



NEWS RELEASE

OMNI-LITE INDUSTRIES REPORTS FIRST QUARTER FISCAL 2022 RESULTS AND ANNOUNCES

CONFERENCE CALL FOR INVESTORS TO BE HELD ON MAY 26, 2022

- ❖ First Quarter Fiscal 2022 Revenue of US\$2.4 million, compared to US\$1.3 million in the First Quarter Fiscal Year 2021; Organic Growth Rate of approximately 8%
- ❖ Adjusted EBITDA⁽¹⁾ Improvement of 17%, on a Quarterly Sequential Basis
- ❖ Backlog at US\$2.5 million, an Increase of 7% from December 31, 2021
- ❖ Issued 1 million Common Shares in a Private Placement Generating Proceeds of US\$986,000
- ❖ Cash balance of US\$3.2 million and Debt-Free Balance Sheet

TSXV: OML

OTCQX: OLNCF

LOS ANGELES, CALIFORNIA, May 25, 2022- Omni-Lite Industries Canada Inc. (the "Company" or "Omni-Lite"; TSXV: OML) today reported results for the fiscal first quarter ending March 31, 2022. Full financial results are available at sedar.com.

First Quarter Fiscal 2022 Results

Revenue for the first quarter of fiscal 2022 was approximately US\$2.4 million, an improvement of 43% on a quarterly sequential basis and an increase of approximately 87% as compared to the first quarter of fiscal 2021. The increase in revenue was due principally to the acquisition of Designed Precision Castings Inc. ("DP Cast") in December 2021. Excluding the acquisition of DP Cast, revenue increased approximately 8% as compared to the first quarter of fiscal 2021 principally due to increased demand for commercial aerospace fasteners and electronic components. Adjusted EBITDA⁽¹⁾ was approximately US\$(374,000) an improvement of 17% on a quarterly sequential basis, and a decline of 173% as compared to the first quarter of fiscal 2021. The year-over-year decline in Adjusted EBITDA⁽¹⁾ was a result of the acquisition of DP Cast and additional rent expense associated with the sale and leaseback of the Company's Cerritos facility. On a proforma basis, first quarter of fiscal 2022 (assuming the inclusion of DP Cast and sale/leaseback transaction as of January 1, 2021) Adjusted EBITDA⁽¹⁾ modestly declined compared to the year ago period, which was mainly attributed to sales mix and additional tooling. Free Cash Flow⁽¹⁾ was approximately US\$(183,000) in the fiscal first quarter, as compared to US\$(130,000) in the first quarter of fiscal 2021 and break-even in the fourth quarter of fiscal 2021. The decrease in free cash flow in the first quarter of fiscal 2022 as compared to year ago period was due, principally, to capital expenditures related to manufacturing process improvements.

Fiscal first quarter 2022 bookings were US\$2.5 million, comparable bookings without DP Cast was an increase of 89% over fourth quarter of fiscal 2021. Omni-Lite ended the fiscal first quarter with a backlog of US\$2.5 million, an



increase of 7% from fiscal fourth quarter 2021. The Company expects the majority of this backlog to ship within the remainder of the fiscal year.

The Company's liquidity position remains strong in part by our disciplined approach to management of our cost structure and working capital and capital spending needs resulting in the Company ending the first quarter of fiscal 2022 with approximately US\$3.2 million in cash and no indebtedness outstanding.

Management Comments

David Robbins, Omni-Lite's CEO, stated "the first quarter sequential and year-over-year revenue jump is a result of the inclusion of newly-acquired DP Cast's business and increased demand for aerospace fasteners and defense electronics. We have made significant progress integrating business systems and implementing manufacturing automation initiatives at DP Cast as we anticipate conversion of some new bookings in the coming quarters. Also, in the quarter we completed a private placement investment of US\$986,000 which contributed to our increase in cash levels."

California Nanotechnologies Update

Our affiliate, California Nanotechnologies Inc. ("CalNano"), has been making progress in recent years, in terms of strategic and operational performance. Most recently, in March 2022, CalNano pre-announced record revenue of approximately US\$470,000 for its fourth quarter ended February 28, 2022, and its expectation of record EBITDA performance for that quarter.

Omni-Lite, the founding shareholder of CalNano, maintains an equity ownership position in the company of approximately 19%. In addition, Omni-Lite has made two loans to CalNano totaling approximately US\$1.5 million. The larger of the two loans of approximately US\$1.2 million (including accrued interest) has not paid cash interest and was fully reserved in Fiscal 2019. CalNano also has a senior secured term loan outstanding with Manufacturers Bank, which has been reduced in quarterly installments and is expected to be fully repaid in February 2023.

Omni-Lite is pleased to announce that, in light of CalNano's improved performance, Omni-Lite and CalNano have agreed to a repricing of its US\$1.2 million loan agreement. The interest rate has been amended to 7.5% (versus 2.9% under the prior agreement) with a loan maturity of May 30, 2025. Additionally, CalNano will commence interest payments in June 2022 with principal repayments commencing with the retirement of the Manufacturers Bank term loan early next year.



Financial Summary

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

For the Three Months Ended March 31,			
	2022	2021	% Increase/(Decrease)
Revenue	\$2,380	\$1,270	87%
Adjusted EBITDA ⁽¹⁾	(374)	(137)	(173)%
Adjusted Free Cash Flow ⁽¹⁾	(154)	(127)	N/A
Acquisition Costs	(29)	-	N/A
Free Cash Flow ⁽¹⁾	(183)	(127)	N/A
Net Income/(Loss)	(703)	(354)	N/A
Diluted EPS	(\$0.05)	(\$0.03)	(60)%

Please see First Quarter 2022 Management Discussion and Analysis for additional notes and definitions.

Investor Conference Call

Omni-Lite will host a conference call for investors on **Thursday May 26, 2022**, beginning at 1 P.M. Eastern Time to discuss the first quarter of fiscal 2022 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.

(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. Adjusted Free Cash Flow is a non-IFRS financial measure defined as Free Cash Flow excluding, if any, gains (losses) on sale of assets and non-recurring items. 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, Free Cash Flow and Adjusted 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, Free Cash Flow and Adjusted 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, Free Cash Flow and Adjusted Free Cash Flow 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. 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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