



## NEWS RELEASE

# OMNI-LITE INDUSTRIES REPORTS THIRD QUARTER 2020 RESULTS and ANNOUNCES CONFERENCE CALL FOR INVESTORS TO BE HELD ON NOVEMBER 30, 2020

- Revenue of US\$1.6 million compared to US\$2.2 million for the prior year period
- Completed restructuring and realignment program targeting approximately \$680,000 in cost reductions, bringing total annualized savings to approximately \$1,080,000 when combined with Second Quarter Fiscal 2020 reductions
- Paycheck Protection Program loan forgiveness application submitted
- Liquidity of US\$2.9 million<sup>(2)</sup>, including US\$1.5 million of undrawn revolving credit facility borrowing capacity
- Net working capital of US\$5.8 million, representing a strong current ratio of 11.5

TSXV: OML

OTCQX: OLNCF

**CERRITOS, CALIFORNIA, November 25, 2020** - Omni-Lite Industries Canada Inc. (the "Company") (TSXV: OML; OTCQX: OLNCF) reported financial and operating results for its fiscal third quarter ended September 30, 2020. Full financial statements can be found on [sedar.com](http://sedar.com) or on our website at [www.Omni-Lite.com](http://www.Omni-Lite.com).

### Third Quarter Fiscal 2020 Results

Omni-Lite today reported third quarter fiscal 2020 results, with revenues of US\$1.6 million, representing a decline of 23% compared to the year ago period, due to disruptions in the commercial aerospace market, primarily driven by the COVID-19 pandemic. The third quarter fiscal 2020 net loss was US\$(410,266), or US\$(0.04) per diluted share, as compared to the third quarter fiscal 2019 net loss of US\$1.5 million, or US\$(0.13) per diluted common share.

Third quarter fiscal 2020 Adjusted EBITDA<sup>(1)</sup> was US\$(271,870), as compared to US\$(29,435) in the comparable year ago period. Fiscal third quarter results included a severance charge of US\$55,000. Also, the Company had to cease manufacturing operations at its California facility for 2 weeks due to a COVID-19 incident which resulted in an adverse impact on Adjusted EBITDA of approximately US\$225,000.

Free cash flow<sup>(1)</sup>, defined as cash flows from operating activities less capital expenditures for property and equipment, was US\$(0.2) million for the third quarter of fiscal 2020, as compared to US\$5,507 for the third quarter of fiscal 2019. Net debt outstanding, excluding the Paycheck Protection Program Loan that is subject to pending forgiveness, at the end of the third quarter of fiscal 2020 was US\$.8 million; and the Company's liquidity was US\$2.9 million<sup>(2)</sup>, which includes US\$1.5 million of undrawn revolving credit facility borrowing capacity. Net working capital as of September 30, 2020 was US\$5.8 million, representing a current ratio of 11.5, as compared to a current ratio of 4.7 at September 30, 2019.



## Year-to-Date September 30, 2020 Fiscal Results

Year-to-date fiscal 2020 revenue was US\$5.4 million, a 24% decrease as compared to US\$7.1 million in the first nine months of fiscal 2019, due to disruptions in the commercial aerospace market, primarily driven by the COVID-19 pandemic that began late in the Company's fiscal first quarter of 2020.

Year-to-date fiscal 2020 Adjusted EBITDA<sup>(1)</sup> was US\$(217,807), as compared to US\$1.1 million in the comparable year ago period. The year-to-date fiscal 2020 net loss was US\$760,756 or US\$(0.07) per diluted share as compared to a net loss of US\$1.1 million, or US\$(0.10) in the first nine months of fiscal 2019.

Free cash flow<sup>(1)</sup> was US\$(0.2) million for the nine-months ended September 30, 2020, as compared to US\$(0.6) million for the comparable year ago period.

Omni-Lite's Chief Executive Officer David Robbins stated, "The third quarter 2020 financial performance was affected by low demand for commercial aircraft fastener components due to effects of COVID 19 on commercial aerospace market. During the quarter the Company implemented a repositioning and alignment plan in the metal forming operations that will result in approximately \$680,000 in annual cost reductions at the facility. Had these cost savings been implemented at the beginning of the third fiscal quarter of 2020, EBITDA would have been enhanced by approximately \$55,000. Moving forward, we are prioritizing our efforts on maximizing the efficiency of our operations, converting inventory to cash and growing our product portfolio in the defense aerospace market."

"2020 has been a difficult year, generally, and, in particular, for the commercial aerospace business. While our results this fiscal year are not what we would like them to be, the Company is well positioned for the future when the market recovers. We have a substantial asset base, including our Company-owned California manufacturing facility that is invested with state-of-the-art cold and hot forging systems, which we believe is worth well in excess of its book value. We are also encouraged by the ongoing gradual improvement in the prospects for our minority-owned affiliate, California Nanotechnologies Corp." said David Robbins.

### Financial Summary

*All figures in US dollars unless noted*

For the three months ended September 30		
Revenue	\$1,630,536	\$2,213,087
Adjusted EBITDA <sup>(1)</sup>	(271,870)	(29,435)
Free Cash Flow <sup>(1)</sup>	(216,730)	5,507
Net income	(410,265)	119,320
Diluted EPS	(\$0.04)	\$0.01



For the nine months ended September 30		
	2020	2019
Revenue	\$5,399,056	\$7,141,121
Adjusted EBITDA <sup>(1)</sup>	(217,807)	1,081,965
Free Cash Flow <sup>(1)</sup>	(242,473)	(555,068)
Net loss	(760,756)	(1,113,433)
Diluted EPS	\$(0.07)	\$(0.10)

<sup>(1)</sup> Adjusted EBITDA is a non-IFRS financial measure defined as earnings before interest income, interest expense, taxes, depreciation, amortization, stock-based compensation, and non-recurring items, if any. Free Cash Flow is a non-IFRS financial measure defined as cash flow from operations minus capital expenditures.

<sup>(2)</sup> Excludes US\$819,700 Paycheck Protection Program Loan pursuant to the CARES Act, subject to pending application and approval for forgiveness in its entirety.

## Investor Conference Call

Omni-Lite will host a conference call for investors on Monday, November 30<sup>th</sup>, beginning at 4:30 PM Eastern Time to discuss our third quarter and year to date September 2020 results. To join the conference call, dial (888) 645-4404 in the USA and Canada, or (404) 267-0372 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.

## 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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