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Orbital Tracking Corp. Reports Full Year 2016 Financial Results

Annual Revenue Increases 18.9% Driven by Continued Growth in European and International Sales Offset by Continued Currency Volatility

AVENTURA, FL -- (Marketwired) -- 04/10/17 -- Orbital Tracking Corp. (OTCQB: TRKK) ("Orbital Tracking" or the "Company") today reported financial results for the fiscal year ended December 31, 2016.

2016 Company Highlights

- The Company continued to grow its Commercial and Government business in 2016, signing a significant long term, recurring revenue and hardware contract with the U.K. Forestry Commission and being awarded a high value contract by the Electoral Commission of Zambia.
- During 2016, the Company continued its rapid international expansion opening new marketplaces or expanding its online presence in the United States with major retailers including Walmart and Sears and in Asia, with its launch of its retail site on Amazon Japan and in China on Alibaba.com.
- The Company also achieved a number of important corporate development milestones during the year including the elimination of all of its outstanding convertible long-term debt through a successful share exchange, significantly improving both its balance sheet and cash flows, and the uplisting of its shares onto the OTCQB Marketplace. In October, the Company raised \$350,000 through the sales of its Series H convertible preferred stock to existing investors. The Series H shares were sold at a purchase price of \$4.00 per share and carry an initial conversion price of \$0.04 per share.
- The Company significantly increased its recurring revenue through the sale of high profit monthly and annual airtime contracts which are sold alongside the Company's hardware products.
- The Company increased its international reseller base and now has representation in a number of major markets around the world.

"2016 was focused on the continued execution of our long-term strategic plan to build Orbital Tracking Corp. into a leading provider of Mobile Satellite Services and Asset Tracking solutions by expanding our global sales reach and the range of market-leading products and services we offer. Driven by continued global demand for our products, it's clear that we achieved many of our goals for the business despite the continued challenges of global uncertainties and related currency volatility which negatively impacts our comparative financial results," said David Phipps, Chief Executive Officer of Orbital Tracking Corp. "We entered the new year with significant momentum building in the business, including continued interest in our products and solutions from customers and resellers in a number of

international markets, in particular, France, Germany, Italy and a number of South American markets. Working closely with our industry partners and with the continued support of our principal shareholders, we continue to advance our aggressive business plan. In 2017, we intend to drive additional growth in the business by expanding our resale channels, increasing our international footprint and continuing to pursue new product opportunities, all of which we believe will be an important element in our ability to generate increasing value for our shareholders."

2016 Financial Results

For the year ended December 31, 2016, consolidated revenues increased by 18.9% to approximately \$4,698,638 from \$3,950,601, as reported for the year ended December 31, 2015.

For the year ended December 31, 2016, comparable sales by subsidiary are as follows; GTCL, the Company's UK-based subsidiary, increased 20.1% or \$557,262 to \$3,326,855 from \$2,769,593. GTCL represents 70.8% of total company sales and as such, currency rate variances have an impact on results. For the sake of comparison, the average exchange rate from British Pounds to US Dollars during 2015 was £1.00 (GBP) being equivalent to \$1.53 (USD). In 2016, this decreased to a rate of approximately £1 (GBP) being equivalent to \$1.36 (USD). The impact of this decline with respect to UK sales when converted to US dollars represented a decline in reported revenue of \$434,000. The UK comparable sales in GBP, the home currency, increased 38.9% or £705,683, from £1,811,909 to £2,517,592 for the year ended December 31, 2016 as compared to December 31, 2015. Orbital Satcom Corp., the Company's US-based subsidiary, increased 16.2% or \$190,775 to \$1,371,783 from \$1,181,008.

Overall revenue growth in 2016 was driven by a significant increase in recurring revenue derived from monthly contract customers, together with sales from the Company's websites and e-commerce storefronts across all geographies.

Net loss for 2016 was approximately \$2,589,923, as compared to a net loss of approximately \$2,064,211 for fiscal 2015.

The increase in the loss for the year ended December 2016 was primarily due to a total of \$1,119,345 in non-cash expenses which were offset to additional paid in capital and are represented by the following: Series H Preferred Stock issuances which triggered price protection clauses for certain subscribers of the Company's Preferred Series C, Preferred Series F and Preferred Series G Stock for \$679,778, interest expense related to the amortized portion of the convertible note payable discount, net of \$602,027, imputed interest related to related party note payable of \$1,133 offset by changes in the fair value of derivative instruments of \$426,093 and non-recurring stock based investor relations fees of \$262,500. Additionally, the net loss included the amortization of \$415,416 of professional fees related to its December 2015 financing.

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.

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.

Contact:
Michael Glickman
MWGCO, Inc.
917-397-2272
mike@mwgco.net

Source: Orbital Tracking Corp.