



NEWS RELEASE

OMNI-LITE INDUSTRIES REPORTS SECOND QUARTER FISCAL 2022 RESULTS AND ANNOUNCES CONFERENCE CALL FOR INVESTORS TO BE HELD ON AUGUST 18, 2022 AT 1PM EST

- ❖ Second Quarter Fiscal 2022 Revenue of US\$2.5 million, compared to US\$1.2 million in the Second Quarter Fiscal Year 2021: Organic Growth Rate of approximately 45%.
- ❖ Year-to-Date Fiscal 2022 Revenue of \$4.8 million, compared to \$2.5 million in the Year Ago Period; Organic Growth Rate of approximately 26%
- ❖ Second Quarter Fiscal 2022 Bookings of US\$3.4 million, representing a 1.36 Book-to-Bill Ratio
- ❖ Positive Adjusted Free Cash Flow⁽¹⁾ for the Fiscal Second Quarter 2022
- ❖ Backlog at US\$3.7 million, an Increase of 38% from December 31, 2021
- ❖ Cash Balance of US\$2.4 million and Debt-Free Balance Sheet
- ❖ Fiscal 2022 Q3 and Q4 Revenue Expected to Show Continued Positive Momentum

TSXV: OML

OTCQX: OLNCF

LOS ANGELES, CALIFORNIA, August 17, 2022- Omni-Lite Industries Canada Inc. (the "Company" or "Omni-Lite"; TSXV: OML) today reported results for the fiscal second quarter ending June 30, 2022. Full financial results are available at sedar.com.

Second Quarter Fiscal 2022 Results

Revenue for the second quarter of fiscal 2022 was approximately US\$2.5 million, an improvement of 3% on a quarterly sequential basis and an increase of approximately 105% as compared to the second quarter of fiscal 2021. The increase in revenue was due both to organic growth and the acquisition of Designed Precision Castings Inc. ("DP Cast") in December 2021. Excluding the acquisition of DP Cast, revenue increased approximately 45% as compared to the second quarter of fiscal 2021 principally due to increased demand for commercial aerospace fasteners and electronic components. Adjusted EBITDA⁽¹⁾ was US\$(487,224), a decline of 30% on a quarterly sequential basis, and a decline of 89% as compared to the second 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 pro forma basis (assuming the inclusion of DP Cast and sale/leaseback transaction as of January 1, 2021), second quarter fiscal 2022 Adjusted EBITDA⁽¹⁾ improved compared to the year ago period by 126%, which was mainly attributed to sales volume and better utilization of resources. Free Cash Flow⁽¹⁾ was US\$(554,752) in the fiscal second quarter, as compared to US\$(93,464) in the second quarter of fiscal 2021 and US\$(183,440) in the first quarter of fiscal 2022. The decrease in free cash flow in the second quarter of fiscal 2022 as compared to year ago period was due, principally, to a non-recurring capital gain tax payments related to the 2021 sale of the Company's Cerritos facility of \$560,000. Fiscal second quarter 2022 Adjusted Free Cash Flow, as adjusted for the non-recurring items ("Adjusted Free Cash Flow"⁽¹⁾), generated US\$5,248.



Fiscal second quarter 2022 bookings were US\$3.4 million, representing a strong 1.36 book-to-bill ratio and an increase of 25% over first quarter of fiscal 2022 bookings excluding the impact of the DP Cast acquisition. Omni-Lite ended the fiscal year second quarter with a backlog of US\$3.7 million, an increase from fiscal first quarter 2022. The Company expects the majority of this backlog to ship within the remainder of the current fiscal year.

The Company’s liquidity position remains strong in part due to our disciplined approach to the management of our cost structure, working capital and capital asset spending, resulting in the Company ending the second quarter of fiscal 2022 with approximately US\$2.4 million in cash and no indebtedness outstanding.

Management Comments

David Robbins, Omni-Lite’s CEO, stated “the second quarter sequential and year-over-year revenue increases are a result of growth in existing product lines as well as new revenue opportunities. We are also seeing growth from the contribution of the 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, and we expect to see improvements in both the top and bottom lines as we continue our integration activities in the coming quarters.”

Financial Summary

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

| For the Three Months Ended June 30, | | | |
|--|----------|----------|-----------------------|
| | 2022 | 2021 | % Increase/(Decrease) |
| Revenue | \$2,460 | \$1,200 | 105% |
| Adjusted EBITDA ⁽¹⁾ | (487) | (258) | (89)% |
| Adjusted Free Cash Flow ⁽¹⁾ | 5 | (93) | N/A |
| Non-recurring Items | (560) | - | N/A |
| Free Cash Flow ⁽¹⁾ | (556) | (93) | N/A |
| Net Income/(Loss) | (480) | (448) | N/A |
| Diluted EPS | (\$0.03) | (\$0.04) | 25% |



| For the Six Months Ended June 30, | | | |
|--|----------|----------|-----------------------|
| | 2022 | 2021 | % Increase/(Decrease) |
| Revenue | \$4,840 | \$2,470 | 96% |
| Adjusted EBITDA ⁽¹⁾ | (861) | (392) | (120) % |
| | | | |
| Adjusted Free Cash Flow ⁽¹⁾ | (149) | (221) | N/A |
| Non-recurring Items | (589) | - | N/A |
| Free Cash Flow ⁽¹⁾ | (738) | (221) | N/A |
| | | | |
| Net Income/(Loss) | (1,183) | (802) | N/A |
| Diluted EPS | (\$0.08) | (\$0.07) | (9) % |

Please see Second Quarter 2022 Management Discussion and Analysis for additional notes and definitions. Totals in both tables expressed above are rounded values and may not foot.

(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.

Investor Conference Call

Omni-Lite will host a conference call for investors on **Thursday August 18, 2022**, beginning at 1:00 P.M. Eastern Time to discuss the second quarter of fiscal 2022 results and review of its business and operations. To join the conference call, (888) 437-3179 in the USA and Canada, or (404) 267-0369 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.

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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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