



November 7, 2017
For Immediate Release

News Release

Circa Reports Sales and Operating results for the Third Quarter Ended September 30, 2017 and Declares a Special Cash Dividend

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 third quarter ended September 30, 2017 and declares a special cash dividend of \$0.05 per share on its common shares.

Summary of third quarter operating results:

- Q3 2017 consolidated sales of \$7.5 million, representing a 27.3% increase over the Q3 2016 sales of \$5.9 million
- Sales of \$1.2 million arising from the Guardian Telecom acquisition from July 14 to September 30, 2017
- Profit for the period from continuing operations for Q3 2017 of \$212,000, or \$0.02 per share compared to profit from continuing operations of \$189,000, or \$0.02 per share for Q3 2016
- EBITDA of \$787,000 for Q3 2017 compared to EBITDA of \$317,000 for Q3 2016 (see below for explanation and calculation of EBITDA)
- Working capital of \$6.3 million at September 30, 2017

Summary of year-to date operating results:

- Consolidated sales of \$19.6 million for the nine months ended September 30, 2017, compared to sales of \$17.9 million for the nine months ended September 30, 2016
- Profit for the period from operations for the nine months ended September 30, 2017 of \$485,000, being \$0.05 per share compared to a loss for the period from operations of \$4,000 for the same period in 2016
- EBITDA of \$1.2 million for the nine months ended September 30, 2017 compared to EBITDA of \$283,000 and Adjusted EBITDA of \$592,000 for the nine months ended September 30, 2016 (see below for explanation and calculation of EBITDA and Adjusted EBITDA)

EBITDA is earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is earnings before interest, taxes, depreciation and amortization and is adjusted for restructuring costs related to the acquisition of Alberta Computer Cables. EBITDA and Adjusted EBITDA are a non-IFRS financial measures and do not have any standardized meaning prescribed by International Financial Reporting Standards and, therefore, may not to be comparable to similar measures presented by other issuers. Management believes that EBITDA and Adjusted EBITDA 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 Adjusted 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 and Adjusted EBITDA are calculated by the Company as follows:

	(unaudited) Nine months 30 Sep 2017	(unaudited) Nine months 30 Sep 2016	(unaudited) Three months 30 Sep 2017	(unaudited) Three months 30 Sep 2016
	\$000's	\$000's	\$000's	\$000's
Profit (loss) for the period from operations	485	(4)	212	189
Income taxes	184	93	105	67
Interest	23	1	23	1
Depreciation and amortization	557	193	447	60
EBITDA	1,249	283	787	317
Restructuring costs	-	309	-	-
Adjusted EBITDA	1,249	592	787	317

Consolidated sales for the third quarter of 2017 were \$7.5 million; a \$1.6 million or 27.3% increase over the same period in 2016. Telecom segment sales increased with the acquisition of Guardian Telecom in the quarter as the Company posted \$1.2 million in sales from the new product line. Sales of cable and connectivity products also increased while surge protection products saw a slight decline. Sales in the Metals segment were up \$0.5 million on strong orders across most regions and in the custom metal portfolio.

The Company posted after tax profit of \$212,000 in the third quarter of 2017 compared to \$189,000 in the third quarter of 2016. This earnings improvement was due to the higher overall sales and strong margins. Selling, general and administrative costs were also higher as the Company took on the facilities, operations, personnel and infrastructure of Guardian Telecom. The operations and administration are being streamlined and the costs will be reduced in subsequent quarters. The Company also recorded one time legal fees and significant amortization expense related to the acquired sales backlog of Guardian. This non-cash charge will be amortized over the first six months.

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

"It was a very good quarter for Circa with strong year-over-year sales growth from our Metal's segment and incremental new sales and earnings from our Guardian Telecom acquisition. The Guardian Telecom operations were successfully integrated with our existing business in the quarter and we expect the new product line to grow Telecom segment revenues in the future. The Company accessed its credit lines for the acquisition and subsequent build of the approximately \$2.8 million backlog of orders in the quarter, resulting in higher working capital that is expected to reverse in the 4Q. Overall, demand remains strong and we expect good momentum to carrying over to the 4Q.

The Company is pleased to declare its third consecutive annual \$0.05 special dividend which equates to over \$1.4 million cumulative returned to shareholders."

CIRCA ENTERPRISES INC.
Condensed Consolidated Statement of Comprehensive Income

Unaudited

	Nine months ended 30 Sep 2017 \$000's	Nine months ended 30 Sep 2016 \$000's	Three months ended 30 Sep 2017 \$000's	Three months ended 30 Sep 2016 \$000's
Sales	19,635	17,902	7,518	5,908
Freight	(513)	(470)	(184)	(160)
Net sales	19,122	17,432	7,334	5,748
Cost of sales	(13,968)	(12,987)	(5,144)	(4,304)
Gross profit	5,154	4,445	2,190	1,444
Selling, general and administrative expenses	(4,463)	(4,050)	(1,851)	(1,188)
Restructuring costs	-	(309)	-	-
Operating profit	691	86	339	256
Other income	1	4	1	1
Finance costs	(23)	(1)	(23)	(1)
Profit before tax	669	89	317	256
Income tax expense	(184)	(93)	(105)	(67)
Profit (loss) for the period from operations attributable to shareholders of the Company	485	(4)	212	189
Other comprehensive income (loss)				
Exchange differences on translating foreign operations, net of tax	(186)	(111)	(108)	(3)
Total comprehensive income (loss) for the period attributable to shareholders of the Company	299	(115)	104	186
Earnings (loss) per share (in \$'s)				
Basic and diluted	0.05	(0.00)	0.02	0.02

DECLARATION OF SPECIAL DIVIDEND

The Company announced today that its Board of Directors has declared a special cash dividend of \$0.05 per share on its common shares payable January 3, 2018 to shareholders of record at the close of business November 30, 2017. The Dividend is deemed to be an eligible dividend for purposes of the Income Tax Act (Canada).

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.

Contact:	Mr. Grant Reeves President and CEO Circa Enterprises Inc. (403) 258-2011	Mr. Cory Tamagi VP Finance and CFO Circa Enterprises Inc. (403) 258-2011
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E-Mail: investor@circaent.com
Website: www.circaent.com