



**Orbit Investors Presentation**  
**Growing Together**  
August 2020



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# Orbit at a Glance <http://orbit-cs.com/>

**Orbit** is a leading global provider of innovative and highly reliable airborne audio, satcoms, and tracking

**Based in Israel and the US**, with international sales, production and support facilities

**Founded** in 1950 as a start up electronics company, Orbit pioneered precision tracking systems

**Today, Orbit** is a global market leader with technology superiority in airborne audio management and mobile satellite communication

**Orbit is a publicly listed company (TASE)**, combining a strong balance sheet with productive R&D investment



## Significant Install Base

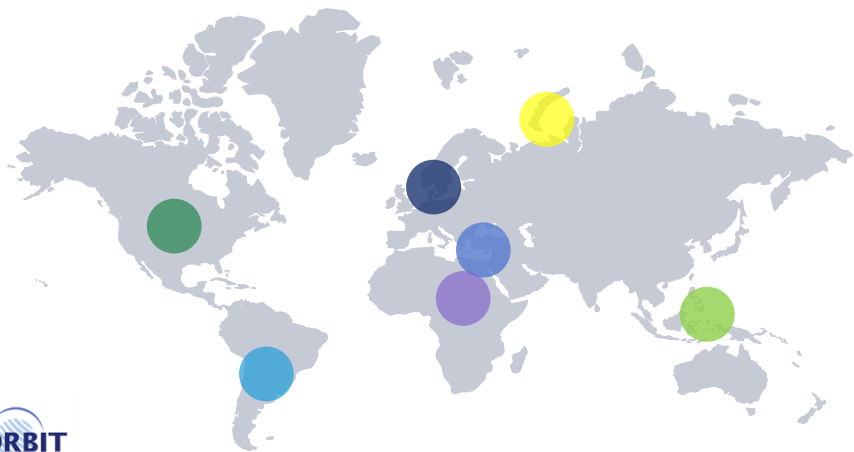
**3,500+**  
Airborne Systems

**4,000+**  
Maritime Systems

**1,500+**  
Ground Systems

# Orbit Customer Base

- **Orbit** serves a diverse, blue-chip international customer base
- **Customers** located in **55** different countries
- **Key development partners** include Boeing, Lockheed Martin, SES, Inmarsat, Airbus, Rafael and IAI



US, NATO & International  
Armed Forces

ESA, NASA and National  
Space Agencies

Emerging New  
Space Entrants

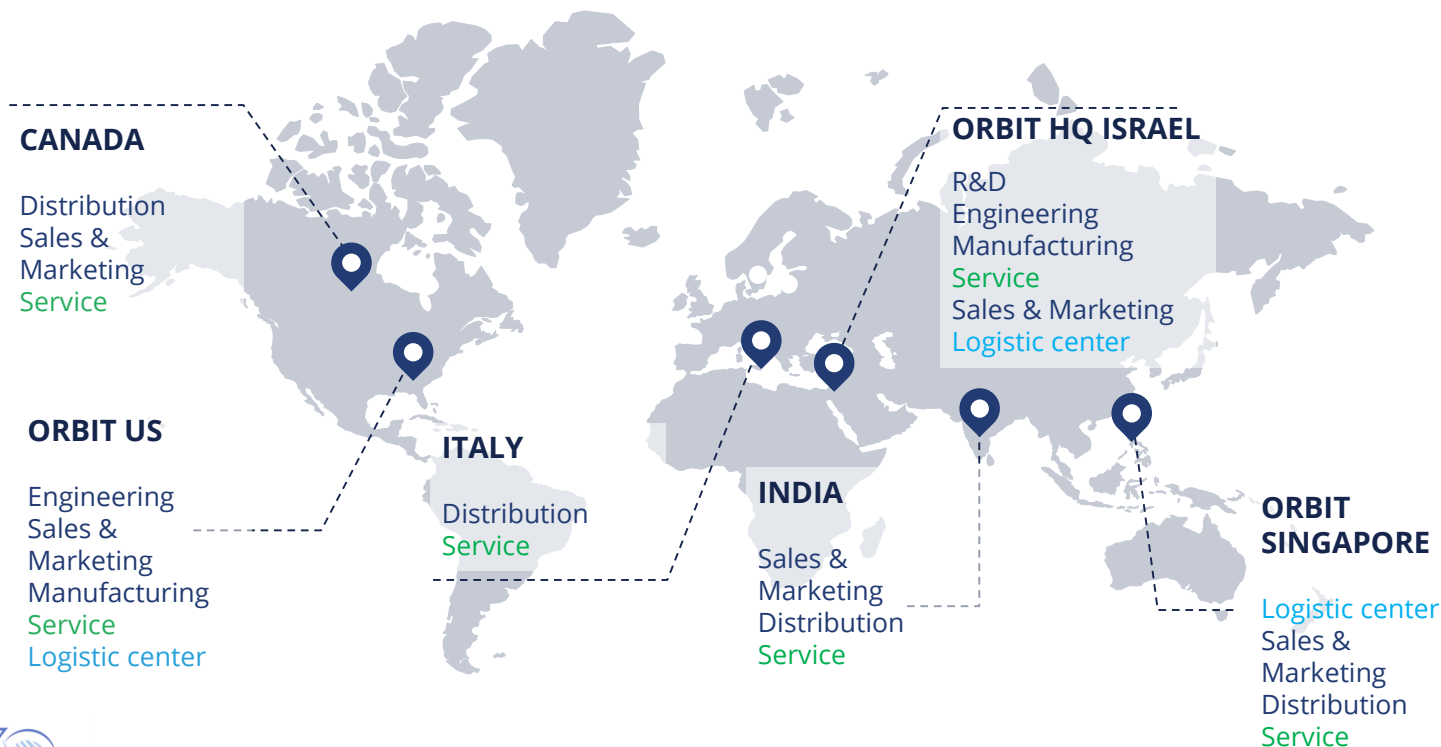
Satellite  
Operators

Earth Observation  
Companies

Aircraft  
Manufacturers



# Orbit Global Network



R&D  
Engineering  
Manufacturing  
Sales & Marketing  
Distribution



Logistic center



Service



# Main Product Segments

## Airborne Audio



- **Pioneer** in Airborne Satcoms and Audio Management
- **Civil and DoD/MoD** qualifications and certifications
- **Tailored solutions** for a broad range of aircraft, helicopters and UAVs

## Mobile Satellite Communication



- **Airborne** Satellite Communication
- **Maritime** Satellite Communication
- **Long-standing supplier** to US and NATO Navies and Air Forces

## Ground Systems



- Top supplier of compact Ground Stations for '**New Space**' and **Earth Observation**
- Range of fixed and transportable **Turn-Key Telemetry and Tracking Solutions**



# Prime Customers & Partners

## Airborne Audio



**Audio Management  
Systems** with  
integrated **3D, ANR**



## Mobile Satellite Communication



**Airborne and Maritime  
Satellite Communication**



## Ground Systems



**'New Space', Earth  
Observation, LOS and  
Telemetry Systems**





# Poised for Growth

- **Significant ongoing growth** and evolution in each of our market
- Long term service contracts
- **Matching development and roadmap** with opportunities and resources
  - AMS
  - Airborne Satcom
  - New Space

- **Key partnerships** with industry leaders drive new solutions and markets

- Airborne Audio Management tailored to key **OEMs**



**BOEING**



**AIRBUS**



**EMBRAER**

**LOCKHEED MARTIN**



- Airborne SatCom development with **Inmarsat** opening business jet and Government market
- Strategic agreement with **Satcom Direct**
- Maritime development with **SES** established market lead in large cruise ships



(EPA)

## Audio Management Systems

# Airborne Audio Management – Substantial Opportunities

- Large Install Base
- Thousands of Flying Systems
- Leading-edge technical features on Orion™ including 3D audio and Active Noise Reduction
- Growth potential to Rotorcrafts and Ground Platforms



# AMS Significant Install Base – Partial Snapshot

Year	Customer	Platform
1991	US Army	Army Helicopters
1995	Lockheed Martin	Classified
1996	IAI & Boeing	T-38
1997	Gulfstream	G 4
1998	Rockwell Collins	KC-135
2001	Gulfstream	G-3/4/5
2002	US Navy	Confidential
2004	Airbus DS	C-295, CN-235
2009	US Homeland Security	Confidential
2013	Antonov	Confidential

Year	Customer	Platform
2013	UAC	MC-21
2014	Undisclosed OEM	Trainer
2015	Airbus DS	C-295
2016	Undisclosed OEM	Gen 4 Fighter
2018	US Air Force	KC-135
2018	Embraer	Confidential
2019	IAI	Heron TP
2020	Boeing	T-7A
2020	Lockheed Martin	F-16

# Growing Relationship with Leading OEMs

INTELLIGENT  
AEROSPACE  
GLOBAL AEROSPACE TECHNOLOGY NETWORK

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HOME | MILITARY

## Boeing selects Orbit's audio management system (AMS) for new USAF trainer

Orbit's Orion AMS to be integrated into the U.S. Air Force's new T-7A Red Hawk advanced pilot training system.

May 6th, 2020





RELATED

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**Orbit Communication Systems**  
May 5th, 2020

Home  
**Boeing**  
Jan 30th, 2020

LATEST IN MILITARY



# F-16 Orion Recent Award

ORBIT REPORTS A MAJOR COMPETITIVE WIN ON A LOCKHEED MARTIN BID FOR THE DEVELOPMENT AND PRODUCTION OF THE NEXT GENERATION 3D AUDIO MANAGEMENT SYSTEMS FOR F-16 AIRCRAFT

Estimated Long Term Agreement Contract Value of \$46 Million

## \$46 Million Contract

Deerfield Beach, Florida, August 23, 2020 – Orbit Communication Systems Inc., the U.S. subsidiary of Orbit Communication Systems Ltd. (TASE: ORBI), who specializes in satellite communication, tracking systems, and airborne communication and audio management solutions, announced today that Lockheed Martin Corporation (NYSE: LMT) selected its Orion™ Combat 3D Audio Management System (3D-AMS) for the next generation avionics suite of the F-16. The Long-Term Agreement includes development, production, and sustainment of audio management systems valued at an estimated contract of \$46 million.

This agreement will enable continued delivery on current F-16s commitments for partners around the world. The F-16 has been proving its value for decades and continues to remain the best value among 4<sup>th</sup> generation jets for its high-tech capabilities and affordable lifecycle costs. Today approximately 3,000 aircraft are flying in more than 25 countries.



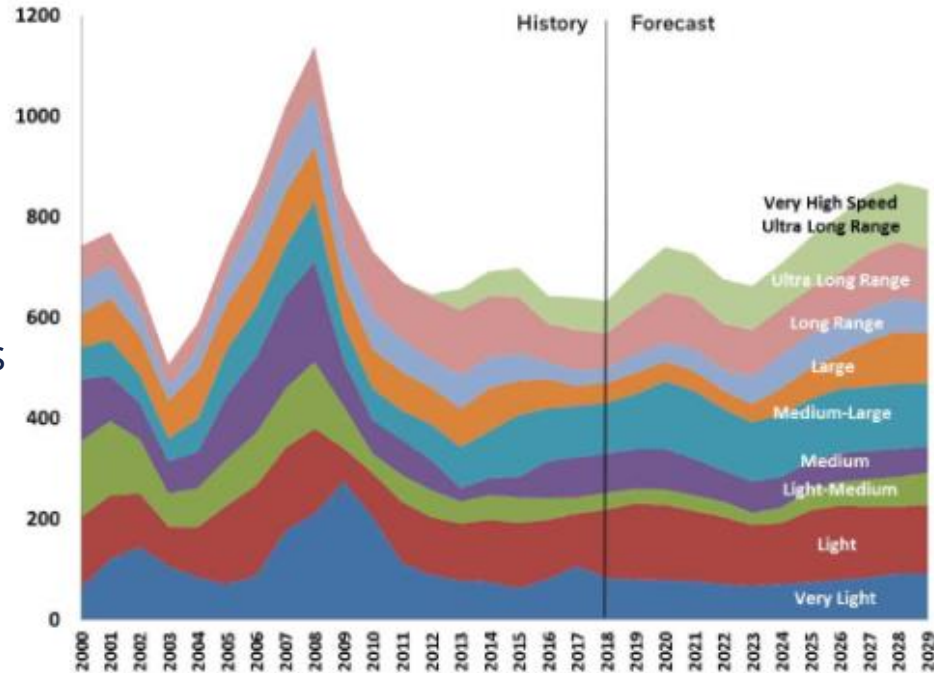


## **Airborne Satellite Communication**



# 2019 BUSINESS JET DELIVERY FORECAST IN UNITS

Airborne  
Satellite  
Communication  
Product Line  
Growth  
- 12" and 18"  
Antenna terminals



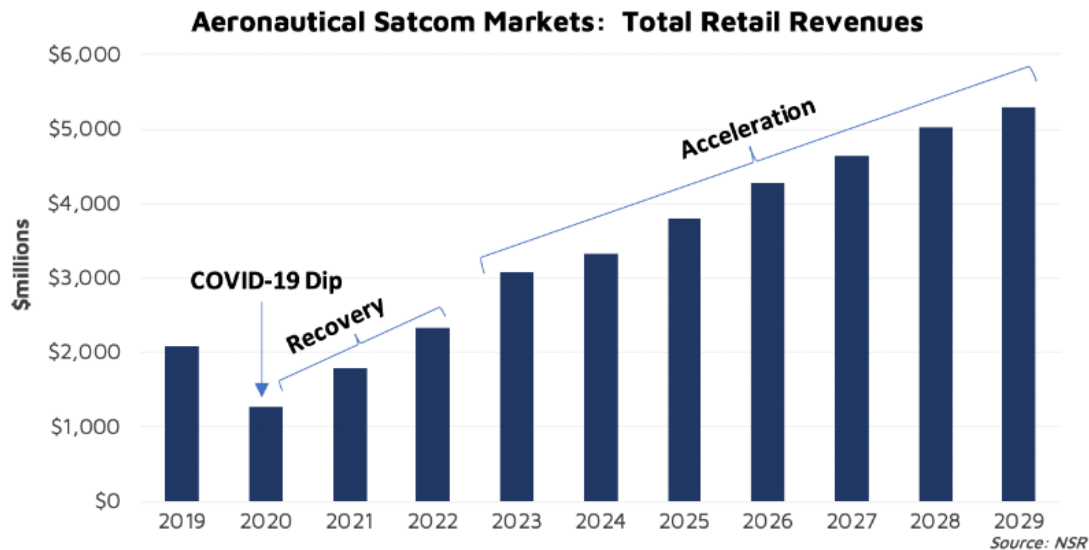
**~7,600 Aircraft from 2020-2029**



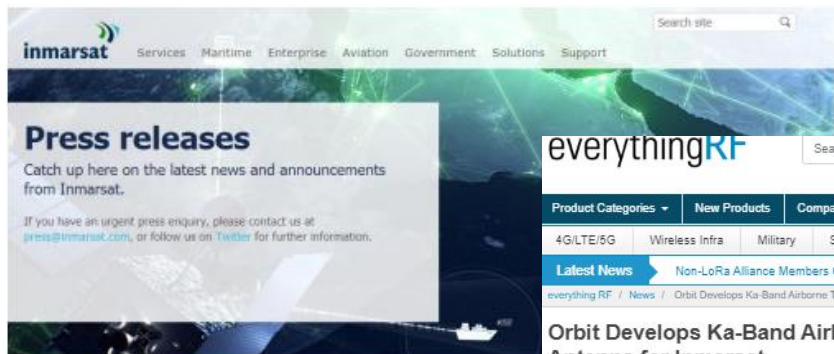
Over the next decade Honeywell Aerospace forecasts deliveries of 7,600 business jets (not counting bizliners such as the BBJ and ACJ, or personal jets like the VisionJet), worth an approximate \$248 billion.

# Airborne Satellite Communication – Growth Engine

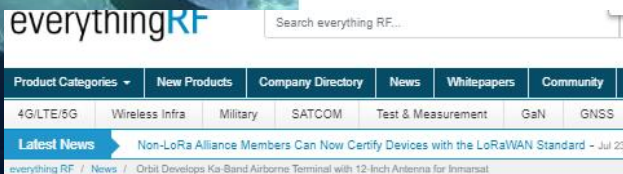
- **Global fast adaptation** of in-flight connectivity
- **New Airborne Satellite Communication – Superior performance**



# Airborne Satellite Communication Recent Publications



The image shows the Inmarsat website's 'Press releases' section. The header includes the Inmarsat logo and navigation links: Services, Maritime, Enterprise, Aviation, Government, Solutions, Support. A search bar is present. The main heading is 'Press releases' with a subtext: 'Catch up here on the latest news and announcements from Inmarsat.' Below this, it says: 'If you have an urgent press enquiry, please contact us at: [press@inmarsat.com](mailto:press@inmarsat.com), or follow us on [Twitter](#) for further information.'



The image shows the header of the 'everythingRF' website. It features a search bar with the text 'Search everything RF...'. Below the search bar is a navigation menu with tabs: Product Categories, New Products, Company Directory, News, Whitepapers, and Community. Under 'Product Categories', there are sub-tabs: 4G/LTE/5G, Wireless Infra, Military, SATCOM, Test & Measurement, GaN, and GNSS. The 'Latest News' section shows a headline: 'Non-LoRa Alliance Members Can Now Certify Devices with the LoRaWAN Standard - Jul 23'.

## Orbit Develops Ka-Band Airborne Terminal with 12-Inch Antenna for Inmarsat

January 23, 2020



Orbit Communication Systems and Inmarsat, have announced the development of an innovative new Ka-band multi-purpose airborne terminal (MPT). The compact MPT 30WGX, featuring a 30-cm (12") antenna, will be able to deliver high-throughput wideband communications via the Inmarsat [Global Xpress](#) worldwide network for a broad range of airborne platforms.



The image shows the header of the 'ISRAEL DEFENSE' website. It features the 'ISRAEL DEFENSE' logo in large, bold, red letters. To the right of the logo is a search bar and a date: 'Day: Saturday, 11/23/2020'. Below the logo is a navigation menu with tabs: News, Conferences, Opinions, and Cybertech.



The image shows a promotional graphic for 'CYBERTECH EVENTS AROUND THE WORLD'. It features the text 'CYBERTECH EVENTS AROUND THE WORLD' in large, bold, blue letters. Below the text is a small image of a globe.

## Orbit to Supply Airborne Satcom, Ground Pedestal Solutions for Heron TP

Rafael placed a \$5.5 million order for Orbit's MPT 87 airborne satcom terminals and AL-4018 ground pedestals for integration into IAI's Heron TP MALE UAV.

IsraelDefense | 13/05/2019

Share this @ f in t w s



The image shows the header of the 'DEFESA' website. It features the 'DEFESA' logo in large, bold, black letters. Below the logo is a navigation menu with tabs: Defence Exhibition Affairs, Defence Exhibition Affairs, and Defence Exhibition Affairs.



The image shows a promotional graphic for 'IsraelDefense Conferences Digital Event'. It features the text 'IsraelDefense Conferences Digital Event' in large, bold, blue letters. Below the text is a small image of a globe.

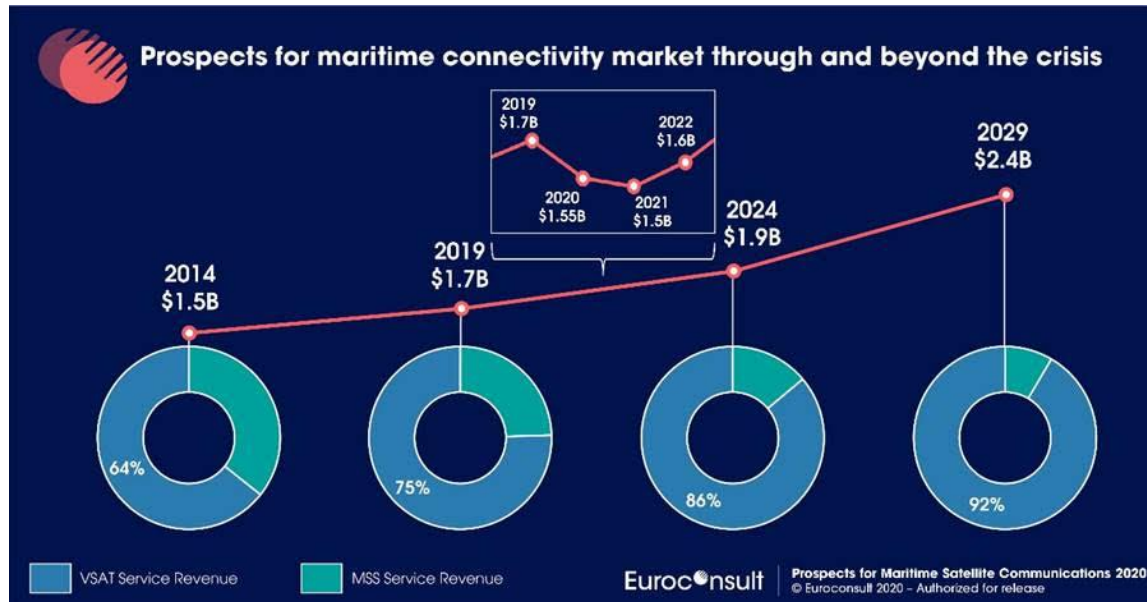




## Maritime Satellite Communication

# Maritime Satcom – Expanding Market Position

- **OceanTRx** has rapidly become a leader in large cruise ship
  - Now on 12 of 15 largest liners
  - More than 25 Navies using Orbit Products
  - Integrated New Space Support for NGSO Satellites





# Strong Maritime Presence

## ORBIT EXPANDS DELIVERY OF DUAL-BAND (KU/X) MARITIME SATCOM TERMINALS FOR THE POLISH NAVY

Ease of switching between X and Ku bands and all-weather reliability key factors influencing the deployment of OceanTRx™4 systems aboard Cormorant-Class Minehunters

Netanya, Israel, 3 September 2019 – Orbit Communications Systems Ltd. (TASE: ORBI), a leading global provider of satellite tracking maritime, airborne and ground-station solutions, announced today that systems integrator THIESTA, ordered additional dual-band OceanTRx 4 systems for the PGZ Group, the leading contractor of naval navigation, communications and combat systems in Poland, for deployment aboard the Polish Navy's Cormorant-Class Minehunter.

OceanTRx 4 is a rugged and innovative stabilized dual-band maritime satcom platform. It further expands Orbit's industry leading OceanTRx series, featuring outstanding RF performance, system availability and dynamic response under virtually any offshore conditions. Supporting the mission-critical broadband needs of navy vessels, it was designed for one-day deployment and simple updates and maintenance. Orbit's maritime platform provides outstanding performance and high reliability, while achieving a low total cost of ownership.



Cormorant-class minehunter photo by Lukasz Dejnarowicz for interia.pl

## TENTH NAVY ORDER FOR ORBIT'S MARITIME SATCOM TERMINALS

Asian Navy signs US\$2.7 million contract for a combination of OceanTRx 4 and OceanTRx 7 systems

Washington, DC, March 11, 2020 – Orbit Communications Systems Ltd. (TASE: ORBI), a leading global provider of satellite-tracking maritime, airborne and ground-station solutions, announced today at the Satellite 2020 Conference in Washington, DC, a new US\$2.7 million contract with a major Asian Navy for a combination of OceanTRx 4 and OceanTRx 7 maritime satcom terminals, and associated spares.

This order represents the tenth Navy to select Orbit's OceanTRx product line, and the fourth in the last nine months. Since its introduction in 2015, OceanTRx has become the leading terminal in the large cruise ship segment, a top choice for offshore platforms and critical data links, and now the growing choice for Navy applications.



Sample navy ships courtesy of Wikimedia Commons



## Ground Stations – New Space



# Ground Stations – New Space Opportunities

INTRODUCTION // OVERVIEW OF THE SMALL SATELLITE MARKET FOR 2018-2027

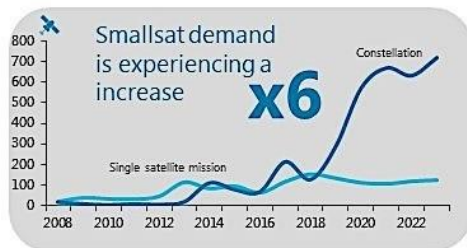


Constellations will account for 80% of the future demand in units

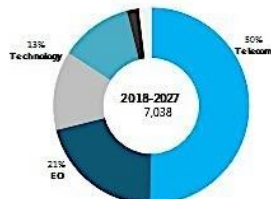
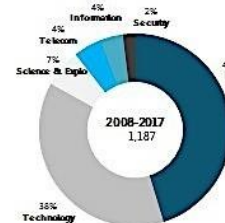


**7,038**  
Smallsats  
To be launched by  
2027

Smallsat manufacturing market value



Smallsat market by application



Earth observation



Technology



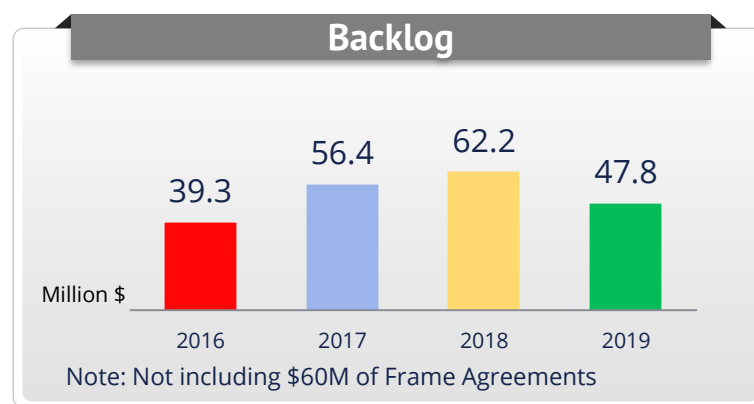
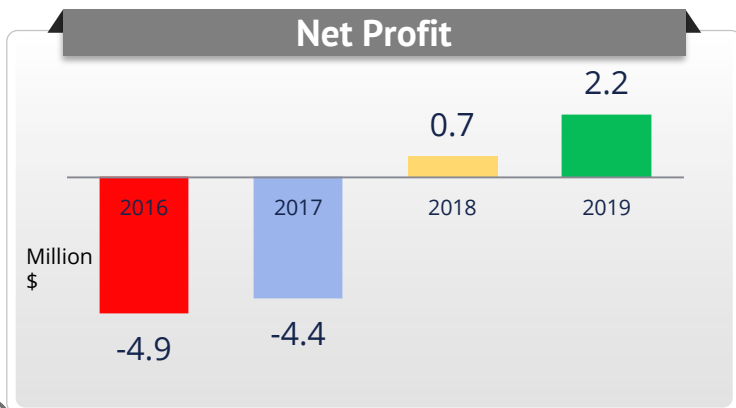
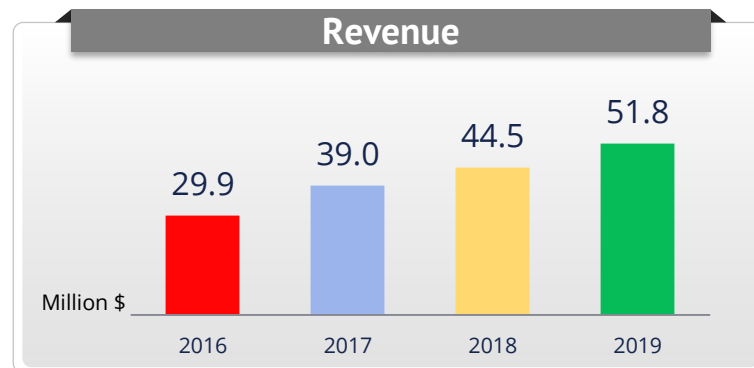
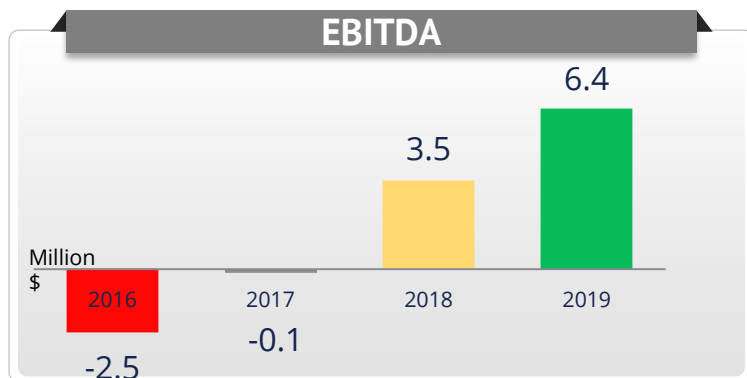
Telecommunication

- **Rapid growth** in 'New Space',
- **High demand** for data drives
- **Growing demand** for Connectivity
- Orbit providing **Ground Stations** for New Space



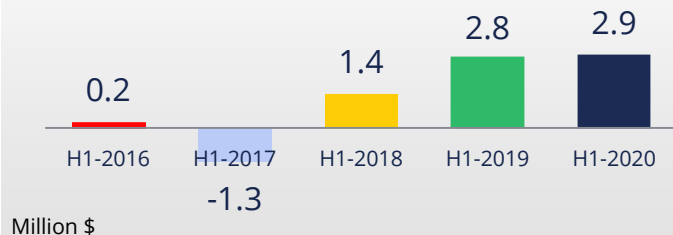
## Financial Review

# Revenue, Ebitda, Net Profit, Backlog 2016-2019

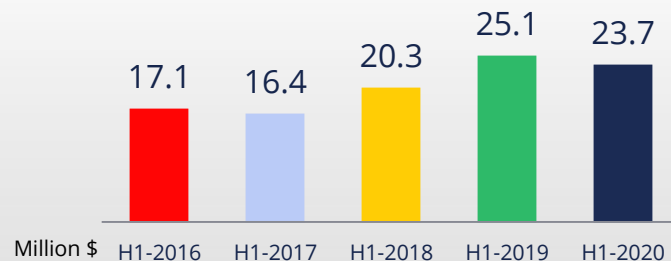


# Revenue, Ebitda, Net Profit, Backlog 2016-2020 (H1)

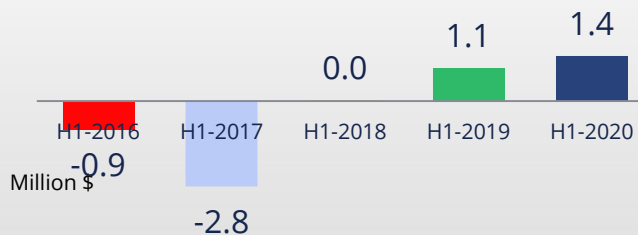
## EBITDA



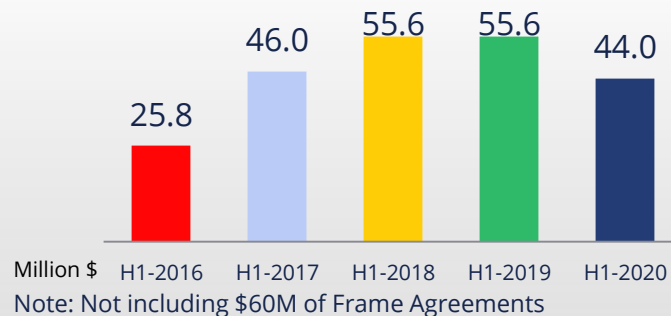
## Revenue



## Net Profit

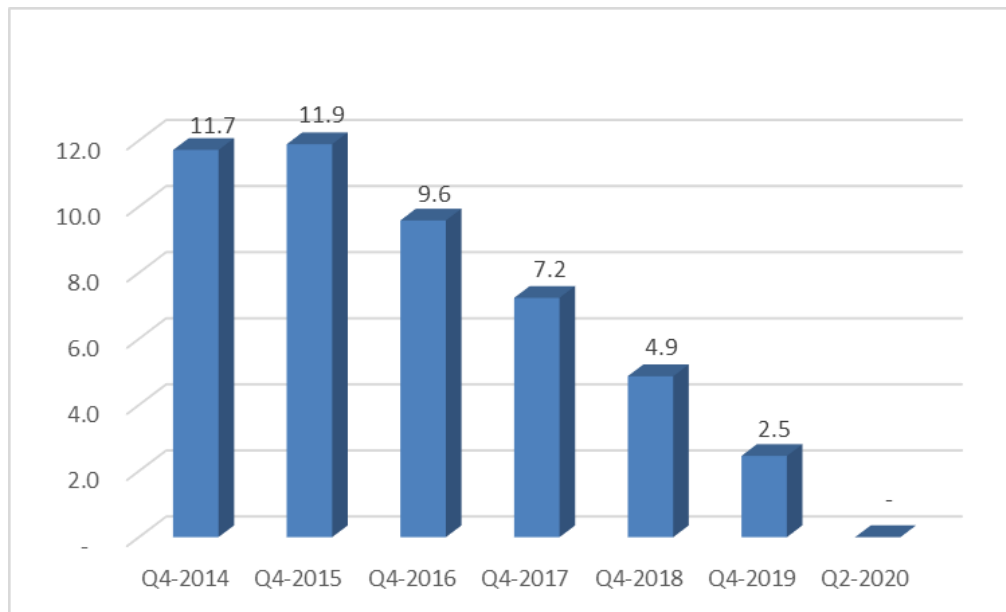


## Backlog



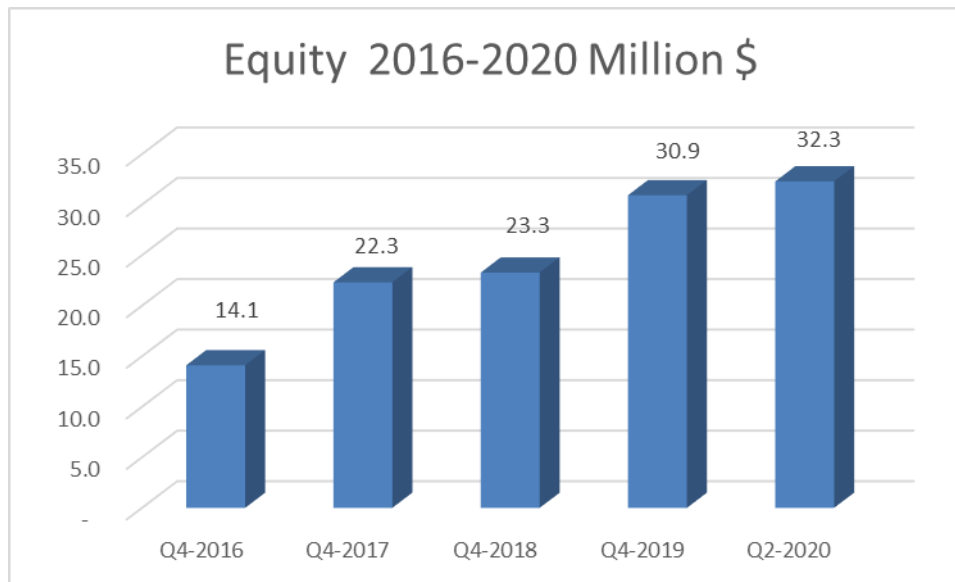
## Debt declined (Million \$) Bonds

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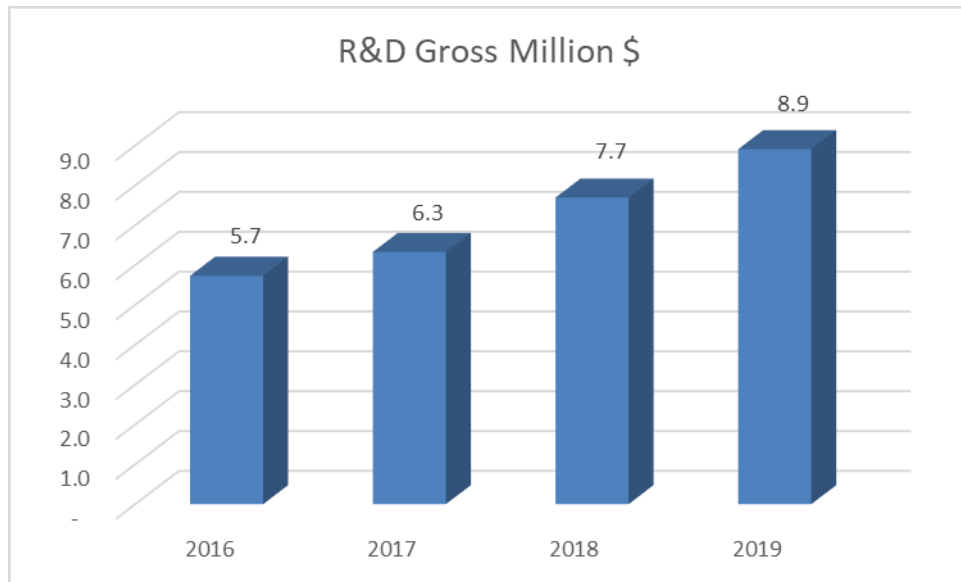
# Growth in Equity

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# R&D Gross 2016-2019

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# Balance Sheet (Million \$)

ASSETS	31.12.16	31.12.17	31.12.18	31.12.19	30.06.20
<b>CURRENT ASSETS</b>					
Cash and cash equivalents & Sort-term deposits	3.9	13.3	12.0	17.4	16.2
Accounts receivable	6.1	10.8	10.6	12.2	10.2
Inventories	9.6	7.8	7.5	7.3	6.9
Amounts due for construction contracts	5.6	4.8	4.4	3.6	5.7
<b>NON-CURRENT ASSETS</b>					
Fixed assets	3.5	3.5	4.9	8.9	8.2
Intangible assets	7.0	5.2	5.8	5.8	5.7

LIABILITIES AND EQUITY	31.12.16	31.12.17	31.12.18	31.12.19	30.06.20
<b>CURRENT LIABILITIES</b>					
Current maturities of convertible bonds	2.4	2.4	2.4	2.5	-
Other accounts payable	7.3	9.0	10.9	11.2	11.3
<b>NON-CURRENT LIABILITIES</b>					
Convertible Bonds	7.2	4.8	2.4	-	-
<b>Equity</b>	<b>14.1</b>	<b>22.3</b>	<b>23.3</b>	<b>30.9</b>	<b>32.3</b>



# Geared for Growth

- Technology superiority and significant R&D investment
- Significant install base
- Growth engines in leading markets
- Focused and consistent strategy
- Customer focused organization – account management
- Growing and profitable Orbit with strong balance sheet





**Thank You**