

**Orbit International Corp.**  
**Consolidated Statements of Income**  
**(in thousands, except per share data)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net sales	\$ 5,765	\$ 6,911	\$ 11,617	\$ 13,403
Cost of sales	4,681	4,671	8,760	9,474
Gross profit	1,084	2,240	2,857	3,929
Selling general and administrative expenses	1,432	1,658	3,149	3,269
Interest expense	3	-	3	-
Investment and other expense (income)	30	(13)	52	(24)
(Loss) income before taxes	(381)	595	(347)	684
Income tax provision	15	11	29	30
Net (loss) income	\$ (396)	\$ 584	\$ (376)	\$ 654
Basic (loss) earnings per share	\$ (0.11)	\$ 0.16	\$ (0.11)	\$ 0.18
Diluted (loss) earnings per share	\$ (0.11)	\$ 0.16	\$ (0.11)	\$ 0.18
Weighted average number of shares outstanding:				
Basic	3,511	3,551	3,517	3,552
Diluted	3,511	3,556	3,517	3,557

**Orbit International Corp.**  
**Consolidated Statements of Income**  
**(in thousands, except per share data)**  
**(unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
<b><u>EBITDA (as adjusted) Reconciliation</u></b>				
Net (loss) income	\$ (396)	\$ 584	\$ (376)	\$ 654
Interest expense	3	-	3	-
Income tax expense	15	11	29	30
Depreciation and amortization	23	24	46	45
Fair value adj-contingent liability	31	-	60	-
Stock-based compensation	-	11	-	22
EBITDA (as adjusted) <sup>(1)</sup>	<u>\$ (324)</u>	<u>\$ 630</u>	<u>\$ (238)</u>	<u>\$ 751</u>
<b><u>EBITDA (as adjusted) Per Diluted Share Reconciliation</u></b>				
Net (loss) income	\$ (0.11)	\$ 0.16	\$ (0.11)	\$ 0.18
Interest expense	0.00	0.00	0.00	0.00
Income tax expense	0.00	0.00	0.01	0.01
Depreciation and amortization	0.01	0.01	0.01	0.01
Fair value adj-contingent liability	0.01	-	0.02	-
Stock-based compensation	-	0.01	-	0.01
EBITDA (as adjusted), per diluted share <sup>(1)</sup>	<u>\$ (0.09)</u>	<u>\$ 0.18</u>	<u>\$ (0.07)</u>	<u>\$ 0.21</u>

(1) The EBITDA (as adjusted) tables presented are not determined in accordance with accounting principles generally accepted in the United States of America. Management uses EBITDA (as adjusted) to evaluate the operating performance of its business. It is also used, at times, by some investors, securities analysts and others to evaluate companies and make informed business decisions. EBITDA (as adjusted) is also a useful indicator of the income generated to service debt. EBITDA (as adjusted) is not a complete measure of an entity's profitability because it does not include costs and expenses for interest, depreciation and amortization, income taxes and stock-based compensation. EBITDA (as adjusted) as presented herein may not be comparable to similarly named measures reported by other companies.

	Six Months Ended June 30,	
	2020	2019
<b><u>Reconciliation of EBITDA, as adjusted, to cash flows used in operating activities <sup>(1)</sup></u></b>		
EBITDA (as adjusted)	\$ (238)	\$ 751
Interest Expense	(3)	-
Income tax expense	(29)	(30)
Fair value adj-contingent liability	(60)	-
Net change in operating assets and liabilities	74	(1,397)
Cash flows used in operating activities	<u>\$ (256)</u>	<u>\$ (676)</u>

**Orbit International Corp.**  
**Consolidated Balance Sheets**

	<u>June 30, 2020</u> <u>(unaudited)</u>	<u>December 31, 2019</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 4,379,000	\$ 3,569,000
Accounts receivable, less allowance for doubtful accounts	3,114,000	2,851,000
Inventories	10,798,000	10,542,000
Contract assets	621,000	632,000
Income tax receivable	-	306,000
Other current assets	366,000	265,000
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Total current assets	19,278,000	18,165,000
Property and equipment, net	367,000	273,000
Right of use assets, operating leases	715,000	923,000
Goodwill	905,000	905,000
Deferred tax asset	834,000	834,000
Other assets	31,000	31,000
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Total assets	<u>\$ 22,130,000</u>	<u>\$ 21,131,000</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,895,000	\$ 1,436,000
Accrued expenses	888,000	919,000
Notes payable, PPP loan	714,000	-
Lease liabilities, operating leases	465,000	453,000
Contingent liability	174,000	148,000
Dividend payable	-	36,000
Customer advances	131,000	225,000
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Total current liabilities	4,267,000	3,217,000
Notes payable, PPP loan, net of current portion	892,000	-
Contingent liability, net of current portion	301,000	268,000
Lease liabilities, operating leases	296,000	531,000
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Total liabilities	5,756,000	4,016,000
Stockholders' Equity		
Common stock	361,000	361,000
Additional paid-in capital	17,667,000	17,667,000
Treasury stock	(569,000)	(380,000)
Accumulated deficit	(1,085,000)	(533,000)
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Stockholders' equity	16,374,000	17,115,000
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Total liabilities and stockholders' equity	<u>\$ 22,130,000</u>	<u>\$ 21,131,000</u>