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For Immediate Release

News Release

Circa Reports Sales and Operating results for the Fourth Quarter and Fiscal Year Ended December 31, 2019

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 fourth quarter and year ended December 31, 2019.

Summary of fourth quarter operating results:

- Q4 2019 consolidated sales of \$6.9 million, representing a 1.7% increase over the Q4 2018 sales of \$6.8 million
- Profit from continuing operations for Q4 2019 of \$539,00 which includes a pre-tax gain of \$815,000 on the wind-up of the U.S. subsidiary, or \$0.05 per share compared to profit from continuing operations of 239,000, or \$0.02 per share for Q4 2018
- EBITDA of \$1.2 million for Q4 2019 compared to EBITDA of \$649,000 for Q4 2018 (see below for explanation and calculation of EBITDA)
- EBITDAaL of \$913,000 for Q4 2019 compared to EBITDAaL of \$414,000 for Q4 2018 (see below for explanation and calculation of EBITDAaL)
- Declared a \$0.06 per share dividend

Summary of fiscal year operating results:

- Consolidated sales of \$30.4 million for the fiscal year ended December 31, 2019, a 1.6% increase over the 2018 sales of \$29.9 million
- Profit from operations for the year of \$1.2 million which includes a pre-tax gain of \$815,000 on the wind-up of the U.S. subsidiary, being \$0.12 per share compared to profit from operations of \$1.3 million or \$0.13 per share for the 2018 fiscal year
- EBITDA of \$2.6 million in 2019 compared to EBITDA of \$2.5 million for the 2018 fiscal year (see below for explanation and calculation of EBITDA)
- EBITDAaL of \$2.6 million for 2019 compared to EBITDAaL of \$2.5 million for 2018 (see below for explanation and calculation of EBITDAaL)
- Reduction of inventory of \$1.4 million and reduction of bank loan of \$710,000

EBITDA is earnings before interest, taxes, depreciation and amortization. EBITDAaL modifies EBITDA to deduct current period cash rent related to lease obligations and is comparative to pre-IFRS 16 calculations of EBITDA. EBITDA and EBITDAaL are a non-IFRS financial measures and do 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 and EBITDAaL are useful supplemental measures, 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 and EBITDAaL 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 and EBITDAaL are calculated by the Company as follows:

	Year ended 31 Dec 2019	Year ended 31 Dec 2018	Three months 31 Dec 2019	Three months 31 Dec 2018
	\$000's	\$000's	\$000's	\$000's
Profit for the period from operations	1,201	1,308	539	239
Income taxes	521	376	168	(13)
Interest	175	153	36	29
Depreciation and amortization	1,647	1,621	423	394
EBITDA	3,544	3,458	1,166	649
Cash lease payments	(967)	(940)	(253)	(235)
EBITDAaL	2,577	2,518	913	414

Consolidated sales for the fourth quarter of 2019 were \$6.9 million; a \$0.1 million or 1.7% increase compared to the fourth quarter in 2018. Sales for the full year increased 1.6%, from \$29.9 million in 2018 to \$30.4 million in 2019 as sales in both segments were up slightly over the prior year. Sales in the Telecom segment were up slightly on higher Guardian sales which was partially offset by a decline in the surge protection business and the cable and connectivity lines. Metals sales were up slightly on strong activity in British Columbia and Eastern Canada. For the full year ended December 31, 2019, the same trend held as the Company posted increased Guardian sales, which was partially offset by a decline in the legacy surge line from lower demand and a shift away from copper-based technology. The Metals division was consistent compared to the prior year.

The Company posted after tax profit of \$539,000 in the fourth quarter of 2019 compared to \$239,000 in the fourth quarter of 2019. The profit is attributed to an \$815,000 pre-tax gain on the wind-up of the Company's U.S. subsidiary which was the result of the Company's decision to close its Tampa, Florida sales office and consolidate the sales activity in Calgary. For the full fiscal year, the Company recorded an 8.2% decrease in profit to \$1,201,000 compared to \$1,308,000 in 2018. This decrease is due to higher labour and manufacturing costs due to less efficient utilization of labour and inventory write-downs in the quarter. The

Company also incurred higher selling, general and administrative costs from the expansion of its sales and engineering groups in order to grow the business and recorded some moving and redundant costs related to the consolidation and relocation of its Telecom facilities.

Cory Tamagi, Circa's President and Chief Executive Officer, stated:

"The fourth quarter operating results fell short of management expectations as the Company posted lower gross margins compared to the prior year. Circa's labour utilization was weaker as the Metals segment relied on less efficient contract labour while the Telecom segment slowed production to reduce inventory. In addition, the Company posted larger than usual inventory write-downs.

Management believes the steps taken in 2019 to invest in product development, consolidate the Telecom facilities and streamline operations will better enable the Company to withstand the current economic uncertainty. The global health crisis created by COVID-19 pandemic and a general economic slowdown could create headwinds. Management has been continuously monitoring information from public health authorities and is engaging in ongoing communication with suppliers, customers and its workforce. The COVID-19 pandemic could have a significant impact on Circa's ability to sell and supply products if the crisis becomes prolonged. Circa is committed to responsible operations in addition to the health and safety of both the public and its employees while continuing to grow the business and focus on profitability."

CIRCA ENTERPRISES INC.
Statement of Comprehensive Income

For the years ended December 31	2019	2018 (restated)
	\$000's	\$000's
Sales	30,427	29,941
Freight	738	819
Net sales	29,689	29,122
Cost of sales	21,333	20,497
Gross profit	8,356	8,625
Selling, general and administrative expenses	7,269	6,799
Operating profit	1,087	1,826
Other (loss) income	(5)	11
Gain on wind-up of foreign subsidiary	815	-
Interest expense	(175)	(153)
Profit before tax	1,722	1,684
Income tax expense	521	376
Profit for the year from operations attributable to shareholders of the Company	1,201	1,308
Other comprehensive income		
Exchange differences on translating foreign operations, net of tax	(111)	219
Total comprehensive income for the year attributable to shareholders of the Company	1,090	1,527
Earnings per share (in \$'s)		
Basic and diluted	0.12	0.13

Circa Enterprises Inc. is a public company with operations in Alberta and Ontario. 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 annual 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.

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