



May 7, 2020
For Immediate Release

News Release

Circa Reports Sales and Operating results for the First Quarter Ended March 31, 2020 and Appointment of Officer

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 quarter ended March 31, 2020 and the appointment of a named executive officer.

Summary of first quarter operating results:

- Q1 2020 sales of \$7.1 million, an increase of \$0.3 million or 4.2% from Q1 2019 sales of \$6.8 million
- Q1 2020 profit from continuing operations of \$146,000, an increase of \$27,000 over Q1 2019 profit from continuing operations of \$119,000
- Earnings per share of \$0.01 in Q1 2020 compared to earnings per share of \$0.01 for Q1 2019
- Q1 2020 EBITDA of \$670,000, an increase of \$200,000 compared to Q1 2019 EBITDA of \$620,000 (see below for explanation and calculation of EBITDA)
- Q1 2020 EBITDAaL of \$416,000, an increase of \$32,000 compared to EBITDAaL of \$384,000 for Q1 2019 (see below for explanation and calculation of EBITDAaL)
- Working capital of \$6.8 million
- Payment of dividend of \$0.06 in the quarter

EBITDA is earnings before interest, taxes, depreciation and amortization. EBITDAaL is earnings before interest, taxes, depreciation and amortization and is adjusted for cash lease payments and therefore comparative to pre-IFRS 16 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:

<i>\$000's</i>	(unaudited) Three months 31 Mar 2020	(unaudited) Three months 31 Mar 2019
Profit for the period from operations	146	119
Income taxes	68	78
Interest	32	34
Depreciation and amortization	424	389
EBITDA	670	620
Cash lease payments	(254)	(236)
EBITDAaL	416	384

Consolidated sales for the first quarter of 2020 were \$7.1 million -- a \$0.3 million or 4% increase over the same three month period in 2019. Sales in the Telecom segment increase \$0.1 million as the Company saw an increase in Guardian product sales, which was partially offset by a reduction in orders on its legacy surge protection products and cable products. Sales in the Circa Metals segment increased \$0.2 million due to an increase in metering product sales in Ontario and BC.

The Company posted a higher after tax profit of \$146,000 in the first quarter of 2020 compared to profit of \$119,000 in the first quarter of 2019. This earnings increase was due to the higher sales and gross margins. The Company also incurred higher selling, general and administrative expenses as a result of succession planning as the Company had an overlap of certain employees. Depreciation and amortization are higher in the first quarter of 2020 compared to the first quarter of 2019 due to a higher amortization charge related to the right-of-use asset for the Calgary location. The lease was entered into in June 2019 and as such, the amortization is higher compared to the previous period.

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

"Circa is pleased to report improved Q1 2020 results compared to Q1 2019. The Company posted strong first quarter sales and earnings in the quarter, despite the challenges imposed by the COVID-19 pandemic and sharp decline in oil prices.

Circa's low debt-to-equity and borrowing capacity puts us in a solid position to withstand the downturn in the global economy in the short and medium term. Telecom sales, particularly the Guardian line products,

are closely tied to oil and gas projects and the flow of goods internationally, which have been negatively impacted by low oil prices and the COVID-19 pandemic. The surge protection products and cable and connectivity sales have also declined on the low North American construction activity. The Metals segment has seen a reduction in sales from the closure of key custom metal customers and, on the Hydel product line, the shutdown of construction activity in Ontario and Quebec. The Metals' segment ability to continue to manufacture in Canada has allowed it to pick up some market share and temper the overall decline in sales activity.

The Company has taken numerous steps to help protect its workforce from the COVID-19 pandemic and has been engaging with its customers, suppliers and other stakeholders in order to manage its operations. Management is expecting that social distancing measures will be relaxed through the summer, allowing for a rebound to positive growth in the second half of 2020 and into 2021 as interest rates remain low. We will continue to monitor our sales, our customers, supply chain and are cautiously optimistic Circa will emerge from this crisis on solid footing.”

CIRCA ENTERPRISES INC.
Condensed Interim Statement of Comprehensive Income

Unaudited

\$000's	Three months ended 31 March 2020	Three months ended 31 March 2019
Sales	7,115	6,829
Freight	167	161
Net sales	6,948	6,668
Cost of sales	4,768	4,615
Gross profit	2,180	2,053
Selling, general and administrative expenses	1,934	1,829
Operating profit	246	224
Other income	-	7
Finance costs	(32)	(34)
Profit before tax	214	197
Income tax expense	68	78
Profit for the period from operations attributable to shareholders of the Company	146	119
Other comprehensive income (loss)		
Exchange differences on translating foreign operations, net of tax	-	(85)
Total comprehensive income for the period attributable to shareholders of the Company	146	34
Earnings per share (in \$'s)		
Basic and diluted	0.01	0.01

APPOINTMENT OF OFFICER

The Company announced today that Darren Epp, Circa's Vice President, Telecom, has been promoted to Executive Vice President and is a Named Executive Officer of the Company. Mr. Epp has been with Circa since March 2019 and is responsible for sales, engineering and business development of the Company. He has over 20 years of experience in positions in Telecommunications, Manufacturing, Software, and Automation.

Mr. Epp previously served as Director, Automation Solutions, Zedi Solutions from 2013 through 2018. Prior to that, he was with Guardian Telecom for 12 years in roles ranging from Electronics Technologist to Vice President, Operations. Mr. Epp obtained a Computer Engineering Technology Diploma in 1998 from the Southern Alberta Institute of Technology.

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 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.

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