

Orbsat Corp Reports Results for the Three and Nine Months Ended September 30, 2020

-Company Reports 21% Growth in Sequential Quarterly Revenue and Improved Gross Margins Despite Impact of COVID-19 as Global Diversification and Recurring Revenue Provide Stability-

AVENTURA, FL / ACCESSWIRE / November 16, 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 third quarter ended September 30, 2020.

- Total consolidated revenue for the third quarter 2020 was \$1,475,393 for the quarter ended September 30, 2020, a decrease of approximately 15% compared to the \$1,746,525 reported for the same period in 2019. This decrease was largely due to COVID-19's negative impact on customer product rentals and purchases for recreational and travel use. Sequentially, quarterly sales in the third quarter of 2020 increased approximately 21% reflecting positive overall trends in the business, including continued increases in North American through the Company's Orbital Satcom US subsidiary. For the nine months ended September 30, 2020, consolidated revenue was \$4,163,750, a decrease of \$290,156 or 6.5%, from \$4,453,906 recorded in the nine months ended September 30, 2019. In the third quarter, the Company processed orders from customers located in 98 countries, including every country in the EU and in all 50 US states.
- The Company's UK subsidiary, Global Telesat Communications, which operates in a number of European countries which continue to be affected by COVID-19 travel restrictions and lockdown measures, experienced a decline of 9.1% in Q3 2020 revenue as compared to the same period in 2019 (in local currency terms), due primarily to a continued reduction in orders from recreational/leisure users and limited ability to fund inventory purchases. For the nine months ended September 30, 2020 Global Telesat Communications revenue decreased \$451,172 or 10.1%, to \$2,667,039 from \$3,128,211. Based upon preliminary sale activity through the first part of the fourth quarter, sales throughout Europe and Asia appear to have stabilized and are trending positively.
- Orbital Satcom experienced a 26.5% decrease in sales increase in Q3 2020, reporting revenues of \$472,521 as compared to \$642,906 reported in the same period in 2019. For the nine months ended September 30, 2020, Orbital Satcom revenue increased by \$161,016 or 12.5% to \$1,486,711 from \$1,325,695 reported in the nine months ended September 30, 2019. The Company attributes the increases in revenue to new product lines and significant increases in US e-commerce sales, including an 18.3% year-on-year increase in sales on Amazon.com.

- Gross Margin for the third quarter of 2020 increased to 27.0% as compared to 21.8% for the third quarter of 2019 driven by new product lines and improved price monitoring systems. For the nine months ended September 30, 2020, gross margin increased to 24.1% from 20.2%.
- Gross profit in the third quarter of 2020 increased 4.7% to \$398,464 during the quarter, as compared to \$380,517 in the same period of 2019. For the nine months ended September 30, 2020, gross profit increased 11.5% \$1,859,012 from \$900,555, for the comparable period in the prior year. As a result of significant, onetime expenses related to funding activities and the retirement of debt, offsetting reduced S,G&A expenses, the Company reported a net loss for the quarter of \$1,100,451 as compared with a loss of \$300,959 reported for the quarter ended September 30, 2019. For the nine months ended September 30, 2020, net loss increased to \$1,358,745 from a loss of \$996,194.

"Beyond the top-line impact of COVID-19 which we believe is now beginning to abate, results in the third quarter are demonstrating that our business remains fundamentally solid, with sequential revenue growth and improved gross profit margins. Supported by new capital secured in late August and a strengthened balance sheet, we have already been able to execute on a number of strategic opportunities, including expansion into new markets, signing of new contracts and forging deeper relationships with leading satellite technology partners such as Kymeta," commented David Phipps, Chief Executive Officer of Orbsat. "While COVID-19 still poses challenges to our business as well as the global economy, the stability of our diversified global customer base and the contribution of a high-margin, recurring revenue business model, gives us reason for optimism. Looking at 2021 and beyond, we expect significant potential demand for cost effective satellite services being created by the billion-dollar satellite modernization efforts currently underway by governments, the military and commercial enterprises in support of innovative services such as 5G and the IoT. These are the opportunity our team is focused on and ones we intend pursue in the near-term."

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, 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.

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