

April 2, 2018



# Orbital Tracking Corp. Announces Fourth Quarter and Full-Year 2017 Results

## Annual Revenue Increases 27.8% Driven by Strong Growth in Recurring Revenue & International Sales

AVENTURA, FL -- (Marketwired) -- 04/02/18 -- Orbital Tracking Corp. (OTCQB: TRKK) ("Orbital Tracking" or the "Company") today reported financial results for its fourth quarter and fiscal year ended December 31, 2017.

### ***2017 Company Highlights***

- Despite further currency weakness affecting EU sales, as reported in US\$, consolidated annual sales increased by 27.8% when compared to sales recorded in the previous year, with significant strength seen from our US based Orbital Satcom Corp division which recorded a 58.5% year on year increase in sales revenue. The Company also achieved considerable growth in airtime sales, with an annual increase of 52% recorded for the sale of recurring revenue and prepaid airtime contacts.
- Continued global demand for the Company's products resulted in an increase in its international customer base as our global online presence produced orders from customers located in more than 125 countries around the world. We provided critical connectivity to numerous customers during the aftermath of several natural disasters, provided satellite communications to a renowned round the world yacht race, secured several significant and recurring revenue contracts for lone worker tracking products, and met the needs of thousands of other customers around the world requiring voice or data connectivity via satellite during the year.
- On May 31, the Company raised \$546,694 from existing investors through the issuance and sale of Series J convertible preferred stock to support continued international expansion, additional product lines and increase inventory levels.
- The Company secured majority shareholder vote for a reverse split at a ratio of 1 for 150 which became effective on March 8, 2018, increasing its efforts towards a NASDAQ uplisting.

Commenting on the Company's results, David Phipps, its Chief Executive Officer, said, "Despite the many challenges the Company faced during 2017, operating with limited working capital, we were able to achieve continued financial growth as we made further progress on executing some of our many initiatives. We experienced a strong demand for Mobile Satellite Solutions (MSS), including a number of new product lines, from a diverse range of new and existing corporate, individual, reseller and government customers. Other than short term vendor payables, the Company remains debt free and has seen only a minimal increase in selling, general and administrative expenses during a high growth period during the past three years. Subject to sufficient working capital during 2018, the unavailability of which negatively affected our desire to aggressively pursue our major goals

during 2017, we intend to continue launching new products, expand into new markets and open additional storefronts and sales offices in 2018."

### **2017 Financial Results**

For the year ended December 31, 2017, consolidated revenues increased by 27.8% to approximately \$6,004,955 from \$4,698,638, as reported for the year ended December 31, 2016.

For the year ended December 31, 2017, comparable sales by subsidiary are as follows; GTCL, the Company's UK-based subsidiary, increased 16.4% or \$562,715 to \$3,990,960 from \$3,428,245. GTCL represents 66.5% 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 2016 was £1.00 (GBP) being equivalent to \$1.35585 (USD). In 2017, this decreased to a rate of approximately £1.00 (GBP) being equivalent to \$1.28819 (USD). The impact of this decline with respect to UK sales when converted to US dollars represented a decline in reported revenue of \$209,615. The UK comparable sales in GBP, the home currency, increased 22.5% or £569,628, from £2,528,484 to £3,098,112 for the year ended December 31, 2017 as compared to December 31, 2016. Orbital Satcom Corp., the Company's US-based subsidiary, increased 58.5% or \$743,603 to \$2,013,995 from \$1,270,392.

Overall revenue growth in 2017 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 and the introduction of several new product lines during the year contributed to the total increase in revenue.

Net loss for 2017 was approximately \$3,939,309, as compared to a net loss of approximately \$2,589,923 for fiscal 2016. The factors contributing to the loss for the year ended December 2017, was primarily due to a total of \$3,070,145 in non-cash expenses which were offset to additional paid in capital and are represented by the following: 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 for \$2,308,981, stock based compensation of \$600,000 and non-recurring stock based investor relations fees of \$161,164. The Company has no further obligations in regard to price protection for its Preferred Stock.

### **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 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](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.

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