



## NEWS RELEASE

### OMNI-LITE INDUSTRIES ANNOUNCES

### THIRD QUARTER AND YEAR-TO-DATE FISCAL 2023 RESULTS

### AND

CONFERENCE CALL FOR INVESTORS: NOVEMBER 13, 2023, AT 1:00 PM EST

#### Third Quarter Fiscal 2023 Highlights

- ❖ Revenue of US\$3.3 million, Up 4% Year-over-Year, and Up 9% over Q2' 2023
- ❖ Adjusted EBITDA<sup>(1)</sup> of US\$278,000, Representing the Highest Results Since March 2020
- ❖ Adjusted EBITDA<sup>(1)</sup> Incremental Margin of 40% and 200% Compared to Q2'2023 and Year Ago Quarter, Respectfully
- ❖ Free Cash Flow<sup>(1)</sup> of US\$255,000, An Increase of US\$870,000 Year-over-Year
- ❖ Bookings of US\$4.7 million, a 33% Increase over Q2'2023
- ❖ Backlog of US\$6.1 million, a 31% Increase over Q3'2023 and Eclipsing Recent Historic High
- ❖ Ended Quarter with a Strong Balance Sheet with Cash of US\$1.3 million, and Remained Debt-Free

#### YTD Fiscal 2023 Highlights

- ❖ Revenue of US\$9.1 million, a 13% Increase over the Year Ago Period
- ❖ Adjusted EBITDA<sup>(1)</sup> of US\$367,000, an Increase of US\$1.2 million Year-over-Year
- ❖ Free Cash Flow<sup>(1)</sup> of US\$627,000, an increase of US\$2.0 million Year-over-Year, or a US\$1.4 million Increase on an Adjusted Free Cash Flow<sup>(1)</sup> Basis

TSXV: OML

OTCQX: OLNCF

LOS ANGELES, CALIFORNIA, November 10, 2023 - Omni-Lite Industries Canada Inc. (the "Company" or "Omni-Lite"; TSXV: OML) today reported results for the third quarter Fiscal 2023. Full financial results are available at [sedarplus.ca](http://sedarplus.ca).

#### Third Quarter Fiscal 2023 Results

Revenue for the third quarter of fiscal 2023 was approximately US\$3.3 million, representing a 9% increase over the fiscal 2023 second quarter and 4% growth compared to the third 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<sup>(1)</sup> was US\$278,000, an improvement of approximately US\$274,000 and US\$110,000 as compared to the results for the third quarter of fiscal 2022 and second quarter of fiscal 2023, respectively, and the highest results since March 2020. The year-over-year and quarterly sequential improvements in Adjusted EBITDA<sup>(1)</sup> was a result of volume growth, better utilization of fixed costs, including direct labor, as well as a reduction in S,G&A and indirect labor related expenses. Such performance resulted in an Adjusted EBITDA<sup>(1)</sup> margin increase of approximately 290 basis points over the second quarter of fiscal 2023 and an incremental margin of approximately 40%. The Company generated Free Cash Flow<sup>(1)</sup> (and, Adjusted Free Cash Flow<sup>(1)</sup>) of approximately US\$255,000 in the third quarter of fiscal 2023, as compared to Free Cash Flow<sup>(1)</sup> (and, Adjusted Free Cash Flow<sup>(1)</sup>) US\$(615,000) in the third quarter of fiscal 2022. Year-to-date through the fiscal 2023 third quarter, Free



Cash Flow<sup>(1)</sup> (and, Adjusted Free Cash Flow<sup>(1)</sup>) was approximately US\$630,000, representing a substantial increase of the comparable year ago period.

Third quarter of fiscal 2023 bookings were US\$4.7 million, as compared to bookings of US\$2.7 million in the third quarter of fiscal 2022, an increase of 74%, and representing a strong 1.41 book-to-bill ratio. Omni-Lite ended the third quarter of fiscal 2023 with a backlog of US\$6.1 million, an increase of 64% over the third quarter of fiscal 2022 and represents a recent historical high. The year-to-date booked-to-bill ratio was 1.25, with over US\$11.4 million in bookings through the fiscal 2023 third quarter.

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 third quarter of fiscal 2023 with approximately US\$1.3 million in cash and no indebtedness outstanding, which is consistent since fourth quarter of fiscal 2022.

### **California Nanotechnologies (TSXV: "CNO" TSXV; "Cal Nano") Update**

Last week, Cal Nano successfully completed a C\$1.5 million private placement offering of common equity units along with a debt-for-equity swap involving Omni-Lite which resulted in a reduction in Cal Nano's debt to Omni-Lite of CAD\$180,000 in exchange for the receipt of 1,200,000 Cal Nano common shares. As a result of these transactions, Omni-Lite's investment in Cal Nano is comprised of (i) 7.2 million common shares of Cal Nano, or 16.6% of Cal Nano's shares outstanding, having a current value<sup>(2)</sup> of approximately CAD\$1.5 million (or, CAD\$0.20/US\$0.15 per Omni-Lite shares outstanding and (ii) senior secured notes with a face amount outstanding of approximately US\$1.0 million, which is carried on Omni-Lite's balance sheet at a nil value at this time. "This debt-for-equity exchange shows that Cal Nano continues to maintain a strong positive relationship with Omni-Lite, and we look forward to continued success for Cal Nano," said David Robbins, and further commented, that "our Cal Nano investment represents an important asset for Omni-Lite shareholders that is additive to our core businesses generating Adjusted EBITDA<sup>(1)</sup> and Free Cash Flow<sup>(1)</sup>."

### **Management Comments**

David Robbins, Omni-Lite's CEO, stated "Omni-Lite Industries continued fiscal 2023 with a solid third quarter with a revenue increase of 4% year-over-year. We reported our strongest Adjusted EBITDA<sup>(1)</sup> in over two years and have now consistently reported positive EBITDA<sup>(1)</sup> for two quarters of Fiscal 2023. I am pleased with the trajectory of bottom-line performance driven by high productivity in metal forming fastener production and electronics products and improvements in our investment casting components production. Our backlog and bookings of firm orders continues to improve ending the third quarter of fiscal 2023 at US\$6.1 million, a recent historical threshold, which leads us to expect revenue growth in fiscal 2024.



## Financial Summary

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	\$3,322	\$3,185	\$9,097	\$8,025
Adjusted EBITDA <sup>(1)</sup>	278	4	367	(857)
Free Cash Flow <sup>(1)</sup>	\$254	(\$615)	\$627	(\$1,353)
Non-Recurring Items	-	-	-	589
Adjusted Free Cash Flow <sup>(1)</sup>	\$254	(\$615)	\$627	(\$764)
Net Income (Loss)	(\$8)	(\$354)	(\$387)	(\$1,538)
Diluted EPS	\$0.00	(\$0.02)	(\$0.03)	(\$0.10)

## Investor Conference Call

Omni-Lite will host a conference call for investors on November 13, 2023, beginning at 1:00 P.M. (EST) to discuss the Third 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](http://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.*

*(2) Based on the closing price on the TSXV for Cal Nano's common shares and the US dollar/Canadian dollar exchange rate as of November 9, 2023.*



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](http://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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