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Orbsat Corp Reports First Quarter 2020 Results

AVENTURA, FL / ACCESSWIRE / May 15, 2020/ Orbsat Corp (OTCQB:OSAT) ("Orbsat" or the "Company"), a global provider of communication solutions for connectivity to the world through next-generation satellite technology, today reported financial results for the first quarter ended March 31, 2020.

- Total consolidated revenue for the first quarter of 2020 increased 13.1% to $1,468,103 for the quarter ended March 31, 2020 as compared to $1,298,371 reported for the same period in 2019. This growth was driven primarily by an increase in North American sales through the Company's Orbital Satcom US subsidiary which experienced a 59.7% sales increase in Q1 2020 revenue as compared with to the same period in 2019.
- The Company's UK subsidiary, Global Telesat Communications, which operates in a number of European countries affected by strict COVID-19 lockdown measures introduced in March 2020, experienced a slight decline of 0.4% in Q1 2020 revenue as compared to the same period in 2019 (in local currency terms), due mainly to a temporary decline in rental bookings by recreational users.
- Gross Margin for the first quarter of 2020 increased to 23.7% as compared to 18.9% for the first quarter of 2019.
- The Company experienced an increase of 37% in sales through its network of Amazon global marketplaces compared to the same period in 2019 notwithstanding significant financial and inventory-related challenges as well as Amazon's temporary suspension of non-essential shipments from US and European warehouses.
- During the first quarter of 2020, the Company continued its global expansion with the launch of e-commerce storefronts and fulfilment centers in Singapore, United Arab Emirates and The Netherlands.
- Gross profit increased to $348,001 during the quarter, as compared to $245,929 in the same period of 2019. Net loss decreased by 7.4% or $22,763 to $284,860 as compared with a loss of $307,624, reported for the quarter ended March 31, 2019.

"Considering the unprecedented challenges brought on by the Coronavirus pandemic, I am pleased to report increased sales revenue, gross profit and profit margins during the first quarter of 2020. This financial performance highlights the important benefits of growth in recurring revenue and our ability to service and support the needs of a solid, globally diversified customer base operating across industrial, government and consumer segments around the world," commented David Phipps, Chief Executive Officer of Orbsat. "Despite our strong performance in Q1 2020, we have and will continue to face challenges ahead as the global disruption caused by Coronavirus has impacted our ability to raise the capital we need to invest in the business, in particular, to introduce new products and increase inventory levels, which could potentially restrict future revenue growth. Our team is working tirelessly to address this situation while we execute on our international expansion plans and

continue to move Orbsat towards profitability."

About Orbsat Corp

Orbsat provides services and solutions to fulfill the rapidly growing global demand for satellite-based voice, high-speed data, tracking and IoT connectivity services. Building upon its long-term experience providing government, commercial, military and individual consumers with Mobile Satellite Services, Orbsat is positioned to capitalize on the significant opportunities being created by global investments in new and upgraded satellite networks. Orbsat's US and European based subsidiaries, Orbital Satcom and Global Telesat Communications, have provided global satellite connectivity solutions to more than 35,000 customers located in over 160 countries across the world.

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, including the Company's ability to launch additional storefronts in various geographic locations, its ability to grow and expand as intended, ability to raise additional capital to finance the Company's operations, 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, the Company's ability to capitalize on its partnerships as well as other similar arrangements, 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 Securities and Exchange Commission (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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