

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

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Net sales	\$ 4,956	\$ 6,420	\$ 22,217	\$ 25,924
Cost of sales	2,978	4,653	14,036	18,833
Gross profit	1,978	1,767	8,181	7,091
Selling general and administrative expenses	1,520	1,559	6,122	6,276
Acquisition costs	259	-	363	-
PPP loan forgiveness	-	-	(1,618)	-
Interest expense	-	4	-	11
Investment and other (income) expense	(19)	44	5	142
Income before income taxes	218	160	3,309	662
Income tax provision	14	7	63	21
Net income	<u>\$ 204</u>	<u>\$ 153</u>	<u>\$ 3,246</u>	<u>\$ 641</u>
Basic earnings per share	\$ 0.06	\$ 0.04	\$ 0.93	\$ 0.18
Diluted earnings per share	\$ 0.06	\$ 0.04	\$ 0.93	\$ 0.18
Weighted average number of shares outstanding:				
Basic	3,447	3,511	3,478	3,514
Diluted	3,447	3,511	3,478	3,514

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	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
<u>EBITDA (as adjusted) Reconciliation</u>				
Net income	\$ 204	\$ 153	\$ 3,246	\$ 641
Interest expense	-	4	-	11
Income tax expense	14	7	63	21
Depreciation and amortization	26	21	107	90
Fair value adj-contingent liability	(21)	51	6	158
Stock-based compensation	21	-	77	-
EBITDA (as adjusted) <sup>(1)</sup>	<u>\$ 244</u>	<u>\$ 236</u>	<u>\$ 3,499</u>	<u>\$ 921</u>
<u>EBITDA (as adjusted) Per Diluted Share Reconciliation</u>				
Net income	\$ 0.06	\$ 0.04	\$ 0.93	\$ 0.18
Interest expense	0.00	0.00	0.00	0.00
Income tax expense	0.00	0.00	0.02	0.01
Depreciation and amortization	0.01	0.01	0.03	0.03
Fair value adj-contingent liability	(0.01)	0.02	0.00	0.04
Stock-based compensation	0.01	0.00	0.03	0.00
EBITDA (as adjusted), per diluted share <sup>(1)</sup>	<u>\$ 0.07</u>	<u>\$ 0.07</u>	<u>\$ 1.01</u>	<u>\$ 0.26</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, fair value adjustment-contingent liability and stock-based compensation. EBITDA (as adjusted) as presented herein may not be comparable to similarly named measures reported by other companies.

	Year Ended December 31,	
	2021	2020
<u>Reconciliation of EBITDA, as adjusted, to cash flows provided by operating activities <sup>(1)</sup></u>		
EBITDA (as adjusted)	\$ 3,499	\$ 921
Interest expense	-	(11)
Income tax expense	(63)	(21)
Stock-based compensation	(77)	-
Gain on forgiveness of PPP Loan	(1,618)	-
Fair value adj-contingent liability	(6)	(158)
Net change in operating assets and liabilities	383	2,162
Cash flows provided by operating activities	<u>\$ 2,118</u>	<u>\$ 2,893</u>

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

	<u>December 31, 2021</u> <u>(unaudited)</u>	<u>December 31, 2020</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 9,215,000	\$ 7,501,000
Accounts receivable, less allowance for doubtful accounts	2,438,000	2,751,000
Inventories	8,540,000	9,396,000
Contract assets	648,000	403,000
Income tax receivable	-	290,000
Other current assets	416,000	301,000
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Total current assets	21,257,000	20,642,000
Property and equipment, net	265,000	351,000
Right of use assets, operating leases	3,013,000	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>\$ 26,011,000</u>	<u>\$ 22,970,000</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 504,000	\$ 1,779,000
Accrued expenses	1,014,000	934,000
Lease liabilities, operating leases	473,000	478,000
Contingent liability	96,000	256,000
Customer advances	866,000	155,000
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Total current liabilities	2,953,000	3,602,000
Notes payable, PPP loan, net of current portion	-	1,606,000
Contingent liability, net of current portion	208,000	318,000
Lease liabilities, operating leases	2,596,000	53,000
Total liabilities	<hr/> <u>5,757,000</u>	<hr/> <u>5,579,000</u>
Stockholders' Equity		
Common stock	351,000	361,000
Additional paid-in capital	17,109,000	17,667,000
Treasury stock	(384,000)	(569,000)
Retained earnings (accumulated deficit)	3,178,000	(68,000)
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Stockholders' equity	20,254,000	17,391,000
Total liabilities and stockholders' equity	<u>\$ 26,011,000</u>	<u>\$ 22,970,000</u>