



NEWS RELEASE

Omni-Lite Industries Announces the Sale and Leaseback of the Company's California Real Estate Assets

- ❖ **Opportunistic Unlocking of Shareholder Value**
- ❖ **Sale/Leaseback of the Company's California Real Estate for Gross Proceeds of US\$6.8 million, a Substantial Premium Over the Carrying Value of the Asset**
- ❖ **Enhances Company's Capital Allocation Strategy, Financial Flexibility and Strength to Pursue Operational, Acquisition and Other Opportunities to Drive Long-Term Value Creation**

TSXV: OML
OTCQX: OLNCF

LOS ANGELES, CALIFORNIA, DECEMBER 17, 2021 - Omni-Lite Industries Canada, Inc. (the "Company" or "Omni-Lite"; TSXV: OML) is pleased to announce that it has agreed to a sale and leaseback of the Company's California manufacturing facility and real estate for aggregate gross proceeds of approximately US\$6.8 million, representing a substantial premium over the Company's carrying value of the asset. The agreement is expected to close December 17, 2021, subject to final approval of the TSX Venture Exchange.

As a result of this transaction, the Company will be positioned as a debt-free entity. Management and the Board of Directors of the Company will continue to evaluate priorities on capital allocation underpinned by enhanced financial flexibility to pursue operational, acquisition or other opportunities to drive long-term value creation.

Omni-Lite's Chief Executive Officer, Dave Robbins commented, "I am very pleased to have achieved this outcome, and believe this sale/leaseback transaction places us on the right path forward and is a pivotal step in our focused pursuit of generating long-term value creation for our shareholders."

Sale Leaseback Overview

The Company is expected to complete the sale of its California manufacturing facility and associated real estate for aggregate gross proceeds of approximately US\$6.8 million on December 17, 2021, subject to TSX Venture Exchange approval. After taking into account capital gain taxes and transaction expenses, the Company expects to yield net proceeds of approximately US\$5.6 million, or approximately US\$0.50 per Omni-Lite common share. Approximately US\$1.5 million of the proceeds will be used to repay the borrowings under the Company's revolving credit facility.

In connection with the transaction, the Company will enter into a 10-year lease agreement with an option to extend the term up to another 10 years, ensuring long-term continuity and growth capacity for the Company.



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 use of proceeds from the sale and leaseback transaction, the completion of the sale and leaseback transaction expected 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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.