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# Orbital Tracking Corp. Reports Profitable First Quarter 2016 Financial Results

## Quarterly Revenue Increases 62% and Gross Margins Improve 34% Driven by Increased Subscription-Based Revenue

AVENTURA, FL -- (Marketwired) -- 05/16/16 -- Orbital Tracking Corp. (OTCQB: TRKK) ("Orbital Tracking" or the "Company"), today reported financial results for the three months ended March 31, 2016.

### *First Quarter 2016 Highlights*

- Late in the first quarter, the Company announced that it developed its first global tracking product, a dual-mode asset tracker, which will be available in the marketplace later this year following final testing and receipt of necessary regulatory and compatibility certifications. The first product designed and developed by the Company, the dual-mode tracker utilizes both cellular and satellite technology to provide truly global tracking, automatically switching between the cellular and satellite links making it an ideal solution for use in a wide array of commercial applications including in transportation, shipping, logistics, fleet management and construction.
- In February, in partnership with Globalstar Europe Satellite Services Ltd., a wholly owned subsidiary of Globalstar Inc., the Company's Global Telesat Communications ("GTC") subsidiary signed its latest government contract, a sales and support agreement with the UK Forestry Commission in connection with its purchase of up to 550 SPOT Gen3™ messengers for its remote field staff.
- During the first quarter, the Company continued its global expansion with the launch of its first Asian marketplace on Amazon Japan. The launch of GTC Japan is the second international marketplace launched by the Company in the last two quarters and serves as the gateway for further expansion throughout Asia and into the Chinese market.

"The first quarter of 2016 continues the robust year-over-year and sequential growth trends established in our business late last year and reflects the large potential we see in global markets for mobile satellite services," said David Phipps, Chief Executive Officer of Orbital Tracking Corp. "As now being demonstrated in our financial results, our continued growth in product sales is producing a meaning shift in our business, one towards higher-margin, recurring revenue based on airtime usage from our growing customer base. Looking ahead to the remainder of 2016, we have reason to be optimistic that demand for our products remain strong and that top line revenue will to grow while margins continue to improve."

### *First Quarter 2016 Financial Results*

For the first quarter ended March 31, 2016, consolidated revenues increased by 62% to approximately \$1,295,264 as compared to \$799,698 reported for the quarter ended March 31, 2015.

Comparable revenue increased 35.8% and 204.9% for the Company's wholly owned subsidiaries, GTC and Orbital Satcom Corp., for the three months ended March 31, 2016. Total sales for GTC were \$922,223 for the three months ended March 31, 2016 as compared to \$679,112 for the three months ended March 31, 2015, an increase of \$243,111 or 35.8%. Total sales for Orbital Satcom Corp. were \$367,771 for the three months ended March 31, 2016 as compared to \$120,586 for the three months ended March 31, 2015, an increase of \$247,185 or 205%.

Results in the quarter were driven by the addition of new international marketplaces, continued growth across all geographies and the addition of increasing recurring revenue derived from a 33.1% increase in monthly contract customers versus the year ago period. Sales in the quarter at the Company's third-party e-commerce sites increased by 63.5% in the UK, by 21.4% in the EU and by 5.0% in the US.

Net income for the quarter ended March 31, 2016 was approximately \$59,946 as compared to a net loss of approximately \$421,982 in the comparable quarter of 2015. Comprehensive income was \$61,985 for the quarter, as the Company recorded a gain for foreign currency translation adjustments for the three months ended March 31, 2016 of \$2,039, as compared to a comprehensive loss of \$422,466, for the three months ended March 31, 2015.

The results of the quarter reflect improved sales, offset by significant increases in expenses related to the expansion

of the business, expenses not expected to materially increase throughout the remainder of 2016. Also positively impacting first quarter 2016 results was the elimination of non-cash stock compensation expenses offset by higher professional fees.

### ***About Orbital Tracking Corp.***

Orbital Tracking Corp. provides satellite based tracking, services as well as mobile voice and data communications services globally via satellite to the commercial and government users. Orbital specializes in services related to the Globalstar satellite constellation, including ground station construction, simplex tracking services and satellite telecommunications voice airtime. Orbital operates various e-commerce retail and tracking portals where users around the world can purchase satellite hardware and track assets in real-time on mobile devices or PCs. For more information regarding Orbital, please visit [www.OrbitalTracking.com](http://www.OrbitalTracking.com).

### ***Forward-Looking Statements***

Certain statements in this release constitute forward-looking statements. These statements include the capabilities and success of the Company's business and any of its products, services or solutions. The words "believe," "forecast," "project," "intend," "expect," "plan," "should," "would," and similar expressions and all statements, which are not historical facts, are intended to identify forward-looking statements. These forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors, any of which could cause the Company to not achieve some or all of its goals or the Company's previously reported actual results, performance (finance or operating) to change or differ from future results, performance (financing and operating) or achievements, including those expressed or implied by such forward-looking statements. More detailed information about the Company and the risk factors that may affect the realization of forward-looking statements is set forth in the Company's filings with the SEC, copies of which may be obtained from the SEC's website at [www.sec.gov](http://www.sec.gov). The Company assumes no, and hereby disclaims any, obligation to update the forward-looking statements contained in this press release.

#### Contacts:

Michael Glickman  
MWGCO, Inc.  
917-397-2272  
[mike@mwgco.net](mailto:mike@mwgco.net)

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