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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 31, 2024

Commission file number 000-56142

Everything Blockchain, Inc.

(Exact name of registrant as specified in its Charter)

Florida	**82-1091922**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

12574 Flagler Center Blvd., Suite 101, Jacksonville, FL 32258
(Address of principal executive offices)

Registrant's telephone number: **(904) 454-2111**

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

Title of each class	**Name of each exchange on which registered**
None	**None**

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

Title of Class
Common Stock

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 ☒ 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 ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated Filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of the last business day of the registrant's most recently completed second fiscal quarter was $3.8 million. For purposes of the above statement only, all directors, executive officers and 10% shareholders are assumed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

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

Common Shares Outstanding 17,410,718

DOCUMENTS INCORPORATED BY REFERENCE

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended January 31, 2024).

NONE

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FORWARD LOOKING STATEMENTS

This report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA") regarding management's plans and objectives for future operations including plans and objectives relating to our planned marketing efforts and future economic performance. The forward-looking statements and associated risks set forth in this report include or relate to, among other things, (a) our growth strategies, (b) anticipated trends and regulations in our industry, (c) our ability to obtain and retain sufficient capital for future operations, and (d) our anticipated needs for working capital. These statements may be found under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Business." Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under "Risk Factors." In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this report will in fact occur.

The forward-looking statements herein are based on current expectations that involve a number of risks and uncertainties. Such forward-looking statements are based on assumptions described herein. The assumptions are based on judgments with respect to, among other things, future economic, competitive and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Accordingly, although we believe that the assumptions underlying the forward-looking statements are reasonable, any such assumption could prove to be inaccurate and therefore there can be no assurance that the results contemplated in forward-looking statements will be realized. In addition, as disclosed in "Risk Factors," there are a number of other risks inherent in our business and operations, which could cause our operating results to vary markedly and adversely from prior results or the results contemplated by the forward-looking statements. Management decisions, including budgeting, are subjective in many respects and periodic revisions must be made to reflect actual conditions and business developments, the impact of which may cause us to alter marketing, capital investment and other expenditures, which may also materially adversely affect our results of operations. In light of significant uncertainties inherent in the forward-looking information included in the report statement, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives or plans will be achieved.

Any statement in this report that is not a statement of an historical fact constitutes a "forward-looking statement." Further, when we use the words "may," "expect," "anticipate," "plan," "believe," "seek," "estimate," "internal," and similar words, we intend to identify statements and expressions that may be forward- looking statements. We believe it is important to communicate certain of our expectations to our investors. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions that could cause our future results to differ materially from those expressed in any forward-looking statements. Many factors are beyond our ability to control or predict. You are accordingly cautioned not to place undue reliance on such forward-looking statements. Key factors that may cause our actual results to differ from such forward-looking statements include, but are not limited to, the risks outlined under "Risk Factors" herein. The reader is cautioned that our Company does not have a policy of updating or revising forward-looking statements and thus the reader should not assume that silence by management of our Company over time means that actual events are bearing out as estimated in such forward-looking statements.

OTHER INFORMATION

As used in this report, the terms "we," "our," "us" and "the "Company" mean Everything Blockchain, Inc., a Florida corporation and its consolidated subsidiaries, unless the context indicates otherwise. References to "Render" refer to Render Payment Corp., a Puerto Rico corporation and one of our wholly owned subsidiaries. References to "DataStone" refer to DataStone, Inc. (formerly 832 Energy Technology Consultants, LLC), a Florida corporation and one of our wholly owned subsidiaries. References to "Mercury" refer to Mercury, Inc., an Idaho company and one of our wholly owned subsidiaries. References to "Vengar" refer to Vengar Technologies, Inc. (formerly Vengar Technologies LLC), a Florida corporation and one of our wholly owned subsidiaries. In addition, when used herein and unless specifically set forth to the contrary, "2024" refers to the year ended January 31, 2024, and "2023" refers to the year ended January 31, 2023.

PART I

Item 1. Business

HISTORY AND BACKGROUND

The Company, which is headquartered in Jacksonville, Florida, is primarily engaged in the business of consulting and developing data management, blockchain and cybersecurity related solutions. We are a technology company that is blending blockchain, zero-trust, and database management technology to create a platform to solve real world, practical business problems. Our business model is based on building recurring revenue through software subscriptions, licensing agreements, and transaction fees. Our patent-pending advances in blockchain engineering deliver the essential elements needed for real-world business use: speed, security, and energy efficiency. Currently, our lines of business are EB Advise, BuildDB and EB Control.

On October 31, 2023, the Board of Directors approved, and the Company completed, the sale of Mercury to Chris Carter, founder and CEO of Mercury. The Company had utilized Mercury, which is located in Idaho, as its hosting solution since May 2020. The Company, with Mercury, launched its mining operations in the western United States. With the sale of Mercury, the Company no longer mines for Bitcoin.

We are not profitable and have incurred losses since our inception through January 31, 2024, except for the year ended January 31, 2022. The Company's consolidated financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon raising additional funds through debt and equity financing and generating revenue. These consolidated financial statements do not reflect the adjustments or reclassifications which would be necessary if the Company were unable to continue its operations in the normal course of business.

Corporate Information

Our principal executive office is located at 12574 Flagler Center Blvd., Suite 101, Jacksonville, Florida 32258, and our telephone number is (904) 454-2111. Our fiscal year end is January 31 of each calendar year.

Our website can be found at www.everythingblockchain.io, which is not incorporated as part of this Form 10K.

OVERVIEW OF INDUSTRY

We currently compete in, or overlap with, three primary market segments: (i) Blockchain, (ii) Database Management, and (iii) Zero-Trust Data Security. These combine for a projected addressable market of more than $700 billion by 2030.

Blockchain Industry Review

A blockchain is a decentralized and distributed digital ledger that is used to record transactions across many computers so that the record cannot be altered retroactively without the alteration of all subsequent blocks and collusion of the network. The blockchain system has been designed to use nodes agreement to order transactions and prevent fraud so that records cannot be altered retroactively. The network orders transactions by putting them together into groups called blocks, each block contains a definite number of transactions and a link to the previous block. Blockchain is, quite simply, a digital, decentralized ledger that keeps a record of all transactions that take place across a peer-to-peer network.

The size of the blockchain space has been growing rapidly in recent years, and the market is projected to continue to grow in the coming years. According to a report by Markets and Markets, the blockchain market size was valued at $1.4 billion in 2020 and is projected to reach $39.7 billion by 2025, at a compound annual growth rate ("CAGR") of 67.3% during the forecast period 2020-2025.

This growth is being driven by increasing adoption of blockchain technology in various industries, such as financial services, supply chain management, healthcare, and government. The increasing use cases and growing awareness about the benefits of blockchain technology are also contributing to the growth of the market.

In the next five years, the blockchain market is expected to continue to grow at a significant rate, driven by factors such as increasing demand for transparency and security in transactions, growing adoption of blockchain-as-a-service offerings, and increasing investment in the development of blockchain technology.

Data Storage/Management Industry Review

BuildDB is the newest addition to our innovative blockchain technology offerings. BuildDB is a fifth-generation database management technology that is set to revolutionize the way data is stored, processed, and managed.

BuildDB is designed to disrupt the current database market, with its advanced features and capabilities that far surpass traditional NoSQL databases like MongoDB and DynamoDB. Our innovative technology utilizes blockchain principles to provide unparalleled security, scalability, and decentralization.

As the world becomes increasingly data-driven, the demand for next-generation databases is rapidly growing. Market research shows that the global next-generation database market is projected to reach $43 billion by 2025, with a CAGR of 28%.

BuildDB is at the forefront of this market, offering a solution that addresses the challenges faced by traditional databases and providing businesses with the tools they need to stay competitive in today's digital landscape.

Zero Trust Industry Review

Traditionally, networks were protected via a "castle and moat" approach. Essentially, a perimeter was built around a network through a variety of technologies and static policies such that if a user was inside the perimeter, they were deemed to be trustworthy. However, digital transformation, cloud adoption and remote working have eliminated the traditional notion of a network perimeter, or edge, breaking the legacy architecture of a perimeter-based security model.

The notion of "zero trust" access was created wherein security policy is applied based on context established through least-privileged access controls and strict user authentication, not assumed trust. Key principles of zero trust include:

- Micro-segmentation of the network: Micro-perimeters are created around key network resources requiring authentication for access across each perimeter.
- Multi-factor authentication: Validation of user identity from multiple simultaneous sources.
- Least-privilege access/authorization: Granting of the least level of user privilege and usage rights necessary to accomplish the user's purpose.

Much effort has been focused on zero trust network access where zero trust concepts and technologies have been used to secure access to networks and network resources. More recently zero trust is being applied more atomically to data access, or ZTDA, with solutions such as the Company's EB Control.

The Zero Trust security market is also a rapidly growing market, driven by the increasing adoption of remote work and the need for secure access to sensitive data and systems. According to a report by Markets and Markets, the Zero Trust security market was valued at $9.32 billion in 2020 and is projected to reach $49.81 billion by 2025, at a CAGR of 40.8% during the forecast period 2020-2025.

The Zero Trust security market is driven by several factors, such as the increasing adoption of cloud services, the growing number of cyber-attacks and data breaches, and the increasing complexity of IT environments. Other factors, such as the need for compliance with various regulations and the increasing use of mobile devices, are also contributing to the growth of the market. Additionally, the growing awareness of the need for Zero Trust security solutions and the increasing investment in the development of Zero Trust security solutions will also contribute to the growth of the market.

OVERVIEW OF COMPANY

EB Advise

EB Advise is the Company's advisory practice, helping clients to "unthink" their current notions of blockchain. We explore how our blockchain and data storage, management, and protection platforms can address their business problems in a practical and cost-effective way and assist them in the design and implementation of a solution. Our objective is to focus on EB Advise projects that will result in recurring revenue or potential backend revenue that is a substantial multiple of the initial project value.

BuildDB

BuildDB is our patent pending blockchain and data base management system. We call this Resilient Block Storage and believe this is the next generation of data storage and management. It is the fusion of modern database technology, blockchain, and zero-trust data protection to bring unprecedented levels of scale and resilience to organizations with large datasets and needing greater data security and assurance. It is the foundation upon which we and our customers will build an application ecosystem and allows us to access and disrupt a $100 billion addressable market.

Unlike traditional blockchains that are public, permissionless and have transaction speeds in the minutes, BuildDB is a private business blockchain platform that is highly secure and transacts at sub-millisecond speeds. BuildDB is "queryable" and uses a proprietary consensus algorithm. These advances offer advantages over tradition approaches such as allowing data to be added and retrieved to the chain in real-time and opens us to a larger pool of potential business use cases such as the ability to store data from internet of things devices.

An example of this is BuildDB for environmental, social, and governance. This application receives data from sensors in real time that are monitoring greenhouse gas emissions from equipment involved with the production of oil and gas. Clients can then prove emissions are within prescribed limits and use the data for forecasting, as well. Development of additional solutions for various markets and customer use cases is underway and we continue to expand our BuildDB ecosystem.

EB Control

EB Control is a patented ZTDA solution for individuals and organizations seeking continuous control of their data across its lifespan. With data protected through an end-to-end zero-knowledge encryption architecture, only the creator of the data can grant permission for others to view their files and other data. EB Control allows our customers to:

- Confidently know that their data will remain private when passed onto someone else.
- Control who can access their data, and when and where they can access it.
- Determine what others can do with the data, including view only, forward/not forward, copy, print and save.
- Update or revoke access at any time.

Licensing of the EB Control engine to technology partners has already begun. On January 5, 2024, we launched EB Control Enterprise to the general market.

Patents

The Company, through Vengar and DataStone, has filed patent applications for eight patent families in the United States as well as 16 international patent filings. The patents relate to our ZTDA and protection software, and our blockchain technology. While the Company is in the process of filing multiple additional patents for the protection of its intellectual property, the following list provides reference to our current intellectual property patents:

Docket No.	Type and Jurisdiction	Status Date	Status
ENHANCED SECURE ENCRYPTION AND DECRYPTION SYSTEM			
1720-0100- NP	US Non-Provisional	1/3/2023	Issued (US11570155)
1720-0100-AE	Foreign United Arab Emirates	1/22/2024	Pending Examination
1720-0100-AU	Foreign Australia	1/23/2024	Pending Examination
1720-0100-BR	Foreign Brazil	1/23/2024	Pending Examination
1720-0100-CA	Foreign Canada	1/23/2024	Pending Examination
1720-0100-CN	Foreign People's Republic of China	1/23/2024	Issued (CN114175580B)
1720-0100-EP	Foreign European Patent Organisation	1/23/2024	First Office Action filed
1720-0100-IL	Foreign Israel	1/23/2024	Allowed
1720-0100-IN	Foreign India	1/23/2024	Pending Examination
1720-0100-JP	Foreign Japan	1/23/2024	Pending Examination
1720-0100-KR	Foreign Korea	1/23/2024	Pending Examination
1720-0100-MX	Foreign Mexico	1/23/2024	Pending Examination
1720-0100-SA	Foreign Saudi Arabia	1/23/2024	First Office Action filed
MULTI-FACTOR GEOFENCING SYSTEM FOR SECURE ENCRYPTION AND DECRYPTION SYSTEM			
1720-0101-NP	US Non-Provisional	1/16/2024	Issued (11,876,797)
1720-0101-AE	Foreign United Arab Emirates	1/23/2024	Pending Examination
1720-0101-CN	Foreign China	1/23/2024	Pending Examination
1720-0101-EP	Foreign European Patent Organisation	1/23/2024	Pending Examination
1720-0101-SA	Foreign Saudi Arabia	1/23/2024	Allowed
ENHANCED SECURE CRYPTOGRAPHIC COMMUNICATION SYSTEM			
1720-0100-NP	US Non-Provisional	1/23/2024	Pending first Office Action
1720-0100-PCT	International (Patent Cooperation Treaty)	1/24/2023	Undergoing pre-exam processing
ZERO-TRUST DISTRIBUTED VOTING SYSTEM			
1720-0104-P	Provisional	3/9/2023	Pending Examination
DISPLAY OR PORTION THEREOF WITH GRAPHICAL USER INTERFACE			
1720-0202	US Design	1/23/2024	First Office Action filed
QUERY CHAIN: DISTRIBUTED LEDGER FOR INSTANTANEOUS CONSENSUS OF A DIGITAL TWIN			
1730-0100-NP	US Non-provisional	1/23/2024	Pending first Office Action
SECURE DRIVE FOR COMPUTER SYSTEMS			
1730-0101-NP	Provisional	1/25/2024	Pending first Office Action
1730-0101-PCT	International	1/25/2024	Undergoing pre-exam processing

DESCRIPTION OF SUBSIDIARIES

DataStone has developed many innovations in the areas of distributed computing, artificial intelligence and blockchain technologies. Vengar has developed a ZTDA and protection software that the Company plans to integrate into its blockchain solutions.

EMPLOYEES

As of January 31, 2024, the Company has 7 employees.

Available Information

All reports of the Company filed with the Securities and Exchange Commission, or SEC, are available free of charge through the SEC's website at www.sec.gov. In addition, the public may read and copy materials filed by the Company at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. The public may also obtain additional information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330.

RISK FACTORS

Investing in our securities involves a high degree of risk. You should carefully consider the following risk factors as well as other information contained herein, including our financial statements and the related notes. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become key factors that affect us. If any of the following risks occur, our business, financial condition or results of operations could be materially and adversely affected. In that case, the trading price of our securities could decline, and you may lose some or all of your investment.

Risks Regarding Unfavorable Market Conditions

We will need significant additional financing to commercialize our products and services, and we may not be able to obtain such financing on acceptable terms or at all.

To date, we have relied primarily on private placements of our common stock and warrants to purchase common stock to fund our operations. We will require additional financing in the near and long term to fully execute our business plan. Even if we raise the maximum amount of financing contemplated by this offering, we anticipate that we will need additional financing to complete tests of our systems, as well as to cover our operational costs while we obtain all relevant certifications, negotiate relevant agreements, and otherwise fully develop and commercialize them.

In addition, we are currently exploring various options with respect to developing and implementing services in cryptocurrencies and may actively consider from time to time other significant technological, strategic, and operational initiatives. In order to execute on any of these initiatives, we may require additional financing. Our success will depend on our ability to raise such additional financing on reasonable terms and on a timely basis.

The market conditions and the macroeconomic conditions that affect the markets in which we operate could have a material adverse effect on our ability to secure financing on acceptable terms, if at all. We may be unable to secure additional financing on favorable terms, or at all, or our operating cash flow may be insufficient to satisfy our financial obligations. The terms of additional financing may limit our financial and operating flexibility. Our ability to satisfy our financial obligations will depend upon our future operating performance, the availability of credit, economic conditions and financial, business, and other factors, many of which are beyond our control. Furthermore, if financing is not available when needed, or is not available on acceptable terms, we may be unable to take advantage of business opportunities or respond to regulatory pressures, any of which could have a material adverse effect on our business, financial condition, and results of operations.

We have from time to time evaluated, and we continue to evaluate our potential capital needs. We may utilize one or more types of capital raising in order to fund any initiative in this regard, including the issuance of new equity securities and new debt securities, including debt securities convertible into shares of our common stock. If we raise additional funds through further issuances of equity, convertible debt securities or other securities convertible into shares of our common stock, our existing stockholders could suffer significant dilution in their percentage ownership of our company. In addition, any new securities we issue could have rights, preferences, and privileges senior to those of holders of our common stock, and we may grant holders of such securities rights with respect to the governance and operations of our business. If we are unable to obtain adequate financing or financing on terms satisfactory to us, if and when we require it, our ability to grow or support our business and to respond to business challenges could be significantly limited.

The development and acceptance of competing blockchain platforms or technologies may cause consumers to use alternative distributed ledgers or other alternatives.

The development and acceptance of competing blockchain platforms or technologies may cause consumers to use alternative distributed ledgers or an alternative to distributed ledgers altogether. Our business utilizes presently existent digital ledgers and blockchains and we could face difficulty adapting to emergent digital ledgers, blockchains, or alternatives thereto. This may adversely affect us and our exposure to various blockchain technologies and prevent us from realizing the anticipated profits from our investments. Such circumstances could have a material adverse effect on our ability to continue as a going concern or to pursue our new strategy at all, which could have a material adverse effect on our business, prospects, or operations and potentially the value of any bitcoin or other cryptocurrencies we acquire or hold for our own account, and harm investors.

Rapid technological change may render our products or services obsolete or less desirable to customers.

With innovative technologies emerging at a breakneck pace, there is always a risk that a company's products or services may become obsolete or less desirable to customers. This is especially true in highly competitive markets where companies are constantly striving to develop the latest and greatest technologies.

We may experience delays or setbacks in developing new products or technologies.

The process of innovation can be unpredictable, with unexpected challenges and roadblocks arising at any stage of development. This can be due to a variety of factors, such as technological limitations, resource constraints, or changes in market demand. Delays or setbacks in the development of new products or technologies could result in missed opportunities and a competitive disadvantage compared to rival companies. Furthermore, such delays can impact our ability to meet customer demand and may lead to negative customer experiences.

We may face challenges in integrating modern technologies into our existing products or services.

In many cases, it may be necessary to incorporate modern technologies to keep up with the competition or to meet changing customer demands. However, integrating modern technologies can be complex and time-consuming, and may require significant changes to our existing infrastructure, systems, and processes. This can result in delays, increased costs, and potential disruption to our operations. Additionally, there is a risk that the integration may not be successful, which could impact the quality of our products or services, and ultimately, our reputation.

Economic downturns or other disruptions could reduce demand for our products or services.

Economic downturns can result in reduced consumer spending and lower demand for non-essential goods and services, including technology products. Similarly, other disruptions such as natural disasters, political instability, or supply chain disruptions could impact the demand for a company's products or services. In such situations, we may experience decreased revenue, lower profits, and potentially even financial losses.

We may be dependent on a few large customers or partners, which could create revenue concentration risk.

If a significant portion of our revenue comes from a few key customers or partners, any adverse developments or changes in those relationships could have a significant impact on our financial performance. For instance, if one of these key customers or partners decides to reduce or terminate its business relationship with us, we could lose a significant amount of revenue, leading to lower profits or even financial losses.

We may face challenges in managing foreign currency exchange rate risks or interest rate risks.

We operate in multiple countries, by which we may face challenges in managing foreign currency exchange rate risks or interest rate risks. Fluctuations in foreign currency exchange rates can impact our financial performance, especially if we have significant revenue or expenses denominated in foreign currencies. Similarly, changes in interest rates can impact our borrowing costs and financial performance.

Risk of Illiquidity

The market for our common stock may be subject to penny stock restrictions, which may result in lack of liquidity and make trading difficult or impossible.

17 CFR 240.3151-1 defines a "penny stock," for purposes relevant to us, as an equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to a limited number of exceptions. Our common stock could be subject to penny stock rules, and it is probable that our common stock could be considered to be a penny stock in the foreseeable future. This classification materially and adversely affects the market liquidity for our common stock. For any transaction involving a penny stock, unless exempt, the penny stock rules require that a broker-dealer approve a person's account for transactions in penny stocks, and the broker-dealer receive from the investor a written agreement to the transaction setting forth the identity and quantity of the penny stock to be purchased.

To approve a person's account for transactions in penny stocks, the broker-dealer must obtain financial information, investment experience and objectives of that person and make a reasonable determination that transactions in penny stocks are suitable for that person and that person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker-dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prepared by the SEC relating to the penny stock market, which, in highlight form, sets forth:

- the basis on which the broker-dealer made the suitability determination, and
- that the broker-dealer received a signed, written agreement from the investor prior to the transaction.

Disclosure also has to be made about the risks of investing in penny stock in both public offerings and in secondary trading and commissions payable to, both, the broker-dealer and the registered representative, current quotations for the securities, and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

Because of these regulations, broker-dealers may desire to not engage in the necessary paperwork and disclosures required to sell our common stock, and broker-dealers may encounter difficulties in their attempt to sell our common stock, which may affect the ability of holders to sell our common stock in the secondary market and have the effect of reducing trading activity in the secondary market of our common stock. These additional sales practices and disclosure requirements could impede the sale of our common stock. In addition, the liquidity of our common stock may decrease, with a corresponding decrease in the price of our common stock. Our common stock, in all probability, will continue to be subject to such penny stock rules for the foreseeable future and our stockholders will, quite probably, have difficulty selling our common stock.

The Financial Industry Regulatory Authority, or FINRA, sales practice requirements may limit a shareholder's ability to buy and sell our common shares.

FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common shares, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

See Risk of Restrictions on Selling Shares.

Risk of No Market Liquidity

There may in all likelihood be little demand for shares of our common stock and as a result, investors may be unable to sell at or near ask prices or at all if they need to liquidate their investment.

There may be little demand for shares of our common stock on the OTC Bulletin Board, or OTC Markets.com, meaning that the number of persons interested in purchasing our common shares at or near ask prices at any given time may be relatively small or non-existent. This situation is attributable to a number of factors, including the fact that we are a small company which is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if the company came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven, early-stage company such as ours or purchase or recommend the purchase of any of our securities until such time as it became more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in our securities is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on the securities price. We cannot give investors any assurance that a broader or more active public trading market for our common securities will develop or be sustained, or that any trading levels will be sustained. Due to these conditions, we can give investors no assurance that they will be able to sell their shares at or near ask prices or at all if they need money or otherwise desire to liquidate their holdings of our securities.

Risk of Restrictions on Selling Shares

The trading market for our common stock may be restricted, because of state securities "Blue Sky" laws which prohibit trading absent compliance with individual state laws.

Transfers of our common stock may be restricted pursuant to the securities and state laws promulgated by various states and foreign jurisdictions, commonly referred to as "Blue Sky" laws. Absent compliance with such laws, our common stock may not be traded in such jurisdictions. Because the shares of our common stock registered hereunder have not been registered for resale under the "Blue Sky" laws of any state, the holders of such shares and persons who desire to purchase such shares in any trading market that might develop in the future, should be aware that there may be significant state "Blue Sky" law restrictions upon the ability of investors to sell and purchasers to purchase such shares. These restrictions prohibit the secondary trading of our common stock. We currently do not intend and may not be able to qualify securities for resale in those states which do not offer manual exemptions and require securities to be qualified before they can be resold by our stockholders. Accordingly, investors should consider the secondary market for our securities to be limited.

Sales of our common stock in reliance on Rule 144 may reduce prices in that market by a material amount.

A substantial number of the outstanding shares of our common stock are "restricted securities" within the meaning of Rule 144 under the Securities Act. As restricted securities, those shares may be resold only pursuant to an effective registration statement or pursuant to the requirements of Rule 144 or other applicable exemptions from registration under the Securities Act and as required under applicable state securities laws. Rule 144 provides in essence that an affiliate (i.e., an officer, director, or control person) who has held restricted securities for a prescribed period may, under certain conditions, sell every three months, in brokerage transactions, a number of shares that does not exceed 1.0% of the issuer's outstanding common stock. The alternative limitation on the number of shares that may be sold by an affiliate, which is related to the average weekly trading volume during the four calendar weeks prior to the sale is not available to stockholders of companies whose securities are not traded on an "automated quotation system." The OTCQB is not such a system, therefore market-based volume limitations are not available for holders of our securities selling under Rule 144.

Pursuant to the provisions of Rule 144, there is no limit on the number of restricted securities that may be sold by a non-affiliate (i.e., a stockholder who has not been an officer, director or control person for at least ninety (90) consecutive days before the date of the proposed sale) after the restricted securities have been held by the owner for a prescribed period, although there may be other limitations and/or criteria to satisfy. A sale pursuant to Rule 144 or pursuant to any other exemption from the Securities Act, if available, or pursuant to registration of shares of our common stock held by our stockholders, may reduce the price of our common stock in any market that may develop.

Risk of Adverse Tax Consequences

A risk of adverse tax consequences is the risk that an investment will be subject to an unexpected or unfavorable tax rate. This can occur if a company is taxed at a higher rate than expected or if changes in laws, regulations, or taxation policies result in an increase in taxes due. Investing in high-risk securities also carries a greater risk of incurring negative tax consequences due to their unstable nature.

Risk of Limited Disclosure

We may identify material weaknesses in our financial reporting, or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our financial statements or cause us to fail to meet our periodic reporting obligations.

We are required to comply with certain provisions of Section 404 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act"). Section 404 requires that we document and test our internal control over financial reporting and issue management's assessment of our internal control over financial reporting. Management assessed the effectiveness of our internal control over financial reporting as of January 31, 2024. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. To remediate any material weaknesses, our management has been implementing, and continues to implement measures designed to ensure that control deficiencies contributing to the material weakness are remediated, such that these controls are designed, implemented, and operating effectively. We believe that these actions will remediate the material weakness.

If we fail to comply with the requirements of Section 404 of the Sarbanes-Oxley Act, the accuracy and timeliness of the filing of our annual and quarterly reports may be materially adversely affected and could cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock. In addition, a material weakness in the effectiveness of our internal control over financial reporting could result in an increased chance of fraud and the loss of customers, reduce our ability to obtain financing and require additional expenditures to comply with these requirements, each of which could have a material adverse effect on our business, results of operations and financial condition.

We expect to incur additional expenses and diversion of management's time as a result of performing the system and process evaluation, testing and remediation required in order to comply with the management certification.

Public disclosure requirements and compliance with changing regulation of corporate governance pose challenges for our management team and result in additional expenses and costs which may reduce the focus on management and the profitability of our company.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations promulgated thereunder, the Sarbanes-Oxley Act and SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the U.S. public markets. Our management team will need to devote considerable time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Risk of Business Failure

Some of our officers and directors are working under consulting agreements and have/may have external business opportunities and employment that may be in conflict with us.

Currently, some of our officers and directors are working under consulting agreements and may dedicate time and resources to other functions and personal expenditures, some of which may conflict with our objectives as a company. Any and all conflicts of interest entered into by our officers are brought to the attention of the Company's board of directors, with a resolution to the conflict addressed as such at the time of reveal.

The loss of one or more of our key personnel could harm our business.

We depend on the continued service and performance of our key personnel. Some of these individuals have acquired specialized knowledge and skills with respect to our operations. As a result, if any of these individuals were to stop providing services to us, we could face substantial difficulty in hiring qualified successors and could experience a loss of productivity while any such successor obtains the necessary training and expertise. Moreover, much of our key technology and systems are custom-made by our personnel. The loss of key personnel, including key members of our management team, as well as certain of our key technical personnel, could disrupt our operations and have an adverse effect on our ability to grow our business. We intend to enter into long-term contracts with our key personnel but there is no guarantee we will be successful.

We may fail to recruit, train, and retain the highly skilled employees that are necessary to execute our growth strategy.

Competition for key technical personnel in highly technical industries such as ours is intense. We believe that our future success depends in large part on our ability to hire, train, retain and leverage the skills of qualified software engineers, programmers and other highly skilled personnel needed to maintain and grow our network and related technology and develop and successfully implement our products and technology. We may not be as successful as our competitors at recruiting, training, retaining and utilizing this highly skilled personnel. In particular, we may have more difficulty attracting or retaining highly skilled personnel during periods of poor operating performance. Any failure to recruit, train and retain highly skilled employees could negatively impact our business and results of operations.

Our insurance may be inadequate to cover existing and future claims against us and our ability to pay for such claims may be limited, which may adversely affect our business.

If our existing insurance policies expire or are otherwise inadequate to cover liabilities and claims for indemnification, we may be required to pay for liabilities directly, which could negatively affect our liquidity. To the extent we are required to pay for liabilities directly, our available cash reserves will be affected, which may affect our ability to respond to market conditions and to pay for other emergent expenses, which could negatively affect the results of our operations and our business.

Currently, we are lacking diversification of revenues.

Our business will depend upon entering into agreements with customers to use our services and software solutions, as well as our consulting services.

User license fees from our customers from the use of these services will provide all or substantially all of our revenues. We can give no assurance that our current and potential customers, including data service providers that provide broadband service to end users, government agencies or entities with private data networks, will license or will agree to pay the license fees we will request. The failure to enter into those agreements or realize the anticipated benefits from these agreements on a timely basis, or at all, or to renew any agreements upon expiration or termination would have a material adverse effect on our financial condition and results of operations.

We face intense competition and our failure to compete effectively could have a material adverse effect on our business, results of operations and financial condition.

There can be no assurance that we will be able to compete successfully against any of our competitors, some of whom have far greater resources, capital, experience, market penetration, sales, and distribution channels than us. If our major competitors were, for example, to significantly increase the level of price discounts offered to consumers, we could respond by offering price discounts, which could have a materially adverse effect on our business, results of operations and financial condition.

In social media, we compete with companies that sell advertising, as well as with companies that provide social and communication products and services that are designed to engage users and capture time spent on mobile devices and online. We face significant competition in every aspect of our business, including from companies that facilitate communication and the sharing of content and information, companies that enable marketers to display advertising, and companies that provide development platforms for applications developers. We compete with companies that offer services across broad platforms that replicate capabilities we provide. We also compete with companies that develop applications, particularly mobile applications, which provide social or other communications functionality, such as messaging, photo, and video-sharing, and micro-blogging, as well as companies that provide regional social networks that have strong positions in particular countries. In addition, we face competition from traditional, online, and mobile businesses that provide media for marketers to reach their audiences and/or develop tools and systems for managing and optimizing advertising campaigns.

Some of our current and potential competitors may have significantly greater resources or better competitive positions in certain service segments, geographic regions, or user demographics than we do. These factors may allow our competitors to respond more effectively than us to new or emerging technologies and changes in market conditions. We believe that some of our users are aware of and actively engaging with other products and services similar to, or as a substitute for, our products and services, and we believe that some of our users have reduced their use of and engagement with our service in favor of these other products and services.

The industry within which we compete is highly competitive, which may hinder our ability to generate revenue and may diminish our margins.

The technology and media focused advertising industry within which we will compete is highly competitive. New developments in technology may negatively affect the development or licensing of proprietary software or make our proprietary software uncompetitive or obsolete. Some of our competitors may be much larger companies with longer operating histories and substantially greater financial, technical, sales, marketing, and other resources than we do, as well as greater name recognition. As a result, our competitors may be able to compete more aggressively and sustain that competition over a longer period of time than we could. Each of these competitors has the potential to capture market share in various markets, which could have a material adverse effect on our position in the industry and our financial results.

We may not be able to compete with other companies, some of whom have greater resources and experience.

We may not be able to compete successfully against present or future competitors. The cryptocurrency industry has attracted various high-profile and well-established operators, some of which have substantially greater liquidity and financial resources than we do. We may experience great difficulties in expanding and improving our network of computers to remain competitive. Competition from existing and future competitors that have access to more competitively priced resources could result in our inability to secure acquisitions and partnerships that we may need to expand our business in the future. This competition from other entities with greater resources, experience and reputation may result in our failure to maintain or expand our business, as we may never be able to successfully thrive in the already established market. If we are unable to expand and remain competitive, our business could be negatively affected, which would have an adverse effect on the trading price of our securities.

We may experience data breaches, which could result in theft of sensitive information or loss of customer trust.

A data breach can occur due to a variety of factors, including cyberattacks, human error, or technical failures. If a company's data is compromised, it can lead to theft of intellectual property, pecuniary loss, or reputational damage. Moreover, customers may lose trust in our ability to protect our data, which can result in reduced customer loyalty and decreased revenue.

We may face challenges in protecting our intellectual property, trade secrets, and other confidential information.

Protecting trade secrets and confidential information is critical to maintaining our competitive position and preventing competitors from gaining an unfair advantage.

We may be vulnerable to attacks by hackers, cybercriminals, or state-sponsored actors.

Cyber threats continue to evolve rapidly, and tech companies must remain vigilant to identify and mitigate these risks proactively. The potential harm from a cyberattack could include theft of intellectual property, sensitive customer information, or financial data, as well as disruption of business operations.

We may face legal challenges related to patents, trademarks, or copyrights, which could result in costly litigation or loss of intellectual property rights.

We may face legal challenges from competitors, patent trolls, or other third parties alleging infringement or violation of our intellectual property rights. In addition, we may need to defend against claims that our products or services violate the intellectual property rights of others.

We may be subject to claims of infringement or misappropriation of intellectual property by competitors, which could also result in legal disputes.

We may be subject to claims of infringement or misappropriation of intellectual property by competitors, which could result in costly legal disputes, financial losses, and reputational damage. Competitors may allege that our products or services infringe on their intellectual property rights or that we have misappropriated their confidential information or trade secrets. Such claims may arise even if we have taken reasonable steps to avoid infringement or misappropriation.

We may face challenges in licensing our intellectual property or protecting it from unauthorized use.

We may face challenges in licensing our intellectual property or protecting it from unauthorized use, which can result in lost revenue, competitive disadvantages, and reputational damage. Licensing intellectual property to third parties can be complex, and we may need to negotiate and manage complex agreements to ensure that our intellectual property is used appropriately and that our interests are protected. Additionally, we may face challenges in enforcing our intellectual property rights against infringing third parties, including competitors and others who may attempt to use our intellectual property without permission.

We may be subject to fines, penalties, or other regulatory action for non-compliance with data protection, privacy, or antitrust regulations.

We are subject to a range of data protection, privacy, and antitrust regulations, and failure to comply with these regulations can result in fines, penalties, or other regulatory action, including legal disputes, reputational damage, and potential loss of business.

Changes in regulatory requirements may increase compliance costs or require changes to our business practices.

We are subject to evolving regulatory requirements that can increase compliance costs or require changes to our business practices. These changes can result in significant financial costs, including legal fees, administrative costs, and potential fines for non-compliance. Regulatory requirements can impact various aspects of a company's operations, including data protection, privacy, antitrust, and consumer protection, among others.

We may face challenges in navigating regulatory requirements in different jurisdictions where we operate.

We operate in multiple jurisdictions and are subject to regulatory requirements that can vary significantly from one jurisdiction to another. These differences can create challenges for companies seeking to navigate the regulatory landscape, particularly in areas such as data protection, privacy, and consumer protection. Failure to comply with regulatory requirements can result in fines, legal disputes, and other penalties.

We may experience disruptions in our supply chain or production processes, which could impact our ability to deliver products or services to customers.

We rely on complex supply chains and production processes to deliver our products or services to customers. Disruptions to these processes can result in delays, cost overruns, and quality issues that can impact our ability to meet customer demand and maintain our competitive position.

We may face challenges in managing distribution networks or logistics.

Distribution networks and logistics are essential components of our supply chain management strategy, enabling us to deliver products and services to customers in a timely and cost-effective manner. However, managing these networks can be complex, particularly for companies operating in multiple geographies.

We may be subject to negative publicity related to data breaches, product defects, or other issues, which could damage our reputation or brand.

Negative publicity related to data breaches, product defects, or other issues can have a significant impact on a company's brand value and reputation, leading to reduced customer trust, loss of business, and even legal liabilities.

We may face challenges in managing our public image or social media presence.

Social media platforms have become a primary source of information for customers and stakeholders, and any negative comments, reviews, or posts can quickly spread and damage a company's reputation.

Risk of Counterparty Default

A counterparty, such as a borrower or counterparty in a financial transaction, may be unable to meet its contractual obligations due to financial difficulty or other circumstances.

This kind of risk can lead to losses for the other parties involved, which could include us. In essence, both counterparties and non-counterparties are exposed to this risk.

Risk of Use of Funds

We are a “smaller reporting company” and any decision on our part to comply with certain reduced disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors. When we lose that status, there will be an increase in the costs and demands placed upon management.

As a company that is no longer an emerging growth company, the costs and demands placed upon management will likely increase, as we now have to comply with additional disclosure and accounting requirements.

We may acquire other businesses, form joint ventures, or acquire other companies or businesses that could negatively affect our operating results, dilute our stockholders' ownership, increase our debt or cause us to incur significant expense; notwithstanding the foregoing, our growth may depend on our success in uncovering and completing such transactions.

We are actively considering strategic opportunities with the support of our external advisors and consultants of diverse types; however, we cannot offer any assurance that acquisitions of businesses, assets, and/or entering into strategic alliances or joint ventures will be successful. We may not be able to find suitable partners or acquisition candidates and may not be able to complete such transactions on favorable terms, if at all. If we make any acquisitions, we may not be able to integrate these acquisitions successfully into the existing business and could assume unknown or contingent liabilities.

Any future acquisitions also could result in the issuance of stock, incurrence of debt, contingent liabilities or future write-offs of intangible assets or goodwill, any of which could have a negative impact on our cash flows, financial condition, and results of operations. Integration of an acquired company may also disrupt ongoing operations and require management resources that otherwise would be focused on developing and expanding our existing business. We may experience losses related to potential investments in other companies, which could harm our financial condition and results of operations. Further, we may not realize the anticipated benefits of any acquisition, strategic alliance, or joint venture if such investments do not materialize.

To finance any acquisitions or joint ventures, we may choose to issue shares of common stock, preferred stock or a combination of debt and equity as consideration, which could significantly dilute the ownership of our existing stockholders or provide rights to such preferred stockholders in priority over our common stockholders. Additional funds may not be available on terms that are favorable to us, or at all. If the price of our common stock is low or volatile, we may not be able to acquire other companies or fund a joint venture project using stock as consideration.

We may be subject to credit risk associated with our customers or suppliers.

Our customers and/or suppliers may not be able to fulfill their financial obligations, such as paying invoices or delivering goods and services, which could have a negative impact on our financial position and operations.

SHOULD ONE OR MORE OF THE FOREGOING RISKS OR UNCERTAINTIES MATERIALIZE, OR SHOULD THE UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM THOSE ANTICIPATED, BELIEVED, ESTIMATED, EXPECTED, INTENDED OR PLANNED.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable.

ITEM 1C. CYBERSECURITY.

Risk Management and Strategy

We have implemented and maintain a cybersecurity program in alignment with NIST standards and industry best practices. This cybersecurity program is designed to identify, assess, and manage material risks from cybersecurity threats to (i) our information systems and data, which include critical computer networks, third-party hosted services, communications systems, hardware, and software, and (ii) critical data, including our intellectual property, confidential information that is proprietary, strategic, or competitive in nature, and our customers' data. Core policies within the program include an information security policy, business continuity and disaster recovery policy, incident response policy, cyber supply chain risk management policy, and software development lifecycle policy.

The Company relies on third-party service providers for a variety of products and services to run its information systems. Our Company's Chief Information Officer and Chief Information Security Officer are provided to us by a third-party service provider. This dependence exposes us, along with others who use these service providers, to the impact of a cyber-attack on their service providers. It is possible for a cyber-attack at a third-party service provider to have a significant financial, operational, or reputational impact to the Company. To reduce the effective impact to the Company of a cyber-attack on a third-party service provider, we continuously monitor the risks associated with our service providers through review of these providers' cybersecurity programs annually and when material changes to their programs occur.

Governance

Our Board of Directors has a Risk Committee to assist it in fulfilling its oversight responsibility with respect to the management of cybersecurity risks related to our products and services as well as our information technology and network systems. The responsibilities of the Risk Committee include overseeing our implementation and maintenance of cybersecurity measures, data governance, and compliance with applicable information security laws. The Risk Committee receives reports from management concerning our significant cybersecurity threats and risk and the processes we have implemented to address them. In addition, our Audit Committee has oversight responsibility over our internal financial controls and our risk management program, including disclosure controls related to cybersecurity. Senior management is responsible for the day-to-day operations of protecting the Company's information systems and periodically provides cybersecurity briefings to the entire board of directors. This includes a full brief and update to the Board of Directors from the Chief Information Officer and Chief Information Security Officer on the state of the Company's cybersecurity program on at least an annual basis.

ITEM 2. PROPERTIES.

Our executive office is located in Jacksonville, Florida, which consists of approximately 800 square feet of leased office space.

ITEM 3. LEGAL PROCEEDINGS.

As disclosed in Note 10 – Legal Proceedings to the consolidated financial statements included in "Part II – Item 8. Financial Statements and Supplementary Data" in this report, we are engaged in certain legal matters, and the disclosure set forth in Note 10 relating to such legal matters is incorporated by reference.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES.

(a) Market Information

Our common stock was quoted on the OTC Markets under the stock symbol "OBTX" for the period of March 24, 2020, through November 7, 2022, and under the stock symbol "EBZT" starting on November 8, 2022. The following table sets forth for the periods indicated the range of high and low closing prices for the Company's common stock, as reported by the OTC Markets.

Year Ended January 31, 2024	High	Low
First Quarter, ended April 30, 2023	$ 3.02	$ 2.00
Second Quarter, ended July 31, 2023	$ 2.26	$ 1.16
Third Quarter, ended October 31, 2023	$ 2.85	$ 1.01
Fourth Quarter, ended January 31, 2024	$ 1.10	$ 0.37

Year Ended January 31, 2023	High	Low
First Quarter, ended April 30, 2022	$ 6.85	$ 3.15
Second Quarter, ended July 31, 2022	$ 4.53	$ 1.65
Third Quarter, ended October 31, 2022	$ 4.60	$ 1.63
Fourth Quarter, ended January 31, 2023	$ 3.95	$ 1.40

The closing price of our common stock as reported on the OTC Markets was $0.62 on April 30, 2024.

(b) Holders

As of January 31, 2024, there were approximately 100 owners of record for our common stock. The holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of the common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock.

Transfer Agent and Registrar

Our independent stock transfer agent is Colonial Stock Transfer Company, Inc., 66 Exchange Place, 1st Floor, Salt Lake City, UT 84111 Telephone: (801) 355-5740.

(c) Dividends

We have never paid or declared any cash dividends on our common stock. We currently intend to retain all available funds and any future earnings to fund the expansion of our business, and we do not anticipate paying any cash dividends for the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements and other factors that our board of directors deems relevant. In addition, the terms of any future debt or credit facility may preclude us from paying dividends.

(d) Securities Authorized for Issuance under Equity Compensation Plans

None

(e) Recent Sales of Unregistered Securities

The following shares of Common Stock were issued to vendors in exchange for services during the past 12 months:

Name	Shares	Service Cost	Date
Susan Quidley	29,700	$ 22,000	Oct 2023 – Jan 2024
Molly Miller	21,592	15,992	Oct 2023 – Jan 2024
Tyler Miller	19,627	14,538	Oct 2023 – Jan 2024
Abel Fuller	39,254	29,077	Oct 2023 – Jan 2024
Robert Huffman	22,258	16,487	October 27, 2023
Parnassus Consulting, Inc.	56,250	41,667	Oct 2023 – Jan 2024
Tangible Security, Inc.	195,703	144,966	Oct 2023 – Jan 2024
Lars Are Immanuel Nyman	121,500	90,000	Oct 2023 – Jan 2024
Antidote 71, Inc.	42,160	31,229	Oct 2023 – Jan 2024
RedChip Companies Inc	50,000	56,000	November 10, 2023

The following shares of Series C Preferred Stock were sold to an accredited investor during the past 12 months:

Name	Shares	Total Price	Date
Robert Adams	300,000	$ 104,000	September 28, 2023

(f) Issuer Purchases of Equity Securities

None

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

In addition to the information provided here in Management's Discussion and Analysis of Financial Condition and Results of Operations, we believe that in order to more fully understand our discussion in this section, you should read our consolidated financial statements and the notes thereto and the other disclosures herein, including the discussion of our business and risk factors. The Company's financial statements have been prepared in accordance with GAAP.

Management's Discussion and Analysis may contain various "forward looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, regarding future events or the future financial performance of the Company that involve risks and uncertainties. Certain statements included in this Form 10-K, including, without limitation, statements related to anticipated cash flow sources and uses, and words including but not limited to "anticipates", "believes", "plans", "expects", "future" and similar statements or expressions, identify forward looking statements. Any forward-looking statements herein are subject to certain risks and uncertainties in the Company's business and any changes in current accounting rules, all of which may be beyond the control of the Company. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth therein. Undue reliance should not be placed on these forward-looking statements, which speak only as of the date hereof. We undertake no obligation to update these forward-looking statements.

Overview

The Company is primarily engaged in the business of consulting and developing data management, blockchain and cybersecurity related solutions. We are a technology company that is blending blockchain, zero-trust, and database management technology to create a platform to solve real world, practical business problems. Our business model is based on building recurring revenue through software subscriptions, licensing agreements, and transaction fees. Our patent-pending advances in blockchain engineering deliver the essential elements needed for real-world business use: speed, security, and energy efficiency. Currently, our lines of business are EB Advise, BuildDB and EB Control.

Factors Affecting Comparability of Financial Information

Our historical results of operations for the year ended January 31, 2024, may not be comparable with our results of operations for the year ended January 31, 2023, for the reasons discussed below.

On October 31, 2023, the Company completed the sale of Mercury. Therefore, Mercury's operations are only included in the Company's results for nine months of 2024 versus twelve months in 2023.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses. On an ongoing basis, we evaluate our estimates, including those related to uncollectible receivables, inventory valuation, deferred compensation, and contingencies.

We base our estimates on historical performance and on various other assumptions that we believe to be reasonable under the circumstances. These estimates allow us to make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

We believe the following accounting policies are our critical accounting policies because they are important to the portrayal of our financial condition and results of operations, and they require critical management judgments and estimates about matters that may be uncertain. If actual results or events differ materially from those contemplated by us in making these estimates, our reported financial condition, and results of operations for future periods could be materially affected.

Revenue Recognition

Our revenue is derived from the subscription, non-software related hosted services, term-based and perpetual licensing of software products, associated software maintenance and support plans, consulting services, training, technical support, and merchandise sales. Most of our customer arrangements involve multiple solutions and various license rights, bundled with post-contract customer support and other meaningful rights that together provide a complete end-to-end solution to the customer.

We determine revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

Services revenue. We generate services revenue via consulting services and software development. The Company is engaged in developing, engineering, and designing blockchain projects, to include platforms and cryptocurrencies for customers.

Subscription revenue.

We generate revenue from subscriptions through staking of our current crypto assets. Our primary token being staked is a hybrid Proof of Work ("POW") and Proof of Stake ("POS") system. Stakers in this particular token are paid inflation based both on the duration of the stake (contract length), as well as based on the volume / quantity of tokens staked. Rewards / interest / inflation are paid in the native token. We also participate in networks with POW consensus algorithms, through creating or validating blocks on the network. In exchange for participating in the consensus mechanism of these networks, the Company earns rewards in the form of the native token of the network. Each block creation or validation is a performance obligation. Revenue is recognized at the point when the block creation or validation is complete, and the rewards are available for transfer. Revenue is measured based on the number of tokens received and the fair value of the token at the date of recognition.

Product revenue. We generate product revenue through customized product development and merchandise sales.

We recognize revenue when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

Acquisition Method of Accounting

We account for business combinations using the acquisition method of accounting, which requires, among other things, that assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date.

Goodwill and Intangibles

The Company tests goodwill and intangibles for impairment annually or more often if an event or circumstance indicates that an impairment may have occurred.

Our operating results for the years ended January 31, 2024 and 2023 are summarized as follows:

	For the Years Ended January 31,	
	2024	2023
	(in thousands)	
Revenue	$ 267	$ 301
Cost of sales	-	-
Gross profit	267	301
Selling, general and administrative	2,935	2,817
Stock based compensation	2,504	2,912
Depreciation and amortization	167	71
Goodwill impairment	-	1,319
Software impairment	-	135
Total operating expenses	5,606	7,254
Loss from operations	(5,339)	(6,953)
Other expense, net	(1,786)	(2,454)
Loss from continuing operations before income taxes	(7,125)	(9,407)
Income tax (benefit) expense	37	(358)
Loss from continuing operations	(7,162)	(9,049)
Loss from discontinued operations, net of tax	(689)	(395)
Net loss	$ (7,851)	$ (9,444)

Revenue

Revenue for the years ended January 31, 2024 and 2023 was $0.3 million. Revenue for the year ended January 31, 2024 primarily consists of $0.3 million from consulting services. Revenue for the year ended January 31, 2023 primarily consists of $0.2 million from consulting services and $0.1 million from staking of cryptocurrency.

Operating Expenses

Operating expenses primarily consist of selling, general and administrative expenses, stock-based compensation expense, amortization and depreciation expense, and goodwill and software impairment. Selling, general and administrative expenses primarily consist of personnel costs, consultant fees, professional fees, computer and internet expenses, marketing expenses, utilities expenses, meals and entertainment, office supplies, and reporting fees.

Operating expenses for the year ended January 31, 2024 were $5.6 million compared to $7.3 million for the year ended January 31, 2023.

Operating expenses for the year ended January 31, 2024 of $5.6 million consist primarily of stock-based compensation of $2.5 million, professional fees of $0.8 million, payroll costs and marketing expenses of $0.6 million each, consultant fees of $0.3 million, and depreciation and amortization expense of $0.2 million.

Operating expenses for the year ended January 31, 2023 of $7.3 million consist primarily of stock-based compensation of $2.9 million, goodwill impairment of $1.3 million, payroll costs of $0.8 million, professional fees and marketing expenses of $0.7 million each, consultant fees of $0.2 million, and depreciation and amortization expense, and software impairment of $0.1 million each. The goodwill impairment relates to the write off of the Mercury goodwill. The software impairment relates to the write off of Render software.

Loss from Operations

Loss from operations for the year ended January 31, 2024 was $5.3 million compared to $7.0 million for the year ended January 31, 2023. The primary reason for the decrease in loss from operations is due to the goodwill and software impairments recorded for the year ended January 31, 2023.

Other Expense, Net

Other expense, net consists primarily of sales of cryptocurrency and the associated costs, fair market value adjustments to cryptocurrency, and interest income and expense.

Other expense, net for the year ended January 31, 2024 was $1.8 million compared to $2.5 million for the year ended January 31, 2023. Other expense, net for the year ended January 31, 2024 of $1.8 million consists primarily of fair market value expense adjustments related to PulseX of $1.4 million, loss on sale of Mercury of $0.2 million, and loss on sale of cryptocurrencies of $0.1 million. Other expense, net for the year ended January 31, 2023 of $2.5 million consists primarily of fair market value expense adjustments to cryptocurrency of $2.2 million and net loss from sales of cryptocurrency of $0.2 million.

Adjusted EBITDA

The Company reports all financial information required in accordance with GAAP. The Company believes, however, that evaluating its ongoing operating results will be enhanced if it also discloses certain non-GAAP information.

Adjusted EBITDA, which is a non-GAAP financial measure, is defined by the Company as net income (loss) plus net interest income, income tax (benefit) expense, depreciation and amortization, stock-based compensation, and goodwill and software impairment.

Adjusted EBITDA should not be considered an alternative to net income, operating income, net cash provided by operating activities, or any other measure of financial performance or liquidity presented in accordance with GAAP. In addition, Adjusted EBITDA presented by other companies may not be comparable to our presentation since each company may define these terms differently.

The table below reconciles Adjusted EBITDA, which is a non-GAAP financial measure, to net loss.

	For the Years Ended January 31,	
	2024	2023
	(in thousands)	
Net loss	$ (7,851)	$ (9,444)
Add:		
Income tax (benefit) expense	37	(474)
Stock based compensation	2,504	2,912
Depreciation and amortization expense	248	178
Goodwill impairment	-	1,319
Software impairment	-	135
Net interest expense	131	58
Adjusted EBITDA	$ (4,931)	$ (5,316)

Analysis of Cash Flows

Operating Activities

Net cash used in operating activities – continuing operations was $1.5 million for the year ended January 31, 2024. We had net loss of $7.2 million from continuing operations, which included stock-based compensation of $2.5 million and fair value adjustments to cryptocurrency of $1.4 million due to decreases in the values of cryptocurrencies.

Net cash used in operating activities – continuing operations was $2.9 million for the year ended January 31, 2023. We had net loss of $9.0 million from continuing operations, which included stock-based compensation of $2.9 million, fair value adjustments to cryptocurrency of $2.2 million, due to decreases in the values of cryptocurrencies, goodwill impairment of $1.3 million, and realized net loss on investment in cryptocurrency of $0.2 million.

Net cash used in operating activities – discontinued operations was $0.8 million for the year ended January 31, 2024. We had net loss of $0.7 million from discontinued operations.

Net cash provided by operating activities – discontinued operations was $0.1 million for the year ended January 31, 2023. We had net loss of $0.4 million from discontinued operations.

Investing Activities

Net cash provided by investing activities – continuing operations was $0.1 million for the year ended January 31, 2024, compared to net cash used in investing activities – continuing operations of $0.4 million for the year ended January 31, 2023. During the year ended January 31, 2024, we had proceeds from cryptocurrencies of $1.0 million partially offset by capital expenditures of $0.9 million. During the year ended January 31, 2023, we had capital expenditures of $1.2 million partially offset by proceeds from sale of cryptocurrencies of $0.8 million.

Net cash provided by investing activities – discontinued operations was $0.4 million for the year ended January 31, 2024, compared to net cash used in investing activities – discontinued operations of $0 for the year ended January 31, 2023. During the year ended January 31, 2024, we had proceeds from sale of building of $0.5 million partially offset by capital expenditures of $0.1 million.

Financing Activities

Net cash provided by financing activities was $1.1 million for the year ended January 31, 2024, compared to $3.0 million for the year ended January 31, 2023. During the year ended January 31, 2024, we received proceeds from Epic Industry Corp ("Epic"), a wholly owned company of Michael Hawkins, debt of $1.1 million, third-party debt of $0.2 million, and receivable from stockholder of $0.2 million, partially offset by debt payments of $0.5 million. During the year ended January 31, 2023, we sold 1.3 million shares of Series C Preferred Stock for $2.5 million, and warrants were exercised for a total of 0.6 million shares of common stock resulting in the Company receiving $0.6 million.

Liquidity and Capital Resources

We fund operations primarily through cash on hand, cash from sales of common stock, Series C Preferred Stock, cryptocurrencies, exercises of warrants, and the support of Michael Hawkins.

In May 2023, Overwatch distributed to us Pulse and PulseX tokens of 12.3 billion each. As a result of this transaction, the Company distributed to Epic 2.5 billion Pulse tokens. The receipt of Pulse and PulseX also earned Epic 50,000 shares of Series A Preferred Stock, which were issued to Epic during the quarter ended July 31, 2021 and recorded as a prepaid expense of $2.0 million. Our board decided that the value received from Pulse and PulseX, in lieu of sales, satisfied the requirements for the Series A Preferred Stock to be earned by Epic.

On July 14, 2023, a board director of the Company loaned it $55,000, representing half of the Company's employee retention credit refund, which the Company expects to receive during the year ending January 31, 2025. The note calls for the payment of the principal sum of $55,000 plus interest of $12,500 for a total of $67,500. The maturity date of the note is upon receipt of the employee retention credit refund.

On August 15, 2023, Epic, with the approval of the board, purchased Mercury's building for $480,000. Mercury used $461,000 of the proceeds from the sale to payoff both Mercury's line of credit and term loan. After paying off the notes and closing costs, Mercury was left with $11,000 for general corporate purposes.

On September 7, 2023, Epic formalized its loans to the Company in a $1.0 million note. The note includes a mechanism to increase the amount of the note with the mutual consent of Epic and the Company. As of January 31, 2024, the note balance is $1.1 million. Monthly interest only payments at an annual rate of 4% will be made through the maturity date of February 1, 2025. If interest payments are made late after the cure period, the interest due shall be recalculated at the highest rate authorized by Florida law, which is 18% per annum. Epic in its sole discretion, at any time prior to the maturity date, may convert the principal, partial principal, and/or interest due into shares of the Company's common stock at a static price of $1.00 per share. During the year ended January 31, 2024, the Company was late on three of its interest payments. Epic chose to take the late interest payments in the form of Company common stock. On January 30, 2024, the Company issued to Epic 45,000 shares of common stock in lieu of interest payments of $45,000.

On September 28, 2023, Robert Adams, a board director, purchased 300,000 shares of Series C preferred stock for 11.0 billion PulseX tokens, which equaled $104,000 at date of transfer of the tokens.

On November 27, 2023, the Company entered into a note for $149,500 with a net payment to the Company of $125,000 after an original issue discount of $19,500 and expenses of $5,000. There is a one-time interest charge of 11% which is paid back along with principal over nine monthly payments beginning with the first payment due on December 30, 2023. The maturity date of the note is August 30, 2024.

During the year ended January 31, 2024, the Company issued 598,044 shares of common stock for services that totaled $461,957. Also, during the year ended January 31, 2024, we received the $0.2 million receivable from stockholder.

On March 7, 2024, the Company sold 118,585 shares of common stock for $0.1 million to OEM partner, Alamo City Engineering Services, Inc. ("ACES"), which is owned by our board member Craig Stephens. On April 19, 2024, the Company sold 184,802 shares of common stock for $0.1 million to ACES.

On March 21, 2024, the Company entered into a note for $83,300 with a net payment to the Company of $65,000 after an original issue discount of $13,300 and expenses of $5,000. There is a one-time interest charge of 14% which is paid back along with principal over the term of the note beginning with the first payment due on September 30, 2024. The maturity date of the note is December 30, 2024.

On April 9, 2024, we sold 50,000 shares of common stock to a third party for $28,500.

Off-Balance Sheet Arrangements

We did not have any material off-balance sheet arrangements as of January 31, 2024.

Going Concern

Our financial statements are prepared in accordance with GAAP, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. Because the business is relatively new and has a succinct history and relatively few sales, no certainty of continuation can be stated. The accompanying consolidated financial statements for the years ended January 31, 2024 and 2023 have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company and therefore, we are not required to provide information required by this Item of Form 10-K.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Everything Blockchain, Inc.

Opinion on the Financial Statements

We have audited the accompanying the consolidated balance sheets of Everything Blockchain Inc. and its subsidiaries ("the Company") as of January 31, 2024 and 2023 and the related statements of operations, changes in stockholders' deficit and cash flows, for the years then ended, and the related notes and schedules (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of January 31, 2024 and 2023, and the results of its operations and its cash flows for the years ended January 31, 2024 and 2023, in conformity with generally accepted accounting principles in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, as of January 31, 2024, the Company suffered losses from operations in all years since inception, except for the year ended January 31, 2022. These and other factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plan regarding these matters is also described in Note 3 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Going Concern- Refer to Note 3 to the financial statements

Critical Audit Matter Description

The Company raised substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time. The financial statements for the years under audit have been prepared to assume that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. We have identified the Going Concern as a critical audit matter because of the significant estimates and assumptions made by management. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of the Company's assessment of Going Concern. See the explanatory paragraph of the opinion paragraph.

How the Critical Audit Matter Was Addressed in the Audit

(i) We evaluate whether there is substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time. (ii) We obtained information about management's plans that are intended to mitigate the effect of such conditions or events, and assess the likelihood that such plans can be effectively implemented. (iii) We added an explanatory paragraph to the audit report.

Fair Value Measurements Included in subsidiaries acquisitions— Refer to Notes 2 and 7 to the financial statements

Critical Audit Matter Description

During June and July 2021, the Company acquired three subsidiaries. As a result, the Company performed a valuation of the intangible assets involved including goodwill, IP/Technology, and non-compete agreements. The Company's valuation included a selection of multiples and an assessment of future profit for the Company.

We have identified the fair value measurements as a critical audit matter because of the significant estimates and assumptions made by management. This valuation requires management to make significant estimates and assumptions related to valuation multiples and forecasts of future profit.

We identified the valuation of the intangible assets as a critical audit matter because of the significant judgments made by management to estimate the fair value. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists, when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions related to the selection of the valuation multiples and forecasts of future profit.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the valuation of the fair value measurements of the intangible assets included the following, among others: (i) Performed sensitivity analyses of the valuation multiples and revenue growth assumptions used in the model. (ii) Perform substantive testing procedures over the forecasted profit used within the valuation model. (iii) With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology and (2) valuation multiples by: (a) Testing the source information underlying the determination of the multiples and the mathematical accuracy of the calculation. (b) Developing an independent range of valuation multiples and comparing those to the multiples selected by management.

Assessment of uncertain tax positions — Refer to Note 15 to the financial statements

Critical Audit Matter Description

As discussed in Note 15, to the consolidated financial statements, the Company has recognized uncertain tax positions including associated interest and penalties. The Company's tax positions are subject to audit by local taxing authorities and the resolution of such audits may span multiple years. Tax law is complex and often subject to varied interpretations. Accordingly, the ultimate outcome with respect to taxes the Company may owe may differ from the amounts recognized.

We identified the assessment of uncertain tax positions as a critical audit matter. The assessment of tax exposures and the ultimate resolution of uncertain tax positions requires a higher degree of auditor judgment in evaluating the Company’s interpretation of, and compliance with, tax law across multiple jurisdictions.

How the Critical Audit Matter Was Addressed in the Audit

The primary procedures we performed to address this critical audit matter included the following. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company’s process to assess uncertain tax positions, including controls related to the interpretation of tax law and identification of uncertain tax positions, the evaluation of which of the Company’s tax positions may not be sustained upon audit and the estimation of exposures associated with uncertain tax positions. We communicate with the tax professionals, that the Company hired, with specialized skills and knowledge who assisted in assessing filed tax positions, and evaluating the Company’s interpretation of tax law and its assessment of certain tax uncertainties and expected outcomes, including, if applicable, the measurement thereof, by reading advice obtained from the Company’s external specialists and correspondence with taxation authorities.

/s/Elkana Amitai CPA

We have served as the Company’s auditor since 2022.

Mitzpe Netofa, Israel

May 15, 2024

Everything Blockchain, Inc.
Consolidated Balance Sheets
(Amounts in thousands, except share and per share data)

	As of January 31, 2024	As of January 31, 2023
ASSETS		
Current Assets		
Cash	$ 60	$ 657
Current cryptocurrencies	-	4
Prepaid expenses	189	2,601
Other assets	207	127
Assets of discontinued operations	-	382
Total current assets	$ 456	$ 3,771
Property, plant and equipment, net	2	5
Goodwill	16,504	16,504
Intangible assets, net	5,017	4,270
Other assets	221	463
Assets of discontinued operations	-	655
Total assets	$ 22,200	$ 25,668
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	$ 1,843	$ 1,072
Accounts payable related party	-	13
Current portion of long-term debt	215	-
Reserve for legal settlements	154	154
Deferred revenue	250	250
Liabilities of discontinued operations	-	582
Total current liabilities	$ 2,462	$ 2,071
Long-term liabilities		
Debt	1,132	-
Liabilities of discontinued operations	-	47
Total long-term liabilities	$ 1,132	$ 47
Total Liabilities	$ 3,594	$ 2,118
Stockholders' Equity		
Series A Preferred stock, $0.0001 par value; 1,000,000 shares authorized; 150,000 and 200,000 shares issued and outstanding as of January 31, 2024 and 2023, respectively	-	-
Series B Preferred stock, $0.0001 par value; 0 shares authorized, issued and outstanding as of January 31, 2024; 1,500,000 shares authorized; 650,000 shares issued and 400,000 shares outstanding as of January 31, 2023	-	-
Series C Preferred stock, $0.0001 par value: 10,000,000 and 2,000,000 shares authorized as of January 31, 2024 and 2023, respectively; 1,352,632 shares issued and outstanding as of January 31, 2024; 1,000,000 shares issued and outstanding as of January 31, 2023	-	-
Common stock, $0.0001 par value, voting; 200,000,000 shares authorized; 16,902,546 shares issued and outstanding as of January 31, 2024; 9,949,966 shares issued and 9,923,304 shares outstanding as of January 31, 2023	1	1
Treasury stock	-	(1,691)
Additional paid-in capital	86,991	85,975
Receivable from stockholder	-	(200)
Accumulated deficit	(68,386)	(60,535)
Total stockholders' equity	$ 18,606	$ 23,550
Total liabilities and stockholders' equity	$ 22,200	$ 25,668

See Accompanying Notes to Consolidated Financial Statements.

Everything Blockchain, Inc.
Consolidated Statements of Operations
(Amounts in thousands, except share and per share data)

	For the Years Ended January 31, 2024	For the Years Ended January 31, 2023
Revenue	$ 267	$ 301
Cost of sales	-	-
Gross profit	$ 267	$ 301
Selling, general, and administrative	2,935	2,817
Stock based compensation	2,504	2,912
Depreciation and amortization	167	71
Goodwill impairment	-	1,319
Software impairment	-	135
Total operating expenses	$ 5,606	$ 7,254
Loss from operations	(5,339)	(6,953)
Other expense, net	(1,786)	(2,454)
Loss from continuing operations before income taxes	$ (7,125)	$ (9,407)
Income tax (benefit) expense	37	(358)
Loss from continuing operations	(7,162)	(9,049)
Loss from discontinued operations, net of tax	(689)	(395)
Net loss	$ (7,851)	$ (9,444)
Basic and diluted loss per share:		
Continuing operations	$ (0.56)	$ (0.96)
Discontinued operations	$ (0.05)	$ (0.04)
Basic and diluted loss per share	$ (0.61)	$ (1.00)
Weighted average shares outstanding – basic and diluted	12,765,561	9,425,769

See Accompanying Notes to Consolidated Financial Statements.

Everything Blockchain, Inc
Consolidated Statements of Stockholders' Equity
(Amounts in thousands)

	Preferred Stock		Common Stock		Treasury Stock	Additional Paid-in Capital	Receivable from Shareholder	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
Balance – January 31, 2022	600	$ -	8,604	$ 1	$ (1,599)	$ 80,134	$ -	$ (51,091)	$ 27,445
Issuance of Series C Preferred	1,250	-	-	-	-	2,500	-	-	2,500
Conversion of Series C Preferred into common stock	(250)	-	561	-	-	-	-	-	-
Warrant exercise	-	-	785	-	-	785	(200)	-	585
Sale of asset	-	-	(27)	-	(92)	-	-	-	(92)
Stock based compensation	-	-	-	-	-	2,556	-	-	2,556
Net loss	-	-	-	-	-	-	-	(9,444)	(9,444)
Balance – January 31, 2023	1,600	$ -	9,923	$ 1	$ (1,691)	$ 85,975	$ (200)	$ (60,535)	$ 23,550
Conversion of Series A Preferred into common stock	(50)	-	2,500	-	-	-	-	-	-
Conversion of Series B Preferred into common stock	(400)	-	4,000	-	-	-	-	-	-
Issuance of Series C Preferred	413	-	-	-	-	340	-	-	340
Cancellation of treasury stock	-	-	-	-	2,034	(2,034)	-	-	-
Cancellation of shares to settle disputed receivable	-	-	(49)	-	(127)	-	-	-	(127)
Sale of Mercury	(60)	-	(115)	-	(216)	-	-	-	(216)
Stock issued in exchange for accounts payable	-	-	644	-	-	506	-	-	506
Warrant exercise	-	-	-	-	-	-	200	-	200
Stock based compensation	-	-	-	-	-	2,204	-	-	2,204
Net loss	-	-	-	-	-	-	-	(7,851)	(7,851)
Balance – January 31, 2024	1,503	$ -	16,903	$ 1	$ -	$ 86,991	$ -	$ (68,386)	$ 18,606

See Accompanying Notes to Consolidated Financial Statements.

Everything Blockchain, Inc.
Consolidated Statements of Cash Flows
(Amounts in thousands)

	For the Years Ended January 31,	
	2024	**2023**
Cash flows from operating activities:		
Net loss	$ (7,851)	$ (9,444)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss from discontinued operations	689	395
Loss from sale of subsidiary	170	-
Stock based compensation	2,504	2,912
Goodwill impairment	-	1,319
Software impairment	-	135
Deferred income tax expense	-	(618)
Net loss on exchanges	-	4
Realized net loss on investment in cryptocurrency	73	186
Loss on cryptocurrency impairment	-	-
Fair value adjustment to cryptocurrency	1,448	2,206
Depreciation and amortization	167	71
Changes in operating assets and liabilities:		
Prepaid expenses	(73)	(43)
Other assets	35	(91)
Accounts payable to related parties	(13)	(10)
Accounts payable and accrued expenses	1,325	(56)
Deferred revenue	-	150
Cash used in operating activities of continuing operations	(1,526)	(2,884)
Cash provided by (used in) operating activities of discontinued operations	(768)	91
Net cash used in operating activities	$ (2,294)	$ (2,793)
Cash flows from investing activities:		
Proceeds from sale of cryptocurrency	974	755
Capital expenditures	(912)	(1,194)
Sale of assets	-	3
Cash provided by (used in) investing activities of continuing operations	62	(436)
Cash provided by (used in) investing activities of discontinued operations	401	(27)
Net cash provided by (used in) investing activities	$ 463	$ (463)
Cash flows from financing activities:		
Proceeds from debt - related party	1,187	-
Proceeds from debt	165	-
Payment of debt	(485)	(32)
Proceeds from issuance of Series C Preferred Stock	-	2,500
Proceeds from exercise of warrants	200	550
Net cash provided by financing activities	$ 1,067	$ 3,018
Net Change in Cash	(764)	(238)
Cash, beginning of period – continuing operations	657	810
Cash, beginning of period – discontinued operations	167	252
Cash, end of period	60	824
Cash from discontinued operations, end of period	-	167
Cash from continuing operations, end of period	$ 60	$ 657
Supplemental Disclosure of Cash Flows Information:		
Cash paid for interest	$ 90	$ -
Cash paid for income taxes	$ -	$ 3
Non-cash Investing and Financing Activities:		
Acquisition of cryptocurrency	$ 2,242	$ -
Issuance of Series C Preferred for cryptocurrency	250	-
Issuance of Series C Preferred	90	-
Settlement of disputed receivable for common stock	127	-
Retirement of treasury stock	2,034	-
Sale of subsidiary	217	-
Issuance of common stock for services	462	-
Issuance of common stock to related party in lieu of interest payments	45	-
Conversion of accounts payable to related party to common stock	-	35
Sale of asset for common stock	-	92
Exercise of warrant for receivable	-	200

See Accompanying Notes to Consolidated Financial Statements.

EVERYTHING BLOCKCHAIN, INC.
Notes to Consolidated Financial Statements

Note 1. Organization and Basis of Presentation

The accompanying consolidated financial statements of Everything Blockchain, Inc. ("EBI") and its consolidated subsidiaries (collectively, the "Company," "we," "us" or "our"), have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and the rules of the Securities and Exchange Commission ("SEC").

Basis of Presentation

The accompanying consolidated financial statements include the accounts of EBI and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Description of Business

The Company is primarily engaged in the business of consulting and developing data management, blockchain and cybersecurity related solutions. We are a technology company that is blending blockchain, zero-trust, and database management technology to create a platform to solve real world, practical business problems. Our business model is based on building recurring revenue through software subscriptions, licensing agreements, and transaction fees.

Subsidiaries of the Company

The subsidiaries of the Company are Render Payment Corp., DataStone, Inc. ("DataStone", formerly 832 Energy Technology Consultants, LLC), Mercury, Inc. ("Mercury"), Vengar Technologies, Inc. ("Vengar", formerly Vengar Technologies LLC), Everything Blockchain Technology Corporation, and EBI International, Inc.

Note 2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The most significant estimates and judgments relate to revenue recognition; sales returns and other allowances; allowance for doubtful accounts; valuation of inventory; valuation of long-lived assets and finite-lived intangible assets; recoverability of goodwill; acquisition method of accounting; contingencies; and income taxes.

On a regular basis, management reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience, and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Revenue Recognition Policies

Our revenue is derived from the subscription, non-software related hosted services, term-based and perpetual licensing of software products, associated software maintenance and support plans, consulting services, training, technical support, and merchandise sales. Most of our customer arrangements involve multiple solutions and various license rights, bundled with post-contract customer support and other meaningful rights that together provide a complete end-to-end solution to the customer.

We determine revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

Services revenue. We generate services revenue via consulting services and software development. The Company is engaged in developing, engineering, and designing blockchain projects, to include platforms and cryptocurrencies for customers.

Subscription revenue.

We generate revenue from subscriptions through staking of our current crypto assets. Our primary token being staked is a hybrid Proof of Work ("POW") and Proof of Stake ("POS") system. Stakers, in this particular token are paid inflation based both on the duration of the stake (contract length), as well as based on the volume / quantity of tokens staked. Rewards / interest / inflation are paid in the native token. We also participate in networks with POW consensus algorithms, through creating or validating blocks on the network. In exchange for participating in the consensus mechanism of these networks, the Company earns rewards in the form of the native token of the network. Each block creation or validation is a performance obligation. Revenue is recognized at the point when the block creation or validation is complete, and the rewards are available for transfer. Revenue is measured based on the number of tokens received and the fair value of the token at the date of recognition.

Product revenue. We generate product revenue through customized product development and merchandise sales.

We recognize revenue when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

Research and Development

Research and development expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized only if the product or process is technically and commercially feasible, if development costs can be measured reliably, if future economic benefits are probable, if the Company intends to use or sell the asset and the Company intends and has sufficient resources to complete development. For the years ended January 31, 2024 and 2023, the Company capitalized software development costs of $912,000 and $1,174,000, respectively.

Concentration of Credit Risk and Significant Customers

Financial instruments which potentially subject the Company to a concentration of credit risk consist principally of temporary cash investments and accounts receivable.

Concentrations of credit risk with respect to trade receivables and commodities are limited due to the Company's diverse group of customers. The Company establishes an allowance for doubtful accounts when events and circumstances regarding the collectability of its receivables or the selling of its commodities warrant based upon factors such as the credit risk of specific customers, historical trends, other information, and past bad debt history. The outstanding balances are stated net of an allowance for doubtful accounts.

Our cash balances are maintained in accounts held by major banks and financial institutions located in the United States. The Company may occasionally maintain amounts on deposit with a financial institution that are in excess of the federally insured limit of $250,000. The risk is managed by maintaining all deposits in high-quality financial institutions. The Company had $0 and $0.4 million in excess of federally insured limits on January 31, 2024, and January 31, 2023, respectively.

Our cryptocurrency balances are maintained in accounts held by institutions located in and outside the United States. The Company maintains amounts on deposit that often exceed coverage from third party insured limit of up to $1,000,000. The risk is managed by maintaining multiple accounts with various accounts held in a cold storage wallet. The Company had no cryptocurrency at January 31, 2024.

Cost of Services Provided

Cost of services provided includes programs licensed; costs incurred to support and maintain Internet-based products and services, including data center costs and royalties; warranty costs; costs associated with the delivery of consulting services; and the amortization of capitalized software development costs. Capitalized software development costs are amortized over the estimated lives of the products, which the Company rates at five years.

Cash and Cash Equivalents

The Company includes in cash and cash equivalents all short-term, highly liquid investments that mature within three months of the date of purchase. Cash equivalents consist principally of investments in interest-bearing demand deposit accounts and liquidity funds with financial institutions and are stated at cost, which approximates fair value. The Company had no cash equivalents as of January 31, 2024 and 2023.

Property, Plant, and Equipment

Property, plant, and equipment is stated at cost less accumulated depreciation. Expenditures for maintenance and repairs are charged to expense as incurred. Additions, improvements and major replacements that extend the life of the asset are capitalized.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Type of Asset	Estimated Useful Life
Building and building improvements	15 years
Machinery and equipment	7 years
Furniture, fixtures, and office equipment	7 years
Computer equipment and computer software	1 - 3 years
Vehicles	5 years

Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in a business combination. The Company's goodwill was the result of the acquisitions of DataStone, Mercury, and Vengar. The Company tests goodwill for impairment annually or more often if an event or circumstance indicates that an impairment may have occurred.

Intangible Assets

The Company tests intangible assets for impairment annually or more often if an event or circumstance indicates that an impairment may have occurred.

Intangible assets consist of the following:

	As of January 31, 2024		
	Gross Amount	Accumulated Amortization	Net Carrying Amount
		(in thousands)	
IP/Technology	$ 5,163	$ 146	$ 5,017
Non-compete agreements	82	82	-
Total Intangibles	$ 5,245	$ 228	$ 5,017

	As of January 31, 2023		
	Gross Amount	Accumulated Amortization	Net Carrying Amount
		(in thousands)	
IP/Technology	$ 4,251	**$ -**	$ 4,251
Non-compete agreements	82	63	19
Total Intangibles	$ 4,333	$ 63	$ 4,270

The IP/Technology is amortized over five years. For the year ended January 31, 2023, the IP/Technology was still being developed so no amortization was recorded. The non-compete agreements are amortized over two years.

Acquisition Method of Accounting

The Company accounts for business combinations using the acquisition method of accounting, which requires, among other things, that assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date.

Advertising Costs and Expense

The advertising costs are expensed as incurred. Advertising costs were $0.6 million and $0.7 million for the years ended January 31, 2024 and 2023, respectively.

Foreign Currency Translation

The Company's functional currency and its reporting currency is the United States Dollar.

Basic and Diluted Net Earnings (Loss) Per Share

The Company follows *ASC Topic 260 – Earnings Per Share*, and *FASB 2015-06, Earnings Per Share* to account for earnings per share. Basic earnings per share ("EPS") calculations are determined by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted EPS calculations are determined by dividing net income (loss) by the weighted average number of common shares outstanding plus the dilutive effect, calculated using (i) the "treasury stock" method for warrants and (ii) the "if converted" method for the preferred stock if their inclusion would not have been anti-dilutive.

Commitments and Contingencies

The Company reports and accounts for its commitments and contingencies in accordance with *ASC 440 – Commitments* and *ASC 450 – Contingencies*. We recognize a loss on a contingency when it is probable a loss will be incurred and that the amount of the loss can be reasonably estimated. No loss contingencies have been recorded for the years ended January 31, 2024 and 2023.

Fair Value Measurements

The Company measures assets and liabilities at fair value based on an expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level.

The following are the hierarchical levels of inputs to measure fair value:

- Level 1: Quoted prices in active markets for identical instruments;
- Level 2: Other significant observable inputs (including quoted prices in active markets for similar instruments);
- Level 3: Significant unobservable inputs (including assumptions in determining the fair value of certain investments).

The carrying values for cash and cash equivalents, accounts receivable, other current assets, accounts payable and accrued liabilities, and deferred revenue approximate their fair value due to their short maturities.

Recent accounting pronouncements

In December 2023, the Financial Accounting Standards Board issued Accounting Standards Update 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The guidance requires disclosure of a tabular reconciliation, using both percentages and reporting currency amounts. Additional disclosers are required such as income taxes paid, income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign and income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. The guidance will be effective for the Company for fiscal years beginning after December 15, 2024. Early adoption is permitted. Adoption of the new standard will not have a material impact on the Company's consolidated financial statements.

Note 3. Going Concern

The Company's consolidated financial statements are prepared in accordance with GAAP, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. Because the business is new and has a limited history, no certainty of continuation can be stated. The accompanying financial statements for the years ended January 31, 2024 and 2023, have been prepared to assume that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has had historically negative cash flow and net losses. Though the year ended January 31, 2022 resulted in positive cash flow and net income, there are no assurances the Company will generate a profit or obtain positive cash flow in the future. The Company has sustained its solvency for the years ended January 31, 2024 and 2023 through the support of its shareholder and chairman, Michael Hawkins, or companies controlled by Michael Hawkins, which raise substantial doubt about its ability to continue as a going concern.

Management is taking steps to raise additional funds to address its operating and financial cash requirements to continue operations in the next twelve months. Management has devoted a significant amount of time to the raising of capital from additional debt and equity financing. However, the Company's ability to continue as a going concern is dependent upon raising additional funds through debt and equity financing and generating revenue. There are no assurances the Company will receive the funding or generate the revenue necessary to fund operations. The financial statements contain no adjustments for the outcome of this uncertainty.

Note 4. Discontinued Operations

On October 31, 2023, the Board of Directors approved, and the Company completed, the sale of Mercury to Chris Carter, founder and CEO of Mercury. The sales price consisted of 115,000 shares of Company common stock and 60,000 shares of Company Series C Preferred Stock, owned by Chris Carter, for a total sales price of $216,583. The sales price was primarily based on estimated net assets of Mercury.

In the consolidated statements of cash flows, the cash flows of discontinued operations were separately classified or aggregated under operating and investing activities.

The remaining notes to the consolidated financial statements were updated to reflect the impact of these discontinued operations. All discussions and amounts in the consolidated financial statements and related notes for all periods presented relate to continuing operations, unless otherwise noted.

The following table summarizes the components of assets and liabilities of discontinued operations (in thousands).

	As of January 31, 2023
Current assets	
Cash	$ 167
Accounts receivable, net	89
Inventory	64
Prepaid expenses	62
Total current assets	382
Property, plant and equipment, net	655
Total assets	$ 1,037
Current liabilities	
Accounts payable and accrued expenses	$ 79
Current portion of long-term debt	474
Deferred revenue	29
Total current liabilities	$ 582
Long-term liabilities	
Debt	47
Total long-term liabilities	$ 47
Total liabilities	$ 629

The following table summarizes the results of discontinued operations (in thousands).

	For the Years Ended January 31,	
	2024	2023
Revenue	$ 890	$ 2,311
Cost of sales	210	1,540
Gross profit	680	771
Selling, general, and administrative	1,395	1,118
Depreciation and amortization	81	107
Total operating expenses	1,476	1,225
Loss from operations	(796)	(454)
Other income (expense), net	107	(57)
Loss before income taxes	(689)	(511)
Income tax benefit	-	116
Net loss	$ (689)	$ (395)

Note 5. Cryptocurrency Assets

The Company transacts business with cryptocurrency assets. The Company records cryptocurrency assets as an intangible asset with infinite life. We classify cryptocurrency assets that have a market value and substantial liquidity as current intangible assets. The following chart shows our cryptocurrency assets (in thousands):

Current Assets		
	As of January 31,	
	2024	2023
Coin Symbol	FMV	
BTC	$ -	$ 4
	$ -	$ 4

In May 2023, PulseChain ("Pulse") and PulseX were launched. Pulse is a layer 1 blockchain that is a fork of Ethereum. PulseX is a fork of the Uniswap digital exchange platform ("DEX") and is the native DEX of the Pulse ecosystem. During the year ended January 31, 2022, we invested $0.1 million in each of Pulse and PulseX. In May 2023, we received 2.3 billion Pulse tokens and 3.0 billion PulseX tokens.

Also in May 2023, Overwatch Partners, Inc. ("Overwatch"), an entity controlled by Michael Hawkins, distributed to us Pulse and PulseX tokens of 12.3 billion each. As a result of this transaction, the Company distributed to Epic Industry Corp ("Epic"), a wholly owned company of Michael Hawkins, 2.5 billion Pulse tokens. The receipt of Pulse and PulseX also earned Epic 50,000 shares of Series A Preferred Stock, which were issued to Epic during the quarter ended July 31, 2021 and recorded as a prepaid expense of $2.0 million.

On September 28, 2023, Robert Adams, a board director, purchased 300,000 shares of Series C preferred stock for 11.0 billion PulseX tokens, which equaled $104,000 at date of transfer of the tokens.

During the year ended January 31, 2024, the Company recorded in other income (expense), net fair value expense adjustments of $1.4 million. During the year ended January 31, 2023, the Company recorded in other income (expense), net fair value expense adjustments of $2.2 million and an expense of $0.2 million on the sales of cryptocurrencies.

Note 6. Property, Plant and Equipment

Property, plant, and equipment consisted of the following (in thousands):

	As of January 31,	
	2024	2023
Computer equipment and computer software	19	20
Less: Accumulated depreciation	(17)	(15)
Total property, plant and equipment, net	$ 2	$ 5

Note 7. Goodwill

Goodwill consisted of the following (in thousands):

	As of January 31,	
	2024	2023
Acquisition of DataStone	$ 1,651	$ 1,651
Acquisition of Vengar	14,853	14,853
Total goodwill	$ 16,504	$ 16,504

Management considered the net losses since the Mercury acquisition as well as cash flow projections as indicators that a potential impairment of the goodwill related to Mercury may have occurred. Based on further analysis, management decided there was an impairment of goodwill. For the year ended January 31, 2023, the Company recorded an impairment charge of $1.3 million.

Note 8. Debt

On July 14, 2023, a board director of the Company loaned it $55,000, representing half of the Company's employee retention credit refund, which the Company expects to receive during the year ending January 31, 2025. The note calls for the payment of the principal sum of $55,000 plus interest of $12,500 for a total of $67,500. The maturity date of the note is upon receipt of the employee retention credit refund.

On August 15, 2023, Epic, with the approval of the board, purchased Mercury's building for $480,000. Mercury used $461,000 of the proceeds from the sale to payoff both Mercury's line of credit and term loan. After paying off the notes and closing costs, Mercury was left with $11,000 for general corporate purposes.

On September 7, 2023, Epic formalized its loans to the Company in a $1.0 million note. The note includes a mechanism to increase the amount of the note with the mutual consent of Epic and the Company. As of January 31, 2024, the note balance is $ 1.1 million. Monthly interest only payments at an annual rate of 4% will be made through the maturity date of February 1, 2025. If interest payments are made late after the cure period, the interest due shall be recalculated at the highest rate authorized by Florida law, which is 18% per annum. Epic in its sole discretion, at any time prior to the maturity date, may convert the principal, partial principal, and/or interest due into shares of the Company's common stock at a static price of $ 1.00 per share. During the year ended January 31, 2024, the Company was late on three of its interest payments. Epic chose to take the late interest payments in the form of Company common stock. Therefore, the Company issued to Epic 45,000 shares of common stock in lieu of interest payments of $45,000.

On November 27, 2023, the Company entered into a note for $149,500 with a net payment to the Company of $125,000 after an original issue discount of $19,500 and expenses of $5,000. There is a one-time interest charge of 11% which is paid back along with principal over nine monthly payments beginning with the first payment due on December 30, 2023. The maturity date of the note is August 30, 2024.

Note 9. Commitments and Contingencies

The Company reports and accounts for its commitments and contingencies in accordance with *ASC 440 – Commitments* and *ASC 450 – Contingencies*. We recognize a loss on a contingency when it is probable a loss will be incurred and that the amount of the loss can be reasonably estimated. No loss contingencies have been recorded for the years ended January 31, 2024 and 2023.

Note 10. Legal Proceedings

The Company may be subject to legal proceedings and claims arising from contracts or other matters from time to time in the ordinary course of business. Management is not aware of any pending or threatened litigation where the ultimate disposition or resolution could have a material adverse effect on the Company's financial position, results of operations or liquidity.

Note 11. Related Parties and Related Party Transactions

Related party balance sheet items (in thousands)

	As of January 31,	
	2024	**2023**
Prepaid expenses	$ -	$ 2,000
Accounts payable and accrued expenses	158	28
Loans payable	1,199	13

Related party income statement items (in thousands)

	For the Years Ended January 31,	
	2024	**2023**
Consulting expenses	$ 266	$ 242
Payroll expenses	528	611
Stock based compensation	2,089	2,299

Loans

On July 14, 2023, a board director of the Company loaned it $55,000, representing half of the Company's employee retention credit refund, which the Company expects to receive during the year ending January 31, 2025. The note calls for the payment of the principal sum of $55,000 plus interest of $12,500 for a total of $67,500. The maturity date of the note is upon receipt of the employee retention credit refund.

On September 7, 2023, Epic formalized its loans to the Company in a $1.0 million note. The note includes a mechanism to increase the amount of the note with the mutual consent of Epic and the Company. As of January 31, 2024, the note balance is $ 1.1 million. Monthly interest only payments at an annual rate of 4% will be made through the maturity date of February 1, 2025. If interest payments are made late after the cure period, the interest due shall be recalculated at the highest rate authorized by Florida law, which is 18% per annum. Epic in its sole discretion, at any time prior to the maturity date, may convert the principal, partial principal, and/or interest due into shares of the Company's common stock at a static price of $1.00 per share. During the year ended January 31, 2024, the Company was late on three of its interest payments. Epic chose to take the late interest payments in the form of Company common stock. Therefore, the Company issued to Epic 45,000 shares of common stock in lieu of interest payments of $45,000.

Cryptocurrency

During the quarter ended July 31, 2021, the Company issued shares of Series A Preferred Stock to Epic. The issuance was done as a prepayment for services to generate sales for the Company. The shares are earned as sales generated by Epic achieve certain sales targets.

In May 2023, Overwatch distributed to us Pulse and PulseX tokens of 12.3 billion each. As a result of this transaction, the Company distributed to Epic 2.5 billion Pulse tokens. The receipt of Pulse and PulseX also earned Epic 50,000 shares of Series A Preferred Stock, which were issued to Epic during the quarter ended July 31, 2021 and recorded as a prepaid expense of $2.0 million. Our board decided that the value received from Pulse and PulseX, in lieu of sales, satisfied the requirements for the Series A Preferred Stock to be earned by Epic.

On September 28, 2023, Robert Adams, a board director, purchased 300,000 shares of Series C preferred stock for 11.0 billion PulseX tokens, which equaled $104,000 at date of transfer of the tokens.

Equity

On January 5, 2023, the Company sold one million shares of Series C Preferred Stock for $1.5 million to OEM partner, Alamo City Engineering Services, Inc. ("ACES"), which is owned by our board member Craig Stephens.

On August 2, 2023, Epic elected to convert 125,000 shares of Series B Preferred Stock into 1,250,000 shares of common stock.

On September 20, 2023, Epic gave back to the Company 48,802 shares of common stock in settlement of a disputed receivable the Company had with a consultant.

On September 28, 2023, Robert Adams, a board director, purchased 300,000 shares of Series C preferred stock for 11.0 billion PulseX tokens, which equaled $104,000 at date of transfer of the tokens.

Warrants

On September 5, 2023, the board of directors approved the repricing of the exercise price of 2,125,000 warrants to $1.00 per share and extending the expiration date of the warrants until January 31, 2028.

On September 5, 2023, the Company issued one warrant to a board member for the purchase of up to a total of 100,000 shares of common stock at $1.00 per share. The warrant expires on September 5, 2028.

Sale of Mercury

On August 15, 2023, Epic, with the approval of the board, purchased Mercury's building for $480,000. Mercury used $461,000 of the proceeds from the sale to payoff both Mercury's line of credit and term loan. After paying off the notes and closing costs, Mercury was left with $11,000 for general corporate purposes.

Sale of Vehicle

On August 11, 2022, our board of directors approved the sale of our 2022 Cadillac Escalade to Eric Jaffe, our former chief executive officer and board member, for $91,983. Mr. Jaffe paid for the vehicle with 26,662 shares of his Company common stock. The shares were considered treasury stock at January 31, 2023.

Sale of HEX

On August 14, 2022, to fund operations our board of directors approved the sale of 10 million HEX tokens to Michael Hawkins for $450,000. During the nine months ended October 31, 2022, the market price of HEX dropped. The Company recorded a loss on the transaction of approximately $47,000.

On September 16, 2022, to fund operations our board of directors approved the sale of approximately 6.7 million HEX tokens and approximately 7 Bitcoins to Michael Hawkins for $304,747. During the nine months ended October 31, 2022, the market prices of HEX and Bitcoin dropped. The Company recorded a loss on the transaction of approximately $195,000.

Note 12. Stockholders' Equity

Common Stock

As of January 31, 2024 and 2023, the Company had 200 million common shares authorized, with 16,902,546 and 9,949,966 common shares at a par value of $0.0001 issued, respectively. As of January 31, 2024 and 2023, the Company had 16,902,546 and 9,923,304 common shares outstanding, respectively.

On April 19, 2022, two warrants were exercised for a total of 500,000 shares of common stock resulting in the Company receiving $0.5 million.

On June 3, 2022, the Law Offices of Carl G. Hawkins exercised their warrant acquiring 35,000 shares at the exercise price of $1.00 per share through the conversion of the accounts payable owed by the Company for services provided. The shares were issued in the name of Carl G. Hawkins.

On October 31, 2022, two warrants were exercised for a total of 250,000 shares of common stock, resulting in the Company having a receivable for $0.2 million at January 31, 2023. During the year ended January 31, 2024, we received the $0.2 million.

On August 2, 2023, Paul Rosenberg elected to convert 275,000 shares of Series B Preferred Stock into 2,750,000 shares of common stock. On August 2, 2023, Epic elected to convert 125,000 shares of Series B Preferred Stock into 1,250,000 shares of common stock.

On September 20, 2023, Epic gave back to the Company 48,802 shares of common stock in settlement of a disputed receivable the Company had with a consultant.

During the year ended January 31, 2024, a holder of 50,000 Series A Preferred shares elected to convert his shares into 2.5 million shares of common stock.

On October 31, 2023, the Board of Directors approved, and the Company completed, the sale of Mercury to Chris Carter, founder and CEO of Mercury. The sales price consisted of 115,000 shares of Company common stock and 60,000 shares of Company Series C Preferred Stock, owned by Chris Carter, for a total sales price of $216,583.

During the year ended January 31, 2024, the Company issued 598,044 shares of common stock for services that totaled $461,957.

During the year ended January 31, 2024, stock-based compensation expense related to stock grants was $300,000 from a grant to an employee. During the year ended January 31, 2023, stock-based compensation expense related to stock grants was $356,000, which consisted of grants to employee of $300,000 and consultants of $56,000.

Preferred Stock

Series A Preferred Stock

As of January 31, 2024 and 2023, the Company had one million Series A Preferred shares, par value $0.0001, authorized. As of January 31, 2024, the Company had 150,000 Series A Preferred shares issued and outstanding. As of January 31, 2023, the Company had 200,000 Series A Preferred shares issued and outstanding. The Series A Preferred stock converts into common stock at the option of the holder of the Series A Preferred, after twenty-four months of ownership. The conversion rate for every one share of Series A Preferred stock is 50 shares of common stock. Each share of Series A Preferred stock entitles the holder to 1,000 votes . Holders of Series A Preferred are entitled to share ratably in dividends, if any are declared. There are no redemption rights. In the event of dissolution, the holders of Series A Preferred are entitled to share pro rata all assets remaining after payment in full of all liabilities.

During the year ended January 31, 2022, the Company issued 50,000 shares of Series A Preferred Stock to Epic. The issuance was done as a prepayment for services to generate sales for the Company. The shares are earned as sales generated by Epic achieve certain sales targets.

In May 2023, Overwatch distributed to us Pulse and PulseX tokens of 12.3 billion each. As a result of this transaction, the Company distributed to Epic 2.5 billion Pulse tokens. The receipt of Pulse and PulseX also earned Epic 50,000 shares of Series A Preferred Stock, which were issued to Epic during the year ended January 31, 2022 and recorded as a prepaid expense of $2.0 million. Our board decided that the value received from Pulse and PulseX, in lieu of sales, satisfied the requirements for the Series A Preferred Stock to be earned by Epic.

During the year ended January 31, 2024, a holder of 50,000 Series A Preferred shares elected to convert his shares into 2.5 million shares of common stock.

The 150,000 shares of Series A Preferred Stock are eligible to be converted into common stock at the option of the holder of the Series A Preferred Stock.

Series B Preferred Stock

As of January 31, 2024, the Company had no Series B Preferred shares, par value $0.0001, authorized, issued and outstanding. As of January 31, 2023, the Company had 1.5 million Series B Preferred shares, par value $0.0001, authorized, with 650,000 Series B Preferred shares issued and 400,000 Series B Preferred shares outstanding. The Series B Preferred stock converts into common stock at the option of the holder of the Series B Preferred, after twenty-four months of ownership. The conversion rate for every one share of Series B Preferred stock is ten shares of common stock.

On August 2, 2023, Paul Rosenberg elected to convert 275,000 shares of Series B Preferred Stock into 2,750,000 shares of common stock. On August 2, 2023, Epic elected to convert 125,000 shares of Series B Preferred Stock into 1,250,000 shares of common stock. On August 2, 2023, the Company officially retired the following class of stock: Series B Preferred.

Series C Preferred Stock

As of January 31, 2024, the Company had ten million Series C Preferred shares, par value $0.0001, authorized with 1.4 million Series C Preferred shares issued and outstanding. As of January 31, 2023, the Company had 2 million Series C Preferred shares, par value $0.0001, authorized, with one million Series C Preferred shares issued and outstanding.

On March 17, 2022, the board of directors approved the conversion of two million shares of blank check preferred stock into two million shares of Series C Preferred Stock, par value $0.0001. The Series C Preferred Stock shall rank senior to the Company's common stock, Series A Preferred Stock, and Series B Preferred Stock. Each holder of Series C Preferred Stock is entitled to one (1) vote for each share of Series C Preferred Stock held on all matters submitted to a vote of stockholders. Each share of Series C Preferred Stock shall be convertible, at the discretion of the holders, after six months of ownership, into shares of common stock. The number of common shares issued shall be at the rate of 30% less than the volume-weighted average price or $5.00 per share whichever is less. During the year ended January 31, 2024, the board approved increasing the authorized shares from two million to ten million.

On April 19, 2022, the Company sold 250,000 shares of Series C Preferred Stock for $1.0 million.

On June 14, 2022, our board of directors approved the early conversion of 250,000 shares of Series C Preferred Stock into 560,928 shares of common stock.

On January 5, 2023, the Company sold one million shares of Series C Preferred Stock for $1.5 million to ACES.

On September 28, 2023, Robert Adams, a board director, purchased 300,000 shares of Series C preferred stock for 11.0 billion PulseX tokens, which equaled $104,000 at date of transfer of the tokens.

1.1 million shares of Series C Preferred Stock are eligible to be converted into common stock at the option of the holder of the Series C Preferred Stock.

Note 13. Warrants

On April 19, 2022, two warrants were exercised for a total of 500,000 shares of common stock resulting in the Company receiving $0.5 million.

On April 19, 2022, the holder of the 250,000 shares of Series C Preferred Stock received a warrant to purchase 25,000 shares of common stock at the price of $9.00 per share.

On June 3, 2022, the Law Offices of Carl G. Hawkins exercised their warrant acquiring 35,000 shares at the exercise price of $1.00 per share through the conversion of the accounts payable owed by the Company for services provided. The shares were issued in the name of Carl G. Hawkins.

On October 31, 2022, two warrants were exercised for a total of 250,000 shares of common stock, resulting in the Company having a receivable for $0.2 million. Since the receivable is from a stockholder, it was recorded as a contra-equity account at January 31, 2023. During the year ended January 31, 2024, the receivable was collected.

On September 5, 2023, the board of directors approved the repricing of the exercise price of 2,125,000 warrants to $1.00 per share and extending the expiration date of the warrants until January 31, 2028.

On September 5, 2023, the Company issued seven warrants to four consultants, two employees, and one board member for the purchase of up to a total of 580,000 shares of common stock at $1.00 per share. The warrants expire on September 5, 2028.

A summary of warrant activity for years ended January 31, 2024 and January 31, 2023 is as follows:

	Shares	Weighted Average Conversion Price
Warrants outstanding at January 31, 2022	4,991,000	$ 2.83
Cancelled/Expired	(875,000)	1.71
Exercised	(785,000)	1.00
Granted	25,000	9.00
Warrants outstanding at January 31, 2023	3,356,000	$ 3.60
Cancelled/Expired	(1,325,000)	1.82
Granted	580,000	1.00
Warrants outstanding at January 31, 2024	2,611,000	$ 1.09

During the year ended January 31, 2024, stock-based compensation expense related to warrant grants was $2,204,000, which consisted of grants to employees of $1,335,000, directors of $754,000, and consultants of $115,000. During the year ended January 31, 2023, stock-based compensation expense related to warrant grants was $2,556,000, which consisted of grants to employees of $1,399,000, directors of $893,000, and consultants of $264,000.

Note 14. Treasury Stock

As of January 31, 2023, treasury stock consisted of 250,000 shares of Series B Preferred stock and 26,662 shares of common stock. During the year ended January 31, 2024, the Company retired all the treasury stock. The treasury stock shares were considered issued but not outstanding. Therefore, the shares were not used in the EPS calculations.

Note 15. Income Taxes

Domestic and foreign loss from continuing operations before provision for income tax (in thousands):

	For the Years Ended January 31, 2024	2023
Domestic	$ (7,125)	$ (9,407)
Foreign	-	-
Total	$ (7,125)	$ (9,407)

The income tax (benefit) provision for continuing operations contains the following components (in thousands):

	For the Years Ended January 31, 2024	2023
Current		
Federal	$ 31	$ 112
State	6	32
Foreign	-	-
Total Current	37	144
Deferred		
Federal	-	(414)
State	-	(88)
Foreign	-	-
Total Deferred	-	(502)
Total (Benefit) Expense from continuing operations	$ 37	$ (358)

The components of the net deferred tax liability are as follows (in thousands):

	As of January 31, 2024	2023
Net operating loss carryforward	$ 1,568	$ 700
Stock compensation	1,442	1,069
Reserves	76	11
Total deferred tax assets	3,086	1,780
Less valuation allowance	(2,699)	(1,550)
Net deferred tax asset	387	230
Fixed assets	1	1
Intangibles	(388)	(231)
Total deferred tax liabilities	(387)	(230)
Net deferred tax liability	$ -	$ -
Net Change in Valuation Allowance	$ 1,149	1,550

A reconciliation of the income taxes at the federal statutory rate to the effective tax rate for continuing operations is as follows ($ in thousands):

	For the Years Ended January 31,					
	2024			2023		
Loss before taxes	$	(7,125)		$	(9,407)	
Tax expense (benefit) at the statutory rate	$	(1,496)	21.00%	$	(1,975)	21.00%
State income taxes, net of federal benefit		18	-0.30%		(321)	3.41%
Change in valuation allowance		1,149	-16.1%		1,443	-15.34%
Non-deductible stock compensation		63	-0.90%		75	-0.80%
Permanent differences		243	-3.40%		277	-2.94%
Return to Provision True Up		60	-0.80%		143	-1.52%
Tax (Benefit) Expense from continuing operations	$	37	-0.50%	$	(358)	3.81%

The net operating loss carryforwards as of January 31, 2024 are as follows (in thousands):

	Gross		Tax-Effected	
Federal - definite	$	-	$	-
Federal - indefinite		6,607		1,387
Total Federal NOL		6,607		1,387
State		4,019		228
State difference		-		(47)
Total State NOL		4,019		181
Total	$	10,626	$	1,568
Net Operating Loss Summary by Jurisdiction				
Federal	$	6,607	$	1,387
State		4,019		181
Foreign		-		-
Total	$	10,626	$	1,568

The Company is in the process of filing back income tax returns from 2022 through the current year and subject to IRS examination for all years. The Company has reserved for any interest and penalty associated with the filings. Due to the non-filing of income tax returns, statutes of limitations on the potential examination of those income tax periods will continue to run until the returns are filed, at which time the statutes will begin. The Company expects to file all past due income tax returns within the next 12 months.

Note 16. Net Income (Loss) Per Common Share

	For the Years Ended January 31,			
	2024		2023	
	(in thousands, except per share data)			
Numerator:				
Loss from continuing operations	$	(7,162)	$	(9,049)
Numerator:				
Loss from discontinued operations	$	(689)	$	(395)
Numerator:				
Net loss	$	(7,851)	$	(9,444)
Denominator:				
Weighted average common shares outstanding		12,766		9,426
Effect of dilutive securities:				
Warrants		-		-
Preferred stock		-		-
Diluted shares outstanding		12,766		9,426
Basic and diluted:				
Continuing operations	$	(0.56)	$	(0.96)
Discontinued operations	$	(0.05)	$	(0.04)
Basic and diluted loss per share	$	(0.61)	$	(1.00)

Note 17. Subsequent Events

On March 7, 2024, the Company sold 118,585 shares of common stock for $0.1 million to ACES. On April 19, 2024, the Company sold 184,802 shares of common stock for $0.1 million to ACES.

On March 21, 2024, the Company entered into a note for $83,300 with a net payment to the Company of $65,000 after an original issue discount of $13,300 and expenses of $5,000. There is a one-time interest charge of 14% which is paid back along with principal over the term of the note beginning with the first payment due on September 30, 2024. The maturity date of the note is December 30, 2024.

On April 9, 2024, we sold 50,000 shares of common stock to a third party for $28,500.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures.

Disclosure controls and procedures (as defined in Rules 13a-15I and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms. Disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to management, including the principal executive officer and principal financial officer, to allow timely decisions regarding required disclosures.

We carried out an evaluation, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of January 31, 2024. In designing and evaluating the disclosure controls and procedures, management recognizes that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their desired control objectives. Additionally, in evaluating and implementing possible controls and procedures, management is required to apply its reasonable judgment. Based on the evaluation described above, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report because we did not document our Sarbanes-Oxley Act Section 404 internal controls and procedures.

As funds become available to us, we expect to implement additional measures to improve disclosure controls and procedures such as implementing and documenting our internal controls procedures.

Scope of Management's Report on Internal Control Over Financial Reporting

N/A

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, our principal executive officer and principal financial officer and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that our receipts and expenditures are being made only in accordance with authorizations of our management and board of directors; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Our Chief Executive Officer and Chief Financial Officer have performed an evaluation of our internal control over financial reporting under the framework in*Internal Control-Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. The objective of this assessment was to determine whether our internal control over financial reporting was effective as of January 31, 2024 and 2023.

Based on the results of its assessment, our management concluded that our internal control over financial reporting was not effective as of January 31, 2024 and 2023 based on such criteria. The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were:

Risk Assessment – We did not have an effective risk assessment process. From a governance perspective, we historically did not have a formal process to identify, update and assess risks, including changes in our business practices that could significantly impact our consolidated financial statements as well as the system of internal control over financial reporting.

Control Environment – We did not maintain an effective control environment as evidenced by:

- Lack of majority independent board members.
- An insufficient number of personnel to adequately exercise appropriate oversight of accounting judgements and estimates.

Control Activities – We did not have control activities that were designed and operating effectively to identify and address all likely sources of material misstatements, including non-standard transactions. In addition, management review controls were not sufficient or in place to identify all potential accounting errors.

Information and Communications – We did not implement appropriate information technology controls related to access rights for certain financial spreadsheets that are relevant to the preparation of the consolidated financial statements and our system of internal control over financial reporting. In addition, we did not implement the appropriate information technology disaster recovery controls in place to ensure the completeness of financial information.

Monitoring – We did not maintain effective monitoring of controls related to the financial close and reporting process. In addition, we did not maintain the appropriate level of review and remediation of internal control over financial reporting deficiencies throughout interim and annual financial periods.

We have not had sufficient time to fully remediate the aforementioned deficiencies and/or there was insufficient passage of time to evidence that the controls that were implemented were effective. Therefore, the aforementioned control deficiencies continued to exist as of January 31, 2024. We believe the control deficiencies described herein, individually, and when aggregated, represent material weaknesses in our internal control over financial reporting as of January 31, 2024 since such deficiencies result in a reasonable possibility that a material misstatement in our annual or interim consolidated financial statements may not be prevented or detected on a timely basis by our internal controls. As a result of our assessment, we have therefore concluded that our internal control over financial reporting was not effective as of January 31, 2024.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the SEC that permit us to provide only the management's report in this annual report.

Material Weakness Discussion and Remediation

We believe that the consolidated financial statements included in this Annual Report on Form 10-K for the year ended January 31, 2024 fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with GAAP.

We were not able to fully implement and/or test the design and the operating effectiveness of our control procedures as of January 31, 2024. This required us to design new processes and controls concurrently, and thus did not allow us sufficient time to fully implement and/or test the design and operating effectiveness of the new controls.

We intend to continue to take appropriate and reasonable steps to make necessary improvements to our internal control over financial reporting, including:

- Continuing to improve the control environment through (i) being staffed with sufficient number of personnel to address segregation of duties issues, ineffective controls and to perform control monitoring activities, (ii) implementing formal process to account for non-standard transactions, and (iii) implementing and formalizing management oversight of financial reporting at regular intervals;
- Continuing to update the documentation of our internal control processes, including implementing formal risk assessment processes;
- Implementing control activities that address relevant risks and assure that all transactions are subject to such control activities;
- Ensure systems that impact financial information and disclosures have effective information technology controls;
- Executing plan to increase number of independent directors to enhance corporate governance and composition of the board of directors;
- Implementing plan to increase oversight and review of ad hoc spreadsheets while also working to reduce their use.

We believe that the remediation measures described above will strengthen our internal control over financial reporting and remediate the material weaknesses we have identified. We expect that our remediation efforts, including design, implementation and testing will continue throughout fiscal year 2025.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the year ended January 31, 2024 that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitation on the Effectiveness of Internal Controls

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

ITEM 9B. OTHER INFORMATION.

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE.

All of our directors hold office until the next annual meeting of stockholders and until their successors have been elected and qualified or until their earlier resignation or removal unless their office is earlier vacated in accordance with our bylaws, or he or she becomes disqualified to act as a director. Our officers shall hold office until the meeting of the board of directors following the next annual meeting of stockholders and until their successor has been elected and qualified or until his earlier resignation or removal. The board of directors may remove any officer for cause or without cause. In January 2023, the board of directors expanded from five directors to seven directors. The two additional board seats are currently vacant.

Our executive officers and directors and their respective ages as of the date of this Annual Report are as follows:

Name	Director or Officer Since	Age	Positions
Directors:			
Richard C. Schaeffer, Jr. (1)	2021	75	Director
Dr. Najwa Aaraj (1)	2023	41	Director
Robert E. Adams (1)	2020	52	Director
Craig T. Stephens (1)	2024	64	Director
Michael W. Hawkins	2020	61	Director and Chairman of the Board of Directors
Officers:			
Toney E. Jennings	2021	64	Chief Executive Officer and Chief Operating Officer
William C. Regan	2021	65	Chief Financial Officer
Brandon L. Hart	2021	55	Chief Technology Officer

(1) Fits criteria as an “Independent Director,” as defined in NYSE Listed Company Manual, Section 303A.02(a)(i) and NASDAQ Listing Rules 5005(a)(20) and 5605(a)(2) (footnotes incorporated).

Richard C. Schaeffer, Jr. was appointed as a Director of the Company on September 21, 2021. Mr. Schaeffer serves as chairman of the Compensation, Nomination and Risk Committees and is a member of the Audit Committee. Mr. Schaeffer has almost 50 years in the Information Security, Cyber Security, and Intelligence space. Mr. Schaeffer is a former Senior Executive with the National Security Agency (NSA), where he held many positions. Since retiring in 2010, Mr. Schaeffer has continued to pursue his passion for improving the security of U.S. and partner interests in the cyber domain. He started a private consulting firm, Riverbank Associates, LLC, located in Severna Park, Maryland, bringing visionary leadership, management, and technical experience to his clients’ challenges. His client base includes a full range of private sector companies, from small start-ups to mid-size companies, to large system integrators and commercial businesses. He serves on the advisory boards of a number of government, private sector and non-profit companies and organizations. He also serves as an Outside Director on the boards of three companies addressing the concern of foreign investment and control over elements of foreign owned companies providing products and services to classified U.S. Government clients. He remains a strong advocate in the area of cyber education and training, believing that the Nation’s future in the complex world of cyberspace depends upon a corps of professionals who are well equipped to deal with a rapidly changing technology and threat environment. Throughout his career, Mr. Schaeffer has been recognized for his vision, leadership, and commitment to excellence. He is known for his strategic thinking, ability to build cohesive teams, political savvy, technical competence, extensive network of cyber and intelligence professionals, and ability to communicate complex topics to any audience.

Dr. Najwa Aaraj was appointed as a Director of the Company on August 9, 2023. Dr. Aaraj is a member of the Audit and Risk Committees. Since May 2019, Dr. Najwa Aaraj has been the Chief Researcher of the Cryptography Research Center and the Autonomous Robotics Center at the Technology Innovation Institute (TII), United Arab Emirates, where she leads the research and development of cryptographic and quantum communication technologies, as well as the advancement of autonomous robotics and self-navigating vehicles. She has over 15 years of experience with global firms, working in multiple geographies from Australia to the United States. Before joining TII, Dr. Aaraj was Senior Vice President of Products & Cryptography Development at DarkMatter. She was also formerly at Booz & Company, where she led consulting engagements in the communication and technology industry. She also held a Research Fellow position with the Embedded Systems Security Group at IBM T.J. Watson Security Research in New York State, and with the Intel Security Research Group in Portland, Oregon, where she worked on trusted platform modules and contributed to an early protype of a TPM 2.0 based firmware. She was also a Research Staff Member at NEC Laboratories in Princeton, New Jersey. Dr. Aaraj is on the advisory board of New York-based Neutigers. She is also Advisor within the Strategic Advisory Group at Paladin Capital Group (Cyber Venture Capital) and Adjunct Professor at the Mohamed Bin Zayed University of Artificial Intelligence. In addition, she is an adviser to multiple security and machine learning start-ups, including Okinawa Institute of Science and Technology Graduate University. Dr. Aaraj earned a PhD with Highest Distinction in Applied Cryptography and Embedded Systems Security from Princeton University.

Robert E. Adams was appointed as a Director of the Company on May 11, 2020. Mr. Adams serves as chairman of the Audit Committee and is a member of the Compensation, Nomination, and Risk Committees of the Company. From March 11, 2021 to July 31, 2021, he served as the Company’s CTO. He has been working in the blockchain and cryptocurrency markets since 2015. Mr. Adams was an early adopter of Bitcoin and Ethereum. Mr. Adams recently served as the Technology Director for Blue Cross/Blue Shield of Florida with its headquarters in Jacksonville, Florida. While employed there he managed a budget of more than $100 million per year with more than 45,000 employees. Mr. Adams left his employment with Blue Cross/Blue Shield of Florida to further his entrepreneurial spirit within the blockchain and cryptocurrency markets.

Craig T. Stephens was appointed as a Director of the Company on March 14, 2024. Mr. Stephens founded Alamo City Engineering Services, Inc. ("ACES") in 2001, and serves as its President and Chief Executive Officer. ACES is a large, privately held solutions firm that provides IT and cybersecurity services to public and private entities. Earlier in his career, Mr. Stephens spent twenty years in the U.S. Navy obtaining the rank of Command Master Chief. Mr. Stephens is a member of the Disabled American Veterans, Fleet Reserve Association, Veterans of Foreign Wars, and the American Legion. Mr. Stephens holds a Master of Science degree in International Relations from Troy State University, as well as numerous industry certifications.

Michael W. Hawkins was appointed as the CEO/CFO/Director on April 17, 2020 and as Chairman of the board on April 22, 2020. Mr. Hawkins is a member of the Compensation and Nomination Committees. Mr. Hawkins stepped down as CEO of the Company on March 15, 2021, and CFO of the Company on September 23, 2021. Prior to this, he had served as the Chief Financial Officer of MCIG, Inc., since April 8, 2016 through August 2019. Prior to fulfilling this role, Mr. Hawkins was the Managing Member of Epic Industry, LLC and the Chief Financial Officer for ICA Solutions, Inc. Mr. Hawkins has worked in the hospitality and entertainment, blockchain, satellite, retail, manufacturing, distribution, and construction industries, providing executive level services as CEO, CFO, and COO to multiple nanotech public and privately held companies. Mr. Hawkins earned his B.S. in Computer Science and Business Administration from University of Maryland, University College.

Toney E. Jennings was appointed as the Chief Executive Officer of the Company on July 31, 2022, and the Chief Operating Officer of the Company on July 31, 2021, upon the acquisition by the Company of Vengar, where Mr. Jennings was CEO. Mr. Jennings is a cybersecurity pioneer that has been leading teams in the cybersecurity and information technology fields for over 30 years. Prior to his involvement in developing the world's first zero-trust data platform, he was CEO of Encryptics, Inc, which developed rights-managed data encryption and protection solutions. He was also Chairman of SignaCert, Inc., having purchased the IP and assets from Harris Corporation. SignaCert delivered comprehensive and affordable compliance verification and continuous monitoring solutions to both enterprise and government customers. One of his earlier successes was as a founder, CEO, and Chairman of WheelGroup Corporation, the creators of the first commercially available intrusion detection system, delivered through its successful sale to Cisco Systems. Earlier in his career, Mr. Jennings led teams at Trident Data Systems and as an officer at the Air Force Information Warfare Center, conducting penetration testing and vulnerability assessments of operational Department of Defense networks.

William C. Regan was appointed as the Chief Financial Officer of the Company on September 23, 2021. Mr. Regan brings more than 40 years of finance and accounting experience, including more than 25 years at public companies and more than seven years at technology companies. He has extensive transactional experience including two IPOs and numerous acquisitions, divestitures, and financings. Prior to joining the Company, Mr. Regan was Senior Vice President and Chief Financial Officer of Fornetix, a technology company with an advanced encryption key management solution. Mr. Regan began his career as an auditor, then as a tax advisor, with Arthur Andersen & Co., and subsequently held a number of accounting roles with increasing responsibility, including Controller positions at JH Capital Group, Rentech, Inc., National Golf Properties, Inc., Digital Insight Corporation and DTS Digital Cinema, and Chief Financial Officer positions at Weintraub Financial Services, Inc. and Beaufort California, Inc. Mr. Regan had been a consultant with the Company between May 2021 and September 2021. Mr. Regan holds a bachelor's degree in Business Administration – Accounting from California State Polytechnic University, Pomona and is a Certified Public Accountant (inactive).

Brandon L. Hart was appointed as the Chief Technology Officer of the Company on July 31, 2021, upon the acquisition by the Company of Vengar, where he previously held the same position. With over 25 years of experience in the technology sector, Mr. Hart has spent more than 15 years developing innovative zero trust data protection and control solutions. He has more than 16 years filling the role of senior management in technology companies. His career began with Lucent Technologies where he was rapidly promoted through the ranks to become Operations Assistant to the Director of Operations for Worldwide Broadband Services. He has participated in the development and award of more than ten patents, primarily focusing on data security and crypto key management.

Family Relationships

There are no family relationships between or among the above directors, executive officers or persons nominated or charged by us to become directors or executive officers.

Board Leadership Structure

Mr. Hawkins currently serves as the Chairman of our board of directors.

Robert Adams currently serves as the Chairman of the Audit Committee.

Richard C. Schaeffer, Jr., currently serves as the Chairman of the Compensation, Nomination, and Risk Committees.

Conflicts of Interest

Members of our management and board are associated with other firms involved in a range of business activities. Consequently, there are potential inherent conflicts of interest in their acting as officers and directors of our company. Although the officers and directors are engaged in other business activities, we anticipate they will devote an important amount of time to our affairs.

Our officers and directors are now and may in the future become shareholders, officers, or directors of other companies, which may be formed for the purpose of engaging in business activities similar to ours. Accordingly, additional direct conflicts of interest may arise in the future with respect to such individuals acting on behalf of us or other entities. Moreover, additional conflicts of interest may arise with respect to opportunities which come to the attention of such individuals in the performance of their duties or otherwise. Currently, we do not have a right of first refusal pertaining to opportunities that come to their attention and may relate to our business operations.

Our officers and directors are, so long as they are our officers or directors, subject to the restriction that all opportunities contemplated by our plan of operation which come to their attention, either in the performance of their duties or in any other manner, will be considered opportunities of, and be made available to us and the companies that they are affiliated with on an equal basis. A breach of this requirement will be a breach of the fiduciary duties of the officer or director. If we, or the companies with which the officers and directors are affiliated, both desire to take advantage of an opportunity, then said officers and directors would abstain from negotiating and voting upon the opportunity. However, all directors may still individually take advantage of opportunities if we should decline to do so. Except as set forth above, we have not adopted any other conflict of interest policy with respect to such transactions.

Involvement in Certain Legal Proceedings

Except as noted below, none of the following events have occurred during the past five years and are material to an evaluation of the ability or integrity of any director or officer of the Company:

1. A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;
2. Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. Such person was the subject of any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:

    a. Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;
    b. Engaging in any type of business practice; or
    c. Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;

4. Such person was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (f)(3)(i) of this section, or to be associated with persons engaged in any such activity;
5. Such person was found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;
6. Such person was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended, or vacated;
7. Such person was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended, or vacated, relating to an alleged violation of:

    a. Any Federal or State securities or commodities law or regulation; or
    b. Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or
    c. Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

8. Such person was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29)), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Committees

The board of directors has four standing committees: Audit, Compensation, Nomination, and Risk.

The Audit Committee consists of Mr. Adams, Dr. Aaraj, and Mr. Schaeffer. Mr. Adams is the Chairman of the Audit Committee. The Charter of the Audit Committee was filed with the Annual Report for the year ended January 31, 2021.

The Compensation Committee consists of Mr. Adams, Mr. Hawkins, and Mr. Schaeffer. Mr. Schaeffer is the Chairman of the Compensation Committee. The Charter of the Compensation Committee was filed with the Annual Report for the year ended January 31, 2021.

The Nomination Committee consists of Mr. Adams, Mr. Hawkins, and Mr. Schaeffer. Mr. Schaeffer is the Chairman of the Nomination Committee. The Charter of the Nomination Committee will be filed once completed.

The Risk Committee consists of Mr. Adams, Dr. Aaraj, and Mr. Schaeffer. Mr. Schaeffer is the Chairman of the Risk Committee. The Risk Committee Charter was filed with the Annual Report for the year ended January 31, 2022.

Code of Ethics

We adopted a code of ethics that applies to our officers and directors that has been previously filed.

Indemnification of Directors and Officers.

Under the Florida Business Corporation Act, we can indemnify our directors and officers against liabilities they may incur in such capacities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Our amended and restated articles of incorporation provide that, pursuant to Florida law, our directors shall not be liable for monetary damages for breach of the directors' fiduciary duty of care to us and our stockholders. This provision in the articles of incorporation does not eliminate the duty of care, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Florida law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to us or our stockholders, for acts or omissions not in good faith or involving intentional misconduct or knowing violations of law, for any transaction from which the director directly or indirectly derived an improper personal benefit, and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Florida law. The provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws.

Our bylaws, as amended, provide for the indemnification of our directors and officers to the fullest extent permitted by the Florida Business Corporation Act. We are not, however, required to indemnify any director or officer in connection with any (a) willful misconduct, (b) willful neglect, or (c) gross negligence toward or on behalf of us in the performance of his or her duties as a director or officer. We are required to advance, prior to the final disposition of any proceeding, promptly on request, all expenses incurred by any director or officer in connection with that proceeding on receipt of any undertaking by or on behalf of that director or officer to repay those amounts if it should be determined ultimately that he or she is not entitled to be indemnified under our bylaws or otherwise.

We have been advised that, in the opinion of the SEC, any indemnification for liabilities arising under the Securities Act of 1933 is against public policy, as expressed in the Securities Act, and is, therefore, unenforceable.

ITEM 11. EXECUTIVE COMPENSATION.

Mr. Jaffe was appointed as the CEO on March 15, 2021, and resigned as CEO on July 31, 2022. Mr. Jennings was appointed as CEO on July 31, 2022.

The following table sets forth certain compensation information for: (i) the person who served as the Chief Executive Officer of the Company, during the years ended January 31, 2024 and 2023, regardless of the compensation level, and (ii) each of our other executive officers, serving as an executive officer at any time during the years ended January 31, 2024 and 2023. Messrs. Jennings, Regan, and Hart are collectively referred to as the "Named Executive Officers." Compensation information is shown for the years ended January 31, 2024 and January 31, 2023:

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Comp ($)	Non-Qualified Deferred Comp Earnings ($)	All Other Comp ($)	Totals ($)
Toney E. Jennings[1]	2024	196,875	-	-	-	-	-	-	196,875
CEO and COO	2023	225,000	49,000	-	-	-	-	-	274,000
William C. Regan[2]	2024	87,500	-	-	-	-	-	-	87,500
CFO	2023	100,000	-	-	-	-	-	-	100,000
Brandon L. Hart[3]	2024	133,875	-	-	-	-	-	-	133,875
CTO	2023	153,000	42,000	-	-	-	-	-	195,000
Richard C. Schaeffer, Jr.[4]	2024	-	-	-	-	-	-	-	-
Director	2023	-	-	-	-	-	-	-	-
Dr. Najwa Aaraj[5]	2024	-	-	-	-	-	-	-	-
Director	2023	-	-	-	-	-	-	-	-
Robert E. Adams[6] [7]	2024	-	-	-	-	-	-	-	-
Director	2023	-	-	-	-	-	-	-	-
Craig T. Stephens[8]	2024	-	-	-	-	-	-	-	-
Director	2023	-	-	-	-	-	-	-	-
Michael W. Hawkins[6][7]	2024	-	-	-	-	-	-	-	-
Director	2023	-	-	-	-	-	-	-	-
Thomas G. Amon[9]	2024	-	-	-	-	-	-	-	-
Former Director	2023	-	-	-	-	-	-	-	-
Eric Jaffe[6][10]	2024	-	-	-	-	-	-	-	-
Former Director and former CEO	2023	41,667	-	-	-	-	-	-	41,667

1. Mr. Jennings' bonuses were based on achieving certain quarterly goals relating to software development and improvements in marketing and sales. On July 31, 2021, the Company issued a warrant to Mr. Jennings for the purchase of up to a total of 200,000 shares of common stock at $5.05 per share, which was subsequently reduced by the board to $1.00 per share. Under the vesting schedule, 50,000 shares vested upon execution of the Stock Warrant Agreement with 50,000 additional shares vesting on the anniversary date (July 30) of each year for three consecutive years.
2. On September 22, 2021, the Company issued a warrant to Mr. Regan for the purchase of up to a total of 400,000 shares of common stock at $6.40 per share, which was subsequently reduced by the board to $1.00 per share. Under the vesting schedule, 100,000 shares vested upon execution of the Stock Warrant Agreement with 100,000 additional shares vesting on the anniversary date (September 21) of each year for three consecutive years.
3. Mr. Hart's bonuses were based on achieving certain quarterly goals relating to software development. On July 31, 2021, the Company issued a warrant to Mr. Hart for the purchase of up to a total of 200,000 shares of common stock at $5.05 per share, which was subsequently reduced by the board to $1.00 per share. Under the vesting schedule, 50,000 shares vested upon execution of the Stock Warrant Agreement with 50,000 additional shares vesting on the anniversary date (July 30) of each year for three consecutive years.
4. On September 15, 2021, the Company issued a warrant to Mr. Schaeffer for the purchase of up to a total of 200,000 shares of common stock at $6.40 per share, which was subsequently reduced by the board to $1.00 per share. Under the vesting schedule, 50,000 shares vested upon signing and 50,000 vest per year for three consecutive years.

5. On August 9, 2023, the majority of shareholders of the Company elected to appoint Dr. Najwa Aaraj as the Company's Director to fulfill the vacant Director of the Board following the resignation of Thomas Amon. On September 5, 2023, the Company issued a warrant to Dr. Aaraj for the purchase of up to a total of 100,000 shares of common stock at $1.00 per share. Under the vesting schedule, 25,000 shares vested upon signing and 25,000 vest per year for three consecutive years.
6. On March 11, 2021, officers of the Company were issued a warrant to purchase 200,000 shares at $2.21 per share, which was subsequently reduced by the board to $1.00 per share. The warrants expire on January 31, 2028. Under the vesting schedule, 50,000 shares vested upon execution of the Stock Warrant Agreement with 50,000 additional shares vesting on the anniversary date (March 10) of each year for three consecutive years.
7. On February 1, 2021, directors of the Company were issued a warrant to purchase 125,000 shares at $2.21 per share, which was subsequently reduced by the board to $1.00 per share. The warrants expire on January 31, 2028. Under the vesting schedule, 50,000 shares vested upon execution of the Stock Warrant Agreement with 25,000 additional shares vesting on the anniversary date (January 31) of each year for three consecutive years.
8. On March 14, 2024, the Board of Directors of the Company elected to appoint Mr. Stephens as the Company's Director to fulfill the vacant Director of the Board following the resignation of Mr. Jaffe.
9. On September 20, 2021, the Company issued a warrant to Mr. Amon for the purchase of up to a total of 125,000 shares of common stock at $6.80 per share, which was subsequently reduced by the board to $1.00 per share. Under the vesting schedule, 50,000 shares vested upon signing and 25,000 vest per year for three consecutive years. On July 31, 2023, Mr. Amon resigned as Director of the Company.
10. On March 13, 2024, Mr. Jaffe resigned as Director of the Company.

Agreements

On February 1, 2021, the Company entered into a Stock Warrant Agreement with each of the Directors of the Company. The Stock Warrant Agreement corresponds with the issuance of a warrant to serve as a Director of the Company for a period of 3 years.

On March 11, 2021, the Company entered into a Stock Warrant Agreement with each of the Officers of the Company. The Stock Warrant Agreement corresponds with the issuance of a warrant to serve as an Officer of the Company for a period of 3 years.

On July 31, 2021, the Company entered into a Stock Warrant Agreement with each of Mr. Jennings and Mr. Hart. The Stock Warrant Agreement corresponds with the issuance of a warrant to serve as an Officer of the Company for a period of 3 years.

On September 15, 2021, the Company entered into a Stock Warrant Agreement with Mr. Schaeffer. The Stock Warrant Agreement corresponds with the issuance of a warrant to serve as a Director of the Company for a period of 3 years.

On September 20, 2021, the Company entered into a Stock Warrant Agreement with Mr. Amon. The Stock Warrant Agreement corresponds with the issuance of a warrant to serve as a Director of the Company for a period of 3 years.

On September 22, 2021, the Company entered into a Stock Warrant Agreement with Mr. Regan. The Stock Warrant Agreement corresponds with the issuance of a warrant to serve as an Officer of the Company for a period of 3 years.

On September 5, 2023, the Company entered into a Stock Warrant Agreement with Dr. Aaraj. The Stock Warrant Agreement corresponds with the issuance of a warrant to serve as a Director of the Company for a period of 3 years.

Outstanding Equity Awards as of January 31, 2024

None

Options Exercises and Stocks Vested

None

Grants of Plan-Based Awards

None

Non-Qualified Deferred Compensation

None

Golden Parachute Compensation

None

Director Compensation

From April 17, 2020 through March 2023, there has been no cash compensation for members of the board of directors. In January 2023, the board of directors approved director compensation of $2,000 for each in-person board or shareholder meeting effective with the April 2023 board meeting. During the year ended January 31, 2024, director compensation was accrued, but not paid out.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Under Rule 13d-3 under the Exchange Act, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the number of shares beneficially owned by such person (and only such person) by reason of these acquisition rights.

Common Stock

The following table indicates beneficial ownership of our common stock, as of January 31, 2024 by:

- Each person or entity known by the Company to beneficially own more than 5% of the outstanding shares of its common stock;
- Each executive officer and director of the Company;
- All executive officers and directors of the Company as a group; and
- Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities.

Name of Beneficial Owner[(1)(2)(3)]	Amount and Nature of Beneficial Ownership	Percentage of Class[(4)]
Paul Rosenberg	5,465,860 common shares	32.3
Michael W. Hawkins[(5)]	2,478,698 common shares	14.6
Shilo Nancy Barker	1,258,750 common shares	7.5
Christian Rishel	1,258,750 common shares	7.5
Abdul Mohsen Al-Faraj	1,085,928 common shares	6.4
Toney E. Jennings	461,970 common shares	2.7
Brandon L. Hart	461,970 common shares	2.7
William C. Regan	305,000 common shares	1.8
Robert E. Adams	250,000 common shares	1.5
Richard C. Schaeffer, Jr.	168,784 common shares	*
Eric C. Jaffe	115,584 common shares	*
Dr. Najwa Aaraj	25,000 common shares	*
Total as a group	13,336,294 common shares	78.8

* Less than 1%

(1) Unless otherwise indicated, the address of each beneficial owner listed above is c/o Everything Blockchain, Inc., 12574 Flagler Center Blvd, Suite 101, Jacksonville, FL 32258.

(2) The following shares of common stock that may be acquired within 60 days of January 31, 2024 and are included in the table above:

- Michael W. Hawkins – 250,000 under warrants
- Abdul Mohsen Al-Faraj – 25,000 under warrants
- Toney E. Jennings – 150,000 under warrants
- Brandon L. Hart – 150,000 under warrants
- William C. Regan – 300,000 under warrants
- Robert E. Adams – 250,000 under warrants
- Richard C. Schaeffer, Jr. – 150,000 under warrants
- Eric C. Jaffe – 100,000 under warrants
- Dr. Najwa Aaraj – 25,000 under warrants
- all beneficial owners as a group – 1,400,000 under warrants

(3) The Security Ownership table above does not include the following:

- Michael W. Hawkins – 75,000 under warrants
- Toney E. Jennings – 50,000 under warrants
- Brandon L. Hart – 50,000 under warrants
- William C. Regan – 100,000 under warrants
- Robert E. Adams – 75,000 under warrants
- Richard C. Schaeffer, Jr. – 50,000 under warrants
- Eric C. Jaffe – 50,000 under warrants
- Dr. Najwa Aaraj – 75,000 under warrants
- all beneficial owners as a group – 525,000 under warrants

(4) Based on 16,902,546 shares of common stock outstanding as of January 31, 2024.

(5) Epic owns 2,103,698 shares of common stock of which Michael Hawkins is the sole owner. Common shares for Epic are included in the amounts for Michael Hawkins.

Series A Preferred Stock

The following table indicates beneficial ownership of our Series A preferred stock, as of January 31, 2024 by:

- Each person or entity known by the Company to beneficially own more than 5% of the outstanding shares of its common stock;
- Each executive officer and director of the Company;
- All executive officers and directors of the Company as a group; and
- Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities.

Name of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership	Percentage of Class(2)
Epic Industry Corp	150,000 Series A preferred shares	100.0

(1) Unless otherwise indicated, the address of each beneficial owner listed above is c/o Everything Blockchain, Inc., 12574 Flagler Center Blvd, Suite 101, Jacksonville, FL 32258.

(2) Based on 150,000 shares of Series A preferred stock outstanding as of January 31, 2024.

Series C Preferred Stock

The following table indicates beneficial ownership of our Series C preferred stock, as of January 31, 2024 by:

- Each person or entity known by the Company to beneficially own more than 5% of the outstanding shares of its common stock;
- Each executive officer and director of the Company;
- All executive officers and directors of the Company as a group; and
- Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities.

Name of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership	Percentage of Class(2)
Alamo City Engineering Services Inc.	1,052,632 Series C preferred shares	77.8
Robert E. Adams	300,000 Series C preferred shares	22.2
Total as a group	1,352,632 Series C preferred shares	100.0

(1) Unless otherwise indicated, the address of each beneficial owner listed above is c/o Everything Blockchain, Inc., 12574 Flagler Center Blvd, Suite 101, Jacksonville, FL 32258.

(2) Based on 1,352,632 shares of Series C preferred stock outstanding as of January 31, 2024.

Description of Capital Structure

General

Our authorized capital stock consists of 200 million shares of common stock, par value $ 0.0001.

Common Stock

The shares of our common stock presently outstanding, and any shares of our common stock issuable upon exercise of common stock purchase options and/or warrants, will be fully paid and non-assessable. Each holder of common stock is entitled to one vote for each share owned on all matters voted upon by shareholders, and a majority vote is required for all actions to be taken by shareholders. In the event we liquidate, dissolve or wind-up our operations, the holders of the common stock are entitled to share equally and ratably in our assets, if any, remaining after the payment of all our debts and liabilities and the liquidation preference of any shares of preferred stock that may then be outstanding. Holders of common stock have no preemptive rights, no cumulative voting rights, and no redemption, sinking fund, or conversion provisions. Holders of common stock are entitled to receive dividends, if and when declared by the board of directors, out of funds legally available for that purpose, subject to the dividend and liquidation rights of any preferred stock that may then be outstanding.

Preferred Stock

As of January 31, 2024, our authorized capital stock consists of one million shares of Series A Preferred Stock, par value $0.0001, and ten million shares of Series C Preferred Stock, par value $0.0001. In addition, we have 48 million blank check preferred stock authorized.

Voting Rights

Each holder of Common Stock is entitled to one vote for each share of Common Stock held on all matters submitted to a vote of stockholders. Each holder of Series A Preferred Stock is entitled to one thousand votes for each share of Series A Preferred Stock held on all matters submitted to a vote of stockholders. Each holder of Series C Preferred Stock is entitled to one vote for each share of Series C Preferred Stock held on all matters submitted to a vote of stockholders.

Dividends

Subject to preferences that may be applicable to any then-outstanding securities with greater rights, if any dividends are dispersed by the Company, holders of Common Stock are entitled to receive, ratably, such dividends, if any, as may be declared from time to time by the Company's board of directors out of legally available funds. The Company and its predecessors have not declared any dividends in the past and do not presently contemplate that there will be any future payment of any dividends on Common Stock.

Indemnification of Officers and Directors

As permitted by Florida Statutes, our Articles of Incorporation provide that we will indemnify our directors and officers against expenses and liabilities they incur to defend, settle, or satisfy any civil or criminal action brought against them on account of their being or having been Company directors or officers unless, in any such action, they are adjudged to have acted with gross negligence or willful misconduct.

Pursuant to the foregoing provisions, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The Risk Committee is responsible for reviewing and approving all related party transactions. While we do not have a formal written policy or procedure for the review, approval or ratification of related party transactions, the Risk Committee must review the material facts of any such transaction and approve that transaction on a case-by-case basis.

Certain Relationships and Related Transactions

During the quarter ended July 31, 2021, the Company issued 50,000 shares of Series A Preferred Stock to Epic. The issuance was done as a prepayment for services to generate sales for the Company. The shares are earned as sales generated by Epic achieve certain sales targets.

In May 2023, Overwatch distributed to us Pulse and PulseX tokens of 12.3 billion each. As a result of this transaction, the Company distributed to Epic 2.5 billion Pulse tokens. The receipt of Pulse and PulseX also earned Epic 50,000 shares of Series A Preferred Stock, which were issued to Epic during the quarter ended July 31, 2021 and recorded as a prepaid expense of $2.0 million. Our board decided that the value received from Pulse and PulseX, in lieu of sales, satisfied the requirements for the Series A Preferred Stock to be earned by Epic.

On August 11, 2022, our board of directors approved the sale of our 2022 Cadillac Escalade to Eric Jaffe, our former chief executive officer and current board member, for $91,983. Mr. Jaffe paid for the vehicle with 26,662 shares of his Company common stock. The shares are considered treasury stock.

On August 14, 2022, to fund operations our board of directors approved the sale of 10 million HEX tokens to Michael Hawkins for $450,000. During the nine months ended October 31, 2022, the market price of HEX dropped. The Company recorded a loss on the transaction of approximately $47,000.

On September 16, 2022, to fund operations our board of directors approved the sale of approximately 6.7 million HEX tokens and approximately 7 Bitcoins to Michael Hawkins for $304,747. During the nine months ended October 31, 2022, the market prices of HEX and Bitcoin dropped. The Company recorded a loss on the transaction of approximately $195,000.

On January 5, 2023, the Company sold one million shares of Series C Preferred Stock for $1.5 million to ACES.

On July 14, 2023, a board director of the Company loaned it $55,000, representing half of the Company's employee retention credit refund, which the Company expects to receive during the year ending January 31, 2025. The note calls for the payment of the principal sum of $55,000 plus interest of $12,500 for a total of $67,500. The maturity date of the note is upon receipt of the employee retention credit refund.

On August 2, 2023, Epic elected to convert 125,000 shares of Series B Preferred Stock into 1,250,000 shares of common stock.

On August 15, 2023, Epic, with the approval of the board, purchased Mercury's building for $480,000. Mercury used $461,000 of the proceeds from the sale to payoff both Mercury's line of credit and term loan. After paying off the notes and closing costs, Mercury was left with $11,000 for general corporate purposes.

On September 5, 2023, the board of directors approved the repricing of the exercise price of 2,125,000 warrants to $1.00 per share and extending the expiration date of the warrants until January 31, 2028.

On September 5, 2023, the Company issued one warrant to a board member for the purchase of up to a total of 100,000 shares of common stock at $1.00 per share. The warrant expires on September 5, 2028.

On September 7, 2023, Epic formalized its loans to the Company in a $1.0 million note. The note includes a mechanism to increase the amount of the note with the mutual consent of Epic and the Company. As of January 31, 2024, the note balance is $1.1 million. Monthly interest only payments at an annual rate of 4% will be made through the maturity date of February 1, 2025. If interest payments are made late after the cure period, the interest due shall be recalculated at the highest rate authorized by Florida law, which is 18% per annum. Epic in its sole discretion, at any time prior to the maturity date, may convert the principal, partial principal, and/or interest due into shares of the Company's common stock at a static price of $1.00 per share. During the year ended January 31, 2024, the Company was late on three of its interest payments. Epic chose to take the late interest payments in the form of Company common stock. Therefore, the Company issued to Epic 45,000 shares of common stock in lieu of interest payments of $45,000.

On September 20, 2023, Epic gave back to the Company 48,802 shares of common stock in settlement of a disputed receivable the Company had with a consultant.

On September 28, 2023, Robert Adams, a board director, purchased 300,000 shares of Series C preferred stock for 11.0 billion PulseX tokens, which equaled $104,000 at date of transfer of the tokens.

Director Independence

Our board of directors is comprised of five members, of which four members are "independent" within the meaning of Marketplace Rule 5605 of the NASDAQ Stock Market.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The following table presents fees billed and expected to be billed for audit fees and tax fees rendered by Elkana Amitai CPA for the years ended January 31, 2024 and 2023.

	For the Years Ended January 31,	
	2024	2023
Elkana Amitai CPA		
Audit Fees(1)	$ 32,000	$ 29,000
Tax Fees	-	-
Total	$ 32,000	$ 29,000

(1) This category includes the audit of our annual financial statements, review of financial statements included in our Quarterly Reports on Form 10-Q and services that are normally provided by the independent registered public accounting firm in connection with engagements for those fiscal years. This category also includes consultations on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

Our board of directors has adopted a procedure for pre-approval of all fees charged by our independent registered public accounting firm. Under the procedure, the board of directors approves the engagement letter with respect to audit, tax, and review services. Other fees are subject to pre-approval by the board of directors, or, in the period between meetings, by a designated member of the board of directors. The audit fees paid to the auditors with respect to the years ended January 31, 2024 and 2023 were pre-approved by the board of directors.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

Exhibits	Description
31	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act
32	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

ITEM 16. FORM 10-K SUMMARY.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Everything Blockchain, Inc.

Date: May 15, 2024

By: */s/ Toney E. Jennings*
Toney E. Jennings
Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Position	Date
/s/ Toney E. Jennings Toney E. Jennings	Chief Executive Officer *(Principal Executive Officer)*	May 15, 2024
/s/ William C. Regan William C. Regan	Chief Financial Officer (Principal Financial and Accounting Officer)	May 15, 2024
/s/ Michael W. Hawkins Michael W. Hawkins	Chairman of the Board of Directors	May 15, 2024
/s/ Najwa Aaraj Najwa Aaraj	Director	May 15, 2024
/s/ Robert E. Adams Robert E. Adams	Director	May 15, 2024
/s/ Richard C. Schaeffer, Jr. Richard C. Schaeffer, Jr.	Director	May 15, 2024
/s/ Craig T. Stephens Craig T. Stephens	Director	May 15, 2024

EXHIBIT 31.1

Certification of CEO pursuant to 18 U.S.C. Section 1350
as adopted pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2002.

I, Toney E. Jennings, certify that:

1. I have reviewed this annual report on Form 10-K of Everything Blockchain, Inc.;

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

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

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

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

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

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

   (d) Disclosed in this report any change in the Issuer's internal control over financial reporting that occurred during the Registrant's fiscal year ending January 31, 2023 that has materially affected, or is reasonably likely to materially affect, the Issuer's internal control over financial reporting.

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

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

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

Dated: May 15, 2024

/s/ Toney E. Jennings
Toney E. Jennings
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

Certification of CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 and 906 of the Sarbanes-Oxley Act of 2002.

I, William C. Regan, certify that:

1. I have reviewed this annual report on Form 10-K of Everything Blockchain, Inc.;

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

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

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

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

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

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

   (d) Disclosed in this report any change in the Issuer's internal control over financial reporting that occurred during the Registrant's fiscal year ending January 31, 2023 that has materially affected, or is reasonably likely to materially affect, the Issuer's internal control over financial reporting.

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

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, proce4ss, summarize and report financial information; and

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

Dated: May 15, 2024

/s/ William C. Regan
William C. Regan
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the annual report of Everything Blockchain, Inc. (the "Company") on Form 10-K for the period ending January 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Toney E. Jennings, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Dated: May 15, 2024

/s/ Toney E. Jennings
Toney E. Jennings
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the annual report of Everything Blockchain, Inc. (the "Company") on Form 10-K for the period ending January 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William C. Regan, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Dated: May 15, 2024

/s/ William C. Regan
William C. Regan
Chief Financial Officer