

August 14, 2020



# Orbsat Corp Reports Results for the Three and Six Months Ended June 30, 2020

## *Company Reports Profitable Quarterly Results and a 62.9% Decrease in Net Loss*

**AVENTURA, FL / ACCESSWIRE / August 14, 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 second quarter ended June 30, 2020.

- Total consolidated revenue for the second quarter of 2020 decreased 13.4% to \$1,220,254 for the quarter ended June 30, 2020 as compared to \$1,409,010 reported for the same period in 2019. This decrease is due to the ongoing global impact of COVID-19, particularly in Europe, that negatively impacted sales at the Company's U.K operation. This decrease, however, was offset by an increase in North American sales through the Company's Orbital Satcom US subsidiary. For the six months ended June 30, 2020, consolidated revenue was \$2,688,357, a decrease of \$19,024 or 0.7%, from \$2,707,381 recorded in the six months ended June 30, 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 the first quarter of 2020, experienced a decline of 32.2% in Q2 2020 revenue as compared to the same period in 2019 (in local currency terms), due mainly to a continued reduction in orders from recreational users unable to travel as a result of lockdown measures and limited ability to fund inventory purchases. For the six months ended June 30, 2020 Global Telesat Communications revenue decreased \$362,800 or 17.9%, to \$1,666,937 from \$2,029,737. Currently, the sales activity throughout Europe and Asia appears to have stabilized.
- Orbital Satcom experienced a 42.9% sales increase in Q2 2020 as compared with the same period in 2019. For the six months ended June 30, 2020, Orbital Satcom revenue increased \$343,776 or 50.7%, from \$677,643 to \$1,021,420.
- Gross Margin for the second quarter of 2020 increased to 21.1% as compared to 19.5% for the second quarter of 2019 driven by higher margin e-commerce sales in North America. For the six months ended June 30, 2020, gross margin increased to 22.5% from 19.2%.
- Gross profit decreased 5.9% to \$257,692 during the quarter, as compared to \$274,109 in the same period of 2019. For the six months ended June 30, 2020, gross profit increased 16.5% or \$85,655, to \$605,693 from \$520,038, for the comparable period in the prior year. As a result of lower operating expenses and lower interest expenses, the Company reported net income for the quarter of \$26,566 as compared with a loss of \$387,624 reported for the quarter ended June 30, 2019. For the six months ended

June 30, 2020, net loss decreased 62.9% or \$436,953, to \$(258,294) from \$(695,247), during the six months ended June 30, 2019.

"Second quarter and year-to-date performance reflects the success of our online business model where we benefited from global diversification as improvements in North American sales offset weakness in Europe and Asia. This performance was also enhanced due to our increasing focus on predictable, recurring revenue services, providing stability as we continue to maximize the efficiencies of our operations in response to the pandemic. As a result of these efforts, we are pleased to report continued increases in gross margins and profitability during what has been and remains a challenging environment," commented David Phipps, Chief Executive Officer of Orbsat. "As we look ahead to the third and fourth quarters, we are encouraged by the gradual return to the pre-pandemic normalcy we are beginning to see in our business in Europe and parts of Asia."

### **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](http://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](mailto:mike@mwgco.net)

**SOURCE:** Orbsat Corp

View source version on accesswire.com:

<https://www.accesswire.com/601797/Orbsat-Corp-Reports-Results-for-the-Three-and-Six-Months-Ended-June-30-2020>