



**QUARTERLY REPORT
SEPTEMBER 30, 2025
UNAUDITED**

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**Disclosure Statement Pursuant to the OTCID Basic Market
Disclosure Guidelines**

ORBIT INTERNATIONAL CORP.

80 Cabot Court
Hauppauge, NY 11788

631-435-8300
www.orbitintl.com
orbit.investor-relations@orbitintl.com

Quarterly Report

**For the Period Ending: September 30, 2025 (the "Reporting
Period")**

Outstanding Shares

The number of shares outstanding of our Common Stock was:

3,337,359 as of November 13, 2025

3,325,824 as of December 31, 2024

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred during this reporting period:

Yes: No:

¹ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Orbit International Corp.

Current State and Date of Incorporation or Registration: Delaware;
December 1986

Standing in this Jurisdiction: Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

N/A

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

None

List any company name change, stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

Address of the issuer's principal executive office:

80 Cabot Court
Hauppauge, NY 11788

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes: If, Yes, provide additional details below:

N/A

2) Security Information

Transfer Agent

Name: Equiniti Trust Company, LLC
Phone: 347-263-4197
Email: admin44@equiniti.com
Address: 28 Liberty Street, 53rd Floor, New York, NY 10005

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol: ORBT
Exact title and class
of securities outstanding: Common Stock
CUSIP: 685559304
Par or stated value: \$0.10

Total shares authorized: 10,000,000 as of date: 9/30/2025
Total shares outstanding: 3,334,770 as of date: 9/30/2025
Total number of shareholders
of record: 83 as of date: 9/30/2025

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

N/A

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

N/A

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

N/A

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

- 1. For common equity, describe any dividend, voting and preemption rights.**

Common stockholders are entitled to both cash and stock dividends declared by the Board of Directors. Common stockholders are entitled to vote in person or by proxy at our Annual Meeting of

Stockholders for each share of stock held. Common stockholders do not have any preemption rights.

- 2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

N/A

- 3. Describe any other material rights of common or preferred stockholders.**

The Company's only class of stock is common stock. Material rights are described in #1 above.

- 4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None

3) Issuance History

*The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.***

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

Shares outstanding as of the Second Most Recent Fiscal Year End: <u>12/31/23</u>	<u>Opening Balance:</u> Common: <u>3,341,860</u> Preferred: <u>N/A</u>								
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to *** You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
<u>1/1/24-3/31/24</u>	<u>New Issuance</u>	<u>1,000</u>	<u>Common</u>	<u>\$4.51</u>	<u>No</u>	<u>William Collins</u>	<u>Independent Director Restricted Stock Grant</u>	<u>Restricted</u>	<u>SEC Act-Section 4(a)(2)</u>
<u>1/1/24-3/31/24</u>	<u>New Issuance</u>	<u>1,000</u>	<u>Common</u>	<u>\$4.51</u>	<u>No</u>	<u>Wayne Cadwallader</u>	<u>Independent Director Restricted Stock Grant</u>	<u>Restricted</u>	<u>SEC Act-Section 4(a)(2)</u>
<u>1/1/24-3/31/24</u>	<u>New Issuance</u>	<u>1,000</u>	<u>Common</u>	<u>\$4.51</u>	<u>No</u>	<u>Marshall Sterman</u>	<u>Independent Director Restricted Stock Grant</u>	<u>Restricted</u>	<u>SEC Act-Section 4(a)(2)</u>
<u>1/1/24-3/31/24</u>	<u>New Issuance</u>	<u>1,607</u>	<u>Common</u>	<u>\$4.51</u>	<u>No</u>	<u>William Collins</u>	<u>Issuance of restricted stock in lieu of cash for</u>	<u>Restricted</u>	<u>SEC Act-Section 4(a)(2)</u>

							director compensation		
<u>4/1/24-6/30/24</u>	<u>New Issuance</u>	<u>1,318</u>	<u>Common</u>	<u>\$5.50</u>	<u>No</u>	<u>William Collins</u>	Issuance of restricted stock in lieu of cash for director compensation	<u>Restricted</u>	<u>SEC Act-Section 4(a)(2)</u>
<u>7/1/24-9/30/24</u>	<u>New Issuance</u>	<u>1,450</u>	<u>Common</u>	<u>\$5.00</u>	<u>No</u>	<u>William Collins</u>	Issuance of restricted stock in lieu of cash for director compensation	<u>Restricted</u>	<u>SEC Act-Section 4(a)(2)</u>
<u>10/1/24-12/31/24</u>	<u>New Issuance</u>	<u>1,589</u>	<u>Common</u>	<u>\$4.56</u>	<u>No</u>	<u>William Collins</u>	Issuance of restricted stock in lieu of cash for director compensation	<u>Restricted</u>	<u>SEC Act-Section 4(a)(2)</u>
<u>10/1/24-12/31/24</u>	<u>Shares returned to treasury</u>	<u>(25,000)</u>	<u>Common</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>1/1/25-3/31/25</u>	<u>New Issuance</u>	<u>1,000</u>	<u>Common</u>	<u>\$4.38</u>	<u>No</u>	<u>William Collins</u>	Issuance of restricted stock in lieu of cash for director compensation	<u>Restricted</u>	<u>SEC Act-Section 4(a)(2)</u>
<u>1/1/25-3/31/25</u>	<u>New Issuance</u>	<u>1,000</u>	<u>Common</u>	<u>\$4.38</u>	<u>No</u>	<u>Wayne Cadwallader</u>	Independent Director Restricted Stock Grant	<u>Restricted</u>	<u>SEC Act-Section 4(a)(2)</u>

<u>1/1/25-3/31/25</u>	<u>New Issuance</u>	<u>1,000</u>	<u>Common</u>	<u>\$4.38</u>	<u>No</u>	<u>Marshall Sterman</u>	<u>Independent Director Restricted Stock Grant</u>	<u>Restricted</u>	<u>SEC Act-Section 4(a)(2)</u>
<u>1/1/25-3/31/25</u>	<u>New Issuance</u>	<u>1,655</u>	<u>Common</u>	<u>\$4.38</u>	<u>No</u>	<u>William Collins</u>	<u>Issuance of restricted stock in lieu of cash for director compensation</u>	<u>Restricted</u>	<u>SEC Act-Section 4(a)(2)</u>
<u>4/1/25 - 6/30/25</u>	<u>New Issuance</u>	<u>2,095</u>	<u>Common</u>	<u>\$3.46</u>	<u>No</u>	<u>William Collins</u>	<u>Issuance of restricted stock in lieu of cash for director compensation</u>	<u>Restricted</u>	<u>SEC Act-Section 4(a)(2)</u>
<u>7/1/25 - 9/30/25</u>	<u>New Issuance</u>	<u>2,196</u>	<u>Common</u>	<u>\$3.30</u>	<u>No</u>	<u>William Collins</u>	<u>Issuance of restricted stock in lieu of cash for director compensation</u>	<u>Restricted</u>	<u>SEC Act-Section 4(a)(2)</u>
<u>Shares Outstanding on 9/30/25</u>	<u>Ending Balance:</u> <u>Common: 3,334,770</u> <u>Preferred: N/A</u>								

Example: A company with fiscal year end of December 31st 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2023 through December 31, 2024 pursuant to the tabular format above.

Any additional material details, including footnotes to the table are below:

None

B. Convertible Debt

The following is a complete list of the Company’s Convertible Debt which includes all promissory notes, convertible notes, convertible debentures, or any other debt instruments convertible into a class of the issuer’s equity securities. The table includes all issued or outstanding convertible debt at any time during the last complete fiscal year and any interim period between the last fiscal year end and the date of this Certification.

Check this box to confirm the Company had no Convertible Debt issued or outstanding at any point during this period.

Date of Note Issuance	Principal Amount as Issuance (\$)	Outstanding Balance (\$) (include accrued interest)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	# Shares Converted to Date	# of Potential Shares to be Issued Upon Conversion ²	Name of Noteholder (entities must have individual with voting / investment control disclosed)	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____	_____
Total Outstanding Balance:			Total Shares:					

Any additional material details, including footnotes to the table are below:

N/A

4) Issuer’s Business, Products and Services

The purpose of this section is to provide a clear description of the issuer’s current operations.

Ensure that these descriptions are updated on the Company’s Profile on www.otcm Markets.com.

² The total number of shares that can be issued upon full conversion of the Outstanding Balance. The number should not factor any “blockers” or limitations on the percentage of outstanding shares that can be owned by the Noteholder at a particular time. For purposes of this calculation, please use the current market pricing (e.g. most recent closing price, bid, etc.) of the security if conversion is based on a variable market rate.

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The Company conducts its operations through its Electronics and Power Groups. The Company's Electronics Group ("OEG") is comprised of its Orbit Instrument and Tulip Development Laboratory ("TDL") Divisions and its Simulator Product Solutions LLC ("SPS") and Q-Vio subsidiaries. The OEG is engaged in the design, manufacture and sale of customized electronic components and subsystems. The Power Group ("OPG") is comprised of the Company's subsidiary, Behlman Electronics Inc. ("Behlman"), and is engaged in the design and manufacture of VPX/VME power supplies, high quality commercial power units, AC power supplies, frequency converters and commercial-off-the-shelf ("COTS") power solutions. The Company and its divisions and Behlman and Q-Vio subsidiaries are located at 80 Cabot Court, Hauppauge, NY 11788 and can be contacted at 631-435-8300. The Company's SPS subsidiary is located at 21818 S. Wilmington Ave, Suites 401-405, 411-412 Carson, CA 90810.

- B. List any subsidiaries, parent company, or affiliated companies.

The Company's subsidiaries include Behlman, SPS and Q-Vio and its divisions include Orbit Instrument and TDL.

- C. Describe the issuers' principal products or services.

The OEG's principal products include remote control units ("RCU"), intercommunication panels, displays, keyboards, keypads and pointing devices, operator control trays, command display units ("CDUs"), the design and enhancement of LCD display modules, military simulation and training bezels, electronic control assemblies and multi-function displays. These products are used primarily in support of military programs. The OPG's principal products include power supplies, frequency converters, and inverters. These products are primarily used in commercial applications and in support of military programs.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The Company's plant and executive offices are located at 80 Cabot Court, Hauppauge, New York. This facility, which consists of approximately 60,000 square feet (of which approximately 50,000 square feet are available for manufacturing operations) in a two-story, brick building, was completed in October 1982 and expanded in 1985. The Company is currently operating this facility at approximately 70% of capacity. In March 2001, the Company entered into a 12-year net lease for this facility and effective January 1, 2011, the Company entered into an amendment to that lease which

extended the expiration date to December 31, 2021. From January 2017 to December 31, 2021, the Company's lease payments were \$38,600 per month. In June 2021, the Company entered into another amendment to the lease which extended the lease expiration date to December 31, 2027 and modified the lease payments as follows: approximately \$44,583 per month for January 2022 through December 2024 and approximately \$47,917 per month for January 2025 through December 2027. In connection with the lease amendment, the Company's landlord agreed, at its sole expense, to make certain improvements to the facility.

The Company's SPS subsidiary occupies an approximately 4,000 square foot facility located at 21818 S. Wilmington Ave., Suites 411 and 412, Carson, CA 90810, which previously served as its administrative and manufacturing facility and is now used as its engineering center. In October 2024, SPS amended their lease for Suites 411 and 412, which extended the term for forty-six (46) months beginning October 1, 2024 and ending on July 31, 2028. The monthly lease payments for Suites 411 and 412 are \$5,376 for October 2024 through September 2025, \$5,564 for October 2025 through September 2026, \$5,758 for October 2026 through September 2027 and \$5,960 for October 2027 through July 2028. In June 2022, SPS entered into a lease for an additional 1,920 square feet located at 21818 S. Wilmington Ave, Suite 405, Carson, CA to serve as additional administrative and manufacturing space. The monthly lease payments for Suite 405 were \$2,880 for July 2022 through June 2023, \$2,974 for July 2023 through June 2024 and \$3,070 for July 2024 through June 2025. During the third quarter of 2025, SPS amended their lease for Suite 405, which extended the term for thirty-seven (37) months beginning July 1, 2025 and ending on July 31, 2028. The monthly lease payments for Suite 405 is \$3,483 for July 2025, \$3,590 for August 2025 through June 2026, \$3,701 for July 2026 through June 2027 and \$3,816 for July 2027 through July 2028. In August 2023, SPS entered into a lease at the same Carson, CA location for an additional 6,720 square feet of contiguous space located in Suites 401 through 404 which are adjacent to Suite 405. Suites 401 through 405 serve as its administrative and manufacturing facility. The lease for suites 401 through 404 commenced October 2023 and is for sixty (60) months with an option to extend for another sixty (60) months. The monthly lease payment for Suites 401 through 404 is \$10,080 beginning in October 2023 and continuing through March 2026. In April 2026, the monthly rent will increase to \$11,239 and continue through October 2028. SPS also occupies an approximately 1,500 square foot facility located at 1241 E. Chestnut, Unit M, Santa Ana, CA 92701 which serves as its machine shop. The monthly lease payment at this facility is \$1,650 and the lease is month-to-month.

6) All Officers, Directors, and 5% Beneficial Owners of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include

Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Individual Name (First, Last) or Entity Name (Include names of control person(s) if a corporate entity)	Position/Company Affiliation (ex: CEO, ≥ 5% Control person)	City and State (Include Country if outside U.S.)	Number of Shares Owned (List common, preferred, warrants and options separately)	Class of Shares Owned	Percentage of Class of Shares Owned (undiluted)
<u>Mitchell Binder</u>	<u>President, CEO, and Director</u>	<u>Hauppauge, NY</u>	<u>176,602</u>	<u>Common</u>	<u>5.30%</u>
<u>David Goldman</u>	<u>CFO, Treasurer, Assistant Secretary, and Director</u>	<u>Hauppauge, NY</u>	<u>19,742</u>	<u>Common</u>	<u>0.59%</u>
<u>Wayne Cadwallader</u>	<u>Director</u>	<u>Hauppauge, NY</u>	<u>5,200</u>	<u>Common</u>	<u>0.16%</u>
<u>William Collins</u>	<u>Director</u>	<u>Hauppauge, NY</u>	<u>183,474*</u> <u>*Ownership amount includes shares owned by Brencourt Capital Management LLC, A family office in which Mr. Collins serves as CEO</u>	<u>Common</u>	<u>5.50%</u>
<u>Marshall Sterman</u>	<u>Director</u>	<u>Hauppauge, NY</u>	<u>2,917</u>	<u>Common</u>	<u>0.09%</u>
<u>Christine Tracey</u>	<u>Secretary</u>	<u>Hauppauge, NY</u>	<u>-</u>	<u>N/A</u>	<u>N/A</u>
<u>Elkhorn Partners Limited Partnership - Alan S. Parsow, General Partner 8405 Indian Hills Drive, #2A8 Omaha, NE 68114</u>	<u>Owner of more than 5%</u>	<u>Omaha, NE</u>	<u>2,093,500*</u> <u>*Includes shares owned individually by partnership's general partner</u>	<u>Common</u>	<u>62.78%</u>

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S. Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S. mail.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar

information as to any such proceedings known to be contemplated by governmental authorities.

The Company was notified on November 27, 2024, that a lawsuit was filed in the Delaware Court of Chancery by a company formed by SPS's former President naming the Company and its subsidiary, SPS, as defendants. The lawsuit alleges additional amounts owed under the Contribution and Operating Agreements associated with the SPS acquisition. The Company believes it has abided by the terms of both agreements and vigorously opposes the claims asserted in the lawsuit. Although the parties have engaged in discussions to settle the lawsuit, these attempts have yet to be successful. Formal discovery demands have been made and there is no assurance that the lawsuit will be settled. Moreover, if it is settled, it might be settled for an amount different than the amount accrued at September 30, 2025.

8) Third Party Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.

Securities Counsel

Name: Irvin Brum
Firm: Ruskin Moscou Faltischek, P.C.
Address 1: 1425 RXR Plaza
Address 2: East Tower, 15th Floor, Uniondale, NY 11556
Phone: 516-663-6610
Email: ibrum@rmfpc.com

Accountant or Auditor

Name: Samantha Wolf
Firm: PKF O'Connor Davies, LLP
Address 1: 245 Park Avenue, 12th Floor
Address 2: New York, NY 10167
Phone: 212-867-8000
Email: swolf@pkfod.com

Investor Relations

N/A

All other means of Investor Communication:

The Company subscribes to the OTC Disclosure and News Service and issues press releases for its earnings, contract awards and other material announcements.

Other Service Providers

Provide the name of any other service provider(s) **that assisted, advised, prepared or provided information with respect to this disclosure statement.** This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

N/A

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: David Goldman
Title: CFO
Relationship to Issuer: Employee

B. The following financial statements were prepared in accordance with:

- IFRS
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: David Goldman
Title: CFO
Relationship to Issuer: Employee

Describe the qualifications of the person or persons who prepared the financial statements: ³

Mr. Goldman is a Certified Public Accountant (CPA) and a Chartered Global Management Accountant (CGMA) with approximately 22 years of experience working as CFO, Controller and Treasurer for the Company. Prior to joining the Company, Mr. Goldman worked for over 10 years as the Assistant Controller and Accounting Supervisor of a publicly held commercial and defense electronics manufacturer and in public accounting. Mr. Goldman is a member of the American Institute of Certified Public Accountants (AICPA) and the New York State Society of CPA'S (NYSSCPA).

Provide the following qualifying financial statements:

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity);
- f. Financial Notes;

Financial Statement Requirements:

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

³ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Mitchell Binder certify that:

1. I have reviewed this Disclosure Statement for Orbit International Corp. and Subsidiaries;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 14, 2025
/s/ Mitchell Binder
CEO

Principal Financial Officer:

I, David Goldman certify that:

1. I have reviewed this Disclosure Statement for Orbit International Corp. and Subsidiaries;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 14, 2025
/s/ David Goldman
CFO

ORBIT INTERNATIONAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

<u>ASSETS</u>	September 30, <u>2025</u> (unaudited)	December 31, <u>2024</u>
Current assets:		
Cash and cash equivalents.....	\$ 159,000	\$ 1,355,000
Accounts receivable (less allowance for credit losses of \$113,000 at September 30, 2025 and December 31, 2024, respectively)	3,752,000	3,935,000
Inventories.....	9,456,000	8,884,000
Contract assets.....	673,000	643,000
Other current assets.....	<u>404,000</u>	<u>428,000</u>
Total current assets.....	14,444,000	15,245,000
Property and equipment, net.....	968,000	1,192,000
Right of use assets, operating leases.....	1,958,000	2,297,000
Right of use assets, financing leases.....	48,000	77,000
Goodwill.....	3,515,000	3,515,000
Intangible assets, net.....	2,141,000	2,322,000
Other assets.....	51,000	53,000
Deferred tax asset, net.....	<u>-</u>	<u>100,000</u>
TOTAL ASSETS.....	<u>\$23,125,000</u>	<u>\$24,801,000</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

ORBIT INTERNATIONAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(continued)

<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	September 30, <u>2025</u> (unaudited)	December 31, <u>2024</u>
Current liabilities:		
Accounts payable.....	\$ 1,650,000	\$ 878,000
Accrued expenses.....	979,000	990,000
Notes payable.....	49,000	99,000
Lease liabilities, operating leases.....	794,000	717,000
Lease liabilities, financing leases.....	41,000	38,000
Contingent liability.....	1,425,000	1,362,000
Line of credit.....	3,300,000	850,000
Customer advances.....	<u>93,000</u>	<u>296,000</u>
Total current liabilities.....	8,331,000	5,230,000
Notes payable, net of current portion.....	51,000	83,000
Lease liabilities, operating leases.....	1,248,000	1,678,000
Lease liabilities, financing leases.....	<u>11,000</u>	<u>41,000</u>
Total liabilities.....	<u>9,641,000</u>	<u>7,032,000</u>
STOCKHOLDERS' EQUITY		
Common stock - \$0.10 par value, 10,000,000 shares authorized, 3,523,000 and 3,514,000 shares issued at September 30, 2025 and December 31, 2024, respectively, and 3,335,000 and 3,326,000 shares outstanding at September 30, 2025 and December 31, 2024, respectively.....	352,000	351,000
Additional paid-in capital.....	17,202,000	17,171,000
Treasury stock, at cost, 188,000 shares at September 30, 2025 and December 31, 2024, respectively.....	(1,224,000)	(1,224,000)
Retained earnings (accumulated deficit).....	<u>(2,846,000)</u>	<u>1,471,000</u>
Total stockholders' equity.....	<u>13,484,000</u>	<u>17,769,000</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY.....	<u>\$23,125,000</u>	<u>\$24,801,000</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

ORBIT INTERNATIONAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2025	2024	2025	2024
Net sales.....	\$15,724,000	\$21,190,000	\$ 5,785,000	\$ 8,414,000
Cost of sales.....	<u>11,891,000</u>	<u>14,250,000</u>	<u>3,940,000</u>	<u>5,319,000</u>
Gross profit.....	<u>3,833,000</u>	<u>6,940,000</u>	<u>1,845,000</u>	<u>3,095,000</u>
Selling, general and administrative expenses.....	7,873,000	7,698,000	2,525,000	2,524,000
Interest expense....	106,000	33,000	54,000	19,000
Other expense (income), net.....	<u>40,000</u>	<u>(433,000)</u>	<u>18,000</u>	<u>(6,000)</u>
(Loss) income before income tax expense (benefit)	(4,186,000)	(358,000)	(752,000)	558,000
Income tax expense (benefit).....	<u>131,000</u>	<u>36,000</u>	<u>123,000</u>	<u>-</u>
NET (LOSS) INCOME...	<u><u>\$ (4,317,000)</u></u>	<u><u>\$ (394,000)</u></u>	<u><u>\$ (875,000)</u></u>	<u><u>\$ 558,000</u></u>
Net (loss) income per common share:				
Basic	<u>\$ (1.30)</u>	<u>\$ (0.12)</u>	<u>\$ (0.26)</u>	<u>\$ 0.17</u>
Diluted	<u>\$ (1.30)</u>	<u>\$ (0.12)</u>	<u>\$ (0.26)</u>	<u>\$ 0.17</u>
Weighted average number of common shares outstanding:				
Basic	<u>3,330,000</u>	<u>3,345,000</u>	<u>3,332,000</u>	<u>3,346,000</u>
Diluted	<u>3,330,000</u>	<u>3,345,000</u>	<u>3,332,000</u>	<u>3,349,000</u>

The accompanying notes are an integral part of these condensed
consolidated financial statements.

ORBIT INTERNATIONAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Nine Months Ended September 30,	
	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Net loss	\$ (4,317,000)	\$ (394,000)
Adjustments to reconcile net loss to net cash used in operating activities`:		
Stock Compensation expense.....	31,000	32,000
Depreciation and amortization.....	501,000	503,000
Amortization of right-of-use assets.....	550,000	474,000
Deferred income tax expense.....	100,000	-
Changes in operating assets and liabilities:		
Accounts receivable.....	183,000	(1,133,000)
Contract assets.....	(30,000)	(128,000)
Inventories.....	(572,000)	(360,000)
Other current assets.....	24,000	54,000
Accounts payable.....	772,000	300,000
Accrued expenses.....	(11,000)	(139,000)
Lease liabilities, operating leases.....	(564,000)	(460,000)
Contingent liability.....	-	(344,000)
Other assets.....	2,000	-
Contingent liability.....	63,000	-
Customer advances.....	<u>(203,000)</u>	<u>162,000</u>
Net cash used in operating activities.....	<u>(3,471,000)</u>	<u>(1,433,000)</u>
Cash flows from investing activities:		
Purchases of property and equipment.....	<u>(65,000)</u>	<u>(79,000)</u>
Net cash used in investing activities.....	<u>(65,000)</u>	<u>(79,000)</u>
Cash flow from financing activities:		
Payment of contingent liabilities.....	-	(312,000)
Cash dividends paid.....	-	(66,000)
Line of credit - proceeds.....	2,550,000	1,000,000
Line of credit - payments.....	(100,000)	-
Financing lease payments.....	(28,000)	(23,000)
Notes payable - payments.....	<u>(82,000)</u>	<u>(43,000)</u>
Net cash provided by financing activities.....	<u>2,340,000</u>	<u>556,000</u>

The accompanying notes are an integral part of these condensed
consolidated financial statements.

ORBIT INTERNATIONAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(continued)

NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>\$ (1,196,000)</u>	<u>\$ (956,000)</u>
Cash and cash equivalents - Beginning of period	<u>1,355,000</u>	<u>1,265,000</u>
CASH AND CASH EQUIVALENTS - End of period.....	<u>\$ 159,000</u>	<u>\$ 309,000</u>
Supplemental cash flow information:		
Cash paid for income taxes.....	<u>\$ 17,000</u>	<u>\$ 31,000</u>
Supplemental disclosure of noncash investing and financing activities:		
Right-of-use asset financing additions.....	<u>\$ -</u>	<u>\$ 115,000</u>
Right-of-use asset operating additions.....	<u>\$ 210,000</u>	<u>\$ 224,000</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

ORBIT INTERNATIONAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Nine Months Ended September 30, 2025 (unaudited) and Year Ended December 31, 2024

	Common Stock 10,000,000 Shares Authorized		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock		Total
	Shares Issued	Amount			Shares	Amount	
Balance at December 31, 2023	3,530,000	\$353,000	\$17,233,000	\$2,151,000	188,000	(\$1,224,000)	\$18,513,000
Purchase of treasury stock	-	-	-	-	25,000	(106,000)	(106,000)
Share-based compensation expense	-	-	13,000	-	-	-	13,000
Issuance of restricted stock	3,000	-	-	-	-	-	-
Retirement of treasury stock	(25,000)	(3,000)	(103,000)	-	(25,000)	106,000	-
Issuance of stock in lieu of cash-director compensation	6,000	1,000	28,000	-	-	-	29,000
Cash dividends	-	-	-	(34,000)	-	-	(34,000)
Net loss	-	-	-	(646,000)	-	-	(646,000)
Balance at December 31, 2024	3,514,000	\$351,000	\$17,171,000	\$1,471,000	188,000	\$(1,224,000)	\$17,769,000
Share-based compensation expense	-	-	10,000	-	-	-	10,000
Issuance of restricted stock	3,000	1,000	-	-	-	-	1,000
Issuance of stock in lieu of cash-director compensation	6,000	-	21,000	-	-	-	21,000
Net loss	-	-	-	(4,317,000)	-	-	(4,317,000)
Balance at September 30, 2025	3,523,000	\$352,000	\$17,202,000	\$(2,846,000)	188,000	\$(1,224,000)	\$13,484,000

The accompanying notes are an integral part of these condensed consolidated financial statements.

ORBIT INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

(NOTE 1) - Basis of Presentation and Summary of Significant Accounting Policies:

General

The interim financial information contained herein is unaudited. However, in the opinion of management, such information reflects all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods being reported. Additionally, it should be noted that the accompanying consolidated financial statements do not purport to contain complete disclosures required for annual financial statements in accordance with accounting principles generally accepted in the United States of America.

The results of operations for the nine months ended September 30, 2025 are not necessarily indicative of the results of operations that can be expected for the year ending December 31, 2025.

The December 31, 2024 balance sheet has been derived from the audited consolidated financial statements at that date but does not include all disclosures required by GAAP. These condensed consolidated statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024 contained in the Company's 2024 Annual Report filed with the OTC Pink Marketplace on March 31, 2025.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company maintains cash in bank deposit and brokerage accounts, which, at times, exceed federally insured limits. The Company has not experienced any losses on these accounts.

Allowance for Credit Losses

Accounts receivable are reported at their outstanding unpaid principal balances reduced by an allowance for credit losses. The Company accounts for its allowance for credit losses in accordance with Accounting Standards Codification ("ASC") Topic 326, *Financial Instruments-Credit Losses*, which essentially requires the earlier recognition of estimated credit losses on receivables. The Company estimates its allowance for credit losses based on the number of days outstanding of invoices comprising its accounts receivable at the balance sheet date, historical bad debts, factors related to specific customers' ability to pay, and current economic trends.

Inventories

Inventories, which consist of raw materials, work-in-process, and finished goods, are recorded at the lower of cost (average cost method) or net realizable value. Inventories are shown net of any reserves relating to any potential slow moving or obsolete inventory.

ORBIT INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(continued)

(NOTE 1) - Basis of Presentation and Summary of Significant Accounting Policies (continued):

Property and Equipment

Property and equipment is recorded at cost. Depreciation and amortization of the respective assets are computed using the straight-line method over their estimated useful lives ranging from 3 to 15 years. Leasehold improvements are amortized using the straight-line method over the remaining term of the lease or the estimated useful life of the improvement, whichever is less.

Long-Lived Assets

When impairment indicators are present, the Company reviews the carrying value of its long-lived assets in determining the ultimate recoverability of their unamortized values using future undiscounted cash flow analyses. In the event the future undiscounted cash flows of the long-lived asset are less than the carrying value, the Company will record an impairment charge for the difference between the carrying value and the fair value of the long-lived asset.

Goodwill

The Company records goodwill as the excess of purchase price over the fair value of identifiable net assets acquired. In accordance with ASC Topic 350, goodwill is not amortized but instead tested for impairment on at least an annual basis. The Company, where appropriate, will utilize Accounting Standards Update ("ASU") 2011-08 which allows the Company to not perform the one-step goodwill impairment test if it determines that it is not more likely than not that the fair value of the reporting unit is less than the carrying amount based on a qualitative assessment of the reporting unit. The Company's annual goodwill impairment test is performed in the fourth quarter each year or sooner when impairment indicators are present. If the goodwill is deemed to be impaired, the difference between the carrying amount reflected in the financial statements and the estimated fair value is recognized as an expense in the period in which the impairment occurs. In determining the recoverability of goodwill, assumptions are made regarding estimated future cash flows and other factors to determine the fair value of the assets.

Income Taxes

The Company recognizes deferred tax assets and liabilities in accordance with ASC Topic 740 based on the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

ORBIT INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(continued)

(NOTE 1) - Basis of Presentation and Summary of Significant Accounting Policies
(continued):

Valuation allowances have been established to reduce deferred tax assets to the amount expected to be realized. The Company evaluates uncertain tax positions and accounts for such items in accordance with ASC 740-10. The Company is subject to federal income taxes and files a consolidated U.S. federal income tax return. In addition to the federal tax return, the Company files income tax returns in various state jurisdictions on both an unconsolidated and consolidated basis depending on the respective state. The Company is subject to routine income tax audits in various jurisdictions and tax returns remain open to examination by such taxing authorities in accordance with their respective statutes.

Revenue and Cost Recognition

The Company recognizes revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. The core principle of this Topic is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company recognizes revenue when control transfers to its customer. The Company has determined that control transfers to its customers over time when a contract contains an enforceable right to payment for performance completed to date, such as a termination for convenience provision, and when the manufactured product has no alternative use. The Company has determined that it has no alternative use for its product when it reaches the finished good/top assembly stage. Before that point, the product is considered inventory. The Company recognizes revenue over time using an output method based on units shipped with an adjustment to revenue and ending inventory for any product where control has deemed to transfer to the customer. The adjustment to revenue is based on the stand-alone selling price of the unit multiplied by the equivalent number of units in ending inventory. The adjustment to ending inventory and cost of sales is based on the estimated material, direct labor and overhead costs associated with the units in ending inventory. The Company recognizes revenue at a point in time (when shipped) for all other contracts that either do not contain an enforceable right to payment for performance completed to date or where the top assembly/finished good has alternative use. The timing of revenue recognition for all of the Company's contracts, which include revenue recognized at a point in time as well as over time, is primarily related to the customer delivery schedules outlined in its contracts. Revenue may be recognized sooner on contracts accounted for over time since product may be in the finished goods or top assembly stage for a short period of time before shipment is made. This may overlap a financial reporting period causing revenue to be recognized, if certain conditions are met, on certain finished goods or top assembly inventory.

ORBIT INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(continued)

(NOTE 1) - Basis of Presentation and Summary of Significant Accounting Policies
(continued):

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue as of a point in time or over time. The Company's remaining performance obligations, which it refers to as its backlog, was \$12,737,000 at September 30, 2025. The period of performance for its backlog, pursuant to current delivery schedules, is estimated to be approximately \$5,321,000 in 2025 and \$7,416,000 in 2026.

The Company's contract liabilities at September 30, 2025 and December 31, 2024 consist of advance payments from customers in the amount of \$93,000 and \$296,000, respectively. The Company's contract assets account represents revenue that it has recognized but has not yet shipped or billed its customer for. This account will be reversed, and accounts receivable will be increased when the Company ships its product and invoices its customer. The Company's payment terms with its customers are typically net 30 days. Most contracts are for products made to customer specifications with no right of return. All units are shipped with a one-year warranty.

The following table summarizes our contract assets balances:

Contract Assets-January 1, 2025	\$ 643,000
Contract Assets-September 30, 2025	\$ 673,000
Change	\$ 30,000

The increase in the contract assets account from January 1, 2025 to September 30, 2025 was primarily the result of an increase in revenue recognized over time on finished good/top assembly inventory at September 30, 2025 principally related to an effort to meet customer delivery schedules for the remainder of 2025 and the first quarter of 2026.

Advertising

The Company elects to expense advertising as incurred. The Company recorded \$81,000 and \$45,000 of advertising expense during the nine month periods ending September 30, 2025 and September 30, 2024, respectively.

Stock-Based Compensation

The Company accounts for stock-based compensation awards, settled in stock, based on the fair value of the awards on the date of grant and expenses such compensation over the vesting periods of the awards. The Company accounts for stock-based compensation awards, settled in cash (e.g. Stock Appreciation Rights "SARS"), based on the fair value of such awards at each reporting period and expenses such compensation over the requisite service period.

ORBIT INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(continued)

(NOTE 1) - Basis of Presentation and Summary of Significant Accounting Policies (continued):

Leases

The Company accounts for its operating leases under ASC Topic 842, *Leases*.

Fair value measurement

Fair value is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. GAAP specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. These two types of inputs have created the following fair-value hierarchy:

Level 1- Quoted prices for identical instruments in active markets;

Level 2- Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3- Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The only recurring asset or liability that the Company records at fair value is the Company's stock based compensation settled in cash ("SARS") which was valued at \$0 as of September 30, 2025 and December 31, 2024, respectively.

(Note 2) - Stock-Based Compensation:

The Company has two stock-based employee compensation arrangements with an executive officer. The arrangements were effective January 1, 2021 upon the renewal of the executive officer's employment contract. One arrangement entitles the executive officer to discretionary annual grants of up to 10,000 shares of restricted stock based upon the attainment of certain strategic goals and objectives as determined by the Company's Compensation Committee. The second arrangement granted SARS to the executive as follows: 50,000 have an exercise price of seven (\$7.00) dollars per share and 100,000 have an exercise price of eight (\$8.00) dollars per share. All SARS were granted on January 1, 2021 and fully vested on the third anniversary date (January 1, 2024) following the effective date (January 1, 2021). Exercise date ends on the earlier of the one-year anniversary of the date that the executive's continuous service ends or a change in control. The SARS will be settled in cash, if applicable.

ORBIT INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(continued)

(Note 2) - Stock-Based Compensation (continued):

The Company will record stock-based compensation expense relating to the restricted stock grant when restricted stock is granted to the executive. The Compensation Committee did not grant any restricted stock to the executive in 2025 and 2024.

For the nine months ended September 30, 2025 and 2024, the Company recorded \$0, respectively, of stock compensation expense, relating to the SARS grant. The Company also recorded a corresponding liability of \$0 at September 30, 2025 and December 31, 2024, respectively. The fair value of the SARS grant was \$0 at September 30, 2025 and December 31, 2024 since the exercise prices for both the 50,000 and 100,000 SARS grants were greater than the Company's share price at September 30, 2025.

On January 1, 2025, the Company's Board of Directors granted 1,000 shares of restricted stock to each of its three independent directors as part of their annual compensation. The grant date share price was \$4.38 and the grant had a total value of approximately \$13,000, which will be recorded to stock compensation expense over the requisite service period which is between the grant date (January 1, 2025) and the vesting date of the restricted stock award (January 1, 2026).

On January 1, 2024, the Company's Board of Directors granted 1,000 shares of restricted stock to each of its three independent directors as part of their annual compensation. The grant date share price was \$4.51 and the grant had a total value of approximately \$14,000, which was recorded to stock compensation expense over the requisite service period which was between the grant date (January 1, 2024) and the vesting date of the restricted stock award (January 1, 2025).

For the nine and three months ended September 30, 2025, the Company recorded \$10,000 and \$3,000, respectively, of stock-based compensation expense relating to these independent director restricted stock grants. For the nine and three months ended September 30, 2024, the Company recorded \$10,000 and \$3,000, respectively, of stock-based compensation expense relating to these independent director restricted stock grants.

Beginning January 2023, one of the Company's outside directors elected to receive his director compensation in the form of the Company's stock in lieu of cash. This election resulted in the issuance of approximately 6,000 and 4,000 shares of the Company's stock during the nine months ended September 30, 2025 and 2024, respectively.

ORBIT INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(continued)

(NOTE 3) - Debt:

The Company has a committed line of credit ("Credit Agreement") for up to \$4,000,000 with M&T Bank. This line of credit is for the Company's general working capital needs and has an expiration date of September 1, 2026.

The Company was not in compliance with certain financial covenants during all of the reporting periods in 2023 and the first three quarterly periods in 2024. The Company requested waivers from M&T Bank for the covenant non-compliances. Additionally, the Company requested that both of its financial covenants be amended in its Credit Agreement for certain reporting periods in 2024 and 2025.

M&T Bank agreed to the Company's request for waivers and amendments to the Credit Agreement and in October 2024, the Company and M&T Bank entered into a Modification, Waiver and Forbearance Agreement which modified the Credit Agreement as follows: i) waived the Company's noncompliance with its financial covenants during certain reporting periods in 2023 and 2024, ii) modified the Company's financial covenants beginning with the quarterly and six-month reporting periods ending December 31, 2024, iii) reduced the line of credit amount to \$4,000,000 from \$6,000,000 and, iv) the Company paid a Modification and Forbearance fee of \$20,000. The Company was in compliance with its financial covenants at December 31, 2024.

The Company was not in compliance with certain financial covenants during the quarters ended March 31, 2025 and June 30, 2025. The Company requested waivers from M&T Bank for the covenant non-compliances. Additionally, the Company requested that both of its amended financial covenants be further amended in its Credit Agreement for certain reporting periods commencing in the third quarter of 2025.

M&T Bank agreed to the Company's request for waivers and amendments to the Credit Agreement and in August 2025, the Company and M&T Bank entered into a Second Modification, Waiver and Forbearance Agreement which modified the Credit Agreement as follows: i) waived the Company's noncompliance with its financial covenants during the quarters ended March 31, 2025 and June 30, 2025, ii) modified the Company's financial covenants beginning with the quarterly reporting period ending September 30, 2025, iii) extended the expiration date of the Credit Agreement to September 1, 2026 and, iv) the Company paid a Modification and Forbearance fee of \$25,000. The Company was in compliance with its amended financial covenants at September 30, 2025.

Payment of interest on the line of credit is due at the lender's prime lending rate (7.25% at September 30, 2025). The line of credit is collateralized by a first priority security interest in all of the Company's tangible and intangible assets. The Company had borrowings of \$3,300,000 under the line of credit at September 30, 2025. The Company had \$700,000 of availability under its line of credit at September 30, 2025.

ORBIT INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(continued)

(NOTE 3) - Debt (continued):

The Credit Agreement contains customary affirmative and negative covenants and certain financial covenants. Additionally, available borrowings under the line of credit are subject to a borrowing base of eligible accounts receivable and inventory. All outstanding borrowings under the line of credit are accelerated and become immediately due and payable (and the line of credit terminates) in the event of a default, as defined, under the Credit Agreement.

(NOTE 4) - Leases:

The Company accounts for its operating and financing leases under ASC Topic 842. As a practical expedient, the Company has determined that certain leases are immaterial if, at lease commencement the term is less than one (1) year and/or the present value of the lease payments are under a certain threshold considered to be material to the Company's balance sheet.

The Company's leases include its manufacturing facilities located in Hauppauge, NY and Carson CA, certain office and production equipment and certain other leases deemed immaterial to the Company's consolidated balance sheet.

The Company's weighted average lease term for its operating leases was 2.42 and 3.01 years at September 30, 2025 and 2024, respectively. The Company's weighted average discount rate for its operating leases was 5.00% and 4.30% at September 30, 2025 and 2024, respectively. The discount rate within the Company's leases are not generally determinable, therefore the Company uses its incremental borrowing rate.

The Company's lease expense for all operating leases for the nine and three months ending September 30, 2025 was \$607,000 and \$194,000, respectively. For the comparable prior year nine and three month periods, the Company's lease expense for all operating leases was \$559,000 and \$186,000, respectively.

Future minimum lease payments as of September 30, 2025 under all operating lease agreements are as follows:

Year	Minimum Lease Payments- Operating Leases
Remainder of 2025	\$ 220,000
2026	887,000
2027	893,000
2028	197,000
2029	3,000
2030	3,000
Total minimum lease payments- Operating leases-undiscounted	2,203,000

Reconciliation of the undiscounted cash flows in the maturity analysis above and the lease liabilities-operating leases recognized in the consolidated balance sheet as of September 30, 2025, is as follows:

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(NOTE 4) - Leases (continued):

Total minimum lease payments- Operating leases undiscounted	\$2,203,000
Immaterial leases	(21,000)
Discount effect of cash flows	(140,000)
Lease liabilities-Operating leases per balance sheet	\$2,042,000

The Company's SPS subsidiary entered into a finance lease in January 2024 for the use of production equipment. Currently, this is the Company's only finance lease. The lease term is for 36 months, from January 2024 through December 2026, and has 15 months remaining as of September 30, 2025. The lease payment is approximately \$4,000 per month at an interest rate of 8.16% and the Company recognized approximately \$4,000 and \$1,000 of associated interest expense during the nine and three months ended September 30, 2025, respectively. Upon entering into this finance lease in January 2024, the Company recorded a right of use ("ROU") asset and lease liabilities which have balances at September 30, 2025 of \$48,000 and \$52,000, respectively. The Company recorded amortization expense of approximately \$29,000 and \$10,000 during the nine and three months ended September 30, 2025, respectively, relating to the ROU asset.

(NOTE 5) - Net Income (Loss) Per Common Share:

The following table sets forth the computation of basic and diluted net income (loss) per common share:

	Nine Months Ended		Three Months Ended	
	September 30,		September 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Denominator:				
Denominator for basic and diluted net income (loss) per share-weighted-average common shares.....	3,330,000	3,345,000	3,332,000	3,346,000
Effect of dilutive securities:				
Nonvested restricted stock.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
Denominator for basic and diluted net income (loss) per share-weighted-average common shares and assumed conversion.....	<u>3,330,000</u>	<u>3,345,000</u>	<u>3,332,000</u>	<u>3,349,000</u>

The numerator for basic and diluted net income (loss) per share for the nine and three month periods ended September 30, 2025 and 2024 is the net income (loss) for each period.

During the nine and three months ended September 30, 2025 and during the nine months ended September 30, 2024, the Company had a net loss and therefore did not include, respectively, 3,000 incremental common shares in its calculation of diluted net loss per common share since an inclusion of such securities would be anti-dilutive.

Approximately 3,000 shares of common stock were outstanding at September 30, 2025 and 2024 but were not included in the computation of basic net income (loss) per share. These shares were excluded because they represent the unvested portion of restricted stock awards.

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(NOTE 6) - Cost of Sales:

For interim periods, the Company estimates certain components of its inventory and related gross profit.

(NOTE 7) - Inventories:

Inventories are comprised of the following:

	September 30, <u>2025</u>	December 31, <u>2024</u>
Raw materials.....	\$ 6,133,000	\$ 6,115,000
Work-in-process.....	2,949,000	2,520,000
Finished goods.....	<u>374,000</u>	<u>249,000</u>
TOTAL	<u>\$ 9,456,000</u>	<u>\$ 8,884,000</u>

(NOTE 8) - Business Segments:

The Company conducts its operations through two business segments, the Electronics Segment (or "Electronics Group") and the Power Units Segment (or "Power Group"). The Electronics Group is comprised of the Company's Orbit Instrument and Tulip Development Laboratory ("TDL") Divisions and Simulator Product Solutions LLC ("SPS") and Q-Vio Corp. ("Q-Vio") subsidiaries. Through its Orbit Instrument and TDL Divisions, the Company is engaged in the design, manufacture and sale of customized electronic components and subsystems. Through its SPS subsidiary, the Company is engaged in the manufacturer of military simulation and training bezels, electronic control assemblies and multi-function displays. Through its Q-Vio subsidiary, the Company is engaged in the design and enhancement of LCD display modules. The Power Group is comprised of Behlman and is engaged in the design and manufacture of high-quality commercial power units, AC power, frequency converters, and commercial-off-the-shelf ("COTS") power solutions.

The Company's reportable segments are business units that offer different products with each segment utilizing its own direct labor personnel. The Company's reportable segments are each managed separately as they manufacture and distribute distinct products with different production processes. Management and the Company's President and Chief Executive Officer, who is also the Chief Operating Decision Maker ("CODM"), evaluate the performance of the Company's reportable segments based on each segment's revenue and profitability. The CODM will make various business and financial decisions based on the performance of the Company's reportable segments, such as determining the appropriate pricing of the Company's products and services and determining the adequacy of personnel and the focus of sales and marketing efforts.

The following is the Company's business segment information for the nine and three month periods ended September 30, 2025 and 2024:

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(NOTE 8) - Business Segments (continued):

	Nine Months Ended September 30,		Three Months Ended September 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Net sales:				
Electronics Group.....				
Domestic.....	\$9,453,000	\$13,920,000	\$ 4,209,000	\$5,760,000
Foreign.....	<u>429,000</u>	<u>424,000</u>	<u>218,000</u>	<u>318,000</u>
Total Electronics.....	<u>\$9,882,000</u>	<u>14,344,000</u>	<u>4,427,000</u>	<u>6,078,000</u>
Power Group.....				
Domestic.....	\$5,353,000	\$ 6,711,000	\$ 1,302,000	\$2,298,000
Foreign.....	<u>489,000</u>	<u>135,000</u>	<u>56,000</u>	<u>38,000</u>
Total Power Group.....	<u>\$5,842,000</u>	<u>\$ 6,846,000</u>	<u>\$ 1,358,000</u>	<u>\$2,336,000</u>
Total net sales.....	<u>\$15,724,000</u>	<u>\$21,190,000</u>	<u>\$ 5,785,000</u>	<u>\$8,414,000</u>
Cost of Sales:				
Electronics Group.....	7,631,000	9,399,000	2,912,000	3,632,000
Power Group.....	<u>4,260,000</u>	<u>4,851,000</u>	<u>1,028,000</u>	<u>1,687,000</u>
Total cost of sales.....	<u>\$11,891,000</u>	<u>\$14,250,000</u>	<u>\$ 3,940,000</u>	<u>\$5,319,000</u>
Gross profit:				
Electronics Group.....	2,251,000	4,945,000	1,515,000	2,446,000
Power Group.....	<u>1,582,000</u>	<u>1,995,000</u>	<u>330,000</u>	<u>649,000</u>
Total gross profit.....	<u>\$3,833,000</u>	<u>\$ 6,940,000</u>	<u>\$ 1,845,000</u>	<u>\$3,095,000</u>
Selling, general and administrative expenses ("SG&A"):				
Electronics Group.....	5,430,000	4,993,000	1,752,000	1,665,000
Power Group.....	1,781,000	2,024,000	556,000	652,000
General corporate expenses not allocated.....	<u>662,000</u>	<u>681,000</u>	<u>217,000</u>	<u>207,000</u>
Total SG&A.....	<u>\$7,873,000</u>	<u>\$ 7,698,000</u>	<u>\$ 2,525,000</u>	<u>\$2,524,000</u>
Operating income (loss):				
Electronics Group.....	(3,179,000)	(48,000)	(237,000)	781,000
Power Group.....	(199,000)	(29,000)	(226,000)	(3,000)
General corporate expenses not allocated.....	<u>(662,000)</u>	<u>(681,000)</u>	<u>(217,000)</u>	<u>(207,000)</u>
Total operating (loss) income	<u>\$ (4,040,000)</u>	<u>\$ (758,000)</u>	<u>\$ (680,000)</u>	<u>\$ 571,000</u>
(Loss) income before income tax expense (benefit):				
Interest expense.....	(106,000)	(33,000)	(54,000)	(19,000)
Other income (expense), net	<u>(40,000)</u>	<u>433,000</u>	<u>(18,000)</u>	<u>6,000</u>
(Loss) income before income tax expense (benefit).....	<u>\$ (4,186,000)</u>	<u>\$ (358,000)</u>	<u>\$ (752,000)</u>	<u>\$ 558,000</u>

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(NOTE 9) - Intangible Assets and Goodwill:

In accordance with ASC Topic 350, the Company amortizes intangible assets with a finite life over their useful life and goodwill is not amortized but evaluated for impairment.

As of September 30, 2025, the Company's intangible assets and goodwill consists of the following:

<u>Description</u>	<u>Estimated Useful Life</u>	<u>Gross Carrying Value</u>	<u>Accumulated Amortization</u>	<u>Accumulated Impairment</u>	<u>Net Carrying Value</u>
Goodwill	N/A	\$3,515,000	\$ -	\$ -	\$ 3,515,000
Customer relationships	15 years	2,287,000	572,000	-	1,715,000
Trade name	10 years	627,000	235,000	-	392,000
Noncompete agreement	5 years	134,000	101,000	-	33,000
		<u>\$6,563,000</u>	<u>\$ 908,000</u>	<u>-</u>	<u>\$5,655,000</u>

As of December 31, 2024, the Company's goodwill consists of the following:

<u>Description</u>	<u>Estimated Useful Life</u>	<u>Gross Carrying Value</u>	<u>Accumulated Amortization</u>	<u>Accumulated Impairment</u>	<u>Net Carrying Value</u>
Goodwill	N/A	\$3,515,000	\$ -	\$ -	\$ 3,515,000
Customer relationships	15 years	2,287,000	458,000	-	1,829,000
Trade name	10 years	627,000	188,000	-	439,000
Noncompete agreement	5 years	134,000	80,000	-	54,000
		<u>\$6,563,000</u>	<u>\$ 726,000</u>	<u>-</u>	<u>\$5,837,000</u>

Amortization expense on the Company's intangible assets with finite lives is expected to be as follows:

2025 remainder	\$ 60,000
2026	242,000
2027	215,000
2028	215,000
2029	215,000
2030 and thereafter	\$1,193,000

The Company recognized amortization expense relating to its intangible assets of \$182,000 and \$61,000 for the nine months and three months ended September 30, 2025 and 2024, respectively.

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(NOTE 10) - Income Taxes:

For the nine and three months ended September 30, 2025, the Company recorded income tax expense of approximately \$131,000 and \$123,000, respectively, relating to a deferred tax expense and state income and minimum tax expense. At September 30, 2025, the, the Company increased the valuation allowance on its deferred tax asset by recording a \$100,000 deferred tax expense, which resulted in a net deferred tax asset of \$0. The increase in the valuation allowance was recorded as a result of the conclusion that the Company, more likely than not, will not generate sufficient future taxable income to utilize all of its net operating loss carryforwards and other temporary differences. The conclusion was based on the Company's cumulative pre-tax losses for the three most recent years. For the nine and three months ended September 30, 2024, the Company recorded income tax expense of approximately \$36,000 and \$0, respectively, relating to state income and minimum tax expense. As of September 30, 2025, the Company has no material uncertain tax positions.

(NOTE 11) - Equity:

In May 2023, the Company's stock was moved from the OTC Pink Market to the OTC Expert Market. As a result, the Company's Board of Directors decided to suspend its 2022 10b5-1 Plan, effective May 16, 2023, until the Company's reinstatement onto the OTC Pink Market was finalized. The Company filed its 2022 Annual Report on March 11, 2024, and filed its 2023 Annual Report on April 16, 2024. On October 4, 2024, the Company was reinstated by FINRA and began trading again on the OTC Pink Market, which has since been renamed the OTCID Basic Market. However, the Company's Board of Directors, has not yet determined to reinstate its buyback program.

(NOTE 12) - Cash Dividends:

In March 2024, the Company's Board of Directors declared a quarterly dividend of \$0.01 per share payable to stockholders of record as of March 31, 2024 with a payment date of April 5, 2024. The total cash dividend amounted to approximately \$33,000.

The Company has not declared a cash dividend since March 2024 and the Company's Board of Directors has not yet determined to reinstate its cash dividend payments.

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(NOTE 13) - Contingent Liability:

The Company recorded a contingent liability of \$1,425,000 and \$1,362,000 at September 30, 2025 and December 31, 2024, respectively. This contingent liability represents the Company's best estimate of its potential liability in connection with a lawsuit filed in Delaware Court of Chancery by the former President of SPS. The lawsuit alleges additional amounts owed under the Contribution and Operating Agreements relating to the acquisition of SPS. The Company believes it has abided by the terms of both agreements and is vigorously opposing the claims asserted in the lawsuit. Although the parties have been engaged in settlement discussions, these discussions have not yet been successful. Formal discovery demands have been made and there is no assurance that the lawsuit will be settled. Moreover, if it is settled, it might be settled for an amount different than the amount accrued at September 30, 2025.