



NEWS RELEASE
OMNI-LITE INDUSTRIES REPORTS
FOURTH QUARTER AND FISCAL 2021 RESULTS
PRELIMINARY FIRST QUARTER FISCAL 2022 REVENUE PERFORMANCE
APPOINTMENT OF CHIEF FINANCIAL OFFICER SUCCESSOR
AND
CONFERENCE CALL FOR INVESTORS TO BE HELD ON MAY 3, 2022

Fourth Quarter Fiscal 2021 Highlights

- ❖ Revenue of US\$1.7 million, Up 29% Year-over-Year
- ❖ Closed Sale/Leaseback of its California Facility, Generating Gross Proceeds of US\$6.6 million
- ❖ Acquired Design Precision Castings ("DP Cast") for Stock and Cash Consideration
- ❖ Ended Quarter with Cash Balance of approximately US\$2.4 million, and Debt-Free
- ❖ Bookings of US\$1.3 million up 39% over Year Ago; Quarter Year End Backlog of US\$2.3 million

Fiscal Year 2021 Highlights

- ❖ Fiscal 2021 Revenue of US\$5.8 million, Down 14% Compared to the Year Ago Period
- ❖ Implemented and Achieved Structural Cost Reductions of approximately US\$400,000
- ❖ Working Capital Efficiencies Driven By Inventory Reduction of approximately US\$500,000

Preliminary First Quarter Fiscal Year 2022 Revenue Performance

- ❖ Unaudited Revenue of US\$2.4 million, a 86% Increase Over the Year Ago Fiscal Quarter

Chief Financial Officer Transition

- ❖ Amy Vetrano-Palmer, most recently Corporate Controller at Resonetics, LLC, has joined Omni-Lite and assumes the role of Chief Financial Officer on May 5, 2022
- ❖ Carl Lueders to Retire on or around May 31, 2022 after 3 Years as CFO of Omni-Lite

TSXV: OML

OTCQX: OLNCF

LOS ANGELES, CALIFORNIA, May 2, 2022 - Omni-Lite Industries Canada Inc. (the "Company" or "Omni-Lite"; TSXV: OML) today reported results for the fiscal year ending December 31, 2021. Full financial results are available at sedar.com.

Fourth Quarter Fiscal 2021 Results

Revenue for the fourth quarter of fiscal 2021 was approximately US\$1.7 million, an increase of 29% as compared to the fourth quarter of fiscal 2020. The increase in revenue was due to higher volume contributions from aerospace fasteners and track spikes. Adjusted EBITDA⁽¹⁾ was approximately US\$(450,000) as compared to approximately US\$(616,000) in the fourth quarter of fiscal 2020. The improved Adjusted EBITDA was the result of the increased revenue offset by unutilized manufacturing costs associated with inventory reductions. Adjusted Free Cash Flow⁽¹⁾ was approximately breakeven in the fiscal quarter, as compared to US\$221,000 in the fourth quarter of fiscal 2020.



Bookings in the fourth quarter of 2021 were approximately US\$1.3 million, up 39% as compared to the fourth quarter of fiscal 2020 and backlog at December 31, 2021 was approximately US\$2.3 million.

Fiscal Year 2021 Results

Revenue for the fiscal year ending December 31, 2021 was approximately US\$5.8 million, as compared to US\$6.7 million in the prior year, a decrease of 14%. Increases in microwave defense electronics and automotive sales were more than offset by decreases in military and aerospace fastener volume as a result of the continuing effects from the COVID-19 pandemic. Adjusted EBITDA⁽¹⁾ was approximately US\$(908,000) as compared to approximately US\$(833,000) in the prior year. Despite an approximately US\$0.9 million reduction in revenue, Fiscal 2021 Adjusted EBITDA declined only slightly as compared to Fiscal 2020. Adjusted Free Cash Flow⁽¹⁾ was US\$(461,000) as compared to US\$(19,000) in fiscal 2020. Adjusted Free Cash Flow⁽¹⁾ for fiscal 2021 was negatively impacted by lower shipments and reduced manufacturing absorption, offset partially by realized cost savings during the fiscal year. Excluded items from Fiscal 2021 Adjusted Free Cash Flow⁽¹⁾ included approximately US\$404,000 in transaction costs associated with the acquisition of DP Cast and approximately US\$293,000 of capitalized rent expense resulting from the sale/leaseback of the Company's California facility. Capital expenditures for the year were approximately US\$37,000.

Omni-Lite reported a Fiscal Year 2021 net loss of US\$0.5 million, or US\$(0.04) per diluted share, as compared to a net loss of US\$0.6 million or US\$(0.05) per diluted share in Fiscal Year 2020. The net loss for 2021 was primarily due to the effects of the COVID-19 pandemic on revenue offset by a gain on sale of the Company's California facility of approximately US\$1.8 million and Paycheck Protection Program 2 loan forgiveness of approximately US\$0.4 million.

First Quarter Fiscal 2022 Preliminary Revenue

The Company is expected to deliver revenue in the First Quarter of Fiscal 2022 of approximately US\$2.4 million (unaudited), representing a 86% increase over the US\$1.3 million First Quarter Fiscal 2021 revenue. The increase is attributable to a combination of organic growth in the Company's fastener and defense electronics businesses and the contribution of DP Cast's first full quarter since the acquisition closed in late December 2021.

Chief Financial Officer Transition

Today, the Company announced that Amy Vetrano-Palmer has joined the Company and will assume the role of Chief Financial Officer on May 5, 2022. The Board of Directors succession planning for Carl Lueders' retirement, after 3 years as CFO of Omni-Lite, ensures continuity and support for an effective transition. To that end, Mr. Lueders has agreed to remain with the Company in a consultative capacity for the next month, after which time will be available on an as-needed basis through the end of the third quarter of fiscal 2022.

Ms. Vetrano-Palmer was most recently Corporate Controller at Resonetics, a portfolio company controlled by GTCR and Carlyle. Amy spent 4 years at Resonetics and developed and led the operational finance and reporting functions, was a member of the leadership team and was deeply involved in Resonetics enterprise transformation through the completion and integration of eight add-on acquisitions which expanded its capabilities to serve its interventional medical device customer base. "We are excited to have Amy join Omni-Lite as Chief Financial Officer. Her ability to apply finance to business operations coupled with her acquisition experience make her a valuable addition to the senior leadership of Omni-Lite," commented David Robbins, CEO.



"Over the past 3 years, Carl has been a highly valued member of the Omni-Lite's leadership team and trusted partner of mine, playing a critical role in creating a high-performance finance, operational and IT organization and instrumental in driving our evolution as a middle market-sized aerospace, defense and industrial company," said David Robbins. "On behalf of our Board of Directors and the entire company, we thank Carl for his countless contributions and wish him well in his retirement."

"It has been an honor to serve as Omni-Lite's CFO as the Company has evolved and responded to the opportunities and challenges in the marketplace, particularly, its efforts surrounding the effects from COVID-19 pandemic, and to collaborate with so many talented colleagues during my tenure. I want to thank our Board, Dave, the operating team, and all of our employees for their partnership over the past 3 years. I look forward to the Company's continued success," said Carl Lueders.

Management Comments

David Robbins, Omni-Lite's CEO, stated "Omni-Lite Industries finished stronger in a challenging Fiscal 2021, with a 29% year-over-year fourth quarter revenue increase. While revenue for the fiscal year declined 14% year over year, our focus on capital allocation, business development, and operational and cash flow management initiatives positions the Company to benefit from the continuing recovery in the commercial aerospace market and current stability in government defense spending levels."

"Late in Fourth Quarter Fiscal 2021 we closed on the sale/leaseback of our California facility's land and building, generating approximately \$6.6 million in cash proceeds before taxes and transaction expenses. With these proceeds, we repaid our outstanding revolving credit facility and used a portion of these funds to purchase DP Cast, a leading aerospace and industrial investment casting company. DP Cast fits strategically in the Omni-Lite sphere of hard to manufacture, high value parts and components supporting tier one and related defense, aerospace and industrial customers. This transaction is consistent with our stated strategy to grow both organically and through M&A."

Mr. Robbins continued, "Leading indicators for air travel continue to show steady improvement. As a result, coupled with strong defense electronics bookings and DP Cast sales, we expect solid revenue growth in Fiscal 2022. Our liquidity position remains strong as a result of our strict and disciplined approach to management of our costs and spending. We ended the Fiscal Year 2021 with approximately US\$2.4 million in cash and no debt outstanding. Subsequent to the Company's fiscal 2021 year end, Omni-Lite completed the private placement offering with the Company issuing 1,000,000 common shares of the Company at a price of C\$1.25 per common share to Candeco Realty Limited for aggregate gross proceeds of C\$1,250,000."



Financial Summary

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

For the Three Months Ended December 31,			
	2021	2020	% Increase/(Decrease)
Revenue	\$1,661	\$1,285	29%
Adjusted EBITDA ⁽¹⁾	(450)	(615)	30%
Adjusted Free Cash Flow ⁽¹⁾	(4)	221	N/A
Acquisition Costs	(404)	-	N/A
Capitalized Rent	(293)	-	N/A
Free Cash Flow ⁽¹⁾	(701)	221	N/A
Net Income/(Loss)	523	143	N/A
Diluted EPS	\$0.05	\$0.02	150%

For the Twelve Months Ended December 31,			
	2021	2020	% Increase/(Decrease)
Revenue	\$5,763	\$6,684	(14%)
Adjusted EBITDA ⁽¹⁾	(908)	(833)	(9%)
Adjusted Free Cash Flow ⁽¹⁾	(461)	(19)	N/A
Acquisition Costs	(404)	-	N/A
Capitalized Rent	(293)	-	N/A
Free Cash Flow ⁽¹⁾	(1,158)	(19)	N/A
Net Loss	(483)	(618)	22%
Diluted EPS	(\$0.04)	(\$0.05)	20%

Investor Conference Call

Omni-Lite will host a conference call for investors on May 3, 2022, beginning at 12:00 P.M. (EDT) to discuss the Fiscal 2021 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, 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 as 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 2021 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 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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