



November 4, 2021
For Immediate Release

News Release

Circa Reports Sales and Operating results for the Third Quarter Ended September 30, 2021

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, 2021.

Summary of third quarter operating results:

- Q3 2021 sales of \$9.7 million, an increase of \$1.4 million or 17.2% from Q3 2020 sales of \$8.3 million
- Net income and comprehensive income of \$543,000 for Q3 2021, being \$0.05 per share compared to net income and comprehensive income of \$554,000 for Q3 2020, or \$0.05 per share
- Q3 2021 EBITDA of \$1.4 million, an increase of \$0.3 million compared to Q3 2020 EBITDA of \$1.1 million (see below for explanation and calculation of EBITDA)
- Q3 2021 EBITDAaL of \$1.1 million, an increase of \$0.3 million compared to EBITDAaL of \$0.8 million for Q3 2020 (see below for explanation and calculation of EBITDAaL)

Summary of year-to date operating results:

- Sales of \$26.5 million for the nine months ended September 30, 2021, an increase of 17.4% compared to sales of \$22.6 million for the nine months ended September 30, 2020
- Net income and comprehensive income for the nine months ended September 30, 2021 of \$1.2 million, being \$0.12 per share compared to net income and comprehensive income of \$1.4 million, or \$0.14 per share for the same period in 2020
- EBITDA of \$3.4 million for the nine months ended September 30, 2021 compared to EBITDA of \$3.2 million for the nine months ended September 30, 2020
- EBITDAaL of \$2.6 million for the nine months ended September 30, 2021 compared to EBITDAaL of \$2.5 million for the nine months ended September 30, 2020

EBITDA is earnings before interest, taxes, depreciation and amortization. EBITDAaL is earnings before interest, taxes, depreciation and amortization, adjusted for cash lease payments and therefore comparative EBITDA prior to the adoption of IFRS 16. 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) Nine months 30 Sep 2021	(unaudited) Nine months 30 Sep 2020	(unaudited) Three months 30 Sep 2021	(unaudited) Three months 30 Sep 2020
Net income and comprehensive income	1,210	1,371	543	554
Income taxes	383	467	222	73
Interest	184	89	71	24
Depreciation and amortization	1,640	1,268	598	417
EBITDA	3,417	3,195	1,434	1,068
Less: Cash lease payments	(843)	(724)	(335)	(243)
EBITDAaL	2,574	2,471	1,099	825

Sales for Q3 2021 were \$9.7 million -- a \$1.4 million or 17.2% increase compared to Q3 2020. The increase is due to higher sales in the Metals segment and the acquisition of Westronic and its addition to sales in the Telecom segment.

Metals segment sales increased \$1.0 million to \$6.8 million in Q3 2021, compared to \$5.8 million in Q3 2020 due to strong sales of Hydrel metering products across Canada as well as custom metal sales. Telecom segment sales were up at \$2.9 million in Q3 2021 compared to the same quarter in 2020. The Guardian product line sales were higher on stronger run-rate business, however the Company continued to see customer delays of some large projects which are expected to move in Q4 2021 and into 2022. Sales of surge protection products decreased in Q3 2021 when compared to Q3 2020 on lower demand while cable and connectivity line sales increased in the quarter from higher activity in the local economy and new customer acquisition. The addition of Westronic product sales through acquisition also improved the Telecom segment sales.

Circa reported increased selling, general and administrative expenses of \$2.4 million in Q3 2021 compared to \$1.9 million Q3 2020. The main reason for the increase was the inclusion of the Westronic business in the results. The Company also recorded higher selling commissions in the Metals segment and increased non-cash amortization, resulting from the intangible asset additions on the acquisition of the Westronic business.

The Company posted net income of \$543,000 in the third quarter of 2021 compared to \$554,000 in the same quarter of 2020. Although pre-tax earnings were higher in Q3 2021 over Q3 2020, income taxes increased as the prior year tax provision included a refund.

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

"We are pleased to report solid operating performance and earnings in Q3 2021. The Company posted income of \$543,000 or \$0.05 per share on sales of \$9.7 million. The cash generated during the quarter was invested back into inventory in order to meet the customer requirements under a challenging new global supply chain environment.

The most pervasive issue currently facing the Company is the ability to source materials, particularly from overseas suppliers. Circa is experiencing significantly longer quoted lead times, shortages of materials, as well as increased material and shipping cost across all of our product lines. We are continually managing these issues with our suppliers and anticipate disruptions and delays will continue through the next several quarters.

The Metals segment has led the way on high demand for metering equipment across Canada and efficient operations from the high throughput. Telecom sales have improved over the start of 2021 and the project delays that have persisted over the past several quarters are getting resolved, with some projects shipping in the fourth quarter. Our internal product development efforts have made excellent progress in both segments as we look to future growth across the Company."

CIRCA ENTERPRISES INC.**Condensed Consolidate Interim Statements of Income and Comprehensive Income***Unaudited*

\$000's	Nine months ended 30 Sep 2021	Nine months ended 30 Sep 2020	Three months ended 30 Sep 2021	Three months ended 30 Sep 2020
Sales	26,547	22,612	9,684	8,261
Freight	612	571	211	212
Net sales	25,935	22,041	9,473	8,049
Cost of sales	17,421	15,060	6,301	5,468
Gross profit	8,514	6,981	3,172	2,581
Selling, general and administrative expenses	6,852	5,628	2,406	1,886
Operating profit	1,662	1,353	766	695
Other income	115	574	70	44
Interest expense	184	89	71	24
Profit before tax	1,593	1,838	765	627
Income tax expense	383	467	222	73
Net income and comprehensive income	1,210	1,371	543	554

Earnings per share (in \$'s)

Basic	0.12	0.14	0.05	0.05
Diluted	0.11	0.13	0.05	0.05

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.

Contact:	Mr. Cory Tamagi President and CEO Circa Enterprises Inc. (403) 258-2011	Mrs. Angela Hulshof VP Finance and CFO Circa Enterprises Inc. (403) 258-2011
----------	--	---

E-Mail: investor@circaent.com
Website: www.circaent.com