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

FORM 10-Q

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

For the quarterly period ended September 30, 2018

OR

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

For the transition period from ______________to _______________.

Commission File Number 000-25097

ORBITAL TRACKING CORP.
(Exact name of small business issuer 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
Telephone: (305)-560-5355
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes [X] No [ ]

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

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

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

The number of shares of the Registrant's Common Stock outstanding as of November 14, 2018 was 936,519.

FORM 10-Q

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Part I Financial Information

Item 1. Financial Statements

The Company's unaudited financial statements for the three and nine months ended September 30, 2018 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.

ORBITAL TRACKING CORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS AS OF

	September 30, 2018 (unaudited)	December 31, 2017
ASSETS		
Current assets:		
Cash	$ 203,449	$ 233,326
Accounts receivable, net	189,645	294,495
Inventory	475,129	332,895
Unbilled revenue	77,507	89,515
Prepaid expenses	-	82,454
Other current assets	83,904	48,213
Total current assets	1,029,634	1,080,898
Property and equipment, net	1,585,590	1,757,200
Intangible assets, net	206,250	225,000
Total Assets	$ 2,821,474	$ 3,063,098
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 878,589	$ 855,687
Deferred revenue	-	215,989
Related party payable	11,540	6,998
Provision for income taxes	10,939	12,461
Liabilities from discontinued operations	112,397	112,397
Total current liabilities	1,013,465	1,203,532
Total Liabilities	1,013,465	1,203,532
Stockholders' Equity:		
Preferred Stock, $0.0001 par value; 50,000,000 shares authorized		
Series A ($0.0001 par value; 20,000 shares authorized, and no shares issued and outstanding as of September 30, 2018 and December 31, 2017, respectively)	-	-
Series B ($0.0001 par value; 30,000 shares authorized, 3,333 shares issued and outstanding as of September 30, 2018 and December 31, 2017, respectively)	1	1
Series C ($0.0001 par value; 4,000,000 shares authorized, 1,913,676 shares issued and outstanding as of September 30, 2018 and December 31, 2017, respectively)	191	191
Series D ($0.0001 par value; 5,000,000 shares authorized, 2,892,109 shares issued and outstanding as of September 30, 2018 and December 31, 2017, respectively)	289	289
Series E ($0.0001 par value; 8,746,000 shares authorized, 5,174,200 shares issued and outstanding as of September 30, 2018 and December 31, 2017, respectively)	517	517
Series F ($0.0001 par value; 1,100,000 shares authorized, 349,999 issued and outstanding as of September 30, 2018 and December 31, 2017, respectively)	35	35
Series G ($0.0001 par value; 10,090,000 shares authorized, 5,202,602 issued and outstanding as of September 30, 2018 and December 31, 2017, respectively)	520	520
Series H ($0.0001 par value; 200,000 shares authorized, 13,741 issued and outstanding as of September 30, 2018 and December 31, 2017, respectively)	1	1
Series I ($0.0001 par value; 114,944 shares authorized, 49,110 issued and outstanding as of September 30, 2018 and December 31, 2017, respectively)	5	5
Series J ($0.0001 par value; 125,000 shares authorized, 64,698 issued and outstanding as of September 30, 2018 and December 31, 2017, respectively)	6	4
Series K ($0.0001 par value; 1,250,000 shares authorized, 1,156,866 issued and outstanding as of September 30, 2018 and December 31, 2017, respectively)	116	116
Series L ($0.0001 par value; 100,000 shares authorized, 30,000 and 0, issued and outstanding as of September 30, 2018 and December 31, 2017, respectively)	3	-
Common Shares, $0.0001 par value; 750,000,000 shares authorized, 936,519 outstanding as of September 30, 2018 and December 31, 2017, respectively	94	94
Additional paid-in capital	10,946,435	10,398,908
Accumulated deficit	(9,134,180)	(8,540,715)

Accumulated other comprehensive loss	(6,074)	(400)
Total stockholders' equity	1,808,069	1,859,566
Total liabilities and stockholders' equity	$ 2,821,474	$ 3,063,098

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

ORBITAL TRACKING CORP AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Net sales	$ 1,386,927	$ 1,588,466	$ 4,654,507	$ 4,547,491
Cost of sales	1,140,717	1,240,654	3,673,128	3,589,537
Gross profit	246,210	347,812	981,379	957,954
Operating expenses:				
Selling and general administrative	162,038	137,847	477,698	430,479
Salaries, wages and payroll taxes	200,675	178,762	566,626	513,349
Stock based compensation	47,422	-	47,422	600,000
Professional fees	44,309	163,754	205,277	432,320
Depreciation and amortization	74,943	74,143	221,656	224,319
Total operating expenses	529,387	554,506	1,518,679	2,200,467
Loss before other expenses and income taxes	(283,177)	(206,694)	(537,300)	(1,242,513)
Other (income) expense				
Change in fair value of derivative instruments, net	-	-	-	(1,237)
Interest expense	-	10	110	446
Other expense – Subscription Holders Preferred	-	-	-	2,308,981
Foreign currency exchange rate variance	32,313	38,530	47,158	32,180
Total other expense	32,313	38,540	47,268	2,340,370
Net loss before taxes	$ (315,490)	$ (245,234)	$ (584,568)	$ (3,582,883)
Income tax expense	8,897	20,465	8,897	26,456
Net loss	$ (324,387)	$ (265,699)	$ (593,465)	$ (3,609,339)
Comprehensive Income:				
Net loss	$ (324,387)	$ (265,699)	$ (593,465)	$ (3,609,339)
Foreign currency translation adjustments	(13,551)	18,485	(5,624)	32,926
Comprehensive loss	$ (337,938)	$ (247,214)	$ (599,089)	$ (3,576,413)
NET INCOME LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS				
Weighted number of common shares outstanding - basic	936,519	484,463	847,413	293,917
Weighted number of common shares outstanding - diluted	936,519	484,463	847,413	293,917
Basic net (loss) per share	$ (0.36)	$ (0.51)	$ (0.71)	$ (12.17)
Diluted net (loss) per share	$ (0.36)	$ (0.51)	$ (0.71)	$ (12.17)

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

ORBITAL TRACKING CORP AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED

	September 30, 2018	September 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (593,465)	$ (3,609,339)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Change in fair value of derivative liabilities	-	(1,237)
Depreciation expense	202,906	205,569
Amortization of intangible asset	18,750	18,750
Preferred stock-based price protection expense	-	2,308,981
Provision for income tax expense	(1,091)	-
Stock based compensation	47,422	600,000
Amortization of prepaid expense in connection with the issuance of common stock issued for prepaid services	-	121,096
Imputed interest	110	446
Change in operating assets and liabilities:		
Accounts receivable	104,850	(411,498)
Inventory	(142,234)	(62,721)
Unbilled revenue	12,008	(11,346)
Prepaid expense	82,454	(101,034)
Other current assets	(35,691)	(29,827)
Accounts payable and accrued liabilities	22,902	491,916
Deferred revenue	(215,989)	124,111
Net cash used in operating activities	(497,068)	(356,133)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(31,019)	(20,676)
Net cash used in investing activities	(31,019)	(20,676)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of note payable, related party, net	4,542	438
Proceeds from sale of preferred stock	500,000	500,000
Net cash provided by financing activities	504,542	500,438
Effect of exchange rate on cash	(6,332)	29,854
Net increase in cash	(29,877)	153,482
Cash beginning of period	233,326	114,733
Cash end of period	$ 203,449	$ 268,216
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the period for		
Interest	$ -	$ -
Income tax	$ -	$ -
NON CASH FINANCE AND INVESTING ACTIVITY		
Preferred stock issued for accounts payable	$ -	$ 46,694

See the accompanying notes to the 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 consolidated financial statements as of December 31, 2017, 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 the Company for the year ended December 31, 2017, which are contained in Form 10-K as filed with the Securities and Exchange Commission on April 2, 2018. The consolidated balance sheet as of December 31, 2017 was derived from those financial statements.

Basis of Presentation and Principles of Consolidation

The unaudited condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP") and the rules and regulations of the U.S Securities and Exchange Commission for Interim Financial Information. The unaudited condensed consolidated financial statements of the Company include the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated. All adjustments (consisting of normal recurring items) necessary to present fairly the Company's financial position as of September 30, 2018, and the results of operations and cash flows for the nine months ended September 30, 2018 have been included. The results of operations for the three and nine months ended September 30, 2018 are not necessarily indicative of the results to be expected for the full year.

Description of Business

Orbital Tracking Corp. (the "Company") was formerly Great West Resources, Inc., a Nevada corporation. The Company, through its wholly owned subsidiaries, Global Telesat Communications Limited ("GTCL") and Orbital Satcom Corp. ("Orbital Satcom") 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.

On March 28, 2014, the Company merged with and into a wholly-owned subsidiary of the Company ("Great West") solely for the purpose of changing its state of incorporation to Nevada from Delaware (the "Reincorporation"), effecting a 1:150 reverse split of its common stock, and changing its name to Great West Resources, Inc. in connection with the plans to enter into the business of potash mining and exploration. During late 2014, the Company abandoned its efforts to enter the potash mining and exploration business. All references in the audited consolidated financial statements and notes thereto have been retroactively restated to reflect the reverse stock split of 1:150.

On the effective date of the Merger:

(a) Each share of the Company's Common Stock issued and outstanding immediately prior to the effective date changed and converted into 1/150th fully paid and non-assessable shares of Great West Common Stock;

(b) Each share of the Company's Series A Preferred Stock issued and outstanding immediately prior to the effective date changed and converted into 1/150th fully paid and non-assessable shares of the Great West Series A Preferred Stock;

(c) Each share of the Company's Series D Preferred Stock issued and outstanding immediately prior to the effective date changed and converted into 1/150th fully paid and non-assessable shares of the Great West Series B Preferred Stock;

(d) All options to purchase shares of the Company's Common Stock issued and outstanding immediately prior to the effective date changed and converted into equivalent options to purchase 1/150th of a share of Great West Common Stock at an exercise price of $0.0001 per share;

(e) All warrants to purchase shares of the Company's Common Stock issued and outstanding immediately prior to the effective date changed and converted into equivalent warrants to purchase 1/150th of a share of Great West Common Stock at 150 times the exercise price of such converted warrants; and

(f) Each share of Great West Common Stock issued and outstanding immediately prior to the Effective Date were canceled and returned to the status of authorized but unissued Great West Common Stock.

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

For accounting purposes, this transaction was accounted for as a reverse acquisition and has been treated as a recapitalization of the Company with GTCL considered the accounting acquirer, and the financial statements of the accounting acquirer became the financial statements of the registrant. The completion of the Share Exchange resulted in a change of control. The Share Exchange was accounted for as a reverse acquisition and re-capitalization. The GTCL shareholders obtained approximately 39% of voting control on the date of Share Exchange. GTCL was the acquirer for financial reporting purposes and the Company was the acquired company. The consolidated financial statements after the acquisition include the balance sheets of both companies at historical cost, the historical results of GTCL and the results of the Company from the acquisition date. All share and per share information in the accompanying consolidated financial statements and footnotes has been retroactively restated to reflect the recapitalization. See Note 8 - Stockholders Equity.

On March 8, 2018, our then-outstanding 140,224,577 shares of common stock outstanding were reduced by a reversed split for a ratio of 1 for 150. As of September 30, 2018, we have 936,519 shares of common stock issued and outstanding post-split. The number of authorized shares of our common stock will not be reduced by the reverse stock split. Accordingly, the reverse Stock split will have the effect of creating additional unissued and unreserved shares of our common stock. All share and per share, information in the accompanying consolidated financial statements and footnotes has been retroactively restated to reflect the reverse split. See Note 8 - Stockholders Equity.

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 and common stock issued for services.

Cash and Cash Equivalents

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

Accounts receivable and allowance for doubtful accounts

The Company has a policy of reserving for questionable accounts based on its best estimate of the amount of probable credit losses in its existing accounts receivable. The Company periodically reviews its accounts receivable to determine whether an allowance is necessary based on an analysis of past due accounts and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are charged to the bad debt expense after all means of collection have been exhausted and the potential for recovery is considered remote. As of September 30, 2018, and December 31, 2017, there is an allowance for doubtful accounts of $8,216 and $431.

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.

In July 2015, the FASB issued Accounting Standards Update No. 2015-11, Inventory (Topic 330): *Simplifying the Measurement of Inventory*. ASU 2015-11 requires that inventory within the scope of this Update be measured at the lower of cost or net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The amendments in this Update do not apply to inventory that is measured using last-in, first-out (LIFO) or the retail inventory method. The amendments apply to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost. For all entities, the guidance is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2016. This guidance did not have a material impact upon our financial condition or results of operations.

Foreign Currency Translation

The Company's reporting currency is US Dollars. The accounts of one of the Company's subsidiaries, GTCL, is maintained using the appropriate local currency, (Great British Pound) as the functional currency. All assets and liabilities are translated into U.S. Dollars at balance sheet date, shareholders' equity is translated at historical rates and revenue and expense accounts are translated at the average exchange rate for the year or the reporting period. The translation adjustments are deferred as a separate component of stockholders' equity, captioned as accumulated other comprehensive (loss) gain. Transaction gains and losses arising from exchange rate fluctuation 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, 2018 closing rate at 1.3036 US$: GBP, quarter average rate at 1.30281 US$: GBP and yearly average rate at 1.3513 US$: GBP. For the three and nine months ended September 30, 2017 closing rate at 1.3399 US$: GBP, average rate at 1.30842 US$: GBP and 1.27500 US$: GBP and, for the year ended 2017 closing rate at 1.350291 US$: GBP, average rate at 1.28819 US$ 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.

Revenue is recognized when all of the following criteria have been met:

- Persuasive evidence of an arrangement exists. Contracts and customer purchase orders are generally used to determine the existence of an arrangement.

- Delivery has occurred. Shipping documents and customer acceptance, when applicable, are used to verify delivery.

- The fee is fixed or determinable. We assess whether the fee is fixed or determinable based on the payment terms associated with the transaction and whether the sales price is subject to refund or adjustment.

- Collectability is reasonably assured. We assess collectability based primarily on the creditworthiness of the customer as determined by credit checks and analysis, as well as the customer's payment history.

We recognize revenue in accordance with Accounting Standards Codification ("ASC") 606, "Revenue Recognition," when there is persuasive evidence that an arrangement exists, title and risk of loss have passed, delivery has occurred, or the services have been rendered, the sales price is fixed or determinable and collection of the related receivable is reasonably assured. Title and risk of loss generally pass to our customers upon delivery, as we have insurance for lost shipments. In limited circumstances where either title or risk of loss pass upon destination or acceptance or when collection is not reasonably assured, we defer revenue recognition until such events occur. We derive revenues from two primary sources: products and services. Product revenue includes the shipment of product according to the agreement with our customers. Services include mobile telecommunication services, such as airtime usage, messaging, mapping services and customer support (technical support), installations and consulting. A contract may include both product and services. Rarely, contracts with customers contain multiple performance obligations. For these contracts, the Company accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. Standalone selling prices are typically estimated based on observable transactions when these services are sold on a standalone basis.

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

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

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

Deferred revenue is shown separately in the condensed consolidated balance sheets as current liabilities. At September 30, 2018, we had deferred revenue of approximately $0. At December 31, 2017, we had deferred revenue of approximately $215,989.

Cost of Product Sales and Services

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

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

Intangible assets

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

Goodwill and other intangible assets

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

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

1. Significant underperformance relative to expected historical or projected future operating results;

2. Significant changes in the manner of use of the acquired assets or the strategy for the overall business; and

3. 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 did not consider it necessary to record any impairment charges during the nine months ended September 30, 2018 and the year ended December 31, 2017, 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

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, 2018 and December 31, 2017, respectively.

Fair value of financial instruments

The Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("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 condensed 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 505-50, 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.

Income Taxes

The Company has adopted Accounting Standards Codification subtopic 740-10, *Income Taxes* ("ASC740-10") which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are recorded to reduce the deferred tax assets to an amount that will more likely than 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 are 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.

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 period ended:

	September 30, 2018	September 30, 2017
Convertible preferred stock	2,214,729	2,441,383
Stock options exercisable within 60 days	320,042	285,667
Stock warrants	60,000	-
Total	2,654,771	2,727,050

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.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation. These reclassifications had no effect on previously reported results of operations. The Company reclassified certain expense accounts to conform to the currents year's treatment.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842),* under the new guidance, lessor accounting is largely unchanged. Certain targeted improvements were made to align, where necessary, lessor accounting with the lessee accounting model and Topic 606, Revenue from Contracts with Customers. The amendments of this ASU are effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. There is not expected to be an impact as a result of adopting this ASU on the consolidated financial statements and related disclosures.

In May 2016, the FASB issued 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 consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, in an effort to reduce the diversity of how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments of this ASU are effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted. There was no impact as a result of adopting this ASU on the consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business. This new standard clarifies the definition of a business and provides a screen to determine when an integrated set of assets and activities is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. This new standard was effective for the Company on January 1, 2018. There was no impact as a result of adopting this ASU on the consolidated financial statements and related disclosures.

In May 2017, the FASB issued ASU No. 2017-09, Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting. This new standard 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. This amendment was effective for the Company on December 15, 2017. There was no impact as a result of adopting this ASU on the consolidated financial statements and related disclosures.

On December 22, 2017 the SEC staff issued Staff Accounting Bulletin 118 (SAB 118), which provides guidance on accounting for the tax effects of the Tax Cuts and Jobs Act (the TCJA). SAB 118 provides a measurement period that should not extend beyond one year from the enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the TCJA for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the TCJA is incomplete but for which they are able to determine a reasonable estimate, it must record a provisional amount in the financial statements. Provisional treatment is proper in light of anticipated additional guidance from various taxing authorities, the SEC, the FASB, and even the Joint Committee on Taxation. If a company cannot determine a provisional amount to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the TCJA. The Company has applied this guidance to its consolidated financial statements.

NOTE 2 - GOING CONCERN CONSIDERATIONS

The accompanying unaudited condensed consolidated financial statements are prepared assuming the Company will continue as a going concern. At September 30, 2018, the Company had an accumulated deficit of approximately $9,134,180, working capital of approximately $16,169 and net loss of approximately $593,465 during the nine months ended September 30, 2018. These factors raise substantial doubt about the Company's ability to continue as a going concern for one year from the issuance of the financial statements. The ability of the Company to continue as a going concern is dependent upon obtaining additional capital and financing. Management intends to attempt to raise additional funds by way of a public or private offering. While the Company believes in the viability of its strategy to raise additional funds, there can be no assurances to that effect. The unaudited condensed consolidated financial statements do not include any adjustments relating to classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 3 - INVENTORIES

At September 30, 2018 and December 31, 2017, inventories consisted of the following:

	September 30, 2018	December 31, 2017
Finished goods	$ 475,129	$ 332,895
Less reserve for obsolete inventory	-	-
Total	$ 475,129	$ 332,895

For the nine months ended September 30, 2018 and the year ended December 31, 2017, the Company did not make any change for reserve for obsolete inventory.

NOTE 4 – PREPAID EXPENSES

Prepaid expenses amounted to $0 at September 30, 2018 and $82,454 at December 31, 2017, respectively. Prepaid expenses include prepayments in cash for accounting fees, prepayments in equity instruments, which are being amortized over the terms of their respective agreements, as well as costs associated with certain deferred revenue. For the nine months ended September 30, 2018 and 2017, amortization expense as related to stock-based compensation was $0 and $600,000, respectively. The amortization for prepayment of equity instruments are included in professional fees, as reflected in the accompanying consolidated statements of operations. As of September 30, 2018, and December 31, 2017, all stock-based payments have been fully amortized. Prepaid expenses consist primarily of costs paid for future services which will occur within a year. The amortization of prepayments for deferred revenue are included in cost of sales as incurred.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	September 30, 2018	December 31, 2017
Office furniture and fixtures	$ 78,650	$ 81,467
Computer equipment	31,303	29,894
Rental equipment	67,588	40,298
Appliques	2,160,096	2,160,096
Website development	23,334	23,776
Less accumulated depreciation	(775,381)	(578,331)
Total	$ 1,585,590	$ 1,757,200

Depreciation expense was $68,693 and $202,906 for the three and nine months ended September 30, 2018, respectively. For the three and nine months ended September 30, 2017, depreciation expense was $67,893 and $205,569, respectively. For the year ended December 31, 2017 depreciation expense was $259,386.

NOTE 6 – INTANGIBLE ASSETS

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

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

Amortization of customer contracts are included in depreciation and amortization. For the nine months ended September 30, 2018 and 2017, the Company amortized $18,750, respectively. Future amortization of intangible assets is as follows:

2018		6,250
2019		25,000
2020		25,000
2021		25,000
2022 and thereafter		75,000
Total	$	156,250

On February 19, 2015, the Company issued 6,667 of its common stock, par value $0.0001, at $7.50 per share, or $50,000, to a consultant as compensation for the design and delivery of dual mode gsm/Globalstar Simplex tracking devices and related hardware and intellectual property.

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED OTHER LIABILITIES

Accounts payable and accrued other liabilities consisted of the following:

	September 30, 2018		December 31, 2017	
Accounts payable	$	631,098	$	659,285
Rental deposits		43,064		22,303
Customer deposits payable		32,436		27,792
Accrued wages		13,301		10,302
Payroll liabilities		2,899		5,600
Sales tax payable		541		2,017
VAT liability		45,692		34,520
UK corporate tax payable		9,674		-
Pre-merger accrued other liabilities		65,948		65,948
Accrued other liabilities		33,936		27,920
Total	$	878,589	$	855,687

NOTE 8 - 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 unaudited condensed consolidated financial statements are retroactively restated for the effect of the Reincorporation.

The authorized capital of the Company consists of 750,000,000 shares of common stock, par value $0.0001 per share and 50,000,000 shares of preferred stock, par value $0.0001 per share, as of December 31, 2017. 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.

Preferred Stock

As of September 30, 2018, there were 50,000,000 shares of Preferred Stock authorized.

On December 5, 2017, pursuant to the approval of our board of directors and a majority of the shareholders in each class, we amended the Certificates of Designation for our Series C, D, E, H, I, J, and K Preferred Stock. The amendments changed the conversion rights of these classes of preferred stock such that the Maximum Conversion as defined in each such Certificate of Designation was increased from 4.99% to 9.99% of our outstanding shares of common stock.

On May 10, 2018, we issued 20,000 shares of our Series J Preferred Stock at their stated value of $10.00 per share to one investor, for total proceeds of $200,000. Our Series J Preferred Stock is currently convertible to common stock at a price of $1.50 per share and votes on an as-converted basis, subject to certain conversion limitations.

On May 11, 2018, we designated a new series of Preferred Stock entitled “Series L Preferred Stock.” Our Series L Preferred Stock consists of 100,000 shares with a stated value of $10.00 per share. Series L Preferred Stock is convertible to common stock at a price of $4.00 per share and votes together with our common stock on an as-converted basis.

In addition, on May 14, 2018, we issued a total of 30,000 Units to 3 investors at a price of $10.00 per Unit, for total proceeds of $300,000. Each Unit consists of one (1) share of Series L Preferred Stock and warrants to purchase two (2) shares of common stock at a price of $4.00, exercisable for three years.

As of September 30, 2018, there were 20,000 shares of Series A Convertible Preferred Stock authorized and no shares issued and outstanding.

As of September 30, 2018, there were 30,000 shares of Series B Convertible Preferred Stock authorized and 3,333 shares issued and outstanding.

As of September 30, 2018, there were 4,000,000 shares of Series C Convertible Preferred Stock authorized and 1,913,676 shares issued and outstanding.

As of September 30, 2018, there were 5,000,000 shares of Series D Convertible Preferred Stock authorized and 2,892,109 shares issued and outstanding.

As of September 30, 2018, there were 8,746,000 shares of Series E Convertible Preferred Stock authorized and 5,174,200 shares issued and outstanding.

As of September 30, 2018, there were 1,100,000 shares of Series F shares authorized and 349,999 shares issued and outstanding.

As of September 30, 2018, there were 10,090,000 shares of Series G shares authorized and 5,202,602 shares issued and outstanding.

As of September 30, 2018, there were 200,000 shares of Series H shares authorized and 13,741 shares issued and outstanding.

As of September 30, 2018, there were 114,944 shares of Series I shares authorized and 49,110 shares issued and outstanding.

As of September 30, 2018, there were 125,000 shares of Series J shares authorized and 64,698 shares issued and outstanding.

As of September 30, 2018, there were 1,250,000 shares of Series K shares authorized and 1,156,866 shares issued and outstanding.

As of September 30, 2018, there were 100,000 shares of Series L shares authorized and 30,000 shares issued and outstanding.

Common Stock

As of September 30, 2018, there were 750,000,000 shares of Common Stock authorized and 936,519 shares issued and outstanding.

Stock Options

2018 Incentive Plan

On June 14, 2018, our Board of Directors approved the Orbital Tracking Corp. 2018 Incentive Plan (the "Plan"). The 2014 Equity Incentive Plan was closed and superseded by the 2018 Incentive Plan. The purpose of the Plan is to provide a means for the Company to continue to attract, motivate and retain management, key employees, consultants and other independent contractors, and to provide these individuals with greater incentive for their service to the Company by linking their interests in the Company's success with those of the Company and its shareholders. An Award may also be granted to any consultant, agent, advisor or independent contractor for bona fide services rendered to the Company or any Related Company that; are not in connection with the offer and sale of the Company's securities in a capital raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities. The Plan shall be administered by the Board or its Compensation Committee and may grant Options designated as Incentive Stock Options or Nonqualified Stock Options. The Plan provides that up to a maximum of 1,000,000 shares of the Company's common stock (subject to adjustment) are available for issuance under the Plan. Subject to earlier termination in accordance with the terms of the Plan and the instrument evidencing the Option, the maximum term of an Incentive Stock Option shall not exceed ten years, and in the case of an Incentive Stock Option granted to a Ten Percent Stockholder, shall not exceed five years. Any portion of an Option that is not vested and exercisable on the date of a Participant's Termination of Service shall expire on such date. In the event of a Change in Control; all outstanding Awards, other than Performance Shares and Performance Units, shall become fully and immediately exercisable, and all applicable deferral and restriction limitations or forfeiture provisions shall lapse, immediately prior to the Change in Control and shall terminate at the effective time of the Change in Control; provided, however, that with respect to a Change in Control that is a Company Transaction, such Awards shall become fully and immediately exercisable, and all applicable deferral and restriction limitations or forfeiture provisions shall lapse, only if and to the extent such Awards are not converted, assumed or replaced by the Successor Company.

The exercise price of an Incentive Stock Option shall be at least 100% of the Fair Market Value of the Common Stock on the Grant Date, and in the case of an Incentive Stock Option granted to a Participant who owns more than 10% of the total combined voting power of all classes of the stock of the Company or of its parent or subsidiary corporations (a "Ten Percent Stockholder"), shall not be less than 110% of the Fair Market Value of the Common Stock on the Grant Date. As of September 30, 2018, Mr. David Phipps, is a Ten Percent Stockholder. The determination of more than 10% ownership shall be made in accordance with Section 422 of the Code. To the extent the aggregate Fair Market Value (determined as of the Grant Date) of Common Stock with respect to which a Participant's Incentive Stock Options become exercisable for the first time during any calendar year (under the Plan and all other stock option plans of the Company and its parent and subsidiary corporations) exceeds $100,000, such portion in excess of $100,000 shall be treated as a Nonqualified Stock Option.

On June 14, 2018, we issued 275,000 new stock options to our executives and directors under the 2018 Incentive Plan. All options issued have an exercise price of $1.50 per share, with the exception of David Phipps, a Ten Percent Stockholder, whose exercise price is $1.60, vest in equal quarterly installments starting July 1, 2018 over the next two years and expire on July 1, 2021. For the years ended December 31, 2018, 2019 and 2020, the amount of vested options is 68,750, 137,500 and 68,750, respectively. On July 1, 2018, 34,375 options were fully vested and valued on the vesting date at approximately $1.2816 per option or a total of $47,422 using a Black-Scholes option pricing model with the following assumptions: stock price of $1.50 per share (based on the market price at close on July 1, 2018) volatility of 175%, expected term of 3 years, and a risk-free interest rate of 2.81%. For the nine months ended September 30, 2018, stock-based compensation was $47,422 for the fully vested portion of the stock option grant.

The number of options issued to our officers and directors were as follows:

	Options
David Phipps, President, CEO, and Director	100,000
Theresa Carlise, CFO	50,000
Hector Delgado, Director	25,000

In addition, we issued options to purchase a total of 100,000 shares to two key employees. These options have the same terms as those awarded to our officers and directors.

Options Issued Outside of Plan

On February 19, 2015, the Company issued to Mr. Rector, the former Chief Executive Officer, Chief Financial Officer and director of the Company, a seven-year option to purchase 14,333 shares of common stock as compensation for services provided to the Company. The options have an exercise price of $7.50 per share, were fully vested on the date of grant and shall expire in February 2022. The 14,333 options were valued on the grant date at approximately $7.50 per option or a total of $107,500 using a Black-Scholes option pricing model with the following assumptions: stock price of $7.50 per share (based on the sale of common stock in a private placement), volatility of 380%, expected term of 7 years, and a risk-free interest rate of 1.58%. In connection with the stock option grant, the Company recorded stock-based compensation for the year ended December 31, 2017 of $107,500, respectively.

On December 28, 2015, the Company issued Ms. Carlise, Chief Financial Officer, a ten-year option to purchase 3,333 shares of common stock as compensation for services provided to the Company. The options have an exercise price of $7.50 per share, were fully vested on the date of grant and shall expire in December 2025. The 3,333 options were valued on the grant date at approximately $195.02 per option or a total of $650,000 using a Black-Scholes option pricing model with the following assumptions: stock price of $195.00 per share (based on the closing price of the Company's common stock of the date of issuance), volatility of 992%, expected term of 10 years, and a risk-free interest rate of 1.05%. In connection with the stock option grant, the Company recorded stock-based compensation for the year ended December 31, 2017 of $650,000, respectively.

Also, on December 28, 2015, the Company issued Mr. Delgado, its Director, a ten-year option to purchase 1,333 shares of common stock as compensation for services provided to the Company. The options have an exercise price of $7.50 per share, were fully vested on the date of grant and shall expire in December 2025. The 1,333 options were valued on the grant date at approximately $195.02 per option or a total of $260,000 using a Black-Scholes option pricing model with the following assumptions: stock price of $195.02 per share (based on the closing price of the Company's common stock of the date of issuance), volatility of 992%, expected term of 10 years, and a risk-free interest rate of 1.05%. In connection with the stock option grant, the Company recorded stock-based compensation for the year ended December 31, 2017 of $260,000, respectively.

On December 16, 2016, the Company issued options to Mr. Phipps, to purchase up to 66,667 shares of common stock. The options were issued outside of the Company's 2014 Equity Incentive Plan and are not governed by the 2014 Plan. The options have an exercise price of $1.50 per share, vest immediately, and have a term of ten years. The 66,667 options were valued on the grant date at approximately $2.85 per option or a total of $190,000 using a Black-Scholes option pricing model with the following assumptions: stock price of $2.85 per share (based on the closing price of the Company's common stock of the date of issuance), volatility of 872%, expected term of 10 years, and a risk-free interest rate of 1.0500%. In connection with the stock option grant, the Company recorded stock-based compensation for the year ended December 31, 2016 of $190,000, respectively

On May 26, 2017, the Company issued 33,333 options to Mr. Phipps, 25,000 options to Theresa Carlise, 8,333 options to Hector Delgado, its Director and 133,333 options to certain employees of the Company. The employees are the adult children of our Chief Executive Officer. The options were issued outside of the Company's 2014 Equity Incentive Plan and are not governed by the 2014 Plan. The options have an exercise price of $1.50 per share, vest immediately, and have a term of ten years. The 200,000 options were valued on the grant date at approximately $3.00 per option or a total of $600,000 using a Black-Scholes option pricing model with the following assumptions: stock price of $3.00 per share (based on the closing price of the Company's common stock of the date of issuance), volatility of 736%, expected term of 10 years, and a risk-free interest rate of 1.30%. In connection with the stock option grant, the Company recorded stock-based compensation for the year ended December 31, 2017 of $600,000, respectively.

Stock options outstanding at September 30, 2018 as disclosed in the below table have approximately $560,667 of intrinsic value at the end of the period.

A summary of the status of the Company's outstanding stock options and changes during the nine months ended September 30, 2018 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at January 1, 2018	285,667	$ 1.90	8.52
Granted	275,000	1.54	2.75
Exercised	-	-	-
Forfeited	-	-	-
Cancelled	-	-	-
Balance outstanding at September 30, 2018	560,667	$ 1.72	5.56
Balance exercisable at September 30, 2018	320,042	1.72	5.56
Weighted average fair value of options granted during the period	275,000	$ 1.54	2.75

Stock Warrants

A summary of the status of the Company's outstanding stock warrants and changes during the nine months ended September 30, 2018 is as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at January 1, 2018	-	$ -	-
Granted	60,000	4.00	2.62
Exercised	-	-	-
Forfeited	-	-	-
Cancelled	-	-	-
Balance outstanding and exercisable at September 30, 2018	60,000	$ 4.00	2.62

NOTE 9 - RELATED PARTY TRANSACTIONS

The Company has received financing from the Company's Chief Executive Officer. No formal repayment terms or arrangements existed prior to February 19, 2015, when as part of the Share Exchange Agreement, the Company entered into a one-year term note with David Phipps where the stockholder loans bear no interest. The note has been extended annually, with the most recent extension dated January 29, 2018, for an additional year to February 19, 2019. The balance of the related party note payable was $0, as of September 30, 2018. The accounts payable due to related party includes advances for inventory and services due to David Phipps of $11,540. Total payments due to David Phipps as of September 30, 2018 and December 31, 2017 are $11,540 and $6,998, respectively.

The Company employs two individuals who are related to Mr. Phipps, of which earned gross wages totaled $54,803 for the nine months ended September 30, 2018. For the nine months ended September 30, 2017, the Company employed two individuals who were related to Mr. Phipps of which earned gross wages of $50,406.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Employment Agreements

On June 14, 2018, the Company entered into a two (2) year Employment Agreement ("Agreement") with Mr. Phipps, with an automatic one (1) year extension. Under the Agreement, Mr. Phipps will serve as the Company's Chief Executive Officer and President and will receive an annual base salary equal to the sum of $170,000 and £48,000 to be paid through our operating subsidiary, Global Telesat Communications, Ltd. For the nine months ended September 30, 2018, the £48,000 equivalent to USD is $64,862 and the yearly conversion rate is 1.35130. The agreement provides for a performance bonus based on exceeding our annual revenue goals and on our ability to attract new investment. The Agreement also provides for medical plan coverage, an auto allowance, paid vacation, and discretionary stock grants and option awards. In the event of termination without cause, termination as a result of a change in control, or resignation with good reason (as defined in the Agreement), Mr. Phipps will be entitled to a severance equal to twice his base salary, the immediate vesting of all unvested options, and other benefits. The Agreement terminates and supersedes the Original Agreements and any subsequent amendments, effective as of the June 14, 2018.

Also, on June 14, 2018, we entered into a new Employment Agreement, ("Agreement") with our Chief Financial Officer, Theresa Carlise. The Agreement is for a period of two (2) years, with an automatic one (1) year extension. Ms. Carlise's base salary is $150,000 per year. The Agreement provides for performance bonuses based on exceeding our annual revenue goals and on our ability to attract new investment. The Agreement also provides for medical plan coverage, an auto allowance, paid vacation, and discretionary stock grants and option awards. In the event of termination without cause, termination as a result of a change in control, or resignation with good reason (as defined in the Agreements), Ms. Carlise will be entitled to a severance equal to twice her base salary, the immediate vesting of all unvested options, and other benefits. The Agreement terminates and supersedes the Original Agreements and any subsequent amendments, effective as of the June 14, 2018.

Consulting Agreement

On July 7, 2017, the Company entered into an agreement with Viewtrade Securities Inc. to assist in effectuating a securities offering of $5,000,000 to $7,000,000. The agreement is now expired, and the Company's related registration statement has been withdrawn prior to effectiveness.

Litigation

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

NOTE 11 - CONCENTRATIONS

Customers:

No customer accounted for 10% or more of the Company's revenues during the nine months ended September 30, 2018 and 2017.

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, 2018 and 2017.

	September 30, 2018		September 30, 2017	
Cyngus Telecom	$ 385,944	11.1%	$ 357,846	9.7%
Globalstar Europe	$ 375,148	10.8%	$ 489,026	13.3%
Garmin	$ 479,717	13.8%	$ 444,345	12.0%
Network Innovations	$ 1,452,677	41.7%	$ 1,468,253	39.8%

Geographic:

The following table sets forth revenue as to each geographic location, for the three and nine months ended September 30, 2018 and 2017.

	Three Months Ended September 30, 2018		Three Months Ended September 30, 2017		Nine Months Ended September 30, 2018		Nine Months Ended September 30, 2017	
Europe	$ 956,187	68.9%	$ 1,077,011	63.4%	$ 3,155,339	67.8%	$ 2,879,564	63.3%
North America	$ 295,239	21.3%	$ 468,700	29.5%	$ 940,375	20.2%	$ 1,175,554	25.9%
South America	$ 58,296	4.2%	$ 46,075	2.9%	$ 307,229	6.6%	$ 263,187	5.8%
Arab States	$ 4,095	0.3%	$ 2,511	0.2%	$ 10,241	0.2%	$ 17,701	0.4%
Asia & Pacific	$ 61,643	4.4%	$ 59,340	3.7%	$ 197,013	4.2%	$ 192,465	4.2%
Africa	$ 11,467	0.8%	$ 4,829	0.3%	$ 44,311	1.0%	$ 19,020	0.4%
	$ 1,386,927		$ 1,588,466		$ 4,654,507		$ 4,547,491	

NOTE 12 - SUBSEQUENT EVENTS

The Company does not have any subsequent events to be disclosed prior to this filing.

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

The following information should be read in conjunction with the unaudited 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 Operation," and elsewhere in this 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 filed for the year ended December 31, 2017, filed on April 2, 2018.

Corporate Information

The Company is a distributor, developer and reseller of satellite enabled communications hardware and provides products, airtime and related services to customers located both in the United States and internationally through its subsidiaries, US based Orbital Satcom Corp. ("Orbital Satcom") and UK based GTCL. We sell equipment and airtime for use on all major satellite networks including Globalstar, Inmarsat, Iridium and Thuraya. We specialize in offering a range of satellite enabled personal and asset tracking products and provide an advanced mapping portal for customers using our range of GSM and satellite-based GPS tracking devices. Additionally, we operate a short-term rental service for customers who require use of our equipment for a limited time without the up-front expense of purchasing hardware. Our acquisition of GTCL in February 2015 expanded our global satellite-based infrastructure and business, which was first launched in December 2014 through the purchase of certain contracts which entitle us to transmit GPS tracking coordinates and other information at preferential rates through one of the world's largest commercial satellite networks. We now have a physical or storefront presence in more than 10 countries and have in excess of 30,000 customers located in almost 125 countries across every continent in the world. Our customers include businesses, U.S. and foreign governments, non-governmental and charitable organizations, military users, resellers and private individuals located all over the world.

Recent Events

On July 7, 2017, the Company entered into an agreement with Viewtrade Securities Inc. to assist in effectuating a securities offering of $5,000,000 to $7,000,000. The agreement is now expired, and the Company's related registration statement has been withdrawn prior to effectiveness.

On February 28, 2018, a majority of our shareholders gave their written consent approving a reverse split of our common stock at a ratio of 1 for 150. Effective March 8, 2018, we conducted a reverse split of our common stock at a ratio of 1 for 150. Beginning March 8, 2018, our trading symbol was changed to "TRKKD" for a period of twenty business days, after which it reverted to "TRKK." As a result of the reverse split, our common stock has the following new CUSIP number: 68558X209. See Note 8 Stockholders Equity, in the accompanying unaudited condensed consolidated financial statements and footnotes has been retroactively restated to reflect the reverse split.

On May 10, 2018, we issued 20,000 shares of our Series J Preferred Stock at their stated value of $10.00 per share to one investor, for total proceeds of $200,000. Our Series J Preferred Stock is currently convertible to common stock at a price of $1.50 per share and votes on an as-converted basis, subject to certain conversion limitations.

On May 11, 2018, we designated a new series of Preferred Stock entitled "Series L Preferred Stock." Our Series L Preferred Stock consists of 100,000 shares with a stated value of $10.00 per share. Series L Preferred Stock is convertible to common stock at a price of $4.00 per share and votes together with our common stock on an as-converted basis.

In addition, on May 14, 2018, we issued a total of 30,000 Units to 3 investors at a price of $10.00 per Unit, for total proceeds of $300,000. Each Unit consists of one (1) share of Series L Preferred Stock and warrants to purchase two (2) shares of common stock at a price of $4.00, exercisable for three years.

The following table describes the capital raised for the periods as described above:

	Date	Units	Stated Value	Total Proceeds	Common Equivalents	Warrants	Total Common Equivalents
Preferred Series J	5/10/2018	20,000	$ 10.00	$200,000	133,333	-	133,333
Preferred Series L	5/14/2018	30,000	$ 10.00	$300,000	75,000	60,000	135,000
				500,000	208,333	60,000	268,333

On June 14, 2018, we issued 275,000 new stock options to our executives and directors under the 2018 Incentive Plan. All options issued have an exercise price of $1.50 per share, with the exception of David Phipps, a Ten Percent Stockholder, whose exercise price is $1.60, vest in equal quarterly installments starting July 1, 2018 over the next two years and expire on July 1, 2021. The number of options issued to our officers and directors were as follows:

	Options
David Phipps, President, CEO, and Director	100,000
Theresa Carlise, CFO	50,000
Hector Delgado, Director	25,000

In addition, we issued options to purchase a total of 100,000 shares to two key employees. These options have the same terms as those awarded to our officers and directors.

Key Compensation Agreements

On June 14, 2018, the Company entered into a two (2) year Employment Agreement ("Agreement") with Mr. Phipps, with an automatic one (1) year extension. Under the Agreement, Mr. Phipps will serve as the Company's Chief Executive Officer and President and will receive an annual base salary equal to the sum of $170,000 and £48,000 to be paid through our operating subsidiary, Global Telesat Communications, Ltd. For the nine months ended September 30, 2018, the £48,000 equivalent to USD is $64,862 at the yearly conversion rate is 1.3513. The agreement provides for a performance bonus based on exceeding our annual revenue goals and on our ability to attract new investment. The Agreement also provides for medical plan coverage, an auto allowance, paid vacation, and discretionary stock grants and option awards. In the event of termination without cause, termination as a result of a change in control, or resignation with good reason (as defined in the Agreement), Mr. Phipps will be entitled to a severance equal to twice his base salary, the immediate vesting of all unvested options, and other benefits. The Agreement terminates and supersedes the Original Agreements and any subsequent amendments, effective as of the June 14, 2018.

Also, on June 14, 2018, we entered into a new Employment Agreement, ("Agreement") with our Chief Financial Officer, Theresa Carlise. The Agreement is for a period of two (2) years, with an automatic one (1) year extension. Ms. Carlise's base salary is $150,000 per year. The Agreement provides for performance bonuses based on exceeding our annual revenue goals and on our ability to attract new investment. The Agreement also provides for medical plan coverage, an auto allowance, paid vacation, and discretionary stock grants and option awards. In the event of termination without cause, termination as a result of a change in control, or resignation with good reason (as defined in the Agreements), Ms. Carlise will be entitled to a severance equal to twice her base salary, the immediate vesting of all unvested options, and other benefits. The Agreement terminates and supersedes the Original Agreements and any subsequent amendments, effective as of the June 14, 2018.

We had net cash used in operations of approximately $497,068 during the nine months ended September 30, 2018. At September 30, 2018, we had working capital of approximately $16,169. Additionally, at September 30, 2018, we had an accumulated deficit of approximately $9,134,180 and stockholder's equity of $1,808,009. These matters and our expected needs for capital investments required to support operational growth raise substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments to reflect the possible effects on recoverability and classification of assets or the amounts and classification of liabilities that may result from our inability to continue as a going concern.

Results of Operations for the Three and Nine Months Ended September 30, 2018 compared to the Three and Nine Months Ended September 30, 2017

Revenue. Sales for the three and nine months ended September 30, 2018 consisted primarily of sales of satellite phones, accessories, locator beacons, tracking devices and airtime plans. For the three months ended September 30, 2018, revenues generated were approximately $1,386,927 compared to approximately $1,588,466 of revenues for the three months ended September 30, 2017, a decrease in total revenues of $201,539 or 12.7%. Sales for the nine months ended September 30, 2018 were $4,654,507 compared to approximately $4,547,491 of revenues during the nine months ended September 30, 2017, a $107,016 increase in total revenues or 2.4%.

Factors relative to the fluctuations in revenue by subsidiary, for the three months ended September 30, 2018 and 2017 are; Global Telesat Communications Ltd. comparable revenue for the three months ended September 30, 2018 and 2017, decreased $17,724 or 1.8% to $949,310, respectively; for the nine months ended September 30, 2018 and 2017, Global Telesat Communications Ltd. comparable revenue increased $138,950 or 4.5% to $3,202,987 from $3,064,037; for the three months ended September 30, 2018 and 2017, Orbital Satcom Corp. revenue decreased $183,815 or 29.6% to $437,617, respectively; for the nine months ended September 30, 2018 and 2017, comparable revenue for Orbital Satcom Corp. decreased $31,964 or 2.2% to $1,451,490, respectively.

The Company sales volatility is affected by severe weather. The Company attributes the decrease in revenue for the three months ended September 30, 2018, to its increase in sales for the comparable period of 2017. The 2017 hurricane season resulted in larger than normal sales volume, as well as, the Company’s award of a substantial tracker contract to the same period. This quarterly decrease resulted in a lower than normal increase for the nine months ending September 30, 2018.

Cost of Sales. During the three months ended September 30, 2018, cost of revenues decreased to $1,140,717 compared to $1,240,654 for the three months ended September 30, 2017, a decrease of $99,937 or 8.1%. For the nine months ended September 30, 2018, cost of revenues increased to $3,673,128 compared to $3,589,537 for the nine months ended September 30, 2017, an increase of $83,591 or 2.3%. Gross profit margins during the three months ended September 30, 2018 were 17.6% as compared to 21.9% for the comparable period in the prior year. During the nine months ended September 30, 2018, gross profit margins were 21.1% as compared to 21.1%. We expect our cost of revenues to continue to increase during fiscal 2018 and beyond, as we expand our operations and begin generating additional revenues under our current business. However, we are unable at this time to estimate the amount of the expected increases.

Operating Expenses. Total operating expenses for the three months ended September 30, 2018 were $529,387, a decrease of $25,119, or 4.5%, from total operating expenses for the three months ended September 30, 2017 of $554,506. For the nine months ended September 30, 2018 total operating expenses were $1,518,679, as compared to $2,200,467, for the same period in 2017, a decrease of $681,788 or 31.0%. Factors contributing to the decrease are described below.

Selling, general and administrative expenses were $162,038 and $137,847 for the three months ended September 30, 2018 and 2017, respectively, an increase of $24,191 or 17.6%. For the nine months ended September 30, 2018, selling, general and administrative expenses were $477,698 as compared to $430,479, an increase of $47,219 or 11.0%. The increase for the three and nine months ended September 30, 2018, was due to an increase in ecommerce fees, which represented a rate of 4.9% of sales, as compared to 4.2% for the prior year.

Salaries, wages and payroll taxes were $200,675 and $178,762, for the three months ended September 30, 2018 and 2017, respectively, an increase of $21,913, or 12.3%. For the nine months ended September 30, 2018, salaries, wages and payroll taxes were $566,626 as compared to $513,349, an increase of $53,277, or 10.4%, for the same period in the prior year. For the three and nine months ended September 30, 2018, the increase is attributable to an increase in executive compensation, additional employees and an increase in the exchange rate, as compared to the same period in the prior year.

Stock based compensation was $47,422 and $600,000 for the nine months ended September 30, 2018 and September 30, 2017, respectively; and $47,422 and $0 for the three months ended September 30, 2018 and September 30, 2017, respectively. On June 14, 2018, the Company issued 250,000 options under its 2018 Incentive Plan (the "Plan"), to Officers, Directors and certain key employees. See Footnote 8, Stockholders' Equity. For the nine months ended September 30, 2018, stock-based compensation was $47,422, for the vested and exercisable options under its 2018 Incentive Plan of 34,375. The quarterly vested amount of options 34,375, will be expensed each quarter using the Black-Scholes option pricing mode. On May 26, 2017, the Company issued 5,000,000 options to Mr. Phipps, 3,750,000 options to Theresa Carlise and 20,000,000 options to certain key employees of the Company. All of the options issued outside of the Plan are fully vested and have an exercise price of $0.01 per share and a term of 10 years.

Professional fees were $44,309 and $163,754 for the three months ended September 30, 2018 and 2017, respectively, a decrease of $119,445, or 72.9%. For the nine months ended September 30, 2018, professional fees were $205,277 as compared to $432,320, a decrease of $227,043 or 52.5% from the nine months ended September 30, 2017. The overall decrease was primarily attributable to; investor relation fees, legal expenses, and fees related to public company expense, from the same period in the prior year.

Depreciation and amortization expenses were $74,943 and $74,143 for the three months ended September 30, 2018 and 2017, respectively, an increase of $800 or 1.1%. For the nine months ended September 30, 2018 depreciation and amortization expenses were $221,656 as compared to $224,319, a decrease of $2,663, or 1.2% from the same period in the prior year. For the three and nine months, the decrease in depreciation is attributable to the disposal of fully amortized assets for the year ended December 31, 2017.

We expect our expenses in each of these areas to continue to increase during fiscal 2018 and beyond as we expand our operations and begin generating additional revenues under our current business. However, we are unable at this time to estimate the amount of the expected increases.

Total Other Expense. Our total other expenses were $32,313 compared to $38,540 during the three months ended September 30, 2018 and 2017 respectively, a decrease of $6,227 or 16.2%. Our total other expenses were $47,268 compared to $2,340,370 during the nine months ended September 30, 2018 and 2017 respectively, a decrease of $2,293,102 or 98.0%. The decrease is primarily attributable to the expense for the nine months ended September 30, 2017, of $2,308,981 related to the Series J Preferred stock issuance, for price protection to certain Subscribers of Preferred Series F, Preferred Series G and Preferred Series H.

Income Tax Expense. The Company's wholly owned subsidiary, GTCL, is a United Kingdom ("UK") Limited Company and files tax returns in the UK. Income tax expense related to GTCL, was $8,897 and $20,465 for the three months ended September 30, 2018 and 2017 respectively. For the nine months ended September 30, 2018 and 2017, income tax expense was $8,897 and $26,456, respectively.

Net Loss. We recorded net loss of $324,387, for the three months ended September 30, 2018 as compared to a net loss of $265,699, for the three months ended September 30, 2017. We recorded net loss of $593,465, for the nine months ended September 30, 2018 as compared to a net loss of $3,609,339, for the nine months ended September 30, 2017. The increase in net loss is a result of the factors as described above.

Comprehensive (Loss) Income. We recorded a (loss) gain for foreign currency translation adjustments for the three months ended September 30, 2018 and 2017, of ($13,551) and $18,485, respectively. For the nine months ended September 30, 2018 and 2017, we recorded a (loss) gain of ($5,624) and $32,926, respectively. The fluctuations of the increase/decrease are primarily attributed to the increase recognized due to exchange rate variances.

Liquidity and Capital Resources

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis. At September 30, 2018, we had a cash balance of $203,449. Our working capital is $16,169 at September 30, 2018.

Our current assets at September 30, 2018 decreased by approximately 4.7% from December 31, 2017 and included cash, accounts receivable, unbilled revenue, inventory, prepaid and other current assets.

Our current liabilities at September 30, 2018 decreased by 15.8% from December 31, 2017 and included our accounts payable, due to related party and deferred revenue and other liabilities in the ordinary course of our business.

For the year ended December 31, 2017, the auditors' opinion contained a going concern paragraph, which stated that the Company had an accumulated deficit of approximately $8,540,715, working deficit of approximately $(122,634) and net loss of approximately $3,939,309. These factors raise substantial doubt about the Company's ability to continue as a going concern for one year from the issuance of the financial statements. The ability of the Company to continue as a going concern is dependent upon obtaining additional capital and financing. We may need or want to raise additional funds in the future; however, these funds may not be available to us when we need or want them, or at all. If we cannot raise additional funds when we need or want them, our operations and prospects could be negatively affected.

Operating Activities

Net cash flows used in operating activities for the nine months ended September 30, 2018 amounted to $497,068 and were primarily attributable to our net loss of $593,465, total amortization expense of $18,750, depreciation of $202,906, stock based compensation of $47,422, imputed interest of $110, decrease in provision for income taxes of $1,091 and net change in assets and liabilities of $171,700, primarily attributable to a decrease in accounts receivable of $104,850, an increase in inventory of $142,234, decrease in unbilled revenue of $12,008, decrease in prepaid expense of $82,454, an increase in other current assets of $35,691, increase in accounts payable of $22,902 and a decrease in deferred revenue of $215,989.

Net cash flows used in by operating activities for the nine months ended September 30, 2017 amounted to $356,133 and were primarily attributable to our net loss of $3,609,339, total amortization expense of $18,750, depreciation of $205,569, imputed interest of $446, stock based compensation of $600,000, preferred price based stock protection expense of $2,308,981, amortization of prepaid expense for stock based compensation for services of $121,096 offset by change in fair value of derivative liabilities of $1,237 and net change in assets and liabilities of $399, primarily attributable to an increase in accounts receivable of $411,498, increase in inventory of $62,721, increase in unbilled revenue of $11,346, an increase in prepaid expense of $101,034, increase in other current assets of $29,827, increase in accounts payable of $491,916 and an increase in deferred revenue of $124,111.

Investing Activities

Net cash flows used in investing activities were $31,019 and $20,676 for the nine months ended September 30, 2018 and 2017, respectively. We purchased property and equipment of $31,019 during the nine months ended September 30, 2018. During the nine months ended September 30, 2017, we purchased property and equipment of $20,676.

Financing Activities

Net cash flows provided by financing activities were $504,542 and $500,438 for the nine months ended September 30, 2018 and 2017, respectively. Net cash flows provided by financing activities for the nine months ended September 30, 2018, were for proceeds from sale of preferred stock for $500,000 and borrowings from related party of $4,542. Net cash flows provided by financing activities were $500,438 for the nine months ended September 30, 2017 and were for proceeds from sale of preferred stock for $500,000 and amounts owed to a related party of $438.

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

- a n 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

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the reporting period. Actual results could differ from those estimates. The Company's significant estimates include the valuation of stock-based charges.

Basis of Presentation and Principles of Consolidation

The unaudited condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP") and the rules and regulations of the U.S Securities and Exchange Commission for Interim Financial Information. All intercompany transactions and balances have been eliminated. All adjustments (consisting of normal recurring items) necessary to present fairly the Company's financial position as of September 30, 2018, and the results of operations and cash flows for the nine months ended September 30, 2018 have been included. The results of operations for the nine months ended September 30, 2018 are not necessarily indicative of the results to be expected for the full year.

Accounts Receivable

The Company extends credit to its customers based upon a written credit policy. Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate for the amount of probable credit losses in the Company's existing accounts receivable. The Company establishes an allowance of doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends, and other information. Receivable balances are reviewed on an aged basis and account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not require collateral on accounts receivable. As of September 30, 2018, and December 31, 2017, there is an allowance for doubtful accounts of $8,216 and $431.

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.

In July 2015, the FASB issued Accounting Standards Update No. 2015-11, Inventory (Topic 330): *Simplifying the Measurement of Inventory*. ASU 2015-11 requires that inventory within the scope of this Update be measured at the lower of cost or net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The amendments in this Update do not apply to inventory that is measured using last-in, first-out (LIFO) or the retail inventory method. The amendments apply to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost. For all entities, the guidance is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2016. This guidance did not have a material impact upon our financial condition or results of operations.

Research and Development

Research and Development ("R&D") expenses are charged to expense when incurred. The Company has consulting arrangements which are typically based upon a fee paid monthly or quarterly. Samples are purchased that are used in testing and are expensed when purchased. R&D costs also include salaries and related personnel expenses, direct materials, laboratory supplies, equipment expenses and administrative expenses that are allocated to R&D based upon personnel costs.

Foreign Currency Translation

The Company's reporting currency is US Dollars. The accounts of one of the Company's subsidiaries is maintained using the appropriate local currency, (Great British Pound) GTCL 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 deferred as a separate component of stockholders' equity, captioned as accumulated other comprehensive (loss) gain. Transaction gains and losses arising from exchange rate fluctuation 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, 2018 closing rate at 1.3036 US$: GBP, quarter average rate at 1.30281 US$: GBP and yearly average rate at 1.3513 US$: GBP. For the three and nine months ended September 30, 2017 closing rate at 1.3399 US$: GBP, average rate at 1.30842 US$: GBP and 1.27500 US$: GBP and, for the year ended 2017 closing rate at 1.350291 US$: GBP, average rate at 1.28819 US$ GBP.

For the nine months ended September 30, 2018, Global Telesat Communications LTD, (GTCL) represents 68.5% of total company sales for the nine months ended September 30, 2018 and as such, currency rate variances have an impact on results. For the nine months ended September 30, 2018 the net effect on revenues were impacted by the differences in exchange rate from yearly average exchange of 1.275 to 1.3513. Had the yearly average rate remained at 1.275, sales for the nine months ended September 30, 2018 would have been lower by $180,854, resulting in an increase in the comparable loss for the period. GTCL comparable sales in GBP, its home currency, decreased 1.4% or £32,866, from £2,403,166 to £2,370,301, for the nine months ended September 30, 2018 as compared to September 30, 2017.

Global Telesat Communications LTD, (GTCL) represents 67.4% of total company sales for the nine months ended September 30, 2017 and as such, currency rate variances have an impact on results. For the nine months ended September 30, 2017 the net effect on revenues were impacted by the differences in exchange rate from yearly average exchange of 1.39353 to 1.27500. Had the yearly average rate remained, sales for the nine months would have been higher by $287,576. GTCL comparable sales in GBP, its home currency, increased 21% or £425,714, from £2,000,471 to £2,426,185, for the nine months ended September 30, 2017 as compared to September 30, 2016.

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.

Revenue is recognized when all of the following criteria have been met:

- Persuasive evidence of an arrangement exists. Contracts and customer purchase orders are generally used to determine the existence of an arrangement.

- Delivery has occurred. Shipping documents and customer acceptance, when applicable, are used to verify delivery.

- The fee is fixed or determinable. We assess whether the fee is fixed or determinable based on the payment terms associated with the transaction and whether the sales price is subject to refund or adjustment.

- Collectability is reasonably assured. We assess collectability based primarily on the creditworthiness of the customer as determined by credit checks and analysis, as well as the customer's payment history.

We recognize revenue in accordance with Accounting Standards Codification ("ASC") 606, "Revenue Recognition," when there is persuasive evidence that an arrangement exists, title and risk of loss have passed, delivery has occurred, or the services have been rendered, the sales price is fixed or determinable and collection of the related receivable is reasonably assured. Title and risk of loss generally pass to our customers upon delivery, as we have insurance for lost shipments. In limited circumstances where either title or risk of loss pass upon destination or acceptance or when collection is not reasonably assured, we defer revenue recognition until such events occur. We derive revenues from two primary sources: products and services. Product revenue includes the shipment of product according to the agreement with our customers. Services include mobile telecommunication services, such as airtime usage, messaging, mapping services and customer support (technical support), installations and consulting. A contract may include both product and services. Rarely, contracts with customers contain multiple performance obligations. For these contracts, the Company accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. Standalone selling prices are typically estimated based on observable transactions when these services are sold on a standalone basis.

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

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

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

Deferred revenue is shown separately in the condensed consolidated balance sheets as current liabilities. At September 30, 2018, we had deferred revenue of approximately $0. At December 31, 2017, we had deferred revenue of approximately $215,989.

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, 2018 and December 31, 2017, respectively.

Fair Value of Financial Instruments

The Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("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 May 2016, the FASB issued 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 consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, in an effort to reduce the diversity of how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments of this ASU are effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted. There was no impact as a result of adopting this ASU on the consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business. This new standard clarifies the definition of a business and provides a screen to determine when an integrated set of assets and activities is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. This new standard was effective for the Company on January 1, 2018. There was no impact as a result of adopting this ASU on the consolidated financial statements and related disclosures.

In May 2017, the FASB issued ASU No. 2017-09, Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting. This new standard 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. This amendment was effective for the Company on December 15, 2017. There was no impact as a result of adopting this ASU on the consolidated financial statements and related disclosures.

On December 22, 2017 the SEC staff issued Staff Accounting Bulletin 118 (SAB 118), which provides guidance on accounting for the tax effects of the Tax Cuts and Jobs Act (the TCJA). SAB 118 provides a measurement period that should not extend beyond one year from the enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the TCJA for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the TCJA is incomplete but for which they are able to determine a reasonable estimate, it must record a provisional amount in the financial statements. Provisional treatment is proper in light of anticipated additional guidance from various taxing authorities, the SEC, the FASB, and even the Joint Committee on Taxation. If a company cannot determine a provisional amount to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the TCJA. The Company has applied this guidance to its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842),* under the new guidance, lessor accounting is largely unchanged. Certain targeted improvements were made to align, where necessary, lessor accounting with the lessee accounting model and Topic 606, Revenue from Contracts with Customers. The amendments of this ASU are effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. There was no impact as a result of adopting this ASU on the consolidated financial statements and related disclosures.

ITEM 3. QUANTITATIVE AND QUALITIATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, as defined in Rule 12b-2 of 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 Securities Exchange Act of 1934 (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 Securities and Exchange Commission 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.

With respect to the nine months ending September 30, 2018, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934. Based upon our evaluation regarding the nine months ended September 30, 2018, our management, including our principal executive officer and principal financial officer, has concluded that our disclosure controls and procedures were ineffective due to our limited internal audit functions and lack of ability to have multiple levels of transaction review. The Company has been actively addressing the evaluation and is pursuing upgrading its accounting software.

Management is in the process of determining how best to change our current system and implement a more effective system to ensure that information required to be disclosed in this quarterly report on Form 10-Q has been recorded, processed, summarized and reported accurately. Our management acknowledges the existence of this problem and intends to develop procedures to address them to the extent possible given limitations in financial and manpower resources. While management is working on a plan, no assurance can be made at this point that the implementation of such controls and procedures will be completed in a timely manner or that they will be adequate once implemented.

Changes in Internal Controls

There have been no changes in our internal control over financial reporting during the nine months ended September 30, 2018 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II: OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

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

There were no unregistered securities sold by us during the quarter ended September 30, 2018 that were not otherwise disclosed by us in a Current Report on Form 8-K.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101.ins	XBRL Instance Document
101.sch	XBRL Taxonomy Schema Document
101.cal	XBRL Taxonomy Calculation Document
101.def	XBRL Taxonomy Linkbase Document
101.lab	XBRL Taxonomy Label Link base Document
101.pre	XBRL Taxonomy Presentation Link base Document

* Filed herein

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 14, 2018

ORBITAL TRACKING CORP.

By: */s/ David Phipps*
David Phipps
Chief Executive Officer and Chairman
(Principal Executive Officer)

/s/ Theresa Carlise
Chief Financial Officer, Treasurer and Secretary
(Principal Financial Officer and Principal Accounting Officer)

EX-31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, David Phipps, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Orbital Tracking Corp.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 controls 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 condensed consolidated subsidiaries, is made known to us by others within those entities, particularly for the period in which this quarterly 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;

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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

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

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

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

Dated: November 14, 2018

By: */s/ David Phipps*
David Phipps
Chief Executive Officer, and Chairman (Principal Executive Officer)

EX-31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Theresa Carlise, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Orbital Tracking Corp.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 controls 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 condensed consolidated subsidiaries, is made known to us by others within those entities, particularly for the period in which this quarterly 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;

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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

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

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

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

Dated: November 14, 2018

By: */s/ Theresa Carlise*
Theresa Carlise
Chief Financial Officer, Treasurer and Secretary
(Principal Financial Officer and Principal Accounting Officer)

EX-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 Orbital Tracking Corp. (the "Company") on Form 10-Q for the period ended September 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), David Phipps, Chief Executive Officer and Chairman of the Company and Theresa Carlise, Chief Financial Officer, Treasurer and Secretary (Principal Financial Officer and Principal Accounting Officer) duly certifies pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

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

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

Dated: November 14, 2018

By: */s/ David Phipps*
David Phipps
Chief Executive Officer, and Chairman
(Principal Executive Officer)

/s/ Theresa Carlise
Theresa Carlise
Chief Financial Officer, Treasurer and Secretary
(Principal Financial Officer and Principal Accounting 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.