



10. Directors, Executive Officers and Corporate Governance 36A Item 11. Executive Compensation 39A Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters 42A Item 13. Certain Relationships and Related Transactions, and Director Independence 44A Item 14. Principal Accountant Fees and Services 44A A A A A Part IV A A A A A Item 15. Exhibits and Financial Statement Schedules 45A Item 16. Form 10-K Summary 46A A 2Table of Contents A Cautionary Statement Regarding Forward-Looking Statements A This Annual Report on Form 10-K contains express and implied forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which statements involve substantial risks and uncertainties. Other than statements of historical fact, all statements contained in this Annual Report on Form 10-K including statements regarding our future results of operations and financial position, our business strategy and plans and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "potentially," "estimate," "continue," "anticipate," "plan," "intend," "could," "would," "expect," or words or expressions of similar substance or the negative thereof, that convey uncertainty of future events or outcomes are intended to identify forward-looking statements. A These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors," that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. A Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results. A 3Table of Contents A PART I A Item 1. Business A General Overview A As used in this annual report and unless otherwise indicated, the terms "we," "us," "our," "Upexi," and the "Company" mean Upexi, Inc., a Nevada corporation formed in 2018. The Company has eleven active subsidiaries, which include: A A A "HAVZ, LLC, d/b/a Steam Wholesale, a California limited liability company A "A Gummy Labs, LLC, a Delaware limited liability company A "MW Products, Inc., a Nevada corporation A "Upexi Holding, LLC, a Delaware limited liability company A "Upexi Pet Products, LLC, a Delaware limited liability company A "Upexi Enterprise, LLC, a Delaware limited liability company A "Upexi Distribution LLC, a Delaware limited liability company A "Upexi Distribution Management LLC, a Delaware limited liability company A "Upexi Property & Assets, LLC, a Delaware limited liability company A "Upexi CP / Canada Inc., a Canadian corporation A "Prax Products, LLC, a Florida limited liability company A "Upexi Development and Marketing, LLC, a Delaware limited liability company A "Trunano Labs, Inc., a Nevada corporation A "VitaMedica, Inc., a Nevada corporation A "E-Core Technology, Inc., a Florida corporation A "Infusionz LLC, a Colorado limited liability company A "Interactive Offers, LLC, a Delaware limited liability company A In addition, the Company has six wholly owned subsidiaries that had no activity during the years ended June 30, 2024 and 2023. All of the entities were dissolved or canceled as of June 30, 2024. A A "Steam Distribution, LLC, a California limited liability company A "One Hit Wonder, Inc., a California corporation A "One Hit Wonder Holdings, LLC, a California limited liability company A "Vape Estate, Inc., a Nevada Corporation A "SWCH, LLC, a Delaware limited liability company A "Cresco Management, LLC, a California limited liability company A 4Table of Contents A Emerging Growth Company Status A We are an emerging growth company under the Jumpstart Our Business Startups (JOBS) Act of 2012. We shall continue to be deemed an emerging growth company until the earliest of: A 1. The last day of our fiscal year during which our total annual gross revenues exceed \$1,235,000,000 (as such amount is indexed for inflation every 5 years by the Commission to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics); A A A 2. The last day of our fiscal year in which the fifth anniversary of the first sale of our common equity securities pursuant to an effective IPO registration statement occurred; A A A 3. The date on which the Company has, during the previous 3-year period, issued more than \$1,000,000 in non-convertible debt; or A A A 4. The date on which the Company qualifies as a "large accelerated filer," as defined in section 240.12b-2(2) of title 46, Code of Federal Regulations, or any successor thereto. A As an emerging growth company, we are exempt from Section 404(b) of the Sarbanes-Oxley Act of 2002. Section 404(a) requires issuers to publish information in their annual reports concerning the scope and adequacy of the internal control structure and procedures for financial reporting. This statement shall also assess the effectiveness of such internal controls and procedures. Section 404(b) requires that the registered accounting firm shall, in the same report, attest to and report on the assessment and the effectiveness of the internal control structure and procedures for financial reporting. A As an emerging growth company, we are also exempt from Section 14A and B of the Securities Exchange Act of 1934, which require the shareholder approval of executive compensation and golden parachutes. These exemptions are also available to us as a smaller reporting company that qualifies as a non-accelerated filer. A DESCRIPTION OF BUSINESS A Our Company A Upexi is a brand owner specializing in the development, manufacturing, and distribution of consumer products. We reach consumers through our direct-to-consumer network, wholesale partnerships, and major third-party platforms like Amazon. A The Brands A LuckyTail, where at-home care meets innovation. We connect pet owners with the products they need to simplify and improve at-home wellness and grooming care for their beloved pets, empowering pet parents to provide their cherished furry companions with the pampering they deserve in the comfort of their own space. A 5Table of Contents A LuckyTail products consist of its flagship nail grinder and healthy all-natural pet supplements A At PRAX, we fuel modern go-getters to achieve their best selves through innovative energy solutions. Powered by paraxanthine A an advanced alternative to caffeine, our mission is to support your hustle and power your ambitions. Energize better, perform smarter, fuel different. A We are launching this new brand in October of 2024 with several innovative products to follow. A At Cure Mushrooms, we have harnessed the extraordinary benefits of nature A most powerful superfood: functional mushrooms. Our suite of premium mushroom extracts are meticulously crafted to elevate overall well-being, offering a wide spectrum of health benefits and a holistic approach to everyday wellness. From fortifying your immune system, to sharpening cognition, to combating the rigors of daily stress, our products are designed to deliver full-body wellness and convenience with every serving. A At Moonwlkr, we craft cannabinoid experiences that take you beyond the ordinary. By combining award-winning natural flavors and one-of-a-kind blends, we invite you to feel the thrill of the unknown, the calm of weightless relaxation, or the anticipation of a new adventure. A At Gumi Labs we manufacture gummies and other products supporting our health and wellness products, including those products manufactured with hemp ingredients. A Our manufacturing facility has been moved to Florida and is at full capacity as of August of 2024. A 6Table of Contents A At Upexi Distribution, we manage the warehousing and logistic needs of the Company and provide storage, consolidation, assembly, Amazon preparation, distribution and fulfillment services to our brands and our manufacturing operation. A A A A Our history A The Company operates manufacturing and/or distribution centers in Nevada supporting health and wellness products, including those products manufactured with hemp ingredients and our overall distribution operations. A July 2020 - the Company purchased Infusionz LLC. A Infusionz was a similar business in the manufacturing and distribution of products and owned certain product brands that we believe could be expanded through the merger. A June 2021 - Upexi Inc. became a listed company on the NASDAQ stock exchange. A August 2021 - The Company purchased the assets of VitaMedica Corporation, a California corporation (VitaMedica). A VitaMedica is a leading online seller of supplements for surgery, recovery, skin, beauty, health and wellness. A October 2021 - The Company purchased Interactive Offers, LLC, a Delaware limited liability company. Interactive provides programmatic advertising with its SaaS platform which allows for programmatic advertisement placement automatically on any partners A sites from a simple dashboard. A April 2022 A The Company purchased 55% of Cygnet Online, LLC, a Delaware limited liability company (A "Cygnet"). A Cygnet operates a warehouse and distribution center for the management of day-to-day operations for product liquidation through Amazon and other on-line resellers. A August 2022 A The Company purchased the assets to the brand LuckyTail. A The acquisition of LuckyTail provided the Company with a foothold in the pet care industry and a strong presence on Amazon and its eCommerce store, offering nutritional and grooming products domestically and internationally. A October 2022 - The Company purchased E-Core Technology, Inc. d/b/a New England Technology, Inc. (A "E-Core"), a Florida corporation. A E-Core distributes non-owned branded products to national retail distributors and has branded products in the toy industry that E-Core sells direct to consumers through online sales channels and to national retail distributors. A October 2022 A The Company sold all rights to Infusionz brands and the manufacturing of certain private label business. A Infusionz was originally purchased by the Company in July of 2020. A July 2023 A The Company notified the Buyer of the Infusionz brands and the manufacturing business of the defaults and notified the Buyer that all obligations and undertakings to the Buyer are terminated. A A The Company started manufacturing again for brands owned by the Company to ensure there was no interruption to the supply chain of the products. A A August 2023 A The Company purchased the remaining ownership of Cygnet. A August 2023 A The Company sold one hundred percent (100%) of the issued and outstanding equity of its wholly owned subsidiary Interactive Offers, LLC. A A May 2024 A The Company sold its equity interest in the wholly owned subsidiary VitaMedica, a Nevada corporation. A June 2024 A The Company sold its equity interest in the wholly owned subsidiary E-Core Technology, Inc. d/b/a New England Technology, Inc. a Florida corporation. A 7Table of Contents A Regulations A In the United States, hemp products that are manufactured by Upexi are regulated by the U.S. Food and Drug Administration, the Federal Trade Commission, the United States Department of Agriculture (A "USDA"), and various state agencies within the individual states. As an initial matter, the hemp products manufactured and distributed by Upexi must meet the requirements of the Agricultural Improvement Act of 2018 (the "Farm Bill"). Under the Farm Bill, all hemp products must contain no more than 0.3% of 9-delta-tetradycannabinoids (A "9-delta-THC") on a dry weight basis. A To ensure compliance with this provision, Upexi requires all hemp products it manufactures and distributes to contain no more than 0.3% of all tetradycannabinoids not simply 9-delta. A The Farm Bill also requires that Upexi only use hemp [manufacturers/producers] that are duly licensed under state law or pursuant to the regulations issued by the USDA. A Consequently, the Company processes, develops, manufactures, and sells its products pursuant to the Farm Bill. CBD products manufactured and distributed by Upexi Inc. must also meet the requirements of the federal Food, Drug, and Cosmetic Act (A "FDCA") and the federal Food and Drug Administration's (A "FDA") regulations implementing the FDCA. While neither the FDCA nor FDA has specific provisions that relate to the marketing of hemp products, the products are subject to the general adulteration and labeling provisions of the FDCA and FDA's regulations depending on whether the product is marketed as a cosmetic, dietary supplement or food. The permissibility of hemp products containing cannabinoids remains in a state of flux. The FDA has issued guidance titled "FDA Regulation of Cannabis and Cannabis-Derived Products, Including Cannabidiol (CBD)" A pursuant to which the FDA has taken the position that cannabidiol (A "CBD") is prohibited from use as an ingredient in a food or beverage or as a dietary ingredient in or as a dietary supplement based on several provisions of the FDCA. In the definition of A dietary supplement A found in the FDCA at Section 201(ff), an article authorized for investigation as A new drug, antibiotic, or biological for which substantial clinical investigations have been instituted and for which the existence of such investigations has been made public, is excluded from the definition of dietary supplement. A similar provision in the FDCA at 301(l) makes it a prohibited act to introduce or deliver into commerce any food with a substance that was investigated as a new drug prior to being included in a food. There are no similar exclusions for the use of CBD in non-drug topical products, as long as such products otherwise comply with applicable laws. The FDA created a task force to address the further regulation of CBD and other cannabis-derived products and is currently evaluating the applicable science and pathways for regulating CBD and other cannabis-derived ingredients. Additionally, various states have enacted state-specific laws pertaining to the handling, manufacturing, labeling, and sale of CBD and other hemp products. Compliance with state-specific laws and regulations could impact our operations in those specific states. It is important to note that FDA has not taken any specific positions regarding the regulatory status of other cannabinoids, for example CBDA, CBDG, and CBDN. Finally, the Federal Trade Commission is the agency that is vested with ensuring that all marketing claims for hemp products are truthful and non-misleading. A Our Products A Upexi is a brand owner specializing in the development, manufacturing, and distribution of consumer products. We reach consumers through our direct-to-consumer network, wholesale partnerships, and major third-party platforms like Amazon. A The market, customers and distribution methods for eCommerce products are large and diverse. While Amazon remains the largest eCommerce channel, others are carving out a big chunk of the market, including Walmart, eBay, and Etsy. More opportunities are popping up for sellers as well. Being able to navigate multiple marketplaces is a key to our success and helps reach different demographics and consumers with specific buying behaviors. A Our target customers are first and foremost end consumers via internet sales; however, we see growth opportunities in direct-to-consumer retail stores, cooperatives, affiliate sales and master distributors. As we continue to develop our business, these markets may change, be re-prioritized or eliminated as management responds to consumer and regulatory developments. A 8Table of Contents A Our Competitive Strengths A We attribute our success to our consumer products by controlling each phase of the process from manufacturing to order fulfillment. A As the manufacturer of our primary products, we are able to control our costs and improve profitability at each step of the process, starting with the development of new products. A Our products take priority in manufacturing give us a higher inventory turnover rate and accelerates the timeline for new product launches. A In addition, we are able to adjust to market demands and change production schedules to ensure we maintain optimized inventory levels. A Our primary sales channel is our ecommerce site and our marketing team is led by an expert in the online direct to consumer sales as she has been with the brand since its inception. We have the ability to direct product manufacturing and increase sales with special promotions and product variations with little or no delay in bringing the product to market. A Our direct to consumer focus reduces the overall supply costs as we do not have retail outlets or maintain distribution networks for small retail operations. A A A A Our executive team comes from a background in logistics, with CEO, Allan Marshall, the founder of XPO Logistics (formerly known as Segmentz, Inc.). With increased shipping costs affecting online retailers, our strength is understanding this and finding ways to lower our costs and overhead, thus increasing profit margins on all of our products. A Our Growth Strategy A Our growth will focus on the expansion of our brands portfolio through organic growth and optimization of our supply chain. A Direct-to-Consumer expansion. A Our direct-to-consumer business is expected to be our growth driver for the next several years with additional brands and products. A Talent acquisition. A Large part of our acquisition process is to not only evaluate the brand/product offerings, but to understand the team that has been responsible for its success. In a tough market for hiring, this has proven to be a strategic method for bringing on talent. We not only get a great brand, but look to retain the personnel, often the heartbeat of said brand, give them resources, and even utilize them for other brands that we have launched internally or acquired. We strongly believe that continued success relies on a growing team of experts across various industries. A Competition A There is heavy competition in our products and we are able to carve out certain niche markets within the industry and there are few competitors that control their manufacturing to distribution as we do. A Our goal is to compete through our product delivery and introduction of new products that we manufacture and deliver directly to the consumer giving us an advantage on our competitors. A We will focus on profitability, and grow efficiently, without the requirement of additional capital. A Government Regulation A We are subject to laws and regulations affecting our operations in a number of areas. These laws and regulations affect the Company's activities in areas, including, but not limited to, the hemp business in the United States, the consumer products and nutritional supplement markets in the United States, consumer protection, labor, intellectual property ownership and infringement, import and export requirements, federal and state healthcare, environmental and safety. The successful execution of our business objectives will be contingent upon our compliance with all applicable laws and regulations and obtaining all necessary regulatory approvals, permits and registrations, which may be onerous and expensive. Any such costs, which may rise in the future as a result of changes in such applicable laws and regulations and the expansion of the Company's business, could make our products less attractive to our customers, delay the introduction of new products, and require the Company to implement policies and procedures designed to ensure compliance with applicable laws and regulations. A 9Table of Contents A We operate our business in markets that are both highly regulated and rapidly evolving. We are subject to numerous federal and state laws and regulations affecting the manufacturing, packaging, labeling and sale of food, beverages, dietary supplements, and personal care products/cosmetics, as well as the use of hemp and hemp-derived ingredients like CBD in such products. The FDA regulates hemp and hemp-derived ingredients in FDA-regulated products pursuant to the provisions of the FDCA and regulations promulgated pursuant to it, in particular those related to adulteration and labeling of cosmetic, food, and dietary supplements. The FDA has issued guidance on the subject and issued letters to companies regarding claims made for products and the use of such ingredients in various products. The FDA also initiated a task force to evaluate pathways for further regulation of hemp and hemp-derived ingredients. At various times, bills pertaining to the regulation of hemp and hemp-derived ingredients have been introduced in both the U.S. Senate and the U.S. House of Representatives, and additional proposed legislation is expected to be introduced in the future to clarify the regulatory status of cannabinoids from hemp generally and CBD generally. Future legislation approved by Congress and signed by the President, or rulemaking promulgated by the FDA, could either positively or

adversely impact the future sale of products by the Company. We are currently not subject to any foreign regulations as we do not currently distribute or export any products, including hemp or CBD related products outside the U.S. Additionally, we are not aware of any foreign regulations that we had to comply with in regard to the sale of our flavoring products to one end user customer in the U.S. who distributed such products to Europe where it had operations. The responsibility for compliance with any European regulations would be on such customer. Additionally, numerous states have passed forms of hemp legislation governing the cultivation of hemp, as well as the further processing and sale of hemp and products with hemp or hemp-derived ingredients. Those states that have not yet enacted laws or issued regulations pertaining to hemp and hemp-derived ingredients may do so in the near future. Unless Congress specifically enacts laws preempting the state regulations of hemp products, we will continue to be subject not only to federal law but various state laws. Presently, Upexi only distributes hemp-products in states that it is legal to do so. Changes in the state laws and regulations could again either positively or adversely affect our ability to sell products in those states. The Company has 64 full-time employees working out of its headquarters in Tampa, Florida, its Odessa, Florida, manufacturing facility, its distribution warehouse in Tampa Florida or individuals' home-based offices. WHERE YOU CAN FIND MORE INFORMATION You are advised to read this Form 10-K in conjunction with other reports and documents that we file from time to time with the SEC. You may obtain copies of these reports directly from us or from the SEC at the SEC's Public Reference Room at 100 F. Street, N.E. Washington, D.C. 20549, and you may obtain information about obtaining access to the Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains information for electronic filers at its website <http://www.sec.gov>. Item 1A. Risk Factors Investing in our common stock involves a high degree of risk. You should consider carefully the risks, uncertainties and other factors described below, in addition to the other information set forth in this Form 10-K, before making an investment decision. Any of these risks, uncertainties and other factors could materially and adversely affect our business, financial condition, results of operations, cash flows or prospects. In that case, the market price of our common stock could decline, and you may lose all or part of your investment in our common stock. See also "Cautionary Statement Regarding Forward-Looking Statements." 10Table of Contents Risks Relating to Our Company Our limited operating history makes it difficult for potential investors to evaluate our business prospects and management. The Company was incorporated on September 5, 2018, and only commenced operations thereafter. Accordingly, we have a limited operating history upon which to base an evaluation of our business and prospects. Operating results for future periods are subject to numerous uncertainties, and we cannot assure you that the Company will achieve or sustain profitability in the future. The Company's prospects must be considered in light of the risks encountered by companies in the early stage of development, particularly companies in new and rapidly evolving markets. Future operating results will depend upon many factors, including our success in attracting and retaining motivated and qualified personnel, our ability to establish short term credit lines or obtain financing from other sources, such as this Offering, our ability to develop and market new products, our ability to control costs, and general economic conditions. We cannot assure you that the Company will successfully address any of these risks. There can be no assurance that our efforts will be successful or that we will ultimately be able to attain profitability. If we are unable to protect our intellectual property rights, our competitive position could be harmed. Our commercial success will depend in part on our ability to obtain and maintain appropriate intellectual property protection in the United States and foreign countries with respect to our proprietary formulations and products. Our ability to successfully implement our business plan depends on our ability to build and maintain brand recognition using trademarks, service marks, trade dress and other intellectual property. We may rely on trade secrets, trademark, patent and copyright laws, and confidentiality and other agreements with employees and third parties, all of which offer only limited protection. The steps we have taken and the steps we will take to protect our proprietary rights may not be adequate to preclude misappropriation of our proprietary information or infringement of our intellectual property rights. If our efforts to protect our intellectual property are unsuccessful or inadequate, or if any third party misappropriates or infringes on our intellectual property, the value of our brands may be harmed, which could have a material adverse effect on the Company's business and prevent our brands from achieving or maintaining market acceptance. Protecting against unauthorized use of our trademarks and other intellectual property rights may be expensive, difficult and in some cases not possible. In some cases, it may be difficult or impossible to detect third-party infringement or misappropriation of our intellectual property rights and proving any such infringement may be even more difficult. We may not be able to effectively manage growth. As we continue to grow our business and develop products, we expect to need additional research, development, managerial, operational, sales, marketing, financial, accounting, legal and other resources. The Company expects its growth to place a substantial strain on its managerial, operational and financial resources. The Company cannot assure that it will be able to effectively manage the expansion of its operations, or that its facilities, systems, procedures or controls will be adequate to support its operations. The Company's inability to manage future growth effectively would have a material adverse effect on its business, financial condition and results of operations. Our management may not be able to control costs in an effective or timely manner. The Company's management has made reasonable efforts to assess, predict and control costs and expenses. However, the Company only has a brief operating history upon which to base those efforts. Implementing our business plan may require more employees, capital equipment, supplies or other expenditure items than management has predicted. Likewise, the cost of compensating employees and consultants or other operating costs may be higher than management's estimates, which could lead to sustained losses. 11Table of Contents We expect our quarterly financial results to fluctuate. We expect our net sales and operating results to vary significantly from quarter to quarter due to a number of factors, including changes in: A. Our ability to obtain and retain existing customers or encourage repeat purchases; B. Our ability to manage our product inventory; C. General economic conditions, both domestically and in foreign markets; D. Advertising and other marketing costs; and E. Costs of creating and expanding product lines. As a result of the variability of these and other factors, our operating results in future quarters may be below the expectations of our stockholders. We are subject to the reporting requirements of U.S. federal securities laws, which can be expensive. We are subject to the information and reporting requirements of the Exchange Act and other federal securities laws, including compliance with the Sarbanes-Oxley Act. The costs of preparing and filing annual and quarterly reports, proxy statements and other information with the SEC and furnishing audited consolidated financial statements to stockholders will cause our expenses to be higher than they would have if we had remained privately held. In addition, it may be time-consuming, difficult and costly for us to develop and implement the corporate governance requirements, internal controls and reporting procedures required by the federal securities laws. This may divert management's attention from other business concerns, which could have a material adverse effect on our business, financial condition, and results of operations. We may need to hire additional financial reporting, internal controls and other finance personnel in order to develop and implement appropriate internal controls and reporting procedures. Cybersecurity breaches of our IT systems could degrade our ability to conduct our business operations and deliver products and services to our customers, delay our ability to recognize revenue, compromise the integrity of our software products, result in significant data losses and the theft of our intellectual property, damage our reputation, expose us to liability to third parties and require us to incur significant additional costs to maintain the security of our networks and data. We increasingly depend upon our IT systems to conduct virtually all of our business operations, ranging from our internal operations and product development activities to our marketing and sales efforts and communications with our customers and business partners. Computer programmers may attempt to penetrate our network security, or that of our website, and misappropriate our proprietary information or cause interruptions of our service. Because the techniques used by such computer programmers to access or sabotage networks change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques. In addition, sophisticated hardware and operating system software and applications that we produce or procure from third parties may contain defects in design or manufacture, including bugs and other problems that could unexpectedly interfere with the operation of the system. We have also outsourced a number of our business functions to third-party contractors, including our manufacturers and logistics providers, and our business operations also depend, in part, on the success of our contractors' own cybersecurity measures. Similarly, we rely upon distributors, resellers and system integrators to sell our products and our sales operations depend, in part, on the reliability of their cybersecurity measures. Additionally, we depend upon our employees to appropriately handle confidential data and deploy our IT resources in a safe and secure fashion that does not expose our network systems to security breaches and the loss of data. Accordingly, if our cybersecurity systems and those of our contractors fail to protect against unauthorized access, sophisticated cyberattacks and the mishandling of data by our employees and contractors, our ability to conduct our business effectively could be damaged in a number of ways. We may incur significant costs and require significant management resources to evaluate our internal control over financial reporting as required under Section 404 of the Sarbanes-Oxley Act, and any failure to comply or any adverse result from such evaluation may have an adverse effect on our stock price. As a smaller reporting company, as defined in Rule 12b-2 under the Exchange Act, we will be required to evaluate our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404") and to include an internal control report. This report must include management's assessment of the effectiveness of our internal control over financial reporting as of the end of the fiscal year. This report must also include disclosure of any material weaknesses in internal control over financial reporting that we have identified. Failure to comply, or any adverse results from such an evaluation could result in a loss of investor confidence in our financial reports and have an adverse effect on the trading price of our equity securities. 12Table of Contents Increases in costs, disruption of supply or shortage of raw materials could harm our business. We may experience increases in the cost or a sustained interruption in the supply or shortage of raw materials. Any such increase or supply interruption could materially negatively impact our business, prospects, financial condition and operating results. We use various raw materials in our business including industrial hemp, pectin, pectin and other raw materials used in the product manufacturing process. The prices for these raw materials fluctuate depending on market conditions and global demand for these materials and could adversely affect our business and operating results. Substantial increases in the prices for our raw materials increase our operating costs and could reduce our margins if we cannot recoup the increased costs through increased prices for our products. Our failure to meet the continuing listing requirements of the NASDAQ Capital Market could result in a delisting of our securities. If we fail to satisfy the continuing listing requirements of NASDAQ, such as the corporate governance, stockholders' equity or minimum closing bid price requirements, NASDAQ may take steps to delist our Common Stock. Such a delisting would likely have a negative effect on the price of our Common Stock and would impair your ability to sell or purchase our Common Stock when you wish to do so. In the event of a delisting, we would likely take actions to restore our compliance with NASDAQ's listing requirements, but we can provide no assurance that any such action taken by us would allow our Common Stock to become listed again, stabilize the market price or improve the liquidity of our securities, prevent our Common Stock from dropping below the NASDAQ minimum bid price requirement or prevent future non-compliance with NASDAQ's listing requirements. We will incur increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could adversely affect our operating results. As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting and corporate governance requirements. These requirements include compliance with Section 404 and other provisions of the Sarbanes-Oxley Act, as well as rules implemented by the Securities and Exchange Commission, or SEC, and the NASDAQ. In addition, our management team will also have to adapt to the requirements of being a public company. We expect complying with these rules and regulations will substantially increase our legal and financial compliance costs and make some activities more time-consuming and costly. The increased costs associated with operating as a public company will decrease our net income or increase our net loss and may require us to reduce costs in other areas of our business or increase the prices of our products. Additionally, if these requirements divert our management's attention from other business concerns, they could have a material adverse effect on our business, financial condition and operating results. As a public company, we also expect that it may be more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as our executive officers. We are eligible to be treated as an "emerging growth company," as defined in the JOBS Act, and a "smaller reporting company" within the meaning of the Securities Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies or smaller reporting companies will make our Common Stock less attractive to investors. We are an "emerging growth company," as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including (1) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, (2) reduced disclosure obligations regarding executive compensation in this annual report and our periodic reports and proxy statements and (3) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. In addition, as an emerging growth company, we are only required to provide two years of audited consolidated financial statements and two years of selected financial data in this annual report. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our Common Stock held by non-affiliates exceeds \$700.0 million as of any December 31 before that time or if we have total annual gross revenue of \$1.0 billion or more during any fiscal year before that time, after which, in each case, we would no longer be an emerging growth company as of the following December 31 or, if we issue more than \$1.0 billion in non-convertible debt during any three-year period before that time, we would cease to be an emerging growth company immediately. 13Table of Contents Additionally, we are a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited consolidated financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (1) the market value of our shares of Common Stock held by non-affiliates exceeds \$250 million as of the prior the end of our second fiscal quarter ending December 31 of each year, or (2) our annual revenues exceed \$100 million during such completed fiscal year and the market value of our ordinary shares held by non-affiliates exceeds \$700 million as of the prior to the end of our second fiscal quarter ending December 31 of each year. To the extent we take advantage of such reduced disclosure obligations, it may also make comparison of our consolidated financial statements with other public companies difficult or impossible. After we are no longer an "emerging growth company," we expect to incur additional management time and cost to comply with the more stringent reporting requirements applicable to companies that are deemed accelerated filers or large accelerated filers, including complying with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. We cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. Risks Relating to Our Business and Industry We operate in a highly competitive environment, and if we are unable to compete with our competitors, our business, financial condition, results of operations, cash flows and prospects could be materially adversely affected. We operate in a highly competitive environment. Our competition includes all other companies that are in the business of producing or distributing hemp-based products for personal use or consumption. Many of our competitors have greater resources that may enable them to compete more effectively than us in the CBD industry. Some of our competitors have a longer operating history and greater capital resources, facilities and product line diversity, which may enable them to compete more effectively in this market. Our competitors may devote their resources to developing and marketing products that will directly compete with our product lines. The Company expects to face additional competition from existing competitors and new market entrants. If a significant number of new entrants enter the market in the near term, the Company may experience increased competition for market share and may experience downward pricing pressure on the Company's products as new entrants increase production. Such competition may cause us to encounter difficulties in generating revenues and market share, and in positioning our products in the market. If we are unable to successfully compete with existing companies and new entrants to the market, our lack of competitive advantage will have a negative impact on our business and financial condition. Unfavorable publicity or consumer perception of our products or similar products developed and distributed by other companies could have a material adverse effect on our reputation, which could result in decreased sales and fluctuations in our business, financial condition and results of operations. We depend on consumer perception regarding the safety and quality of our products, as well as similar products marketed and distributed by other companies. Consumer perception of hemp-based products can be significantly influenced by adverse publicity in the form of published scientific research, national media attention or other publicity, which may associate consumption of our products or other similar products with adverse effects or question the benefits and/or effectiveness of our products or similar products. A new product may initially be received favorably, resulting in high sales of that product, but that level of sales may not be sustainable as consumer preferences change over time. Future scientific research or publicity could be unfavorable to our industry or any of our particular products and may not be consistent with earlier favorable research or publicity. Unfavorable research or publicity could have a material adverse effect on our ability to generate sales. 14Table of Contents Our failure to appropriately and timely respond to changing consumer preferences and demand for new products could significantly harm our customer relationships and have a material adverse effect on our business, financial condition and results of

operations. Our business is subject to changing consumer trends and preferences. Our failure to accurately predict or react to these trends could negatively impact on consumer opinion of us as a source for the latest products, which in turn could harm our customer relationships and cause us to lose market share. The success of our product offerings depends upon a number of factors, including our ability to: (i) Anticipate customer needs; (ii) Innovate and develop new products; (iii) Successfully introduce new products in a timely manner; (iv) Price our products competitively with retail and online competitors; (v) Deliver our products in sufficient volumes and in a timely manner; and (vi) Differentiate our product offerings from those of our competitors. If we do not introduce new products or make enhancements to meet the changing needs of our customers in a timely manner, some of our products could be rendered obsolete, which could have a material adverse effect on our financial condition and results of operations. Future acquisitions or strategic investments and partnerships could be difficult to identify and integrate with our business, disrupt our business, and adversely affect our financial condition and results of operations. We may seek to acquire or invest in businesses and product lines that we believe could complement or expand our product offerings, or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not the acquisitions are completed. Future acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our financial position and results of operations. In addition, if an acquired business or product line fails to meet our expectations, our business, financial condition, and results of operations may be adversely affected. Failure to successfully integrate acquired businesses and their products and other assets into our Company, or if integrated, failure to further our business strategy, may result in our inability to realize any benefit from such acquisition. We expect to grow by acquiring relevant businesses, including other cannabis-related businesses. The consummation and integration of any acquired business, product or other assets into our Company may be complex and time consuming and, if such businesses and assets are not successfully integrated, we may not achieve the anticipated benefits, cost-savings or growth opportunities. Furthermore, these acquisitions and other arrangements, even if successfully integrated, may fail to further our business strategy as anticipated, expose our Company to increased competition or other challenges with respect to our products or geographic markets, and expose us to additional liabilities associated with an acquired business, technology or other asset or arrangement. The failure to attract and retain key employees could hurt our business. Our success also depends upon our ability to attract and retain numerous highly qualified employees. The loss of one or more members of our management team or other key employees or consultants could materially harm our business, financial condition, results of operations and prospects. We face competition for personnel and consultants from other companies, universities, public and private research institutions, government entities and other organizations. Our failure to attract and retain skilled management and employees may prevent or delay us from pursuing certain opportunities. If we fail to successfully fill many management roles, fail to fully integrate new members of our management team, lose the services of key personnel, or fail to attract additional qualified personnel, it will be significantly more difficult for us to achieve our growth strategies and success.

**Table of Contents** We have limited supply sources, and price increases or supply shortages of key raw materials could materially and adversely affect our business, financial condition and results of operations. Our products are composed of certain key raw materials. If the prices of such raw materials increase significantly, it could result in a significant increase in our product development costs. If raw material prices increase in the future, we may not be able to pass on such price increases to our customers. A significant increase in the price of raw materials that cannot be passed on to customers could have a material adverse effect on our business, financial condition and results of operations. The Company believes that its continued success will depend upon the availability of raw materials that permit the Company to meet its labeling claims and quality control standards. The supply of our industrial hemp is subject to the same risks normally associated with agricultural production, such as climatic conditions, insect infestations and availability of manual labor or equipment for harvesting. Any significant delay in or disruption of the supply of raw materials could substantially increase the cost of such materials, could require product reformulations, the qualification of new suppliers and repackaging and could result in a substantial reduction or termination by the Company of its sales of certain products, any of which could have a material adverse effect upon the Company. Accordingly, there can be no assurance that the disruption of the Company's supply sources will not have a material adverse effect on the Company. Loss of key contracts with our suppliers, renegotiation of such agreements on less favorable terms or other actions these third parties may take could harm our business. Most of our agreements with suppliers of our industrial hemp, including our key supplier contract, are short term. The loss of these agreements, or the renegotiation of these agreements on less favorable economic or other terms, could limit our ability to procure raw material to manufacture our products. This could negatively affect our ability to meet consumer demand for our products. Upon expiration or termination of these agreements, our competitors may be able to secure industrial hemp from our existing suppliers which will put the company at a competitive disadvantage in the market. There is limited availability of clinical studies. Although hemp plants have a long history of human consumption, there is little long-term experience with human consumption of certain of these innovative product ingredients or combinations thereof in concentrated form. Although the Company performs research and/or tests the formulation and production of its products, there is limited clinical data regarding the safety and benefits of ingesting industrial hemp-based products. Any instance of illness or negative side effects of ingesting industrial hemp-based products would have a material adverse effect on our business and operations. We face substantial risk of product liability claims and potential adverse product publicity. Like any other retailer, distributor or manufacturer of products that are designed to be ingested, we face an inherent risk of exposure to product liability claims, regulatory action and litigation if our products are alleged to have caused loss or injury. In the event we do not have adequate insurance or contractual indemnification, product liability claims could have a material adverse effect on the Company. The Company is not currently a named defendant in any product liability lawsuit; however, other manufacturers and distributors of hemp-based products currently are or have been named as defendants in such lawsuits. The successful assertion or settlement of any uninsured claim, a significant number of insured claims, or a claim exceeding the Company's insurance coverage could have a material adverse effect on the Company.

**Table of Contents** We may be unable to attract and retain independent distributors for our products. As a direct selling company, our revenue depends in part upon the number and productivity of our independent distributors. Like most direct selling companies, we experience high levels of turnover among our independent distributors from year to year, who may terminate their service at any time. Generally, we need to increase the productivity of our independent distributors and/or retain existing independent distributors and attract additional independent distributors to maintain and/or increase product sales. Many factors affect our ability to attract and retain independent distributors, including the following: (i) the publicity regarding our Company, our products, our distribution channels and our competitors; (ii) public perceptions regarding the value and efficacy of our products; (iii) the ongoing motivation of our independent distributors; (iv) government regulations; (v) general economic conditions; (vi) our compensation arrangements, training and support for our independent distributors; and (vii) competition in the market. Our results of operations and financial condition could be materially and adversely affected if our independent distributors are unable to maintain their current levels of productivity, or if we are unable to retain existing distributors and attract new distributors in sufficient numbers to maintain present sales levels and sustain future growth. We could incur obligations resulting from the activities of our independent distributors. We sell our products through a network of independent distributors. Independent distributors are independent contractors who operate their own business separately and apart from the Company. We may not be able to control certain aspects of our distributors' activities that may impact our business. If local laws and regulations, or the interpretation thereof, change and require us to treat our independent distributors as employees, or if our independent distributors are deemed by local regulatory authorities in one or more of the jurisdictions in which we operate to be our employees rather than independent contractors under existing laws and interpretations, we may be held responsible for a variety of obligations that are imposed upon employers relating to their employees, including employment-related taxes and penalties, which could have a material adverse effect on our financial condition and results of operations. In addition, there is the possibility that some jurisdictions may seek to hold us responsible for false product or earnings-related claims due to the actions of our independent distributors. Liability for any of these issues could have a material adverse effect on our business, financial condition and results of operations. If our independent distributors' failure to comply with applicable advertising laws and regulations could adversely affect our financial conditions and results of operations. The advertisement of our products is subject to extensive regulations in the markets in which we do business. Our independent distributors may fail to comply with such regulations governing the advertising of our products. We cannot ensure that all marketing materials used by our independent distributors comply with applicable regulations, including bans on false or misleading product and earnings-related claims. If our independent distributors fail to comply with applicable regulations, we could be subjected to claims of false advertising, misrepresentation, significant financial penalties, and/or costly mandatory product recalls and relabeling requirements with respect to our products, any of which could have a material adverse effect on our business, reputation, financial condition and results of operations. Risks Related to the CBD Industry Laws and regulations affecting the CBD industry are evolving under the Farm Bill, and changes to applicable regulations may materially affect our future operations in the CBD market. The CBD used by the Company is derived from hemp as defined in the Agriculture Improvement Act of 2018 (United States) (the "Farm Bill") and codified at 7 USC 1639o means the plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis. The *Cannabis sativa* plant and its derivatives may also be deemed marijuana, depending on certain factors. Marijuana is a Schedule I controlled substance and is defined in the Federal Controlled Substances Act at 21 USC Section 802(16) as all parts of the plant *Cannabis sativa* L., whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin. Exemptions to that definition provided in 21 USC Section 802(16) include the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination or hemp as defined in 7 USC 1639o. **Table of Contents** Substances meeting the definition of hemp in the Farm Bill and 7 USC 1639o may be used in clinical studies and research through an Investigational New Drug (IND) application with the Food and Drug Administration (the FDA). Substances scheduled as controlled substances, like marijuana, require more rigorous regulation, including interaction with several agencies including the FDA, the DEA, and the NIDA within the National Institutes of Health (NIH). Accordingly, if the CBD used by the Company is deemed marijuana and, therefore, a Schedule I controlled substance, the Company could be subject to significant additional regulation, as well as enforcement actions and penalties pertaining to the Federal Controlled Substances Act, and any resulting liability could require the Company to modify or cease its operations. Furthermore, in conjunction with the Farm Bill, the FDA released a statement about the status of CBD use in food and dietary supplements, noting that the Farm Bill explicitly preserved the FDA's authority to regulate products containing cannabis or cannabis-derived compounds under the Federal Food, Drug, and Cosmetic Act (the FDCA) and Section 351 of the Public Health Service Act. Any difficulties we experience in complying with existing and/or new government regulation could increase our operating costs and adversely impact our results of operations in future periods. The FDA has issued guidance titled "FDA Regulation of Cannabis and Cannabis-Derived Products, Including Cannabidiol (CBD)" pursuant to which the FDA has taken the position that CBD is prohibited from use as an ingredient in a food or beverage or as a dietary ingredient in or as a dietary supplement based on several provisions of the FDCA. In the definition of dietary supplement found in the FDCA at 201(f), an article authorized for investigation as a new drug, antibiotic, or biological for which substantial clinical investigations have been instituted and for which the existence of such investigations has been made public, is excluded from the definition of dietary supplement. A similar provision in the FDCA 301(l) makes it a prohibited act to introduce or deliver into commerce any food with a substance that was investigated as a new drug prior to being included in a food. There are no similar exclusions for the use of CBD in non-drug topical products, as long as such products otherwise comply with applicable laws. The FDA created a task force to address the further regulation of CBD and other cannabis-derived products and is currently evaluating the applicable science and pathways for regulating CBD and other cannabis-derived ingredients. As a result of the Farm Bill's recent passage, we expect that there will be a constant evolution of laws and regulations affecting the CBD industry which could affect the Company's plan of operations. Local, state and federal hemp laws and regulations may be broad in scope and subject to changing interpretations. These changes may require us to incur substantial costs associated with legal compliance and may ultimately require us to alter our business plan. Furthermore, violations of these laws, or alleged violations, could disrupt our business and result in a material adverse effect on our operations. We cannot predict the nature of any future laws, regulations, interpretations or applications, and it is possible that regulations may be enacted in the future that will be directly applicable to our business. Changes to state laws pertaining to industrial hemp could slow the use of industrial hemp, which could impact our revenues in future periods. Approximately 40 states have authorized industrial hemp programs pursuant to the Farm Bill. Additionally, various states have enacted state-specific laws pertaining to the handling, manufacturing, labeling, and sale of CBD and other hemp products. Compliance with state-specific laws and regulations could impact our operations in those specific states. Continued development of the industrial hemp industry will be dependent upon new legislative authorization of industrial hemp at the state level, and further amendment or supplementation of legislation at the federal level. Any number of events or occurrences could slow or halt progress all together in this space. While progress within the industrial hemp industry is currently encouraging, growth is not assured, and while there appears to be ample public support for favorable legislative action, numerous factors may impact or negatively affect the legislative process(es) within the various states where we have business interests. **Table of Contents** Unfavorable interpretations of laws governing hemp processing activities could subject us to enforcement or other legal proceedings and limit our business and prospects. There are no express protections in the United States under applicable federal or state law for possessing or processing hemp biomass derived from lawful hemp not exceeding 0.3% THC on a dry weight basis and intended for use in finished product, but that may temporarily exceed 0.3% THC during the interim processing stages. While it is a common occurrence for hemp biomass to have variance in THC content during interim processing stages after cultivation but prior to use in finished products, there is risk that state or federal regulators or law enforcement could take the position that such hemp biomass is a Schedule I controlled substance in violation of the CSA and similar state laws. In the event that the Company's operations are deemed to violate any laws, the Company could be subject to enforcement actions and penalties, and any resulting liability could cause the Company to modify or cease its operations. Costs associated with compliance with various laws and regulations could negatively impact our financial results. The manufacture, labeling and distribution of CBD products is regulated by various federal, state and local agencies. These governmental authorities may commence regulatory or legal proceedings, which could restrict our ability to market CBD-based products in the future. The FDA regulates our products to ensure that the products are not adulterated or misbranded. We may also be subject to regulation by other federal, state and local agencies with respect to our CBD-based products. Our advertising activities are subject to regulation by the FTC under the Federal Trade Commission Act. In recent years, the FTC and state attorneys general have initiated numerous investigations of dietary and nutritional supplement companies and products. Any actions or investigations initiated against the Company by governmental authorities or private litigants could have a material adverse effect on our business, financial condition and results of operations. Any actions or investigations initiated against the Company by governmental authorities or private litigants could have a material adverse effect on our business, financial condition and results of operations. The shifting regulatory environment necessitates building and maintaining robust systems to achieve and maintain compliance in multiple jurisdictions and increases the possibility that we may violate one or more of the legal requirements applicable to our business and products. If our operations are found to be in violation of any applicable laws or regulations, we may be subject to penalties, including, without limitation, civil and criminal penalties, damages, fines, the curtailment or restructuring of our operations, injunctions, or product withdrawals, recalls or seizures, any of which could adversely affect our ability to operate our business, our financial condition and results of operations. Uncertainty caused by potential changes to legal regulations could impact the use and acceptance of CBD products. There is substantial uncertainty and differing interpretations and opinions among federal, state and local regulatory agencies, legislators, academics and businesses as to the scope of operation of Farm Bill-compliant hemp programs relative to the emerging regulation of cannabinoids and the Controlled Substances Act. These different opinions include, but are not limited to, the regulation of cannabinoids by the DEA and/or the FDA, and the extent to which manufacturers of products containing Farm Bill-compliant cultivators and processors may engage in interstate commerce. The existing uncertainties in the CBD regulatory landscape in the United States cannot be resolved without further federal, and perhaps state-level, legislation and regulation or a definitive judicial interpretation of existing laws and regulations. If these uncertainties are not resolved in the near future or are resolved in the manner inconsistent with our business plan, such uncertainties may have an adverse effect upon our plan of operations and the introduction of our CBD-based products in different markets. If we fail to obtain necessary permits, licenses and approvals under applicable laws and regulations, our business and plan of operations may be adversely impacted. We



ResourcesA Working CapitalA A As of June 30, 2024A A As of June 30, 2023A Current assetsA \$11,419,918A A \$30,012,984A Current liabilitiesA \$12,655,152A A \$22,391,587A Working capitalA \$1,235,234A A \$7,621,397A A Cash FlowsA A Years Ended June 30,A A 2024A A 2023A Cash flows (used in) operating activitiesA continuing operationsA \$4,894,751A A (\$7,421,529)A Cash flows provided by (used in) investing activitiesA continuing operationsA \$831,112A A (23,271)A Cash flows (used in) provided by financing activitiesA continuing operationsA \$1,353,789A A 6,032,901A A A A A A A A A Cash flows provided by operating activitiesA continuing discontinued operationsA \$4,793,374A A 7,624,206A Cash flows used by investing activitiesA continuing discontinued operationsA \$4,206,823A A (2,551,587)A Cash flows used by financing activitiesA continuing discontinued operationsA A A A A A A A A Net decrease in cash during the periodA (\$3,830,877)A A (\$2,657,514)A A On June 30, 2024, the Company had cash of \$661,415 or a decrease of \$3,830,877 from June 30, 2023. The decrease in cash was primarily the net loss from operations and the significant change in continuing operations with the recent sale of businesses and the change of the Company's overall strategy.A A A A The net cash used by continuing operating activities was \$4,894,751 and offset by cash provided by discontinued operations of \$4,793,374. The loss of \$23,658,438 was offset by the non-cash expenses of \$3,948,084 depreciation and amortization, \$7,869,425 impairment of goodwill and identifiable intangible assets, \$1,112,676 amortization of stock compensation and \$1,812,319 write of inventory. A The sale of business and the impairment recognized on the warehouse were minimal at a total of \$112,448 used. A The change in deferred tax asset was \$344,802 with a valuation reserve of \$6,100,000. A The change in operating assets and liabilities provided cash of \$2,907,978. A Cash provided by discontinued operating activities was \$4,793,374 and primarily related to decreases in E-core's inventory and accounts receivable. A Net cash provided by investing activities for the years ended June 30, 2024 and 2023 was \$831,112 and use of \$23,271, respectively. For the year ended June 30, 2024, cash of \$539,348 was used for the acquisition of the remaining 45% of Cygnet and \$932,565 for the acquisition of property and equipment. A Cash was provided during the year ended June 30, 2024 of \$2,100,000 and \$203,025 from the sale of VitaMedica and Interactive offers, respectively. A In addition, the Company used \$4,206,823 for discontinued investing activities related to the payments in the acquisition of E-core. A In the prior year, the net cash used was \$23,271. A The proceeds from the sale of Infusionz and selected assets was \$5,492,532 and offset by \$3,528,239 and \$1,050,000 for the purchase of LuckyTail and Cygnet, respectively. A \$937,564 was used in the acquisition of property and equipment. A The \$2,511,587 used in discontinued investing activities was \$500,000 for the acquisition of VitaMedica and \$2,051,587, net of cash acquired, for the acquisition of E-core. A A A 27Table of ContentsA Net cash flows used in financing activities for the year ended June 30, 2024 was \$353,789 compared to \$285,333 used during the year ended June 30, 2023. A A During the year ended June 30, 2024 cash was used for the payment of debt related to the acquisition of Cygnet and the payment of the loan on the building. A This was offset during the year by a \$100,000 advance to the Company by Allan Marshall, the CEO, which was repaid in July 2024. A A During the year ended June 30, 2023, the Company had net proceeds of \$6,127,893 from the issuance of stock and \$7,120,000 in proceeds from the issuance of notes payable, including \$1,470,000 of proceeds from a related party note payable, \$3,000,000 of proceeds related to a note payable with a security interest in our building in Clearwater and \$2,650,000 of unsecured debt. A A The newly issued debt was primarily used to repay the senior convertible note payable and the line of credit. A A On October 19, 2022, the Company and its indirect wholly owned subsidiary, Upexi 17129 Florida, LLC entered into a loan agreement with Professional Bank, a Florida state-chartered bank, providing for a mortgage on the Company's principal office in N. Clearwater, Florida. The Company received \$3,000,000 in connection with the transaction. The principal is to be paid back to Professional Bank over a term of ten years. The proceeds of the loan were utilized by the Company to pay down its loan facility with Acorn Capital, LLC, in the amount of \$2,780,200, net of fees and other expenses. A On October 31, 2022, the Company paid \$4,275,071 in principal, \$613,466 in accrued interest, \$250,000 for settlement of a put option and \$7,900 in miscellaneous fees for a total of \$5,146,437 to the holders of the \$15 million senior secured convertible notes entered into on June 28, 2022. The payment terminated the agreement with the noteholders. The Company also terminated the registration statement covering the senior secured notes payable. A On April 1, 2024, the Company entered into a lease agreement with MFA 2510 Merchant LLC. A The lease is for approximately 10,000 square feet of warehouse and office space, located in Odessa, Florida for \$20,060 per month on a triple net basis. A The initial term is five years. A The estimated cost of this facility is a reduction of overall facility costs of approximately \$240,000 in rent and approximately \$138,000 per year in utilities, repairs and maintenance. A Management also expects to have additional savings in labor and administrative costs, which is expected to add additional cash flow for fiscal year 2025. A A On May 28, 2024, the Company entered into an agreement to sell its Clearwater warehouse for a sale price of \$4,300,000. A The sale of the building was completed on July 8, 2024 and provided \$1,370,978 of working capital. A On June 13, 2024, the Company sold all of the issued and outstanding equity of VitaMedica, Inc. to three investors. A One of the minority Interest Buyers is Allan Marshall, the Company's Chief Executive Officers. A The purchase price for the stock was Six Million Dollars (\$6,000,000), subject to certain customary post-closing adjustments. The net cash provided from the sale was \$2,100,000, reduced liabilities of \$1,900,000 and will provide an additional \$2,000,000 in cash flow next year. A A On August 1, 2024, the Company sold all of outstanding stock of E-Core Technology, Inc., a Florida corporation (d/b/a New England Technology, Inc.) (aE-core), to E-Core Holdings, LLC, a Florida limited liability company pursuant to the terms of an Agreement to Unwind Securities Purchase Agreement dated July 31, 2024 and effective June 30, 2024. A The principals of the Buyer are the three individuals from whom the Company acquired E-core in October 2022. A The purchase price in the transaction was \$2,000,000 paid by the Buyer to the Company at closing and will be used for working capital. A A The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. A Management intends to finance operating costs over the next twelve months from the date of the issuance of these consolidated financial statements with existing cash on hand, cash flow from operations, proceeds from the sale of VitaMedica not yet received and additional short term debt financings, if necessary. A A A 27Table of ContentsA We estimate that we will have sufficient working capital to fund our operations over the twelve months following the date of the issuance of these condensed consolidated financial statements and meet all our debt obligations. A Off-Balance Sheet ArrangementsA The Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders. A Critical Accounting PoliciesA The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate these estimates, including those related to bad debts, intangible assets, and litigation. We base our estimates on historical experience and on various other 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 certain assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. A We have identified below the accounting policies, related to what we believe are most critical to our business operations and are discussed throughout Management's Discussion and Analysis of Financial Condition or Plan of Operation where such policies affect our reported and expected financial results. A Use of EstimatesA A The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. A Significant estimates underlying the Company's reported financial position and results of operations include the allowance for doubtful accounts, useful lives of property and equipment, impairment of long-lived assets, inventory valuation, fair value of stock-based compensation and valuation allowance on deferred tax assets. A Business CombinationsA The Company accounts for its business combinations using the acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the acquisition date fair values of the assets transferred and liabilities assumed by the Company to the seller's cash consideration and equity instruments issued. Transaction costs directly attributable to the acquisition are expensed as incurred. The excess of (i) the total costs of acquisition over (ii) the fair value of the identifiable net assets of the acquiree is recorded as identifiable intangible assets and goodwill. A Goodwill - The Company evaluates its goodwill for possible impairment, simplifying the test for goodwill impairment at least annually and when one or more triggering events or circumstances indicate that the goodwill might be impaired. Under this guidance, annual or interim goodwill impairment testing is performed by comparing the estimated fair value of a reporting unit with its carrying amount. An impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the carrying value of goodwill. A The Company performed its annual test as of June 30, 2024 and 2023, respectively. A A It was determined by management that the goodwill related to Cygnet was completely impaired at June 30, 2024 based on the strategic decision to exit the recommerce business. A An impairment of goodwill in the amount of \$3,594,745 was recorded at June 30, 2024 eliminating all of the goodwill related to Cygnet. A It was determined by management that the goodwill related to Interactive Offers was completely impaired at June 30, 2023 based on the sale of the business at September 1, 2023. A An impairment of goodwill in the amount of \$2,889,158 was recorded at June 30, 2023 eliminating all of the goodwill related to Interactive Offers. A A 27Table of ContentsA Revenue RecognitionA A In accordance with ASC No. 606, Revenue from Contracts with Customers, the Company recognizes revenue when we satisfy performance obligations as evidenced by the transfer of control of our products or services to customers. In general, the Company generates revenue from product sales, either directly to customers or to distributors. In determining whether a contract exists, we evaluate the terms of the agreement, the relationship with the customer or distributor and their ability to pay. A The Company recognizes revenue from sales of our products, including sales to our distributors, at a point in time, generally upon shipment or delivery to the customer or distributor, depending upon the terms of the sales order. Control is considered transferred when title and risk of loss pass, when the customer becomes obligated to pay and, where applicable, when the customer has accepted the products or upon expiration of the acceptance period. For sales to distributors, payment is due on our standard commercial terms and is not contingent upon the distributor's resale of the products. A Shipping and handling fees billed to customers are included in revenue. Shipping and handling fees associated with inbound freight, are generally included in cost of revenue. A Our business is subject to contingencies related to customer orders, including: A Right of Return: A A large portion of our revenue comes from the sale of consumable products, which are sold in high-volume and low quantities, and are generally maintained at stock levels of less than ninety days in our facility. Customer returns have historically represented a very small percentage of sales on an annual basis. A Other product sales relate to some pet products, including small mechanical devices. A A Warranties: A The Company does not accept sales returns from wholesale customers, as the products are pre-approved prior to production and shipment. E-Commerce product returns must be completed within 45 days of the date of purchase. The Company accrues an allowance for refunds, returned deposits and discounts given by customer services post shipment of the product based on historical experience and management's estimate of future expenses, including replacement, freight charges and other fulfillment expenses. A Conditions of Acceptance: A Sales of our consumable products and pet products, generally do not have customer acceptance terms. A Contract AssetsA A contract asset is the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer. ASC 606, Revenue from Contracts with Customers, distinguishes between a contract asset and a receivable based on whether receipt of the consideration is conditional on something other than the passage of time. When the Company transfers control of goods or services to a customer before the customer pays consideration, the Company records either a contract asset or a receivable depending on the nature of the Company's right to consideration for its performance. The point at which a contract asset becomes an account receivable may be earlier than the point at which an invoice is issued. The Company assesses a contract asset for impairment in accordance with ASC 310, Receivables. A The following table discloses the deferred revenue: A A June 30, 2024A A June 30, 2023A Deferred revenueA \$235,255A A \$A A 29Table of ContentsA The deferred revenue or also referred to as funded backlog was \$235,255 and \$0 at June 30, 2024 and June 30, 2023, respectively. A We expect to recognize approximately 100% of the deferred revenue as revenue in the year ended June 30, 2025. A There was no opening liability balance at June 30, 2023 or June 30, 2022 to be recognized in the years ended June 30, 2024 or June 30, 2023, respectively. A Impairment of Long-lived AssetsA Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset may not be recoverable. The Company periodically evaluates whether events and circumstances have occurred that indicate possible impairment. When impairment indicators exist, the Company estimates the future undiscounted net cash flows of the related asset or asset group over the remaining life in measuring whether or not the asset values are recoverable. A The Company recognized an impairment on its building of \$336,434 during the year ended June 30, 2024, based on the fair market value of the buildings pending sale, completed on July 8, 2024. A The Company recognized \$569,195 loss on the sale of assets that were either liquidated or abandoned in the move of its manufacturing facility from Nevada to Florida. A In addition, the Company recognized an impairment of intangible assets of \$4,274,680 for the year ended June 30, 2024. A \$974,680 of the impairment is related to LuckyTail's rapid decline of direct-to-consumer sales and \$3,300,000 of the impairment is related to the unamortized vendor list of Cygnet, as the Company no longer purchases products from the majority of the original vendors Cygnet was using when the Company purchased Cygnet. A A A A The Company recognized an impairment on its long-lived assets during the year ended June 30, 2023, of \$857,143 on the assets held for sale, related to Interactive Offers, leaving \$716,944 of Interactive's original intangible assets classified as assets available for sale. A A Stock Based CompensationA - The Company recognizes all share-based payments to employees, including grants of employee stock options, as compensation expense in the consolidated financial statements based on their fair values. That expense will be recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period) or immediately if the share-based payments vest immediately. A Inventory - The Company reviews the inventory level of all products and raw materials quarterly. For most products that have been in the market for one year or more, we consider inventory levels of greater than one year's sales to be excess or other items that show slower than projected sales. Due to limited market penetration for our products, we have decided to write down 50% of the cost against certain raw materials and finished products. Products that are no longer part of the current product offering are considered obsolete. The potential for re-sale of slow-moving and obsolete inventories is based upon our assumptions about future demand and market conditions. The recorded cost of obsolete inventories is then reduced to zero and the slow-moving and obsolete inventory is written off and are recorded as charges to cost of goods sold. All adjustments for obsolete inventory establish a new cost basis for that inventory as we believe such reductions are permanent declines in the market price of our products. Generally, obsolete inventory is sold to companies that specialize in liquidation, while we continue to market slow-moving inventories until they are sold or become obsolete. As obsolete or slow-moving inventory is sold or disposed of, we write it off. A Inventory consists of raw materials and finished goods and is stated at the lower of cost or net realizable value, cost is determined by the weighted average moving cost inventory method. Net realizable value is determined, with appropriate consideration given to obsolescence, excessive levels, deterioration, and other factors. A On June 30, 2024, the Company had \$465,535 of raw materials and \$966,021 of finished goods inventory. A On June 30, 2023, the Company had no raw material inventory and \$4,804,299 of finished goods inventory. A The Company had inventory reserves at June 30, 2024 and 2023 of \$605,470 and \$154,400, respectively. A Reverse Stock SplitA On September 18, 2024, we filed a Certificate of Change with the Nevada Secretary of State to effect a reverse stock split of our common stock at a rate of 1-for-20 (the "Reverse Stock Split"), which became effective as of October 3, 2024 (the "Effective Date"). The Reverse Stock Split was approved by the board of directors in accordance with Nevada law. The Reverse Stock Split did not have any impact on the par value of common stock. A A 30Table of ContentsA On the Effective Date, every twenty shares of Common Stock issued and outstanding were automatically combined into one share of Common Stock, without any change in the par value per share. As the per-share par value did not change, we reclassified \$19,860 from Common Stock to Additional Paid-in Capital on the Effective Date. The exercise prices and the number of shares issuable upon exercise of outstanding stock options, equity awards and warrants, and the number of shares available for future issuance under the equity incentive plans were adjusted in accordance with their respective terms. The Reverse Stock Split affected all stockholders uniformly and did not alter any stockholder's percentage interest in our Common Stock. We did not issue any fractional shares in connection with the Reverse Stock Split. Instead, fractional shares were initially rounded up to the next largest whole number, resulting in the issuance of 8 shares on October 3, 2024 the Effective Date and an additional issuance of 38 shares on October 8, 2024. A On October 10, 2024, the transfer agent received additional requests to issue a total of 202,183 shares of common stock for round up of fractional shares. A These shares were issued on October 23, 2024 and on October 30, 2024 we were notified that the shares were returned to the Company's transfer agent. A Although the Company did receive the common stock back after issuance, the potential dilution remains a risk, and is the subject of a complaint filed by the Company in the United States District Court for the District of Nevada with the purpose of eliminating any said risk. A The Reverse Stock Split did not modify the relative rights or preferences of the Common Stock. A A A Unless otherwise indicated, all issued and



the years ended June 30, 2024 and 2023. A Upexi CP, LLC, a Delaware limited liability company A Upexi CP / Canada Inc., a Canada corporation A Prax Products, LLC, a Florida limited liability company A Upexi Development and Marketing, LLC., a Delaware limited liability company A Trunano Labs, Inc., a Nevada corporation A The following subsidiaries were divested during the years ended June 30, 2024 and 2023. A VitaMedica, Inc. a Nevada corporation A E-Core Technology, Inc. a Florida corporation A Infusionz LLC, a Colorado limited liability company A Interactive Offers, LLC, a Delaware limited liability company A In addition, the Company has six wholly owned subsidiaries that had no activity during the years ended June 30, 2024 and 2023. All of the entities were dissolved or cancelled as of June 30, 2024. A Steam Distribution, LLC, a California limited liability company A One Hit Wonder, Inc., a California corporation A One Hit Wonder Holdings, LLC, a California limited liability company A Vape Estate, Inc., a Nevada Corporation A SWCH, LLC, a Delaware limited liability company A Cresco Management, LLC, a California limited liability company A F-6Table of Contents A Our products are distributed in the United States of America and internationally through multiple entities and managed through our locations in Florida. A Upexi operates from our corporate location in Tampa, Florida, where direct to consumer, wholesale and Amazon sales are driven by on-site and remote teams for all brands. The Tampa location also supports all the other locations with accounting, corporate oversight, day-to-day finances, business development and operational management operating from this location. A MW Products operates from our corporate headquarters and our Tampa, Florida warehouse, managing direct to consumer, wholesale and Amazon sales for multiple brands and develops new products through our research and development team in Henderson, Nevada and Odessa, Florida. A Lucky Tail operates from our Tampa, Florida warehouse with sales and marketing driven by on-site and remote teams that operate the Amazon sales strategy and daily business operations. A HAVZ, LLC, d/b/a Steam Wholesale operates manufacturing and/or distribution centers in Odessa, Florida, supporting our health and wellness products, including those products manufactured with hemp ingredients and our overall distribution operations. We have continued to manage these operations with corporate focus on larger opportunities that have warranted the majority of corporate focus and investments for the future. A Upexi Distribution operates from our Tampa, Florida warehouse providing warehousing, distribution and other services in support of our product sales. A Note 2. Significant Accounting Policies A The significant accounting policies followed are: A Use of Estimates A The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. A Significant estimates underlying the Company's reported financial position and results of operations include the allowance for doubtful accounts, useful lives of property and equipment, impairment of long-lived assets, inventory valuation, fair value of stock-based compensation and valuation allowance on deferred tax assets. A Cash A The Company considers all highly liquid investment instruments with a maturity of three months or less to be cash equivalents. Cash A is maintained at financial institutions and at times, balances may exceed federally insured limits. The Company has never experienced any losses related to these balances. A Accounts Receivable A Amounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within a specified time from the invoice date. The trade terms vary based on the customer and typically range from prepaid to 45 days from the invoice date. Interest is not charged by the Company on past due accounts. The carrying amount of receivables is reduced by a valuation allowance for expected credit losses, as necessary, that reflects management's best estimate of the amount that will not be collected. This estimation takes into consideration historical experience, current conditions and as applicable, reasonable supportable forecasts. Actual results could vary from the estimate. Accounts are charged against the allowance when management deems them to be uncollectible. The net accounts receivable balances at June 30, 2024, 2023 and 2022 were \$606,885, 1,125,394 and \$760,729, respectively. Based on management's review of accounts receivable, the valuation allowance was approximately \$61,750 and \$0 at June 30, 2024 and 2023, respectively. The Company had bad debt expenses of \$24,500 and \$4,750 for the years ended June 30, 2024 and 2023, respectively. A A F-7Table of Contents A Inventory A The Company reviews the inventory level of all products and raw materials quarterly. For most products that have been in the market for one year or more, we consider inventory levels of greater than one year's sales to be excess or other items that show slower than projected sales. Due to limited market penetration for our products, we have decided to write down 50% of the cost against certain raw materials and finished products. Products that are no longer part of the current product offering are considered obsolete. The potential for re-sale of slow-moving and obsolete inventories is based upon our assumptions about future demand and market conditions. The recorded cost of obsolete inventories is then reduced to zero. The slow-moving and obsolete inventory is written off and recorded as charges to cost of goods sold. All adjustments for obsolete inventory establish a new cost basis for that inventory as we believe such reductions are permanent declines in the market price of our products. Generally, obsolete inventory is sold to companies that specialize in the liquidation, while we continue to market slow-moving inventories until they are sold or become obsolete. A Inventory consists of raw materials and finished goods and is stated at the lower of cost or net realizable value, cost is determined by the weighted average moving cost inventory method. Net realizable value is determined, with appropriate consideration given to obsolescence, excessive levels, deterioration, and other factors. A On June 30, 2024, the Company had \$465,535 of raw materials and \$966,021 of finished goods inventory. A On June 30, 2023, the Company had no raw material inventory and \$4,804,299 of finished goods inventory. A The Company had inventory reserves at June 30, 2024 and 2023 of \$605,470 and \$154,400, respectively. A Property and Equipment A Property and equipment is recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from 3 to 20 years. Leasehold improvements are amortized over the shorter of their estimated useful lives of 5 years or the related lease term. Gains and losses upon disposition are reflected in the Statements of Operations in the period of disposition. Maintenance and repair expenditures are charged to expense as incurred. The Company disposed of some equipment during 2024 and 2023 which resulted in gains and losses on the sales, shown in the accompanying Statements of Operations. A Business Combinations A The Company accounts for its business combinations using the acquisition method of accounting. The cost of an acquisition is measured as the aggregate of the acquisition date fair values of the assets transferred and liabilities assumed by the Company to the seller A's cash consideration and equity instruments issued. Transaction costs directly attributable to the acquisition are expensed as incurred. The excess of (i) the total costs of acquisition over (ii) the fair value of the identifiable net assets of the acquiree is recorded as identifiable intangible assets and goodwill. A Goodwill - The Company evaluates its goodwill for possible impairment, simplifying the test for goodwill impairment at least annually and A when one or more triggering events or circumstances indicate that the goodwill might be impaired. Under this guidance, annual or interim goodwill impairment testing is performed by comparing the estimated fair value of a reporting unit with its carrying amount. An impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit A's fair value, not to exceed the carrying value of goodwill. A The Company performed its annual test as of June 30, 2024 and 2023, respectively. A A It was determined by management that the goodwill related to Cygnet was completely impaired at June 30, 2024 based on the strategic decision to exit the re-commerce business. A An impairment of goodwill in the amount of \$3,594,745 was recorded at June 30, 2024 eliminating all of the goodwill related to Cygnet. A It was determined by management that the goodwill related to Interactive Offers was completely impaired at June 30, 2023 based on the sale of the business at September 1, 2023. A An impairment of goodwill in the amount of \$2,889,158 was recorded at June 30, 2023 eliminating all of the goodwill related to Interactive Offers. A Revenue Recognition A In accordance with ASC No. 606, Revenue from Contracts with Customers, the Company recognizes revenue when we satisfy performance obligations as evidenced by the transfer of control of our products or services to customers. In general, the Company generates revenue from product sales, either directly to customers or to distributors. In determining whether a contract exists, we evaluate the terms of the agreement, the relationship with the customer or distributor and their ability to pay. A A F-8Table of Contents A The Company recognizes revenue from sales of our products, including sales to our distributors, at a point in time, generally upon shipment or delivery to the customer or distributor, depending upon the terms of the sales order. Control is considered transferred when title and risk of loss pass, when the customer becomes obligated to pay and, where applicable, when the customer has accepted the products or upon expiration of the acceptance period. For sales to distributors, payment is due on our standard commercial terms and is not contingent upon the distributor's resale of the products. A Shipping and handling fees billed to customers are included in revenue. Shipping and handling fees associated with inbound freight, are generally included in cost of revenue. A Our business is subject to contingencies related to customer orders, including: A Right of Return: A A large portion of our revenue comes from the sale of consumable products, which are sold in high-volume and low quantities, and are generally maintained at stock levels of less than ninety days in our facility. Customer returns have historically represented a very small percentage of sales on an annual basis. A Other product sales relate to some pet products, including small mechanical devices. A A Warranties: A The Company does not accept sales returns from wholesale customers, as the products are pre-approved prior to production and shipment. E-Commerce product returns must be completed within 45 days of the date of purchase. The Company accrues an allowance for refunds, returned deposits and discounts given by customer services post shipment of the product based on historical experience and management's estimate of future expenses, including replacement, freight charges and other fulfillment expenses. A Conditions of Acceptance: A Sales of our consumable products and pet products, generally do not have customer acceptance terms. A Contract Assets A A contract asset is the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer. ASC 606, Revenue from Contracts with Customers, distinguishes between a contract asset and a receivable based on whether receipt of the consideration is conditional on something other than the passage of time. When the Company transfers control of goods or services to a customer before the customer pays consideration, the Company records either a contract asset or a receivable depending on the nature of the Company's right to consideration for its performance. The point at which a contract asset becomes an account receivable may be earlier than the point at which an invoice is issued. The Company assesses a contract asset for impairment in accordance with ASC 310, Receivables. A The following table discloses the deferred revenue: A A June 30, 2024 A June 30, 2023 A Deferred revenue A \$235,255 A \$-A A The deferred revenue or also referred to as funded backlog was \$235,255, A \$0 and \$0 at June 30, 2024, A June 30, 2023 and June 30, 2022, respectively. A We expect to recognize approximately 100% of the deferred revenue as revenue in the year ended June 30, 2025. A There was no opening liability balance at June 30, 2023 to be recognized in the year ended June 30, 2024. A A F-9Table of Contents A Impairment of Long-lived Assets A Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset may not be recoverable. The Company periodically evaluates whether events and circumstances have occurred that indicate possible impairment. When impairment indicators exist, the Company estimates the future undiscounted net cash flows of the related asset or asset group over the remaining life in measuring whether or not the asset values are recoverable. A A The Company recognized an impairment on its building of \$336,434 during the year ended June 30, 2024, based on the fair market value of the building's pending sale, completed on July 8, 2024. A The Company recognized a \$569,195 loss on the sale of assets that were either liquidated or abandoned in the move of its manufacturing facility from Nevada to Florida. A In addition, the Company recognized an impairment of intangible assets of \$4,274,680 for the year ended June 30, 2024. A \$974,680 of the impairment is related to LuckyTail's rapid decline of direct-to-consumer sales and \$3,300,000 of the impairment is related to the unamortized vendor list of Cygnet, as the Company no longer purchases products from the majority of the original vendors Cygnet was using when the Company purchased Cygnet. A A A The Company recognized an impairment on its long-lived assets during the year ended June 30, 2023, of \$857,143 on the assets held for sale, related to Interactive Offers, leaving \$716,944 of Interactive Offers' original intangible assets classified as assets available for sale. A A Advertising A The Company supports its products with advertising to build brand awareness of the Company's various products in addition to other marketing programs executed by the Company's marketing team. The Company believes continual investment in advertising is critical to the development and sale of its branded products. Advertising costs of \$3,353,361 and \$4,271,469 were expensed as incurred during the years ended June 30, 2024 and 2023, respectively. A Stock Based Compensation A The Company recognizes all share-based payments to employees, including grants of employee stock options and grants of restricted shares as compensation expense in the consolidated financial statements based on their fair values. That expense will be recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period) or immediately if the share-based payments vest immediately. A Non-employee Stock-based Payments A The Company's accounting policy for equity instruments issued to consultants and vendors in exchange for goods and services follows the provisions of Accounting Standards Codification (ASC) 2018-07, which simplifies the accounting for non-employee share-based payment transactions. The amendments specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. Stock-based payments related to non-employees are accounted for based on the fair value of the related stock or options or the fair value of the services, whichever is more readily determinable. The measurement date for the fair value of the equity instruments issued is determined at the earlier of (i) the date at which a commitment for performance by the consultant or vendor is reached or (ii) the date at which the consultant or vendor's performance is complete. In the case of equity instruments issued to consultants, the fair value of the equity instrument is recognized over the term of the consulting agreement. A Fair Value Measurements A The Company accounts for financial instruments in accordance with FASB ASC 820 A Fair Value Measurement and Disclosures A (ASC 820). ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). A The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below: A A A Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. A A A Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g. interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means. A A A Level 3 - Inputs that are both significant to the fair value measurement and unobservable. A A F-10Table of Contents A The estimated fair value of certain financial instruments, including cash, accounts receivable, accounts payable, accrued expenses, deferred revenue and debt are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments. A Leases A The Company determines if a contract contains a lease at inception. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Leases with an initial term of 12 months or less are not recorded within the accompanying consolidated balance sheets. GAAP requires that the Company's leases be evaluated and classified as operating or finance leases for financial reporting purposes. The classification evaluation begins at the commencement date and the lease term used in the evaluation includes the non-cancellable period for which the Company has the right to use the underlying asset, together with renewal option periods when the exercise of the renewal option is reasonably certain and failure to exercise such option will result in an economic penalty. All the Company's real estate leases are classified as operating leases. A Most real estate leases include one or more options to renew, with renewal terms that generally can extend the lease term for an additional two years. The exercise of lease renewal options is at the Company's discretion. The Company evaluates renewal options at lease inception and on an ongoing basis and includes renewal options that it is reasonably certain to exercise in its expected lease terms when classifying leases and measuring lease liabilities. Lease agreements generally do not require material variable lease payments, residual value guarantees or restrictive covenants. A The Company's leases generally do not provide an implicit rate, and therefore the Company uses its incremental borrowing rate as the discount rate when measuring operating lease liabilities. The incremental borrowing rate represents an estimate of the interest rate the Company would incur at lease commencement to borrow an amount equal to the lease payments on a collateralized basis over the term of a lease within a particular currency environment. A Income Taxes A Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due plus deferred taxes resulting from temporary differences. Such temporary differences result from differences in the carrying value of assets and liabilities for tax and financial reporting purposes. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. A valuation allowance is







sales\$ 11,982,446,332 Sales, general and administrative expenses\$ 333,168 \$ 2,118,480 Depreciation and amortization\$ 607,103 Loss from discontinued operations\$ 187,003 \$ 1,729,636 Accounts receivable net of allowance for doubtful accounts\$ 67,467 Fixed assets, net of accumulated depreciation\$ 2,835 Total assets\$ 1,026,043 Total liabilities\$ 83,449 Note 18. Discontinued Operations â€“ Sale of VitaMedica On June 13, 2024, the Company sold VitaMedica, Inc. to three investors and had an effective day of June 1, 2024. One of the minority interest investors is Allan Marshall, the Companyâ€™s Chief Executive Officer. The purchase price for the stock was \$6,000,000, subject to certain customary post-closing adjustments. In addition, the Buyers are obligated to pay the Company for services provided according to the Transition Services Agreement. Accordingly, the results of the business were classified as discontinued operations in our statements of operations and excluded from both continuing operations and segment results for all periods presented. Discontinued operations of VitaMedica included in the consolidated financial statements ended June 30, 2024 are for the period from July 1, 2023 to May 31, 2024. A Summary of discontinued operations: A Years ended June 30, 2024 A Discontinued Operations\$ 8,707,268 \$ 7,610,949 Cost of sales\$ 2,051,854 \$ 1,362,036 Sales, general and administrative expenses\$ 6,076,257 \$ 5,891,301 Depreciation and amortization\$ 425,263 Total assets\$ 557,634 Other expenses\$ (59,742) \$ 212,427 Income (loss) from discontinued operations\$ 213,636 \$ (382,449) Accounts receivable net of allowance for doubtful accounts\$ 289,416 Fixed assets, net of accumulated depreciation\$ 83,840 Total assets\$ 83,840 Total liabilities\$ 4,875,757 Table of Contents Fair value of consideration the Company was paid: A Cash\$ 2,100,000 Reduction of liabilities\$ 1,900,000 Note payable\$ 1,000,000 Working capital payment\$ 1,000,000 A \$ 6,000,000 A Recognized amounts of identifiable assets, liabilities and intangible assets transferred: A Cash\$ 37,267A Accounts receivable\$ 416,374A Inventory\$ 1,747,150A Prepaid expenses\$ 518,280A Fixed assets\$ 111,305A Other assets\$ 184,800A Liabilities\$ (512,926) Total identifiable assets\$ 2,502,250A Total goodwill and intangible assets\$ 1,549,212A Total assets transferred A 4,051,462A Purchase price\$ 6,000,000A Gain on sale of VitaMedica\$ 1,948,538A Note 19. Discontinued Operations â€“ Sale of E-Core A E-Core, Technology Inc. and its subsidiaries On October 21, 2022, the Company acquired E-Core Technology, Inc. (â€œE-Coreâ€) d/b/a New England Technology, Inc., a Florida corporation (â€œNew England Technologyâ€). A The following table summarizes the consideration transferred to E-Core and the amount of identified assets acquired, and liabilities assumed at the acquisition date. A Fair value of consideration transferred: A Cash\$ 100,000A Cash payment, 120 days\$ 3,000,000A Note payable\$ 5,189,718A Note payable 2A A 4,684,029A Convertible note payable, convertible at \$4.81 per common share A 2,418,860A Common stock, 1,247,402 shares valued at \$4.81 per common share, the calculated closing price on October 21, 2022A A 6,000,000A \$ 21,039,765A A Recognized amounts of identifiable assets acquired, and liabilities assumed: A Cash\$ 1,014,610A Accounts receivable\$ 6,699,945A Inventory\$ 7,750,011A Prepaid expenses\$ 75,721A Trade name\$ 1,727,249A Customer relationships\$ 5,080,305A Accrued liabilities\$ 192,051A Line of credit\$ 7,201,079 Total identifiable net assets\$ 14,635,673A Goodwill\$ 6,404,092A A F-32Table of Contents The business was acquired through membership interest purchase agreement on October 21, 2022. A There was no contingent consideration payable under the asset purchase agreement, although a provision was used to adjust the purchase price based on the final working capital transferred to the Company. A The purchase price was decreased by \$3,803, net and was repaid to the Company with an adjustment to the \$3,000,000 cash payment. A The final purchase price allocation was completed by an independent consulting firm and is no longer subject to change. A The three notes payable were discounted by \$2,707,393A. The discount amortization for the year ended June 30, 2024 and June 30, 2023 was \$1,112,676 and \$969,098, respectively. A On August 1, 2024, the Company closed a sale transaction in which, effective as of June 30, 2024, it sold 100% of the outstanding stock of its wholly owned subsidiary E-Core Technology, Inc., a Florida corporation (d/b/a New England Technology, Inc.) (â€œE-coreâ€), to E-Core Holdings, LLC, a Florida limited liability company (the â€œBuyerâ€) pursuant to the terms of an Agreement to Unwind Securities Purchase Agreement dated July 31, 2024 (the â€œAgreementâ€). A The principals of the Buyer are the three individuals from whom the Company acquired E-core in October 2022. A The purchase price in the transaction was \$2,000,000 paid by the Buyer to the Company at closing. A In addition, in connection with the closing of the transaction (i) the Company was released as a guarantor from E-coreâ€™s commercial loan facility, and (ii) all subordinated promissory notes issued by the Company in connection with the Companyâ€™s initial acquisition of E-core were cancelled and any outstanding principal and interest thereunder was deemed paid in full. A The Agreement contains standard representations and warranties, conditions to closing, and covenants, for a transaction of this nature. A Summary of discontinued operations: A Years ended June 30, 2024 A Discontinued Operations\$ 8,707,268 \$ 36,623,864A Cost of sales\$ 2,051,854 \$ 30,334,483A Sales, general and administrative expenses\$ 6,076,257 \$ 4,026,910A Depreciation and amortization\$ 425,263A \$ 1,144,313A Other expenses\$ (59,742) \$ 37,824A Income from discontinued operations\$ 213,636 \$ 1,080,379A Accounts receivable net of allowance for doubtful accounts\$ 5,759,903A Fixed assets, net of accumulated depreciation\$ 83,449 Total assets\$ 22,400,484A Total liabilities\$ 83,401,983A Fair value of consideration the Company was paid: A Acquisition payable, paid August 5, 2024A \$ 2,000,000A Assumption of debt and accrued interest\$ 10,636,309A \$ 12,636,309A A Recognized amounts of identifiable assets, liabilities and intangible assets transferred: A Cash\$ 51,976A Accounts receivable\$ 5,301,212A Inventory\$ 1,870,687A Prepaid expenses\$ 56,476A Fixed assets\$ 1,373,635A Total identifiable assets\$ 3,851,802A Total goodwill and intangible assets\$ 10,521,833A Total assets transferred A 14,373,635A Purchase price\$ 12,636,309A Loss on sale of E-core\$ 1,737,326A A F-33Table of Contents A Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure A None. A Item 9A. Controls and Procedures A Managementâ€™s Report on Disclosure Controls and Procedures A Under the supervision and with the participation of our senior management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the â€œExchange Actâ€), as of the end of the period covered by this Annual Report on Form 10-K (the â€œEvaluation Dateâ€). Based on this evaluation, our chief executive officer and chief financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were not effective such that the information relating to us required to be disclosed in our Securities and Exchange Commission (â€œSECâ€) reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. A Managementâ€™s Report on Internal Control Over Financial Reporting A Managementâ€™s Report on Disclosure Controls and Procedures A Our management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) that is designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuerâ€™s management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. A 33Table of Contents A Under the supervision and with the participation of our senior management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this Annual Report on Form 10-K (the â€œEvaluation Dateâ€). Based on this evaluation, our chief executive officer and chief financial officer concluded as of the Evaluation Date that our disclosure controls and procedures were not effective such that the information relating to us required to be disclosed in our Securities and Exchange Commission (â€œSECâ€) reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. A Managementâ€™s Report on Internal Control Over Financial Reporting A Management is responsible for establishing and maintaining adequate internal control over the Companyâ€™s financial reporting. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002. Our management, with the participation of our principal executive officer and principal financial officer have conducted an assessment, including testing, using the criteria in Internal Control â€“ Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (â€œCOSOâ€) (2013). Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. This assessment included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management concluded that our internal control over financial reporting was not effective as of June 30, 2024. The ineffectiveness of the Companyâ€™s internal control over financial reporting was due to the following material weaknesses, which are indicative of many small companies with small staff: A (i)inadequate segregation of duties consistent with control objectives; and A (ii)lack of multiple levels of supervision and review. A We are currently reviewing our disclosure controls and procedures related to these material weaknesses and expect to implement changes in the current fiscal year, including identifying specific areas within our governance, accounting and financial reporting processes to add adequate resources to potentially mitigate these material weaknesses. A Our management will continue to monitor and evaluate the effectiveness of our internal controls and procedures and our internal controls over financial reporting on an ongoing basis and is committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow. A Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. 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. A Managementâ€™s Remediation Plan A The weaknesses and their related risks are not uncommon in a company of our size because of the limitations in the size and number of staff. Due to our size and nature, segregation of all conflicting duties has not always been possible and may not be economically feasible. A 34Table of Contents A However, we plan to take steps to enhance and improve the design of our internal control over financial reporting. During the period covered by this annual report on Form 10-K, we have not been able to remediate the material weaknesses identified above. To remediate such weaknesses, we plan to implement the following changes in the current fiscal year as resources allow: A (i)We have added additional qualified personnel to address inadequate segregation of duties and are in the process of implementing modifications to our financial controls through our newly implemented ERP that will enforce these controls A systematically and enable tracking of the multiple review process; and A (ii)We will add several workflow review processes with the new ERP and we expect to finalize these efforts by the end of the 2025 fiscal year. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. A Management believes that despite our material weaknesses set forth above, our consolidated financial statements for the year ended June 30, 2024 are fairly stated, in all material respects, in accordance with U.S. GAAP. A Changes in Internal Control Over Financial Reporting A There have been no changes in our internal controls over financial reporting that occurred during the year ended June 30, 2024, that have materially or are reasonably likely to materially affect, our internal controls over financial reporting. The Company has added significant qualified resources to ensure proper segregation of duties and proper review of the financial reporting policies and procedures. A Item 9B. Other Information A None. A Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections. A None. A 35Table of Contents A PART III A Item 10. Directors, Executive Officers and Corporate Governance A All directors of our company hold office until the next annual meeting of the security holders or until their successors have been elected and qualified. The officers of our company are appointed by our board of directors and hold office until their death, resignation or removal from office. Our directors and executive officers, their ages, positions held, and duration as such, are as follows: A Name A Position Held with the Company A Age A Date First Elected or Appointed Allan Marshall A Chief Executive Officer, A Chairman of the Board A May 17, 2019 A A A A Andrew Norstrud A Chief Financial Officer, Director A 51A April 1, 2020A A A A A Gene Salkind A Director A 70A January 1, 2021A A A A A Thomas C. Williams A Director A 64A January 1, 2021A A A A A Lawrence H. Dugan A Director A 57A January 1, 2021 A Business Experience A The following is a brief account of the education and business experience during at least the past five years of each director, executive officer and key employee of our company, indicating the personâ€™s principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out. A Allan Marshall, 57, Chief Executive Officer, Director. Mr. Marshall joined the Company as CEO in May of 2019 and was previously retired prior to joining the Company working as a serial entrepreneur with a focus on development stage companies in hyper growth industries, with the past several years focusing on the technology and cannabis industries. Mr. Marshall is often the driving force behind the organization for its initial growth and funding strategies. Mr. Marshall began his career in the transportation and logistics industry. Mr. Marshall founded Segmentz, Inc. in November of 2000 and served as the Chief Executive Officer, successfully acquiring five distinct logistic companies, raised more than \$25,000,000 of capital, creating the infrastructure and business foundation that is now XPO Logistics, Inc. (NYSE: XPO) with revenues in excess of \$17 billion. Prior to Segmentz, Mr. Marshall founded U.S. Transportation Services, Inc. (â€œUSTâ€) in 1995, whose main focus was third party logistics. UST was sold to Professional Transportation Group, Inc. in January 2000 and Professional Transportation Group ceased business in November 2000. Prior to 1995, Mr. Marshall served as Vice President of U.S. Traffic Ltd, Canadian company, where he founded their United States logistics division and had previously founded a successful driver leasing company in Toronto, Ontario, Canada. A Andrew J. Norstrud, 51, Chief Financial Officer, Director. Mr. Norstrud joined Upexi, Inc. in July of 2019 as a consultant and became the Chief Financial Officer in April of 2020 and a Director as of January 2020. Prior to joining Upexi, Inc., Mr. Norstrud worked as a consultant through his own consulting firm. A Mr. Norstrud served as the Chief Financial Officer for Gee Group Inc. from March 2013 until June 2018. Mr. Norstrud also served Gee Group as CEO from March 7, 2014 until April 1, 2015. Mr. Norstrud served as a director of GEE Group Inc. from March 7, 2014 until August 16, 2017. Prior to GEE Group Inc., Mr. Norstrud was a consultant with Norco Accounting and Consulting from October 2011 until March 2013. From October 2005 to October 2011, Mr. Norstrud served as the Chief Financial Officer for Jagged Peak. Prior to his role at Jagged Peak, Mr. Norstrud was the Chief Financial Officer of Segmentz, Inc. (XPO Logistics), and played an instrumental role in the company achieving its strategic goals by pursuing and attaining growth initiatives, building a financial team, completing and integrating strategic acquisitions and implementing the structure required of public companies. Previously, Mr. Norstrud worked for Grant Thornton LLP and PricewaterhouseCoopers LLP and has extensive experience with young, rapid growth public companies. Mr. Norstrud earned a BA in Business and Accounting from Western State College and a Master of Accounting with a systems emphasis from the University of Florida. Mr. Norstrud is a Florida licensed Certified Public Accountant. A Gene Salkind, 70, Director. Gene Salkind, M.D. has been a practicing neurosurgeon for more than 35 years outside of Philadelphia, PA. He graduated from the University of Pennsylvania in 1974 with a B.A., Cum Laude, and received his medical degree from the Lewis Katz School of Medicine in 1979. He returned to the University of Pennsylvania for his neurosurgical residency and in 1985 was selected as the Chief Resident in Neurosurgery at the Hospital of the University of Pennsylvania. Since that time, he has been in a university affiliated practice of general neurological surgery. He has served as the Chief of Neurosurgery at Holy Redeemer Hospital, Albert Einstein Medical Center, and Jeanes Hospital in Philadelphia. He has authored numerous peer reviewed journal articles and has given lectures throughout the country on various neurological topics. He has held professorships at the University of Pennsylvania, the Allegheny Health Education and Research Foundation, and currently at the Lewis Katz School of Medicine. A Dr. Salkind is a prominent investor in the pharmaceutical arena. Past investments include Intuitive Surgical, Pharmacyclics, which grew from less than \$1 per share to subsequently being acquired by AbbVie for \$250 per share, and Centocor, one of the nationâ€™s largest biotechnology companies, which was acquired by Johnson & Johnson for \$4.9 billion in stock. Dr. Salkind currently sits on the boards of Cure Pharmaceuticals, a leader in the biotechnology field through its continual pursuit of redefining traditional drug delivery, and MobiQuity Technologies, Inc., a digital engagement provider. MobiQuity owns and operates a national location based mobile advertising network. The companyâ€™s suite of technologies allows



Schedules. (a) Consolidated financial statements (1) Consolidated financial statements for our company are listed in the index under Item 8 of this document. (2) All financial statement schedules are omitted because they are not applicable, not material or the required information is shown in the consolidated financial statements or notes thereto. (b) Exhibits. Exhibit Index. Filed or Incorporated by Reference. Furnished Exhibit No. Description Form File No. Exhibit Filing.

or Registrants 10-KU001-40353A 21, 1A 10/23/331. A Certification of Chief Executive Officer pursuant to Exchange Act Rule 13a-14a and 15d-14a, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 A A A A A A A A x31.2A Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14a and 15d-14a, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 A A A A A A A A x32.1A Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. A A A A A A A A x32.2A Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. A A A A A A A A x101.1NSA 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). A A A A A A A A x101.SCH4 Inline XBRL Taxonomy Extension Schema Document A A A A A A A A x101.CAL4 Inline XBRL Taxonomy Extension Calculation Linkbase.

XBRL document). A A A A A A A A x101. SCHA Inline XBRL Taxonomy Extension Schema Documenta A A A A A A A A x101. CALA Inline XBRL Taxonomy Extension Calculation Linkbase Documenta A A A A A A A A x101. DEF4A Inline XBRL Taxonomy Extension Definition Linkbase Documenta A A A A A A A A x101. LABA Inline XBRL Taxonomy Extension Label Linkbase Documenta A A A A A A A A x101. PRE4A Inline XBRL Taxonomy Extension Presentation Linkbase Documenta A A A A A A A A x104A Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101) A A A A A A A x\_\_\_\_\_ \* These exhibits are furnished with this Annual Report on Form 10-K and are not deemed filed with the Securities and Exchange Commission and are not incorporated by reference in any filing of Upexi, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing. A \_\_\_\_\_ indicates a management contract or

1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filings. A-11 Indicates a management contract or compensatory plan or arrangement. A-16 Item 16. Form 10-K Summary. None. A-16 Table of Contents A-1 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, there unto duly authorized. A-16 UPEXI INC. A-16 (Registrant) A-16 Dated: December 16, 2024 A-16 /s/ Allan Marshall A-16 Allan Marshall A-16 President, Chief Executive Officer and Director A-16 (Principal Executive Officer) A-16 A-16 Dated: December 16, 2024 A-16 /s/ Andrew J. Norstrud A-16 Andrew J. Norstrud A-16 Chief Financial Officer A-16 (Principal Financial Officer and Principal Accounting Officer) A-16 Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, there unto duly authorized. A-16 Dated: December 16, 2024 A-16 /s/

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. A Dated: December 16, 2024 A /s/ Allan Marshall A A Allan Marshall A A President, Chief Executive Officer and Director A A (Principal Executive Officer) A A A Dated: December 16, 2024 A /s/ Andrew J. Norstrud A A Andrew J. Norstrud A A Chief Financial Officer A A (Principal Financial Officer and Principal Accounting Officer) A A A Dated: December 16, 2024 A /s/ Gene

SalkindA A Gene SalkindA A DirectorA A Á Á A Dated: December 16, 2024Á/s/ Thomas C. WilliamsA A Thomas C. WilliamsA A DirectorA A Á Á A Dated: December 16, 2024Á/s/ Laurence H. DuganA A Laurence H. DuganA A DirectorA Á 47A 0001477932-24-008123uxpi\_ex31.htmEXHIBIT 31.1 Á CERTIFICATION A I, Allan Marshall, certify that: Á 1. I have reviewed this Form 10-K annual report for the year ended June 30, 2024, of Upex Inc.; A 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; Á 3. Based on my knowledge, the consolidated financial statements, and other financial information included in this report, fairly present, in all material respects, the financial

this report; A A 3. Based on my knowledge, the consolidated 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; A A 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 A A (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; A A A (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 consolidated financial statements for

reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles; A A A A (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and A A A A (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and A A A A 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's

008123upxi\_ex312.htmEXHIBIT 31.2 A CERTIFICATION A. I, Andrew J. Norström, certify that: A. 1. I have reviewed this Form 10-K annual report for the year ended June 30, 2024 of Upexi, Inc. A. 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; A. 3. Based on my knowledge, the consolidated 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; A. 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 A A (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; A A A A (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 consolidated financial statements for external purposes in accordance with generally accepted accounting principles; A A A (c)

Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and A. (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and A. 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the

recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions); A A (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 A A A (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting. A Dated: December 16, 2024 A /s/ Andrew J. Norstrud A A Andrew J. Norstrud, A A Chief Financial Officer A A (Principal Financial Officer and Principal Accounting Officer) A ILYAA. A <2150001477932-22-048123upx ex321.htm EXHIBIT 32.1 A CERTIFICATIONS PURSUANT TO SECTION 1350 OF CHAPTER 62 OF TITLE 18 OF THE UNITED STATES CODE A In connection with the Annual Report of Unico, Inc. (the "Company") on Form 10-K for

connection with the Annual Report of Upexi, Inc. (the "Company") on Form 10-K for the year ended June 30, 2024, filed with the Securities and Exchange Commission (the "Report"), the undersigned hereby certifies, in his capacity as an officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge: (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of the operations of the Company. Dated: December 16, 2024 By: /s/ Andrew J. Norstrud Andrew J. Norstrud Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)