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

FORM 10-Q

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

For the quarterly period ended September 30, 2021

OR

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

For the transition period from _____________to ______________.

Commission File Number 001-40447

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
Common Stock, par value $0.0001	OSAT	The Nasdaq Stock Market LLC
Warrants	OSATW	The Nasdaq Stock Market LLC

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 ☒ 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 ☒ 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 ☐
Non-accelerated filer ☒

Accelerated filer ☐
Smaller reporting company ☒
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 ☒

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 November 15, 2021
Common Stock, $0.0001 par value	6,479,263

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Part I Financial Information

Item 1. Financial Statements

The unaudited financial statements of Orbsat Corp ("Orbsat," the "Company," "we," or "our"), for the nine months ended September 30, 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

		September 30, 2021 (unaudited)		December 31, 2020
ASSETS				
Current assets:				
Cash	$	17,138,644	$	728,762
Accounts receivable, net		309,839		177,031
Inventory		982,909		361,422
Unbilled revenue		97,909		75,556
VAT receivable		446,657		-
Prepaid expenses		8,653		1,784
Other current assets		28,640		27,912
Total current assets	$	19,013,251		1,372,467
Property and equipment, net		995,157		1,106,164
Right of use		30,658		55,606
Intangible assets, net		81,250		100,000
Prepaid expenses – long term portion		38,706		-
Total assets	$	20,159,022	$	2,634,237
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities	$	884,046	$	1,052,603
Contract liabilities		40,956		36,704
Note payable – current portion		-		121,848
Note payable Coronavirus loans– current portion		55,943		41,831
Due to related party		67,273		102,060
Lease liabilities – current		27,801		30,125
Provision for income taxes		56,560		18,957
Liabilities from discontinued operations		112,397		112,397
Total current liabilities		1,244,976		1,516,525
Long term liabilities:				
Convertible debt, net of discount, unamortized, $0 and $1,084,944, respectively		-		209,323
Note payable Coronavirus loans– long term		268,528		320,626
Lease liabilities – long term		-		22,574

Total Liabilities		1,513,504		2,069,048
Stockholders' Equity:				
Common stock, ($0.0001 par value; 50,000,000 shares authorized, 6,469,263 shares issued and outstanding as of September 30, 2021 and 817,450 shares issued and outstanding at December 31, 2020, respectively)		647		82
Additional paid-in capital		37,090,491		14,486,492
Accumulated (deficit)		(18,445,638)		(13,878,553)
Accumulated other comprehensive income (loss)		18		(42,832)
Total stockholders' equity		18,645,518		565,189
Total liabilities and stockholders' equity	$	20,159,022	$	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 September 30, 2021		Three Months Ended September 30, 2020		Nine Months Ended September 30, 2021		Nine Months Ended September 30, 2020
Net sales	$	2,250,278	$	1,475,393	$	5,667,966	$	4,163,750
Cost of sales		1,757,142		1,076,929		4,195,823		3,159,593
Gross profit		493,136		398,464		1,472,143		1,004,157
Operating expenses:								
Selling and general administrative		519,196		182,813		962,892		486,984
Salaries, wages and payroll taxes		490,555		196,629		1,178,267		542,675
Stock based compensation		1,321,564		130,400		1,321,564		130,400
Professional fees		320,211		289,296		869,127		480,961
Depreciation and amortization		78,456		73,697		225,404		217,992
Total operating expenses		2,729,982		872,835		4,557,254		1,859,012
Loss before other expenses and income taxes		(2,236,846)		(474,371)		(3,085,111)		(854,855)
Other (income) expense								
Other income		-		(268)		-		(31,793)
Gain on debt extinguishment		-		-		(20,832)		(269,261)
Interest earned		(3,146)		(67)		(3,146)		(80)
Interest expense		2,385		641,460		1,463,986		797,807
Foreign currency exchange rate variance		69,464		(15,045)		41,966		7,217
Total other (income) expense		68,703		626,080		1,481,974		503,890
Net (loss) income before tax expense	$	(2,305,549)	$	(1,100,451)	$	(4,567,085)	$	(1,358,745)
Provision for income taxes		-		-		-		-
Net (loss) income		(2,305,549)		(1,100,451)		(4,567,085)		(1,358,745)
Comprehensive income (loss):								
Net (loss) income		(2,305,549)		(1,100,451)		(4,567,085)		(1,358,745)
Foreign currency translation adjustments		55,584		5,602		42,850		(19,840)
Comprehensive income (loss)	$	(2,249,965)	$	(1,094,849)	$	(4,524,235)	$	(1,378,585)
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS								
Weighted number of common shares outstanding – basic & diluted		6,290,306		154,634		3,271,405		99,027
Basic and diluted net (loss) income per share	$	(0.37)	$	(7.12)	$	(1.40)	$	(13.72)

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 Nine months Ended September 30, 2021

	Common Stock $0.0001 Par Value		Additional Paid in	Accumulated	Comprehensive	Stockholders'
	Shares	Amount	Capital	Deficit	Income (Loss)	Equity

	Shares	Amount	Additional Paid in Capital	Accumulated Deficit	Comprehensive Income (Loss)	Stockholders' Equity
Balance, December 31, 2020	**817,450**	**$ 82**	**$ 14,486,492**	**$ (13,878,553)**	**$ (42,832)**	**$ 565,189**
Issuance common stock from convertible debt	1,345,468	135	1,644,132	-	-	1,644,267
Issuance of common related to offering	2,880,000	288	12,661,696	-	-	12,661,984
Issuance of common for over-allotment	432,000	43	1,983,226	-	-	1,983,269
Issuance of warrants for over-allotment	-	-	4,320	-	-	4,320
Issuance of common stock from exercise of warrant	925,908	92	4,629,448	-	-	4,629,540
Issuance of common stock for exercise of options	17,437	2	4,998	-	-	5,000
Stock based compensation in connection with options granted	-	-	1,053,064	-	-	1,053,064
Stock based compensation in connection with restricted stock awards	50,000	5	268,495	-	-	268,500
Issuance of common stock for services	1,000	-	14,200	-	-	14,200
Beneficial conversion feature of convertible debt	-	-	340,420	-	-	340,420
Comprehensive loss	-	-	-	-	42,850	42,850
Net loss	-	-	-	(4,567,085)	-	(4,567,085)
Balance, September 30, 2021	**6,469,263**	**$ 647**	**$ 37,090,491**	**$ (18,445,638)**	**$ 18**	**$ 18,645,518**

For the Nine months Ended September 30, 2020

	Common Stock $0.0001 Par Value		Additional Paid in	Accumulated	Comprehensive	Stockholders'
	Shares	Amount	Capital	Deficit	Income (Loss)	Equity
Balance, December 31, 2019	**24,243**	**$ 2**	**$ 11,757,037**	**$ (11,115,178)**	**$ (2,152)**	**$ 639,709**
						-
Issuance common stock from convertible debt	597,657	60	585,529	-	-	585,589
Issuance of common stock for options exercised	85,960	9	32,991	-	-	33,000
Stock issued for services	5,000	-	62,750	-	-	62,750
Stock based compensation in connection with options granted	-	-	130,400	-	-	130,400
Beneficial conversion feature of convertible debt	-	-	898,918	-	-	898,918
Comprehensive loss	-	-	-	-	(19,840)	(19,840)
Net loss	-	-	-	(1,358,745)	-	(1,358,745)
						-
Balance, September 30, 2020	**712,860**	**$ 71**	**$ 13,467,625**	**$ (12,473,923)**	**$ (21,992)**	**$ 971,781**

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 September 30, 2021

	Common Stock $0.0001 Par Value		Additional Paid in	Accumulated	Comprehensive	Stockholders'
	Shares	Amount	Capital	Deficit	Income (Loss)	Equity
Balance, June 30, 2021	**5,476,918**	**$ 548**	**$ 31,139,486**	**$ (16,140,089)**	**$ (55,566)**	**$ 14,944,379**
Issuance of common stock related to exercise of options	17,437	2	4,998	-	-	5,000
Stock based compensation for restricted stock awards	50,000	5	268,495	-	-	268,500
Stock based compensation for options granted	-	-	1,053,064	-	-	1,053,064
Issuance of common stock from exercise warrant	924,908	92	4,624,448	-	-	4,624,540
Comprehensive income	-	-	-	-	55,584	55,584
Net loss	-	-	-	(2,305,549)	-	(2,305,549)
Balance, September 30, 2021	**6,469,263**	**$ 647**	**$ 37,090,491**	**$ (18,445,638)**	**$ 18**	**$ 18,645,518**

For the Three Months Ended September 30, 2020

	Common Stock $0.0001 Par Value		Additional Paid in	Accumulated	Comprehensive	Stockholders'
	Shares	Amount	Capital	Deficit	Income (Loss)	Equity
Balance, June 30, 2020	**51,066**	**$ 5**	**$ 11,771,789**	**$ (11,373,472)**	**$ (11,018)**	**$ 387,304**
Issuance common stock from convertible debt	570,834	57	570,777	-	-	570,834
Issuance of common stock related to exercise of options	85,960	9	32,991	-	-	33,000
Stock issued for services	5,000	-	62,750	-	-	62,750
Stock based compensation for options granted	-	-	130,400	-	-	130,400
Beneficial conversion feature of convertible debt	-	-	898,918	-	-	898,918
Comprehensive loss	-	-	-	-	(10,974)	(10,974)
Net loss	-	-	-	(1,100,451)	-	(1,100,451)
Balance, September 30, 2020	**712,860**	**$ 71**	**13,467,625**	**$ (12,473,923)**	**$ (21,992)**	**$ 971,781**

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 NINE MONTHS ENDED

		September 30, 2021		September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$	(4,567,085)	$	(1,358,745)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation expense		206,654		199,242
Amortization of intangible asset		18,750		18,750
Stock based compensation		1,321,564		130,400
Stock issued for services		14,200		62,750
Amortization of right to use		24,948		23,773
Amortization of convertible debt discount, net		1,425,365		752,130
Gain on debt extinguishment		(20,832)		(269,261)
Change in operating assets and liabilities:				
Accounts receivable		(132,808)		81,739
Inventory		(621,487)		(135,648)
Unbilled revenue		(22,353)		877
VAT receivable		(446,657)		-
Prepaid expense		(45,575)		16,812
Other current assets		(728)		57,800
Accounts payable and accrued liabilities		(168,557)		(61,747)
Lease liabilities		(24,898)		(21,562)
Provision for income taxes		37,603		(1,330)
Contract liabilities		4,252		(780)
Net cash used in operating activities		(2,997,644)		(504,800)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property and equipment		(95,598)		(30,752)
Net cash used in investing activities		(95,598)		(30,752)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from convertible note payable		350,000		958,000
Proceeds from related party payable		34,238		-
Proceeds from common stock offering		12,661,984		-
Proceeds from warrant offering		1,987,589		-
Proceeds from exercise of warrant		4,629,540		-
Proceeds from exercise of options		5,000		33,000
Proceeds of note payable		-		343,907
Repayments of line of credit		-		(19,685)
Repayments of related party payable		(69,025)		(18,889)
Repayments of note payable		(121,848)		-
Repayments of Coronavirus note payable		(11,189)		-
Net cash provided by financing activities		19,466,289		1,296,333
Effect of exchange rate on cash		36,835		(19,130)
Net increase in cash		16,409,882		741,651
Cash beginning of period		728,762		75,362
Cash end of period	$	17,138,644	$	817,013
SUPPLEMENTAL CASH FLOW INFORMATION				
Cash paid during the period for				
Interest	$	144,187	$	-
Income tax	$	-	$	-
Non-cash adjustments during the period for				
Beneficial conversion feature on convertible debt	$	340,420	$	898,918
Conversion of convertible debt into common shares	$	1,644,267	$	585,589
Obtaining right of use asset for lease liability	$	-	$	59,906

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 nine months ending September 30, 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. ("Orbital Satcom") and Global Telesat Communications Limited ("GTC"). All material intercompany balances and transactions have been eliminated in consolidation.

Description of Business

Orbsat Corp 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.

GTC was formed under the laws of England and Wales in 2008. On February 19, 2015, we entered into a share exchange agreement with GTC and all of the holders of the outstanding equity of GTC pursuant to which GTC became a wholly owned subsidiary of ours.

On March 28, 2014, we merged with a newly-formed wholly-owned subsidiary of ours solely for the purpose of changing our state of incorporation to Nevada from Delaware, effecting a 1:150 reverse split of our common stock, and changing our name to Great West Resources, Inc. in connection with the plans to enter into the business of potash mining and exploration. During late 2014, we abandoned our efforts to enter the potash business.

Orbital Satcom, a Nevada corporation was formed on November 14, 2014.

On January 22, 2015, we changed our name to "Orbital Tracking Corp" from "Great West Resources, Inc." pursuant to a merger with a newly formed wholly owned subsidiary.

Effective March 8, 2018, following the approval of a majority of our shareholders, we effected a reverse split of our common stock at a ratio of 1 for 150. On August 19, 2019, we effected a reverse split of our common stock at a ratio of 1 for 15 As a result of the reverse split, our common stock now has the CUSIP number: 68557F100. All share and per share, information in the accompanying consolidated financial statements and footnotes has been retroactively restated to reflect these reverse splits.

Also, on August 19, 2019, we changed our name to "Orbsat Corp." from "Orbital Tracking Corp." pursuant to a merger with a newly formed wholly owned subsidiary.

On March 24, 2021, the Company's shareholders via majority shareholder consent authorized a stock split not to exceed 1 for 5 reverse stock split A definitive Information Statement relating to the shareholder consent was filed with the SEC on March 13, 2021. The Company's Board of Directors (the "Board") subsequently approved a 1-for-5 reverse stock split. The Company filed a Certificate of Change to its Amended and Restated Articles of Incorporation to effect a reverse stock split of its issued and outstanding common stock, at a ratio of 1-for-5. The effective time of the reverse stock split was 12:01 a.m. ET on May 28, 2021. The Company's common stock began trading on a split-adjusted basis commencing upon market open on May 28, 2021. The common stock has been assigned a new CUSIP number, 68557F 209. The warrants were assigned the CUSIP number, 68557F 118. No fractional shares of common stock were issued as a result of the reverse stock split. Stockholders of record who would otherwise be entitled to receive a fractional share received a whole share.

All information presented in this Quarterly Report on Form 10-Q other than in Company's consolidated financial statements and the notes thereto assumes a 1-for-5 reverse stock split of Company's outstanding shares of common stock and unless otherwise indicated, all such amounts and corresponding conversion price or exercise price data set forth in this Quarterly Report on Form 10-Q have been adjusted to give effect to such assumed reverse stock split.

On May 28, 2021, our common stock and Warrants commenced trading on Nasdaq under the symbols "OSAT" and "OSATW," respectively

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

Liquidity

As an early-stage growth company, Orbsat's ability to access capital is critical. On June 2, 2021, through an upsized underwritten public offering of 2,880,000 units at a price to the public of $5.00 per unit, the Company received gross proceeds of $14,400,000 (the "June Offering"). See Note 12, Stockholders' Equity, for more information regarding the June Offering.

In connection with closing of the June Offering, the Underwriter partially exercised its overallotment option and purchased an additional 432,000 warrants at $0.01 per warrant for additional gross proceeds to the Company of $4,320. On June 28, 2021, the Underwriter, upon the exercise in full of the balance of its over-allotment option, purchased 432,000 additional shares of the common stock for additional gross proceeds of $2,155,680 from the sale of the Shares. Orbsat management has plans to raise additional capital in 2021.

As of the date of this report, the Company's existing cash resources and existing borrowing availability are sufficient to support planned operations for the next 12 months. As a result, management believes that the Company's existing financial resources are sufficient to continue operating activities for at least one year past the issuance date of the financial statements.

These financial statements have been prepared by management in accordance with GAAP and this basis assumes that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. These financial statements do not include any adjustments that may result from the outcome of this uncertainty.

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. All cash amounts in excess of $250,000, $16,888,644, are unsecured. 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 September 30, 2021, and December 31, 2020, there is an allowance for doubtful accounts of $15,782 and $15,596, 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 $8,653 at September 30, 2021 and $1,784 at December 31, 2020. Prepaid expense includes prepaid rent of $6,169, 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.

Foreign Currency Translation

The Company's reporting currency is U.S. Dollars. The accounts of one of the Company's subsidiaries, GTC, 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 and nine months ended September 30, 2021, closing rate at1.342642 US$: GBP, quarterly average rate at 1.3784972 US$: GBP and yearly average rate at1.3853499 US$: GBP, for the three andnine months ended September 30, 2020, closing rate at 1.2923 US$: GBP, quarterly average rate at 1.293173 US$: GBP and yearly average rate of1.271713. For the year ended December 31, 2020 closing rate at1.260983 US$: GBP, average rate at 1.260983 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 September 30, 2021 and December 31, 2020, we had contract liabilities of $40,956 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 over10 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 nine months ended September 30, 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 September 30, 2021 and 2020 were $72,206 and $67,447, respectively. Depreciation expense for the nine months ended September 30, 2021 and 2020 were $206,654 and $199,242, 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 September 30, 2021 and September 30, 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 nine months ended September 30, 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 nine months ended:

	September 30, 2021	September 30, 2020
Convertible notes payable (1)	-	1,152,411
Stock Options	854,892	7,809
Stock Warrants	2,530,092	800
Total	3,384,984	1,161,020

(1) There were 0 and 1,152,411 shares of our common stock issuable upon conversion of $1,152,411 of Convertible Notes Payable at a conversion rate of $1.00 per share, as of September 30, 2021 and 2020, not accounting for 9.99% beneficial ownership limitation.

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, (see Note 13).

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 nine months ended September 30, 2021, for liability of 1.3426420 or $34,286. 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 September 30, 2021, the Company had current and long-term operating lease liabilities of $27,801 and $0, respectively, and right of use assets of $30,658.

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 - INVENTORIES

At September 30, 2021 and December 31, 2020, inventories consisted of the following:

	September 30, 2021	December 31, 2020
Finished goods	$ 982,909	$ 361,422
Less reserve for obsolete inventory	-	-
Total	$ 982,909	$ 361,422

For the nine months ended September 30, 2021 and the year ended December 31, 2020, the Company did not make any change for reserve for obsolete inventory.

NOTE 3 – VAT RECEIVABLE

On January 1, 2021, VAT rules relating to imports and exports between the UK and EU changed as a result, of the UK's departure from the EU, ("BREXIT"). For the nine months ending September 30, 2021, the Company recorded a receivable in the amount of $446,657 for amounts available to reclaim against the tax liability from UK and EU countries. Subsequently to September 30, 2021, the Company has received a total of $174,402, in regard to this receivable.

NOTE 4 – PREPAID EXPENSES

Prepaid expenses amounted to $8,653 at September 30, 2021 and $1,784 at December 31, 2020. Prepaid expense includes prepaid rent of $6,169, 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 September 30, 2021 and December 31, 2020, property and equipment, net of fully depreciated assets, consisted of the following:

	September 30, 2021	December 31, 2020
Office furniture and fixtures	$ 15,633	$ 6,470
Computer equipment	59,162	33,361
Rental equipment	47,345	48,187
Appliques	2,160,096	2,160,096
Website development	128,427	69,149
	2,410,663	2,317,263
Less accumulated depreciation	(1,415,506)	(1,211,099)
Total	$ 995,157	$ 1,106,164

Depreciation expense for the three months ended September 30, 2021 and 2020 were $72,206 and $67,447, respectively. Depreciation expense for the nine months ended September 30, 2021 and 2020 were $206,654 and $199,242, 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. ("Global Telesat"). 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, Global Telesat and World Surveillance Group, Inc.

Included in the purchased assets are: (i) the rights and benefits granted to Global Telesat under each of the Globalstar Contracts, subject to certain exclusions, (ii) account and online access to the Globalstar Cody Simplex activation system, (iii) Global Telesat'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 Global Telesat's rights and benefits directly and exclusively related to the Globalstar Contracts.

Amortization of customer contracts are included in depreciation and amortization. For the nine months ended September 30, 2021 and 2020, the Company amortized $18,750, respectively. Future amortization of intangible assets is as follows:

2021	$ 6,250
2022	25,000
2023	25,000
2024	25,000
Total	$ 81,250

For the nine months ended September 30, 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:

	September 30, 2021	December 31, 2020
Accounts payable	$ 721,294	$ 747,476
Rental deposits	11,580	10,761
Customer deposits payable	57,142	53,570
VAT liability & sales tax payable	16,971	50,453
Pre-merger accrued other liabilities	65,948	65,948
Accrued interest	138	99,982
Accrued other liabilities	10,973	24,413
Total	$ 884,046	$ 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 Capital Services Inc. 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 nine months ended September 30, 2021 and 2020, the Company recorded interest expense of $0 and $725, respectively. The short-term line of credit balance as of September 30, 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
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 September 30, 2021 and December 31, 2020, the Company repaid $121,848 and $0 of the notes, leaving a balance of $0 and $121,848, respectively as short-term notes payable. For the nine months ended September 30, 2021, the Company recorded interest in relation to the note of $2,503.

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) $7.50 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.

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

	September 30, 2021	December 31, 2020
May 2019 Notes	$ -	$ 462,085
August 2020 Notes	-	588,182
December 2020 Notes	-	244,000
March 2021 Notes	-	-
	-	1,294,267
Debt Discount	-	(1,084,944)
	-	
Total	$ -	$ 209,323

For the nine months ended September 30, 2021 and 2020, we amortized the discount on the debt, to interest expense of $1,425,365 and $752,130.

For the nine months ended September 30, 2021, the Holders converted a total of $1,644,267 of the convertible debt to 1,345,468 shares of common shares.

On June 15, 2020, the change in conversion price from $0.50 to $1.00 per share, resulted in a difference in the carrying value of the balance of the note payable. Under ASC 470-50-40-13, if it is determined that the original and new debt instruments are substantially different, the new debt instrument shall be initially recorded at fair value, and that amount shall be used to determine the debt extinguishment gain or loss to be recognized and the effective rate of the new instrument. The original debt had a carrying value of $269,262 as of June 15, 2020, the fair value of the amended debt was $0 ($792,932 principle netted with the $792,392 note payable discount), which resulted a gain from the extinguishment of debt $269,262. Further, as of June 30, 2020, the Company recorded a beneficial conversion feature of the amended note of $17,041, resulting in a balance of unamortized discount notes payable of $775,892 as of June 30, 2020. For the three months ended September 30, 2020, the Company amortized discount on the debt, to interest expense of $348,563, resulting in a balance of unamortized discount notes payable of $427,329.

For the nine months ended September 30, 2020, the Holders converted $585,589 of the convertible debt to common stock, resulting in an issuance of 597,657 common shares, 24,135 common shares at the conversion rate of $0.50 per share and 573,522 common shares at the conversion rate of $1.00 per share. The balance of the convertible notes at September 30, 2020, net of unamortized discount of $1,051,382, is $101,029.

NOTE 11 CORONA VIRUS LOANS

On April 20, 2020, the Board, approved for its wholly owned UK subsidiary, Global Telesat Communications Limited ("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 (the "Debenture") by and among the Company and HSBC UK Bank PLC (the "Lender") for an amount of £250,000, or $345,700 at an exchange rate of GBP:USD of 1.3828. 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 September 30, 2021, the Company has recorded $55,943 as current portion of notes payable and $268,528 as notes payable long term.

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%. On May 23, 2021, BlueVine, the Company's SBA approved mortgage lender and originator, notified the Company, that the loan in the amount of $20,832, has been forgiven. As of September 30, 2021, the Company has recorded $20,832 as gain on forgiveness of debt.

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 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.

On May 28, 2021, the Company effected a reverse stock split of its common stock at a ratio of 1-for-5 No fractional shares of common stock were issued as a result of the reverse split. Stockholders of record who were otherwise entitled to receive a fractional share received a whole share. The conversion or exercise prices of Company's issued and outstanding convertible securities, stock options and warrants will be adjusted accordingly. All information presented in this Quarterly Report on Form 10-Q, other than in Company's consolidated financial statements and the notes thereto assumes a 1-for-5 reverse stock split of Company's outstanding shares of common stock, and unless otherwise indicated, all such amounts and corresponding conversion price or exercise price data set forth in this Quarterly Report on Form 10-Q have been adjusted to give effect to such assumed reverse stock split.

Listing on the Nasdaq Capital Market

On May 28, 2021, our common stock and Warrants commenced trading on Nasdaq under the symbols "OSAT" and "OSATW," respectively.

As of September 30, 2021, the authorized capital of the Company consists of 50,000,000 shares of common stock, par value $0.0001 per share, 3,333,333 shares of preferred stock, par value $0.0001 per share.

Preferred Stock

As of September 30, 2021, there were 3,333,333 shares of Preferred Stock authorized, none of which are issued and outstanding.

Warrants

As of September 30, 2021, there were 2,386,092 registered warrants authorized to purchase of common stock issued and outstanding.

On June 2, 2021, the Company issued 2,880,000 warrants to purchase 2,880,000 shares of common stock in an offering, at an exercise price of $5.00 and a term of 5 years.

On June 10, 2021, the Company issued 1,000 shares of common stock in our June Offering, as described below, for the exercise of 1,000 warrants, at an exercise price of $5.00, for cash consideration of $5,000.

On June 28, 2021, the Company issued an additional 432,000 warrants to purchase 432,000 shares of common stock in June Offering, at an exercise price of $5.00 and a term of 5 years.

On July 6, 2021, the Company issued 78,500 shares of common stock, for the exercise of 78,500 warrants, at an exercise price of $5.00, for cash consideration of $392,500.

On July 8, 2021, the Company issued 425,000 shares of common stock, for the exercise of 425,000 warrants, at an exercise price of $5.00, for cash consideration of $2,125,000.

On July 12, 2021, the Company issued 2,000 shares of common stock, for the exercise of 2,000 warrants, at an exercise price of $5.00, for cash consideration of $10,000.

On July 13, 2021, the Company issued 59,853 shares of common stock, for the exercise of 59,853 warrants, at an exercise price of $5.00, for cash consideration of $299,265.

On July 14, 2021, the Company issued 278,555 shares of common stock, for the exercise of 278,555 warrants, at an exercise price of $5.00, for cash consideration of $1,392,775.

On July 19, 2021, the Company issued 1,000 shares of common stock, for the exercise of 1,000 warrants, at an exercise price of $5.00, for cash consideration of $5,000.

On July 30, 2021, the Company issued 80,000 shares of common stock, for the exercise of 80,000 warrants, at an exercise price of $5.00, for cash consideration of $400,000.

Underwriter Warrants

In addition to, but separate from, the registered warrants included in the units sold in the June Offering, the Company issued 144,000 warrants to Maxim Group LLC, the underwriter (the "Underwriter Warrants") in connection with the June Offering. The Underwriter Warrants expire five years from the effective date of the June Offering and are exercisable at a per share price equal to $5.50 per share, or 110% of the public offering price per unit in the June Offering.

As of September 30, 2021, there were 144,000 Underwriter Warrants issued and outstanding.

A summary of the status of the Company's total outstanding warrants and changes during the nine months ended September 30, 2021 is as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at January 1, 2021	800	$ 300.00	0.37
Granted	3,456,000	-	-
Exercised	(925,908)	-	-
Forfeited	-	-	-
Cancelled	(800)	-	-
Balance outstanding and exercisable at September 30, 2021	2,530,092	$ 5.03	4.67

As of September 30, 2021, and December 31, 2020, there were 2,530,092 and 800 warrants outstanding, respectively.

Common Stock

As of September 30, 2021, there were 50,000,000 shares of common stock authorized and 6,469,263 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 30,000 shares of common stock upon the conversion of $30,000 of its convertible debt, at the conversion rate of $1.00 per share.

On February 23, 2021, the Company issued an aggregate of 80,289 shares of common stock upon the conversion of $80,289 of its convertible debt, at the conversion rate of $1.00 per share.

On February 23, 2021, the Company issued an aggregate of 120,000 shares of common stock upon the conversion of $150,000 of its convertible debt, at the conversion rate of $1.25 per share.

On February 23, 2021, the Company issued an aggregate of 1,000 shares of common stock for services in the amount of $14,200.

On March 1, 2021, the Company issued an aggregate of 149,532 shares of common stock upon the conversion of $149,532 of its convertible debt, at the conversion rate of $1.00 per share.

On March 1, 2021, the Company issued an aggregate of 38,616 shares of common stock upon the conversion of $48,270 of its convertible debt, at the conversion rate of $1.25 per share.

On March 24, 2021, the Company's shareholders via majority shareholder consent authorized a stock split not to exceed 1 for 5 reverse stock split. A definitive Information Statement relating to the shareholder consent was filed with the SEC on March 13, 2021. The Company's Board of Directors subsequently approved a 1-for-5 reverse stock split. The Company has filed a Certificate of Change to its Amended and Restated Articles of Incorporation to effect a reverse stock split of its issued and outstanding common stock, at a ratio of 1-for-5. The effective time of the reverse stock split will be 12:01 a.m. ET on May 28, 2021. The Company's common stock will begin trading on a split-adjusted basis commencing upon market open on May 28, 2021. The common stock will be assigned a new CUSIP number, 68557F 209. The warrants will be assigned the CUSIP number, 68557F 118. No fractional shares of common stock will be issued as a result of the reverse stock split. Stockholders of record who would otherwise be entitled to receive a fractional share will receive a whole share.

On May 20, 2021, Company issued an aggregate of 29,800 shares of common stock upon the conversion of $29,800 of its convertible debt, at a weighted average conversion rate of $1.00.

On May 27, 2021, Company issued an aggregate of 897,231 shares of common stock upon the conversion of $1,156,377 of its convertible debt, at a weighted average conversion rate of $1.29.

On May 28, 2021, Company entered into an Underwriting Agreement (the "Underwriting Agreement") with Maxim Group LLC (the "Underwriter"), pursuant to which the Company agreed to issue and sell to the Underwriter in an underwritten public offering 2,880,000 units consisting of one share of common stock and one warrant, exercisable for one share of common stock at a public offering price of $5.00 per unit, (after giving effect to a 1-for-5 reverse stock split, discussed above) for aggregate gross proceeds of approximately $14,400,000 before deducting underwriting discounts, commissions, and other offering expenses (the "June Offering"). The common stock and warrants were immediately separable and were issued separately. The common stock and warrants began trading on the Nasdaq Capital Market, on May 28, 2021, under the symbols "OSAT" and "OSATW," respectively. In addition, the Company In addition, the Company has granted the Underwriter a 45-day option to purchase an additional 432,000 shares of common stock and/or warrants to purchase up to an aggregate of 432,000 shares of common stock, in any combination thereof, at the public offering price per security, less the underwriting discounts and commissions, to cover over-allotments, if any. The June Offering closed on June 2, 2021.In connection with closing of the June Offering, the Underwriter partially exercised its overallotment option and purchased an additional 432,000 warrants at $0.01 per warrant for additional gross proceeds to the Company of $4,320. On June 28, 2021, the Underwriter, upon the exercise in full of the balance of its over-allotment option, purchased 432,000 additional shares of the common stock for additional gross proceeds to the Company of $2,155,680.

We have issued to the Underwriter warrants to purchase up to a total of 144,000 shares of common stock (5% of the shares of common stock included in the Units, excluding the over-allotment, if any) (the "Underwriter Warrants"). The Underwriter Warrants are exercisable at any time, and from time to time, in whole or in part, during the period commencing 180 days from the effective date of the registration statement, and expire five years from the effective date of the offering, which period is in compliance with FINRA Rule 5110(e). The Underwriter Warrants are exercisable at a per share price equal to $ 5.50 per share, or 110% of the public offering price per unit in the offering. The Underwriter Warrants have been deemed compensation by FINRA and are therefore subject to a 180-day lock-up pursuant to Rule 5110(e)(1) of FINRA. The underwriter (or permitted assignees under Rule 5110(e)(2)) will not sell, transfer, assign, pledge, or hypothecate these warrants or the securities underlying these warrants, nor will they engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the warrants or the underlying securities for a period of 180 days from the effective date of the registration statement. In addition, the warrants provide for certain piggyback registration rights. The piggyback registration rights provided will not be greater than five years from the effective date of the registration statement in compliance with FINRA Rule 5110(g)(8). We will bear all fees and expenses attendant to registering the securities issuable on exercise of the Underwriter Warrants. The exercise price and number of shares issuable upon exercise of the Underwriter Warrants may be adjusted in certain circumstances including in the event of a stock dividend, extraordinary cash dividend or our recapitalization, reorganization, merger or consolidation. However, the warrant exercise price or underlying shares will not be adjusted for issuances of shares of common stock at a price below the warrant exercise price.

On June 10, 2021, the Company issued 1,000 shares of common stock, for the exercise of 1,000 warrants, at an exercise price of $5.00, for cash consideration of $5,000.

On July 6, 2021, the Company issued 78,500 shares of common stock, for the exercise of 78,500 warrants, at an exercise price of $5.00, for cash consideration of $392,500.

On July 8, 2021, the Company issued 425,000 shares of common stock, for the exercise of 425,000 warrants, at an exercise price of $5.00, for cash consideration of $2,125,000.

On July 12, 2021, the Company issued 2,000 shares of common stock, for the exercise of 2,000 warrants, at an exercise price of $5.00, for cash consideration of $10,000.

On July 13, 2021, the Company issued 59,853 shares of common stock, for the exercise of 59,853 warrants, at an exercise price of $5.00, for cash consideration of $299,265.

On July 14, 2021, the Company issued 278,555 shares of common stock, for the exercise of 278,555 warrants, at an exercise price of $5.00, for cash consideration of $1,392,775.

On July 15, 2021, the Company issued 5,000 shares of common stock in connection with the exercise of 5,000 options, for cash consideration of $5,000.

On July 19, 2021, the Company issued 1,000 shares of common stock, for the exercise of 1,000 warrants, at an exercise price of $5.00, for cash consideration of $5,000.

On July 30, 2021, the Company issued 80,000 shares of common stock, for the exercise of 80,000 warrants, at an exercise price of $5.00, for cash consideration of $400,000.

On September 3, 2021, the Company issued 10,000 shares of common stock in connection with restricted stock awards, with a fair market value of $5.35 per share, from the date of the award.

On September 14, 2021, the Company issued 40,000 shares of common stock in connection with restricted stock awards, with a fair market value of $5.35 per share, from the date of the award.

On September 22, 2021, the Company issued a total of 12,437 common shares for the exercise of 14,200 options through a cashless exercise using 2,763 options for the $1.00 exercise price and in connection with a 1,000 restricted stock award.

Stock Options

On August 24, 2021, the Company issued to Douglas Ellenoff, Chief Business Development Strategist, 300,000 options which are fully vested, to purchase its common stock. The Company will issue an additional 150,000 options per year for the next three years which will be fully vested at the end of each year, as long as Mr. Ellenoff remains employed by the Company. During the next three years, Mr. Ellenoff will be eligible to receive an additional 250,000 per year on each of the first three anniversaries of the commencement of his employment if during each such year Mr. Ellenoff introduces the Company to twelve (12) or more potential Business Transactions (as defined in the Ellenoff Agreement and which transactions need not be consummated); provided that the Company's Chief Executive Officer may, in his sole discretion, waive the vesting requirement in any given year. Such options have an exercise price of $5.35 per share and will terminate 5 years after they vest.

Also on August 24, 2021, the Company granted 25,000 options to Paul R Thomson, its Executive Vice President and current Chief Financial Officer. The options were issued outside of the Company's 2020 Equity Incentive Plan and are not governed by the 2020 Plan. The options have an exercise price of $5.35 per share, vest immediately, and have a term of five years.

The 325,000 options granted were valued on the grant date at approximately $3.24 per option or a total of $1,053,064 using a Black-Scholes option pricing model with the following assumptions: stock price of $5.37 per share (based on the closing price of the Company's common stock of the date of issuance), volatility of 75.25%, expected term of 5 years, and a risk-free interest rate of 0.28%. In connection with the above stock option grant, for the nine months ended September 30, 2021, the Company recorded stock-based compensation of $1,053,064.

A summary of the status of the Company's outstanding stock options and changes during the nine months ended September 30, 2021 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at January 1, 2021	600,009	$ 2.35	9.91
Granted	325,000	-	-
Exercised	19,200	-	-
Forfeited	(917)	-	-
Cancelled	(50,000)	-	-
Balance outstanding at September 30, 2021	854,892	$ 3.30	7.54
Options exercisable at September 30, 2021	854,892	$ 3.30	7.54

Restricted Stock Awards

On August 24, 2021, in connection with Paul R. Thomson employment as Executive Vice President, and currently Chief Financial Officer, and as a material inducement to enter into the Thomson Agreement, Mr. Thomson received a restricted stock grant of 25,000 shares of Common Stock, 10,000 of which vest immediately, and the remaining 15,000 of which will vest at the rate of 5,000 shares at the end of each of the next three annual anniversaries of his employment. These equity awards to Mr. Thomson were issued outside of a shareholder approved stock or option plan pursuant to the Nasdaq "inducement grant" exception (Nasdaq Listing Rule 5635(c)(4)). On October 7, 2021, the Board of Directors of the Company (the "Board") appointed Paul R. Thomson, the Executive Vice President of the Company, to the additional position of Chief Financial Officer of the Company effective October 9, 2021.

Also on August 24, 2021, under the terms of the Ellenoff Agreement, Douglas Ellenoff, Chief Business Development Strategist, will receive, in lieu of cash compensation: (i) a restricted stock award of 100,000 shares of Common Stock of the Company, 40,000 of which were issued after the execution of the Ellenoff Agreement and vest immediately, and the remaining 60,000 of which will be issued and vest at the rate of 20,000 shares at the end of each of the next three annual anniversaries of his employment, provided that Mr. Ellenoff serves on the Board at any time during such year; These equity awards to Mr. Ellenoff were material to induce Mr. Ellenoff to enter into the Ellenoff Agreement and were issued outside of a shareholder approved stock or option plan pursuant to the Nasdaq "inducement grant" exception (Nasdaq Listing Rule 5635(c)(4)).

In connection to the above awards for the issuance of 50,000 common shares, the Company has recorded stock-based compensation of $268,500 for the nine months ended September 30, 2021, based on stock price of $5.37 per share (the closing price of the Company's common stock of the date of issuance).

For the three and nine months ended September 30, 2021, the Company recorded total stock-based compensation for the awards and options granted of $1,321,564. For the three and nine months ended September 30, 2020, the Company recorded stock-based compensation of $130,400.

NOTE 13 - RELATED PARTY TRANSACTIONS

As of September 30, 2021, the $67,273 due to related parties was comprised of; accrued salary due to David Phipps of $17,227, accrued salary and expenses due to Charles M. Fernandez of $37,237, accrued salary and expenses due to Sarwar Uddin, Theresa Carlise and Paul Thomson of $3,771, $3,740 and $5,298, respectively. Total related party payments due as of September 30, 2021, and December 31, 2020, are $67,273 and $102,060, respectively. These related party payables were non-interest bearing and have been repaid in full.

The Company's UK subsidiary, GTC has an over-advance line of credit with HSBC, for working capital needs. The over-advance limit is £25,000 or $33,566 at an exchange rate of 1.34262, with interest at 3.95% over Bank of England's base rate or current rate of 4.05% 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 GTC, both in the name of David Phipps who personally guarantees the balance owed.

The Company employs three individuals who are related to Mr. Phipps. The individuals earned gross wages totaling $107,042 and $58,149, for the nine months ended September 30, 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 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 again 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. 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 nine months ended September 30, 2021 and 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.

Employment Agreements

Phipps Employment Agreement

On June 5, 2021, the Board caused the Company to enter into a new three-yearemployment agreement with David Phipps, effective June 2, 2021 ("Phipps Agreement"). The Phipps Agreement replaced his then existing employment agreement and has an initial term of three years. The Phipps agreement will be automatically extended for additional one-year term thereafter unless terminated by the Company or Mr. Phipps by written notice. Mr. Phipps' annual base compensation is an aggregate of $350,000. The Company may increase (but not decrease his compensation during its term. In addition, Mr. Phipps will be entitled to receive an annual cash bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board of Directors. Mr. Phipps is also entitled to participate in any other executive compensation plans adopted by the Board of Directors, and is eligible for such grants of awards under stock option or other equity incentive plans as the Compensation Committee of the Company may from time to time determine (the "Share Awards"). Share Awards will be subject to the applicable Plan terms and conditions, provided, however, that Share Awards will be subject to any additional terms and conditions as are provided herein or in any award certificate(s), which shall supersede any conflicting provisions governing Share Awards provided under the equity incentive plan. The Company is required to pay or to reimburse Mr. Phipps for all reasonable out-of-pocket expenses actually incurred or paid by him in the course of his employment, consistent with the Company's policy. Mr. Phipps will be entitled to participate in such pension, profit sharing, group insurance, hospitalization, and group health and benefit plans and all other benefits and plans, including perquisites, if any, as the Company provides to its senior employees. The Phipps Agreement may be terminated based on death or disability of Mr. Phipps, 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 Phipps 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. On August 7, 2021, the Phipps Agreement was amended in order to, among other things, (i) change Mr. Phipps' title to "President of Orbsat Corp and Chief Executive Officer of Global Operations" and (ii) to increase Mr. Phipps's compensation by providing for an auto allowance $1,000 a month.

Fernandez May Employment Agreement

On May 23, 2021, the Company entered into a three (3) year Employment Agreement (the "May Agreement") with Mr. Fernandez to serve as Chairman of the Board. Such agreement includes provision for automatic one (1) year extensions. Mr. Fernandez's employment will commence on the later of our receipt of an approval for listing letter from Nasdaq and the effectiveness of the registration statement. As compensation for services under the May Agreement, was to receive, in monthly installments during the Term, the sum of $12,000. Mr. Fernandez was also be entitled to such cash bonus opportunity and equity compensation arrangements as the Compensation Committee may determine following the effectiveness of this registration statement. The May Agreement also provides for the Company to reimburse Mr. Fernandez for any and all premium payments made by him to obtain and continue in full force and effect throughout the entire period of employment personal catastrophe and disability insurance coverages for Mr. Fernandez. Such insurance shall be obtained through any insurance carrier of Mr. Fernandez's choosing, and shall have premium limits not to exceed one hundred percent (100%) of Mr. Fernandez's Base Salary per annum. In addition, Mr. Fernandez will be entitled to participate in such pension, profit sharing, group insurance, hospitalization, and group health and benefit plans and all other benefits and plans, including perquisites, if any, as the Company provides to its senior Executives. Under the agreement, the Company is also obligated to reimburse Mr. Fernandez for up to $10,000 per year related to Mr. Fernandez's business and personal travel and/or that of his immediate family members, as well as up to $10,000 per year for professional fees incurred by Mr. Fernandez, whether in connection with Mr. Fernandez's association with the Company or otherwise. In connection to the June Offering, the Company granted Mr. Fernandez an award of restricted stock with a grant date fair value equal to $3,000,000 determined at the per unit offering price (the "RSA"), which RSA will vest 1/3 at each of the three anniversaries of the grant date. Notwithstanding the vesting schedule, full vesting will occur upon a Change in Control, as that term is defined in the RSA. The Company at its sole expense is obligated to register the reoffer and resale by Mr. Fernandez of the securities granted to Employee pursuant to the RSA.

Fernandez June Employment Agreement

On June 2, 2021, the Company entered into a new employment agreement (the "June Agreement") with Charles M. Fernandez, with an initial term of5 years effective on May 28, 2021. The June Agreement replaced "the May Agreement". Under the June Agreement, Mr. Fernandez will serve as the Chairman and Chief Executive Officer of the Company. The June Agreement will be automatically extended for additional one-year terms unless terminated by the Company or Mr. Fernandez by written notice. Mr. Fernandez's annual base compensation under the June Agreement is $ 350,000 per year. The Company may increase (but not decrease) his compensation during the June Agreement's term. In addition, Mr. Fernandez is entitled to receive an annual cash bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board. Mr. Fernandez is also entitled to participate in any other executive compensation plans adopted by the Board, and is eligible for such grants of Share Awards. Share Awards will be subject to the applicable Plan terms and conditions, provided, however, that Share Awards will be subject to any additional terms and conditions as are provided therein or in any award certificate(s), which will supersede any conflicting provisions governing Share Awards provided under the equity incentive plan. The Company is required to pay or to reimburse Mr. Fernandez for all reasonable out-of-pocket expenses actually incurred or paid by Mr. Fernandez in the course of his employment, consistent with the Company's policy.

Mr. Fernandez will also be entitled to participate in such pension, profit sharing, group insurance, hospitalization, and group health and benefit plans and all other benefits and plans, including perquisites, if any, as the Company provides to its senior employees. The June Agreement may be terminated based on death or disability of Mr. Fernandez, for cause or without good reason, for cause or with good reason, as a result of the change of control of the Company and at the option of Mr. Fernandez with or without cause. The June 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 Company will also reimburse Mr. Fernandez for any and all premium payments made by him to obtain and continue personal catastrophe and disability insurance coverages for himself, which policy will have policy limits not to exceed one hundred percent (100%) of his base salary per annum at any given time. In addition, the Company will pay for any and all travel-related expenses incurred by Mr. Fernandez and/or his immediate family members, not to exceed $10,000.00 per fiscal year, regardless of whether or not such expenses are incurred by Mr. Fernandez in connection with services or duties to be performed by him as an employee of the Company. The Company will also pay for any and all fees and costs incurred by Mr. Fernandez in connection with professional services provided to him, not to exceed $ 10,000 per year, including, without limitation, services provided to the Company by attorneys, accountants, financial planners and the like, regardless of whether or not such services are provided to Mr. Fernandez in connection with his employment with the Company.

In addition, the June Agreement (which repeats, but not duplicates, a grant of restricted stock made under the May Agreement), Mr. Fernandez received an award of restricted stock with a grant date fair value equal to $3,000,000 determined at the per unit offering price in the June Offering ($5 per Unit) (the "RSA"), which RSA will vest 1/3 at each of the three anniversaries of the grant date. The Grant Date for the RSA is May 28, 2021, as determined pursuant to the May Agreement. Notwithstanding the vesting schedule, full vesting will occur upon a Change in Control, as that term is defined in the Restricted Stock Agreement pursuant to which the RSA was made. The Company at its sole expense is obligated to register the reoffer and resale by Mr. Fernandez of the securities granted to him pursuant to the Restricted Stock Agreement.

If Mr. Fernandez' employment is terminated for any reason at any time by the Company prior to the full vesting of the RSA without "Cause" (as that term is defined in the June Agreement), the RSA will vest and Mr. Fernandez will receive all right, title and interest in the balance of the securities granted to him in the RSA.

During the term of the June Agreement and so long as Mr. Fernandez is employed by the Company, he may nominate two directors to the Company's Board of Directors. The appointment of these directors to the Board is subject to approval by the Board of Directors.

On August 7, 2021, the June Agreement was amended in order to, among other things, increase Mr. Fernandez's compensation by (i) providing for medical plan coverage for Mr. Fernandez and his family at the expense of the Company, and (ii) providing for an auto allowance $1,000 per month.

Uddin Employment Agreement

On June 22, 2021, the Company appointed Sarwar Uddin as the Chief Financial Officer of the Company. Mr. Uddin replaced Thomas Seifert, whose employment by the Company terminated on the same date. The initial term of Mr. Uddin's agreement is one year commencing on June 22, 2021. The term of the employment agreement will be automatically extended for additional one-year terms unless terminated by the Company or Mr. Uddin by written notice. Mr. Uddin's annual base compensation is $240,000. The Company may increase (but not decrease) his compensation during its term. In addition, Mr. Uddin will be entitled to receive an annual cash bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board of Directors. Mr. Uddin is also entitled to participate in any other executive compensation plans adopted by the Board of Directors and is eligible for such grants of awards under stock option or other equity incentive plans as the Compensation Committee of the Company may from time to time determine (the "Share Awards"). The Company is required to pay or to reimburse Mr. Uddin for all reasonable out-of-pocket expenses actually incurred or paid by Mr. Uddin in the course of his employment, consistent with the Company's policy. Mr. Uddin shall be entitled to participate in such pension, profit sharing, group insurance, hospitalization, and group health and benefit plans and all other benefits and plans, including perquisites, if any, as the Company provides to its senior Employees. 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. On August 7, 2021, on the approval and recommendation of the Compensation Committee of the Board of Directors of Orbsat Corp, the Company entered into an amendment to the current employment agreement to increase Mr. Uddin's compensation by providing for an allowance of $600 per month for the payment of medical plan coverage for Mr. Uddin and his family.

On October 4, 2021, Sarwar Uddin, the Chief Financial Officer of Orbsat Corp (the "Company"), notified the Company of his resignation from all positions he holds with the Company. Mr. Uddin's resignation will be effective as of the close of business on October 8, 2021.

Carlise Employment Agreement

On June 22, 2021, the Company appointed Theresa Carlise, Controller, Treasurer and Secretary. The initial term of Ms. Carlise agreement was one year. The term of the employment agreement will be automatically extended for additional one-year terms unless terminated by the Company or Ms. Carlise by written notice. Ms. Carlise's annual base compensation is $180,000. The Carlise Agreement provides for medical plan coverage and an auto allowance. The Company may increase (but not decrease) her compensation during its term. In addition, Ms. Carlise will be entitled to receive an annual cash bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board of Directors. Ms. Carlise is also entitled to participate in any other executive compensation plans adopted by the Board of Directors and is eligible for such grants of awards under stock option or other equity incentive plans as the Compensation Committee of the Company may from time to time determine (the "Share Awards"). The Company is required to pay or to reimburse Ms. Carlise for all reasonable out-of-pocket expenses actually incurred or paid by Ms. Carlise in the course of her employment, consistent with the Company's policy. Ms. Carlise shall be entitled to participate in such pension, profit sharing, group insurance, hospitalization, and group health and benefit plans and all other benefits and plans, including perquisites, if any, as the Company provides to its senior Employees. 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. On August 7, 2021, on the approval and recommendation of the Compensation Committee of the Board of Directors of Orbsat Corp, the Company entered into an amendment to the current employment agreement. The Amendment for Ms. Carlise amends her Employment Agreement in order to, among other things, change Ms. Carlise's title to "Chief Accounting Officer, Secretary and Treasurer. On October 8, 2021, on the approval and recommendation of the

Compensation Committee, and following the subsequent approval of the Board, the Company entered into an amendment to the Company's current employment agreement with Theresa Carlise, the Company's Chief Accounting Officer, Treasurer and Secretary, to extend the initial term of her employment agreement from 1 year to 3 years (the "Carlise Amendment").

Ellenoff Employment Agreement

On August 24, 2021, Douglas S. Ellenoff was appointed to the positions of Chief Business Development Strategist of Orbsat Corp (the "Company") and Vice Chairman of the Board of Directors of the Company. The appointment was made on the approval and recommendation of the Nominating Committee of the Board. Mr. Ellenoff was not appointed to any committees of the Board.

In connection with Mr. Ellenoff's appointment to the position of Chief Business Development Strategist of the Company, Mr. Ellenoff and the Company entered into a three-year Employment Agreement, dated August 24, 2021 (the "Ellenoff Agreement"), that sets forth the terms of his employment, including with regard to compensation. Under the Ellenoff Agreement, Mr. Mr. Ellenoff will be nominated and renominated to serve on the Board during the term of the agreement. Under the terms of the Ellenoff Agreement, Mr. Ellenoff will receive, in lieu of cash compensation: (i) a restricted stock award of 100,000 shares of Common Stock of the Company, 40,000 of which will be issued within 5 business days of the execution of the Ellenoff Agreement and vest immediately, and the remaining 60,000 of which will be issued and vest at the rate of 20,000 shares at the end of each of the next three annual anniversaries of his employment, provided that Mr. Ellenoff serves on the Board at any time during such year; and (ii) options to purchase a total of 1,500,000 shares of the Corporation's Common Stock, 300,000 of which will issued within 5 business days of the execution of the Ellenoff Agreement and vest immediately, 150,000 of which will vest on each of the next three annual anniversaries of the commencement of his employment, and the remaining 750,000 of which will vest at the rate of 250,000 per year on each of the first three anniversaries of the commencement of his employment if during each such year Mr. Ellenoff introduces the Company to twelve (12) or more potential Business Transactions (as defined in the Ellenoff Agreement and which transactions need not be consummated); provided that the Company's Chief Executive Officer may, in his sole discretion, waive the vesting requirement in any given year. Such options have an exercise price of $5.35 per share and will terminate 5 years after they vest. These equity awards to Mr. Ellenoff were material to induce Mr. Ellenoff to enter into the Ellenoff Agreement and were issued outside of a shareholder approved stock or option plan pursuant to the Nasdaq "inducement grant" exception (Nasdaq Listing Rule 5635(c)(4)).

Thomson Employment Agreement

On August 24, 2021, Paul R. Thomson was appointed to the position of Executive Vice President of the Company. Mr. Thomson's appointment as Executive Vice President was effective on August 24, 2021, the date of that certain Employment Agreement between Mr. Thomson and the Company (the "Thomson Agreement"). The Thomson Agreement has an initial term of 3 years and will be automatically extended for additional 1-year term unless terminated by the Company or Mr. Thomson by written notice. Mr. Thomson's annual base compensation is $250,000. The Company may increase (but not decrease) his compensation during its term. In addition, Mr. Thomson will be entitled to receive an annual cash bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board. Mr. Thomson is also entitled to participate in any other executive compensation plans adopted by the Board and is eligible for such grants of awards under stock option or other equity incentive plans as the Compensation Committee of the Company may from time to time determine (the "Share Awards").

In connection with Mr. Thomson's employment, and as a material inducement to enter into the Thomson Agreements, Mr. Thomson received (i) immediately vested options to purchase 25,000 shares of Common Stock at a per share price of $5.35, and having a term of 5 years; and (ii) a restricted stock grant of 25,000 shares of Common Stock, 10,000 of which vest immediately, and the remaining 15,000 of which will vest at the rate of 5,000 shares at the end of each of the next three annual anniversaries of his employment. These equity awards to Mr. Thomson were issued outside of a shareholder approved stock or option plan pursuant to the Nasdaq "inducement grant" exception (Nasdaq Listing Rule 5635(c)(4)). On October 7, 2021, the Board of Directors of the Company (the "Board") appointed Paul R. Thomson, the Executive Vice President of the Company, to the additional position of Chief Financial Officer of the Company effective October 9, 2021. As Chief Financial Officer, Mr. Thomson will also become the Company's principal financial officer, effective October 9, 2021. On October 8, 2021, on the approval and recommendation of the Compensation Committee of the Board (the "Compensation Committee"), and following subsequent approval of the Board, the Company entered into an amendment to the Company's current employment agreement with Mr. Thomson to reflect his new title of "Executive Vice President and Chief Financial Officer" effective October 9, 2021 (the "Thomson Amendment").

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.

On June 21, 2021, the Company entered into a lease agreement for office space in Aventura, FL. The term of the lease commenced on June 23, 2021 and has a minimum six-month term. The monthly rent for this office space is $1,210. The lease agreement can be terminated with 60 days' notice. On October 31, 2021, the lease for the office space, as described above, was terminated as of November 30, 2021.

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.

On August 12, 2021, the Company entered into a new lease agreement for 2,070 square feet of office space in Miami, FL. The term of the lease will be 62 months, at an average of $8,347 per month, to commence upon possession once the facility is completed in early spring 2022. The Company has paid a security deposit of $18,706 and $6,869 in prepaid rent.

At September 30, 2021, the Company had current and long-term operating lease liabilities of $27,801 and $0, respectively, and right of use assets of $30,658.

Net rent expense for the nine months ended September 30, 2021 and 2020 were $36,055 and $24,182, respectively.

Litigation

On June 22, 2021, Thomas Seifert's employment as the Company's Chief Financial Officer was terminated for cause. Mr. Seifert asserts that the termination was not for cause and that he is owed all compensation payable under his employment agreement executed in June 2021. The Company's position is that Mr. Seifert is not owed any additional consideration or compensation relating to his prior service with the Company, or arising under any employment agreement. Further, the Company asserts that Mr. Seifert engaged in misconduct during his tenure as the Company's CFO. Mr. Seifert's employment as Chief Financial Officer has resulted in two lawsuits.

The Company initiated litigation against Mr. Seifert on June 28, 2021 in the Eleventh Judicial Circuit Court in and for Miami-Dade County. The parties to the suit are Orbsat Corp. and Thomas Seifert. The matter was designated Case No.: 2021-15243 CA 01. The Company's case against Mr. Seifert is now pending in the United States District Court for the Southern District of Florida, which matter is designated Case No.: 1:21-cv-22436-DPG. The Company seeks damages under several legal theories, including breach of fiduciary duty, breach of an employment agreement, fraud in the inducement, fraudulent misrepresentation, and constructive fraud. The Company does not expect to obtain substantial monetary relief in its litigation against Mr. Seifert.

On July 2, 2021, Mr. Seifert filed suit against the Company in the United States District Court for the Southern District of Florida. The parties to the suit are Thomas Seifert, Orbsat Corp. and Charles Fernandez, Orbsat's Chairman and Chief Executive Officer. The matter is designated Case No.: 1:21-cv-22410-MGC. Mr. Seifert seeks damages under several legal theories, including breach of an employment agreement, retaliatory discharge, libel per se, and negligent misrepresentation. The Company believes it has adequate defenses to defeat Mr. Seifert's claims.

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 approximately 64.0% and 60.1% of the Company's revenues during the nine months ended September 30, 2021 and 2020, respectively. For the three months ended September 30, 2021 and 2020, Amazon accounted for approximately 64.8% and 64.9%, respectively of the Company's revenue. 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 nine months ended September 30, 2021 and 2020.

	September 30, 2021		September 30, 2020	
Satcom Global	$ 824,339	18.0%	$ 270,641	8.4%
Globalstar Europe	$ 508,359	11.1%	$ 304,751	9.5%
Garmin	$ 728,797	16.0%	$ 376,741	11.8%
Network Innovations	$ 465,417	10.2%	$ 697,902	21.8%
Cygnus Telecom	$ 554,998	12.2%	$ 376,741	13.2%

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 September 30, 2021 and 2020.

	September 30, 2021		September 30, 2020	
Satcom Global	$ 303,944	19.9%	$ 123,435	11.0%
Globalstar Europe	$ 215,289	14.1%	$ 109,495	9.7%
Garmin	$ 241,230	15.8%	$ 140,666	12.5%
Network Innovations	$ 191,658	12.5%	$ 167,300	14.9%
Cygnus Telecom	$ 165,889	10.8%	$ 141,364	12.6%

Geographic:

The following table sets forth revenue as to each geographic location, for the nine months ended September 30, 2021 and 2020:

	September 30, 2021		September 30, 2020	
Europe	$ 3,867,862	68.2%	$ 2,749,781	66.0%
North America	1,243,754	21.9%	1,035,904	24.9%
South America	28,909	0.5%	20,510	0.5%
Asia & Pacific	472,841	8.3%	321,841	7.7%
Africa	54,600	1.0%	35,714	0.9%
	$ 5,667,966		$ 4,163,750	

The following table sets forth revenue as to each geographic location, for the three months ended September 30, 2021 and 2020:

	September 30, 2021		September 30, 2020	
Europe	$ 1,469,172	65.3%	$ 1,044,503	70.8%
North America	571,603	25.4%	290,065	19.7%
South America	13,035	0.6%	8,609	0.6%
Asia & Pacific	182,001	8.1%	122,899	8.4%
Africa	14,467	0.6%	9,317	0.6%
	$ 2,250,278		$ 1,475,393	

NOTE 16 – SUBSEQUENT EVENTS

On October 4, 2021, Sarwar Uddin, the Chief Financial Officer of Orbsat Corp (the "Company"), notified the Company of his resignation from all positions he holds with the Company. Mr. Uddin's resignation will be effective as of the close of business on October 8, 2021.

On October 7, 2021, the Board of Directors of the Company (the "Board") appointed Paul R. Thomson, the Executive Vice President of the Company, to the additional position of Chief Financial Officer of the Company effective October 9, 2021. As Chief Financial Officer, Mr. Thomson will also become the Company's principal financial officer, effective October 9, 2021. On October 8, 2021, on the approval and recommendation of the Compensation Committee of the Board (the "Compensation Committee"), and following subsequent approval of the Board, the Company entered into an amendment to the Company's current employment agreement with Mr. Thomson to reflect his new title of "Executive Vice President and Chief Financial Officer" effective October 9, 2021 (the "Thomson Amendment").

On October 7, 2021, the Board appointed Andrew Cohen as Senior Vice President of Operations of the Company, effective October 8, 2021. In connection with Mr. Cohen's appointment, the Company entered into an employment agreement, dated October 8, 2021 (the "Cohen Agreement"), that sets forth the terms of his employment.

The Cohen Agreement has an initial term of 3 years and will be automatically extended for additional 1 year terms unless terminated by the Company or Mr. Cohen by written notice. Mr. Cohen's annual base compensation is $250,000. The Company may increase (but not decrease) his compensation during its term. In addition, Mr. Cohen will be entitled to receive an annual cash bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board. In connection with Mr. Cohen's employment, and as a material inducement to enter into the Cohen Agreement, Mr. Cohen received (i) immediately vested options to purchase 25,000 shares of Common Stock at a per share price of $5.35, and having a term of 5 years; and (ii) a restricted stock grant of 25,000 shares of Common Stock, 10,000 of which vest immediately, and the remaining 15,000 of which will vest at the rate of 5,000 shares at the end of each of the next three annual anniversaries of his employment. These equity awards to Mr. Cohen were issued outside of a shareholder approved stock or option plan pursuant to the Nasdaq "inducement grant" exception (Nasdaq Listing Rule 5635(c)(4)).

On October 7, 2021, on the approval and recommendation of the Compensation Committee, the Board approved a plan to make bonus payments of $5,000 per month (each, a "Monthly Bonus") to each of Charles M. Fernandez, the Company's Executive Chairman and Chief Executive Officer, and David Phipps, a director and the Company's President and Chief Executive Officer of Global Operations. The Monthly Bonus payments were approved in recognition of Messrs. Fernandez's and Phipps' contributions to the Company. The Monthly Bonus payments will be made retroactively for months passed since June 2021, and the plan for Monthly Bonus payments will renew on a quarterly basis until terminated by the Board upon 30 days' prior notice to Messrs. Fernandez and Phipps.

On October 8, 2021, on the approval and recommendation of the Compensation Committee, and following the subsequent approval of the Board, the Company entered into an amendment to the Company's current employment agreement with Theresa Carlise, the Company's Chief Accounting Officer, Treasurer and Secretary, to extend the initial term of her employment agreement from 1 year to 3 years (the "Carlise Amendment").

On October 21, 2021, the Company issued 10,000 shares of common stock in connection with restricted stock awards, with a fair market value of $5.35 per share, from the date of the award.

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 GTC 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 nine months ended September 30, 2021 and 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

Reverse Stock Split

On March 24, 2021, the Company's shareholders via majority shareholder consent authorized a stock split not to exceed 1 for 5 reverse stock split. A definitive Information Statement relating to the shareholder consent was filed with the SEC on March 13, 2021. The Board subsequently approved a 1-for-5 reverse stock split. The Company filed a Certificate of Change to its Amended and Restated Articles of Incorporation to effect a reverse stock split of its issued and outstanding common stock, at a ratio of 1-for-5. The effective time of the reverse stock split was 12:01 a.m. ET on May 28, 2021. The Company's common stock began trading on a split-adjusted basis commencing upon market open on May 28, 2021. The common stock has been assigned a new CUSIP number, 68557F 209. The warrants were assigned the CUSIP number, 68557F 118. No fractional shares of common stock were issued as a result of the reverse stock split. Stockholders of record who would otherwise be entitled to receive a fractional share received a whole share.

Listing on the Nasdaq Capital Market

On Nasdaq on May 28, 2021, our common stock and Warrants commenced trading on Nasdaq under the symbols "OSAT" and "OSATW," respectively.

June Public Offering

On May 28, 2021, Company, entered into an Underwriting Agreement with Maxim Group LLC (the "Underwriter") pursuant to which the Company agreed to issue and sell to the Underwriter in an underwritten public offering (the June Offering) 2,880,000 units consisting of one share of common stock and one warrant exercisable for one share of common stock at a public offering price of $5.00 per unit (after giving effect to a 1-for-5 reverse stock split, discussed above) for aggregate gross proceeds of approximately $14,400,000 before deducting underwriting discounts, commissions, and other offering expenses. The common stock and warrants were immediately separable and were issued separately. The common stock and warrants began trading on the Nasdaq Capital Market, on May 28, 2021, under the symbols "OSAT" and "OSATW," respectively. In addition, the Company granted the Underwriter a 45-day option to purchase an additional 432,000 shares of common stock and/or warrants to purchase up to an aggregate of 432,000 shares of common stock, in any combination thereof, at the public offering price per security, less the underwriting discounts and commissions, to cover over-allotments, if any. The June Offering closed on June 2, 2021.

In connection with closing of the June Offering, the Underwriter partially exercised its overallotment option and purchased an additional 432,000 warrants at $0.01 per warrant for additional gross proceeds to the Company of $4,320. On June 28, 2021, the Underwriter, upon the exercise in full of the balance of its over-allotment option, purchased 432,000 additional shares of the common stock for additional gross proceeds to the Company of $2,155,680.

We have issued to the Underwriter warrants to purchase up to a total of 144,000 shares of common stock (5% of the shares of common stock included in the Units, excluding the over-allotment, if any) (the "Underwriter Warrants"). The Underwriter Warrants are exercisable at any time, and from time to time, in whole or in part, during the period commencing 180 days from the effective date of the registration statement, and expire five years from the effective date of the offering, which period is in compliance with FINRA Rule 5110(e). The Underwriter Warrants are exercisable at a per share price equal to $5.50 per share, or 110% of the public offering price per unit in the offering. The Underwriter Warrants have been deemed compensation by FINRA and are therefore subject to a 180-day lock-up pursuant to Rule 5110(e)(1) of FINRA. The underwriter (or permitted assignees under Rule 5110(e)(2)) will not sell, transfer, assign, pledge, or hypothecate these warrants or the securities underlying these warrants, nor will they engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the warrants or the underlying securities for a period of 180 days from the effective date of the registration statement. In addition, the warrants provide for certain piggyback registration rights. The piggyback registration rights provided will not be greater than five years from the effective date of the registration statement in compliance with FINRA Rule 5110(g)(8). We will bear all fees and expenses attendant to registering the securities issuable on exercise of the Underwriter Warrants. The exercise price and number of shares issuable upon exercise of the Underwriter Warrants may be adjusted in certain circumstances including in the event of a stock dividend, extraordinary cash dividend or our recapitalization, reorganization, merger or consolidation. However, the warrant exercise price or underlying shares will not be adjusted for issuances of shares of common stock at a price below the warrant exercise price.

Agreement with Alibaba

On July 13, 2021, the Company announced that its Global Telesat Communications Limited ("GTC") unit had entered into an agreement with Alibaba.com, the B2B (Business-to-Business) e-commerce website owned and operated by Alibaba Group Holding Limited, also known as Alibaba Group (NYSE: BABA; HKEX: 9988), a Chinese multinational technology company specializing in e-commerce, retail, internet, and technology. GTC will be a Gold-level Supplier on Alibaba.com, the world's largest Business-to-Business (B2B) e-commerce website.

Under the agreement, GTC significantly expands its 24/7/365 e-commerce presence with the launch of its latest global storefront. Orbsat expects to launch its new storefront during the third quarter with an extensive range of satellite IoT and connectivity products. These will include Orbsat's specialized satellite tracking products, some of which operate using the Company's many ground station-based network processors, and can be used to track and monitor the location of cars, trucks, trailers, boats, containers, animals, and other remote assets. Orbsat's full catalog of 500+ products and connectivity services will be available on Alibaba.com by the start of the first quarter of 2022. The

Company will pay an annual fee of $5,999 under the agreement. The agreement will continue on a year-to-year basis.

Equity Issuances

On June 10, 2021, the Company issued 1,000 shares of common stock, for the exercise of 1,000 warrants, at an exercise price of $5.00, for cash consideration of $5,000.

On July 6, 2021, the Company issued 78,500 shares of common stock, for the exercise of 78,500 warrants, at an exercise price of $5.00, for cash consideration of $392,500.

On July 8, 2021, the Company issued 425,000 shares of common stock, for the exercise of 425,000 warrants, at an exercise price of $5.00, for cash consideration of $2,125,000.

On July 12, 2021, the Company issued 2,000 shares of common stock, for the exercise of 2,000 warrants, at an exercise price of $5.00, for cash consideration of $10,000.

On July 13, 2021, the Company issued 59,853 shares of common stock, for the exercise of 59,853 warrants, at an exercise price of $5.00, for cash consideration of $299,265.

On July 14, 2021, the Company issued 278,555 shares of common stock, for the exercise of 278,555 warrants, at an exercise price of $5.00, for cash consideration of $1,392,775.

On July 15, 2021, the Company issued 5,000 shares of common stock in connection with the exercise of 5,000 options, for cash consideration of $5,000.

On July 19, 2021, the Company issued 1,000 shares of common stock, for the exercise of 1,000 warrants, at an exercise price of $5.00, for cash consideration of $5,000.

On July 30, 2021, the Company issued 80,000 shares of common stock, for the exercise of 80,000 warrants, at an exercise price of $5.00, for cash consideration of $400,000.

On September 3, 2021, the Company issued 10,000 shares of common stock in connection with restricted stock awards, with a fair market value of $5.35 per share, from the date of the award.

On September 14, 2021, the Company issued 40,000 shares of common stock in connection with restricted stock awards, with a fair market value of $5.35 per share, from the date of the award.

On September 22, 2021, the Company issued a total of 12,437 common shares for the exercise of 14,200 options through a cashless exercise using 2,763 options for the $1.00 exercise price and in connection with a 1,000 restricted stock award.

Enterprise Resource Planning System (ERP)

On August 10, 2021, the Company signed an agreement with NetSuite to purchase and implement an enterprise resource planning ERP system to replace our legacy business applications. The new ERP platform will provide better support for our changing business needs and plans for future growth. The project includes software, external implementation assistance, testing, training, and support. The entire cost of the ERP software and implementation will be deferred until 2022. We anticipate that approximately 40% of the cost will be expensed in the period incurred and 60% will be capitalized and depreciated over its useful life.

Results of Operations for the Three and Nine months Ended September 30, 2021, compared to the Three and Nine months Ended September 30, 2020

Revenue. Net Sales for the nine months ended September 30, 2021, consisted primarily of sales of satellite phones, tracking devices, accessories and airtime plans. For the nine months ended September 30, 2021, revenues generated were $5,667,966 compared to $4,163,750 of revenues for the nine months ended September 30, 2020, an increase in total revenues of $1,504,216 or 36.1%. Total net sales for Global Telesat Communications Limited were $3,897,254 for the nine months ended September 30, 2021, as compared to $2,667,144 for the nine months ended September 30, 2020, an increase of $1,230,110 or 46.1%. Total net sales for Orbital Satcom Corp. were $1,770,712 for the nine months ended September 30, 2021, as compared to $1,496,606, for the nine months ended September 30, 2020, an increase of $274,106 or 18.3%. 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.

Net sales for the three months ended September 30, 2021, consisted primarily of sales of satellite phones, tracking devices, accessories and airtime plans. For the three months ended September 30, 2021, revenues generated were $2,250,278 compared to $1,475,393 of revenues for the three months ended September 30, 2020, an increase in total revenues of $774,885 or 52.5%. Total net sales for Global Telesat Communications Limited. were $1,498,341 for the three months ended September 30, 2021, as compared to $1,003,875 for the three months ended September 30, 2020, an increase of $494,466 or 49.3%. Total net sales for Orbital Satcom Corp. were $751,937 for the three months ended September 30, 2021 as compared to $471,518, for the three months ended September 30, 2020, an increase of $280,419 or 59.5%.

Cost of Sales. During the nine months ended September 30, 2021, cost of sales increased to $4,195,823 compared to $3,159,593, for the nine months ended September 30, 2020, an increase of $1,036,230 or 32.8%. Gross profit margins during the nine months ended September 30, 2021 were 26.0% as compared to 24.1% for the comparable period in the prior year. During the three months ended September 30, 2021, cost of sales increased to $1,757,142 compared to $1,076,929, for the three months ended September 30, 2020, an increase of $680,213 or 63.2%. Gross profit margins during the three months ended September 30, 2021, were 21.9% as compared to 27.0% for the comparable period in the prior year. As indicated by the results for the three and nine months, our sales margins have (decreased) increased by (5.1%) and 1.9%, respectively. 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 second quarter ended September 30, 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 nine months ended September 30, 2021 were $4,557,254, an increase of $2,698,242 or 145.14%, from total operating expenses for the nine months ended September 30, 2020 of $1,859,012. Total operating expenses for the three months ended September 30, 2021 were $2,729,982, an increase of $1,857,147or 212.77%, from total operating expenses for the three months ended September 30, 2020 of $872,835. Factors contributing to the decrease are described below.

Selling, general and administrative expenses were $962,892 and $486,984 for the nine months ended September 30, 2021 and 2020, respectively, an increase of $475,908 or 97.73%. Selling, general and administrative expenses were $519,196 and $182,813 for the three months ended September 30, 2021 and 2020, respectively, an increase of $336,383 or 184.00%. The increase, for the three and nine months ended September 30, 2021, is attributable to certain variable expenses which are related to increase in sales such bank charges, credit card fees, Amazon fees, and shipping charges that fluctuate with sales volatility, in combination with increased travel, medical and director and officer insurance and auto expenses related to the increase in personnel, in addition to marketing and information technology expenses related to growth.

Salaries, wages and payroll taxes were $1,178,267 and $542,675 for the nine months ended September 30, 2021 and 2020, respectively, an increase of $635,592, or 117.12%. Salaries, wages and payroll taxes were $490,555 and $196,629 for the three months ended September 30, 2021, and 2020, respectively, an increase of $293,926, or 149.48%. For the three and nine months ended September 30, 2021, the increase is attributable to an increase in officers from two to six and an increase in overall personnel to support growth, as well as board approved executive bonuses related to successful up-listing to Nasdaq for the nine months ended September 30, 2021.

Stock based compensation were $1,321,564 and $130,400 for the three and nine months ended September 30, 2021 and 2020, respectively, an increase of $1,191,164, or 913.47%. The increase is directly related to employment agreements for two additional officers, during the three months ended September 30, 2021.

Professional fees were $869,127 and $480,961 for the nine months ended September 30, 2021 and 2020, respectively, an increase of $388,166, or 80.71%. Professional fees were $320,211 and $289,296 for the three months ended September 30, 2021 and 2020, respectively, an increase of $30,915, or 10.7%. The increase during the three and nine months ended September 30, 2021 as compared to the same period in 2020, is attributable to an increase in board members, increased investor relations and other professional fees to assist in capital raising efforts as well as up-listing to Nasdaq.

Depreciation and amortization expenses were $225,404 and $217,992 for the nine months ended September 30, 2021 and 2020, respectively, an increase of $7,412 or 3.40%. Depreciation and amortization expenses were $78,456 and $73,697 for the three months ended September 30, 2021 and 2020, respectively, an increase of $4,759 or 6.45%. 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 (Income) Expense. Our total other expense (income) were $1,481,974 compared to $503,890 during the nine months ended September 30, 2021 and 2020, respectively, an increase of $978,084 or 194.11%. The increase in the nine months ended September 30, 2021, as compared to the prior year, is attributable to; increases in interest expense of $666,179, interest earned of $3,066 and exchange rate fluctuations of $34,749 and decreases in gain from extinguishment of debt of $248,429 and other income of $31,793.

Our total other expense was $68,703 compared to $626,080 during the three months ended September 30, 2021 and 2020, respectively. The decrease of $557,377 for the three months ended September 30, 2021, as compared to the prior year, is attributable to a decrease in interest expense $639,075, an increase of exchange rate fluctuations of $84,509, offset by interest earned of $3,079.

Net Loss. We recorded net loss before income tax of $2,305,549 and $4,567,085 for the three and nine months ended September 30, 2021 as compared to a net loss of $1,100,451 and $1,358,745, for the three and nine months ended September 30, 2020. The increase in the loss is a result of the factors as described above.

Comprehensive Income (Loss). We recorded a gain for foreign currency translation adjustments for the three and nine months ended September 30, 2021 of $55,584 and $42,850. For the three and nine months ended September 30, 2020 we recorded a gain of $5,602 and a loss of $19,840.

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 September 30, 2021, we had a cash balance of $17,138,644. Our working capital is a positive $17,768,275 at September 30, 2021.

Our current assets at September 30, 2021 increased $17,640,784 or 1,285% from December 31, 2020 and included cash, accounts receivable, VAT receivable, prepaid expenses, unbilled revenue, inventory and other current assets.

Our current liabilities at September 30, 2021 decreased $271,549 or 18% 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 September 30, 2021, the Company had an accumulated deficit of $18,445,638, positive working capital of approximately $17,768,275 and net loss of approximately $4,567,085 during the nine months ended September 30, 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 $144,055 and net loss of $2,763,375, during the year ended December 31, 2020. As of the date of this report, the Company's existing cash resources and existing borrowing availability are sufficient to support planned operations for the next 12 months. As a result, management believes that the Company's existing financial resources are sufficient to continue operating activities for at least one year past the issuance date of the financial statements.

These financial statements have been prepared by management in accordance with GAAP and this basis assumes that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. These financial statements do not include any adjustments that may result from the outcome of this uncertainty.

Operating Activities

Net cash flows used by operating activities for the nine months ended September 30, 2021 amounted to $2,997,644 and were primarily attributable to our net loss of $4,567,085, total amortization expense of $18,750 and depreciation of $206,654, amortization of discount on debt of $1,425,365, amortization of right to use of $24,948 gain on extinguishment of debt of $20,832, stock based compensation of $1,321,564 and net change in assets and liabilities of $1,421,208, primarily attributable to an increase in accounts receivable of $132,808, an increase in inventory of $621,487, an increase in unbilled revenue of $22,353, an increase in VAT receivable of $446,657, an increase in other current assets of $728, decrease in accounts payable of $168,557, an increase in contract liabilities of $4,252, a decrease in lease liabilities of $24,898, and an increase in provision for income taxes of $37,603.

Net cash flows provided by operating activities for the nine months ended September 30, 2020 amounted to $504,800 and were primarily attributable to our net loss of $1,358,745, total amortization expense of $18,750 and depreciation of $199,242, amortization of discount on debt of $752,130, stock based compensation of $130,400, stock issued for services of $62,750, amortization on right to use of $23,773, gain on extinguishment of debt of $269,261 and net change in assets and liabilities of $63,839, primarily attributable to a decrease in accounts receivable of $81,739, an increase in inventory of $135,648, decrease in prepaid expenses of $16,812, a decrease in unbilled revenue of $877, a decrease in other current assets of $57,800, decrease in accounts payable of $61,747, a decrease in contract liabilities of $780, a decrease in lease liabilities of $21,562, and a decrease in provision for income taxes of $1,330.

Investing Activities

Net cash flows used in investing activities were $95,598 and $30,752 for the nine months ended September 30, 2021 and 2020, respectively. During the nine months ended September 30, 2021 and September 30, 2020, we purchased property and equipment of $95,598 and $30,752, respectively.

Financing Activities

Net cash flows provided by financing activities were $19,466,289 for the nine months ended September 30, 2021 and were for, proceeds from; a convertible note payable of $350,000, related party payable of $34,238, the June Offering, of $14,649,573, proceeds of warrant exercise of $4,629,540 which was offset by repayments of notes payable for $121,848, proceeds of options exercised of $5,000, payments of coronavirus interruption loan of $11,189 and repayments to related party payable of $69,025.

Net cash flows provided by financing activities were $1,296,333 for the nine months ended September 30, 2020 and were for proceeds from convertible notes payable of $958,000, proceeds from note payable of $343,907, proceeds from exercise of options of $33,000, offset by repayments to related party payable of $18,889 and repayments of line of credit for $19,685.

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 September 30, 2021, and December 31, 2020, there is an allowance for doubtful accounts of $15,782 and $15,596, 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 nine months ended September 30, 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, GTC, 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 and nine months ended September 30, 2021, closing rate at 1.342642 US$: GBP, quarterly average rate at 1.3784972 US$: GBP and yearly average rate at 1.3853499 US$: GBP, for the three and nine months ended September 30, 2020, closing rate at 1.2923 US$: GBP, quarterly average rate at 1.293173 US$: GBP and yearly average rate of 1.271713. For the year ended December 31, 2020 closing rate at 1.260983 US$: GBP, average rate at 1.260983 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 prorated 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 September 30, 2021, we had contract liabilities of approximately $40,956. 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 September 30, 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 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 nine months ended September 30, 2021, for liability of 1.3828 or $35,311. 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 September 30, 2021, the Company had current and long-term operating lease liabilities of $27,801 and $0, respectively, and right of use assets of $30,658.

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 and Chief Financial 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 September 30, 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 September 30, 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 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 is addressing these steps immediately and has executed an agreement on August 11, 2021, to start implementation of replacing its current software to an ERP cloud-based solution. Management anticipates the new ERP solution to be fully operational by the second quarter of 2022.

Changes in Internal Controls

There have been no changes in our internal control over financial reporting during the nine months ended September 30, 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

On June 22, 2021, Thomas Seifert's employment as the Company's Chief Financial Officer was terminated for cause. Mr. Seifert asserts that the termination was not for cause and that he is owed all compensation payable under his employment agreement executed in June 2021. The Company's position is that Mr. Seifert is not owed any additional consideration or compensation relating to his prior service with the Company, or arising under any employment agreement. Further, the Company asserts that Mr. Seifert engaged in misconduct during his tenure as the Company's CFO. Mr. Seifert's employment as Chief Financial Officer has resulted in two lawsuits.

The Company initiated litigation against Mr. Seifert on June 28, 2021 in the Eleventh Judicial Circuit Court in and for Miami-Dade County. The parties to the suit are Orbsat Corp. and Thomas Seifert. The matter was designated Case No.: 2021-15243 CA 01. The Company's case against Mr. Seifert is now pending in the United States District Court for the Southern District of Florida, which matter is designated Case No.: 1:21-cv-22436-DPG. The Company seeks damages under several legal theories, including breach of fiduciary duty, breach of an employment agreement, fraud in the inducement, fraudulent misrepresentation, and constructive fraud. The Company does not expect to obtain substantial monetary relief in its litigation against Mr. Seifert.

On July 2, 2021, Mr. Seifert filed suit against the Company in the United States District Court for the Southern District of Florida. The parties to the suit are Thomas Seifert, Orbsat Corp. and Charles Fernandez, Orbsat's Chairman and Chief Executive Officer. The matter is designated Case No.: 1:21-cv-22410-MGC. Mr. Seifert seeks damages under several legal theories, including breach of an employment agreement, retaliatory discharge, libel per se, and negligent misrepresentation. The Company believes it has adequate defenses to defeat Mr. Seifert's claims.

ITEM 1A. RISK FACTORS

In evaluating us and our common stock, we urge you to carefully consider the risks and other information in this Quarterly Report on Form 10-Q, as well as the risk factors disclosed in Item 1A to Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, which we filed with the SEC on March 22, 2021, and in the registration statement and related amendments and supplements (including prospectus supplements) relating to the June Offering.

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

On July 6, 2021, the Company issued 78,500 shares of common stock, for the exercise of 78,500 warrants, at an exercise price of $5.00, for cash consideration of $392,500.

On July 8, 2021, the Company issued 425,000 shares of common stock, for the exercise of 425,000 warrants, at an exercise price of $5.00, for cash consideration of $2,125,000.

On July 12, 2021, the Company issued 2,000 shares of common stock, for the exercise of 2,000 warrants, at an exercise price of $5.00, for cash consideration of $10,000.

On July 13, 2021, the Company issued 59,853 shares of common stock, for the exercise of 59,853 warrants, at an exercise price of $5.00, for cash consideration of $299,265.

On July 14, 2021, the Company issued 278,555 shares of common stock, for the exercise of 278,555 warrants, at an exercise price of $5.00, for cash consideration of $1,392,775.

On July 15, 2021, the Company issued 5,000 shares of common stock in connection with the exercise of 5,000 options, for cash consideration of $5,000.

On July 19, 2021, the Company issued 1,000 shares of common stock, for the exercise of 1,000 warrants, at an exercise price of $5.00, for cash consideration of $5,000.

On July 30, 2021, the Company issued 80,000 shares of common stock, for the exercise of 80,000 warrants, at an exercise price of $5.00, for cash consideration of $400,000.

On September 3, 2021, the Company issued 10,000 shares of common stock in connection with restricted stock awards, with a fair market value of $5.35 per share, from the date of the award.

On September 14, 2021, the Company issued 40,000 shares of common stock in connection with restricted stock awards, with a fair market value of $5.35 per share, from the date of the award.

On September 22, 2021, the Company issued a total of 12,437 common shares for the exercise of 14,200 options through a cashless exercise using 2,763 options for the $1.00 exercise price and in connection with a 1,000 restricted stock award.

These shares were issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, as there was no general solicitation, and the transaction did not involve 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	Alibaba.com Supplemental Services Agreement (Incorporated by reference to Exhibit 10.29 to the Company's Current Report on Form 8-K filed with the SEC on July 13, 2021).
10.2	Alibaba.com Transaction Services Agreement (Incorporated by reference to Exhibit 10.30 to the Company's Current Report on Form 8-K filed with the SEC on July 13, 2021).
10.3	Alibaba.com Terms of Use (Incorporated by reference to Exhibit 10.31 to the Company's Current Report on Form 8-K filed with the SEC on July 13, 2021).

10.4+	Amendment No. 1 Employment Agreement, dated August 7, 2021, by and between Orbsat Corp and Charles M. Fernandez (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 12, 2021).
10.5+	Amendment No. 1 Employment Agreement, dated August 7, 2021, by and between Orbsat Corp and David Phipps (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on August 12, 2021).
10.6+	Amendment No. 1 Employment Agreement, dated August 7, 2021, by and between Orbsat Corp and Sarwar Uddin (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on August 12, 2021).
10.7+	Amendment No. 1 Employment Agreement, dated August 7, 2021, by and between Orbsat Corp and Theresa Carlise (Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the SEC on August 12, 2021).
10.8+	Employment Agreement, dated August 24, 2021, by and between Orbsat Corp and Douglas S. Ellenoff (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 30, 2021).
10.9+	Employment Agreement, dated August 24, 2021, by and between Orbsat Corp and Paul R. Thomson (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on August 30, 2021).
10.10+	Stock Option Agreement, dated August 24, 2021, by and between Orbsat Corp and Douglas Ellenoff.
10.11+	Restricted Stock Award Agreement, dated August 24, 2021, by and between Orbsat Corp and Douglas Ellenoff.
10.12+	Stock Option Agreement, dated August 24, 2021, by and between Orbsat Corp and Paul R. Thomson.
10.13+	Restricted Stock Award Agreement, dated August 24, 2021, by and between Orbsat Corp and Paul R. Thomson.
10.14+	Amended and Restated 2020 Equity Incentive Plan (Incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the SEC on October 1, 2021).
10.15+	Amendment No. 1 Employment Agreement, dated October 8, 2021, by and between Orbsat Corp and Paul R. Thomson (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on October 8, 2021).
10.16+	Employment Agreement, dated October 8, 2021, by and between Orbsat Corp and Andrew Cohen (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on October 8, 2021).
10.17+	Amendment No. 2 Employment Agreement, dated October 8, 2021, by and between Orbsat Corp and Theresa Carlise (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the SEC on October 8, 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	Inline XBRL Instance Document
101.sch	Inline XBRL Taxonomy Schema Document
101.cal	Inline XBRL Taxonomy Calculation Document
101.def	Inline XBRL Taxonomy Linkbase Document
101.lab	Inline XBRL Taxonomy Label Linkbase Document
101.pre	Inline XBRL Taxonomy Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL 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: November 15, 2021

ORBSAT CORP

By: */s/ Charles M. Fernandez*
Charles M. Fernandez
Chief Executive Officer and Chairman
(principal executive officer)

/s/ Paul R. Thomson
Chief Financial Officer
(principal financial officer)

Exhibit No. 10.10

ORBSAT CORP

STOCK OPTION AGREEMENT

This STOCK OPTION AGREEMENT (the "**Option Agreement**"), effective as of the **August 24, 2021** (the "**Grant Date**"), is between Orbsat Corp, a Nevada corporation (the "**Company**"), and **Douglas Ellenoff** (the "**Optionee**"), the Chief Business Development Strategist of the Company and Vice Chairman of the Company's Board of Directors.

WHEREAS, the Company desires to give the Optionee the opportunity to purchase **1,500,000** shares of common stock of the Company, par value $0.0001 per share ("**Common Shares**").

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Grant of Option. The Company hereby grants to the Optionee the right and option (the "**Option**") to purchase all or any part of an aggregate of **1,500,000** Common Shares. The Option is in all respects limited and conditioned as hereinafter provided. In the event of any conflict, however, between the terms of this Option Agreement and the Employment Agreement (defined below) the terms of the Employment Agreement shall control.

2. Exercise Price. The exercise price of the Common Shares covered by this Option shall be **$5.35** per share.

3. Term. Unless earlier terminated pursuant to any provision of this Option Agreement, this Option shall expire five years from the Grant Date (the "**Expiration Date**"). This Option shall not be exercisable on or after the Expiration Date.

4. Vesting and Exercise of Option. The Option shall vest as follows:

Incremental Number of Common Shares Vesting Under Option	Vesting Date
300,000	Grant Date
150,000	One year anniversary of Grant Date*
150,000	Second year anniversary of Grant Date*
150,000	Third year anniversary of Grant Date*
250,000	One year anniversary of Grant Date+
250,000	Second year anniversary of Grant Date+
250,000	Third year anniversary of Grant Date+

* Option shall vest subject to that certain Employment Agreement, dated August 24, 2021, by and between the Company and the Optionee (the "**Employment Agreement**") remains in full force and effect as of that date.

+ Option shall vest subject to (a) the Employment Agreement remains in full force and effect as of that date, and (b) Optionee shall have introduced the Company to twelve (12) or more potential Business Transactions (as defined in the Employment Agreement) intended to expand the business of the Company during the preceding year, one of which the Chief Executive Officer ("**CEO**") determined was sufficiently of interest to the Company to cause an in person or virtual meeting with the relevant parties. Notwithstanding this requirement, should the CEO believe that Optionee provided sufficient other benefits and value to the Company, the CEO may, in his sole and absolute discretion, waive the requirements in any given year and the Optionee will be fully entitled to the vesting of the options for such period.

The Option shall remain exercisable until it is exercised or until it terminates and shall not be forfeited or cancelled other than as set forth in the Employment Agreement. All Options shall vest immediately upon a Change in Control (as defined in the Employment Agreement) and as otherwise specifically set forth in the Employment Agreement in connection with the termination of Mr. Ellenoff's employment.

5. Method of Exercising Option. Subject to the terms and conditions of this Option Agreement, the Option may be exercised by written notice to the Company at its principal office. The form of such notice is attached hereto and shall state the election to exercise the Option and the number of whole shares with respect to which it is being exercised; shall be signed by the person or persons so exercising the Option; and shall be accompanied by payment of the full exercise price of such shares. Only full shares will be issued.

The exercise price shall be paid to the Company

(a) in Common Shares newly acquired by the Optionee upon cashless exercise of the Option in accordance with Section 4(c)(iv) of the Employment Agreement: or

(b) at the sole option of the Optionee:

(i) in cash, or by certified check, bank draft, or postal or express money order;

(ii) through the delivery of Common Shares previously acquired by the Optionee; or

(iii) by delivering a properly executed notice of exercise of the Option to the Company and a broker, with irrevocable instructions to the broker promptly to deliver to the Company the amount necessary to pay the exercise price of the Option;

(iv) in any combination of (a), (b)(i), (b)(ii) or (b)(iii) above.

In the event the exercise price is paid, in whole or in part, with Common Shares, the Company shall issue to the Optionee such number of fully paid and non-assessable Common Shares as are computed using the following formula: $X = Y(A-B)/A$ where: X = the number of Shares to be issued to the Optionee; Y = the number of Shares with respect to which the Option is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate exercise price); A = the Fair Market Value of one Share; and B = the exercise price, in this case $5.35 per share.

Upon receipt of notice of exercise and payment, the Company shall deliver a book entry confirmation representing the Common Shares with respect to which the Option is so exercised. The Optionee shall obtain the rights of a shareholder upon receipt of such confirmation.

Common Shares purchased upon exercise of the Option shall be registered in the name of the person so exercising the Option (or, if the Option is exercised by the Optionee and if the Optionee so requests in the notice exercising the Option, shall be registered in the name of the Optionee and the Optionee's spouse, jointly, with right of survivorship), and shall be delivered as provided above to, or upon the written order of, the person exercising the Option. In the event the Option is exercised by any person after the death or disability of the Optionee, the notice shall be accompanied by appropriate proof of the right of such person to exercise the Option. All Common Shares that are purchased upon exercise of the Option as provided herein shall be fully paid and non-assessable.

Upon exercise of the Option, Optionee shall be responsible for all employment and income taxes then or thereafter due (whether Federal, State or local), and the Company shall satisfy any withholding requirements for any such tax by disposing of Common Shares at exercise in accordance with Section 4(c)(iv) of the Employment Agreement..

6. Non-Transferability of Option. This Option is not assignable or transferable, in whole or in part, by the Optionee other than by will or by the laws of descent and distribution. During the lifetime of the Optionee, the Option shall be exercisable only by the Optionee or, in the event of his or her disability, by his or her guardian or legal representative.

7. Disability. If the Optionee becomes disabled prior to the Expiration Date, then this Optionmay be exercised by the Optionee or by the Optionee's legal representative.

8. Death. If the Optionee dies prior to the Expiration Date, then this Optionmay be exercised by the Optionee's estate, personal representative or beneficiary who acquired the right to exercise this Option by bequest or inheritance or by reason of the Optionee's death, to the extent of the number of Common Shares with respect to which the Optionee could have exercised it on the date of his or her death, at any time prior to the earlier of (i) the Expiration Date or (ii) one year after the date of the Optionee's death. Any part of the Option that was not exercisable immediately before the Optionee's death shall terminate at that time.

10. Securities Matters. (a) If, at any time, counsel to theCompany shall determine that the listing, registration or qualification of the Common Shares subject to the Option upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, or that the disclosure of non-public information or the satisfaction of any other condition is necessary as a condition of, or in connection with, the issuance or purchase of Common Shares hereunder, such Option may not be exercised, in whole or in part, unless such listing, registration, qualification, consent or approval, or satisfaction of such condition shall have been effected or obtained on conditions acceptable to the Board of Directors. The Company shall be under no obligation to apply for or to obtain such listing, registration or qualification, or to satisfy such condition. The Board shall inform the Optionee in writing of any decision to defer or prohibit the exercise of an Option. During the period that the effectiveness of the exercise of an Option has been deferred or prohibited, the Optionee may, by written notice, withdraw the Optionee's decision to exercise and obtain a refund of any amount paid with respect thereto.

(b) The Company may require: (i) the Optionee (or any other person exercising the Option in the case of the Optionee's death or disability) as a condition of exercising the Option, to give written assurances, in substance and form satisfactory to the Company, to the effect that such person is acquiring the Common Shares subject to the Option for his or her own account for investment and not with any present intention of selling or otherwise distributing the same, and to make such other representations or covenants; and (ii) that any certificates for Common Shares delivered in connection with the exercise of the Option bear such legends, in each case as the Company deems necessary or appropriate, in order to comply with federal and applicable state securities laws, to comply with covenants or representations made by the Company in connection with any public offering of its Common Shares or otherwise. The Optionee specifically understands and agrees that the Common Shares, if and when issued upon exercise of the Option, may be "restricted securities," as that term is defined in Rule 144 under the Securities Act of 1933 and, accordingly, the Optionee may be required to hold the shares indefinitely unless they are registered under such Securities Act of 1933, as amended, or an exemption from such registration is available.

(c) The Optionee shall have no rights as a shareholder with respect to any Common Shares covered by the Option (including, without limitation, any rights to receive dividends or non-cash distributions with respect to such shares) until the date of issue of a stock certificate to the Optionee for such Common Shares. No adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

11. Governing Law. The laws of the State of Nevada (without reference to the principles of conflict of laws) shall govern the operation of, and the rights of the Optionee and the Options granted herein.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Stock Option Agreement to be duly executed by its duly authorized officer, and the Optionee has hereunto set his hand and seal, all as of the 24th day of August 2021.

ORBSAT CORP

By: */s/ Charles M. Fernandez*
Name: Charles M. Fernandez
Title: Executive Chairman & Chief Executive Officer

ACCEPTED AND ACKNOWLEDGED

/s/ Douglas Ellenoff
Douglas Ellenoff

ORBSAT CORP.
Notice of Exercise of Stock Option

I hereby exercise the stock option granted to me pursuant to the Stock Option Agreement effective as of August 24, 2021, by Orbsat Corp (the "Company"), with respect to the following number of shares of the Company's common stock ("Shares"), par value $0.0001 per Share, covered by said option:

Number of Shares to be purchased:______________

Number of Options to be exercised:______________

Number Options used for cashless exercise: ______________

Purchase price per Share: $5.35

Total purchase price: Cashless Exercise, (see D, below).

A. Enclosed is cash or my certified check, bank draft, or postal or express money order in the amount of $_______ in **full/partial** **[circle one]** payment for such Shares;

and/or

B. Enclosed is/are Share(s) with a total Fair Market Value of $_______ in full/partial **[circle one]** payment for such Shares;

and/or

C. I have provided notice to [**insert name of broker]**, a broker, who will render **full/partial [circle one]** payment for such Shares. **[Optionee should attach to the notice of exercise provided to such broker a copy of this Notice of Exercise and irrevocable instructions to pay to the Company the full exercise price.]**

and/or

D. I elect to satisfy the payment for Shares purchased hereunder by having the Company withhold ____________ newly acquired Shares pursuant to the exercise of the Option **and/or** **[circle one]** I elect to satisfy related federal **and/or** **[circle one]** state tax obligations by having the Company withhold ____________ newly acquired Shares pursuant to the exercise of the Option.

Please have the certificate or certificates representing the purchased Shares registered in the following name ornames*:

and sent to:_____________________

DATED:

____
Optionee's Signature

*Certificates may be registered in the name of the Optionee alone or in the joint names (with right of survivorship) of the Optionee and his or her spouse.

Exhibit No. 10.11

ORBSAT CORP

RESTRICTED STOCK AGREEMENT
(Non-Assignable)

100,000 Shares of Restricted Stock of
Orbsat Corp

THIS CERTIFIES that on August 24, 2021 (the "**Award Date**"), Douglas Ellenoff ("**Holder**") was issued a restricted stock award of 100,000 shares of fully paid and non-assessable shares ("**Restricted Shares**") of the Common Stock (par value $0.0001 per share) of Orbsat Corp (the "**Corporation**"), a Nevada corporation, which Restricted Shares shall be issued pursuant to the vesting schedule set forth in Paragraph 1(b) below (the "**Vesting Schedule**"). A reasonable determination of the Compensation Committee (the "**Committee**") of the Board of Directors of the Corporation (the "**Board**") as to any questions which may arise with respect to the interpretation of the provisions of this award shall be final.

TERMS AND CONDITIONS. It is understood and agreed that the award evidenced by this agreement is subject to the following terms and conditions,*provided, however*, that the event of any conflict, however, between the terms of this Restricted Stock Agreement and the Employment Agreement (defined below) the terms of the Employment Agreement shall control:

1. Award, Issuance and Vesting.

(a) Award. The Restricted Shares awarded hereunder shall be issued in accordance with the Vesting Schedule and held by the Corporation's transfer agent in book entry form, and the Holder's name shall be entered as the stockholder of record on the books of the Corporation. The Holder shall have all the rights of a stockholder with respect to such Restricted Shares, including voting and dividend rights, upon the issuance and vesting of such shares. The Holder shall have no rights of a stockholder with respect to any unvested Restricted Shares. The Holder shall (i) sign and deliver to the Corporation a copy of this Restricted Stock Agreement and (ii) deliver to the Corporation stock powers endorsed in blank if requested by the Corporation.

(b) Issuance and Vesting of Restricted Shares. The restrictions and conditions in Paragraphs 7(b) and (c) of this Agreement shall lapse upon the earlier of (i) the Vesting Date specified in the Vesting Schedule or (ii) the occurrence of such vesting events set forth that certain Employment Agreement, dated August 24, 2021, by and between the Company and Holder (the "**Employment Agreement**") related to the termination of Holder's employment. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraphs 7(b) and (c) shall lapse only with respect to the number of Restricted Shares specified as vested on such date.

Vesting Schedule

Incremental Number of Shares Issued	**Issuance Date**	**Vesting Date**
40,000	Within 5 business days of the execution of the Employment Agreement (as defined below).	Upon Issuance
20,000	One year anniversary of Award Date	Upon Issuance*
20,000	Second year anniversary of Award Date	Upon Issuance*
20,000	Third year anniversary of Award Date	Upon Issuance*

* Vesting conditioned on the Holder serving on the Board of Directors of the Company at any time during the prior year.

2. Regulatory Compliance and Listing. The issuance or delivery of any stock certificates representing Restricted Shares may be postponed by the Corporation for such period as may be required to comply with any applicable requirements under the federal securities laws, any applicable listing requirements of any national securities exchange, any rules, regulations or other requirements under any other law, or any rules or regulations applicable to the issuance or delivery of such Restricted Shares, and the Corporation shall not be obligated to deliver any such Restricted Shares to the Holder if delivery thereof would constitute a violation of any provision of any law or of any regulation of any governmental authority or any national securities exchange.

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3. Investment Representations and Related Matters. The Holder hereby represents that the Restricted Shares awarded pursuant to this agreement are being acquired for investment purposes and not for resale or with a view towards distribution thereof. The Holder acknowledges and agrees that any sale or distribution of Restricted Shares may be made only pursuant to either (a) a registration statement on an appropriate form under the Securities Act of 1933, as amended ("**Securities Act**"), which registration statement has become effective and is current with regard to the Restricted Shares being sold, or (b) a specific exemption from the registration requirements of the Securities Act that is confirmed in a favorable written opinion of counsel, in form and substance satisfactory to counsel for the Corporation, prior to any such sale or distribution. The Holder hereby consents to such action as the Corporation deems necessary or appropriate from time-to-time to prevent a violation of, or to perfect an exemption from, the registration requirements of the Securities Act or to implement the provisions of this agreement, including but not limited to placing restrictive legends on certificates evidencing Restricted Shares and delivering stop transfer instructions to the Corporation's stock transfer agent.

4. No Right To Continued Employment. This agreement does not confer upon the Holder any right to continued employment by the Corporation or any of its subsidiaries or affiliated companies, nor shall it interfere in any way with the right to the Corporation to terminate employment at any time for any reason or no reason.

5. Construction. This agreement will be construed by and administered under the supervision of the Committee, and all determinations will be final and binding on the Holder.

6. Dilution. Nothing in this agreement will restrict or limit in any way the right of the Committee to issue or sell stock of the Corporation (or securities convertible into stock of the Corporation) on such terms and conditions as it deems to be in the best interests of the Corporation, including, without limitation, stock and securities issued or sold in connection with mergers and acquisitions, stock issued or sold in connection with any stock option or similar plan, and stock issued or contributed to any stock bonus or employee stock ownership plan.

7. Legends and Restrictions.

(a) The Restricted Shares shall bear a legend in substantially the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, OR (B) AN OPINION OR COUNSEL, IN A REASONABLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR APPLICABLE STATE SECURITIES LAWS, OR (II) UNLESS SOLD

PURSUANT TO RULE 144 UNDER SAID ACT.

(b) Restricted Shares granted herein may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Holder prior to vesting.

(c) The Holder's right to the Restricted Stock Award is subject to termination and cancellation as set forth herein and in the Employment Agreement.

8. Tax Withholding. The Holder shall, not later than the date as of which the receipt of this award becomes a taxable event for Federal income tax purposes, pay to the Corporation any Federal, state, and local taxes required by law to be withheld on account of such taxable event. Except in the case where an election is made pursuant to Paragraph 9 below, the Corporation shall have the authority to cause the required minimum tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued or released by the transfer agent a number of shares of Stock with an aggregate fair market value that would satisfy the minimum withholding amount due.

9. Election Under Section 83(b). The Holder and the Corporation hereby agree that the Holder may, within 30 days following the date of this Agreement, file with the Internal Revenue Service and the Corporation an election under Section 83(b) of the Internal Revenue Code. In the event the Holder makes such an election, he or she agrees to provide a copy of the election to the Corporation. The Holder acknowledges that he or she is responsible for obtaining the advice of his or her tax advisors with regard to the Section 83(b) election and that he or she is relying solely on such advisors and not on any statements or representations of the Corporation or any of its agents with regard to such election.

10. Notices. Any notice hereunder to the Corporation shall be addressed to it at Orbsat Corp, 18851 N.E. 29th Ave, Suite 700, Aventura FL 33180, Attention: CEO, and any notice hereunder to the Holder shall be addressed to the Holder at the last known home address shown in the records of the Corporation, subject to the right of any party hereto to designate another address at any time hereafter in writing.

11. Counterparts. This agreement may be executed in counterparts each of which taken together shall constitute one and the same instrument.

12. Governing Law. This agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Florida without reference to principles of conflicts of laws.

IN WITNESS WHEREOF, the Corporation caused this agreement to be executed by a duly authorized officer.

ORBSAT CORP

By: */s/ Charles M. Fernandez*
Name: Charles M. Fernandez
Title: Executive Chairman and Chief Executive Officer

Dated: August 24, 2021

ACCEPTED AND ACKNOWLEDGED:

/s/ Douglas Ellenoff
Douglas Ellenoff

Dated: August 24, 2021

ORBSAT CORP
STOCK OPTION AGREEMENT

This STOCK OPTION AGREEMENT (the "**Option Agreement**"), effective as of the **August 24, 2021** (the "**Grant Date**"), is between Orbsat Corp, a Nevada corporation (the "**Company**"), and **Paul R. Thomson** (the "**Optionee**"), the Executive Vice President of the Company.

WHEREAS, the Company desires to give the Optionee the opportunity to purchase **25,000** shares of common stock of the Company, par value $0.0001 per share ("**Common Shares**").

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Grant of Option. The Company hereby grants to the Optionee the right and option (the "**Option**") to purchase all or any part of an aggregate of **25,000** Common Shares. The Option is in all respects limited and conditioned as hereinafter provided.

2. Exercise Price. The exercise price of the Common Shares covered by this Option shall be **$5.35** per share.

3. Term. Unless earlier terminated pursuant to any provision of this Option Agreement, this Option shall expire five years from the Grant Date (the "**Expiration Date**"). This Option shall not be exercisable on or after the Expiration Date.

4. Vesting and Exercise of Option. The Option shall be fully vested on the Grant Date and will remain exercisable until it is exercised or until it terminates and shall not be forfeited upon resignation or termination, other than as set forth in the Employment Agreement, dated August 24, 2021, by and between Optionee and the Company.

5. Method of Exercising Option. Subject to the terms and conditions of this Option Agreement, the Option may be exercised by written notice to the Company at its principal office. The form of such notice is attached hereto and shall state the election to exercise the Option and the number of whole shares with respect to which it is being exercised; shall be signed by the person or persons so exercising the Option; and shall be accompanied by payment of the full exercise price of such shares. Only full shares will be issued.

The exercise price shall be paid to the Company:

(a) in cash, or by certified check, bank draft, or postal or express money order;

(b) through the delivery of Common Shares previously acquired by the Optionee;

(c) by delivering a properly executed notice of exercise of the Option to the Company and a broker, with irrevocable instructions to the broker promptly to deliver to the Company the amount necessary to pay the exercise price of the Option;

(d) in Common Shares newly acquired by the Optionee upon exercise of the Option; or

(e) in any combination of (a), (b), (c) or (d) above.

In the event the exercise price is paid, in whole or in part, with Common Shares, the portion of the exercise price so paid shall be equal to the **$5.35** of the Common Shares surrendered on the date of exercise.

Upon receipt of notice of exercise and payment, the Company shall deliver a book entry confirmation representing the Common Shares with respect to which the Option is so exercised. The Optionee shall obtain the rights of a shareholder upon receipt of such confirmation.

Common Shares purchased upon exercise of the Option shall be registered in the name of the person so exercising the Option (or, if the Option is exercised by the Optionee and if the Optionee so requests in the notice exercising the Option, shall be registered in the name of the Optionee and the Optionee's spouse, jointly, with right of survivorship), and shall be delivered as provided above to, or upon the written order of, the person exercising the Option. In the event the Option is exercised by any person after the death or disability of the Optionee, the notice shall be accompanied by appropriate proof of the right of such person to exercise the Option. All Common Shares that are purchased upon exercise of the Option as provided herein shall be fully paid and non-assessable.

Upon exercise of the Option, Optionee shall be responsible for all employment and income taxes then or thereafter due (whether Federal, State or local), and if the Optionee does not remit to the Company sufficient cash (or, with the consent of the Board, Common Shares) to satisfy all applicable withholding requirements, the Company shall be entitled to satisfy any withholding requirements for any such tax by disposing of Common Shares at exercise, withholding cash from Optionee's salary or other compensation or such other means as the Board considers appropriate to the fullest extent permitted by applicable law.

6. Non-Transferability of Option. This Option is not assignable or transferable, in whole or in part, by the Optionee other than by will or by the laws of descent and distribution. During the lifetime of the Optionee, the Option shall be exercisable only by the Optionee or, in the event of his or her disability, by his or her guardian or legal representative.

7. Disability. If the Optionee becomes disabled prior to the Expiration Date, then this Option may be exercised by the Optionee or by the Optionee's legal representative.

8. Death. If the Optionee dies prior to the Expiration Date, then this Option may be exercised by the Optionee's estate, personal representative or beneficiary who acquired the right to exercise this Option by bequest or inheritance or by reason of the Optionee's death, to the extent of the number of Common Shares with respect to which the Optionee could have exercised it on the date of his or her death, at any time prior to the earlier of (i) the Expiration Date or (ii) one year after the date of the Optionee's death. Any part of the Option that was not exercisable immediately before the Optionee's death shall terminate at that time.

10. Securities Matters. (a) If, at any time, counsel to the Company shall determine that the listing, registration or qualification of the Common Shares subject to the Option upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, or that the disclosure of non-public information or the satisfaction of any other condition is necessary as a condition of, or in connection with, the issuance or purchase of Common Shares hereunder, such Option may not be exercised, in whole or in part, unless such listing, registration, qualification, consent or approval, or satisfaction of such condition shall have been effected or obtained on conditions acceptable to the Board of Directors. The Company shall be under no obligation to apply for or to obtain such listing, registration or qualification, or to satisfy such condition. The Board shall inform the Optionee in writing of any decision to defer or prohibit the exercise of an Option. During the period that the effectiveness of the exercise of an Option has been deferred or prohibited, the Optionee may, by written notice, withdraw the Optionee's decision to exercise and obtain a refund of any amount paid with respect thereto.

(b) The Company may require: (i) the Optionee (or any other person exercising the Option in the case of the Optionee's death or disability) as a condition of exercising the Option, to give written assurances, in substance and form satisfactory to the Company, to the effect that such person is acquiring the Common Shares subject to the Option for his or her own account for investment and not with any present intention of selling or otherwise distributing the same, and to make such other representations or covenants; and (ii) that any certificates for Common Shares delivered in connection with the exercise of the Option bear such legends, in each case as the Company deems necessary or appropriate, in order to comply with federal and applicable state securities laws, to comply with covenants or representations made by the Company in connection with any public offering of its Common Shares or otherwise. The Optionee specifically understands and agrees that the Common Shares, if and when issued upon exercise of the Option, may be "restricted securities," as that term is defined in Rule 144 under the Securities Act of 1933 and, accordingly, the Optionee may be required to hold the shares indefinitely unless they are registered under such Securities Act of 1933, as amended, or an exemption from such registration is available.

(c) The Optionee shall have no rights as a shareholder with respect to any Common Shares covered by the Option (including, without limitation, any rights to receive dividends or non-cash distributions with respect to such shares) until the date of issue of a stock certificate to the Optionee for such Common Shares. No adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

11. Governing Law. The laws of the State of Nevada (without reference to the principles of conflict of laws) shall govern the operation of, and the rights of the Optionee and the Options granted herein.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Stock Option Agreement to be duly executed by its duly authorized officer, and the Optionee has hereunto set his hand and seal, all as of the 24th day of August 2021.

ORBSAT CORP

By: */s/ Charles M. Fernandez*
Name: Charles M. Fernandez
Title: Executive Chairman & Chief Executive Officer

ACCEPTED AND ACKNOWLEDGED

/s/ Paul R. Thomson
Paul R. Thomson

ORBSAT CORP.
Notice of Exercise of Stock Option

I hereby exercise the stock option granted to me pursuant to the Stock Option Agreement effective as of August 24, 2021, by Orbsat Corp (the "Company"), with respect to the following number of shares of the Company's common stock ("Shares"), par value $0.0001 per Share, covered by said option:

Number of Shares to be purchased:______________

Number of Options to be exercised:______________

Number Options used for cashless exercise: ______________

Purchase price per Share: $5.35

Total purchase price: Cashless Exercise, (see D, below).

A. Enclosed is cash or my certified check, bank draft, or postal or express money order in the amount of $_______ in **full/partial** **[circle one]** payment for such Shares;

and/or

B. Enclosed is/are Share(s) with a total Fair Market Value of $_______ in full/partial **[circle one]** payment for such Shares;

and/or

C. I have provided notice to [**insert name of broker**], a broker, who will render **full/partial** **[circle one]** payment for such Shares. **[Optionee should attach to the notice of exercise provided to such broker a copy of this Notice of Exercise and irrevocable instructions to pay to the Company the full exercise price.]**

and/or

D. I elect to satisfy the payment for Shares purchased hereunder by having the Company withhold ____________ newly acquired Shares pursuant to the exercise of the Option **and/or** **[circle one]** I elect to satisfy related federal **and/or** **[circle one]** state tax obligations by having the Company withhold ____________ newly acquired Shares pursuant to the exercise of the Option.

Please have the certificate or certificates representing the purchased Shares registered in the following name or names*:

and sent to:_____________________

DATED:

____
Optionee's Signature

*Certificates may be registered in the name of the Optionee alone or in the joint names (with right of survivorship) of the Optionee and his or her spouse.

Exhibit No. 10.13

ORBSAT CORP
RESTRICTED STOCK AGREEMENT
(Non-Assignable)

25,000 Shares of Restricted Stock of
Orbsat Corp

THIS CERTIFIES that on August 24, 2021 (the "**Award Date**"), Paul R. Thomson ("**Holder**") was issued a restricted stock award of 25,000 shares of fully paid and non-assessable shares ("**Restricted Shares**") of the Common Stock (par value $0.0001 per share) of Orbsat Corp (the "**Corporation**"), a Nevada corporation, which Restricted Shares shall be issued pursuant to the vesting schedule set forth in Paragraph 1(b) below (the "**Vesting Schedule**"). A determination of the Compensation Committee (the "**Committee**") of the Board of Directors of the Corporation (the "**Board**") as to any questions which may arise with respect to the interpretation of the provisions of this award shall be final.

TERMS AND CONDITIONS. It is understood and agreed that the award evidenced by this agreement is subject to the following terms and conditions:

1. Award, Issuance and Vesting.

(a) Award. The Restricted Shares awarded hereunder shall be issued in accordance with the Vesting Schedule and held by the Corporation's transfer agent in book entry form, and the Holder's name shall be entered as the stockholder of record on the books of the Corporation. The Holder shall have all the rights of a stockholder with respect to such Restricted Shares, including voting and dividend rights, upon the issuance and vesting of such shares. The Holder shall have no rights of a stockholder with respect to any unvested Restricted Shares. The Holder shall (i) sign and deliver to the Corporation a copy of this Restricted Stock Agreement and (ii) deliver to the Corporation stock powers endorsed in blank if requested by the Corporation.

(b) Issuance and Vesting of Restricted Shares. The restrictions and conditions in Paragraphs 7(b) and (c) of this Agreement shall lapse upon the earlier of (i) the Vesting Date specified in the Vesting Schedule or (ii) the occurrence of such vesting events set forth that certain Employment Agreement, dated August 24, 2021, by and between the Company and Holder (the "**Employment Agreement**") related to the termination of Holder's employment. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraphs 7(b) and (c) shall lapse only with respect to the number of Restricted Shares specified as vested on such date.

Vesting Schedule

Incremental Number of Shares Issued	Issuance Date	Vesting Date
10,000	Within 5 business days of the execution of the Employment Agreement (as defined below).	Upon Issuance
5,000	One year anniversary of Award Date	Upon Issuance*
5,000	Second year anniversary of Award Date	Upon Issuance*
5,000	Third year anniversary of Award Date	Upon Issuance*

* Except as otherwise set forth in the Employment Agreement, vesting is conditioned on Holder's continued employment with the Company on the Vesting Date.

2. Regulatory Compliance and Listing. The issuance or delivery of any stock certificates representing Restricted Shares may be postponed by the Corporation for such period as may be required to comply with any applicable requirements under the federal securities laws, any applicable listing requirements of any national securities exchange, any rules, regulations or other requirements under any other law, or any rules or regulations applicable to the issuance or delivery of such Restricted Shares, and the Corporation shall not be obligated to deliver any such Restricted Shares to the Holder if delivery thereof would constitute a violation of any provision of any law or of any regulation of any governmental authority or any national securities exchange.

3. Investment Representations and Related Matters. The Holder hereby represents that the Restricted Shares awarded pursuant to this agreement are being acquired for investment purposes and not for resale or with a view towards distribution thereof. The Holder acknowledges and agrees that any sale or distribution of Restricted Shares may be made only pursuant to either (a) a registration statement on an appropriate form under the Securities Act of 1933, as amended ("**Securities Act**"), which registration statement has become effective and is current with regard to the Restricted Shares being sold, or (b) a specific exemption from the registration requirements of the Securities Act that is confirmed in a favorable written opinion of counsel, in form and substance satisfactory to counsel for the Corporation, prior to any such sale or distribution. The Holder hereby consents to such action as the Corporation deems necessary or appropriate from time-to-time to prevent a violation of, or to perfect an exemption from, the registration requirements of the Securities Act or to implement the provisions of this agreement, including but not limited to placing restrictive legends on certificates evidencing Restricted Shares and delivering stop transfer instructions to the Corporation's stock transfer agent.

4. No Right To Continued Employment. This agreement does not confer upon the Holder any right to continued employment by the Corporation or any of its subsidiaries or affiliated companies, nor shall it interfere in any way with the right to the Corporation to terminate employment at any time for any reason or no reason.

5. Construction. This agreement will be construed by and administered under the supervision of the Committee, and all determinations will be final and binding on the Holder.

6. Dilution. Nothing in this agreement will restrict or limit in any way the right of the Committee to issue or sell stock of the Corporation (or securities convertible into stock of the Corporation) on such terms and conditions as it deems to be in the best interests of the Corporation, including, without limitation, stock and securities issued or sold in connection with mergers and acquisitions, stock issued or sold in connection with any stock option or similar plan, and stock issued or contributed to any stock bonus or employee stock ownership plan.

7. Legends and Restrictions.

(a) The Restricted Shares shall bear a legend in substantially the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, OR (B) AN OPINION OR COUNSEL, IN A REASONABLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR APPLICABLE STATE SECURITIES LAWS, OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT.

(b) Restricted Shares granted herein may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Holder prior to vesting.

(c) The Holder's right to the Restricted Stock Award is subject to termination and cancellation as set forth herein and in the Employment Agreement.

8. Tax Withholding. The Holder shall, not later than the date as of which the receipt of this award becomes a taxable event for Federal income tax purposes, pay to the Corporation any Federal, state, and local taxes required by law to be withheld on account of such taxable event. Except in the case where an election is made pursuant to Paragraph 9 below, the Corporation shall have the authority to cause the required minimum tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued or released by the transfer agent a number of shares of Stock with an aggregate fair market value that would satisfy the minimum withholding amount due.

9. Election Under Section 83(b). The Holder and the Corporation hereby agree that the Holder may, within 30 days following the date of this Agreement, file with the Internal Revenue Service and the Corporation an election under Section 83(b) of the Internal Revenue Code. In the event the Holder makes such an election, he or she agrees to provide a copy of the election to the Corporation. The Holder acknowledges that he or she is responsible for obtaining the advice of his or her tax advisors with regard to the Section 83(b) election and that he or she is relying solely on such advisors and not on any statements or representations of the Corporation or any of its agents with regard to such election.

10. Notices. Any notice hereunder to the Corporation shall be addressed to it at Orbsat Corp, 18851 N.E. 29th Ave, Suite 700, Aventura FL 33180, Attention: CEO, and any notice hereunder to the Holder shall be addressed to the Holder at the last known home address shown in the records of the Corporation, subject to the right of any party hereto to designate another address at any time hereafter in writing.

11. Counterparts. This agreement may be executed in counterparts each of which taken together shall constitute one and the same instrument.

12. Governing Law. This agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Florida without reference to principles of conflicts of laws.

IN WITNESS WHEREOF, the Corporation caused this agreement to be executed by a duly authorized officer.

ORBSAT CORP

By: */s/ Charles M. Fernandez*
Name: Charles M. Fernandez
Title: Executive Chairman & Chief Executive Officer

Dated: August 24, 2021

ACCEPTED AND ACKNOWLEDGED:

/s/ Paul R. Thomson
Paul R. Thomson

Dated: August 24, 2021

Exhibit 31.1

CERTIFICATIONS

I, Charles M. Fernandez, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Orbsat Corp for the quarter ended September 30, 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: November 15, 2021

/s/ Charles M. Fernandez
Charles M. Fernandez
Chief Executive Officer
(principal executive officer)

Exhibit 31.2

CERTIFICATIONS

I, Paul R. Thomson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Orbsat Corp for the quarter ended September 30, 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: November 15, 2021

/s/ Paul R. Thomson

Paul R. Thomson
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 September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles M. Fernandez, Chief Executive Officer of the Company, and I, Paul R. Thomson, 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: November 15, 2021

By: */s/ Charles M. Fernandez*
Charles M. Fernandez
Chief Executive Officer
(principal executive officer)

/s/ Paul R. Thomson
Paul R. Thomson
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.