



NEWS RELEASE

OMNI-LITE INDUSTRIES REPORTS FIRST QUARTER FISCAL 2020 RESULTS

First Quarter Highlights Include:
Revenue of approximately US\$2.1 million
Adjusted EBITDA⁽¹⁾ of approximately US\$197,000
Bookings of approximately US\$2.6 million, representing a Book-to-Bill ratio of 1.2

TSXV: OML

OTCQX: OLNCF

LOS ANGELES, CALIFORNIA, June 1, 2020 - Omni-Lite Industries Canada Inc. (the "Company") (TSXV: OML; OTCQX: OLNCF) reported financial and operating results for the first quarter of fiscal 2020, ended March 31, 2020.

First Quarter Fiscal 2020 Results

First quarter fiscal 2020 revenue was US\$2,144,870, representing a 12% decrease compared to first quarter of fiscal 2019 revenue of US\$2,444,525, and US\$2,176,487, or a 1.5% decline, for the fourth quarter fiscal 2019. First quarter fiscal 2020 Adjusted EBITDA⁽¹⁾ was US\$196,683, a decrease of 73% compared to US\$730,783 for first quarter fiscal 2019, and US\$(121,084), or US\$317,767 increase, for the fourth quarter fiscal 2019. Bookings were US\$2.6 million for the first quarter fiscal 2020, representing a book-to-bill ratio of 1.2

Net Loss in the first quarter of fiscal 2020 was US\$(87,077) or US\$(0.01) per diluted share, a decrease of US\$322,088 compared to first quarter 2019 income of US\$235,011, or US\$0.02. Decreases in first quarter fiscal 2020 Adjusted EBITDA⁽¹⁾ and Net Income compared to the year ago quarterly period were largely a result of reduced operating leverage due to decreased revenue from munitions sales and increased development costs on new aerospace fastener components.

Management Comments

"Before we discuss our first quarter fiscal 2020 financial results, I would like to address the current global crisis resulting from the COVID-19 pandemic," said David Robbins, Omni-Lite's President and Chief Executive Officer. "First, we are committed to provide a safe working environment for all of our employees. Our leadership team is closely monitoring daily developments and managing our activities and responses, adjusting policies and work environment to align with regional and national governmental guidance. Both manufacturing locations have been deemed essential businesses and continue to operate in support of our customers, communities and employees." Through the second quarter of fiscal 2020, we expect the impact of COVID-19 on certain of our end markets will become more severe, most notably in our commercial aerospace segment. "Omni-Lite is a company that provides high performance products into a range of defense aerospace and other defense platforms and end markets, and we expect this profile will help us offset these challenged markets through these unprecedented times."

In recent years, the Company has generated sales of approximately \$1.5 million annually from our munitions product line, which Omni-Lite manufactures bullet and tracer components in support of certain small arms platforms. We learned during in the quarter that we will be experiencing a more competitive climate as we seek to bid for munitions follow-on contracts which could impact our quarterly revenue as it did in the first quarter. In the first quarter fiscal 2020, our munitions revenue was down 40% compared to the year ago period. Also, while the long-term impact of COVID-19 on air



travel remains uncertain, stress in the commercial airline market will most likely cause demand reductions and delivery deferrals for new aircraft and have some effect on our fastener product line offering.

We do serve several end markets where demand is robust. For example, Omni-Lite's Monzite business manufactures customized high-performance electronic products that are used in self-protection and navigation systems on airborne and terrestrial platforms that serve domestic and international public safety and national security applications, including PAC-3, Joint Strike Fighter, AEGIS, EuroFighter, and F-16. National security and public safety programs are amongst the top funded priorities in the current global climate. In addition, our electronics group supplies manufacturing services and products used in the development of next generation high bandwidth 5G communication systems and are currently under development contracts.

Further, Omni-Lite is producing precision fasteners used for aerospace platforms, both commercial and defense applications, and some development programs for near net shaped fasteners components serving these same platforms that could lead to more Omni-Lite content per shipset. Evidence that points to the strength of these defense programs is our 2019 results that experienced 26% year-over-year increase in aerospace fastener shipments and a 22% year-over-year increase in shipments in defense electronics applications.

Across our business, we are managing production capacity to meet prevailing demand conditions and are taking steps to realign costs for volume shortfalls. We are approaching the uncertainty facing us over the rest of 2020 from a position of reduced costs and we are realigning to focus our energy in growth areas of defense aerospace and defense electronics. We are appreciative of the PPP Funds established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") we have received. The safety and wellbeing of our employees and suppliers and our ability to meet our customer requirements is our highest priority. The PPP Funds will provide the flexibility necessary to cover our employee related costs and continue to operate at full staff during this unprecedented health crisis.

"As we move forward, we are confident the steps we have taken to manage costs, emphasize our addressable markets with strong demand, and better position Omni-Lite to manage through this uncertain period.

SUMMARY OF FINANCIAL HIGHLIGHTS

All figures in US dollars unless noted.

| | For the three months ended March 31, 2020 | For the three months ended March 31, 2019 | % Increase (Decrease) |
|--------------------------------|---|---|-----------------------|
| Revenue | \$2,144,870 | \$2,444,525 | (12%) |
| Adjusted EBITDA ⁽¹⁾ | 196,683 | 730,783 | (73%) |
| Net (loss) | -87,077 | 235,011 | (137%) |

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.



For further information, please contact:

Mr. David Robbins
President and Chief Executive Officer
Tel. No. (562) 404-8510 or (800) 577-6664
Email: d.robbsins@omni-lite.com
Website: www.omni-lite.com

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. 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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