

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	\$ 5,801	\$ 5,801	\$ 12,644	\$ 11,194
Cost of sales	4,151	3,642	8,424	7,301
Gross profit	1,650	2,159	4,220	3,893
Selling general and administrative expenses	2,143	1,586	4,197	3,078
Acquisition costs	-	-	98	-
PPP loan forgiveness	-	-	-	(1,618)
Other (income) expense, net	(99)	17	(168)	37
(Loss) income before income taxes	(394)	556	93	2,396
Income tax provision	18	22	39	35
Net (loss) income	\$ (412)	\$ 534	\$ 54	\$ 2,361
Basic (loss) earnings per share	\$ (0.12)	\$ 0.15	\$ 0.02	\$ 0.67
Diluted (loss) earnings per share	\$ (0.12)	\$ 0.15	\$ 0.02	\$ 0.67
Weighted average number of shares outstanding:				
Basic	3,442	3,498	3,444	3,505
Diluted	3,442	3,498	3,448	3,505

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<u>EBITDA (as adjusted) Reconciliation</u>				
Net (loss) income	\$ (412)	\$ 534	\$ 54	\$ 2,361
Income tax expense	18	22	39	35
Depreciation and amortization	100	26	201	53
Fair value adj.-contingent liabilities & other non-current liability	(94)	18	(162)	40
Stock-based compensation	11	16	37	30
EBITDA (as adjusted) ⁽¹⁾	<u>\$ (377)</u>	<u>\$ 616</u>	<u>\$ 169</u>	<u>\$ 2,519</u>
<u>EBITDA (as adjusted) Per Diluted Share Reconciliation</u>				
Net (loss) income	\$ (0.12)	\$ 0.15	\$ 0.02	\$ 0.67
Income tax expense	0.01	0.01	0.01	0.01
Depreciation and amortization	0.03	0.01	0.06	0.02
Fair value adj.-contingent liabilities & other non-current liability	(0.03)	0.01	(0.05)	0.01
Stock-based compensation	0.00	0.00	0.01	0.01
EBITDA (as adjusted), per diluted share ⁽¹⁾	<u>\$ (0.11)</u>	<u>\$ 0.18</u>	<u>\$ 0.05</u>	<u>\$ 0.72</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 adj.-contingent liabilities and other non-current liability 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,	
	2022	2021
<u>Reconciliation of EBITDA, as adjusted, to cash flows provided by (used in) operating activities ⁽¹⁾</u>		
EBITDA (as adjusted)	\$ 169	\$ 2,519
Income tax expense	(39)	(35)
Fair value adj.-contingent liabilities and other non-current liability	162	(40)
Stock-based compensation	(11)	(30)
Gain on forgiveness of PPP loan	-	(1,618)
Net change in operating assets and liabilities	(358)	(1,179)
Cash flows provided by (used in) operating activities	<u>\$ (77)</u>	<u>\$ (383)</u>

Orbit International Corp.
Consolidated Balance Sheets

	<u>June 30, 2022</u> <u>(unaudited)</u>	<u>December 31, 2021</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,651,000	\$ 9,215,000
Accounts receivable, less allowance for doubtful accounts	2,419,000	2,438,000
Inventories	11,060,000	8,540,000
Contract assets	716,000	648,000
Other current assets	557,000	416,000
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Total current assets	19,403,000	21,257,000
Property and equipment, net	545,000	265,000
Right of use assets, operating leases	2,917,000	3,013,000
Goodwill	2,263,000	901,000
Intangible assets, net	3,678,000	-
Deferred tax asset	545,000	545,000
Other assets	39,000	30,000
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Total assets	<u>\$ 29,390,000</u>	<u>\$ 26,011,000</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 698,000	\$ 504,000
Accrued expenses	849,000	1,014,000
Dividend payable	35,000	-
Note payable	14,000	-
Lease liabilities, operating leases	556,000	473,000
Contingent liabilities	659,000	96,000
Other current liability	1,164,000	-
Customer advances	683,000	866,000
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Total current liabilities	4,658,000	2,953,000
Note payable, net of current portion	20,000	-
Other non-current liability	1,644,000	-
Contingent liabilities, net of current portion	476,000	208,000
Lease liabilities, operating leases	2,423,000	2,596,000
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Total liabilities	9,221,000	5,757,000
Stockholders' Equity		
Common stock	352,000	351,000
Additional paid-in capital	17,134,000	17,109,000
Treasury stock	(480,000)	(384,000)
Retained earnings	3,163,000	3,178,000
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Stockholders' equity	20,169,000	20,254,000
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Total liabilities and stockholders' equity	<u>\$ 29,390,000</u>	<u>\$ 26,011,000</u>