



NEWS RELEASE

OMNI-LITE INDUSTRIES ANNOUNCES

SECOND QUARTER AND YEAR-TO-DATE FISCAL 2023 RESULTS

AND

CONFERENCE CALL FOR INVESTORS: AUGUST 3, 2023, AT 11:00 AM EDT

Second Quarter Fiscal 2023 Highlights

- ❖ Revenue of US\$3.0 million, Up 24% Year-over-Year
- ❖ Adjusted EBITDA of US\$168,000, Representing the Highest Results Since March 2020
- ❖ Free Cash Flow of US\$162,000, An Increase of US\$717,000 Year-over-Year, or an Increase of US\$157,000 on an Adjusted Free Cash Flow Basis
- ❖ Bookings of US\$3.5 million, a 12% Increase over Q1'2023
- ❖ Backlog of US\$4.7 million, a 14% Increase over Q1'2023
- ❖ Ended Quarter with a Strong Balance Sheet Cash of US\$1.3 million, and Remain Debt-Free

YTD Fiscal 2023 Highlights

- ❖ Revenue of US\$5.8 million, Up 19% Year-over-Year
- ❖ Adjusted EBITDA of US\$89,000, an Increase of US\$950,000 Year-over-Year
- ❖ Free Cash Flow of US\$372,000, an Increase of US\$1.1M Year-over-Year, or a US\$521,000 Increase in Adjusted Free Cash Flow Basis

TSXV: OML

OTCQX: OLNCF

LOS ANGELES, CALIFORNIA, August 1, 2023 - Omni-Lite Industries Canada Inc. (the "Company" or "Omni-Lite"; TSXV: OML) today reported results for the second quarter Fiscal 2023. Full financial results are available at [sedar.com](https://www.sedar.com).

Second Quarter Fiscal 2023 Results

Revenue for the second quarter of fiscal 2023 was approximately US\$3.0 million, an improvement of 24% as compared to the second quarter of fiscal 2022. The increase in revenue was due principally to increased demand for commercial aerospace fasteners and electronic components, as well as the production of a number of new product lines. Adjusted EBITDA⁽¹⁾ was US\$168,000, an improvement of approximately US\$655,000 as compared to \$(487,000) in the second quarter of fiscal 2022 and the highest results since March 2020. The year-over-year improvement in Adjusted EBITDA⁽¹⁾ was a result of better utilization of fixed costs, including direct labor, as well as a reduction in S,G&A and indirect labor related expenses. The Company generated Free Cash Flow⁽¹⁾ (and, Adjusted Free Cash Flow⁽¹⁾) of US\$162,000 in the second quarter of fiscal 2023, as compared to Free Cash Flow⁽¹⁾ US\$(555,000) in the second quarter of fiscal 2022 and Adjusted Free Cash Flow⁽¹⁾ US\$5,000 in the second quarter of fiscal 2022.

Second quarter of fiscal 2023 bookings were US\$3.5 million, as compared to bookings of US\$3.4 million in the second quarter of fiscal 2022, an increase of 3%, and representing a strong 1.16 book-to-bill ratio. Omni-Lite ended the second quarter of fiscal 2023 with a backlog of US\$4.7 million, an increase of 27% over the second quarter of fiscal 2022.



The Company's liquidity position remains strong due to our disciplined approach to management of our cost structure, working capital and capital spending. As a result, the Company ended the second quarter of fiscal 2023 with approximately US\$1.3 million in cash and no indebtedness outstanding, which is consistent with both the first quarter 2023 and the fourth quarter of fiscal 2022.

Omni-Lite reported Other Income of US\$374,000 in the fiscal second quarter 2023 related to the increase in share price of California Nanotechnologies Inc. ("Cal Nano"). Omni-Lite owns 6,004,970 shares of Cal Nano, representing approximately 0.4 shares of Cal Nano for every Omni-Lite share outstanding. Cal Nano recently reported record revenue for the quarter ended May 31, 2023, and its management indicated that it expects another record revenue quarter for the period ending August 31, 2023.

Management Comments

David Robbins, Omni-Lite's CEO, stated "Omni-Lite Industries continued fiscal 2023 with a solid second quarter with a revenue increase of 24% year-over-year. We reported our strongest Adjusted EBITDA in over two years, and we are hopeful that the improvements in this critical performance measure will continue over the balance of 2023. I am pleased with the improvement in bottom-line performance driven by high efficiency in metal forming fastener production and electronics products. We expect to realize further improvements in our bottom line as Casting components production in commercial aerospace and defense components increases, along with ongoing increases in demand for forming and electronic components. Our backlog of firm orders continues to improve ending the second quarter of fiscal 2023 at US\$4.7 million, the majority of which we expect to convert to revenue throughout the remainder of fiscal year 2023. Lastly, our Q2'23 bookings performance of increases in mature products and new engineered products is another indicator to us for continued revenue growth."

Financial Summary

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

	For the Three Months Ended		For the Six Months Ended June 30,	
	June 30, 2023	2022	2023	2022
Revenue	\$3,045	\$2,460	\$5,775	\$4,840
Adjusted EBITDA ⁽¹⁾	168	(487)	89	(861)
Free Cash Flow ⁽¹⁾	\$162	(\$555)	\$372	(\$738)
Non-Recurring Items	-	560	-	589
Adjusted Free Cash Flow ⁽¹⁾	\$162	\$5	\$372	(\$149)
Net Income (Loss)	(\$243)	(\$703)	(\$379)	(\$1,183)
Diluted EPS	(\$0.02)	(\$0.03)	(\$0.02)	(\$0.08)



Investor Conference Call

Omni-Lite will host a conference call for investors on August 3, 2023, beginning at 11:00 A.M. (EDT) to discuss the Second Quarter Fiscal 2023 results and review of its business and operations. To join the conference call, 888-437-3179 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 (net of lease expense), 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 special items, among others, gains (losses) on sale of assets and non-recurring items, net of tax effects, if any. 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 used herein may not be comparable to similarly titled measures reported by other companies. We believe the use of Adjusted EBITDA, Adjusted Free Cash Flow 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, Adjusted Free Cash Flow 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, Adjusted Free Cash Flow 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 2023 Management Discussion and Analysis for additional notes and definitions.

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, defense, industrial and energy 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 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.

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