



NEWS RELEASE
OMNI-LITE INDUSTRIES REPORTS 2020 RESULTS
AND
CONFERENCE CALL FOR INVESTORS TO BE HELD ON April 1, 2021

- ❖ Fiscal Year 2020 Revenue of US\$6.7 million, down 28% compared to Fiscal Year 2019
- ❖ Positive Cash Flow from Operations
- ❖ Implemented Annualized Cost Reductions of US\$1.1 million to Position for the Recovery
- ❖ Paycheck Protection Program 1 & 2 Funding of US\$1.2 million

TSXV: OML
OTCQX: OLNCF

LOS ANGELES, CALIFORNIA, April 1, 2021 - Omni-Lite Industries Canada Inc. (the "Company" or "Omni-Lite"; TSXV: OML) today reported results for the year ending December 31, 2020. Full financial results are available at sedar.com.

Fourth Quarter Fiscal 2020 Results

Revenue for the fourth quarter of fiscal 2021 was approximately US\$1.3 million, a decrease of approximately 40% as compared to the fourth quarter of fiscal 2019. The decrease in revenue was due principally to the impact of the COVID-19 pandemic on the commercial aerospace and other markets. Adjusted EBITDA⁽¹⁾ was approximately US\$(615,000) as compared to approximately US\$(121,000) in the year ago period. The negative Adjusted EBITDA was the result of the reduced revenue combined with a cost structure with a high component of fixed overhead expenses. In addition, there was an inventory write-off of approximately US\$243,000 incurred in the fiscal quarter. Please see Supplemental Schedule II for further explanation. Free Cash Flow⁽¹⁾ was approximately US\$221,000 in the fiscal quarter, as compared to a negative US\$(267,000) in the fourth quarter of fiscal 2019. The positive free cash flow in the fourth quarter of fiscal 2020 was due to disciplined working capital improvements of approximately US\$800,000.

Fiscal Year 2020 Results

Revenue for the year ending December 31, 2020 was approximately US\$6.7 million, a decrease of 28% compared to Fiscal Year 2019. The decrease in revenue was due principally to the impact of the COVID-19 pandemic on the commercial aerospace and other markets. Adjusted EBITDA⁽¹⁾ was approximately (US\$833,000). Negative Adjusted EBITDA was the result of the significant reduction in sales combined with a cost structure with a high component of fixed overhead costs. Free Cash Flow from operations was a negative (US\$19,000) as compared to (US\$505,000) in 2019. The positive operating cash flow was due to the generation of US\$0.7 million of cash through working capital efficiencies and reduction in inventories. In addition, the Company received US\$820,000 of Paycheck Protection Program 1 funding in the calendar year.

Omni-Lite reported a Fiscal Year 2020 net loss of US\$0.6 million, or US\$(0.05) per diluted share, as compared to a net loss of US\$1.9 million or US\$(0.17) per diluted share in Fiscal Year 2019. The net loss for 2020 was primarily due to the effects of the COVID-19 pandemic on revenue.



Management Comments

David Robbins, Omni-Lite's President and CEO, stated "Omni-Lite Industries continued to manage and respond decisively to the impact of the COVID-19 pandemic. While revenue declined 28% year over year, our focus on cash flow management resulted in positive cash generation. We continue to be highly focused on all aspects of operational performance and free cash flow generation as we manage through the effects of COVID-19 and are positioned to benefit from the recovery of the commercial aerospace market.'

'Our defense electronics market continues to be healthy and includes a number of growth opportunities. We have taken actions during Fiscal Year 2020 that will enable the Company to emerge from the pandemic in a stronger and more profitable condition; specifically, we implemented cost reductions with an annual impact of approximately US\$1.1 million that will lead to generating enhanced Adjusted EBITDA margins in the context of increased revenues.'

'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 2020 with approximately US\$1.5 million in cash and have approximately US\$1.5 million available under our revolving credit facility.'

'Subsequent to our fiscal year end, the Company received approximately US\$400,000 in funding under the Payroll Protection Program 2, bringing our aggregate proceeds under both programs to over US\$1.2 million.'

Please see attached supplemental slides for additional information.

Financial Summary

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

For the Three Months Ended December 31,			
	2020	2019	% Increase/(Decrease)
Revenue	\$1,285	\$2,176	(41%)
Adjusted EBITDA ⁽¹⁾	(615)	(121)	N/A
Free Cash Flow ⁽¹⁾	221	(267)	N/A
Net Income(Loss)	143	(759)	N/A
Diluted EPS	\$0.02	(\$0.07)	N/A



Financial Summary (continued)

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

For the Twelve Months Ended December 31,			
	2020	2019	% Increase/(Decrease)
Revenue	\$6,684	\$9,318	(28%)
Adjusted EBITDA ⁽¹⁾	(833)	961	N/A
Free Cash Flow ⁽¹⁾	(19)	(822)	98%
Net Loss	(618)	(1,873)	67%
Diluted EPS	(\$0.05)	(\$0.17)	71%

(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. 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 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 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 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 2020 Management Discussion and Analysis for additional notes and definitions.

Investor Conference Call

Omni-Lite will host a conference call for investors on Thursday, April 1, 2021, beginning at 2 P.M. Eastern Time to discuss the Fiscal 2020 results and review of its business and operations. To join the conference call, (888) 428-7458 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.

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 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.



Supplemental Information

Schedule I

Impact on Cash of 28% Reduction in Revenue offset by

- **Cost Reductions**
- **Working Capital Improvement**
- **PPP1 Loan Funding**

	<u>(US\$000)</u>
Cash Balance at 12/31/19	<u>US\$693</u>
Operating Cash flow Before Working Capital	(688)
Working Capital Improvement	717
PPP1 Loan Proceeds	820
Cash Balance at 12/31/20	<u>US\$1,542</u>



Supplemental Information

Schedule II

Proforma Adjusted EBITDA(1) Includes a Non-recurring Inventory Write-off and Unabsorbed Manufacturing Costs Resulting From Low Production Volume

Fourth Quarter 2020 (US\$000)

Revenue	US\$1,285
Adjusted EBITDA(1)	(615)
Inventory Write-off	243
Unabsorbed Manufacturing Overhead	187
Pro forma Adjusted EBITDA	<u>US\$(185)</u>

(1) Adjusted EBITDA is a non-IFRS financial measure defined as earnings before interest income, interest expense, taxes, depreciation, amortization, stock-based compensation, and non-recurring items.



Supplemental Information

Schedule III

The Company has taken strong actions in response to our COVID-19 related revenue decline:

- **Implemented expense reductions resulting in US\$1.1 million in annualized savings**
 - **Reduction in workforce**
 - **Maintained capability to respond to customer requirements**
 - **Positioned the Company for growth when the market turns up**
 - **Re-worked processes to support operating at reduced personnel levels**

- **Strong focus on cash management resulting in US\$0.8 million increase in cash**
 - **Working capital improvement of US\$0.7 million**
 - **PPP funding of US\$1.2 million (US\$0.8 million in 2020)**
 - **Minimized capital expenditures**
 - **Strong liquidity with US\$1.5 million in cash and US\$1.5 million in revolving credit facility borrowing capacity**