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Orbsat Corp Reports Record Second Quarter 2021 Financial Results

Strong Global E-Commerce Growth Drives Quarterly Net Sales Increase of 60% to Record Levels

AVENTURA, FL / ACCESSWIRE / August 17, 2021 /Orbsat Corp ([NASDAQ:OSAT, OSATW](https://www.nasdaq.com/markets/stocks/quotes/OSATW)) ("Orbsat" or the "Company"), a global e-commerce provider of IoT and connectivity solutions through next-generation satellite technology, today announced record quarterly revenue for its second quarter ended June 30, 2021.

Highlights of the quarter ended June 30, 2021 include:

- The Company successfully raised over \$14.6 million in net proceeds from the underwritten public offering of equity units and completed its uplisting onto the Nasdaq Capital Market.
- Net Sales for the second quarter reached a record of \$1,956,260, an increase of over 60% from the second quarter results of \$1,220,254 reported in the comparable period in 2020. Driving the sales increase was a broad global increase in e-commerce demand for satellite-based communications and recurring revenue airtime services, including an increase of 83% in sales of IoT satellite tracking hardware and services compared to the same period in 2020.
- Due to significant demand from customers in the UK and EU, sales at the Company's Global Telesat Communications Ltd. ("GTC") unit saw an increase in second quarter sales of 94% while sales at the Company's U.S. unit, Orbital Satcom Corp. ("OSC"), increased 12%.
- The Company completed sales transactions in 104 countries including all 27 countries in the EU, all 50 U.S. states, and many countries in Africa, Asia, the Middle East and South America during the second quarter.
- Gross profit margins for the quarter increased to 27.7% from 21.1% reported in the quarter end June 2020 primarily attributable to continued increases in global demand for high margin satellite IoT products and services and recurring airtime revenue.
- Net loss for the quarter ended June 30, 2021 was \$1,458,394 compared to net income of \$26,566 reported for the quarter ended June 30, 2020. The increased loss was primarily driven by an increase in a non-cash interest expense representing the one-time amortization of the discount on debt which totaled approximately \$949,907, an increase in salaries due to the hiring of additional employees, and professional fees related to the Company's capital raising activities and its listing on the Nasdaq Capital Market.
- Operating results for the second quarter did not reflect the positive impact of the Company's recently completed equity financing which will be utilized to invest in increased inventory and support the further expansion of its e-commerce activities.

"Orbsat's strong second quarter results demonstrate the advantages of our diversified and

highly scalable global e-commerce platform. Our sales growth in the most recent quarter is especially notable because it did not include the benefit of the investment of new growth capital which we secured late in the quarter and our recent launch onto new e-commerce platforms such as Alibaba," said Charles M. Fernandez, Chairman and CEO of Orbsat.

David Phipps, President of Orbsat and CEO of Global Operations, added, "Global e-commerce sales in the second quarter of 2021 continued to grow, particularly in the UK, which benefited from less competition because of Brexit, and strong demand across European markets. Although ongoing disruptions to the global supply chain and semiconductor chip shortages will continue to limit our ability to secure sufficient inventory to fully meet customer demand, our confidence in our business model is supported by a strong start to the third quarter where July sales remained at record levels. We intend to capitalize on the demand we are seeing in consumer and enterprise markets for satellite-connected communications and IoT by further investing in critical parts of our business. It is these investments that will help ensure our continued growth as we execute our business plan."

Highlights of Orbsat's business plan include:

- The continued expansion of the Company's e-commerce capabilities on new and existing platforms including its launch on Alibaba.com, the world's leading Business-to-Business marketplace
- Increasing worldwide sales and marketing activities and investments in inventory levels to better meet the demand of its global customer base for satellite-based voice and data connectivity products and services
- Pursuing synergistic acquisition and partnership opportunities in the e-commerce space where the Company's scope of services and global scale provides it competitive advantages
- Expanding its portfolio of proprietary offerings such as its SolarTrack asset tracker with the development of new Orbsat-branded IoT satellite tracking and connectivity solutions designed for end users in consumer and commercial markets

Mr. Fernandez concluded, "We are committed to building our business, including our management and administrative teams, accounting, and e-commerce systems as we prepare for the growth we see ahead. Although we anticipate continued headwinds caused by global supply chains, the ongoing global chip shortages, and COVID-19, we are confident that the benefits of the actions we are taking now will begin to make their impacts in the future. More immediately, during the second half of this year, we remain focused on the continued growth of our e-commerce platforms and to further penetrating a number of large growth markets where our global reach and range of solutions can solve many of the most difficult communications and connectivity challenges."

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 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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