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Orbsat Corp Reports First Quarter 2021 Financial Results

E-Commerce Sales Growth in Europe and Satellite IoT Services Drive Increased Gross Profit Margins

AVENTURA, FL / ACCESSWIRE / May 17, 2021/ 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, 2021.

Highlights of the quarter include:

- Revenues for the first quarter ended March 31, 2021 were \$1,461,428, a slight decline from record first quarter results of \$1,468,103 reported in the comparable period in 2020. Sales at the Company's Global Telesat Communications Ltd. ("GTC") unit which operates in many European markets still under strict COVID-related lockdowns saw an increase in first quarter sales of 6.3% to \$1,013,435, while sales at the Company's U.S. unit, Orbital Satcom Corp. ("OSC"), decreased 12.9% to \$447,993 due primarily to supply chain issues for many of the Company's most popular product lines.
- During the first quarter, the Company completed sales transactions in 98 countries including all 27 countries in the EU and 46 U.S. states.
- COVID-19-related disruptions to manufacturing and logistical supply chains continue to limit the Company's ability to secure enough inventory to fully meet consumer demand in some parts of the business, although the Company expects this to improve during Q2.
- Gross profit margins for the quarter ended March 31, 2021 increased to 29.9% from 23.7% reported in the quarter end March 2020 primarily attributable to significant increases in global demand for high profit satellite IoT products and services.
- Global e-commerce sales in the first quarter of 2021 continued to grow, particularly in the U.K. and France which both increased approximately 30% compared to sales in the first quarter of 2020, the result of expansion in products selection and e-commerce marketplaces, and less competition following Brexit.
- Net loss for the quarter ended March 31, 2021 increased to \$803,142 compared to \$284,860 reported for the quarter ended March 31, 2020. The increase is primarily due to an increase in professional fees related to the potential listing of the Company's common stock on a national securities exchange as well as the effects of non-cash charges related to its convertible note payable.
- During the first quarter, the Company formed new sales and distribution partnerships with Viasat for maritime broadband and Iridium for Internet of Things ("IoT") satellite tracking.

"We are pleased that first quarter results continued to reflect the power of our globally diversified business model which was able to produce quarterly revenue reaching pre-

COVID record highs while delivering higher gross profit margins. Our quarterly performance is even more notable when we consider the lingering impact of COVID on our rental and recreational business and its continued disruption on global supplies chains which has limited our ability to satisfy robust global demand more fully for IoT and wireless connectivity solutions," said David Phipps, Chief Executive Officer of Orbsat. "We remain cautiously optimistic regarding the remainder of the year thanks to the progress public health initiatives are making and our ability to further execute against the strategic goals we set for ourselves. Demand growth for satellite-enabled IoT continues to increase the opportunities for Orbsat and through the launch of innovative branded products such as SolarTrack, our continued expansion into new marketplaces, and the forging of deeper partnerships with the industry's leading technology providers, we are confident in our ability to deliver on the promise of next-generation satellite technology."

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 50,000 customers located in over 165 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, the Company's expectations of worldwide growth and public infrastructure spending, 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.

Media and Investor Contact for Orbsat Corp:

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

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