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Cemtrex Reports Fourth Quarter and Full Year 2021 Financial Results

Fourth Quarter Revenues Increase 37% to \$14.7 Million

Brooklyn, NY, Jan. 24, 2022 (GLOBE NEWSWIRE) -- - [Cemtrex Inc.](#) (NASDAQ: CETX, CETXP, CETXW), a technology company driving innovation in Internet of Things (IoT), security, machine vision & artificial intelligence, and augmented & virtual reality, has reported its financial and operational results for the fourth quarter and year ended September 30, 2021.

Key Fourth Quarter 2021 Highlights

- Launched the SmartDesk Connect D, a new version that extends compatibility to more devices including most mid- to high-end laptops, Apple® M1 products and select Microsoft Surface® devices.
- Bravo Strong has continued with the development of first VR game and expects a beta release of StarForceVR in Oculus Quest App Lab in CY22 Q1.
- Appointed independent directors Chris Wagner, a technology expert in the video internet streaming industry, and Manpreet Singh, CFA, founder and Chief Investment Officer of Singh Capital Partners, to the Board of Directors.
- Presented at the Imperial Capital 2021 Security Investor Conference.

Management Commentary

Cemtrex's Chairman and CEO, Saagar Govil, commented on the results: "The fourth quarter of 2021 continued the positive trend across our segments, with revenue for the quarter improving 37% from the fourth quarter of 2020 and 42% sequentially from the third quarter of 2021. For the year, revenues decreased slightly as we saw an improving business climate and a return to normalcy despite the ongoing pandemic uncertainty. During 2021, we remained focused on our top line growth with investments in sales and marketing program and ongoing research and development.

"Our Vicon brand continued to improve its video surveillance solutions for commercial, industrial, and government applications, with new releases this year including a NDAA compliant state-of-the-art camera line, a new high end sever line, and a 360-degree multisensor camera and thermal kiosk camera. Vicon will be launching a proprietary AI based analytics solution later this year as well as major improvements to its core software platform Valerus.

"During the quarter we saw an increase in sales for our SmartDesk and IoT products, mostly as a result of the release of the improved SmartDesk Connect product that allows users to use their own laptop instead of a built-in PC. Supply chain and delivery issues over the first half of the year continue to improve, and we are now ramping up our sales and marketing

efforts.

“The addition of the Virtual Driver Interactive product line also drove revenues in the fourth quarter, with its comprehensive training for new teen and novice drivers, along with advanced training for corporate fleets and truck drivers.

“We strengthened our board of directors with the addition of three talented individuals and respected technology experts to expand the breadth and depth of our reach as a Company. We also completed a two year audit which gives us confidence in our financial results going forward and we’re pleased to put the restatement behind us now.

“Looking ahead, we are continuing to develop new solutions utilizing our Advanced Technologies Segment’s proprietary technology, including Virtual Reality, SmartDesk, and Artificial Intelligence (AI) based, next generation technology associated with security and surveillance systems software. Our VR investments are especially timely with the recent focus on the Metaverse and its opportunities as this technology matures. Our CXR, Virtual Driver Interactive, and Bravo Strong brands are well positioned in the AR/VR space to capitalize on this revolutionary transition.”

“Upcoming exciting new products and solutions over the next year will drive our development roadmap of next generation high tech products in IoT, AR & VR, as well as in Artificial Intelligence and Machine Vision for security applications. We remain positive are well positioned for long-term growth and remain optimistic that our revenue will continue to trend upward,” concluded Govil.

Fourth Quarter and Full Year 2021 Financial Results

Revenue for the full year of 2021 totaled \$43.1 million, compared to revenue of \$43.5 million for the full year of 2020, a 1% decrease year over year. Revenues for the fourth quarter of 2021 were \$14.7 million, compared to \$10.7 million in the fourth quarter of 2020, an increase of 37%. The decrease in revenue for the year was due to sales decrease in the Advanced Technology Segment, offset by increases in the Industrial Services Segment. The Advanced Technologies segment revenues for the years ended September 30, 2021, and 2020 were \$24.2 million and \$25.8 million, respectively, a decrease of 6%. Industrial Services segment revenues for the full year 2021 increased by 7%, to \$19.0 million, primarily due to the increase in demand for services as the COVID-19 crisis receded during fiscal year 2021.

Gross profit for the full year of 2021 was \$17.2 million, or 40% of revenues, of which the fourth quarter contributed \$4.9 million. The Company's 2021 gross margin decrease was a result of the sale of products and services with lower profit margins.

Total operating expenses for 2021 were \$25.7 million, of which \$7.3 million were incurred in the fourth quarter. Total operating expenses for 2020 totaled \$22.2 million. The increase in total operating expenses was primarily driven by increases in personnel costs, insurance and research and development, offset by savings measures enacted during the fiscal year.

Net loss for the full year of 2021 was \$6.7 million, as compared to a net loss of \$8.9 million in 2020. Net loss in the fourth quarter of 2021 totaled \$7.9 million compared to a net loss of \$3.1 million in the fourth quarter of 2020.

Cash and cash equivalents totaled \$15.4 million at September 30, 2021, as compared to \$12.9 million at June 30, 2021 and \$19.5 million at September 30, 2020.

About Cemtrex

Cemtrex, Inc. (CETX) is a leading multi-industry technology company that is driving innovation in markets such as Internet of Things (IoT), Augmented and Virtual Reality (AR & VR), and Artificial Intelligence and Computer Vision (AI & CV) in a wide range of sectors, including consumer products, industrial manufacturing, digital applications, and intelligent security & surveillance systems. www.cemtrex.com.

Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to the closing of an offering, gross proceeds from an offering, our new product offerings, expected use of proceeds, or any proposed fundraising activities. These forward-looking statements are based on management’s current expectations and are subject to certain risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by such forward looking statements. Statements made herein are as of the date of this press release and should not be relied upon as of any subsequent date. These risks and uncertainties are discussed under the heading “Risk Factors” contained in our Form 10-K filed with the Securities and Exchange Commission. All information in this press release is as of the date of the release and we undertake no duty to update this information unless required by law.

Investor Relations
Chris Tyson
Executive Vice President - MZ North America
Direct: 949-491-8235
CETX@mzgroup.us
www.mzgroup.us



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