. This earnings improvement was due to the higher sales and improved gross margins in both segments and partially offset by higher selling, general and administrative costs. Selling, general and administrative expenses increased in the Telecom segment as the Company absorbed the operations and infrastructure of the Guardian Telecom business. Included in the higher expenses were non-cash amortization charges associated with the acquisition. Management has been taking steps to reduce costs in the Guardian business while investing in other areas to expand the product line in order to grow sales.

Grant Reeves, Circa's President and Chief Executive Officer, stated:

"The Company reported impressive results for the first quarter that extends to eight consecutive quarters of positive earnings. Both divisions are executing on our strategic objectives and we are pleased with the strong start to the year. We expect our Metals business to continue its success with new product introductions and market share gains. We are excited to be marketing the Guardian Telecom products aggressively and expect strong organic growth from this product line."

**CIRCA ENTERPRISES INC.**  
**Condensed Consolidated Statement of Comprehensive Income**

*Unaudited*

	<b>Three months ended 31 Mar 2018</b>	Three months ended 31 Mar 2017
	<b>\$000's</b>	\$000's
<b>Sales</b>	<b>7,298</b>	5,485
Freight	<b>186</b>	151
<b>Net sales</b>	<b>7,112</b>	5,334
Cost of sales	<b>4,914</b>	4,102
<b>Gross profit</b>	<b>2,198</b>	1,232
Selling, general and administrative expenses	<b>1,757</b>	1,209
<b>Operating profit</b>	<b>441</b>	23
Other income	<b>1</b>	-
Finance costs	<b>22</b>	-
<b>Profit before tax</b>	<b>420</b>	23
Income tax expense (recovery)	<b>90</b>	(27)
<b>Profit for the period from operations attributable to shareholders of the Company</b>	<b>330</b>	50
<b>Other comprehensive income</b>		
Exchange differences on translating foreign operations, net of tax	<b>72</b>	1
<b>Total comprehensive income for the period attributable to shareholders of the Company</b>	<b>402</b>	51
<b>Earnings per share (in \$'s)</b>		
Basic and diluted	<b>0.03</b>	0.01

Circa Enterprises Inc. is a public company with operations in Alberta, Ontario and Florida. The outstanding common shares of Circa Enterprises Inc. are listed and trade on the TSX Venture Exchange under the trading symbol CTO. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

The Company's quarterly financial statements and related management's discussion and analysis have been filed with certain securities regulatory authorities in Canada and may be accessed electronically through the SEDAR website at [www.sedar.com](http://www.sedar.com).

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