



## NEWS RELEASE

### OMNI-LITE INDUSTRIES REPORTS 2019 RESULTS PRELIMINARY FIRST QUARTER FISCAL 2020 PERFORMANCE AND CONFERENCE CALL FOR INVESTORS TO BE HELD ON MAY 8, 2020

- ❖ 2019 Revenue of US\$9.3 million, up 32% compared to 2018
- ❖ 2019 Adjusted EBITDA<sup>(1)</sup> of US\$960,000
- ❖ Preliminary Revenue for Q1/2020 estimated at approximately US\$2.1 million
- ❖ Preliminary Adjusted EBITDA<sup>(1)</sup> for Q1/2020 estimated to be in the range of US\$200,000 - US\$250,000
- ❖ Attained Company-Wide AS9100D Certification

**TSXV: OML**

**OTCQX: OLNCF**

**LOS ANGELES, CALIFORNIA, May 7, 2020** - Omni-Lite Industries Canada Inc. (the "Company" or "Omni-Lite"; TSXV: OML) today reported results for the year ending December 31, 2019 and preliminary results for the first quarter of 2020.

#### **Fiscal Year 2019 Results**

Revenue for the year ending December 31, 2019 was approximately US\$9.3 million, an increase of 32% or US\$2.2 million compared to US\$7.1 million for 2018. The increase in revenue was attributable to increased aerospace fastener product sales and the contribution from the Monzite subsidiary. Adjusted EBITDA<sup>(1)</sup> was approximately US\$960,000, a US\$300,000 decrease for the 2018 year end results which was attributable to the Company's significant investments made in senior management, business development, new product development activities, and product mix. Bookings in aerospace fastener products were up 40% year-over-year. Company product content on major airborne platforms including Joint Strike Fighter, Euro Fighter and PAC 3 point towards ongoing growth in this market.

Omni-Lite reported a 2019 net loss of US\$1.9 million, or US\$(0.17) per diluted share, as compared to net loss of US\$4.5 million or US\$(0.43) per diluted share in 2018. The net loss for 2019 was primarily due to the non-cash write down of legacy loans to California Nanotechnologies Corporation, transition costs, and startup costs associated with new aerospace fastener component programs.

#### **First Quarter 2020 Preliminary Revenue and Adjusted EBITDA<sup>(1)</sup>**

Omni-Lite is expected to deliver revenue (unaudited) for Q1/2020 of approximately US\$2.1 million, representing approximately 13 % decrease compared to the same period prior year. Aerospace fastener revenue was up 24%, offset by reductions in munitions and automotive products. Aerospace fastener bookings in the quarter were up approximately 43% compared to the year-ago period. On a preliminary basis, Adjusted EBITDA<sup>(1)</sup> (unaudited) is expected to be in the range of US\$200,000 – US\$250,000, compared to adjusted EBITDA<sup>(1)</sup> of US\$731,000, for first quarter fiscal 2019. The decrease is primarily attributable to lower operating leverage yields and product mix.



## Management Comments

David Robbins, Omni-Lite's President and CEO, stated that "we ended 2019 with steady revenue (excluding the impact of the Monzite acquisition) amidst significant engineering and development investments into new aerospace fastener structural component programs and platforms. These new products expand the portfolio of components into a whole new high-performance fastener family, many of which are used extensively on high performance military aircraft and some certain commercial air transport platforms. We generated meaningful Adjusted EBITDA in 2019 while concurrently making substantial investments in sales, new product development and factory floor infrastructure, which will, in the aggregate, position us to generate significant returns in the future for our shareholders."

"All of our facilities are deemed *essential businesses* and remain operational. I am particularly gratified by the dedication and tremendous efforts of our employees in support of our customers in these challenging times. Omni-Lite's highest priority remains the wellness and safety of our employees as we continue to deploy social distancing, temperature checks, and face masks as proactive measures against the spread of COVID-19."

"At this juncture, as a result of the COVID-19 pandemic and its residual impact on demand and operational and economic uncertainty, we believe that end market demand weakness may occur in certain aspects of our business portfolio. While we, like our peers, are confronted with these unprecedented challenges, I believe we are responding to and navigating through the uncertainties that lie ahead in 2020 from a relative position of strength, given the operational actions taken to date. Our balance sheet is strong—we have no near-term debt maturities, and, as detailed in our April 30, 2020 press release, we recently obtained over US\$800,000 in additional liquidity from loan proceeds under the Paycheck Protection Program pursuant to the US CARES Act. We continue to be vigilant and are monitoring the situation to ensure the safety of our employees, the risk mitigation of our business and operations, and the continuity of performance with our customers."

### SUMMARY OF FINANCIAL HIGHLIGHTS

*All figures in US dollars unless noted.*

	For the year ended December 31, 2019	For the year ended December 31, 2018	% Increase (Decrease)
Revenue	\$9,317,608	\$7,074,908	32%
Adjusted EBITDA <sup>(1)</sup>	960,880	1,242,603	(23%)
Net (loss)	-1,872,815	-4,524,039	N/A

## Investor Conference Call

Omni-Lite will host a conference call for investors on Friday, May 8, 2020, beginning at 11:30 A.M. Eastern Time to discuss the Fiscal 2019 and certain first quarter fiscal 2020 preliminary results and review of its business and operations. To join the conference call, dial 888-645-4404 in the USA and Canada, or 862-298-0702 for all other countries. Please call five to ten minutes prior to the scheduled start time. A replay of the conference call will be available 48 hours after the call and archived on the Company's investors page of the Company's website at [www.omni-lite.com](http://www.omni-lite.com) for 12 months.

<sup>(1)</sup> Please see 2019 Management Discussion and Analysis for detailed notes and definitions.



## **Reconciliation of Non-IFRS Measures [COVID-19 and risk factors disclosure]**

EBITDA is a non-IFRS financial measure defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is a non-IFRS financial measure defined as earnings before interest, taxes, depreciation, amortization, stock-based compensation provision, gains (losses) on sale of assets, and non-recurring items, if any. These are non-IFRS financial measures, as defined herein, and should be read in conjunction with IFRS financial measures and they are not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with IFRS. The non-IFRS financial measures as used herein may not be comparable to similarly titled measures reported by other companies. We believe the use of EBITDA and Adjusted EBITDA along with IFRS financial measures enhances the understanding of our operating results and may be useful to investors in comparing our operating performance with that of other companies and estimating our enterprise value. EBITDA is also a useful tool in evaluating the operating results of the Company given the significant variation that can result from, for example, the timing of capital expenditures and the amount of working capital in support of our customer programs and contracts. We also use EBITDA and Adjusted EBITDA internally to evaluate the operating performance of the Company, to allocate resources and capital, and to evaluate future growth opportunities.

### **About Omni-Lite Industries Canada Inc.**

Omni-Lite Industries Canada Inc. is an innovative company that develops and manufactures mission critical, precision components utilized by Fortune 100 companies in the aerospace and defense industries.

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### **Forward Looking Statements**

Except for statements of historical fact, this news release contains certain “forward-looking information” within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intent”, “believe”, “anticipate”, “estimate” and other similar words, or statements that certain events or conditions “may” or “will” occur. Forward-looking information in this press release includes, but is not limited to, the expect future performance of the Company. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause the results to differ materially from those expressed in the forward-looking information include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, governmental regulation, including environmental



consents and approvals, if and when required; stock market volatility; competition for, among other things, capital, skilled personnel and supplies; changes in tax laws; and the other risk factors disclosed under our profile on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this news release is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

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