



NEWS RELEASE

OMNI-LITE INDUSTRIES REPORTS FIRST QUARTER FISCAL 2021 RESULTS

AND ANNOUNCES

CONFERENCE CALL FOR INVESTORS TO BE HELD ON MAY 21, 2021

- ❖ First Quarter Fiscal 2021 Revenue of US\$1.3 million, Comparable to Fourth Quarter Fiscal 2020 and a Decline of 41% Compared to First Quarter Fiscal Year 2020
- ❖ A 77% Improvement, Sequentially, in Adjusted EBITDA Loss on Comparable Level of Revenue
- ❖ Free Cash Flow Loss of approximately US\$125,000, a 64% Improvement Over the Year Ago Quarter Despite a Revenue Decline of 41%
- ❖ Paycheck Protection Program 2 Loan Funding of US\$400,000
- ❖ Liquidity in Excess of US\$3.2 million; Sequential Cash Build of Approximately US\$220,000

TSXV: OML

OTCQX: OLNCF

LOS ANGELES, CALIFORNIA, May 21, 2021 - Omni-Lite Industries Canada Inc. (the "Company" or "Omni-Lite"; TSXV: OML) today reported results for the fiscal first quarter ending March 31, 2021. Full financial results are available at sedar.com.

First Quarter Fiscal 2021 Results

Revenue for the first quarter of fiscal 2021 was approximately US\$1.3 million, a decrease of approximately 41% as compared to the first quarter of fiscal 2020 and comparable to the fourth quarter fiscal 2020. The decrease in revenue was due principally to the impact of the COVID-19 pandemic on the commercial aerospace and other markets offset by an incremental increase in electronics products. Adjusted EBITDA⁽¹⁾ was approximately US\$(137,000) as compared to approximately US\$197,000 in the year ago period, and on a quarterly sequential basis, an improvement of 77%. The negative Adjusted EBITDA was the result of the reduced revenue levels combined with a cost structure with a high component of fixed overhead expenses. Free Cash Flow⁽¹⁾ was approximately US\$(126,000) in the fiscal first quarter as compared to a US\$(347,000) in the first quarter of fiscal 2020, representing a 64% reduction in loss. The improvement in free cash flow in the first quarter of fiscal 2021 as compared to year ago period was due, principally, to working capital improvements and enhanced process and cost control measures.

Management Comments

David Robbins, Omni-Lite's President and CEO, stated "Omni-Lite Industries continued to manage and respond decisively to the impact of the COVID-19 pandemic. Our focus on cash flow management resulted in increased cash flow generation despite a significant decline in our revenue. We continue to be highly focused on all aspects of operational performance and are actively engaged in monetizing our real estate holding through a sale-leaseback



transaction that we expect to yield gross proceeds in excess of 2x our carrying value, which will be deployed to fund both organic and acquisition growth initiatives.”

“Lastly, we are beginning to see signs that point to the early stages of a commercial aerospace recovery in the second half of 2021 while the defense electronics market continues to be steady and healthy and includes a number of growth opportunities, notably electronic components for missile defense systems upgrades,” remarked, Mr. Robbins.

The Company’s liquidity position remains strong as a result of our strict and disciplined approach to management of our costs and spending. The Company ended the first quarter of fiscal 2021 with approximately US\$1.8 million in cash and approximately US\$1.5 million available under its revolving credit facility.

In the first quarter of fiscal 2021, the Company received approximately US\$400,000 in funding under the Payroll Protection Program 2 Loan Program, bringing our aggregate proceeds under both programs to over US\$1.2 million.

Financial Summary

All figures in (US\$000) unless noted.

	For the three months ended March 31, 2021	For the three months ended December 31, 2020	For the three months ended March 31, 2020
Revenue	\$1,270	\$1,285	\$2,145
Adjusted EBITDA ⁽¹⁾	(137)	(615)	197
Free Cash Flow ⁽¹⁾	(126)	221	(347)
Net (Loss)	(354)	143	(87)
Diluted EPS	(\$0.03)	\$0.02	(\$0.01)

(1) 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. Free Cash Flow is a non-IFRS financial measure defined as cash flow from operations minus capital expenditures. 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 Adjusted EBITDA and Free Cash Flow 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. Adjusted EBITDA and Free Cash Flow are also useful tools 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 Adjusted EBITDA and Free Cash Flow internally to evaluate the operating performance of the Company, to allocate resources and capital, and to evaluate future growth opportunities.

Please see First Quarter 2021 Management Discussion and Analysis for additional notes and definitions.



Investor Conference Call

Omni-Lite will host a conference call for investors on Friday, May 21, 2021, beginning at 12 P.M. Eastern Time to discuss the first quarter of fiscal 2021 results and review of its business and operations. To join the conference call, (888) 428-7458 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 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.

For further information, please contact:

Mr. David Robbins
President and Chief Executive Officer
Tel. No. (562) 404-8510 or (800) 577-6664
Email: d.robbs@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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