Lite Access Technologies Reports Q1 2020 Financial Results

VANCOUVER, March 3, 2020 /CNW/ - **LITE ACCESS TECHNOLOGIES INC.** (the "**Company**") (**TSX VENTURE: LTE**)(**PINK: LTCCF**), a world leader in the use of innovative and proven micro/narrow trenching technologies, alternate methods of deployment and specialist products which transform the cost of fibre optic network deployment for telecommunications operators, yesterday reported its financial results for the first quarter ended December 31, 2019. The financial statements and related management's discussion and analysis ("MD&A") can be viewed on SEDAR at www.sedar.com.

Financial Highlights for the First Quarter 2020:

- Total Q1 2020 revenue of $1,109,539 compared to $6,796,437 for Q1 2019. The revenue decrease is a result of three issues 1) no meaningful revenue from UK operations as the company transitioned from the Gigaclear contract to negotiating and securing the CityFibre contract; 2) the Canadian western market experiencing a slowing of activity and 3) revenue in the prior year quarter benefited from a contract with a major Canadian telecom customer which did not occur in the current quarter.
- Gross margin for Q1 2020 was $186,790, or 17%, compared to $2,126,675, or 31%, in Q1 2019;
- EBITDA* for Q1 2020 was $(498,083) compared to $747,101 for Q1 2019;
- Net comprehensive loss of $(727,739) for Q1 2020 compared to comprehensive income of $548,231 for Q1 2019;
- Working capital of $1,580,174 at December 31, 2019.

Recent Developments:

- In February and March 2020, the Company completed a non-brokered private placement, in two tranches, for gross proceeds of $3.5 million, which strengthens the Company's financial position for targeted acquisitions and its growth plans.
- In addition to the Company's current undrawn $500,000 revolving demand credit facility at Royal Bank of Canada ("RBC") prime plus 2.60%, RBC approved an additional $1,650,000 revolving credit facility at RBC's prime plus 0.66%, with the first and second credit facilities not to exceed $1.9 million. The first facility is repayable on demand and the second facility is repayable on June 30, 2021. As a condition to RBC granting the credit facility, the Company is entering into a corporate guarantee and a general security agreement granting a first priority general security interest in all personal property of the Company, and a cash collateral agreement in the amount of $200,000. Finalization of the credit facility is subject to and conditional on the final legal process, including registering general security. No draws have been made to-date and the Company plans to draw on these funds, only if required, for growth and working capital needs.

Carlo Shimoon, President & CEO of Lite Access, said: "Our financial performance in Q1 reflected right-sizing our UK operations and winding down our previous contract with Gigaclear, as well as engaging with CityFibre to negotiate the Lowestoft contract and commencing mobilization efforts in November 2019 in anticipation of ramp up in 2020. Despite this, efficient operations and capital discipline remain a core focus and, as such, we maintained positive gross margins and minimal EBITDA loss during the quarter."

"In January, we commenced initial ramp up of operations in Lowestoft, and expect to be fully ramped by April of 2020. In February, we began ramp up in the second city contract and expect to be fully ramped up there by May 2020. We look forward to successfully meeting KPIs on the two substantial contracts with CityFibre and expect these to be the first of many more major fibre infrastructure builds across the UK as the partnership progresses. As we continue to deliver against our current record backlog of $33 million in the UK, we expect to deliver significant growth in fiscal 2020 and beyond."

About Lite Access

Lite Access Technologies Inc. is a world leader in the use of innovative and proven micro/narrow trenching technologies, alternate methods of deployment and specialist products which transform the cost the network deployment for telecommunications operators. Lite Access has successfully deployed or enabled deployment of thousands of kilometres of broadband networks throughout North America and the United Kingdom as well as South America, Africa, Australia and Asia.

As part of its suite of services, Lite Access provides clients with integrated solutions or select components for the design and implementation of fibre optic networks. Lite Access' products have been deployed in many high-profile communication networks including Olympic facilities, military and government, numerous communities throughout the United Kingdom, the USA and Canada as well as global telecommunications companies that have adopted Lite Access as the "solution of choice" for the least invasive, most cost effective and future-proof fibre optic connectivity available.

Lite Access' installation technology and proprietary products extend a network provider's ability to deliver true broadband connectivity directly to end-users, such as homes, businesses, government and educational institutions, and emergency response facilities. Lite Access remains flexible and innovative in its commitment to provide global clients and partners with the most cost effective and proven fibre connectivity solutions available.

*Non-IFRS Measures

EBITDA is a measure not recognized under IFRS. However, management of Lite Access believes that most shareholders, creditors, other stakeholders and investment analysts prefer to have these measures included as reported measures of operating performance, a proxy for cash flow, and to facilitate valuation analysis. EBITDA is defined as earnings before interest income, taxes, depreciation and amortization, stock based compensation, restructuring costs, impairment charges and other non-recurring gains or losses. Management believes EBITDA is a useful measure that facilitates period-to-period operating comparisons.

EBITDA does not have any standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Readers are cautioned that EBITDA is not an alternative to measures determined in accordance with IFRS and should not, on its own, be construed as indicators of performance, cash flow or profitability. References to the Lite Access' EBITDA should be read in conjunction with the financial statements and management's discussion and analysis of Lite Access posted on SEDAR (www.sedar.com).

Forward Looking Information

This news release contains statements that, to the extent they are not recitations of historical fact, may constitute "forward-looking statements" within the meaning of applicable Canadian securities laws. Lite Access uses words such as "may", "would", "could", "will", "likely", "expect", "believe", "intend" and similar expressions to identify forward-looking statements. Any such forward-looking statements are based on assumptions and analyses made by Lite Access in light of its experience and its perception of historical trends, current conditions and expected future developments. However, whether actual results and developments will conform to Lite Access' expectations and predictions is subject to any number of risks, assumptions and uncertainties. Many factors could cause Lite Access' actual results to differ materially from those expressed or implied by the forward-looking statements contained in this news release. Such factors include, among other *things: risks and uncertainties described in Lite Access's most recent Management Discussion & Analysis (MD&A) for the financial year ended September 30, 2019 which can be accessed at www.sedar.com. The "forward-looking statements" contained herein speak only as of the date of this press release and, unless required by applicable law, Lite Access undertakes no obligation to publicly update or revise such information, whether as a result of new information, future events or otherwise.*

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CNW 08:21e 03-MAR-20