UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021

OR

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from ______________to _______________.

Commission File Number 000-25097

ORBSAT CORP

(Exact name of registrant as specified in its charter)

Nevada	**65-0783722**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
18851 NE 29th Avenue, Suite 700 Aventura, FL	**33180**
(Address of principal executive offices	(Zip Code)

(305)-560-5355

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [X]	Smaller reporting company [X]
	Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

Class	Outstanding at May 17, 2020
Common Stock, $0.0001 par value	6,177,203

FORM 10-Q

INDEX

Part I Financial Information

Item 1. Financial Statements

The Company's unaudited financial statements for the three months ended March 31, 2021 and for comparable periods in the prior year are included below. The financial statements should be read in conjunction with the notes to financial statements that follow.

ORBSAT CORP AND SUBSIDIARIES
FKA: ORBITAL TRACKING CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS AS OF

		March 31, 2021		December 31, 2020
		(unaudited)		
ASSETS				
Current assets:				
Cash	$	559,282	$	728,762
Accounts receivable, net		271,207		177,031
Inventory		600,912		361,422
Unbilled revenue		77,623		75,556
Prepaid expenses		1,784		1,784
Other current assets		47,107		27,912
Total current assets		1,557,915		1,372,467
Property and equipment, net		1,039,173		1,106,164
Right of use		48,043		55,606
Intangible assets, net		93,750		100,000
Total assets	$	2,738,881	$	2,634,237
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities	$	1,166,865	$	1,052,603
Contract liabilities		31,547		36,704
Note payable – current portion		58,255		121,848
Note payable Coronavirus loans– current portion		70,782		41,831
Due to related party		101,834		102,060
Lease liabilities - current		30,385		30,125
Provision for income taxes		19,121		18,957
Liabilities from discontinued operations		112,397		112,397
Total current liabilities		1,591,186		1,516,525
Long term liabilities:				
Convertible debt, net of discount, unamortized, $924,199 and $1,084,944, respectively		261,977		209,323
Note payable Coronavirus loans– long term		294,625		320,626
Lease liabilities – long term		14,725		22,574
Total Liabilities		2,162,513		2,069,048
Stockholders' Equity:				
Preferred Stock, $0.0001 par value; 3,333,333 shares authorized, 0 shares issued and outstanding		-		-
Common stock, ($0.0001 par value; 50,000,000 shares authorized, 6,177,203 shares issued and outstanding as of March 31, 2021 and 4,080,017 outstanding at December 31, 2020, respectively)		617		408
Additional paid-in capital		15,298,667		14,486,166
Accumulated (deficit)		(14,681,695)		(13,878,553)
Accumulated other comprehensive income		(41,221)		(42,832)
Total stockholders' equity		576,368		565,189
Total liabilities and stockholders' equity	$	2,738,881	$	2,634,237

See the accompanying notes to the unaudited condensed consolidated financial statements.

ORBSAT CORP AND SUBSIDIARIES
FKA: ORBITAL TRACKING CORP.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Net sales	$ 1,461,428	$ 1,468,103
Cost of sales	1,023,911	1,120,102
Gross profit	437,517	348,001
Operating expenses:		
Selling, general and administrative	161,690	157,206
Salaries, wages and payroll taxes	208,174	195,642
Professional fees	292,882	114,889
Depreciation and amortization	73,700	71,504
Total operating expenses	736,446	539,241
Loss before other expenses and income taxes	(298,929)	(191,240)
Interest expense	520,694	91,253
Foreign currency exchange rate variance	(16,481)	2,367
Total other expenses	504,213	93,620
Net loss	$ (803,142)	$ (284,860)
Comprehensive Income:		
Net loss	$ (803,142)	$ (284,860)
Foreign currency translation adjustments	1,611	(9,194)
Comprehensive loss	$ (801,531)	$ (294,054)
Net loss Per Share - Basic & Diluted	$ (0.16)	(2.43)
Weighted average common shares outstanding - Basic & Diluted	4,926,175	121,216

See the accompanying notes to the unaudited condensed consolidated financial statements.

ORBSAT CORP AND SUBSIDIARIES
FKA: ORBITAL TRACKING CORP.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the Three Months Ended March 31, 2021

	Preferred Stock - Series A $0.0001 Par Value		Preferred Stock - Series B $0.0001 Par Value		Preferred Stock - Series C $0.0001 Par Value	
	Shares	Amount	Shares	Amount	Shares	Amount
Balance, December 31, 2020	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**
Issuance common stock from convertible debt	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	-	-
Net loss	-	-	-	-	-	-
Balance, March 31, 2021	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**

For the Three Months Ended March 31, 2020

	Preferred Stock - Series A $0.0001 Par Value		Preferred Stock - Series B $0.0001 Par Value		Preferred Stock - Series C $0.0001 Par Value	
	Shares	Amount	Shares	Amount	Shares	Amount
Balance, December 31, 2019	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**
Exercise of options to common	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	-	-
Net loss	-	-	-	-	-	-
Balance, March 31, 2020	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**

See accompanying notes to unaudited condensed consolidated financial statements.

ORBSAT CORP AND SUBSIDIARIES
FKA: ORBITAL TRACKING CORP.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the Three Months Ended March 31, 2021

	Preferred Stock - Series D $0.0001 Par Value		Preferred Stock - Series E $0.0001 Par Value		Preferred Stock - Series F $0.0001 Par Value	
	Shares	Amount	Shares	Amount	Shares	Amount
Balance, December 31, 2020	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**
Issuance common stock from convertible debt	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	-	-
Net loss	-	-	-	-	-	-
Balance, March 31, 2021	**-**	**$ -**	**-**	**$ -**	**$ -**	**$ -**

For the Three Months Ended March 31, 2020

	Preferred Stock - Series D $0.0001 Par Value		Preferred Stock - Series E $0.0001 Par Value		Preferred Stock - Series F $0.0001 Par Value	
	Shares	Amount	Shares	Amount	Shares	Amount
Balance, December 31, 2019	**-**	**$ -**	**-**	**$ -**	**$ -**	**$ -**
Exercise of options to common	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	-	-
Net loss	-	-	-	-	-	-
Balance, March 31, 2020	**-**	**$ -**	**-**	**$ -**	**$ -**	**$ -**

See accompanying notes to unaudited condensed consolidated financial statements.

ORBSAT CORP AND SUBSIDIARIES
FKA: ORBITAL TRACKING CORP.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the Three Months Ended March 31, 2021

	Preferred Stock - Series G $0.0001 Par Value		Preferred Stock - Series H $0.0001 Par Value		Preferred Stock - Series I $0.0001 Par Value	
	Shares	Amount	Shares	Amount	Shares	Amount
Balance, December 31, 2020	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**
Issuance common stock from convertible debt	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	-	-
Net loss	-	-	-	-	-	-
Balance, March 31, 2021	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**

For the Three Months Ended March 31, 2020

	Preferred Stock - Series G $0.0001 Par Value		Preferred Stock - Series H $0.0001 Par Value		Preferred Stock - Series I $0.0001 Par Value	
	Shares	Amount	Shares	Amount	Shares	Amount
Balance, December 31, 2019	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**
Exercise of options to common	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	-	-
Net loss	-	-	-	-	-	-
Balance, March 31, 2020	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**

See accompanying notes to unaudited condensed consolidated financial statements.

ORBSAT CORP AND SUBSIDIARIES
FKA: ORBITAL TRACKING CORP.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the Three Months Ended March 31, 2021

	Preferred Stock - Series J $0.0001 Par Value		Preferred Stock - Series K $0.0001 Par Value		Preferred Stock - Series L $0.0001 Par Value	
	Shares	Amount	Shares	Amount	Shares	Amount
Balance, December 31, 2020	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**
Issuance common stock from convertible debt	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	-	-
Net loss	-	-	-	-	-	-
Balance, March 31, 2021	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**

For the Three Months Ended March 31, 2020

	Preferred Stock – Series J $0.0001 Par Value		Preferred Stock – Series K $0.0001 Par Value		Preferred Stock – Series L $0.0001 Par Value	
	Shares	Amount	Shares	Amount	Shares	Amount
Balance, December 31, 2019	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**
Exercise of options to common	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	-	-
Net loss	-	-	-	-	-	-
Balance, March 31, 2020	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**

See accompanying notes to unaudited condensed consolidated financial statements.

ORBSAT CORP AND SUBSIDIARIES
FKA: ORBITAL TRACKING CORP.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the Three Months Ended March 31, 2021

	Common Stock $0.0001 Par Value		Additional Paid in	Accumulated
	Shares	Amount	Capital	Deficit
Balance, December 31, 2020	**4,080,017**	**$ 408**	**$ 14,486,166**	**$ (13,878,553)**
Issuance common stock from convertible debt	2,092,186	209	457,882	-
Beneficial conversion feature of convertible debt	-	-	340,420	-
Stock based compensation	5,000	0	14,200	
Comprehensive loss	-	-	-	-
Net loss	-	-	-	(803,142)
Balance, March 31, 2021	**6,177,203**	**$ 617**	**$ 15,298,667**	**$ (14,681,695)**

For the Three Months Ended March 31, 2020

	Common Stock $0.0001 Par Value		Additional Paid in	Accumulated
	Shares	Amount	Capital	Deficit
Balance, December 31, 2019	**121,216**	**$ 12**	**$ 11,757,027**	**$ (11,115,178)**
Issuance common stock from convertible debt	113,260	11	11,315	-
Comprehensive loss	-	-	-	-
Net loss	-	-	-	(284,860)
Balance, March 31, 2020	**234,476**	**$ 23**	**$ 11,768,342**	**$ (11,400,038)**

See accompanying notes to unaudited condensed consolidated financial statements.

ORBSAT CORP AND SUBSIDIARIES
FKA: ORBITAL TRACKING CORP.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the Three Months Ended March 31, 2021

	Comprehensive Income (Loss)	Stockholders' Equity
Balance, December 31, 2020	**$ (42,832)**	**$ 565,188**
Issuance common stock from convertible debt	-	458,091
Beneficial conversion feature of convertible debt	-	340,420
Stock based compensation	-	14,200
Comprehensive gain	1,611	1,611
Net loss	-	(803,142)
Balance, March 31, 2021	**$ (41,221)**	**$ 576,368**

For the Three Months Ended March 31, 2020

	Comprehensive Income (Loss)	Stockholders' Equity
Balance, December 31, 2019	**$ (2,152)**	**$ 639,709**
Issuance common stock from convertible debt	-	11,326
Exercise of options to common	-	-
Comprehensive loss	(9,194)	(9,194)
Net loss	-	(284,860)
Balance, March 31, 2020	**$ (11,346)**	**$ 356,981**

See accompanying notes to unaudited condensed consolidated financial statements.

ORBSAT CORP AND SUBSIDIARIES
FKA: ORBITAL TRACKING CORP.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED

	March 31, 2021	March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (803,142)	$ (284,860)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation expense	67,450	65,254
Amortization of intangible asset	6,250	6,250
Amortization of right to use	7,563	11,939
Amortization of convertible debt, net	501,164	74,837
Stock based compensation	14,200	-
Change in operating assets and liabilities:		
Accounts receivable	(94,176)	72,045
Inventory	(239,490)	(77,686)
Unbilled revenue	(2,067)	5,368
Prepaid expense	-	12,652
Other current assets	(19,195)	76,609
Accounts payable and accrued liabilities	114,261	120,709
Lease liabilities	(7,589)	(11,939)
Provision for income taxes	164	(1,330)
Contract liabilities	(5,157)	(5,136)
Net cash (used in) provided by operating activities	(459,764)	64,712
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(459)	(10,933)
Net cash used in investing activities	(459)	(10,933)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of note payable, related party, net	(226)	20,536
Repayments of notes payable	(60,643)	(7,226)
Proceeds of convertible debt	350,000	-
Net cash provided by financing activities	289,131	13,310
Effect of exchange rate on cash	1,611	(4,373)
Net (decrease) increase in cash	(169,481)	62,716
Cash beginning of period	728,762	75,362
Cash end of period	$ 559,282	$ 138,078
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the period for		
Interest	$ -	$ -
Income tax	$ -	$ -
Non-cash adjustments during the period for		
Beneficial conversion feature on convertible debt	$ 340,420	$ 74,837
Conversion of convertible debt into common shares	$ 458,091	$ 11,326
Obtaining right of use asset for lease liability	$ -	$ 11,939

See the accompanying notes to the unaudited condensed consolidated financial statements.

ORBSAT CORP AND SUBSIDIARIES
FKA: ORBITAL TRACKING CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited condensed consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial statements and do not include all the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. The information furnished reflects all adjustments, consisting only of normal recurring items which are, in the opinion of management, necessary in order to make the financial statements not misleading. The unaudited financial statements for the three months ending March 31, 2021, are not necessarily indicative of the results for the remainder of the fiscal year. The consolidated financial statements as of December 31, 2020, have been audited by an independent registered public accounting firm. The accounting policies and procedures employed in the preparation of these condensed consolidated financial statements have been derived from the audited financial statements of Orbsat Corp F/K/A/ Orbital Tracking Corp. (the "Company") for the year ended December 31, 2020, which are contained in the Company's annual report on Form 10-K as filed with the Securities and Exchange Commission (the "SEC") on March 22, 2021. The consolidated balance sheet as of December 31, 2020 was derived from those financial statements.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP"). The consolidated financial statements of the Company include the Company and its wholly-owned subsidiaries, Orbital Satcom Corp. and Global Telesat Communications Ltd. All material intercompany balances and transactions have been eliminated in consolidation.

.

Description of Business

Orbsat Corp (the "Company") was formerly Great West Resources, Inc., a Nevada corporation. The Company is a provider of satellite-based hardware, airtime and related services both in the United States and internationally. The Company's principal focus is on growing the Company's existing satellite-based hardware, airtime and related services business line and developing the Company's own tracking devices for use by retail customers worldwide.

The Company was originally incorporated in 1997 in Florida. On April 21, 2010, the Company merged with and into a wholly-owned subsidiary for the purpose of changing its state of incorporation to Delaware, effecting a 2:1 forward split of its common stock, and changing its name to EClips Media Technologies, Inc. On April 25, 2011, the Company changed its name to Silver Horn Mining Ltd. pursuant to a merger with a wholly-owned subsidiary.

A wholly-owned subsidiary, Orbital Satcom Corp. ("Orbital Satcom"), a Nevada corporation was formed on November 14, 2014.

Global Telesat Communications Limited ("GTCL") was formed under the laws of England and Wales in 2008. On February 19, 2015, the Company entered into a share exchange agreement with GTCL and all of the holders of the outstanding equity of GTCL pursuant to which GTCL became a wholly-owned subsidiary of the Company.

Use of Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statements of financial condition, and revenues and expenses for the years then ended. Actual results may differ significantly from those estimates. Significant estimates made by management include, but are not limited to, the assumptions used to calculate stock-based compensation, derivative liabilities and common stock issued for services.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Company places its cash with a high credit quality financial institution. The Company's account at this institution is insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. To reduce its risk associated with the failure of such financial institution, the Company evaluates at least annually the rating of the financial institution in which it holds deposits.

Accounts receivable and allowance for doubtful accounts

The Company has a policy of reserving for questionable accounts based on its best estimate of the amount of probable credit losses in its existing accounts receivable. The Company periodically reviews its accounts receivable to determine whether an allowance is necessary based on an analysis of past due accounts and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are offset against sales and relieved from accounts receivable, after all means of collection have been exhausted and the potential for recovery is considered remote. As of March 31, 2021, and 2020, there is an allowance for doubtful accounts of $0 and $5,300, respectively.

Inventories

Inventories are valued at the lower of cost or net realizable value, using the first-in first-out cost method. The Company assesses the valuation of its inventories and reduces the carrying value of those inventories that are obsolete or in excess of the Company's forecasted usage to their estimated net realizable value. The Company estimates the net realizable value of such inventories based on analysis and assumptions including, but not limited to, historical usage, expected future demand and market requirements. A change to the carrying value of inventories is recorded to cost of goods sold.

Prepaid expenses

Prepaid expenses amounted to $1,784 and $1,784, at March 31, 2021 and December 31, 2020, respectively. Prepaid expenses include prepayments in cash for accounting fees, prepayments in equity instruments and license fees which are being amortized over the terms of their respective agreements and product costs associated with deferred revenue. The current portion consists of costs paid for future services which will occur within a year.

Foreign Currency Translation

The Company's reporting currency is U.S. Dollars. The accounts of one of the Company's subsidiaries, GTCL, is maintained using the appropriate local currency, Great British Pound, as the functional currency. All assets and liabilities are translated into U.S. Dollars at balance sheet date, shareholders' equity is translated at historical rates and revenue and expense accounts are translated at the average exchange rate for the year or the reporting period. The translation adjustments are reported as a separate component of stockholders' equity, captioned as accumulated other comprehensive (loss) gain. Transaction gains and losses arising from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the statements of operations.

The relevant translation rates are as follows: for the three months ended March 31, 2021, closing rate at 1.3783 US$: GBP, quarterly average rate at 1.379068 US$: GBP, for the three months ended March 31, 2020, closing rate at 1.245481 US$: GBP, quarterly average rate at 1.281097 US$: GBP, for the year ended 2020 closing rate at 1.3665 US$: GBP, average rate at 1.286618 US$: GBP.

Revenue Recognition and Unearned Revenue

The Company recognizes revenue from satellite services when earned, as services are rendered or delivered to customers. Equipment sales revenue is recognized when the equipment is delivered to and accepted by the customer. Only equipment sales are subject to warranty. Historically, the Company has not incurred significant expenses for warranties. Equipment sales which have been prepaid, before the goods are shipped are recorded as contract liabilities and once shipped is recognized as revenue. The Company also records as contract liabilities, certain annual plans for airtime, which are paid in advance. Once airtime services are incurred, they are recognized as revenue. Unbilled revenue is recognized for airtime plans whereby the customer is invoiced for its data usage the following month after services are incurred.

The Company's customers generally purchase a combination of our products and services as part of a multiple element arrangement. The Company's assessment of which revenue recognition guidance is appropriate to account for each element in an arrangement can involve significant judgment. This assessment has a significant impact on the amount and timing of revenue recognition.

The Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which we expect to receive in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, we perform the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy a performance obligation. The five-step model is applied to contracts when it is probable that we will collect the consideration we are entitled to in exchange for the goods or services transferred to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, we assess the goods or services promised within each contract and determine those that are performance obligations and assess whether each promised good or service is distinct. We then recognize revenue in the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

In accordance with ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedient*, which is to (1) clarify the objective of the collectability criterion for applying paragraph 606-10-25-7; (2) permit an entity to exclude amounts collected from customers for all sales (and other similar) taxes from the transaction price; (3) specify that the measurement date for noncash consideration is contract inception; (4) provide a practical expedient that permits an entity to reflect the aggregate effect of all modifications that occur before the beginning of the earliest period presented when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price to the satisfied and unsatisfied performance obligations; (5) clarify that a completed contract for purposes of transition is a contract for which all (or substantially all) of the revenue was recognized under legacy GAAP before the date of initial application, and (6) clarify that an entity that retrospectively applies the guidance in Topic 606 to each prior reporting period is not required to disclose the effect of the accounting change for the period of adoption. The amendments of this ASU are effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. There was no impact as a result of adopting this ASU on the financial statements and related disclosures. Based on the terms and conditions of the product arrangements, the Company believes that its products and services can be accounted for separately as its products and services have value to the Company’s customers on a stand-alone basis. When a transaction involves more than one product or service, revenue is allocated to each deliverable based on its relative fair value; otherwise, revenue is recognized as products are delivered or as services are provided over the term of the customer contract.

Contract liabilities is shown separately in the unaudited consolidated balance sheets as current liabilities. At March 31, 2021 and December 31, 2020, we had contract liabilities of $31,547 and $36,704, respectively.

Cost of Product Sales and Services

Cost of sales consists primarily of materials, airtime and overhead costs incurred internally and amounts incurred to contract manufacturers to produce our products, airtime and other implementation costs incurred to install our products and train customer personnel, and customer service and third-party original equipment manufacturer costs to provide continuing support to our customers. There are certain costs which are deferred and recorded as prepaids, until such revenue is recognized. Refer to revenue recognition above as to what constitutes deferred revenue.

Shipping and handling costs are included as a component of costs of product sales in the Company’s consolidated statements of operations because the Company includes in revenue the related costs that the Company bills its customers.

Intangible assets

Intangible assets include customer contracts purchased and recorded based on the cost to acquire them. These assets are amortized over 10 years. Useful lives of intangible assets are periodically evaluated for reasonableness and the assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable.

Goodwill and other intangible assets

In accordance with ASC 350-30-65, “Intangibles - Goodwill and Others”, the Company assesses the impairment of identifiable intangibles whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors the Company considers to be important which could trigger an impairment review include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

When the Company determines that the carrying value of intangibles may not be recoverable based upon the existence of one or more of the above indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, the Company records an impairment charge. The Company measures any impairment based on a projected discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent in the current business model. Significant management judgment is required in determining whether an indicator of impairment exists and in projecting cash flows. The Company recorded an impairment charge of $0 and $0, during the three months ended March 31, 2021 and for the year ended December 31, 2020, respectively.

Property and Equipment

Property and equipment are carried at historical cost less accumulated depreciation. Depreciation is based on the estimated service lives of the depreciable assets and is calculated using the straight-line method. Expenditures that increase the value or productive capacity of assets are capitalized. Fully depreciated assets are retained in the property and equipment, and accumulated depreciation accounts until they are removed from service. When property and equipment are retired, sold or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. Repairs and maintenance are expensed as incurred.

The estimated useful lives of property and equipment are generally as follows:

	Years
Office furniture and fixtures	4
Computer equipment	4
Rental equipment	4
Appliques	10
Website development	2

Depreciation expense for the three months ended March 31, 2021 and 2020 were $67,450 and $65,254, respectively.

Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable, or at least annually. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value. The Company did not consider it necessary to record any impairment charges during the periods ended March 31, 2021 and March 31, 2020, respectively.

Accounting for Derivative Instruments

Derivatives are required to be recorded on the balance sheet at fair value. These derivatives, including embedded derivatives in the Company's structured borrowings, are separately valued and accounted for on the Company's balance sheet. Fair values for exchange traded securities and derivatives are based on quoted market prices. Where market prices are not readily available, fair values are determined using market-based pricing models incorporating readily observable market data and requiring judgment and estimates.

The Company did not identify any assets or liabilities that are required to be presented on the consolidated balance sheets at fair value in accordance with the accounting guidance. The carrying amounts reported in the balance sheet for cash, accounts payable, and accrued expenses approximate their estimated fair market value based on the short-term maturity of the instruments.

Stock Based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the consolidated financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 718, for share-based payments to consultants and other third-parties, compensation expense is determined at the "measurement date." The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company initially records compensation expense based on the fair value of the award at the reporting date. Further, ASC Topic 718, provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718, such as the repricing of share options, which would revalue those options and the accounting for the cancellation of an equity award whether a replacement award or other valuable consideration is issued in conjunction with the cancellation. If not, the cancellation is viewed as a replacement and not a modification, with a repurchase price of $0.

Income Taxes

The Company accounts for income taxes pursuant to the provision of ASC 740-10, "Accounting for Income Taxes" ("ASC 740-10") which requires, among other things, an asset and liability approach to calculating deferred income taxes. The asset and liability approach require the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. A valuation allowance is provided to offset any net deferred tax assets for which management believes it is more likely than not that the net deferred asset will not be realized.

The Company follows the provision of ASC 740-10 related to Accounting for Uncertain Income Tax Positions. When tax returns are filed, there may be uncertainty about the merits of positions taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions.

Tax positions that meet the more likely than not recognition threshold is measured at the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefit associated with tax positions taken that exceed the amount measured as described above should be reflected as a liability for uncertain tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

The Company believes its tax positions are all more likely than not to be upheld upon examination. As such, the Company has not recorded a liability for uncertain tax benefits.

The Company has adopted ASC 740-10-25, "Definition of Settlement," which provides guidance on how an entity should determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits and provides that a tax position can be effectively settled upon the completion and examination by a taxing authority without being legally extinguished. For tax positions considered effectively settled, an entity would recognize the full amount of tax benefit, even if the tax position is not considered more likely than not to be sustained based solely on the basis of its technical merits and the statute of limitations remains open. The federal and state income tax returns of the Company are subject to examination by the IRS and state taxing authorities, generally for three years after they are filed.

Leases

Effective January 1, 2019, the Company accounts for its leases under ASC 842, *Leases*. Under this guidance, arrangements meeting the definition of a lease are classified as operating or financing leases, and are recorded on the consolidated balance sheet as both a right of use asset and lease liability, calculated by discounting fixed lease payments over the lease term at the rate implicit in the lease or the Company's incremental borrowing rate. Lease liabilities are increased by interest and reduced by payments each period, and the right of use asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right of use asset result in straight-line rent expense over the lease term. For finance leases, interest on the lease liability and the amortization of the right of use asset results in front-loaded expense over the lease term. Variable lease expenses are recorded when incurred.

In calculating the right of use asset and lease liability, the Company has elected to combine lease and non-lease components. The Company excludes short-term leases having initial terms of 12 months or less from the new guidance as an accounting policy election, and recognizes rent expense on a straight-line basis over the lease term.

The Company continues to account for leases in the prior period financial statements under ASC Topic 840.

Research and Development

The Company accounts for research and development costs in accordance with the Accounting Standards Codification subtopic 730-10, Research and Development ("ASC 730-10"). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and development costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. For the three months ended March 31, 2021 and 2020, there were no expenditures on research and development.

Earnings per Common Share

Net income (loss) per common share is calculated in accordance with ASC Topic 260: Earnings per Share ("ASC 260"). Basic income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. The computation of diluted net loss per share does not include dilutive common stock equivalents in the weighted average shares outstanding as they would be anti-dilutive. In periods where the Company has a net loss, all dilutive securities are excluded.

The following are dilutive common stock equivalents during the quarter ended:

	March 31, 2021	March 31, 2020
Convertible notes payable (1)	4,368,486	7,936,740
Stock Options	3,000,044	39,044
Stock Warrants	4,000	4,000
Total	7,372,530	7,979,784

(1) 4,368,486 and 7,936,740 shares of our common stock issuable upon conversion of $1,186,176 and $793,674 of Convertible Notes Payable as of March 31, 2021 and 2020, not accounting for 4.99% beneficial ownership limitations.

Related Party Transactions

A party is considered to be related to the Company if the party directly or indirectly or through one or more intermediaries, controls, is controlled by, or is under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. A party which can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests is also a related party.

Recent Accounting Pronouncements

In November 2018, the FASB amended Topic 842, Leases, by issuing ASU No. 2016-02, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 with *ASU No. 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU No. 2018-10, Codification Improvements to Topic 842, Leases; and ASU No. 2018-11, Targeted Improvements.* The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. The new standard was effective for us on January 1, 2019, however the Company did not have any leases that met the criteria as established above, until July 24, 2019, when the Company entered into a three-year lease for its UK office and warehouse for annual rent of £25,536 or GBP: USD using exchange rate close for the three months ended March 31, 2021, for liability of 1.3783 or $35,196. An entity may choose to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. If an entity chooses the second option, the transition requirements for existing leases also apply to leases entered into between the date of initial application and the effective date. The entity must also recast its comparative period financial statements and provide the disclosures required by the new standard for the comparative periods. Consequently, financial information will not be updated, and the disclosures required under the new standard will not be provided for dates and periods before January 1, 2019.

At March 31, 2021, the Company had current and long-term operating lease liabilities of $30,385 and $14,725, respectively, and right of use assets of $48,043.

Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption. The Company does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to its financial condition, results of operations, cash flows or disclosures.

NOTE 2 - GOING CONCERN CONSIDERATIONS

The accompanying consolidated financial statements are prepared assuming the Company will continue as a going concern. At March 31, 2021, the Company had an accumulated deficit of $14,681,695, negative working capital of $33,271 and net loss of $803,142 during the three months ended March 31, 2021. These factors raise substantial doubt about the Company's ability to continue as a going concern for one year from the issuance of the financial statements. The ability of the Company to continue as a going concern is dependent upon obtaining additional capital and financing. Management intends to attempt to raise additional funds by way of a public or private offering. While the Company believes in the viability of its strategy to raise additional funds, there can be no assurances to that effect. Without additional capital, we will be unable to achieve our business objectives, and may be forced to curtail our operations, reduce headcount, and/or temporarily cease our operations until requisite capital is secured. The consolidated financial statements do not include any adjustments relating to classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 3 - INVENTORIES

At March 31, 2021 and December 31, 2020, inventories consisted of the following:

	March 31, 2021	December 31, 2020
Finished goods	$ 600,912	$ 361,422
Less reserve for obsolete inventory	-	-
Total	$ 600,912	$ 361,422

For the three months ended March 31, 2021 and the year ended December 31, 2020, the Company did not make any change for reserve for obsolete inventory.

NOTE 4 – PREPAID EXPENSES

Prepaid expenses amounted to $1,784 at March 31, 2021 and at December 31, 2020. Prepaid expenses include prepayments in cash for accounting fees, prepayments in equity instruments, which are being amortized over the terms of their respective agreements, as well as cost associated with certain contract liabilities. The current portion consists of costs paid for future services which will occur within a year.

NOTE 5 - PROPERTY AND EQUIPMENT

At March 31, 2021 and December 31, 2020, property and equipment, net of fully depreciated assets, consisted of the following:

	March 31, 2021	December 31, 2020
Office furniture and fixtures	$ 6,525	$ 6,470
Computer equipment	33,547	33,361
Rental equipment	48,603	48,187
Appliques	2,160,096	2,160,096
Website development	69,578	69,149
	2,318,349	2,317,263
Less accumulated depreciation	(1,279,176)	(1,211,099)
Total	$ 1,039,173	$ 1,106,164

Depreciation expense was $67,450 and $65,254 for the three months ended March 31, 2021 and 2020, respectively.

NOTE 6 – INTANGIBLE ASSETS

On December 10, 2014, the Company entered the satellite voice and data equipment sales and service business through the purchase of certain contracts from Global Telesat Corp. ("GTC"). These contracts permit the Company to utilize the Globalstar, Inc. and Globalstar LLC (collectively, "Globalstar") mobile satellite voice and data network. The purchase price for the contracts of $250,000 was paid by the Company under an asset purchase agreement by and among the Company, its wholly owned subsidiary, Orbital Satcom, GTC and World Surveillance Group, Inc.

Included in the purchased assets are: (i) the rights and benefits granted to GTC under each of the Globalstar Contracts, subject to certain exclusions, (ii) account and online access to the Globalstar Cody Simplex activation system, (iii) GTC's existing customers who are serviced pursuant to the Globalstar Contracts (only as to their business directly and exclusively related to the Globalstar Contracts), and (iv) all of GTC's rights and benefits directly and exclusively related to the Globalstar Contracts.

Amortization of customer contracts are included in depreciation and amortization. For the three months ended March 31, 2021 and 2020, the Company amortized $6,250, respectively. Future amortization of intangible assets is as follows:

2021	$	18,750
2022		25,000
2023		25,000
2024		25,000
Total	$	93,750

For the three months ended March 31, 2021 and 2020, there were no additional expenditures on research and development.

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED OTHER LIABILITIES

Accounts payable and accrued other liabilities consisted of the following:

		March 31, 2021		December 31, 2020
Accounts payable	$	927,309	$	747,476
Rental deposits		10,854		10,761
Customer deposits payable		52,298		53,570
Accrued wages & payroll liabilities		6,850		1,913
VAT liability & sales tax payable		(31,290)		50,453
Pre-merger accrued other liabilities		65,948		65,948
Accrued interest		112,396		99,982
Accrued other liabilities		22,500		22,500
Total	$	1,166,865	$	1,052,603

NOTE 8 – LINE OF CREDIT

On October 9, 2019, Orbital Satcom Corp., entered into a short-term loan agreement for $29,000, with Amazon. The one-year term loan is paid monthly, has an interest rate of 9.72%, with late payment penalty interest of 11.72%. For the three months ended March 31, 2021 and 2020, the Company recorded interest expense of $0 and $467, respectively. The short-term line of credit balance as of March 31, 2021 and December 31, 2020, was $0 and $0.

NOTE 9 – NOTE EXCHANGE AGREEMENT

On April 30, 2019, the Company entered into a Shares for Note Exchange Agreement (each, an "Agreement" and collectively, the "Agreements") with certain holders of the Company's preferred stock (the "Converting Stockholders"). Pursuant to the terms of the Agreements, the Company agreed to exchange the preferred shares held by the respective Converting Stockholders for promissory notes as follows:

Series of Preferred Stock	No. of Converting Holders of Preferred Stock	Aggregate No. of Shares Held by Converting Stockholders	Aggregate Principal Amount of Notes into which Shares Converted
B	1	222	$ 11
C	1	123,526	$ 12,353
D	3	147,577	$ 29,516
E	—	—	$ —
F	1	23,333	$ 233
G	2	346,840	$ 3,468
H	3	916	$ 916
I	3	3,241	$ 3,241
J	5	4,296	$ 42,961
K	7	70,571	$ 70,571
L	3	1,333	$ 5,000
	TOTAL:	721,855	$ 168,270

In exchange for the above-referenced shares of preferred stock, the Company issued a promissory note (each, a "Note" and collectively, the "Notes") to each of the Converting Stockholders on April 30, 2019. Each Note bears interest at a rate of 6% per annum and is due on the second anniversary of the issuance date. Interest accrues on a simple interest, non-compounded basis and will be added to the principal amount on the maturity date. In the event that any amount due under a Note is not paid as and when due, such amounts will accrue interest at the rate of 12% per year, simple interest, non-compounding, until paid. The Company may prepay the Notes at any time.

During the periods ended March 31, 2021 and December 31, 2020, the Company repaid $60,643 and $0 of the notes, leaving a balance of $58,255 and $121,848, respectively as short-term notes payable. For the three months ended March 31, 2021, the Company recorded interest in relation to the note of $1,594.

NOTE 10 – CONVERTIBLE NOTES PAYABLE

Convertible notes payable – long term

March 2021 Financing

On March 5, 2021, the Company entered into a Note Purchase Agreement (the "March 2021 NPA") by and between the Company and one individual accredited investor (the "Lender"). Pursuant to the terms of the March 2021 NPA, the Company sold a convertible promissory note with a principal amount of $350,000 (the "March 2021 Note"). The March 2021 Note is a general, unsecured obligation of the Company and bears simple interest at a rate of 7% per annum, and matures on the third anniversary of the date of issuance (the "Maturity Date"), to the extent that the March 2021 Note and the principal amount and any interest accrued thereunder have not been converted into shares of the Company's common stock. In the event that any amount due under the March 2021 Note is not paid as and when due, such amount will accrue interest at the rate of 12% per year, simple interest, non-compounding, until paid. The Company may not pre-pay or redeem the March 2021 Note other than as required by the Agreement. The Noteholder have an optional right of conversion such that a Noteholder may elect to convert his March 2021 Note, in whole or in part, outstanding as of such time, into the number of fully paid and non-assessable shares of the Company's common stock as determined by dividing the indebtedness under the March 2021 Note price equal to the lesser of (a) $1.50 per share, and (b) a 30% discount to the price of the common stock in the qualified transaction. Following an event of default, the conversion price shall be adjusted to be equal to the lower of: (i) the then applicable conversion price or (ii) the price per share of 85% of the lowest traded price for the Company's common stock during the 15 trading days preceding the relevant conversion. In addition, subject to the ownership limitations, if a qualified transaction is completed, without further action from the Noteholder, on the closing date of the qualified transaction, 50% of the principal amount of this March 2021 Note and all accrued and unpaid interest shall be converted into Company common stock at a conversion price equal to the 30% discount to the offering price in such qualified transaction, which price shall be proportionately adjusted for stock splits, stock dividends or similar events. A "Qualified Transaction" refers the completion of the public offering of the Company's securities stock with gross proceeds of at least $10,000,000 pursuant to which the Company's securities become registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended, or a merger with a company listed on the Nasdaq or Canadian stock exchanges, as amended. The Noteholder is granted registration rights and pre-emptive rights. In addition, the March 2021 NPA includes customary events of default, including, among others: (i) non-payment of amounts due thereunder, (ii) non-compliance with covenants thereunder, (iii) bankruptcy or insolvency. The Company's issuance of the March 2021 Note under the terms of the March 2021 NPA was made pursuant to an exemption from registration under the Securities Act of 1933, as amended (the "Securities Act") in reliance on Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering. The investor in the March 2021 Note is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D under the Securities Act. There were no discounts or brokerage fees associated with this offering. The Company used the offering proceeds for working capital and general corporate purposes. As of March 31, 2021, the balance of the March 2021 Note is $350,000 which could convert into approximately 233,333 shares of common stock.

The balances of the Company's convertible notes payable consist of the following:

	March 31, 2021	December 31, 2020
May 2019 Notes	$ 409,809	$ 462,085
August 2020 Notes	380,638	588,182
December 2020 Notes	45,729	244,000
March 2021 Notes	350,000	-
	1,186,176	1,294,267
Debt Discount	(924,199)	(1,084,944)
Total	$ 261,977	$ 209,323

For the three months ended March 31, 2021 and 2020, we amortized the discount on the debt, to interest expense of $501,164 and $74,837.

For the three months ended March 31, 2021 and 2020, the Holders converted a total of $458,091 and $11,315 of the convertible debt to 2,092,186 and 113,260 shares of common shares.

NOTE 11 CORONAVIRUS LOANS

On May 8, 2020, Orbsat Corp was approved for the US funded Payroll Protection Program, ("PPP") loan. The loan is for $20,832 and has a term of 2 years, of which the first 6 months are deferred at an interest rate of 1%. As of March 31, 2021, the Company has recorded $19,096 as current portion of notes payable and $1,736 as notes payable long term. In May 2021, the Company applied for forgiveness of the full amount due on the PPP loan.

On April 20, 2020, the Board of Directors the Company, approved for its wholly owned UK subsidiary, Global Telesat Communications LTD ("GTC"), to apply for a Coronavirus Interruption Loan, offered by the UK government, for an amount up to £250,000. On July 16, 2020 (the "Issue Date"), GTC, entered into a Coronavirus Interruption Loan Agreement ("Debenture") by and among the Company and HSBC UK Bank PLC (the "Lender") for an amount of £250,000, or USD$344,575 at an exchange rate of GBP:USD of 1.3783. The Debenture bears interest beginning July 16, 2021, at a rate of 3.99% per annum over the Bank of England Base Rate (0.1% as of July 16, 2020), payable monthly on the outstanding principal amount of the Debenture. The Debenture has a term of 6 years from the date of drawdown, July 15, 2026, the "Maturity Date". The first repayment of £4,167 (exclusive of interest) will be made 13 month(s) after July 16, 2020. Voluntary prepayments are allowed with 5 business days' written notice and the amount of the prepayment is equal to 10% or more of the limit or, if less, the balance of the debenture. The Debenture is secured by all GTC's assets as well as a guarantee by the UK government, with the proceeds of the Debenture are to be used for general corporate and working capital purposes. The Debenture includes customary events of default, including, among others: (i) non-payment of amounts due thereunder, (ii) non-compliance with covenants thereunder, (iii) bankruptcy or insolvency (each, an "Event of Default"). Upon the occurrence of an Event of Default, the Debenture becomes payable upon demand. As of March 31, 2021, the Company has recorded $51,686 as current portion of notes payable and $292,889 as notes payable long term.

NOTE 12 - STOCKHOLDERS' EQUITY

Capital Structure

On March 28, 2014, in connection with the Reincorporation (see Note 1), all share and per share values for all periods presented in the accompanying condensed consolidated financial statements are retroactively restated for the effect of the Reincorporation.

On March 5, 2016, the Company shareholders voted in favor of an amendment to its Articles of Incorporation to increase the total number of shares of authorized capital stock to 800,000,000 shares consisting of (i) 750,000,000 shares of common stock and (ii) 50,000,000 shares of preferred stock from 220,000,000 shares consisting of (i) 200,000,000 shares of common stock and (ii) 20,000,000 shares of preferred stock.

Effective March 8, 2018, we conducted a reverse split of our common stock at a ratio of 1 for 150. All share and per share information in the accompanying condensed consolidated financial statements and footnotes has been retroactively restated to reflect the reverse split.

On July 24, 2019, the Company filed a Certificate of Change (the "Certificate of Change") with the Nevada Secretary of State. The Certificate of Change provides for (i) a 1-for-15 reverse split (the "Reverse Split") of the Company's common stock, $0.0001 par value per share, and the Company's preferred stock, $0.0001 par value per share, (ii) a reduction in the number of authorized shares of common stock in direct proportion to the Reverse Split (i.e. from 750,000,000 shares to 50,000,000 shares), and (iii) a reduction in the number of authorized shares of preferred stock in direct proportion to the Reverse Split (i.e. from 50,000,000 shares to 3,333,333 shares). No fractional shares will be issued in connection with the Reverse Split. Stockholders who otherwise would be entitled to receive fractional shares of common stock or preferred stock, as the case may be, will have the number of post-Reverse Split shares to which they are entitled rounded up to the nearest whole number of shares. No stockholders will receive cash in lieu of fractional shares. The Reverse Split was approved by FINRA on August 19, 2019.

The authorized capital of the Company consists of 50,000,000 shares of common stock, par value $0.0001 per share and 3,333,333 shares of preferred stock, par value $0.0001 per share, as of March 31, 2021.

Preferred Stock

As of March 31, 2021, there were 3,333,333 shares of Preferred Stock authorized.

As of March 31, 2021, there were no shares of Series A, B, C, D, E, F, G, H, I, J, K and L convertible preferred stock authorized, and no shares issued and outstanding.

Common Stock

As of March 31, 2021, there were 50,000,000 shares of common stock authorized and 6,177,203 shares issued and outstanding.

On February 19, 2021, the Board of Directors of the Company unanimously adopted an amendment to the Company's Articles of Incorporation to effect a reverse stock split at a ratio of (i) no less than 1-for-2 shares of Common Stock, and (ii) no more than 1-for-5 shares of Common Stock, the exact ratio to be determined in the sole discretion of the Board of Directors, at any time before August 31, 2021. The Board of Directors has obtained (by written consent) the approval of the Company's stockholders who, in the aggregate, own 2,686,337 shares of Common Stock, or 63.5% of the outstanding shares of Common Stock of the Company prior to the Reverse Split Action.

On January 12, 2021, the Company issued an aggregate of 150,000 common stock upon the conversion of $30,000 of its convertible debt, at the conversion rate of $0.20 per share.

On February 23, 2021, the Company issued an aggregate of 401,446 common stock upon the conversion of $80,289 of its convertible debt, at the conversion rate of $0.20 per share.

On February 23, 2021, the Company issued an aggregate of 600,000 common stock upon the conversion of $150,000 of its convertible debt, at the conversion rate of $0.25 per share.

On February 23, 2021, the Company issued an aggregate of 5,000 common stock for services in the amount of $14,200.

On March 1, 2021, the Company issued an aggregate of 747,658 common stock upon the conversion of $149,532 of its convertible debt, at the conversion rate of $0.20 per share.

On March 1, 2021, the Company issued an aggregate of 193,082 common stock upon the conversion of $48,270 of its convertible debt, at the conversion rate of $0.25 per share.

A summary of the status of the Company's outstanding stock options and changes during the three months ended March 31, 2021 is as follows:

Stock Options

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at January 1, 2021	3,000,044	$ 0.47	9.91
Granted	-	-	-
Exercised	-	-	-
Forfeited	-	-	-
Cancelled	-	-	-
Balance outstanding at March 31, 2021	3,000,044	$ 0.47	9.66
Options exercisable at March 31, 2021	3,000,044	$ 0.47	9.66

A summary of the status of the Company's outstanding warrants and changes during the three months ended March 31, 2021 is as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at January 1, 2021	4,000	$ 60.00	0.37
Granted	-	-	-
Exercised	-	-	-
Forfeited	-	-	-
Cancelled	-	-	-
Balance outstanding and exercisable at March 31, 2021	4,000	$ 60.00	0.37

As of March 31, 2021, and December 31, 2020, there were 4,000 warrants outstanding, respectively.

NOTE 13 - RELATED PARTY TRANSACTIONS

As of March 31, 2021, the accounts payable due to related party includes advances for inventory and services due to David Phipps of $91,334, accrued director fees of $5,000 due to Hector Delgado and accrued salary and expenses due to Thomas Seifert of $10,500. Total related party payments due as of March 31, 2021 and December 31, 2020 are $101,834 and $102,060, respectively. Those related party payable are non-interest bearing and due on demand.

The Company's UK subsidiary, GTCL has an over-advance line of credit with HSBC, for working capital needs. The over-advance limit is £25,000 or $34,163 at an exchange rate of 1.3665, with interest at 5.50% over Bank of England's base rate or current rate of 6.25% variable. The advance is guaranteed by David Phipps, the Company's Chief Executive Officer. The Company has an American Express account for Orbital Satcom Corp. and an American Express account for GTCL, both in the name of David Phipps who personally guarantees the balance owed.

The Company employs three individuals who are related to Mr. Phipps, of which earned gross wages totaling $19,699 and $24,741 for the three months ended March 31, 2021 and 2020, respectively.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") a global pandemic prompting government-imposed quarantines, suspension of in-person attendance of academic programs, and cessation of certain travel and business closures. The success of our business depends on our global operations, including our supply chain and consumer demand, among other things. As a result of COVID-19, we have experienced shortages in inventory due to manufacturing issues, a reduction in the volume of sales in some parts of our business, such as rental sales and direct website sales, and a reduction in personnel due to lockdown related issues. Our results of operations for the year ended December 31, 2020 reflect this impact; however, we expect that this trend may continue and the full extent of the impact is unknown. In recent months, some governmental agencies in the US and Europe, where we produce the largest percentage of our sales, have lifted certain restrictions. However, if customer demand continues to be low, our future equipment sales, subscriber activations and sales margin will be impacted. We have implemented several measures to minimize the impact on our operations and sustain our liquidity position, including receiving support through the US payroll protection program loan ("PPP"), a low interest, fixed rate loan provided under the UK's Coronavirus Business Interruption Loan ("CBILS") and the deferral of certain UK taxes.

The Company may incur significant delays and/or expenses in addition to, impairing its ability to secure additional financing, relating to the worldwide COVID-19 (coronavirus) pandemic. It is presently unknown whether and to what extent the Company's supply chains may be further affected if the pandemic persists for an extended period of time. The Company may incur significant delays or expenses relating to such events outside of its control, which could have a material adverse impact on its business, operating results and financial condition. The Company's reliance on securing additional capital for its public company expenses may be impaired due to the effect on the U.S. financial markets. The inability to obtain appropriate financing, may affect its compliance requirements as a public company. The Company has been using its working capital from its operating subsidiaries, to support its public company expenses. The continued drain on its working capital have forced the Company to incur cutbacks, which may affect its future operating revenue as well as, its ability to continue operations.

Employment Agreements

On March 11, 2021, the Company's Board of Directors approved and adopted the terms and provisions of employment agreements for David Phipps, the Company's Chief Executive Officer, and Thomas Seifert, the Company's Chief Financial Officer.

The initial term of Mr. Phipps' employment is one year commencing on March 11, 2021 which term will be automatically extended for additional one-year terms thereafter unless terminated by the Company or the executive by written notice. CEO's annual base compensation is an aggregate of $180,000 payable by the Company and £50,000 (or approximately $70,000) payable through the Company's wholly owned subsidiary, Global Telesat Communications Ltd., subject to periodic review and modification by the Board upon occurrence of material events relating to the Company's financial and business performance, including, without limitation, the Company's listing of its capital stock on a national securities exchange. Mr. Phipps also receives additional compensation in the form of an automobile allowance of $1,500 per month and private family medical insurance. In addition, Mr. Phipps will be entitled to receive an annual cash bonus in an amount equal to up to 150% of his base salary if the Company meets or exceeds performance criteria to be adopted by the Compensation Committee of the Board, once established, and any other additional bonuses as may be determined by the Board. Mr. Phipps is entitled to receive various other benefits if and to the extent available to the employees of the Company. The employment agreement may be terminated based on death or disability of the executive, for cause or without good reason, for cause or with good reason, and as a result of the change of control of the Company. The employment agreement also contains certain provisions that are customary for agreements of this nature, including, without limitation, non-competition and non-solicitation covenants, indemnification provisions, etc.

The initial term of Mr. Seifert's employment is one year commencing on March 11, 2021 which term will be automatically extended for additional one-year terms thereafter unless terminated by the Company or the executive by written notice. CFO's annual base compensation is $150,000 payable by the Company, subject to periodic review and modification by the Board's Compensation Committee. Mr. Seifert will be entitled to receive an annual cash bonus in an amount equal to up to 150% of his base salary if the Company meets or exceeds performance criteria to be adopted by the Compensation Committee of the Board, once established, and any other additional bonuses as may be determined by the Board. Mr. Seifert also receives additional compensation in the form of an automobile allowance of $750 per month and $1,000 per month to purchase individual medical insurance. Mr. Seifert is entitled to receive various other benefits if and to the extent available to the employees of the Company. The employment agreement may be terminated based on death or disability of the executive, for cause or without good reason, for cause or with good reason, and as a result of the change of control of the Company. The employment agreement also contains certain provisions that are customary for agreements of this nature, including, without limitation, non-competition and non-solicitation covenants, indemnification provisions, etc.

Lease Agreement

Effective July 24, 2019, a three-year lease was signed for 2,660 square feet for £25,536 annually, for our facilities in Poole, England for £2,128 per month, or $2,717 per month at the yearly average conversion rate of 1.276933, or $2,738 using exchange rate close at December 31, 2020 of 1.286618. The lease has been renewed until July 23, 2022.

Such leases do not require any contingent rental payments, impose any financial restrictions, or contain any residual value guarantees. Variable expenses generally represent the Company's share of the landlord's operating expenses. The Company does not have any leases classified as financing leases.

At March 31, 2021, the Company had current and long-term operating lease liabilities of $30,385 and $14,725, respectively, and right of use assets of $48,043.

Net rent expense for the three months ended March 31, 2021 and 2020 were $6,384 and $8,075, respectively.

Litigation

From time to time, the Company may become involved in litigation relating to claims arising out of our operations in the normal course of business. The Company is not currently involved in any pending legal proceeding or litigation and, to the best of our knowledge, no governmental authority is contemplating any proceeding to which the Company is a party or to which any of the Company's properties is subject, which would reasonably be likely to have a material adverse effect on the Company's business, financial condition and operating results.

NOTE 15 - CONCENTRATIONS

Customers:

Amazon accounted for 53.6% and 56.6% of the Company's revenues during the three months ended March 31, 2021 and 2020, respectively. No other customer accounted for 10% or more of the Company's revenues for either period.

Suppliers:

The following table sets forth information as to each supplier that accounted for 10% or more of the Company's purchases for the three months ended March 31, 2021 and 2020.

	March 31, 2021			March 31, 2020		
Globalstar Europe	$	140,829	10.1%	$	136,661	12.0%
Garmin	$	236,243	16.9%	$	131,266	11.4%
Network Innovations	$	129,931	9.3%	$	334,292	28.9%
Cygnus Telecom	$	132,519	9.5%	$	136,761	11.8%
Satcom Global	$	239,805	17.2%	$	61,674	5.3%

Geographic:

The following table sets forth revenue as to each geographic location, for the three months ended March 31, 2021 and 2020:

	March 31, 2021			March 31, 2020		
Europe	$	1,012,258	69.3%	$	999,191	68.1%
North America		308,072	21.1%		355,781	25.0%
South America		7,718	0.5%		11,127	0.8%
Asia & Pacific		105,932	7.3%		93,504	6.6%
Africa		27,448	1.9%		8,500	0.6%
	$	1,461,428		$	1,468,103	

NOTE 16 - SUBSEQUENT EVENTS

None.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with the condensed consolidated financial statements and the notes thereto contained elsewhere in this report. Statements made in this Item 2, "Management's Discussion and Analysis and Plan of Financial Condition and Results of Operations," and elsewhere in this quarterly report on Form 10-Q that do not consist of historical facts, are "forward-looking statements." Statements accompanied or qualified by, or containing words such as "may," "will," "should," "believes," "expects," "intends," "plans," "projects," "estimates," "predicts," "potential," "outlook," "forecast," "anticipates," "presume," and "assume" constitute forward-looking statements, and as such, are not a guarantee of future performance. The statements involve factors, risks and uncertainties, the impact or occurrence of which can cause actual results to differ materially from the expected results described in such statements. Risks and uncertainties can include, among others, fluctuations in general business cycles and changing economic conditions; changing product demand and industry capacity; increased competition and pricing pressures; advances in technology that can reduce the demand for the Company's products, as well as other factors, many or all of which may be beyond the Company's control. Consequently, investors should not place undue reliance upon forward-looking statements as predictive of future results. The Company disclaims any obligation to update the forward-looking statements in this report.

You should read the following information in conjunction with our financial statements and related notes contained elsewhere in this report. You should consider the risks and difficulties frequently encountered by early-stage companies, particularly those engaged in new and rapidly evolving markets and technologies. Our limited operating history provides only a limited historical basis to assess the impact that critical accounting policies may have on our business and our financial performance.

We encourage you to review our periodic reports filed with the SEC and included in the SEC's EDGAR database, including the Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on March 22, 2021, and the Company's subsequent public filings with the SEC.

Corporate Information

We are a provider of satellite-based hardware, airtime and related services both in the United States and internationally. We sell equipment and airtime for use on all of the major satellite networks including Globalstar, Inmarsat, Iridium and Thuraya and operate a short-term rental service for customers who desire to use our equipment for a limited time period. Our acquisition of GTCL in February 2015 expanded our global satellite-based infrastructure and business, which was first launched in December 2014 through the purchase of certain contracts.

COVID-19 Update

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") a global pandemic prompting government-imposed quarantines, suspension of in-person attendance of academic programs, and cessation of certain travel and business closures. The United States has entered a recession as a result of the COVID-19 pandemic, which may prolong and exacerbate the negative impact on us. Although we expect the availability of vaccines and various treatments with respect to COVID-19 to have an overall positive impact on business conditions in the aggregate over time, the exact timing of these positive developments is uncertain. In December 2020, the United States began distributing two vaccines that, in addition to other vaccines under development, are expected to help to reduce the spread of the coronavirus that causes COVID-19 once they are widely distributed. If the vaccines prove less effective than currently understood by the scientific community and the United States Food and Drug Administration, or if there are problems with the acceptance, availability, timing or other difficulties with widely distributing the vaccines, the pandemic may last longer, and could continue to impact our business for longer, than we currently expect. In response to COVID-19, governmental authorities have implemented numerous measures to try to contain the virus, such as travel bans and restrictions, prohibitions on group events and gatherings, shutdowns of certain businesses, curfews, shelter in place orders and recommendations to practice social distancing. Although many governmental measures have had specific expiration dates, some of those measures have already been extended more than once, and there is considerable uncertainty regarding the duration of such measures and the implementation of any potential future measures, especially if cases increase across the United States, with the potential for additional challenges resulting from the emergence of new variants of COVID-19, some of which may be more transmissible than the initial strain. Such measures have impacted, and may continue to affect, our workforce, operations, suppliers and customers. We reduced the size of our workforce following the onset of COVID-19 and may need to take additional actions to further reduce the size of our workforce in the future; such reductions incur costs, and we can provide no assurance that we will be able to rehire our workforce in the event our business experiences a subsequent recovery. We took steps to curtail our operating expenses and conserve cash. We may elect or need to take additional remedial measures in the future as the information available to us continues to develop, including with respect to our workforce, relationships with our third-party vendors, and our customers. There is no certainty that the remedial measures we have implemented to date, or any additional remedial steps we may take in the future, will be sufficient to mitigate the risks posed by COVID-19. Further, such measures could potentially materially adversely affect our business, financial condition and results of operations and create additional risks for us. Any escalation of COVID-19 cases across many of the markets we serve could have a negative impact on us. Specifically, we could be adversely impacted by limitations on our employees to perform their work due to illness caused by the pandemic or local, state, or federal orders requiring our stores to close or employees to remain at home; limitation of carriers to deliver our product to customers; product shortages; limitations on the ability of our customers to conduct their business and purchase our products and services; and limitations on the ability of our customers to pay us in a timely manner. These events could have a material, adverse effect on our results of operations, cash flows and liquidity.

The ultimate magnitude of COVID-19, including the full extent of the material negative impact on our financial and operational results, will depend on future developments, such as the duration and severity of the pandemic, the extent of any additional increases in cases across the United States, and the related length of its impact on the global economy, as well as the timing and availability of effective medical treatments and vaccines, which remain uncertain and cannot be predicted at this time. The resumption of our normal business operations may be delayed or constrained by lingering effects of COVID-19 on our customers, suppliers and/or third-party service providers. Furthermore, the extent to which our mitigation efforts are successful, if at all, is not currently ascertainable. Due to the daily evolution of the COVID-19 pandemic and the responses to curb its spread, we cannot predict the full impact of the COVID-19 pandemic on our business and results of operations, but our business, financial condition, results of operations and cash flows have already been materially adversely impacted, and we anticipate they will continue to be adversely affected by the COVID-19 pandemic and its negative effects on global economic conditions. Any recovery from the COVID-19 pandemic and related economic impact may also be slowed or reversed by a variety of factors, such as any increase in COVID-19 infections. Even after the COVID-19 pandemic has subsided, we may continue to experience adverse impacts to our business as a result of its national and, to some extent, global economic impact, including the current recession and any recession that may occur in the future.

The success of our business depends on our global operations, including our supply chain and consumer demand, among other things. As a result of COVID-19, we have experienced shortages in inventory due to manufacturing issues, a reduction in the volume of sales in some parts of our business, such as rental sales and direct website sales, and a reduction in personnel due to lockdown related issues. Our results of operations for the year ended December 31, 2020 reflect this impact; however, we expect that this trend may continue and the full extent of the impact is unknown. In recent months, some governmental agencies in the US and Europe, where we produce the largest percentage of our sales, have lifted certain restrictions. However, if customer demand continues to be low, our future equipment sales, subscriber activations and sales margin will be impacted. We have implemented several measures to minimize the impact on our operations and sustain our liquidity position, including receiving support through the US payroll protection program loan ("PPP"), a low interest, fixed rate loan provided under the UK's Coronavirus Business Interruption Loan ("CBILS") and the deferral of certain UK taxes.

Recent Events

As of March 31, 2021, there were 50,000,000 shares of common stock authorized and 6,177,203 shares issued and outstanding.

On February 19, 2021, the Board of Directors of the Company unanimously adopted an amendment to the Company's Articles of Incorporation to effect a reverse stock split at a ratio of (i) no less than 1-for-2 shares of Common Stock, and (ii) no more than 1-for-5 shares of Common Stock, the exact ratio to be determined in the sole discretion of the Board of Directors, at any time before August 31, 2021. The Board of Directors has obtained (by written consent) the approval of the Company's stockholders who, in the aggregate, own 2,686,337 shares of Common Stock, or 63.5% of the outstanding shares of Common Stock of the Company prior to the Reverse Split Action.

On January 12, 2021, the Company issued an aggregate of 150,000 common stock upon the conversion of $30,000 of its convertible debt, at the conversion rate of $0.20 per share.

On February 23, 2021, the Company issued an aggregate of 401,446 common stock upon the conversion of $50,289 of its convertible debt, at the conversion rate of $0.20 per share.

On February 23, 2021, the Company issued an aggregate of 600,000 common stock upon the conversion of $150,000 of its convertible debt, at the conversion rate of $0.25 per share.

On February 23, 2021, the Company issued an aggregate of 5,000 common stock for services in the amount of $14,200.

On March 1, 2021, the Company issued an aggregate of 860,740 common stock upon the conversion of $172,148 of its convertible debt, at the conversion rate of $0.20 per share.

On March 1, 2021, the Company issued an aggregate of 80,000 common stock upon the conversion of $20,000 of its convertible debt, at the conversion rate of $0.25 per share.

We had net cash used by operations of $459,764 during the three months ended March 31, 2021. At March 31, 2021, we had negative working capital of approximately $33,271. Additionally, at March 31, 2021, we had an accumulated deficit of $14,681,695 and stockholder's equity of $576,368. These matters and our expected needs for capital investments required to support operational growth raise substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments to reflect the possible effects on recoverability and classification of assets or the amounts and classification of liabilities that may result from our inability to continue as a going concern.

Results of Operations for the Three Months Ended March 31, 2021 compared to the Three Months Ended March 31, 2020

Revenue. Net Sales for the three months ended March 31, 2021, consisted primarily of sales of satellite phones, tracking devices, accessories and airtime plans. For the three months ended March 31, 2021, revenues generated were $1,461,428 compared to $1,468,103 of revenues for the three months ended March 31, 2020, a decrease in total revenues of $6,675 or 0.5%. Total sales for Global Telesat Communications Ltd. were $1,013,435 for the three months ended March 31, 2021, as compared to $953,820 for the three months ended March 31, 2020, an increase of $59,615 or 6.3%. Total sales for Orbital Satcom Corp. were $447,993 for the three months ended March 31, 2021 as compared to $514,283, for the three months ended March 31, 2020, a decrease of $66,290 or 12.9%. The Company attributes the changes in revenue to new product lines and significant increases in US Amazon sales, offset by the change in exchange rates from GBP:USD.

Cost of Sales. During the three months ended March 31, 2021, cost of sales decreased to $1,023,911 compared to $1,120,102, for the three months ended March 31, 2020, a decrease of $96,191 or 8.6%. Gross profit margins during the three months ended March 31, 2021 were 29.9% as compared to 23.7% for the comparable period in the prior year. As indicated by the results for the quarter, our sales margins have increased by 6.2%. However, we cannot be certain that we can maintain the increased margin levels. The increase is primarily due to a greater percentage of high margin sales in the first quarter ended March 31, 2021 as compared to the same period in 2020, as well to as an increase in margins on certain sales that resulted from customers bearing value added tax (VAT) that was previously borne by the Company.

Operating Expenses. Total operating expenses for the three months ended March 31, 2021 were $736,446, an increase of $197,205 or 36.6%, from total operating expenses for the three months ended March 31, 2020 of $539,241. Factors contributing to the decrease are described below.

Selling, general and administrative expenses were $161,690 and $157,206 for the three months ended March 31, 2021 and 2020, respectively, an increase of $4,484 or 2.9%. The increase, for the three months ended March 31, 2021, is attributable to certain SG&A expenses that fluctuate with sales volatility.

Salaries, wages and payroll taxes were $208,174 and $195,642 for the three months ended March 31, 2021 and 2020, respectively, an increase of $12,532, or 6.4%. The increase is a result of an increase in staff and part time employees, for the three months ended March 31, 2021.

Professional fees were $292,882 and $114,889 for the three months ended March 31, 2021 and 2020, respectively, an increase of $177,993, or 154.9%. The increase during the three months ended March 31, 2021 as compared to the same period in 2020, is attributable to professional fees related to the potential listing of the Company's common stock on the Nasdaq Capital Market.

Depreciation and amortization expenses were $73,700 and $71,504 for the three months ended March 31, 2021 and 2020, respectively, an increase of $2,196 or 3.1%. The increase was primarily attributable to the addition of fixed assets offset by fully amortized assets, as compared to the same period in the prior year.

We expect our expenses in each of these areas to continue to increase during fiscal 2021 and beyond as we expand our operations and begin generating additional revenues under our current business. Similarly, we are unable at this time to estimate the amount of the expected increases.

Total Other Expense. Our total other expenses were $504,213 compared to $93,620 during the three months ended March 31, 2021 and 2020, respectively, an increase of $410,593 or 438.6%. The increase is attributable to an increase in interest expense related to non-cash charges associated with the Company's convertible notes payable offset by foreign currency exchange variance.

Net Loss. We recorded net loss before income tax of $803,142 for the three months ended March 31, 2021 as compared to a net loss of $284,860, for the three months ended March 31, 2020. The increase in the loss is a result of the factors as described above.

Comprehensive Gain (Loss). We recorded a gain for foreign currency translation adjustments for the three months ended March 31, 2021 of $1,611 and a loss of $9,194 for the three months ended March 31, 2020.

Liquidity and Capital Resources

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis. At March 31, 2021, we had a cash balance of $559,282. Our working capital is a negative $33,271 at March 31, 2021.

Our current assets at March 31, 2021 increased 13.5% from December 31, 2020 and included cash, accounts receivable, prepaid expenses, unbilled revenue, right of use, inventory and other current assets.

Our current liabilities at March 31, 2021 increased 4.9% from December 31, 2020 and included our accounts payable, due to related party, provision for income taxes, contract liabilities, lease liabilities and other liabilities in the ordinary course of our business.

At March 31, 2021, the Company had an accumulated deficit of $14,681,695, negative working capital of approximately $33,271 and net loss of approximately $803,142 during the three months ended March 31, 2021. For the year ended December 31, 2020, the auditors' opinion contained a going concern paragraph, which stated that the Company had an accumulated deficit of $13,878,553, negative working capital of $144,058 and net loss of $2,763,375 during the year ended December 31, 2020. These factors raise substantial doubt about the Company's ability to continue as a going concern for one year from the issuance of the audited financial statements. The ability of the Company to continue as a going concern is dependent upon obtaining additional capital and financing. Management intends to attempt to raise additional funds by way of a public or private offering. While the Company believes in the viability of its strategy to raise additional funds, there can be no assurances to that effect. Without additional capital, we will be unable to achieve our business objectives, and may be forced to curtail our operations, reduce headcount, and/or temporarily cease our operations until requisite capital is secured. The consolidated financial statements do not include any adjustments relating to classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

Operating Activities

Net cash flows used by operating activities for the three months ended March 31, 2021 amounted to $459,764 and were primarily attributable to our net loss of $803,142, total amortization expense of $6,250 and depreciation of $67,450, amortization of discount on debt of $501,164, stock based compensation of $14,200 and net change in assets and liabilities of $253,249, primarily attributable to an increase in accounts receivable of $94,176, an increase in inventory of $239,490, an increase in unbilled revenue of $2,067, a decrease in right of use of $7,563, an increase in other current assets of $19,195, increase in accounts payable of $114,261, a decrease in contract liabilities of $5,157, a decrease in lease liabilities of $7,589, and an increase in provision for income taxes of $164.

Net cash flows provided by operating activities for the three months ended March 31, 2020 amounted to $64,712 and were primarily attributable to our net loss of $284,860, total amortization expense of $6,250 and depreciation of $65,254, amortization of discount on debt of $74,837 and net change in assets and liabilities of $191,292, primarily attributable to a decrease in accounts receivable of $72,045, an increase in inventory of $77,686, decrease in prepaid expenses of $12,652, a decrease in unbilled revenue of $5,368, a decrease in right of use of $11,939, a decrease in other current assets of $76,609, increase in accounts payable of $120,709, a decrease in contract liabilities of $5,136, a decrease in lease liabilities of $11,939, and a decrease in provision for income taxes of $1,330.

Investing Activities

Net cash flows used in investing activities were $459 and $10,933 for the three months ended March 31, 2021 and 2020, respectively. During the three months ended March 31, 2021 and March 31, 2020, we purchased property and equipment of $459 and $10,933, respectively.

Financing Activities

Net cash flows provided by financing activities were $289,131 for the three months ended March 31, 2021 and were for proceeds from a convertible note payable of $350,000 which was offset by repayments of notes payable for $60,643 and related party note payable for $226.

Net cash flows provided by financing activities for the three months ended March 31, 2020 were $13,130 for the three months ended March 31, 2020 and were for proceeds from a related party payable of $20,536 which was offset by repayments of notes payable for $7,226.

Off-Balance Sheet Arrangements

We do not currently have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our stockholders.

Our company has not entered into any transaction, agreement or other contractual arrangement with an entity unconsolidated with us under which we have

- an obligation under a guarantee contract, although we do have obligations under certain sales arrangements including purchase obligations to vendors

- a retained or contingent interest in assets transferred to the unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to such entity for such assets,

- any obligation, including a contingent obligation, under a contract that would be accounted for as a derivative instrument, or

- any obligation, including a contingent obligation, arising out of a variable interest in an unconsolidated entity that is held by us and material to us where such entity provides financing, liquidity, market risk or credit risk support to, or engages in leasing, hedging or research and development services with us.

Critical Accounting Policies and Estimates

Critical accounting estimates are those that management deems to be most important to the portrayal of our financial condition and results of operations, and that require management's most difficult, subjective or complex judgments, due to the need to make estimates about the effects of matters that are inherently uncertain. We have identified our critical accounting estimates which are discussed below.

Use of Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statements of financial condition, and revenues and expenses for the years then ended. Actual results may differ significantly from those estimates. Significant estimates made by management include, but are not limited to, the assumptions used to calculate stock-based compensation, derivative liabilities and common stock issued for services.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP"). The consolidated financial statements of the Company include the Company and its wholly-owned subsidiaries, Orbital Satcom Corp. and Global Telesat Communications Ltd. All material intercompany balances and transactions have been eliminated in consolidation.

Accounts Receivable

The Company has a policy of reserving for questionable accounts based on its best estimate of the amount of probable credit losses in its existing accounts receivable. The Company periodically reviews its accounts receivable to determine whether an allowance is necessary based on an analysis of past due accounts and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are offset against sales and relieved from accounts receivable, after all means of collection have been exhausted and the potential for recovery is considered remote. As of March 31, 2021, and 2020, there is an allowance for doubtful accounts of $0 and $5,300, respectively.

Inventories

Inventories are valued at the lower of cost or net realizable value, using the first-in first-out cost method. The Company assesses the valuation of its inventories and reduces the carrying value of those inventories that are obsolete or in excess of the Company’s forecasted usage to their estimated net realizable value. The Company estimates the net realizable value of such inventories based on analysis and assumptions including, but not limited to, historical usage, expected future demand and market requirements. A change to the carrying value of inventories is recorded to cost of goods sold.

Research and Development

The Company accounts for research and development costs in accordance with the Accounting Standards Codification subtopic 730-10, Research and Development (“ASC 730-10”). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and development costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. For the three months ended March 31, 2021 and 2020, there were no additional expenditures on research and development.

Foreign Currency Translation

The Company’s reporting currency is U.S. Dollars. The accounts of one of the Company’s subsidiaries, GTCL, is maintained using the appropriate local currency, Great British Pound, as the functional currency. All assets and liabilities are translated into U.S. Dollars at balance sheet date, shareholders’ equity is translated at historical rates and revenue and expense accounts are translated at the average exchange rate for the year or the reporting period. The translation adjustments are reported as a separate component of stockholders’ equity, captioned as accumulated other comprehensive (loss) gain. Transaction gains and losses arising from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the statements of operations.

The relevant translation rates are as follows: for the three months ended March 31, 2021, closing rate at 1.3783 US$: GBP, quarterly average rate at 1.379068 US$: GBP, for the three months ended March 31, 2020, closing rate at 1.245481 US$: GBP, quarterly average rate at 1.281097 US$: GBP, for the year ended 2020 closing rate at 1.3665 US$: GBP, average rate at 1.286618 US$: GBP.

Revenue Recognition and Unearned Revenue

The Company recognizes revenue from satellite services when earned, as services are rendered or delivered to customers. Equipment sales revenue is recognized when the equipment is delivered to and accepted by the customer. Only equipment sales are subject to warranty. Historically, the Company has not incurred significant expenses for warranties.

The Company's customers generally purchase a combination of our products and services as part of a multiple element arrangement. The Company's assessment of which revenue recognition guidance is appropriate to account for each element in an arrangement can involve significant judgment. This assessment has a significant impact on the amount and timing of revenue recognition.

The Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which we expect to receive in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, we perform the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy a performance obligation. The five-step model is applied to contracts when it is probable that we will collect the consideration we are entitled to in exchange for the goods or services transferred to the customer. At contract inception, once the contract is determined to be within the scope of ASC 606, we assess the goods or services promised within each contract and determine those that are performance obligations and assess whether each promised good or service is distinct. We then recognize revenue in the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

We recognize revenue in accordance with Accounting Standards Codification ("ASC") 606, *): Narrow-Scope Improvements and Practical Expedient*, which is to (1) clarify the objective of the collectability criterion for applying paragraph 606-10-25-7; (2) permit an entity to exclude amounts collected from customers for all sales (and other similar) taxes from the transaction price; (3) specify that the measurement date for noncash consideration is contract inception; (4) provide a practical expedient that permits an entity to reflect the aggregate effect of all modifications that occur before the beginning of the earliest period presented when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price to the satisfied and unsatisfied performance obligations; (5) clarify that a completed contract for purposes of transition is a contract for which all (or substantially all) of the revenue was recognized under legacy GAAP before the date of initial application, and (6) clarify that an entity that retrospectively applies the guidance in Topic 606 to each prior reporting period is not required to disclose the effect of the accounting change for the period of adoption. The amendments of this ASU are effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. There was no impact as a result of adopting this ASU on the financial statements and related disclosures.

The Company provides product warranties with varying lengths of time and terms. The product warranties are considered to be assurance-type in nature and do not cover anything beyond ensuring that the product is functioning as intended. Based on the guidance in ASC 606, assurance-type warranties do not represent separate performance obligations. The Company also sells separately priced maintenance service contracts which qualify as service-type warranties and represent separate performance obligations. The Company has historically experienced a low rate of product returns under the warranty program.

A variety of technical services can be contracted by our customers for a designated period of time. The service contracts allow customers to call the Company for technical support, replace defective parts and to have onsite service provided by the Company's third-party contract service provider. The Company records revenues for contract services at the amount of the service contract, but such amount is deferred at the beginning of the service term and amortized ratably over the life of the contract.

The Company believes that its products and services can be accounted for separately as its products and services have value to the Company's customers on a stand-alone basis. When a transaction involves more than one product or service, revenue is allocated to each deliverable based on its relative fair value; otherwise, revenue is recognized as products are delivered or as services are provided over the term of the customer contract.

Contract liabilities is shown separately in the condensed consolidated balance sheets as current liabilities. At March 31, 2021, we had contract liabilities of approximately $31,547. At December 31, 2020, we had contract liabilities of approximately $36,704.

Property and Equipment

Property and equipment are carried at historical cost less accumulated depreciation. Depreciation is based on the estimated service lives of the depreciable assets and is calculated using the straight-line method. Expenditures that increase the value or productive capacity of assets are capitalized. Fully depreciated assets are retained in the property and equipment, and accumulated depreciation accounts until they are removed from service. When property and equipment are retired, sold or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. Repairs and maintenance are expensed as incurred.

The estimated useful lives of property and equipment are generally as follows:

	Years
Office furniture and fixtures	4
Computer equipment	4
Rental equipment	4
Appliques	10
Website development	2

Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable, or at least annually. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value. The Company did not consider it necessary to record any impairment charges during the periods ended March 31, 2021 and December 31, 2020, respectively.

Fair value of financial instruments

The Company adopted FASB ASC 820, "Fair Value Measurements and Disclosures", for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing US GAAP that require the use of fair value measurements which establishes a framework for measuring fair value and expands disclosure about such fair value measurements.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The following table presents a reconciliation of the derivative liability measured at fair value on a recurring basis using significant unobservable input (Level 3) from January 1, 2020 to March 31, 2021:

	Conversion feature derivative liability
Balance at January 1, 2020	-
Derivative liability	-
Change in fair value included in earnings	-
Balance at March 31, 2020	$ -
Derivative Liability	-
Change in fair value included in earnings	-
Balance at March 31, 2021	$ -

The Company did not identify any other assets or liabilities that are required to be presented on the consolidated balance sheets at fair value in accordance with the accounting guidance. The carrying amounts reported in the balance sheet for cash, accounts payable, and accrued expenses approximate their estimated fair market value based on the short-term maturity of the instruments.

Share-Based Payments

Compensation cost relating to share-based payment transactions are recognized in the financial statements. The cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the employee’s requisite service period (generally the vesting period of the equity award).

Recent Accounting Pronouncements

In November 2018, the FASB amended Topic 842, Leases, by issuing ASU No. 2016-02, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 with *ASU No. 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU No. 2018-10, Codification Improvements to Topic 842, Leases; and ASU No. 2018-11, Targeted Improvements.* The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. The new standard was effective for us on January 1, 2019, however the Company did not have any leases that met the criteria as established above, until July 24, 2019, when the Company entered into a three-year lease for its UK office and warehouse for annual rent of £25,536 or GBP: USD using exchange rate close for the three months ended March 31, 2021, for liability of 1.3783 or $35,196. An entity may choose to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. If an entity chooses the second option, the transition requirements for existing leases also apply to leases entered into between the date of initial application and the effective date. The entity must also recast its comparative period financial statements and provide the disclosures required by the new standard for the comparative periods. Consequently, financial information will not be updated, and the disclosures required under the new standard will not be provided for dates and periods before January 1, 2019.

At March 31, 2021, the Company had current and long-term operating lease liabilities of $30,385 and $14,725, respectively, and right of use assets of $48,043.

Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption. The Company does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to its financial condition, results of operations, cash flows or disclosures.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we are not required to provide the information required by this Item.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Under the supervision and with the participation of our management, we conducted an evaluation, as of March 31, 2021, of the effectiveness of the design and operations of our disclosure controls and procedures. Based upon our evaluation, our management, including our principal executive officer and principal financial officer, has concluded that, as of March 31, 2021, our disclosure controls and procedures were not effective due to our limited internal audit functions and lack of ability to have multiple levels of transaction review.

The Company intends to address the foregoing deficiency the Company by upgrading its accounting software to an ERP ("Enterprise Resource Planning"), a cloud-based solution, which would add the necessary controls to manage day to day activities such as accounting, procurement, project management, risk management and compliance as well as to automate the consolidation process of its entities, adding a level of reliability to the Company's financial reporting. The Company proposes to add personnel to address the lack of ability to have multiple level transaction review.

Management intends to complete these steps in the near future, but in any event before the end of the 2021 fiscal year. However, until additional capital is raised, no assurance can be made that the implementation of such remedial steps will be completed in a timely manner or that they will be adequate once implemented.

Changes in Internal Controls

There have been no changes in our internal control over financial reporting during the three months ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On March 5, 2021, the Company entered into a Note Purchase Agreement by and between the Company and one individual accredited investor (the "Noteholder") where the Company sold a convertible promissory note with a principal amount of $350,000 (the "March 2021 Note"). The Noteholder has an optional right of conversion such that the Noteholder may elect to convert his Note, in whole or in part, outstanding as of such time, into the number of fully paid and non-assessable shares of the Company's common stock as determined by dividing the indebtedness under the March 2021 Note by a price equal to the lesser of (a) $1.50 per share, and (b) a 30% discount to the price of the common stock in the qualified transaction, subject to certain adjustments. Following an event of default, the conversion price will be adjusted to be equal to the lower of: (i) the then applicable conversion price or (ii) the price per share of 85% of the lowest traded price for the Company's common stock during the 15 trading days preceding the relevant conversion. In addition, subject to the ownership limitations, if a qualified transaction is completed, without further action from the Noteholder, on the closing date of the qualified transaction, 50% of the principal amount of this March 2021 Note and all accrued and unpaid interest shall be converted into Company common stock at a conversion price equal to the 30% discount to the offering price in such qualified transaction, which price shall be proportionately adjusted for stock splits, stock dividends or similar events. A "qualified transaction" refers the completion of the public offering of the Company's securities stock with gross proceeds of at least $10,000,000 pursuant to which the Company's securities become registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended, or a merger with a company listed on the Nasdaq or Canadian stock exchanges, as amended. The Company's issuance of the March 2021 Note was made pursuant to an exemption from registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

10.1	Form 7% Convertible Promissory Note (Incorporated by reference from the Current Report on Form 8-K filed with the SEC on March 11, 2021)
10.2	Form Note Purchase Agreement (Incorporated by reference from the Current Report on Form 8-K filed with the SEC on March 11, 2021)
10.3+	David Phipps Employment Agreement (Incorporated by reference from the Current Report on Form 8-K filed with the SEC on March 11, 2021)
10.4+	Thomas Seifert Employment Agreement (Incorporated by reference from the Current Report on Form 8-K filed with the SEC on March 11, 2021)
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.ins	XBRL Instance Document
101.sch	XBRL Taxonomy Schema Document
101.cal	XBRL Taxonomy Calculation Document
101.def	XBRL Taxonomy Linkbase Document
101.lab	XBRL Taxonomy Label Linkbase Document
101.pre	XBRL Taxonomy Presentation Linkbase Document

\+ Management contract or compensatory plan.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: May 17, 2021

ORBSAT CORP

By: */s/ David Phipps*
David Phipps
Chief Executive Officer and Chairman
(principal executive officer)

/s/ Thomas Seifert
Chief Financial Officer, Treasurer and Secretary
(principal financial officer and principal accounting officer)

Exhibit 31.1

CERTIFICATIONS

I, David Phipps, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Orbsat Corp for the quarter ended March 31, 2021;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 17, 2021

/s/ David Phipps

David Phipps
Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATIONS

I, Thomas Seifert, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Orbsat Corp for the quarter ended March 31, 2021;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 17, 2021

/s/ Thomas Seifert

Thomas Seifert
Chief Financial Officer
(principal financial officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Orbsat Corp (the "Company") on Form 10-Q for the fiscal period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Phipps, Chief Executive Officer of the Company, and I, Thomas Seifert, Chief Financial Officer of the Company, duly certify pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results operations of the Company.

Dated: May 17, 2021

By: */s/ David Phipps*
David Phipps
Chief Executive Officer
(principal executive officer)

/s/ Thomas Seifert
Thomas Seifert
Chief Financial Officer
(principal financial officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.