

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

	Three Months Ended	
	March 31,	
	(unaudited)	
	2021	2020
	<u> </u>	<u> </u>
Net sales	\$ 5,393	\$ 5,852
Cost of sales	<u>3,659</u>	<u>4,079</u>
Gross profit	1,734	1,773
Selling general and administrative expenses	1,492	1,717
PPP loan forgiveness	(1,618)	-
Other (income) expense, net	<u>20</u>	<u>22</u>
Income before income taxes	1,840	34
Income tax provision	<u>13</u>	<u>14</u>
Net income	<u><u>\$ 1,827</u></u>	<u><u>\$ 20</u></u>
Basic income per share	\$ 0.52	\$ 0.01
Diluted income per share	\$ 0.52	\$ 0.01
Weighted average number of shares outstanding:		
Basic	3,511	3,523
Diluted	3,511	3,523

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	Three Months Ended	
	March 31,	
	2021	2020
<u>EBITDA (as adjusted) Reconciliation</u>		
Net income	\$ 1,827	\$ 20
Income tax expense	13	14
Depreciation and amortization	27	23
Fair value adj-contingent liability	22	29
Stock-based compensation	14	-
EBITDA (as adjusted) ⁽¹⁾	\$ 1,903	\$ 86
<u>EBITDA (as adjusted) Per Diluted Share Reconciliation</u>		
Net income	\$ 0.52	\$ 0.00
Income tax expense	0.00	0.00
Depreciation and amortization	0.01	0.01
Fair value adj-contingent liability	0.01	0.01
Stock-based compensation	0.00	-
EBITDA (as adjusted) per diluted share ⁽¹⁾	\$ 0.54	\$ 0.02

- (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, fair value adj.-contingent liability and stock-based compensation. EBITDA (as adjusted) as presented herein may not be comparable to similarly named measures reported by other companies.

	Three Months Ended	
	March 31,	
	2021	2020
<u>Reconciliation of EBITDA, as adjusted, to cash flows used in operating activities ⁽¹⁾</u>		
EBITDA (as adjusted)	\$ 1,903	\$ 86
Income tax expense	(13)	(14)
Fair value adj-contingent liability	(22)	(29)
Stock-based compensation	(14)	-
Gain on forgiveness of PPP loan	(1,618)	-
Net change in operating assets and liabilities	(758)	(618)
Cash flows used in operating activities	\$ (522)	\$ (575)

Orbit International Corp.
Consolidated Balance Sheets

	<u>March 31, 2021</u> <u>(unaudited)</u>	<u>December 31, 2020</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,979,000	\$ 7,501,000
Accounts receivable, less allowance for doubtful accounts	2,865,000	2,751,000
Inventories	9,412,000	9,396,000
Contract assets	401,000	403,000
Income tax receivable	-	290,000
Other current assets	400,000	301,000
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Total current assets	20,057,000	20,642,000
Property and equipment, net	324,000	351,000
Right of use assets, operating leases	391,000	501,000
Goodwill	901,000	901,000
Deferred tax asset	545,000	545,000
Other assets	30,000	30,000
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Total assets	<u>\$ 22,248,000</u>	<u>\$ 22,970,000</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 993,000	\$ 1,779,000
Accrued expenses	894,000	934,000
Lease liabilities, operating leases	361,000	478,000
Contingent liability	261,000	256,000
Customer advances	133,000	155,000
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Total current liabilities	2,642,000	3,602,000
Notes payable, PPP loan	-	1,606,000
Contingent liability, net of current portion	335,000	318,000
Lease liabilities, operating leases	53,000	53,000
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Total liabilities	3,030,000	5,579,000
Stockholders' Equity		
Common stock	361,000	361,000
Additional paid-in capital	17,667,000	17,667,000
Treasury stock	(569,000)	(569,000)
Retained earnings (accumulated deficit)	1,759,000	(68,000)
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Stockholders' equity	19,218,000	17,391,000
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Total liabilities and stockholders' equity	<u>\$ 22,248,000</u>	<u>\$ 22,970,000</u>