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Orbital Tracking Corp. Announces Full-Year 2018 Results

AVENTURA, FL / ACCESSWIRE / March 29, 2019 /Orbital Tracking Corp. (OTCQB: TRKK) ("Orbital Tracking" or the "Company") today reported financial results for its fiscal year ended December 31, 2018.

2018 Company Highlights

- The Company experienced continued strong demand for its products in European markets, resulting in record sales in many areas. The Company's focus on e-commerce sales again contributed heavily towards total sales revenue.
- Sales achieved from recurring revenue airtime contracts and prepaid airtime reached a record high, exceeding 40% of the Company's total revenue during the year. The Company also experienced strong growth in its highly profitable rental service, and from recently introduced product lines such as Personal Locator Beacons, which contributed to more than 10% of the Company's revenue during the year.
- The Company was been recognized by its inclusion on [Deloitte's Technology Fast 500™](#), a ranking of the 500 fastest growing technology, media, telecommunications, life sciences and energy tech companies in North America.
- Sales in North America declined as a result of exceptional sales during the previous year, and insufficient working capital to fund advertising, promotional activities and increase its sales presence in the region. This contributed to a small decline in the Company's total consolidated annual revenue for the year as compared to the previous year.
- The Company raised \$500,000 from existing investors through the issuance and sale of Series J and Series L Convertible Preferred Stock to support continued international expansion, additional product lines, increase inventory levels, and cover public company expenses while the Company moves closer to profitability.

Commenting on the Company's results, David Phipps, its Chief Executive Officer said, "Although the Company continued to face many challenges during the year and was unable to fully implement the majority of its expansion plans due to insufficient working capital, we are pleased to have maintained upward momentum in some important areas, including recurring airtime revenue. The global demand for our products remains strong and we attracted thousands of new corporate, individual, reseller and government customers from around the world during 2018. We aim to successfully implement our growth plans during 2019, which include launching new products, expanding into new markets and opening additional storefronts and sales offices."

2018 Financial Results

For the year ended December 31, 2018, the Company's consolidated revenues decreased by 4.6% to approximately \$5,726,572 from \$6,004,955, as reported for the year ended December 31, 2017. This decrease in sales was attributable to significant one-time contracts and awards during 2017, totaling \$476,439, which were not repeated during 2018, and extreme weather conditions during 2017, which resulted in a significant increase in sales during the 2017 hurricane season. For the 2017 hurricane season, sales were \$1,635,834 for the three-month period, as compared to \$1,329,549 for the same three-month period in 2018, a sales decrease of \$306,285 or 18.7%.

For the year ended December 31, 2018, comparable sales by subsidiary are as follows; GTCL, the Company's UK-based subsidiary, decreased 1.7% or \$69,582 to \$3,921,378 from \$3,990,960. The UK comparable sales in GBP, the home currency, decreased 2.4% or £72,892, from £3,098,112 to £3,025,220 for the year ended December 31, 2018, as compared to December 31, 2017. Orbital Satcom Corp., the Company's US-based subsidiary, decreased 10.4% or \$208,801 to \$1,805,194 from \$2,013,995.

The net loss reported for 2018 was approximately \$1,194,706, as compared to a net loss of approximately \$3,939,309 for fiscal 2017. The factors contributing to the decrease in loss for the year ended December 2018, were primarily attributable to a decrease of \$543,885, or 20.1%, in total operating expenses from \$2,708,345, for the year ended December 31, 2017, to \$2,164,460 for the year ended December 31, 2018, and the 2017 recording of \$2,308,981 for non-cash expenses represented by Series J Preferred Stock issuances, which triggered price protection clauses for certain subscribers of the Company's Preferred Series F, Preferred Series G Stock and Preferred Series H Stock. The Company has no further obligations in regard to price protection for its Preferred Stock.

About Orbital Tracking Corp.

Orbital Tracking Corp., "Orbital", 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 Tracking 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.

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. The Company assumes no, and hereby disclaims any, obligation to update the forward-looking statements contained in this press release.

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