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

FORM 10-K

(Mark One)

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

For the fiscal year ended **June 30, 2025**

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **001-40535**

UPEXI, INC.

(Exact name of registrant as specified in its charter)

Delaware	**83-3378978**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3030 North Rocky Point Drive Tampa, FL	**33607**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(727) 287-2800**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.00001	UPXI	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

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

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

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

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

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐ Yes ☒ No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐ Yes ☒ No

Indicate by check mark whether any of those corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐ Yes ☒ No

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

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant as of December 31, 2024 (the last business day of the registrant's most recently completed second fiscal quarter) was approximately $3.3 million, based upon the closing sale price of such stock on the Nasdaq Capital Market. The registrant has no non-voting common equity.

As of September 23, 2025, the registrant had 58,888,756 shares of common stock, par value $0.00001 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Upexi, Inc.
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For the Fiscal Year Ended June 30, 2025

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Cautionary Statement Regarding Forward-Looking Statements

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.

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.

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.

PART I

Item 1. Business

General Overview

As used in this Annual Report and unless otherwise indicated, the terms "we", "us", "our", "Upexi", and the "Company" mean Upexi, Inc., a Delaware corporation, originally formed as a Nevada corporation in September of 2018. The Company has seven active subsidiaries that are part of the Company.

DESCRIPTION OF BUSINESS

Our Company

We are in the cryptocurrency industry and the management of cash assets through a cryptocurrency portfolio, primarily focused in Solana tokens and staking of those tokens. We continue to be a brand owner specializing in the development, manufacturing, and distribution of consumer products.

Our Solana Treasury Strategy

Early in 2025, we updated and modified our cash management and treasury strategy to include holding digital currency assets directly on our balance sheet. This was a shift from before when we held excess cash primarily in FDIC-insured interest-bearing accounts. The change to adopt this strategy results from our intention to obtain the highest yield on excess cash. Under our new approach, our treasury policy focuses primarily on Solana ("SOL"). The approach involves applying a public-market treasury model to an asset that is considered earlier in its lifecycle than, with respect to both development and usage, as well as institutional adoption, Bitcoin. Management will focus its resources to this digital asset strategy and a significant portion of the balance sheet will be allocated to holding Solana in the Company's digital asset treasury. Currently our treasury is exclusively dedicated to the SOL digital asset and currently we do not intend to dedicate any of the treasury allocated capital to other digital assets. We will stake the vast majority of the Solana in our treasury to earn a staking yield and turn the treasury into a productive asset. Currently we are staking approximately 95% of our SOL treasury, and intend to maintain a similar or higher percentage going forward. We do not hedge our SOL and do not have plans to hedge our SOL in the future.

Our treasury is intended to bring value to our shareholders in these ways:

- We plan to utilize intelligent capital markets issuance – including the issuance of both equity and convertible debt - where we may issue capital in an accretive fashion for the benefit of shareholders to purchase and hold more Solana.
- We will stake the majority of the Solana in our treasury to earn a staking yield and turn the treasury into a productive asset.
- We will purchase locked Solana at a discount to the current spot price, which will provide higher gains for our shareholders as the discount moves to par over time.

Note that we are underpinned by Solana, which we believe is the leading high-performance blockchain and may see its price rise in the future. If this occurs, our Solana treasury will move up in value, also benefiting shareholders.

Our Staking Program

Pursuant to our treasury strategy, we will use our SOL in the treasury to generate a return through various opportunities with the most significant portion being allocated to our Staking Program. We will utilize several validators in the Staking Program to reduce our risk with a single validator and maximize the overall yield from the Staking Program. We will also dedicate a portion of the SOL in our staking program to utilize smaller validators to help improve the overall Solana ecosystem. These Validators are scrutinized through our due diligence program and are initially only given a small amount of SOL for the Company to be able to verify the expected performance and yield, and to ensure that the validator should be included in our future allocation of SOL to validators. Management evaluates the validators on a routine basis around performance, yield, and economics, and makes monthly adjustments on the overall allocation of the SOL in the treasury based on our evaluation. Currently we have approximately 95% of our SOL treasury staked and target a similar or higher percentage in the future.

We maintain possession and control of the SOL when it is staked at all times. Native staking is generally considered a safe activity, as it is done in-protocol (i.e.. is built into Solana itself), and as, unlike other networks, Solana has not implemented "slashing" penalties for validators that either intentionally misbehave or perform their duties poorly. As such, the major risk with staking is that we choose a validator with poor performance who realizes a low staking yield. Additionally, as part of the "activating" and "exiting" processes of SOL staking, any staked SOL will be inaccessible for a period of time determined by a range of factors, resulting in certain liquidity risks that we manage.

Process of Staking

Management has bi-weekly meetings to evaluate treasury operations, including the staking of the Company's SOL. Based on these meetings, management determines the allocation of the SOL treasury to the Staking Program and determines the amount of allocation to each validator, ensuring that no single validator has such a large percentage of our stake that it represents concentration risk.

If it is determined to reduce the amount of the SOL dedicated to the Staking Program or it is determined to change the allocation of SOL to a validator, we will initiate an unstaking process and notify the validator of the change, which effectively reverses the delegation of the SOL from the applicable validator node.

Solana has a cooldown period known as the "deactivation period," which is the time it takes for the unstaked SOL to become fully liquid. During this period, the tokens are not actively earning rewards, but they are also not yet available for transfer or use. The length of this period can vary based on network conditions, but is generally expected to be 48 hours or less. Once the cooldown period is complete, the Company will have complete control over the SOL, including the ability to sell the SOL or transfer it as determined by management.

Liquidity Management

The Company's Staking Program involves the temporary loss of the ability to transfer, assign a new validator or otherwise dispose of the SOL. Under normal conditions, the Company will regain complete control over its unstaked SOL within two days of initiating the unstaking. However, there can be no guarantee that such process will result in the Company regaining complete control of its SOL in time to satisfy its current obligations. We maintain a certain amount of liquid SOL in the treasury, classified as current digital assets at fair value and a certain amount of cash to ensure that the Company is able to satisfy its current obligations.

How We Earn Staking Rewards

To earn staking rewards, we delegate our SOL to leading Solana validators via Solana's in-protocol delegation system. This means we deposit our SOL tokens into a staking account, which is then delegated to a validator's vote account. We utilize native staking only, and stake to top validators who have demonstrated a track record of high performance, high yield generation, and attractive delegator economics. We use multiple validators to both maximize the return on our Solana treasury and to mitigate the risk of having only one or two validators for our treasury staking.

SOL and the Solana Network

SOL is a digital asset that is created and transmitted through the operations of the peer-to-peer Solana network (the "Solana blockchain" or "Solana network"), which is a decentralized network of computers operating the implementation of the Solana protocol. While certain entities such as Solana Labs, Inc. ("Solana Labs") and the Solana Foundation have influence over the Solana network's development and governance (which was particularly true during the network's early years), no single entity owns or operates the Solana network, the infrastructure of which is collectively maintained by a decentralized user base. The Solana network allows the creation and exchange of tokens, including SOL, which are recorded on the Solana network. SOL can be used to pay for goods and services, including to send a transaction on the Solana network, or it can be swapped to other tokens or converted to fiat currencies, such as the U.S. dollar, at rates determined on digital asset trading platforms or in individual end-user-to-end-user transactions under a market-based system. Furthermore, the Solana network allows users to write and implement general purpose code known as smart contracts or programs that create decentralized applications, and for users to openly interact with said decentralized applications. Using programs, users can create decentralized applications covering a variety of categories and subsectors, including borrow/lend protocols, decentralized exchanges, social applications, web3 gaming, tokenized assets, AI agents, decentralized physical infrastructure networks, and many more. As such, the Solana network expands blockchain use well beyond just a peer-to-peer money system.

The Solana protocol introduced the proof-of-history timestamping mechanism. Proof-of-history is not a consensus mechanism, but a cryptographic clock that enables greater organization without extensive communication, thereby increasing throughput. Proof-of-history enables leaders to know when it's their turn to produce a block, rather than requiring the entire network to first come to an agreement on the prior block before the leader can begin their work.

In addition to the proof-of-history mechanism, the Solana network uses a proof-of-stake consensus mechanism to incentivize SOL holders to validate transactions. Unlike proof-of-work, in which miners expend computational and energy resources to be the miner to propose a block and receive the block reward, in proof-of-stake, validators pledge or "stake" coins, perform duties such as proposing or validating blocks, and receive staking rewards generally in proportion to the amount of coins staked. A validator that performs its duties poorly, whether maliciously or unintentionally, would receive fewer or no rewards. Proof-of-stake is viewed as more energy efficient and scalable than proof-of-work. Proof-of-history combined with a proof-of-stake consensus model are some of the components on Solana that enable high throughput and low-latency transaction processing.

Overview of the Solana Network

In order to own, transfer or use SOL directly on the Solana network on a peer-to-peer basis (as opposed to through an intermediary, such as a custodian or centralized exchange), a person generally must have internet access to connect to the Solana network and set up a wallet, which is the software that safeguards a user's keypair (public key plus secret key). SOL transactions may be made directly between end-users without the need for an intermediary. To transact on the Solana network, a user, typically through an application such as a wallet or smart contract, will board the transaction to the current leader, who will organize the transactions into shards before the network processes and validates such transactions. Using cryptography and its proof-of-stake consensus mechanism, the Solana network can come to a shared state of the network in a decentralized fashion and without a centralized leader. Blocks are built on top of prior ones by subsequent leaders, continuing the process.

Prior to transacting on Solana, a user generally must first install on his computer or mobile device a software program that will allow the user to generate a private and public key pair such as a wallet. The wallet also enables the user to connect to the Solana network, interact with decentralized applications, and transfer or swap tokens with other users or applications.

Each user has his own key pair that is stored in such software, like a wallet. To receive SOL in a peer-to-peer transaction, the SOL recipient must provide its public key to the party initiating the transfer. This activity is analogous to a recipient for a transaction in U.S. dollars providing a routing address in wire instructions to the payor so that cash may be wired to the recipient's account. The payor approves the transfer to the address provided by the recipient by "signing" a transaction that consists of the recipient's public key with the private key of the address from where the payor is transferring the SOL. The recipient, however, does not make public or provide to the sender its private key (though the network can still verify the validity of the signature – i.e. that it was signed by the holder of the private key – using cryptography). With cold storage, our Custodian maintains all of the private keys.

Neither the recipient nor the sender reveal their private keys in a peer-to-peer transaction because the private key authorizes transfer of the funds in that address to other users. Therefore, if a user loses their private key, the user may permanently lose access to the SOL contained in the associated address. Likewise, SOL is irretrievably lost if the private key associated with them is deleted and no backup has been made. When sending SOL, a user's Solana network software program must validate the transaction with the sender's associated private key. In addition, since every computation on the Solana network requires processing power, there is a mandatory transaction fee involved with the transfer that is paid by the payor. The resulting digitally validated transaction is sent by the user's Solana network software program to the Solana network validators to allow transaction confirmation.

Solana network validators record and confirm transactions when they validate and add blocks of information to the Solana blockchain. When a validator is selected to validate a block, it creates that block, which includes data relating to (i) the verification of newly submitted and accepted transactions and (ii) a reference to the prior block in the Solana blockchain to which the new block is being added. The validator becomes aware of outstanding, unrecorded transaction requests through peer-to-peer data packet transmission and distribution discussed above.

Upon the addition of a block of SOL transactions, the Solana network software program of both the spending party and the receiving party will show confirmation of the transaction on the Solana blockchain and reflect an adjustment to the SOL balance in each party's Solana network public key, completing the SOL transaction. Once a transaction is confirmed on the Solana blockchain, it is irreversible.

Some SOL transactions are conducted "off-blockchain" and are therefore not recorded on the Solana blockchain. These "off-blockchain transactions" involve the transfer of control over, or ownership of, a specific digital wallet holding SOL or the reallocation of ownership of certain SOL in a pooled-ownership digital wallet, such as a digital wallet owned by a digital asset trading platform. If a transaction takes place through a centralized digital asset exchange or a custodian's internal books and records, it is not broadcast to the Solana network or recorded on the Solana blockchain. In contrast to on-blockchain transactions, which are publicly recorded on the Solana blockchain, information and data regarding off-blockchain transactions are generally not publicly available. Therefore, off-blockchain transactions are not truly SOL transactions in that they do not involve the transfer of transaction data on the Solana network and do not reflect a movement of SOL between addresses recorded on the Solana blockchain. For these reasons, off-blockchain transactions are not immutable or irreversible as any such transfer of SOL ownership is not cryptographically protected by the protocol behind the Solana network or recorded in, and validated through, the blockchain mechanism.

Since inception, transaction fees on the Solana Network have comprised of a fixed rate of 0.000005 SOL per transaction, plus a variable fee component based on the computation resources used during the transaction. SOL holders can also pay an additional prioritization fee to expedite their transaction.

Validators

In proof-of-stake, validators risk or stake coins to be randomly selected to validate transactions and are rewarded for performing their responsibilities and behaving in accordance with protocol rules. Malfunctions that cause validators to go offline and, in turn, inhibit them from performing their duties can result in financial penalties. Any malicious activity, such as making incorrect attestations or otherwise violating protocol rules results may result in lower rewards or the lost opportunity to gain rewards. The penalty varies depending on the type of offense and correlation to potential offenses by other validators.

Validators are typically professional operations that design and build dedicated machines and data centers, including "clusters," which are groups of validators that act cohesively and combine their processing to confirm transactions. When a validator confirms a transaction, the validator and any associated stakers receive a fee. During the course of ordering transactions and validating blocks, validators may be able to prioritize certain transactions in return for increased transaction fees, an incentive system known as "Maximal Extractable Value" or "MEV." For example, in blockchain networks that facilitate DeFi protocols in particular, such as the Solana network, users may attempt to gain an advantage over other users by offering greater transaction fees.

Validators less commonly capture MEV in the Solana network because, unlike the Ethereum network, it does not publicly expose transactions before they are accepted by a validator.

Staking rewards on the Solana network are determined by the protocol and are distributed to validators and their associated stakers based on the proportion of their stake relative to the total active stake in the network. The rewards are funded by inflationary issuance of new tokens and transaction fees collected on the network. The specific amount each validator and staker receives depends on, among other things, their share of the total stake, the validator's uptime and performance, and the overall network conditions.

The historical range of staking rewards on the Solana network has varied due to differing levels of network congestion and protocol parameters. The actual annualized reward rate has fluctuated over time, reflecting changes in network activity, inflation rates, and protocol adjustments.

Staking rewards on Solana are distributed at regular intervals. At the end of each epoch, with one epoch being roughly two days, the reward is calculated. The reward is automatically distributed at the beginning of the subsequent epoch. This regular reward frequency ensures that participants receive their share of rewards in a timely manner, reflecting their contribution to network security and transaction validation.

How We Purchase or Sell Digital Assets

Our Management team reviews the Company's short-term obligations and excess cash available to dedicate to the Treasury Strategy. When it is determined that the Company has excess cash available to dedicate to the Treasury Strategy, we deploy that capital into one of our custodians and through acquisition strategies with the custodians and our asset manager. We acquire the SOL over several days or weeks to maximize the number of SOL that is acquired with the capital deployed. If it is determined that the treasury needs to liquidate part of its SOL, the same process of selling the SOL into the market would be used. The Company has not reduced its treasury or sold any of its SOL staking rewards to date.

Use of Custodians and Storage of SOL Tokens

We do not self-custody and only utilize third-party qualified custodians to hold our Solana. We use qualified custodians that utilize risk management and operational best practices around items like hot vs. cold storage, access controls, custody technology, insurance, etc. Our primary custodian is BitGo Trust Company, Inc. ("BitGo"). We also maintain a custodial relationship with Coinbase, Inc. and are in the process of distributing our treasury to different custodians and onboarding other qualified custodians to ensure that we mitigate our Solana treasury risk through the use of several qualified custodians.

Storage of Our Digital Assets in our SOL Treasury

The Custodians

The Custodians are responsible for safekeeping all of the SOL owned by the Company. We maintain multiple Custodians to reduce the risk of a single failure and we plan to expand to additional custodians as our Treasury grows. The Custodian accounts are all opened by the Company, this segregates our assets into an individual custodian account owned by the Company and access is monitored and controlled by the Company. Our Asset Management Company is given access to the Custodian accounts with established controls to ensure transactions require consensus of a minimum of two individuals when assets are being transferred between wallets and additional controls if an asset of the Treasury is moved out of the Custodians control. The assets go through the Custodians Trust Company, which maintains its own insurance and is regulated by their respective state where the trust is incorporated in.

Our primary custodian is currently BitGo Trust Company, Inc. a South Dakota corporation ("BitGo") and is regulated by the state of South Dakota. On May 1, 2025, we entered into a Custodial Services Agreement with BitGo (the "BitGo Agreement") to hold our digital currency. The term of the BitGo Agreement is for one year with successive one-year renewals unless prior notice of non-renewal is given by either party. The Company pays BitGo a monthly digital asset storage fee based upon the market value of the assets in storage, plus $500. The BitGo Agreement is terminable by either the Company or BitGo on thirty days' notice as a result of a breach of the Agreement and may be suspended by BitGo if the Company violates the intended use of the account or due to a change in the applicable law, litigation or bankruptcy.

Our secondary custodian is Coinbase Inc., a subsidiary of Coinbase Global, Inc., a Delaware corporation, which is primarily used for the acquisition of digital assets. On May 5, 2025, the Company entered into an Institutional Client Agreement with Coinbase (the "Coinbase Agreement"). The Coinbase Agreement is terminable at will by either the Company or Coinbase. The Company pays Coinbase its regularly scheduled fees based on the dollar trading volume over a thirty-day period. The Coinbase Agreement is terminable by either the Company or Coinbase on ten days' notice as a result of a breach of the Agreement and may be suspended by Coinbase if the Company violates the intended use of the account or due to a change in the applicable law, governmental proceeding, litigation or bankruptcy. Coinbase may also close the Company's account if it has been inactive for more than one year.

BitGo maintains a $250,000,000 policy against loss, theft and misuse. Currently we have approximately $253,000,000 of treasury value at Bitgo, based on the SOL price of $202.51 per token. Coinbase has an insurance policy for any cash held in the account of $250,000. We currently have less than $250,000 of cash held at Coinbase and less than $6,000,000 in SOL value, based on the SOL price of $202.51 per token. At the current price of SOL as of the date of this report, these policies are not adequate to fully cover the full loss of our SOL.

Solana, as with all digital assets, can be highly volatile. Management reviews the account balances and the total value held with custodians to allocate the Company's holdings between multiple accounts and custodians to mitigate risk. We do not use self-storage for any of the SOL treasury assets.

Private keys are generated by the Custodian in key generation ceremonies at secure locations using offline devices that have never been connected to a network. Private keys are generated according to detailed procedures using specialized offline devices and within these secure facilities to mitigate risk of hacks, errors, or other unintended external exposure. Key ceremony processes are highly controlled, require segregation of duties across multiple parties and are reviewed and witnessed by designated oversight personnel. Thorough validations and signoffs are performed to verify the integrity and security of key generation ceremonies.

The Custodians hold a majority of SOL in cold storage and provides a user interface for the Company to manage the allocation of SOL between cold and hot storage for the wallets. The Company maintains more than 98% of its SOL treasury in cold wallets.

The Custodians have multiple, redundant cold storage sites, which are geographically distributed including sites within the United States. Cold storage locations of the Custodian are monitored by 24x7 on-site security, video surveillance and alarms, hardened room structures, and access to these facilities is controlled by multi-person controls, multi-team access rules, and multi-factor authentication. The locations of the cold storage sites may change at the discretion of the Custodian and are kept confidential by the Custodian for security purposes. Transactions from cold to hot storage require physical access, according to the above controls, to one or more cold storage facilities, as well as systematically enforced approvals and integrity verifications, before the secure device can be used to cryptographically complete the transaction. At no point during this process is the private key removed from the secure device(s) nor the cold storage facility. Once these security processes have been completed, a transfer on the Solana network can be executed, as signed using the private keys held offline in cold storage.

The Custodians also maintain geographically dispersed backups of private keys, which are cryptographically generated into shards and stored in separate locations; multiple locations must be accessed to reconstruct a single key. The storage facilities are highly secured, and include 24x7 on-premises security presence, video surveillance, and alarms for unexpected entry. Access to facilities is controlled by multi-person controls, multi- team access rules, and multi-factor authentication.

All of our Custodians have SOC type 2 reports that the Company has reviewed and we get regular bridge reports from our Custodians to help ensure the controls are being maintained. Our Custodians maintain their own insurance policies to cover our loss, which is in addition to the policies that we maintain ourselves. We currently have two qualified Custodians that we have approved for our treasury use and we are in the process of onboarding a third as part of our risk management process.

The Company is charged for storage fees, staking fees and transaction fees for services specifically requested by the Company or the Asset Management Company. Except as set forth above, the contract terms of the agreements are typically for one to three years and can be terminated upon 30 day notice and payment of all fees due and one month of additional fees.

SOL – the Token of the Solana Blockchain

Solana (SOL) is the native token of the Solana blockchain. According to Solana Compass – a popular website covering the Solana ecosystem that also runs a Solana validator – Solana was created with an initial supply of 500m SOL, though much of the initial supply was locked or earmarked for various use cases such as for the community, investors, foundation, team, etc. New Solana tokens are brought into existence primarily through inflationary rewards distributed to validators (and delegators). Solana currently has a total supply of 606.5m SOL, a circulating supply of 538.2m, and no maximum supply. The Solana staking yield is made up of three primary components: inflationary rewards, transaction/priority fees, and maximal extractable value (MEV). Inflationary rewards started out at 8.0%, currently sit at 4.3%, and will fall 15% every epoch-year until it reaches a long-term floor of 1.5%. There are currently 27.2m locked SOL, representing 6.7% of the total SOL supply with various vesting schedules. Historically, 50% of all transaction fees were burned (with the other 50% going to the validator), but now all transaction fees go to the validator after the passage and adoption of Solana Improvement Document 96 (SIMD-96).

How SOL is Used

SOL is used as part of Solana's proof-of-stake consensus mechanism. In general, proof-of-stake blockchains have block producers called validators that run nodes, bond or stake the protocol's native token, propose blocks when chosen to do so, and validate/sign the transactions and blocks of others when not. Validators are chosen to produce a block in proportion to their stake, which makes it extremely costly for bad actors to attempt to control the network and add invalid transactions to the blockchain. Validators receive staking rewards for the work they perform, which further incentivizes validators to behave properly, as they would otherwise miss out on such rewards. Other proof-of-stake networks often "slash" some or all of a validator's stake if it intentionally or unintentionally performs its duties poorly, for example, by double-signing a transaction, though Solana has not implemented slashing at this time. In addition to its use within consensus, SOL is also a "gas token", meaning that users of the Solana blockchain pay SOL to validators (and delegators) as compensation for processing their transactions. As such, the value of SOL may increase if/as the Solana blockchain sees greater usage.

We see three particularly notable items giving Solana a technical advantage compared to many smart contract blockchain peers. First, Solana's proof-of-history gives validators a notion of time and enables them to produce blocks when it's their turn without requiring the network to first agree upon the current block. This results in immense speed advantages. Second, unlike peer blockchains that often use single-threaded virtual machines, Solana enables parallel transaction execution to increase throughput and advantage of future hardware improvements resulting from an increasing CPU core counts. Lastly, Solana optimized for speed and security, and is naturally growing into decentralization as hardware and bandwidth costs fall over time, optimally positioning it well along the Blockchain Trilemma.

The Solana Ecosystem

As one of the first "second-generation" high performance blockchains, Solana uniquely enjoys both the best-in-class technology described above, as well as strong network effects that have attracted a large, growing, and vibrant ecosystem of users, developers, and decentralized applications. Indeed, while Solana is focused on bringing global finance onchain (commonly referred to as "onchain Nasdaq" or "Internet Capital Markets"), Solana's performance and technical capabilities enable a plethora of use cases from decentralized finance ("DeFi") to decentralized physical infrastructure networks ("DePIN"), AI agents, social media, gaming, stablecoins, real-world assets ("RWA"s), and more. Moreover, according to Electric Capital's 2024 Developer Report, Solana is the #1 ecosystem for new developers, growing 83% in 2024, with this metric often considered a leading indicator of blockchain growth. Lastly, we note that Solana often leads all blockchains in key metrics such as daily active users, decentralized application revenues, and decentralized exchange volumes, sometimes putting up better metrics than all other chains combined.

Asset Management Agreement

On April 23, 2025, the Company entered into an Asset Management Agreement (the "Asset Management Agreement") with GSR Strategies LLC (the "Asset Manager"), pursuant to which the Asset Manager shall provide discretionary investment management services with respect to the Company's cryptocurrency treasury (the "Account Assets"). According to the Asset Management Agreement, the Asset Manager will invest the Account Assets, including any funds raised in accordance with the funding allocation provided in the Asset Management Agreement, principally with a long-only strategy primarily in Solana, including staking (and restaking0 Solana to improve returns (the "SOL Treasury Strategy").

The Company shall pay the Asset Manager an asset-based fee (the "Asset-based Fee") equal to 1.75% per annum, of the assets under the Asset Manager's management, which shall be calculated and paid in advance as of the first business day of each calendar month, as determined by the Asset Manager in a commercially reasonable manner and in good faith, by reference to, where applicable, available prices on Coinbase as of 12:00 UTC on such day. For any asset prices not available on Coinbase, the Asset Manager shall determine the value of such assets in a commercially reasonable manner and in good faith by reference to reputable industry sources.

As compensation for services rendered by the Asset Manager, the Company issued warrants (the "GSR Warrants") to the Asset Manager (to purchase 2,192,982 shares of Common Stock at various prices per share of common stock as follows: (i) 877,193 shares of Common Stock at an exercise price of $2.28 per share of Common Stock; (ii) 438,596 shares of Common Stock at an exercise price of $3.42 per share of Common Stock; (iii) 438,596 shares of Common Stock at an exercise price of $4.56 per share of Common Stock; (iv) 438,597 shares of Common Stock at an exercise price of $5.70 per share of Common Stock.

The Asset Management Agreement will, unless early terminated in accordance with its terms, continue in effect until the twentieth (20th) anniversary of April 23, 2025. The Asset Management Agreement may be terminated by the Company without cause solely upon a two-thirds majority vote of the Company's common stockholders to terminate the SOL Treasury Strategy. If the Company terminates the Asset Management Agreement for any other reason other than for cause, the Company shall pay the Asset Manager an early termination fee (the "Termination Fee) in the amount equal or greater of (i) five (5) times the aggregate amount of the management fees paid by the Company to the Asset Manager over the prior ten (10) year period, or (ii) $15 million. The Asset Management Agreement may be terminated for Cause (i) by the Company upon at least thirty (30) days prior written notice to the Asset Manager and (ii) by the Asset Manager upon at least sixty (60) days prior written notice to the Company.

The Brands

As a brand owner specializing in the development, manufacturing, and distribution of consumer products, we have developed or purchased certain brands that we continue to develop.

LuckyTail

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. LuckyTail products consist of its flagship nail grinder and other pet related products.

PRAX

At PRAX, we fuel modern go-getters to achieve their best selves through innovative energy solutions. Powered by paraxanthine—an advanced alternative to caffeine, our mission is to support your hustle and power your ambitions. Energize better, perform smarter, fuel differently.

Cure Mushrooms

At Cure Mushrooms, we have harnessed the extraordinary benefits of nature's 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.

Moonwalkr

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.

Gumi Labs

At Gumi Labs we manufacture gummies and other products supporting our health and wellness products, including those products manufactured with hemp ingredients. Our manufacturing facility has been moved to Florida and is at full capacity as of August of 2024.

Upexi Distribution

At Upexi Distribution, we manage the warehousing and logistic needs of the Company and provide storage, consolidation, assembly, Amazon preparation, distribution and fulfilment services to our brands and our manufacturing operation.

Our History

The Company operates manufacturing and/or distribution centers supporting health and wellness products, including those products manufactured with hemp ingredients and our overall distribution operations.

July 2020 - the Company purchased Infusionz LLC. 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.

June 2021 – Upexi, Inc. became a listed Company on the NASDAQ stock exchange.

August 2021 - The Company purchased the assets of VitaMedica Corporation, a California corporation (VitaMedica). VitaMedica is a leading online seller of supplements for surgery, recovery, skin, beauty, health and wellness.

October 2021 - The Company purchased Interactive Offers, LLC, a Delaware limited liability company. Interactive provides programmatic advertising with its SaaS (Software as a Service) platform which allows for programmatic advertisement placement automatically on any partners' sites from a simple dashboard.

April 2022 – The Company purchased 55% of Cygnet Online, LLC, a Delaware limited liability company ("Cygnet"). 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.

August 2022 – The Company purchased the assets to the brand LuckyTail. 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.

October 2022 - The Company purchased E-Core Technology, Inc. d/b/a New England Technology, Inc. ("E-Core"), a Florida corporation. 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.

October 2022 – The Company sold all rights to Infusionz brands and the manufacturing of certain private label business. Infusionz was originally purchased by the Company in July of 2020.

July 2023 – 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. The Company started manufacturing again for brands owned by the Company to ensure there was no interruption to the supply chain of the products.

August 2023 – The Company purchased the remaining ownership of Cygnet.

August 2023 – The Company sold one hundred percent (100%) of the issued and outstanding equity of its wholly owned subsidiary Interactive Offers, LLC.

May 2024 – The Company sold its equity interest in the wholly owned subsidiary VitaMedica, a Nevada corporation.

June 2024 – 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.

January 2025 – The Company announced intention of investments into cryptocurrency.

April 2025 - The Company consummated a $100 million private placement offering and used the net proceeds from the offering to fund its treasury strategy.

July 2025 – The Company consummated a $50 million private placement offering and a $151.2 million convertible note offering in consideration for the exchange of Solana to continue to build its SOL treasury strategy.

Regulations

Digital Asset Treasury

The laws and regulations applicable to Solana and digital assets are evolving and subject to interpretation and change.
Governments around the world have reacted differently to digital assets; certain governments have deemed them illegal, and others have allowed their use and trade without restriction, while in some jurisdictions, such as the U.S., digital assets are subject to overlapping, uncertain and evolving regulatory requirements.

As digital assets have grown in both popularity and market size, the U.S. Executive Branch, Congress and a number of U.S. federal and state agencies, including the Financial Crimes Enforcement Network, the CFTC, the SEC, the Financial Industry Regulatory Authority, the Consumer Financial Protection Bureau, the Department of Justice, the Department of Homeland Security, the Federal Bureau of Investigation, the IRS and state financial regulators, have been examining the operations of digital asset networks, digital asset users and digital asset exchanges, with particular focus on the extent to which digital assets can be used to violate state or federal laws, including to facilitate the laundering of proceeds of illegal activities or the funding of criminal or terrorist enterprises, and the safety and soundness and consumer-protective safeguards of exchanges or other service-providers that hold, transfer, trade or exchange digital assets for users. Many of these state and federal agencies have issued consumer advisories regarding the risks posed by digital assets to investors. In addition, federal and state agencies, and other countries have issued rules or guidance regarding the treatment of digital asset transactions and requirements for businesses engaged in activities related to digital assets.

Depending on the regulatory characterization of Solana, the markets for cryptocurrency in general, and our activities in particular, our business and our Solana acquisition strategy may be subject to regulation by one or more regulators in the United States and globally. Ongoing and future regulatory actions may alter, to a materially adverse extent, the nature of digital assets markets, the participation of industry participants, including service providers and financial institutions in these markets, and our ability to pursue our Solana strategy. Additionally, U.S. state and federal and foreign regulators and legislatures have taken action against industry participants, including digital assets businesses, and enacted restrictive regimes in response to adverse publicity arising from hacks, consumer harm, or criminal activity stemming from digital assets activity. U.S. federal and state energy regulatory authorities are also monitoring the total electricity consumption of cryptocurrency mining, and the potential impacts of cryptocurrency mining to the supply and dispatch functionality of the wholesale grid and retail distribution systems. Many states legislative bodies have passed, or are actively considering, legislation to address the impact of cryptocurrency mining in their respective states.

The CFTC takes the position that some digital assets fall within the definition of a “commodity” under the Commodities Exchange Act of 1936, as amended, or CEA. Under the CEA, the CFTC has broad enforcement authority to police market manipulation and fraud in spot digital assets markets in which we may transact. Beyond instances of fraud or manipulation, the CFTC generally does not oversee cash or spot market exchanges or transactions involving digital asset commodities that do not utilize margin, leverage, or financing. In addition, CFTC regulations and CFTC oversight and enforcement authority apply with respect to futures, swaps, other derivative products and certain retail leveraged commodity transactions involving digital asset commodities, including the markets on which these products trade.

In addition, because transactions in Solana provide a degree of anonymity, they are susceptible to misuse for criminal activities, such as money laundering. This misuse, or the perception of such misuse, could lead to greater regulatory oversight of Solana and Solana platforms, and there is the possibility that law enforcement agencies could close Solana platforms or other Solana-related infrastructure with little or no notice and prevent users from accessing or retrieving Solana held via such platforms or infrastructure.

As noted above, activities involving Solana and other digital assets may fall within the jurisdiction of more than one financial regulator and various courts and such laws and regulations are rapidly evolving and increasing in scope.

Consumer Products Business

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 ("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-tetraydrocannabidiols ("9-delta") on a dry weight basis. To ensure compliance with this provision, Upexi requires all hemp products it manufactures and distributes to contain no more than 0.3% of all tetraydrocannabidiols not simply 9-delta. 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. 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 ("FDCA") and the federal Food and Drug Administration's (the "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)" pursuant to which the FDA has taken the position that cannabidiol ("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 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(ll) 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.

Our Company

Our Treasury Strategy

The Company has adopted a treasury policy under which the principal holding in its treasury reserve on the balance sheet will be allocated to digital assets, and specifically long term strategy of holding Solana ("SOL") by applying a proven public-market treasury model to an asset that we believe is earlier in its lifecycle, structurally reflexive, and vastly underexposed.

Our Products

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.

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.

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.

Our Competitive Strengths

We attribute our success to our consumer products by controlling each phase of the process from manufacturing to order fulfillment.

As the manufacturer of our primary products, we can control our costs and improve profitability at each step of the process, starting with the development of new products. Our products take priority in terms of manufacturing, give us a higher inventory turnover rate, and accelerate the timeline for new product launches. In addition, we can adjust to market demands and change production schedules to ensure we maintain optimized inventory levels.

Our primary sales channel is our eCommerce site and our marketing team is led by an expert in 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.

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.

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 our products.

Our Growth Strategy

Our growth will focus on the expansion of our brands portfolio through organic growth and optimization of our supply chain.

*Direct-to-Consumer expansion.*Our direct-to-consumer business is expected to be our growth driver for the next several years with additional brands and products.

*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.

Competition

There is heavy competition in our products. We are able to carve out certain niche markets within the industry as there are few competitors that control their manufacturing to distribution as we do. 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. We will focus on profitability, and grow efficiently, without the requirement of additional capital.

Employees

The Company has 59 full-time employees as of June 30, 2025 working out of its headquarters in Tampa, Florida, its Odessa, Florida, manufacturing facility, its distribution warehouse in Tampa Florida or individuals' home-based offices.

Emerging Growth Company Status

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:

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);

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;

3. The date on which the company has, during the previous 3-year period, issued more than $1,000,000,000 in non-convertible debt; or

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.

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.

As an emerging growth company, we are also exempt from Section 14A and B of the Securities Exchange Act of 1934, which require 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.

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."

Risks Related to Upexi

Upexi does not anticipate paying any dividends on its common stock.

No dividends have been paid on Upexi's common stock. Upexi does not intend to pay cash dividends on its common stock in the foreseeable future, and anticipate that profits, if any, received from operations will be reinvested into its business. Any decision to pay dividends will depend upon its financial condition, operating results, and current and anticipated cash needs.

You may experience additional dilution in the future.

To raise additional capital, Upexi may in the future offer additional securities, including shares of its Common Stock, at prices that may not be the same as the price per share in this offering. Upexi may sell shares or other securities in any other offering at a price per share that is less than the price per share paid by investors in this offering, and investors purchasing shares or other securities in the future could have rights superior to existing stockholders. The price per share at which Upexi sells additional shares of common stock, or securities convertible or exchangeable into common stock, in future transactions may be higher or lower than the price per share paid by investors in prior offerings. Furthermore, sales of a substantial number of shares of Upexi's common stock in the public markets, or the perception that such sales could occur, could depress the market price of Upexi's common stock.

Shares eligible for future sale may adversely affect the market.

From time to time, certain of Upexi's stockholders may be eligible to sell all or some of their shares of common stock by means of ordinary brokerage transactions in the open market pursuant to Rule 144, promulgated under the Securities Act, subject to certain limitations. In general, pursuant to recent amendments to Rule 144, a non-affiliate stockholder who has satisfied a six-month holding period may, under certain circumstances, sell its shares, without limitation. Any substantial sale of Upexi's common stock pursuant to Rule 144 or pursuant to any resale (including sales by investors of securities purchased in prior offerings) may have a material adverse effect on the market price of the common stock.

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, 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.

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:

- Demand for our products;
- Our ability to obtain and retain existing customers or encourage repeat purchases;
- Our ability to manage our product inventory;
- General economic conditions, both domestically and in foreign markets;
- Advertising and other marketing costs; and
- 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.

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, pecmate, 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 de-listing 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 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.

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 exceeded $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.

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:

- Anticipate customer needs;
- Innovate and develop new products;
- Successfully introduce new products in a timely manner;
- Price our products competitively with retail and online competitors;
- Deliver our products in sufficient volumes and in a timely manner; and
- 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. 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.

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 climactic 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.

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:

- publicity regarding our Company, our products, our distribution channels and our competitors;
- public perceptions regarding the value and efficacy of our products;
- ongoing motivation of our independent distributors;
- government regulations;
- general economic conditions;
- our compensation arrangements, training and support for our independent distributors; and
- 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.

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(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 301(ll) 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.

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 may be required to obtain and maintain certain permits, licenses and regulatory approvals in the jurisdictions where we sell or plan to sell our products. There can be no assurance that we will be able to obtain or maintain any necessary licenses, permits or approvals. Any material delay in obtaining, or inability to obtain, such licenses, permits and approvals is likely to delay and/or inhibit our ability to carry out our plan of operations and could have a material adverse effect on our business, financial condition and results of operations.

Potential future international expansion of our business could expose us to additional regulatory risks and compliance costs.

Although we have no plans to expand internationally for at least two or more years, if the Company intends to expand internationally or engage in the international sale of its products, it will become subject to the laws and regulations of the foreign jurisdictions in which it operates, or in which it imports or exports products or materials, including, but not limited to, customs regulations in the importing and exporting countries. The varying laws and rapidly changing regulations may impact the Company's operations and ability to ensure compliance. In addition, the Company may avail itself of proposed legislative changes in certain jurisdictions to expand its product portfolio, which expansion may include unknown business and regulatory compliance risks. Failure by the Company to comply with the evolving regulatory framework in any jurisdiction could have a material adverse effect on the Company's business, financial condition and results of operations.

The market for health and wellness products is highly competitive. If we are unable to compete effectively in the market, our business and operating results could be materially and adversely affected.

The market for CBD products is a competitive and rapidly evolving market. There are numerous competitors in the industry, some of whom are more well-established with longer operating histories and greater financial resources than the Company. We expect competition to continue to intensify following the recent passage of the Farm Bill. We believe the Company will be able to compete effectively because of the quality of our products and customer service. However, there can be no assurance that the Company will effectively compete with existing or future competitors. Increased competition may also drive the prices of our products down, which may have a material adverse effect on our results of operations in future periods.

Given the rapid changes affecting the global, national and regional economies generally, the Company may experience difficulties in establishing and maintaining a competitive advantage in the marketplace. The Company's success will depend on our ability to keep pace with any changes in such markets, especially legal and regulatory changes. Our success will depend on our ability to respond to, among other things, changes in the economy, market conditions and competitive pressures. Any failure to anticipate or respond adequately to such changes could have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, sales of a substantial number of shares of our common stock in the public markets, or the perception that such sales could occur, could depress the market price of our common stock.

Risks Relating to Investing in Solana

The launch of central bank digital currencies ("CBDCs") may adversely impact our business.

The introduction of a government-issued digital currency could eliminate or reduce the need or demand for private-sector issued cryptocurrencies, or significantly limit their utility. National governments around the world could introduce CBDCs, which could in turn limit the size of the market opportunity for cryptocurrencies, including Solana.

Absent federal regulations, there is a possibility that Solana may be classified as a "security." Any classification of Solana as a "security" would subject us to additional regulation and could materially impact the operation of our business.

We believe that Solana is not a security but neither the SEC nor any other U.S. federal or state regulator publicly stated whether they agree with our assessment. Despite the Trump Administration's Executive Order titled "Strengthening American Leadership in Digital Financial Technology" which includes as an objective, "protecting and promoting the ability of individual citizens and private sector entities alike to access and … to maintain self-custody of digital assets," Solana has not yet been classified with respect to U.S. federal securities laws. Therefore, while (for the reasons discussed below) we have concluded that Solana is not a "security" within the meaning of the U.S. federal securities laws, and registration of the Company under The Investment Company Act of 1940, as amended (the "1940 Act") is therefore not required under the applicable securities laws, we acknowledge that a regulatory body or federal court may determine otherwise. Our conclusion, even if reasonable under the circumstances, would not preclude legal or regulatory action based on such a finding that Solana is a "security" which would require us to register as an investment company under the 1940 Act.

We have also adapted our process for analyzing the U.S. federal securities law status of Solana and other cryptocurrencies over time, as guidance and case law have evolved. As part of our U.S. federal securities law analytical process, we take into account a number of factors, including the various definitions of "security" under U.S. federal securities laws and federal court decisions interpreting the elements of these definitions, such as the U.S. Supreme Court's decisions in the *Howey* and *Reves* cases, as well as court rulings, reports, orders, press releases, public statements, and speeches by the SEC Commissioners and SEC Staff providing guidance on when a digital asset or a transaction to which a digital asset may relate may be a security for purposes of U.S. federal securities laws. Our position that Solana is not a "security" is premised, among other reasons, on our conclusion Solana does not meet the elements of the *Howey* test. Among the reasons for our conclusion that Solana is not a security is that holders of Solana do not have a reasonable expectation of profits from our efforts in respect of their holding of Solana. Also, Solana ownership does not convey the right to receive any interest, rewards, or other returns

We acknowledge, however, that the SEC, a federal court or another relevant entity could take a different view. The regulatory treatment of Solana is such that it has drawn significant attention from legislative and regulatory bodies, in particular the SEC which has previously stated it deemed Solana a security. Application of securities laws to the specific facts and circumstances of digital assets is complex and subject to change. Our conclusion, even if reasonable under the circumstances, would not preclude legal or regulatory action based on a finding that Solana, or any other digital asset we might hold is a "security." As such, we are at risk of enforcement proceedings against us, which could result in potential injunctions, cease-and-desist orders, fines, and penalties if Solana was determined to be a security by a regulatory body or a court. Such developments could subject us to fines, penalties, and other damages, and adversely affect our business, results of operations, financial condition, and prospects.

If we were deemed to be an investment company under the 1940 Act, applicable restrictions likely would make it impractical for us to continue segments of our business as currently contemplated.

Under Sections 3(a)(1)(A) and (C) of the 1940 Act, a company generally will be deemed to be an "investment company" if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding, or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities, shares of registered money market funds under Rule 2a-7 of the 1940 Act, and cash items) on an unconsolidated basis. Rule 3a-1 under the 1940 Act generally provides that notwithstanding the Section 3(a)(1)(C) test described in clause (ii) above, an entity will not be deemed to be an "investment company" for purposes of the 1940 Act if no more than 45% of the value of its assets (exclusive of U.S. government securities, shares of registered money market funds under Rule 2a-7 of the 1940 Act, and cash items) consists of, and no more than 45% of its net income after taxes (for the past four fiscal quarters combined) is derived from, securities other than U.S. government securities, shares of registered money market funds under Rule 2a-7 of the 1940 Act, securities issued by employees' securities companies, securities issued by qualifying majority owned subsidiaries of such entity, and securities issued by qualifying companies that are controlled primarily by such entity. We do not believe that we are an "investment company" as such term is defined in either Section 3(a)(1)(A) or Section 3(a)(1)(C) of the 1940 Act.

Since our formation, we have been a brand owner specializing in the development, manufacturing and distribution of consumer products. Recently, we have begun focusing on pursuing opportunities to expand our portfolio into coins, digital assets and M&A in the fintech space. With respect to Section 3(a)(1)(A), an amount in excess of 40% of our total assets holds Solana. Since we believe Solana is not an investment security, we do not hold ourselves out as being engaged primarily, or propose to engage primarily, in the business of investing, reinvesting, or trading in securities within the meaning of Section 3(a)(1)(A) of the 1940 Act.

With respect to Section 3(a)(1)(C), we believe we satisfy the elements of Rule 3a-1 and therefore are deemed not to be an investment company under, and we intend to conduct our operations such that we will not be deemed an investment company under, Section 3(a)(1)(C). We believe that we are not an investment company pursuant to Rule 3a-1 under the 1940 Act because, on a consolidated basis with respect to wholly-owned subsidiaries but otherwise on an unconsolidated basis, no more than 45% of the value of the Company's total assets (exclusive of U.S. government securities, shares of registered money market funds under Rule 2a-7 of the 1940 Act, and cash items) consists of, and no more than 45% of the Company's net income after taxes (for the last four fiscal quarters combined) is derived from, securities other than U.S. government securities, shares of registered money market funds under Rule 2a-7 of the 1940 Act, securities issued by employees' securities companies, securities issued by qualifying majority owned subsidiaries of the Company, and securities issued by qualifying companies that are controlled primarily by the Company.

Solana and other digital assets, as well as new business models and transactions enabled by blockchain technologies, present novel interpretive questions under the 1940 Act. There is a risk that assets or arrangements that we have concluded are not securities could be deemed to be securities by the SEC or another authority for purposes of the 1940 Act, which would increase the percentage of securities held by us for 1940 Act purposes. The SEC has requested information from a number of participants in the digital assets ecosystem, regarding the potential application of the 1940 Act to their businesses. For example, in an action unrelated to the Company, in February 2022, the SEC issued a cease-and-desist order under the 1940 Act to BlockFi Lending LLC, in which the SEC alleged that BlockFi was operating as an unregistered investment company because it issued securities and also held more than 40% of its total assets, excluding cash, in investment securities, including the loans of digital assets made by BlockFi to institutional borrowers.

If we were deemed to be an investment company, Rule 3a-2 under the 1940 Act is a safe harbor that provides a one-year grace period for transient investment companies that have a bona fide intent to be engaged primarily, as soon as is reasonably possible (in any event by the termination of such one-year period), in a business other than that of investing, reinvesting, owning, holding, or trading in securities, with such intent evidenced by the company's business activities and an appropriate resolution of its board of directors. The grace period is available not more than once every three years and runs from the earlier of (i) the date on which the issuer owns securities and/or cash having a value exceeding 50% of the issuer's total assets on either a consolidated or unconsolidated basis or (ii) the date on which the issuer owns or proposes to acquire investment securities having a value exceeding 40% of the value of such issuer's total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Accordingly, the grace period may not be available at the time that we seek to rely on Rule 3a-2; however, Rule 3a-2 is a safe harbor and we may rely on any exemption or exclusion from investment company status available to us under the 1940 Act at any given time. Furthermore, reliance on Rule 3a-2, Section 3(a)(1)(C), or Rule 3a-1 could require us to take actions to dispose of securities, limit our ability to make certain investments or enter into joint ventures, or otherwise limit or change our service offerings and operations. If we were to be deemed an investment company in the future, restrictions imposed by the 1940 Act—including limitations on our ability to issue different classes of stock and equity compensation to directors, officers, and employees and restrictions on management, operations, and transactions with affiliated persons—likely would make it impractical for us to continue our business as contemplated, and could have a material adverse effect on our business, results of operations, financial condition, and prospects.

We may be subject to regulatory developments related to crypto assets and crypto asset markets, which could adversely affect our business, financial condition, and results of operations.

As Solana and other digital assets are relatively novel and the application of state and federal securities laws and other laws and regulations to digital assets is unclear in certain respects, it is possible that regulators in the United States or foreign countries may interpret or apply existing laws and regulations in a manner that adversely affects the price of Solana. The U.S. federal government, states, regulatory agencies, and foreign countries may also enact new laws and regulations, or pursue regulatory, legislative, enforcement or judicial actions, that could materially impact the price of Solana or the ability of individuals or institutions such as us to own or transfer Solana.

If Solana is determined to constitute a security for purposes of the federal securities laws, the additional regulatory restrictions imposed by such a determination could adversely affect the market price of Solana and in turn adversely affect the market price of our common stock. Moreover, the risks of us engaging in a Solana treasury strategy have created, and could continue to create complications due to the lack of experience that third parties have with companies engaging in such a strategy, such as increased costs of director and officer liability insurance or the potential inability to obtain such coverage on acceptable terms in the future.

Our Management relies upon the advice of an asset manager through an asset management agreement to assist in building a narrowly focused investment strategy and the execution of the Company's strategy and may not yield the desired return.

Our management and GSR Strategies, LLC, the asset manager, will have broad discretion in the application of the net proceeds from any offering by the Company and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our common stock. The failure to apply these funds effectively could result in financial losses that could cause the price of our common stock to decline.

We may use the net proceeds from any offering by the Company to purchase additional Solana, the price of which has been, and will likely continue to be, highly volatile.

We may use the net proceeds from any offering by the Company to purchase additional Solana. Solana is a highly volatile asset. Solana does not pay interest, but if management determines to stake the Solana tokens in treasury, rewards can be earned on Solana. The ability to generate a return on investment from the net proceeds from any offering by the Company will depend on whether there is appreciation in the value of Solana following our purchases of Solana with the net proceeds from any offering by the Company. Future fluctuations in Solana's trading prices may result in our converting Solana purchased with the net proceeds from any offering into cash with a value substantially below the net proceeds from such an offering.

Momentum pricing.

The value of a single unit of SOL, as represented by various exchanges, may also be subject to momentum pricing due to speculation regarding future appreciation in value, leading to greater volatility that could adversely affect the value of the Shares. Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, is impacted by appreciation in value. Momentum pricing may result in speculation regarding future appreciation in the value of digital assets, which inflates prices and leads to increased volatility. As a result, SOL may be more likely to fluctuate in value due to changing investor confidence in future appreciation or depreciation in prices, which could adversely affect the price of SOL, and, in turn, our stock price.

The trading prices of many digital assets, including SOL, have experienced extreme volatility in recent periods and may continue to do so. Extreme volatility in the future, including declines in the trading prices of SOL, could have a material adverse effect on the value of the Shares and the Shares could lose all or substantially all of their value.

The trading prices of many digital assets, including SOL, have experienced extreme volatility throughout their existence, including in recent periods and may continue to do so. For instance, following significant increases throughout the majority of 2020, digital asset prices, including SOL, experienced significant volatility throughout 2021 and 2022. This volatility became extreme in November 2022 when FTX Trading Ltd. ("FTX") halted customer withdrawals. Developments during the last cryptocurrency bear market led to extreme volatility and disruption in digital asset markets, a loss of confidence in participants of the digital asset ecosystem, significant negative publicity surrounding digital assets broadly and market-wide declines in liquidity. Digital asset prices, including SOL, have continued to fluctuate widely. For example, according to Bloomberg, Solana's 90-day realized volatility has generally ranged from 70-100% over the last several months.

Extreme volatility in the future, including declines in the trading prices of SOL, could have a material adverse effect on the value of the Shares and the Shares could lose all or substantially all of their value. Furthermore, negative perception, a lack of stability and standardized regulation in the digital asset economy may reduce confidence in the digital asset economy and may result in greater volatility in the price of SOL and other digital assets, including a depreciation in value.

Currently, we do not hedge against SOL volatility, as our goal is to benefit shareholders through long-term value appreciation rather than short-term hedging. While we may consider hedging strategies for our treasury or acquisitions in the future, there is no guarantee they will significantly reduce digital asset volatility or increase the treasury's value.

Furthermore, changes in U.S. political leadership and economic policies may create uncertainty that materially affects the price of SOL and the Company's Share Price. For example, on March 6, 2025, President Trump signed an Executive Order to establish a Strategic Bitcoin Reserve and a United States Digital Asset Stockpile. Pursuant to this Executive Order, the Strategic Bitcoin Reserve will be capitalized with Bitcoin owned by the Department of Treasury that was forfeited as part of criminal or civil asset forfeiture proceedings, and the Secretaries of Treasury and Commerce are authorized to develop budget-neutral strategies for acquiring additional Bitcoin, provided that those strategies impose no incremental costs on American taxpayers.

There are numerous companies announcing their intention to build a digital asset treasury and specifically SOL treasury. This concentration of SOL holdings within a few treasury companies could cause the price of SOL to rapidly decline based on one or more of these treasury companies liquidating their position and could have a material adverse effect on the value of the Shares and the Shares could lose all or substantially all of their value.

There are currently a number of public companies that have announced intentions to accumulate Solana tokens, in addition to certain public companies that have already amassed Solana tokens as part of digital asset treasury strategies. This pool of buyers or potential buyers can significantly affect volume of transactions that would not otherwise exist and lead to concentrations of Solana tokens. The potential effect of such scale is a concentration of holdings that may lead to a wide range of price movements, whether that be increases to the upside or decreases to the downside. We cannot assure stability of prices of Solana tokens and to the extent the market price of our common stock moves in alignment with the price of Solana, we cannot assure stability with respect to the market price of our common stock.

Our Solana holdings are less liquid than our existing cash and cash equivalents and may not be able to serve as a source of liquidity for us to the same extent as cash and cash equivalents.

Historically, the crypto markets have been characterized by: significant volatility in price, limited liquidity and trading volumes compared to sovereign currencies markets; relative anonymity; a developing regulatory landscape; potential susceptibility to market abuse and manipulation; compliance and internal control failures at exchanges; and various other risks inherent in its entirely electronic, virtual form and decentralized network. During times of market instability, we may not be able to sell our Solana at favorable prices or at all. Further, Solana which we hold with our custodians does not enjoy the same protections as are available to cash or securities deposited with or transacted by institutions subject to regulation by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation. Additionally, pursuant to the asset management agreement we entered into with the asset manager, we are currently and may generally be unable to enter into term loans or other capital raising transactions collateralized by our unencumbered Solana or otherwise generate funds using our Solana holdings, including in particular during times of market instability or when the price of Solana has declined significantly. If we are unable to sell our Solana, enter into additional capital raising transactions using Solana as collateral, or otherwise generate funds using our Solana holdings, or if we are forced to sell our Solana at a significant loss, in order to meet our working capital requirements, our business and financial condition could be negatively impacted.

We are not subject to legal and regulatory obligations that apply to investment companies such as mutual funds and exchange-traded funds, or to obligations applicable to investment advisers.

Mutual funds, exchange-traded funds and their directors and management are subject to extensive regulation as "investment companies" and "investment advisers" under U.S. federal and state law; this regulation is intended for the benefit and protection of investors. We are not subject to, and do not otherwise voluntarily comply with, these laws and regulations. This means, among other things, that the execution of or changes to our Treasury Reserve Policy or our Solana strategy, our use of leverage, the manner in which our Solana is custodied, our ability to engage in transactions with affiliated parties and our operating and investment activities generally are not subject to the extensive legal and regulatory requirements and prohibitions that apply to investment companies and investment advisers. Consequently, our board of directors has broad discretion over the investment, leverage and cash management policies it authorizes, whether in respect of our Solana holdings or other activities we may pursue, and has the power to change our current policies, including our strategy of acquiring and holding Solana.

If we or our third-party service providers experience a security breach or cyberattack and unauthorized parties obtain access to our Solana, or if our private keys are lost or destroyed, or other similar circumstances or events occur, we may lose some or all of our Solana and our financial condition and results of operations could be materially adversely affected.

Substantially all of the Solana we own is held in custody accounts at U.S.-based institutional-grade digital asset custodians. Security breaches and cyberattacks are of particular concern with respect to our Solana. Solana and other blockchain-based cryptocurrencies and the entities that provide services to participants in the Solana ecosystem have been, and may in the future be, subject to security breaches, cyberattacks, or other malicious activities. For example, in October 2021 it was reported that hackers exploited a flaw in the account recovery process and stole from the accounts of at least 6,000 customers of the Coinbase exchange, although the flaw was subsequently fixed and Coinbase reimbursed affected customers. Similarly, in November 2022, hackers exploited weaknesses in the security architecture of the FTX Trading digital asset exchange and reportedly stole over $400 million in digital assets from customers. A successful security breach or cyberattack could result in:

- a partial or total loss of our Solana in a manner that may not be covered by insurance or the liability provisions of the custody agreements with the custodians who hold our Solana;
- harm to our reputation and brand;
- improper disclosure of data and violations of applicable data privacy and other laws; or
- significant regulatory scrutiny, investigations, fines, penalties, and other legal, regulatory, contractual and financial exposure.

Further, any actual or perceived data security breach or cybersecurity attack directed at other companies with digital assets or companies that operate digital asset networks, regardless of whether we are directly impacted, could lead to a general loss of confidence in the broader Solana ecosystem or in the use of the Solana network to conduct financial transactions, which could negatively impact us.

Attacks upon systems across a variety of industries, including industries related to Solana, are increasing in frequency, persistence, and sophistication, and, in many cases, are being conducted by sophisticated, well-funded and organized groups and individuals, including state actors. The techniques used to obtain unauthorized, improper or illegal access to systems and information (including personal data and digital assets), disable or degrade services, or sabotage systems are constantly evolving, may be difficult to detect quickly, and often are not recognized or detected until after they have been launched against a target. These attacks may occur on our systems or those of our third-party service providers or partners. We may experience breaches of our security measures due to human error, malfeasance, insider threats, system errors or vulnerabilities or other irregularities. In particular, we expect that unauthorized parties will attempt to gain access to our systems and facilities, as well as those of our partners and third-party service providers, through various means, such as hacking, social engineering, phishing and fraud. Threats can come from a variety of sources, including criminal hackers, hacktivists, state-sponsored intrusions, industrial espionage, and insiders. In addition, certain types of attacks could harm us even if our systems are left undisturbed. For example, certain threats are designed to remain dormant or undetectable, sometimes for extended periods of time, or until launched against a target and we may not be able to implement adequate preventative measures. Further, there has been an increase in such activities due to the increase in work-from-home arrangements. The risk of cyberattacks could also be increased by cyberwarfare in connection with the ongoing Russia-Ukraine and Israel-Hamas conflicts, or other future conflicts, including potential proliferation of malware into systems unrelated to such conflicts. Any future breach of our operations or those of others in the Solana industry, including third-party services on which we rely, could materially and adversely affect our financial condition and results of operations.

We have limited history in generating staking revenues from Solana, which could adversely affect our business, financial condition and operating results.

Until recently, our business focus was as 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.

We have recently shifted the focus of our operations to a treasury policy under which the principal holding in its treasury reserve on the balance sheet will be allocated to digital assets, and specifically long term strategy of holding Solana ("SOL") by applying a proven public-market treasury model to an asset that we believe is earlier in its lifecycle, structurally reflexive, and vastly underexposed.

We have a limited operating history with the current scale of our business, which makes it difficult to forecast our prospects and future results of operations. You should take into account the risks and uncertainties frequently encountered by companies in rapidly evolving markets. Our recent revenue growth should not be considered indicative of our future performance. Further, in future periods, our revenue growth could slow or our revenue could decline for a number of reasons, including unexpected government regulation, any reduction in the value of cryptocurrency generally or Solana specifically, demand for our platform, increased competition, contraction of our overall market, our inability to accurately forecast demand for our platform and plan for capacity constraints or our failure, for any reason, to capitalize on growth opportunities. If our assumptions regarding these risks and uncertainties, which we use to plan our business, are incorrect or change, or if we do not address these risks successfully, our business would be harmed.

If the digital asset award or transaction fees for recording transactions on the Solana network are not sufficiently high to incentivize validators may demand high transaction fees, which could negatively impact the value of SOL and the value of the Shares.

If the digital asset awards for validating blocks or the transaction fees for recording transactions on the Solana network are not sufficiently high to incentivize validators, or if certain jurisdictions continue to limit or otherwise regulate validating activities, validators may cease expending validating power to validate blocks and confirmations of transactions on the SOL blockchain could be slowed. For example, the realization of one or more of the following risks could materially adversely affect the value of the Shares:

- Over the past several years, digital asset validating operations have evolved from individual users validating with computer processors, graphics processing units and first-generation application specific integrated circuit machines to "professionalized" validating operations using proprietary hardware or sophisticated machines. If the profit margins of digital asset validating operations are not sufficiently high, digital asset validators are more likely to immediately sell digital assets earned by validating, resulting in an increase in liquid supply of that digital asset, which would generally tend to reduce that digital asset's market price..

- A reduction in the digital assets staked by validators on the Solana network could increase the likelihood of a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtaining control.

- Validators have historically accepted relatively low transaction confirmation fees on most digital asset networks. If validators demand higher transaction fees for recording transactions in the Solana blockchain or a software upgrade automatically charges fees for all transactions on the Solana network, the cost of using SOL may increase and the marketplace may be reluctant to accept SOL as a means of payment. Alternatively, validators could collude in an anti-competitive manner to reject low transaction fees on the Solana network and force users to pay higher fees, thus reducing the attractiveness of the Solana network. Higher transaction confirmation fees resulting through collusion or otherwise may adversely affect the attractiveness of the Solana network, the value of SOL and the value of the Shares.

- To the extent that any validators cease to record transactions that do not include the payment of a transaction fee in blocks or do not record a transaction because the transaction fee is too low, such transactions will not be recorded on the Solana blockchain until a block is validated by a validator who does not require the payment of transaction fees or is willing to accept a lower fee. Any widespread delays or disruptions in the recording of transactions could result in a loss of confidence in the Solana network and could prevent the Company from completing transactions associated with the day-to-day operations of the treasury.

- During the course of the block validation processes, validators exercise the discretion to select bundles of transactions within a block. Beyond the standard block reward and transaction fees, validators have the ability to extract what is known as Maximal Extractable Value ("MEV") by strategically selecting bundles of transactions during block production to prioritize transactions associated with higher transaction fees and MEV capture. In blockchain networks that facilitate DeFi protocols in particular, such as the Solana network, users may attempt to gain an advantage over other users by offering additional fees to validators for effecting the order or inclusions of transactions within a block. Certain software solutions, such as Jito, have been developed which facilitate validators and other parties in the ecosystem in capturing MEV. The presence of MEV may incentivize associated practices such as sandwich attacks or front-running that can have negative repercussions on DeFi users. A "sandwich attack" involves placing two transactions—one before and one after—a large, detected trade to exploit the resulting price movement. Unlike Ethereum, Solana lacks a public mempool, making it harder to detect pending user transactions. However, validators can choose to run clients like Jito or Paladin, which support MEV strategies that may enable sandwich attacks. For instance, searchers can submit bundles of transactions with precise ordering, allowing them to surround a vulnerable trade if detected. In the context of MEV, "front-running" is said to occur when a user spots an unexecuted transaction and awaiting validation, and then pays a high transaction fee to a validator to have their transaction executed on a priority basis in a manner designed to profit from the pending but unexecuted transaction. Since Solana doesn't have a public mempool (memory pool), validators and bots have limited visibility to unexecuted, or pending, transactions. Combined with Solana's fast block times and parallel execution model, this makes it hard to detect and exploit user trades in real time. However, that doesn't mean front- running is impossible. If a validator colludes with a bot, for example, it could potentially observe and front-run transactions. By running Jito or similar clients, validators have access to structure MEV systems where searchers submit bundles of ordered transactions to validators through an auction system. Validators select the most profitable bundles (based on transaction fees and MEV capture). Considering searchers determine the ordering through their bundles, front-running is possible. As of 2025, up to five transactions can be in a bundle for Jito. The transactions in a bundle must be executed atomically and in sequence, meaning if one transaction fails, the entire bundle does not get processed. Note, these MEV technologies, in this case Jito, can also offer user protections like front-running flags and protected order flow to mitigate risks. MEV may also compromise the predictability of transaction execution, which may deter usage of the network as a whole. Any potential perception of MEV as unfair manipulation may also discourage users and other stakeholders from engaging with DeFi protocols or the Solana network in general. In addition, it's possible regulators or legislators could enact rules that restrict practices associated with MEV, which could diminish the popularity of the Solana network among users and validators. Any of these or other outcomes related to MEV may adversely affect the value of SOL and the value of the Shares.

Our trading orders may not be timely executed.

Our investment and trading strategies depend on the ability to establish and maintain an overall market position in a combination of financial instruments. Our trading orders may not be executed in a timely and efficient manner because of various circumstances, including, for example, trading volume surges or systems failures attributable to us or our counterparties, brokers, dealers, agents or other service providers. In such an event, we might only be able to acquire or dispose of some, but not all, of the components of our positions, or if the overall positions were to need adjustments, we might not be able to make such adjustments. As a result, we would not be able to achieve our desired market position, which may result in a loss. In addition, we can be expected to rely heavily on electronic execution systems (and may rely on new systems and technology in the future), which may be subject to certain systemic limitations or mistakes, causing the interruption of trading orders made by us.

Competition from other companies staking and utilizing Solana in their treasury plans.

We expect to contend with other companies also focused on developing digital asset staking operations. Market participants with sufficient knowledge and capital have the ability to acquire tokens on the open market and start staking, which would increase competition.

Competition from central bank digital currencies ("CBDCs") and emerging payments initiatives involving financial institutions could adversely affect the price of SOL and other digital assets.

Central banks in various countries have introduced digital forms of legal tender ("CBDCs"). China's CBDC project, known as Digital Currency Electronic Payment, has reportedly been tested in a live pilot program conducted in multiple cities in China. Central banks representing at least 130 countries have published retail or wholesale CBDC work ranging from research to pilot projects. Whether or not they incorporate blockchain or similar technology, CBDCs, as legal tender in the issuing jurisdiction, could have an advantage in competing with, or replace, SOL and other cryptocurrencies as a medium of exchange or store of value. Central banks and other governmental entities have also announced cooperative initiatives and consortia with private sector entities, with the goal of leveraging blockchain and other technology to reduce friction in cross-border and interbank payments and settlement, and commercial banks and other financial institutions have also recently announced a number of initiatives of their own to incorporate new technologies, including blockchain and similar technologies, into their payments and settlement activities, which could compete with, or reduce the demand for, SOL. As a result of any of the foregoing factors, the price of SOL could decrease, which could adversely affect the value of the Company's Stock Price.

***Competition from the emergence or expansion of other digital assets may negatively influence the price of SOL and have an adverse impact on the value* of the Shares.**

As of June 30, 2025, SOL ranked as the sixth largest digital asset by market capitalization, according to CoinMarketCap.com. SOL encounters competition from a broad spectrum of digital assets, including Bitcoin and Ether. Additionally, numerous consortiums and financial institutions are investing in private or permissioned blockchain platforms rather than open networks such as the Solana Network. SOL is currently supported by fewer trading platforms compared to more established digital assets like Bitcoin and Ether, which may affect its liquidity. The Solana Network also competes directly with other smart contract platforms, including Ethereum, Polkadot, Avalanche, and Cardano. The emergence or growth of alternative digital assets or other smart contract platforms may diminish demand for, and the price of, SOL, thereby adversely affecting the value of the Shares.

Investors have the option to gain exposure to SOL through mechanisms other than the Company's Shares, such as direct investment in SOL or through other financial vehicles, including securities or products backed by or linked to SOL. Specifically, the Company faces competition from other exchange-traded spot SOL products and similar digital asset vehicles, several of which have pending applications before the SEC or have already secured SEC approval. The Company's ability to maintain its scale and achieve its intended competitive positioning may depend on various factors, such as its timing relative to competing products and its ability to raise additional capital.

Furthermore, if other financial vehicles tracking SOL constitute a significant portion of overall demand, substantial transactions involving these vehicles or private funds holding SOL could adversely affect the Index Price, NAV, NAV per Share, value of the Shares, Principal Market NAV, and Principal Market NAV per Share. Therefore, there can be no assurance that the Company will be able to preserve its scale or attain its intended competitive position relative to peers, which could negatively affect both the performance of the Company and the value of the Shares.

We may fail to develop and execute successful investment or trading strategies.

The success of our investment and trading activities will depend on the ability of our investment team and Asset Manager to identify overvalued and undervalued investment opportunities and to exploit price discrepancies. This process involves a high degree of uncertainty. No assurance can be given that we will be able to identify suitable or profitable investment opportunities in which to deploy our capital. The success of the trading activities also depends on our ability to remain competitive with other over-the-counter traders and liquidity providers. Competition in trading is based on price, offerings, level of service, technology, relationships and market intelligence. The success of investment activities depends on our ability to source deals and obtain favorable terms. Competition in investment activities is based on relationships. The barrier to entry in each of these businesses is very low and competitors can easily and will likely provide similar services in the near future. The success of our venture investments and trading business could suffer if we are not able to remain competitive.

We may make, or otherwise be subject to, trade errors.

Errors may occur with respect to trades executed on our behalf. Trade errors can result from a variety of situations, including, for example, when the wrong investment is purchased or sold or when the wrong quantity is purchased or sold. Trade errors frequently result in losses, which could be material. To the extent that an error is caused by a third party, we may seek to recover any losses associated with the error, although there may be contractual limitations on any third party's liability with respect to such error.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity risks are overseen by the full Board of Directors and the Audit Committee as part of their regular oversight. Members of the Board and Audit Committee are encouraged to engage in ad hoc conversations with management on cybersecurity related updates to our risk management and strategy. Cybersecurity incidents are reported to the Chief Financial Officer to determine incident severity and response. In an effort to deter and detect cyber threats, we also provide all employees with access to digital assets with an ongoing cybersecurity awareness training program, which further educates employees and covers timely and relevant topics, including phishing, password protection, asset use and mobile security.

The Company has established processes to assess, identify, and manage material risks from cybersecurity threats as part of its overall enterprise risk management system. Its cybersecurity processes include security monitoring and detection through third-party vendors. The processes also extend to oversight and identification of risks associated with vendors and customers if their computer systems interface with the Company's information systems. Upon detection of a potentially material cybersecurity incident, the Company initiates its cyber incident procedure to investigate, contain, and remediate the incident.

The Company has not experienced any material cybersecurity incidents, and the expenses incurred from any security incidents have been immaterial. However, as discussed under "Risk Factors" in Part I, Item 1A of this Annual Report, cybersecurity threats pose multiple and potentially material risks to the Company, including potentially to the Company's results of operations and financial condition. The Company relies extensively on information technology systems and could face cybersecurity risk. As cybersecurity threats become more frequent, sophisticated, and coordinated, it is reasonably likely that the Company may expend greater resources to continue to modify and enhance protective measures against such security risks.

Storage of Our Digital Assets in our SOL Treasury

The Custodians

The Custodians are responsible for safekeeping all of the SOL owned by the Company. We maintain multiple Custodians to reduce the risk of a single failure and we plan to expand to additional custodians as our Treasury grows. The Custodian accounts are all opened by the Company, this segregates our assets into an individual custodian account owned by the Company and access is monitored and controlled by the Company. Our Asset Management Company is given access to the Custodian accounts with established controls to ensure transactions require consensus of a minimum of two individuals when assets are being transferred between wallets and additional controls if an asset of the Treasury is moved out of the Custodians control. The assets go through the Custodians Trust Company, which maintains its own insurance and is regulated by their respective state where the trust is incorporated in.

Our primary custodian is currently BitGo Trust Company, Inc. a South Dakota corporation ("BitGo") and is regulated by the state of South Dakota. On May 1, 2025, we entered into a Custodial Services Agreement with BitGo (the "BitGo Agreement") to hold our digital currency. The term of the BitGo Agreement is for one year with successive one-year renewals unless prior notice of non-renewal is given by either party. The Company pays BitGo a monthly digital asset storage fee based upon the market value of the assets in storage, plus $500. The BitGo Agreement is terminable by either the Company or BitGo on thirty days' notice as a result of a breach of the Agreement and may be suspended by BitGo if the Company violates the intended use of the account or due to a change in the applicable law, litigation or bankruptcy.

Our secondary custodian is Coinbase Inc., a subsidiary of Coinbase Global, Inc., a Delaware corporation, which is primarily used for the acquisition of digital assets. On May 5, 2025, the Company entered into an Institutional Client Agreement with Coinbase (the "Coinbase Agreement"). The Coinbase Agreement is terminable at will by either the Company or Coinbase. The Company pays Coinbase its regularly scheduled fees based on the dollar trading volume over a thirty-day period. The Coinbase Agreement is terminable by either the Company or Coinbase on ten days' notice as a result of a breach of the Agreement and may be suspended by Coinbase if the Company violates the intended use of the account or due to a change in the applicable law, governmental proceeding, litigation or bankruptcy. Coinbase may also close the Company's account if it has been inactive for more than one year.

BitGo maintains a $250,000,000 policy against loss, theft and misuse. Currently we have approximately $253,000,000 of treasury value at Bitgo, based on the SOL price of $202.51 per token. Coinbase has an insurance policy for any cash held in the account of $250,000. We currently have less than $250,000 of cash held at Coinbase and less than $6,000,000 in SOL value, based on the SOL price of $202.51 per token. At the current price of SOL as of the date of this report, these policies are not adequate to fully cover the full loss of our SOL.

Solana, as with all digital assets, can be highly volatile. Management reviews the account balances and the total value held with a custodians to allocate the Company's holdings between multiple accounts and custodians to mitigate risk. We do not use self-storage for any of the SOL treasury assets.

Private keys are generated by the Custodian in key generation ceremonies at secure locations using offline devices that have never been connected to a network. Private keys are generated according to detailed procedures using specialized offline devices and within these secure facilities to mitigate risk of hacks, errors, or other unintended external exposure. Key ceremony processes are highly controlled, require segregation of duties across multiple parties and are reviewed and witnessed by designated oversight personnel. Thorough validations and signoffs are performed to verify the integrity and security of key generation ceremonies.

The Custodians hold a majority of SOL in cold storage and provides a user interface for the Company to manage the allocation of SOL between cold and hot storage for the wallets. The Company maintains more than 98% of its SOL treasury in cold wallets.

The Custodians have multiple, redundant cold storage sites, which are geographically distributed including sites within the United States. Cold storage locations of the Custodian are monitored by 24x7 on-site security, video surveillance and alarms, hardened room structures, and access to these facilities is controlled by multi-person controls, multi-team access rules, and multi-factor authentication. The locations of the cold storage sites may change at the discretion of the Custodian and are kept confidential by the Custodian for security purposes. Transactions from cold to hot storage require physical access, according to the above controls, to one or more cold storage facilities, as well as systematically enforced approvals and integrity verifications, before the secure device can be used to cryptographically complete the transaction. At no point during this process is the private key removed from the secure device(s) nor the cold storage facility. Once these security processes have been completed, a transfer on the Solana network can be executed, as signed using the private keys held offline in cold storage.

The Custodians also maintain geographically dispersed backups of private keys, which are cryptographically generated into shards and stored in separate locations; multiple locations must be accessed to reconstruct a single key. The storage facilities are highly secured, and include 24x7 on-premises security presence, video surveillance, and alarms for unexpected entry. Access to facilities is controlled by multi-person controls, multi- team access rules, and multi-factor authentication.

All of our Custodians have SOC type 2 reports that the Company has reviewed and we get regular bridge reports from our Custodians to help ensure the controls are being maintained. Our Custodians maintain their own insurance policies to cover our loss, which is in addition to the policies that we maintain ourselves. We currently have two qualified Custodians that we have approved for our treasury use and we are in the process of onboarding a third as part of our risk management process.

The Company is charged for storage fees, staking fees and transaction fees for services specifically requested by the Company or the Asset Management Company. Except as set forth above, the contract terms of the agreements are typically for one to three years and can be terminated upon 30 day notice and payment of all fees due and one month of additional fees.

Item 2. Properties

Our executive and corporate offices, approximately 5,752 square feet, are located at 3030 North Rocky Point Drive, Suite 420, Tampa, Florida 33607, are leased on a 61-month term set to expire September 1, 2028. We also maintain a warehouse located at 5626 West Linebaugh Avenue, Units 101-102, Tampa, Florida 33624, approximately 20,351 square feet under a 38-month lease, set to expire June 1, 2026 and a manufacturing facility at 2510 Merchant Ave, Odessa, Florida 33556, approximately 10,200 square feet, under a five year lease set to expire on April 1, 2029. The Company leases this facility from the owner our CEO, Allan Marshall.

Item 3. Legal Proceedings

From time to time, the Company may become involved in litigation relating to claims arising out of its operations in the normal course of business. The Company is not involved in any pending legal proceeding or litigation, and, to the best of its knowledge, no governmental authority is contemplating any proceeding to which we are a party or to which any of our properties are subject, which would reasonably be likely to have a material adverse effect on the Company, other than the following:

- On March 14, 2024, Get Fit Fast Supplements, LLC, filed for arbitration against Cygnet Online, LLC, and Eric Hanig. The case is presently in active arbitration and is styled Get Fit Fast Supplements, LLC v. Cygnet Online, LLC, et al., American Arbitration Association Case No. 01-24-0003-1085. The foregoing action, and related actions that have been combined in the same arbitration, are principally a series of breach of contract and fraud cases related to the rights and obligations of the parties under the various transaction documents associated with the acquisition by the Company of Cygnet Online, LLC, and the acquisition, prior thereto, by Cygnet Online, LLC of Get Fit Fast Supplements, LLC. The parties are seeking monetary damages in their various claims and counterclaims against one another. The Company, on behalf of Cygnet, is vigorously defending all claims made against Cygnet in the arbitration. The Company is not a party to this arbitration.

- On September 6, 2024, Eric Hanig filed suit against the Company and Cygnet Online, LLC in state court in Nevada for an alleged failure to pay $300,000 pursuant to a Letter Agreement. The Company denies all claims and filed counterclaims against Eric Hanig for fraudulently inducing it to enter into the Letter Agreement and for absconding with the balance of Cygnet Online, LLC's bank account.

- On December 20, 2024 MVW Holdings filed a lawsuit against E-Core Technology, Inc., an entity formerly owned by the Company, and also named the Company as a defendant. The lawsuit alleges trade dress infringement for certain packaging used by E-Core for a limited number of products. The Company denies all liability for the alleged conduct and no longer owns E-Core.

- On or about April 7, 2025, Bloomios, Inc., Infused Confections, LLC and Infusionz, LLC (collectively, the "Plaintiffs"), filed an action against the Company and each of its executive officers and directors, and Grove, Inc., which is the Company's prior name. The action stems from Bloomios' acquisition of Infusionz from the Company in October 2022. The Plaintiffs' claims allege fraud, misrepresentation, and breach of contract, among other claims, and are seeking damages in an unspecified amount, plus punitive damages, and unspecified declaratory relief. The Company considers the action baseless. The Company was successful in obtaining the dismissal of individual Board members from this action and filed counterclaims for the approximately $19.5 million the Plaintiffs owe the Company from the transaction. The Company intends to seek reimbursement of all attorneys' fees as a result of the false statements made by the Plaintiffs in the complaint.

Other than the foregoing, the Company is not involved in any pending legal proceeding or litigation, and, to the best of its knowledge, no governmental authority is contemplating any proceeding to which we are a party or to which any of its properties is subject, which would reasonably be likely to have a material adverse effect on the Company.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

The Company's common stock is listed on the NASDAQ Stock Market LLC and is traded under the symbol "UPXI." The Company's common stock started trading on June 24, 2021.

We consider our common stock to be thinly traded and, accordingly, reported sales prices or quotations may not be a true market-based valuation of our common stock.

Holders of Record

There were approximately 185 holders of record of the Company's common stock on June 30, 2025.

Dividend Policy

We currently intend to retain our future earnings, if any, to finance the development and expansion of our businesses and, therefore, do not intend to pay cash dividends on our Common Stock for the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in any financing instruments, and such other factors as our board of directors deems relevant in its sole discretion. Accordingly, you may need to sell your shares of our Common Stock to realize a return on your investment; however, you may not be able to sell your shares at or above the price you paid for them.

Securities Authorized for Issuance under Equity Compensation Plans

The Company established the 2019 Equity Incentive Plan, as amended (the "2019 Plan"). The plan grants incentives to select persons who can make, are making and continuing to make substantial contributions to the growth and success of the Company, to attract and retain the employment and services of such persons and to encourage and reward such contributions by providing these individuals with an opportunity to acquire or increase stock ownership in the Company through either the grant of options or restricted stock. The 2019 Plan is administered by the Compensation Committee or such other committee (the "Committee") as is appointed by the Board of Directors pursuant to the 2019 Plan. The Committee has full authority to administer and interpret the provisions of the 2019 Plan including, but not limited to, the authority to make all determinations with regard to the terms and conditions of an award made under the 2019 Plan. On September 18, 2024, the Company filed a Certificate of Change with the Nevada Secretary of State to effect a reverse stock split of its 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. Concurrently, the Company's shareholders consented to, and the Board of Directors approved, an amendment of the 2019 Plan to increase the maximum number of Shares that may be issued thereunder to 500,000 Shares, as adjusted for the 1 for 20 reverse stock split. On June 16, 2025, the shareholders approved an amendment to, the 2019 Plan to increase the number of shares issuable pursuant to awards granted under the 2019 Plan from 500,000 shares to 10,000,000 shares.

The following table summarizes information, as of June 30, 2025, relating to compensation plans under which equity securities are authorized for issuance.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights*	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column) **
Equity compensation plans approved by security holders	843,270	$ 3.39	9,027,903
Equity compensation plans not approved by security holders	—	—	—
Total	843,270	$ 3.39	9,027,903

*Consists of 621,353 options outstanding and 221,917 RSUs outstanding.

** There have been 10,919 shares issued for the exercise of stock options and 117,908 shares issued for vested RSUs.

On August 19, 2025, subsequent to the year ended June 30, 2025, the shareholders approved an amendment to the 2019 Plan to increase the number of shares issuable pursuant to awards granted under the 2019 Plan from 10,000,000 shares to 25,000,000 shares.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

On July 16, 2025, the Company issued secured convertible notes in the aggregate, principal amount of approximately $151.2 million, convertible into 35,569,224 shares of Common Stock at $4.25 per share.

On July 11, 2025, the Company issued 12,457,186 shares of Common Stock, at an offering price of $4.00 per share and $4.94 per share for certain members of the Company's management and members of the board of directors.

On April 24, 2025, the Company issued: (i) 35,970,383 shares of Common Stock, at an offering price of $2.28 per share, and (ii) pre-funded warrants (the "Pre-Funded Warrants") to purchase 7,889,266 shares of Common Stock (the "Pre-Funded Warrant Shares") at an offering price of $2.279 per Pre-Funded Warrant. Each of the Pre-Funded Warrants is exercisable for one share of Common Stock at the exercise price of $0.001 per Pre-Funded Warrant Share, are immediately exercisable, and may be exercised at any time until all of the Pre-Funded Warrants are exercised in full.

On April 24, 2025, the Company issued 241,228 shares of common stock as repayment of $550,000 of the Company's debt. The shares were valued at $550,000 or $2.28 per share.

In February of 2025, the Company issued 125,000 shares of common stock to two different investors for the repayment of $250,000 of outstanding debt. The average share price for the repayment of debt was approximately $2.00 per common share issued.

In January of 2025, the Company issued 260,000 shares of common stock to two different investors for the repayment of $600,000 of outstanding debt. The weighted average share price for the repayment of debt was approximately $2.31 per common share issued.

All of the securities issued by the Company as described above were issued pursuant to the exemption for transactions by an issuer not involved in any public offering under Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder and corresponding state securities laws.

Issuer Purchases of Equity Securities

None.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition, results of operations and cash flows should be read in conjunction with the consolidated financial statements and the related notes thereto included elsewhere in this Annual Report on Form 10-K. The last day of our fiscal year is June 30. Our fiscal quarters end on September 30, December 31, March 31 and June 30. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" or in other parts of this Annual Report on Form 10-K. See also "Cautionary Note Regarding Forward-Looking Statements" above.

Overview

We are in the cryptocurrency industry and the management of cash assets through a cryptocurrency portfolio, primarily focused in Solana tokens and staking of those tokens. We continue to be a brand owner specializing in the development, manufacturing, and distribution of consumer products.

Our Solana Treasury Strategy

Early in 2025, we updated and modified our cash management and treasury strategy to include holding digital currency assets directly on our balance sheet. This was a shift from before when we held excess cash primarily in FDIC-insured interest-bearing accounts. The change to adopt this strategy results from our intention to obtain the highest yield on excess cash. Under our new approach, our treasury policy focuses primarily on Solana ("SOL"). The approach involves applying a public-market treasury model to an asset that is considered earlier in its lifecycle than, with respect to both development and usage, as well as institutional adoption, Bitcoin. Management will focus its resources to this digital asset strategy and a significant portion of the balance sheet will be allocated to holding Solana in the Company's digital asset treasury.

Key Factors Affecting Operating Results

Cyclicality and Seasonality

Our business is typically unaffected by seasonality.

Operating Segments

The Company's financial reporting is organized into a single segment that includes production, sales and distribution of branded products, following the sale of E-Core, Technology Inc. and its subsidiaries. Other sources of revenue and related costs are aggregated and viewed by management as immaterial or have similar economic characteristics, products, production, distribution processes and regulatory environment as the other product sales or directly support the Company's single segment.

Results of Operations

Year Ended June 30, 2025, as compared to June 30, 2024:

The following summary of our results of operations should be read in conjunction with our consolidated financial statements for the years ended June 30, 2025, and 2024, which are included herein.

	June,		
	2025	**2024**	**Change**
Revenue	$ 14,826,336	$ 26,000,652	$ (11,174,316)
Digital asset revenue	$ 985,009	$ -	$ 985,009
Product costs	$ 4,943,305	$ 13,176,073	$ (8,232,768)
Distribution costs	$ 4,691,964	$ 8,611,702	$ (3,919,738)
Sales and marketing expenses	$ 4,001,094	$ 5,989,727	$ (1,988,633)
General and administrative expenses	$ 11,935,582	$ 6,771,937	$ 5,163,645
Unrealized and realized (gain) loss on digital assets	$ (105,474)	$ -	$ (105,474)
Other operating expenses	$ 3,114,620	$ 4,848,629	$ (1,734,009)
Other (expense)	$ (1,184,457)	$ (3,141,166)	$ 1,956,709
Impairment of intangible assets and goodwill	$ -	$ 7,869,425	$ (7,869,425)
Lease (gain on sale) impairment	$ (269,994)	$ 289,969	$ (559,963)
(Gain) on the sale of assets and businesses	$ -	$ (448,882)	$ 448,882
Income from discontinued operations	$ -	$ 1,164,184	$ (1,164,184)
Net loss attributable to Upexi, Inc.	$ (13,684,209)	$ (23,658,438)	$ 9,974,229

Revenues decreased by $11,174,316, or 43%, for the fiscal year ended June 30, 2025, compared with the fiscal year ended June 30, 2024. The Company divested from the recommerce business to focus primarily on brands that are owned or products that the Company produces as white label products for the brand owner. The elimination of the recommerce business decreased sales by approximately $9,787,000, or 85%, of the decline in sales compared to the prior year. The Company had revenue of approximately $985,000 from the newly implemented treasury strategy. This digital asset treasury was established in May of 2025 and management expects the revenue generated from the treasury to significantly increase in fiscal year 2026.

Product costs decreased by $8,232,768, or 62%, compared with the fiscal year ended June 30, 2024. The two primary reasons for the decrease in products costs were the overall lower sales and the elimination of the lower margin recommerce business. In addition, in the prior year there were significant inventory write offs and other non-cash expenses in the product costs that decreased the overall gross profit compared to the current year's gross profit.

Gross profit decreased by approximately $2,942,000, or approximately 22.9% compared with the prior year, excluding the increase in gross profit related to the $985,000 of digital asset revenue. The profit margin increased to approximately 67% of revenue compared to 49% of revenue in the prior year, excluding the digital asset revenue. Management's focus in fiscal year 2026 is on improving the overall gross profit and the profit margin of the business and increasing the revenue from our digital asset treasury.

Sales and marketing expenses decreased by approximately $1,988,000, or 33%, compared with the same period last year. We have decreased the number of fixed costs in our marketing budget and focused our advertising expenditures. The percentage of sales and marketing to the total sales will increase based on our elimination of the recommerce business, however with the elimination of many fixed expenditures, the changes should align with the overall total sales.

Distribution costs decreased by approximately $3,920,000 or 46%, compared with the fiscal year ended June 30, 2024. The strategic change and divesture of the two businesses in 2024, along with the consolidation of operations to Florida reduced the Amazon fees by approximately $2,668,000, reduced the facility expenses by approximately $255,000 and the labor costs by approximately $743,000. The remaining product sales do not rely on the Amazon distribution network and are distributed from one facility in Florida.

General and administrative expenses increased by approximately $5,163,645, or 76%, compared with the same period last year. Over 75% of the increase was related to these three factors: 1) approximately $2,668,000 of additional expense in corporate compensation; 2) approximately $576,000 in additional professional services fees, including legal, audit and tax services; and 3) approximately $686,000 of additional public company expenses. Our overall general and administrative expenses are expected to increase over the next year and then stabilize as we implement this overall treasury and business strategy. Our continuous capital raising efforts and professional and public company expenses necessary to drive this strategy is significantly more than what the Company has required in the past.

Other operating expenses decreased by approximately $1,734,000, or 36%, compared with the same period last year. These expenses are primarily non-cash expense for amortization of stock compensation, amortization of acquired intangible assets and depreciation. The decrease in the amortization of acquired intangible assets was approximately $2,334,000 as approximately $7,869,000 was impaired in the prior year. Depreciation expense declined by approximately $587,000. These expenses were partially offset by approximately $1,187,000 of additional share-based compensation expense.

Our realized and unrealized gains was approximately $105,474 with none in the same period last year. The price of Solana on June 30, 2025 was $154.74, as quoted on coinmarketcap.com and is the approximate cost basis of our Solana treasury at June 30, 2025.

Other expense decreased by approximately $1,957,000 or 63%, as compared with the same period last year, which primarily relates to the continued decrease in interest expense from payoffs of debts.

The Company recognized an impairment $289,969 on the Delray Beach warehouse during the year ended June 30, 2024 as part of closing the warehouse and the Company exiting the recommerce business. This liability was settled in January of 2025 and resulted in a gain on the lease impairment of approximately $270,000.

In the prior year, the Company recognized a gain on the sale of assets and businesses of approximately $449,000. This gain was from approximately $1,948,538 gain on the sale of VitaMedica, the gain of approximately $238,000 on the sale of Infusionz and CBD related assets, which recorded an approximate loss of $2,186,000 in the prior year. This gain was offset by the loss of approximately $1,737,326 on the sale of E-Core.

The income and loss on discontinued operations was as follows:

	June 30, 2025	June 30, 2024
Interactive Offers	$ -	$ (187,003)
Infusionz	-	71,976
E-Core	-	1,065,575
VitaMedica	-	213,636
	$ -	$ 1,164,184

The Company had a net loss of approximately $13,684,000 compared to a net loss of approximately $23,658,000 in the prior year. The decrease in the net losses primarily related to the above-mentioned changes.

Liquidity, Capital Resources and Cash Requirements

Working Capital

	As of June 30, 2025	As of June 30, 2024
Current assets	$ 56,778,043	$ 11,419,918
Current liabilities	$ 32,563,906	$ 12,655,152
Working capital	$ 24,214,137	$ (1,235,234)

Cash Flows

	Years Ended June 30,	
	2025	2024
Cash flows (used in) operating activities – continuing operations	$ (8,423,042)	$ (4,894,751)
Cash flows (used in) provided by investing activities – continuing operations	(99,293,083)	831,112
Cash flows provided by (used in) financing activities – continuing operations	110,029,860	(353,789)
Cash flows provided by operating activities – discontinued operations	-	4,793,374
Cash flows used by investing activities – discontinued operations	-	(4,206,823)
Cash flows used by financing activities – discontinued operations	-	-
Net increase (decrease) in cash during the period	$ 2,313,735	$ (3,830,877)

On June 30, 2025, the Company had cash of $2,975,150, or an increase of approximately $2,314,000, from June 30, 2024. The increase in cash was due to significant capital raised during the period and offset by the net loss from operations and capital investments in Solana for the digital asset treasury. The significant increase in working capital is a result of the liquid SOL held by the Company in its digital asset treasury.

The net cash used by continuing operating activities was approximately $8,423,000. The net loss of approximately $13,684,000 was offset by the non-cash expenses of approximately $758,000 for depreciation and amortization, $2,357,000 for stock-based compensation and issuance of common stock for services rendered by consultants, and the write off of inventory and credit losses relating to Amazon of approximately $1,682,824. The change in operating assets and liabilities provided cash of approximately $1,931,000. The digital asset revenue and unrealized gains and losses from the digital asset treasury is non-cash as the value was from staking revenue paid in additional Solana and the increase in market value over the purchase price for the Solana held in the digital asset treasury.

Net cash used in investing activities for the years ended June 30, 2025 and 2024 was approximately $99,293,000 and use of $3,376,000, respectively. The most significant use of cash in investing activities was the purchase of Solana for the Company's digital asset treasury. This was offset by the collection of the purchase price in the sale of E-core and the proceeds from the sale of the building.

Net cash flows provided by financing activities for the year ended June 30, 2025 was approximately $110,030,000 compared to approximately $354,000 used during the year ended June 30, 2024. During the year ended June 30, 2025, the Company raised approximately $92,556,000 from the sale of the Company's common stock and obtained a short-term loan of $20,000,000 that is collateralized by certain assets of the digital asset treasury. This was offset by the payment of debt and other common stock issued for the exercise of warrants or the issuance of convertible debt that was subsequently converted into common stock.

On April 1, 2024, the Company entered into a lease agreement with MFA 2510 Merchant LLC. 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. The initial term is five years. 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.

On May 28, 2024, the Company entered into an agreement to sell its Clearwater, Florida warehouse for a sale price of $4,300,000. The sale of the building was completed on July 8, 2024 and provided $1,370,978 of working capital.

On June 13, 2024, the Company sold all of the issued and outstanding equity of VitaMedica, Inc. to three investors. One of the minority interest buyers is Allan Marshall, the Company's Chief Executive Officers. The purchase price for the stock was $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, a loan for $1,000,000 and a final $1,000,000 payment subject to certain inventory and working capital adjustments.

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.) ("E-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. The principals of the Buyer are the three individuals from whom the Company acquired E-core in October 2022. 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.

On March 7, 2025 the Company closed on $350,000 of convertible debt with a term of two years and an interest rate of 3%. The debt was convertible into 116,118 shares of the Company's common stock or $3.00 per share and was converted in June of 2025. The convertible debt included warrants to purchase up to 116,118 shares of the Company's common stock at a per share price of $3.00 per common share or for $350,000. Warrants for $250,000 or 83,334 shares of common stock were exercised. The Company received approximately $600,000 during the year related to the convertible debt and the exercised warrants.

On April 24, 2025 the Company closed on a private placement offering to sell 35,970,383 shares of the Company's common stock at an offering price of $2.28 per share and pre-funded warrants to purchase 7,889,266 shares of common stock at an offering price of $2.279 per share of the Company's common stock that may be exercised at a per share price of $0.0001. The Company received approximately $92,556,000, net of broker fees, legal fees and other expenses incurred for the private placement. Since June 30, 2025, all of the pre-funded warrants have been exercised and the 7,889,266 shares of common stock issued.

On May 23, 2023, The Company entered into a credit facility with BitGo Prime, LLC ("BitGo"). Pursuant to a Master Loan Agreement (the "Agreement") the Company may borrow up to $20,000,000 of Digital Currency or United States Dollars with interest at the rate of 11.5% per year. The term of the credit facility is for one year and is renewable for successive one year options. Each individual loan under the facility is negotiable as to the amount, term prepayment or recall (payment demand). The loans shall be collateralized by the Company's treasury assets, already held at BitGo, the initial availability is based on 260% collateral level and a margin call level of 175%. There are no requirements or fees for non-use of the credit facility and the facility can be increased in the future based on the value of the assets BitGo is the custodian of for the Company. At June 30,2025, the outstanding balance of the credit facility was $20,000,000. Subsequent to June 30, 2025 the credit facility increased to $50,000,000. The $50,000,000 credit facility is outstanding as of the date of this report and was used for the purchase of Solana.

Liquidity of SOL Management

The Company purchases Locked Solana that cannot be purchased or sold on the normal market exchanges and is purchased and sold through negotiations directly with the owner of the Locked Solana or their agent. The Locked Solana is unlocked through a schedule that will continue through January of 2028 and once unlocked is the same as any other liquid Solana in the Company's treasury. Since this Locked Solana could create significant delays if the Company needed liquidity, management monitors the overall percentage of the digital assets that are locked or do not have the normal liquidity as other digital assets.

The Company has 421,451 tokens that are considered locked at June 30, 2025. The following table summarizes the unlocking schedule of Solana tokens currently locked as of June 30, 2025, valued at $133.07 or a 14% discount to the closing price of $154.74:

June 30, 2026	$ 21,430,177	161,041
June 30, 2027	20,819,592	156,453
June 30, 2028	13,833,756	103,957
	$ 56,083,525	421,451

The Company's Staking Program involves the temporary loss of the ability to transfer, assign a new validator or otherwise dispose of the SOL. Under normal conditions, the Company will regain complete control over its unstaked SOL within two days of initiating the unstaking. However, there can be no guarantee that such process will result in the Company regaining complete control of its SOL in time to satisfy its current obligations. We maintain a certain amount of liquid SOL in the treasury and a certain amount of cash to ensure that the Company is able to satisfy its current obligations.

Subsequent to June 30, 2025

On July 11, 2025 the Company closed on a private placement offering to sell 12,457,186 shares of the Company's common stock at an offering price of $4.00 per share. The Company received approximately $37,077,000, net of broker fees, the fees on the convertible debt offering completed on July 16, 2025, legal fees, filing fees and other expenses incurred for the private placement.

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 consolidated financial statements and meet all of our debt obligations.

Off-Balance Sheet Arrangements

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.

Critical Accounting Policies and Estimates

Preparation of financial statements requires the application of accounting policies, judgments, assumptions and estimates that can significantly affect the reported results of operations, cash flows or the amounts of assets and liabilities recognized in the financial statements. Judgments made include those related to accounting for revenue recognition and realizability of deferred tax assets.

Management discusses these policies, estimates and assumptions with senior members of management on a regular basis and provides periodic updates on management decisions to the Audit Committee. Management believes the areas described below require significant judgment in the application of accounting policy or in making estimates and assumptions that are inherently uncertain and that may change in subsequent periods.

For further information, see Note 2 to the Consolidated Financial Statements, “Significant Accounting Policies.”

Revenue Recognition - 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.

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 distributors’ resale of the products.

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.

Our business is subject to contingencies related to customer orders, including:

Right of Return:

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. Other product sales relate to some pet products, including small mechanical devices.

Warranties:

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 fulfilment expenses.

Staking Revenue:

The recognition of staking revenue from delegated digital assets represents a critical accounting estimate due to the complexity and evolving nature of blockchain protocols and regulatory guidance. As a delegator, the Company earns staking rewards by participating in proof-of-stake networks through third-party validators, without directly operating the nodes. Revenue is recognized when control of the staking rewards is obtained, typically upon receipt into the Company’s wallet, and measured at fair value using quoted market prices at the time of receipt. Management must assess the reliability of validator performance, the timing and frequency of reward distributions, and potential slashing risks that could impact future earnings. Additionally, the Company evaluates whether staking rewards meet the criteria for revenue recognition under applicable accounting standards, including considerations of principal versus agent relationships. Changes in protocol rules, validator reliability, or regulatory developments may materially affect the timing and amount of staking revenue recognized.

Income taxes - The assessment of the realizability of deferred tax assets is a critical accounting estimate that requires significant judgment and evaluation of both positive and negative evidence. Deferred tax assets arise primarily from temporary differences, net operating losses, and tax credit carryforwards, and their recoverability depends on the Company’s ability to generate sufficient future taxable income. Management must consider all available information, including historical earnings, projected future income, tax planning strategies, and the expiration dates of carryforwards. If it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is recorded to reduce the asset to the amount expected to be recoverable. Changes in assumptions or actual results that differ from expectations may result in significant adjustments to the valuation allowance and income tax expense.

Recent Accounting Pronouncements

Refer to Note 2 – Significant Accounting Policies to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of this date of this Annual Report on Form 10-K.

Reverse Stock Split

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.

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. 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. 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. 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. The Reverse Stock Split did not modify the relative rights or preferences of the Common Stock.

Unless otherwise indicated, all issued and outstanding shares of common stock and all outstanding securities entitling their holders to purchase shares of our common stock or acquire shares of our common stock, including stock options, restricted stock units, and warrants per share data, share prices and exercise prices, as required by the terms of those securities, have been adjusted retroactively to reflect the Reverse Stock Split.

On October 17, 2024, Company received written notice (the "Compliance Notice") from The Nasdaq Stock Market LLC ("Nasdaq") informing the Company that it had regained compliance with Nasdaq Listing Rule 5550(a)(2), which requires that companies listed on the Nasdaq Stock Market maintain a minimum bid price of $1.00 per share. Nasdaq notified the Company in the Compliance Notice that, from October 3, 2024 to October 16, 2024, the closing bid price of the Company's common stock had been $1.00 per share or greater and, accordingly, the Company had regained compliance with Nasdaq Listing Rule 5550(a)(2) and that the matter was now closed.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

As a "smaller reporting company", the Company is not required to provide the information required by this Item.

Item 8. Consolidated Financial Statements and Supplementary Data.

UPEXI INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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GBQ Partners

Board of Directors and Shareholders
Upexi, Inc.

Report of Independent Registered Public Accounting Firm

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Upexi, Inc. (the "Company") as of June 30, 2025 and 2024, the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended, and related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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

/s/ GBQ Partners LLC

We have served as the Company's auditor since 2024.
Columbus, Ohio
September 24, 2025

UPEXI, INC.
CONSOLIDATED BALANCE SHEETS

	June 30, 2025	June 30, 2024
ASSETS		
Current assets		
Cash	$ 2,975,150	$ 661,415
Accounts receivable, net	157,515	606,885
Inventory, net	1,152,870	1,431,556
Due from VitaMedica transition	228,017	212,358
Prepaid expenses and other receivables	350,836	502,188
Current digital assets at fair value	49,913,655	-
Assets available for sale - Building	-	4,005,516
Purchase price receivable - VitaMedica	2,000,000	2,000,000
Purchase price receivable - E-core	-	2,000,000
Total current assets	56,778,043	11,419,918
Property and equipment, net	2,052,573	2,356,556
Intangible assets, net	163,113	239,871
Goodwill	848,854	848,854
Deferred tax asset	5,948,858	5,948,858
Digital assets at fair value, net of current	56,083,525	-
Other assets	192,123	278,435
Right-of-use asset, net	1,739,755	2,418,596
Total other assets	67,028,801	12,091,170
Total assets	$ 123,806,844	$ 23,511,088
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 1,039,370	$ 481,647
Accrued compensation	3,470,296	1,098,856
Deferred revenue	13,155	235,255
Accrued liabilities	356,064	736,407
Accrued interest	792,449	476,018
Acquisition payable	260,652	413,152
Related party advances, net	-	100,000
Current portion of note payable	560,000	-
Short-term treasury debt	20,000,000	-
Current portion of Cygnet subsidiary notes payable	5,380,910	5,447,565
Note payable on building for sale	-	2,634,538
Current portion of operating lease payable	691,010	1,031,714
Total current liabilities	32,563,906	12,655,152
Operating lease payable, net of current portion	1,145,440	1,732,606
Related party note payable	-	500,000
Note payable	-	557,429
Convertible notes payable	-	1,550,000
Total long-term liabilities	1,145,440	4,340,035
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $0.00001 par value, 10,000,000 shares authorized, and 150,000 and 25,000 shares issued and outstanding, respectively	2	1
Common stock, $0.00001 par value, 300,000,000 shares authorized, and 38,270,571 and 1,045,429 shares issued and outstanding, respectively	383	11
Additional paid in capital	150,640,935	53,375,502
Accumulated deficit	(60,543,822)	(46,859,613)
Total stockholders' equity attributable to Upexi, Inc.	90,097,498	6,515,901
Total stockholders' equity	90,097,498	6,515,901
Total liabilities and stockholders' equity	$ 123,806,844	$ 23,511,088

The accompanying notes are an integral part of these consolidated financial statements.

UPEXI, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended June 30, 2025	2024
Revenue		
Revenue	$ 14,826,336	$ 26,000,652
Digital asset revenue	985,009	-
Total revenue	15,811,345	26,000,652
Cost of revenue	4,943,305	13,176,073
Gross profit	10,868,040	12,824,579
Operating expenses		
Sales and marketing	4,001,094	5,989,727
Distribution costs	4,691,964	8,611,702
General and administrative expenses	11,935,582	6,771,937
Realized and unrealized (gain) loss on digital assets	(105,474)	-
Share-based compensation	2,356,862	1,169,843
Amortization of acquired intangible assets	76,758	2,410,431
Depreciation	681,000	1,268,355
Impairment of long-lived asset - building	-	336,434
Loss on the sale / abandonment of assets in relocation	-	569,195
Impairment of intangible assets and goodwill	-	7,869,425
Lease impairment (gain on settlement), Delray Beach facility	(269,994)	289,969
	23,367,792	35,287,018
Loss from operations	(12,499,752)	(22,462,439)
Other income (expense), net		
Other	(10,743)	(16,443)
Interest (expense) income, net	(1,173,714)	(3,124,723)
Other income (expense), net	(1,184,457)	(3,141,166)
Loss on operations before income tax	(13,684,209)	(25,603,605)
Income tax benefit (expense)	-	332,101
	-	332,101
Net loss from continuing operations	(13,684,209)	(25,271,504)
Gain (loss) from the sale of:		
Interactive Offers	-	237,670
VitaMedica	-	1,948,538
E-Core	-	(1,737,326)
	-	448,882
Income (loss) on discontinued operations		
Infusionz		71,976
Interactive offers	-	(187,003)
VitaMedica	-	213,636
E-core	-	1,065,575
Income (loss) income from discontinued operations	-	1,164,184
Net income (loss) attributable to Upexi, Inc.	$ (13,684,209)	(23,658,438)
Basic income (loss) per share:		
Income (loss) per share from continuing operations	$ (1.73)	$ (24.60)
(Loss) income per share from discontinued operations	$ -	$ 1.13
Total income (loss) per share attributable to Upexi shareholders	$ (1.73)	$ (23.03)
Diluted income (loss) per share:		
Income (loss) per share from continuing operations	$ (1.73)	$ (24.60)
(Loss) income per share from discontinued operations	$ -	$ 1.13
Total income (loss) per share attributable to Upexi shareholders	$ (1.73)	$ (23.03)
Basic weighted average shares outstanding	7,914,268	1,027,232
Fully diluted weighted average shares outstanding	7,914,268	1,027,232

The accompanying notes are an integral part of these consolidated financial statements.

UPEXI, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Preferred Stock Shares*	Preferred Stock Par* **	Common Stock Shares*	Common Stock Par* **	Additional Paid In Capital	Accumulated Deficit	Non-controlling Interest	Total Stockholders' Equity
2024								
Balance, June 30, 2023	25,000	$ 1	1,010,843	$ 10	$ 51,542,933	$ (23,201,175)	$ (505,147)	$ 27,836,623
Stock based compensation, restricted stock grant	-	-	5,000	-	212,748	-	-	212,748
Stock based compensation, amortization of stock options	-	-	-	-	957,095	-	-	957,095
Issuance of stock and equity for purchase of Cygnet	-	-	4,505	-	162,727		505,147	667,873
Issuance of stock for conversion of debt	-	-	25,081	1	499,999			500,000
Net loss	-	-	-	-	-	(23,658,438)	-	(23,658,438)
Balance, June 30, 2024	25,000	$ 1	1,045,429	$ 11	$ 53,375,502	$ (46,859,613)	$ -	$ 6,515,901
Stock based compensation, restricted stock grant	-	-	-	-	2,106,862	-	-	2,106,862
Issuance of preferred series A stock	125,000	1	-	-	324,999	-	-	325,000
Issuance of stock for the conversion of debt	-	-	742,896	7	1,749,993	-	-	1,750,000
Capitalized interest related to convertible debt	-	-	-	-	27,891			27,891
Issuance of stock for the exercise of warrant on convertible debt	-	-	83,334	1	249,999	-	-	250,000
Issuance of stock for the cashless exercise of options	-	-	7,278	-	-	-	-	-
Issuance of stock for vested restricted stock grants	-	-	102,583	1	(1)	-	-	-
Issuance of stock for services	-	-	19,577	1	249,999	-	-	250,000
Issuance of stock for the exercise of cashless warrants	-	-	299,091	3	(3)	-	-	-
Issuance of common stock	-	-	35,970,383	359	92,555,694	-	-	92,556,053
Net loss	-	-	-	-	-	(13,684,209)	-	(13,684,209)
Balance, June 30, 2025	150,000	$ 2	38,270,571	$ 383	$ 150,640,935	$ (60,543,822)	$ -	$ 90,097,498

* Common stock has been restated to reflect the 1 for 20 reverse split
** Common stock par value has been adjusted to $0.00001

The accompanying notes are an integral part of these consolidated financial statements.

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UPEXI, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended June 30,	
	2025	**2024**
Cash flows from operating activities		
Net loss from operations	$ (13,684,209)	$ (23,658,438)
Adjustments to reconcile net loss from continuing operations to net cash (used in) provided by operating activities:		
Depreciation and amortization	757,758	3,678,786
Unrealized (gain) loss on digital assets	(101,332)	-
Digital asset revenue	(985,009)	-
Gain on the sale of VitaMedica and income from discontinued operations	-	(1,948,538)
Loss on the sale of New England Technology	-	1,737,326
Amortization of loan costs	30,462	115,787
Amortization of consideration discount	-	1,112,676
Impairment of goodwill and intangible assets	-	7,869,425
Inventory write-off	748,874	1,812,319
Loss on impairment of building	-	336,434
Loss on sale of assets related to relocation of facility	-	569,195
Gain on sale of interactive offers	-	(237,670)
Loss on the disposal of assets	10,743	-
Bad debt reserve for Amazon receivable	933,950	-
Reduction of acquisition payable	(152,500)	-
Issuance of stock for services	250,000	-
Lease impairment (gain on settlement)	(269,994)	-
Change in deferred tax asset	-	(344,802)
Stock based compensation	2,106,862	1,169,843
Changes in assets and liabilities, net of acquired amounts		
Accounts receivable	(484,580)	675,709
Inventory	(470,188)	2,651,252
Prepaid expenses and other assets	222,005	106,611
Operating lease payable	20,965	302,050
Accounts payable and accrued liabilities	2,865,251	(944,020)
Deferred revenue	(222,100)	101,305
Net cash provided by operating activities - Continuing Operations	(8,423,042)	(4,894,750)
Net cash provided by (used in) operating activities - Discontinued Operations	-	4,793,374
Net cash provided by operating activities	(8,423,042)	(101,376)
Cash flows from investing activities		
Proceeds from the sale of the building, net	4,005,516	-
Proceeds from the sale of VitaMedica, Inc.	-	2,100,000
Proceeds from the sale of E-core	2,000,000	-
Proceeds from the sale of Interactive Offers, net of liabilities paid	-	203,025
Acquisition and sale of digital assets, net	(104,910,839)	-
Acquisition of Cygnet Online LLC, net	-	(539,348)
Acquisition of property and equipment	(387,760)	(932,565)
Net cash provided by (used in) investing activities - Continuing Operations	(99,293,083)	831,112
Net cash (used in) provided by investing activities - Discontinued Operations	-	(4,206,823)
Net cash provided by (used in) investing activities	(99,293,083)	(3,375,711)
Cash flows from financing activities		
Payment on acquisition notes payable	(66,655)	(246,761)
Payment on convertible note	(150,000)	-
Proceeds from issuance of short-term debt	20,000,000	-
Proceeds from warrant exercise	250,000	-
Proceeds from issuance of stock	92,556,053	-
Issuance of preferred stock series A	325,000	-
Repayment of related party advance	(175,000)	-
Proceeds from related party advance	75,000	100,000
Proceeds from issuance of convertible notes	350,000	-
Repayment of related party note payable	(500,000)	-
Repayment on note payable on building	(2,634,538)	(207,028)
Net cash used in financing activities - Continuing Operations	110,029,860	(353,789)
Net cash (used in) provided by financing activities - Discontinued Operations	-	-
Net cash used in financing activities	110,029,860	(353,789)
Net increase (decrease) in cash - Continuing Operations	2,313,735	(4,417,427)
Net (decrease) increase in cash - Discontinued Operations	-	586,551
Cash, beginning of period	661,415	4,492,291
Cash, end of period	$ 2,975,150	$ 661,415
Supplemental Cash Flow Disclosures		
Interest paid	$ 805,880	$ 839,000
Income tax paid	$ -	$ -
Non-cash Investing and Financing Activities		

Issuance of common stock for acquisition of Cygnet	$	-	$	162,727
Non-cash proceeds in the sale of VitaMedica	$	-	$	1,900,000
Issuance of common stock for the repayment of convertible notes payable	$	1,750,000	$	500,000
Issuance of debt for acquisition of Cygnet	$	-	$	300,000
Bloomios non-cash payment of receivables, net	$	-	$	845,443

The accompanying notes are an integral part of these consolidated financial statements.

Upexi, Inc.
Notes to the Consolidated financial statements
June 30, 2025 and 2024

Note 1. Basis of Presentation

Nature of Operations

Upexi, Inc., a Delaware corporation, originally formed as a Nevada corporation in September of 2018. The Company has seven active subsidiaries that are part of the Company. We are in the cryptocurrency industry and the management of cash assets through a cryptocurrency portfolio, primarily focused in Solana tokens and staking of those tokens. We continue to be a brand owner specializing in the development, manufacturing, and distribution of consumer products.

Solana Treasury Strategy. We have recently diversified into the cryptocurrency industry and cash management of assets through a cryptocurrency portfolio, primarily focused in Solana tokens and staking of those tokens. Early in 2025, we updated and modified our cash management and treasury strategy to include holding digital currency assets directly on our balance sheet. This was a shift from before when we held excess cash primarily in FDIC-insured interest-bearing accounts. The change to adopt this strategy results from our intention to obtain the highest yield on excess cash. Under our new approach, our treasury policy focuses primarily on Solana ("SOL"). The approach involves applying a public-market treasury model to an asset that is considered earlier in its lifecycle, with respect to both development and usage, as well as institutional adoption, than Bitcoin. Management will focus its resources to this digital asset strategy and a significant portion of the balance sheet will be allocated to holding Solana in the Company's digital asset treasury. Currently our treasury is exclusively dedicated to the SOL digital asset and currently we do not intend to dedicate any of the treasury allocated capital to other digital assets.

Our products are distributed in the United States of America and internationally through multiple entities and managed through our locations in Florida.

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, Florida location also supports all the other locations with accounting, corporate oversight, day-to-day finances, business development and operational management operating from this location.

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.

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.

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.

Upexi Distribution operates from our Tampa, Florida warehouse providing warehousing, distribution and other services in support of our product sales.

Basis of Presentation

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Interactive Offers, LLC a Delaware limited liability corporation; VitaMedica, a Nevada corporation; and E-Core Technology, Inc. d/b/a New England Technology, Inc. have been classified as discontinued operations for the year ended June 30, 2024.

All intercompany accounts and transactions have been eliminated as a result of the consolidation.

Note 2. Significant Accounting Policies

The significant accounting policies followed are:

Use of Estimates - 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.

Significant estimates underlying the Company's reported financial position and results of operations include the allowance for credit losses, 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.

Cash - The Company considers all highly liquid investment instruments with a maturity of three months or less to be cash equivalents. Cash 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.

Accounts Receivable - 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 an 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, 2025, 2024 and 2023 were $157,515, $606,885 and $1,125,394 respectively. Based on management's review of accounts receivable, the allowance for credit losses was approximately $636,600 and $61,800 at June 30, 2025 and 2024, respectively. The Company had bad debt expenses of $933,950, $24,500 and $4,750 for the years ended June 30, 2025, 2024 and 2023, respectively. The Company wrote off approximately $359,000 of accounts receivable balances in the year ended June 30, 2025 and no amount of accounts receivable in the year ended June 30, 2024. The increase in the reserve is related to the eliminated recommerce business and the reserve amounts held by Amazon for over six months.

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. 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.

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. On June 30, 2025, the Company had $489,574 of raw materials and $663,296 of finished goods inventory. On June 30, 2024, the Company had $465,535 of raw material inventory and $966,021 of finished goods inventory. The Company had inventory reserves at June 30, 2025 and 2024 of $593,569 and $605,470, respectively.

Digital Assets – Pursuant to ASU 2023-08, *Intangibles — Goodwill and Other — Crypto Assets: Accounting for and Disclosure of Crypto Assets, codified into ASC subtopic 350-60,* in-scope crypto assets are required to be measured at fair value in the statement of financial position, with gains and losses from changes in the fair value of such crypto assets recognized in net income each reporting period. ASU 2023-08 also requires certain interim and annual disclosures for crypto assets within the scope of the standard.

The Company adopted this guidance effective April 1, 2025 as this was the start of the Company first holding digital assets. SOL tokens are measured using Level 1 inputs under ASC 820, based on quoted prices from principal market. ASC 820 defines "principal market" as the market with the greatest volume and level of activity for the asset or liability. The determination of the principal market (and, as a result, the market participants in the principal market) is made from the perspective of the reporting entity. The digital assets held by the Company are traded on a number of active markets globally. The Company determines CoinMarketCap as its principal market, as it is one of the earliest and the most trusted sources by users, institutions, and media for comparing thousands of crypto assets and selected by the U.S. government. The Company recognizes revenue by utilizing daily close prices obtained from CoinMarketCap.

Property and Equipment - 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 certain equipment during the year ended June 30, 2024 upon relocation of a manufacturing facility from Nevada to Florida leading to a loss as reflected in the Statement of Operations.

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.

The Company performed its annual test as of June 30, 2025 and 2024, respectively. There was no impairment as of June 30, 2025.

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. 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.

Impairment of Long-lived Assets - 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. 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. 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. In addition, the Company recognized an impairment of intangible assets of $4,274,680 for the year ended June 30, 2024. $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.

Revenue Recognition - 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.

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 distributors' resale of the products.

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.

Our business is subject to contingencies related to customer orders, including:

Right of Return:

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. Other product sales relate to some pet products, including small mechanical devices.

Warranties:

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 fulfilment expenses.

Conditions of Acceptance:

Sales of our consumable products and pet products, generally do not have customer acceptance terms.

Revenue by Geography and Product Source:

The following table, which excludes digital asset revenue, discloses disaggregated revenue for the year ended:

	June 30, 2025	June 30, 2024
Primary geographical markets		
United States of America	$ 14,566,766	$ 25,455,480
Other	259,570	545,172
Total	$ 14,826,336	$ 26,000,652
Product source		
Internally manufactured	$ 9,262,857	$ 10,553,654
Contract manufactured	2,786,828	3,098,552
Purchased as finished good	2,776,651	12,348,446
Total	$ 14,826,336	$ 26,000,652

Deferred Revenue - The Company records deposits as deferred revenue when a customer pays in advance of shipping the product. Once the product is shipped, the deposit is recorded as revenue and the related commissions are paid. All products were shipped related to deposits in deferred revenue, in less than one year.

The following table discloses the deferred revenue:

	June 30, 2025	June 30, 2024
Deferred revenue	$ 13,155	$ 235,255

Deferred revenue, also referred to as funded backlog, was $13,155, $235,255 and $0 at June 30, 2025, June 30, 2024, and June 30, 2023, respectively. We expect to recognize approximately 100% of the deferred revenue as revenue in the year ended June 30, 2026. All of the deferred revenue at June 30, 2024 was recognized to revenue in the year ended June 30, 2025.

Digital Assets Revenue, Realized and Unrealized Gains and Losses

Acquisition of Solana tokens

We acquire liquid Solana tokens through purchases. In the case of liquid bulk purchases, we recognize for cost basis the actual price paid. In the case of liquid VWAP (volume-weighted average price) or TWAP (time-weighted average price) over multiple hour or days, we recognize for cost basis the average price paid for all tokens purchases.

The Company is able to acquire Solana tokens that are locked through direct negotiations with the owner or a third part at a discounted price from the Solana market value price. These locked tokens will unlock over a period of time and once unlocked can be sold on several Solana exchanges. With the purchase of locked Solana, we recognize the cost basis as the actual price paid. While the tokens remain locked, the Solana is marketed to fair value based on a 14% discount to the end of the period market price and the unrealized gain or loss is recognized. The unlocking of the purchased Solana occurs over a series of dates as prescribed by the purchase agreement. At the time of unlocking, tokens can remain in the original wallet or be transferred into the wallet at our custodian or sold on an open exchange. Once the Solana is unlocked, the fair value is measured at the end of the period at the market value without a discount.

Per ASC 350-60-45-2, gains and losses from the remeasurement of crypto assets shall be included in net income and presented separately from changes in the carrying value of other intangible assets. Pursuant to this guidance, changes in fair value are reflected on the income statement in the line item “Realized and unrealized (gain) loss on digital assets” in the operating expense section of the consolidated statements of operations. We measure changes in fair value as the difference between the cost basis and the prevailing market price of the digital asset at the date of measurement, multiplied by the quantity held of the digital asset. Our policy on prevailing market price is the last trading price prior to midnight.

Remeasurement on a recurring basis

Subsequent to the acquisitions of Solana tokens, remeasurement of change in value fair is done by taking the spot price from coinmarketcap.com at the end of a month. Our tokens are bifurcated between liquid and locked tokens. In the case of liquid tokens, the aggregate fair value is computed by taking the number of liquid tokens and multiplying by the month-end spot price. In the case of locked tokens, the aggregate fair value is computed by taking the number of locked tokens, discounted by 14%, and multiplying by the month-end spot price. As locked tokens become unlocked over time, they will be added to the count of liquid tokens and accordingly, make up less of that discount percentage over time when computing aggregate fair value on locked tokens. The discount used by management is based on the historical purchases of locked Solana management has made on behalf of the Company. Management monitors this discount percentage and adjusts when appropriate. Per ASC 350-60-45-2, gains and losses from the remeasurement of crypto assets shall be included in net income and presented separately from changes in the carrying value of other intangible assets. Pursuant to this guidance, changes in fair value are reflected on the income statement in the line item “Realized and unrealized (gain) loss on digital assets” in the operating expense section of the consolidated statements of operations.

Staking revenue

We earn staking rewards by delegating our digital assets to third-party validators on proof-of-stake blockchain networks. These tokens remain under the Company's control and are not derecognized, as the delegation does not constitute a transfer of control under ASC 610-20 or ASC 350-60. Rewards are recognized as income when the Company obtains control of the new tokens, typically upon receipt into its wallet. While there is no explicit guidance under U.S. GAAP for staking activities, the Company applies the principles of ASC 606, Revenue from Contracts with Customers, by analogy. Management evaluates whether a contract exists, identifies the performance obligations, and determines whether the Company acts as a principal or agent in the transaction. The transaction price is measured at the fair value of the digital assets received at the time control is obtained. Due to the evolving nature of blockchain protocols and limited regulatory guidance, management exercises significant judgment in evaluating validator reliability and the risk of slashing or forfeiture. Changes in protocol rules or accounting interpretations may materially impact how staking revenue is recognized and measured. Solana tokens held by the Company, whether liquid or locked, are eligible for staking. Staking revenue is calculated based on the number of tokens earned and the month-end spot price. This revenue is reported on the Statements of Operations under the line item "Digital Asset Revenue." Changes in fair market value of the staking revenue after the initial Digital Asset Revenue is recognized are reflected on the income statement as "Realized and unrealized (gain) loss on digital assets".

Realized sales of the digital assets

To the extent such digital assets may be sold, unrealized gain (or loss) shall reverse and realized gain (or loss) shall be recorded for the difference between price at which the digital asset sold and cost basis.

Advertising - 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 $1,830,096 and $3,353,361 were expensed as incurred during the years ended June 30, 2025 and 2024, respectively.

Stock Based Compensation - 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.

Non-employee Stock-based Payments - 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.

Fair Value Measurements - The Company accounts for financial instruments in accordance with FASB ASC 820 "Fair Value Measurement and Disclosures" (ASC 820). ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. 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).

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:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

- 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.

- Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

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.

Leases - 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 recognized 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.

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.

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.

Income Taxes - 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 provided to reduce the deferred tax assets reported if based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized. A $10,092,765 and a $6,100,000 valuation allowance was recorded as of June 30, 2025 and June 30, 2024, respectively.

The Company identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the balance sheet. The Company has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Company would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

The Company uses the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, "Income Taxes." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's consolidated financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date.

ASC Topic 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's consolidated financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740 provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. There were no material uncertain tax positions at June 30, 2025 or June 30, 2024.

On December 22, 2017, the U.S. government enacted the Tax Act, which made significant changes to the Internal Revenue Code of 1986, as amended, including, but not limited to, reducing the U.S. corporate statutory tax rate and the net operating loss incurred after December 31, 2017 can be carried forward indefinitely and the two year net operating loss carried back was eliminated (prohibited).

Reverse Stock Split

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.

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. 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. These shares were issued on October 23, 2024. On October 30, 2024 we were notified that the shares were returned to the Company's transfer agent. 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. The Reverse Stock Split did not modify the relative rights or preferences of the Common Stock.

Unless otherwise indicated, all issued and outstanding shares of common stock and all outstanding securities entitling their holders to purchase shares of our common stock or acquire shares of our common stock, including stock options, restricted stock units, and warrants per share data, share prices and exercise prices, as required by the terms of those securities, have been adjusted retroactively to reflect the Reverse Stock Split.

On October 17, 2024, Company received written notice (the "Compliance Notice") from The Nasdaq Stock Market LLC ("Nasdaq") informing the Company that it has regained compliance with Nasdaq Listing Rule 5550(a)(2), which requires that companies listed on the Nasdaq Stock Market maintain a minimum bid price of $1.00 per share. Nasdaq notified the Company in the Compliance Notice that, from October 3, 2024 to October 16, 2024, the closing bid price of the Company's common stock had been $1.00 per share or greater and, accordingly, the Company had regained compliance with Nasdaq Listing Rule 5550(a)(2) and that the matter was now closed.

Earnings (loss) per Share - Basic earnings (loss) per share is computed by dividing net income (loss) attributable to common stockholders by the weighted average common shares outstanding for the period. Diluted income (loss) per share is computed giving effect to all potentially dilutive common shares. Potentially dilutive common shares may consist of incremental shares issuable upon the exercise of stock options and warrants and upon the conversion of notes. For the year ended, the dilutive common shares are as follows:

	June 30, 2025	June 30, 2024
Stock options	621,353	200,714
Warrants	1,848,735	52,530
Prefunded warrants	7,889,266	-
Preferred stock	138,889	13,889
Convertible debt	186,667	15,500
Restricted stock grants	221,917	12,500
Total potential dilutive weighted average shares outstanding	10,906,827	295,133

The dilutive effect of potentially dilutive securities is reflected in diluted earnings per common share by application of the treasury stock method. Under the treasury stock method, an increase in the fair market value of the Company's common stock can result in a greater dilutive effect from potentially dilutive securities. During the year ended June 30, 2025 and 2024, the Company reported a net loss, so the potential effect is not reflected in the consolidated financial statements.

Convertible Debt and Securities - The Company follows beneficial conversion feature guidance in ASC 470-20, which applies to convertible stock as well as convertible debt. A beneficial conversion feature is defined as a nondetachable conversion feature that is in the money at the commitment date. The beneficial conversion feature guidance requires recognition of the conversion option's in-the-money portion, the intrinsic value of the option, in equity, with an offsetting reduction to the carrying amount of the instrument. The resulting discount is amortized as interest over the life of the instrument, if a stated maturity date exists, or to the earliest conversion date, if there is no stated maturity date. If the earliest conversion date is immediately upon issuance, the expense must be recognized at inception. When there is a subsequent change to the conversion ratio based on a future occurrence, the new conversion price may trigger the recognition of an additional beneficial conversion feature on occurrence.

Non-controlling Interests in Consolidated financial statements - In December 2007, the FASB issued ASC 810-10-65, "Non-controlling Interests in consolidated financial statements". This ASC clarifies that a non-controlling (minority) interest in subsidiaries is an ownership interest in the entity that should be reported as equity in the consolidated financial statements. It also requires consolidated net income to include the amounts attributable to both the parent and non-controlling interest, with disclosure on the face of the consolidated income statement of the amounts attributed to the parent and to the non-controlling interest. In accordance with ASC 810-10-45-21, those losses attributable to the parent and the non-controlling interest in subsidiaries may exceed their interests in the subsidiary's equity. The excess and any further losses attributable to the parent and the non-controlling interest shall be attributed to those interests even if that attribution results in a deficit non-controlling interest balance. During the year ended June 30, 2024, the purchase of all remaining ownership of Cygnet resulted in no remaining non-controlling interests in the consolidated financial statements.

Recent Accounting Pronouncements – From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board, ("FASB"), or other standard setting bodies and adopted by us as of the specified effective date. Unless otherwise discussed, the impact of recently issued standards that are applicable and not yet effective will not have a material impact on the Company's financial position or results of operations upon adoption. What follows below are accounting pronouncements adopted or issued but not yet adopted.

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures ("ASU 2023-09"). The amendments expand income tax disclosure requirements by requiring an entity to disclose (i) specific categories in the rate reconciliation, (ii) additional information for reconciling items that meet a quantitative threshold, and (iii) the amount of taxes paid disaggregated by jurisdiction. The standard is effective for annual reporting periods beginning after December 15, 2024. The Company will adopt this guidance effective for the annual reporting period beginning July 1, 2025 (fiscal year ended June 30, 2026). The adoption of ASU 2023-09 will impact the Company's disclosures but will not impact financial position nor results of operations.

In December 2023, the FASB issued ASU 2023-08, *Intangibles - Goodwill and Other - Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets* ("ASU 2023-08"), which establishes accounting guidance for crypto assets meeting certain criteria. Solana meets these criteria. The amendments require crypto assets meeting the criteria to be recognized at fair value with changes recognized in net income each reporting period. Upon adoption, a cumulative-effect adjustment was made to the opening balance of retained earnings as of the beginning of the annual reporting period of adoption. ASU 2023-08 is effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years, with early adoption permitted. The Company elected to early adopt ASU 2023-08 for the year ended June 30, 2025, effective as of July 1, 2024. As a result of the adoption, the Company did not have a cumulative-effect adjustment as the Company did not have any Crypto Assets prior to January 1, 2025. In the current year ended and date as of June 30, 2025, SOL, the token of Solana blockchain, is recognized at fair value.

In November 2024, the FASB issued ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures." The ASU requires disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The amendments require that at each interim and annual reporting period an entity: (1) disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities ("DD&A") (or other amounts of depletion expense) included in each relevant expense caption. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed in (a)–(e), (2) include certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements, (3) disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and (4) disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. An entity is not precluded from providing additional voluntary disclosures that may provide investors with additional decision-useful information. The ASU is effective for annual periods beginning after December 15, 2026, and interim report periods beginning after December 15, 2027. Early application of the amendment is permitted. The ASU should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this ASU or (2) retrospectively to any or all prior periods presented in the financial statements. The Company is evaluating the effect that ASU 2024-03 will have on its consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, which provides for all entities with the option to elect a practical expedient that assumes that current conditions as of the balance sheet do not change for the remaining life of an asset, with respect to estimates of expected credit losses. This guidance is effective for annual reporting periods beginning after December 15, 2025 and interim periods within those annual reporting periods, with early adoption permitted and application of guidance prospectively. We are currently evaluating the effect of this pronouncement.

Note 3. Digital Assets

The following table summarizes the Company's digital asset holdings as of:

	June 30, 2025	June 30, 2024
Approximate number of Solana Tokens held	744,026	-
Digital assets, fair value	$ 105,997,180	$ -

The following table summarizes the Company's digital asset purchases, losses (gains) on digital assets, and revenue from staking for the year ended June 30, 2025 and 2024:

	Year Ended June 30,	
	2025	2024
Approximate number of Solana Tokens purchased	737,692	-
Digital asset purchases	$ 104,910,839	$ -
Unrealized (loss) on digital assets	$ 101,332	$ -
Revenue from staking	$ 985,009	$ -

Cost basis is reflected in the above table as "Digital asset purchases".

The following table summarizes the composition of Solana tokens held broken out by liquid and locked as of:

	June 30, 2025	June 30, 2024
Approximate number of Solana Tokens liquid	322,575	-
Approximate number of Solana Tokens locked	421,451	-

The Company has approximately 95% of its Solana treasury staked at June 30, 2025. The Company maintains control over the delegated SOL tokens throughout the staking period. Although the tokens undergo a bonding process with validators, the Company retains the ability to initiate unbonding at any time. Upon notification to the validator, the unbonding process begins, which typically takes up to two days. During this period, the tokens remain unavailable for transfer or sale on the open market. Validators do not gain control over the tokens in a manner that meets derecognition criteria. They cannot sell, pledge, or otherwise dispose of the tokens. As such, the Company continues to recognize the delegated SOL tokens as part of its digital asset holdings.

The Company has 421,451 tokens that are considered locked at June 30, 2025. The following table summarizes the unlocking schedule of Solana tokens currently locked as of June 30, 2025:

June 30, 2026	161,041
June 30, 2027	156,453
June 30, 2028	103,957
	421,451

The Company did not sell any of its Solana in its Digital Asset Treasury during the year ended June 30, 2025 or 2024. The Company valued the Solana treasury at $154.74 per liquid token and $133.07 per locked token. The aggregate fair value of our locked tokens is computed by taking the number of locked tokens and discounting the month-end spot price by 14%. The discount used by management is based on the historical purchases of locked Solana management has made on behalf of the Company. Management monitors this discount percentage and adjusts when appropriate. The $154.74 is the market price from the closing price listed on coinmarketcap.com for June 30, 2025.

Note 4. Inventory

Inventory consisted of the following:

	June 30, 2025	June 30, 2024
Raw materials	$ 489,574	$ 465,535
Finished goods	663,296	966,021
	$ 1,152,870	$ 1,431,556

The Company writes off the value of inventory deemed excessive or obsolete. During the years ended June 30, 2025 and 2024, the Company wrote off inventory valued at $748,874 and $1,812,319, respectively. The Company had inventory reserves at June 30, 2025 and 2024 of $593,539 and $605,470, respectively.

Note 5. Property and Equipment

Property and equipment consist of the following:

	June 30, 2025	June 30, 2024
Furniture and fixtures	$ 127,050	$ 127,050
Computer equipment	102,279	112,397
Internal use software	570,645	570,645
Manufacturing equipment	2,112,561	1,927,975
Leasehold improvements	852,825	767,418
Building	-	4,005,516
Vehicles	206,501	89,359
Property and equipment, gross	3,971,861	7,600,360
Less accumulated depreciation	(1,919,288)	(1,238,288)
Less building classified as available for sale	-	(4,005,516)
	$ 2,052,573	$ 2,356,556

Depreciation expense for the years ended June 30, 2025 and 2024 was $681,000 and $1,268,355, respectively. For the period ended June 30, 2025 there was a $10,743 loss on the disposal of assets.

Note 6. Intangible Assets

Intangible assets as of June 30, 2025:

	Estimated Life	Cost	Accumulated Amortization	Net Book Value
Customer relationships	4 years	$ 1,834,692	$ 1,834,692	$ -
Trade name	5 years	383,792	220,679	163,113
Online sales channels	2 years	1,800,000	1,800,000	-
Vendor relationships	5 years	6,000,000	6,000,000	-
		$ 10,018,484	$ 9,855,371	$ 163,113

For the years ended June 30, 2025 and 2024, the Company amortized approximately $76,758, and $2,410,400, respectively. For the year ended June 30, 2025 and 2024, the Company impaired approximately $0 and $3,300,000, respectively, related to the vendor relationships of Cygnet and impaired approximately $0 and $974,000 related to the customer relationships of LuckyTail.

Intangible assets as of June 30, 2024:

	Estimated Life	Cost	Accumulated Amortization	Net Book Value
Customer relationships	4 years	$ 1,834,692	$ 1,834,692	$ -
Trade name	5 years	383,792	143,921	239,871
Online sales channels	2 years	1,800,000	1,800,000	-
Vender relationships	5 years	6,000,000	6,000,000	-
		$ 10,018,484	$ 9,778,613	$ 239,871

Future amortization of intangible assets at June 30, 2025 is set forth below:

June 30, 2026	76,758
June 30, 2027	76,758
June 30, 2028	9,597
	$ 163,113

Note 7. Prepaid Expense and Other Current Assets

Prepaid and other receivables consist of the following:

	June 30, 2025	June 30, 2024
Insurance	$ 107,256	$ 116,074
Prepayment to vendors	201,192	203,556
Deposits on services	10,000	25,550
Prepaid monthly rent	-	60,041
Subscriptions and services being amortized over the service period	26,500	32,500
Stock issued for prepaid interest on convertible note payable	-	64,320
Other receivables	5,888	147
Total	$ 350,836	$ 502,188

All prepaid expenses will be expensed during the following 12 months.

Note 8. Operating Leases

We have entered into various non-cancellable operating and finance lease agreements for certain of our offices, manufacturing, technology, and equipment. We determine if an arrangement is a lease, or contains a lease, at inception, and record the leases in our financial statements upon lease commencement, which is the date when the underlying asset is made available for use by the lessor. Our lease terms may include one or more options to extend the lease terms, for periods from one year to 20 years, when it is reasonably certain that we will exercise that option. As of June 30, 2025, no option to extend the lease was recognized as right-of-use ("ROU") assets and lease liabilities. We have lease agreements with lease and non-lease components, and non-lease components are accounted for separately and not included in our ROU assets and corresponding liabilities. We have elected not to present short-term leases on the Consolidated Balance Sheets as these leases have a lease term of 12 months or less at lease inception.

During November 2019, the Company entered into a lease for a Nevada facility that commenced on November 13, 2019, and recorded a right of use asset and corresponding lease liability. The Company uses this leased facility for office, manufacturing, and warehouse space. The Company is responsible for real estate taxes, utilities, and repairs under the terms of certain of the operating leases. The operating lease expired during the year ended June 30, 2023 and the Company continued to occupy the facility and pays rent on a month-to-month basis. During the year ended June 30, 2025 there were no expenses incurred for this facility and for the year ended June 30, 2024 the Company used the facility for ongoing operations and recognized approximately $670,200 of expense during the year. The Company moved out of the facility in July 2024.

During May 2021, the Company entered into a lease for an additional Nevada facility that commenced on May 1, 2021, and recorded a right of use asset and corresponding lease liability. The Company uses this leased facility for additional warehouse space. The minimum lease payments were $95,548 for the year ended June 30, 2024. The lease expense, including all additional lease expenses was approximately $106,100. The Company moved out of the facility April of 2024 when the lease term ended, there were no expenses related to this facility for the year ended June 30, 2025.

During November 2018, the Company entered into a lease for equipment that commenced on November 1, 2018, and recorded a right of use asset and corresponding lease liability. Lease expenses were $7,640 and $7,640 for the years ended June 30, 2025 and June 30, 2024, respectively.

On April 1, 2022, the Company acquired Cygnet which had entered into a lease for a Florida facility that commenced on October 8, 2021, and Cygnet had recorded a right of use asset and corresponding lease liability. The lease expires on October 8, 2026. The Company uses this leased facility for warehouse and office space. The Company is responsible for real estate taxes, utilities, and repairs under the terms of certain of the operating leases and accounted for as non-lease components and not part of the ROU. Lease expense was $43,180 for the year ended June 30, 2024. The Company abandoned the facility in October of 2023.

On March 15, 2023, the Company entered into a lease for approximately 20,400 square feet of warehouse and office space, located in Tampa, Florida, to be used as the Company's distribution center. The initial term of the lease is thirty-eight months and was not completed when the lease was signed. The Company moved into the facility in July 2023 and started operations. The Company is responsible for real estate taxes, utilities, and repairs under the terms of certain of the operating leases and accounted for as non-lease components and not part of the ROU. During the year ended June 30, 2025, the Company recognized approximately $391,100 of expense and approximately $374,500 for the year ended June 30, 2024.

On July 25, 2023, the Company entered into a lease for approximately 5,700 square feet of office space, located in Tampa, Florida, to be used as the Company's corporate headquarters. The initial term of the lease is sixty-one months. During the year ended June 30, 2024, the Company recognized approximately $140,658 of expense and approximately $232,350 of expense for the year ended June 30, 2025.

On April 1, 2024, the Company entered into a lease agreement with MFA 2510 Merchant LLC, which is owned by our CEO, Allan Marshall. The lease is for approximately 10,000 square feet of warehouse and office space, located in Odessa, Florida for $20,060 per month. The initial term of the lease is five years. The Company is responsible for real estate taxes, utilities, and repairs under the terms of certain of the operating leases and accounted for as non-lease components and not part of the ROU. The Company spent $611,768 in leasehold improvements to prepare the facility for product manufacturing, which will be amortized over the five year lease term. Product manufacturing was at full capacity and fully moved from the Nevada facility as of August 1, 2024. During the years ended June 30, 2025 and 2024 the Company recognized approximately $320,050 and $79,950 of expense, respectively.

Operating leases are included in operating ROU assets, current and non-current operating lease liabilities, and finance leases are included in property, plant and equipment, accrued expenses and other current liabilities, and other liabilities on the Consolidated Balance Sheets. As of June 30, 2025, our finance leases are not material.

The table below reconciles the undiscounted future minimum lease payments (displayed by year and in the aggregate) under noncancelable operating leases with terms of more than one year to the total operating lease liabilities recognized in the consolidated balance sheet as of June 30, 2025:

2026	$ 762,364
2027	504,795
2028	486,733
2029	221,755
Total undiscounted future minimum lease payments	1,975,647
Less: Imputed interest	(139,197)
	1,836,410
Less: current portion	(691,010)
Present value of operating lease obligation	$ 1,145,440

The Company's weighted average remaining lease term and weighted average discount rate for operating leases as of June 30, 2025 are:

Weighted average remaining lease term	26 Months
Weighted average incremental borrowing rate	5.0%

The Company's weighted average remaining lease term and weighted average discount rate for operating leases as of June 30, 2024 are:

Weighted average remaining lease term	47 Months
Weighted average incremental borrowing rate	5.0%

For the years ended June 30, 2025 and 2024, the components of lease expense, included general and administrative expenses and interest expense in the condensed consolidated statement of operations, are as follows:

	June 30, 2025	June 30, 2024
Operating lease expense:		
Amortization of ROU assets	$ 741,745	$ 669,260
Interest expense	103,805	99,633
Operating lease cost	15,029	16,181
Short-term lease expense	-	670,173
Variable lease expense	293,292	169,309
Total lease cost	$ 1,153,871	$ 1,624,556

Note 9. Accrued Liabilities and Acquisition Payable

Accrued liabilities consist of the following:

	June 30, 2025	June 30, 2024
Accrued professional fees	$ 300,000	312,500
Accrued sales tax	38,281	28,539
Other accrued liabilities	17,783	395,368
	$ 356,064	$ 736,407

Acquisition Payable consists of the following:

	June 30, 2025	June 30, 2024
Payable accrued related to the acquisition of Cygnet	$ 260,652	$ 413,152
	$ 260,652	$ 413,152

These payables are amounts estimated by management that are due to the sellers of the acquisition and include the original purchase price installment payments not represented with a debt, equity, or other instrument, estimates of excess or deficiencies in working capital and estimates of future earnout payments.

Note 10. Convertible Promissory Notes, Notes Payable, and Related Party Note Payable

Convertible promissory notes, notes payable, and related party note payable outstanding as of June 30, 2025 and 2024 are summarized below:

	Maturity Date	June 30, 2025	June 30, 2024
Convertible Notes:			
Promissory Note, 21- month term, as amended, 18.11% interest payable with common stock and subordinate to the Convertible Notes. This note was amended as of November 15, 2023, extending the note to June 1, 2026 and adjusted the interest rate to 12%, paid in cash monthly.	June 1, 2026	$ -	$ 1,550,000
2025 Convertible Notes, 24 month term, 3% interest and is convertible into the Company's common stock at a per share price of $3.00 per common share. No payment of interest or principal is due until the end of the two year term if the loan is not converted. The loan also included a detachable warrant to purchase 116,668 shares of the Company's common stock at a per share price of $3.00. These notes were converted into 116,668 shares of common stock in June of 2025.	March 7, 2027	$ -	-
Unamortized discount on convertible note		$ -	
Less current portion of notes payable		-	-
Notes payable, net of current portion		$ -	$ 1,550,000
Notes payable, Cygnet subsidiary:			
SBA note payable, 30-year term note, 6% interest rate and collateralized with all assets of the Company	October 6, 2051	$ 3,694,721	$ 3,761,376
Inventory consignment note, 60 monthly payments, with first payment due June 30, 2022, 3.5% interest rate and no security interest in the assets of the business	June 30, 2027	1,000,290	1,002,221
GF Note, 6 annual payments, with first payment due December 31, 2022, 3.5% interest rate and no security interest in the assets of the business	November 7, 2026	685,899	683,968
Total		$ 5,380,910	$ 5,447,565
Notes payable, Cygnet subsidiary, current		5,380,910	5,447,565
Notes payable, Cygnet subsidiary, net of current		$ -	$ -
Notes Payable on Building for sale:			
Mortgage Loan, 10-year term note, 4.8% interest, collateralized by land and warehouse building	September 26, 2032	$ -	$ 2,634,538
Note Payable:			
Promissory Note, 21-month term note, 10% cash interest and subordinate to the Convertible Notes. This note was amended as of November 15, 2023, extending the note to June 1, 2026 and adjusted the interest rate to 12%, paid in cash monthly.	June 1, 2026	$ 560,000	$ 560,000
Notes payable, current		560,000	-
Discount on notes payable, current		-	-
Notes payable, current net of discount		$ 560,000	$ -
Notes payable, long-term		-	560,000
Discount on notes payable, long-term		-	(2,571)
Notes payable, long-term, net		$ -	$ 557,429
Related Notes Payable:			
Marshall Loan, 2-year term note, 12% cash interest, 3.5% PIK interest and subordinate to the Convertible Notes. November of 2023 extended to June 1, 2026 and interest was adjusted to 12% cash interest, paid monthly	June 1, 2026	$ -	$ 500,000
Discount on related party note payable, current		$ -	$ -
Notes payable, current, net of discount		$ -	$ -
Discount on related party note payable, long term		$ -	$ -
Notes payable, long term, net		$ -	$ 500,000
Total convertible notes payable, notes payable and related party note payable		$ 5,940,910	$ 10,689,532

Future payments on notes payable are set forth below:

For the year ended June 30:	Note Payable	Cygnet Subsidiary Notes Payable	Total
2026	$ 560,000	$ 5,380,910	$ 5,940,910

In June 2022, the Company executed a promissory note with Allan Marshall, the Company's Chief Executive Officer, in the original principal amount of $1,500,000 ("Marshall Loan"). The promissory note has a 2-year term and bears cash interest at the rate of 8.5% per annum with an additional PIK of 3.5% per annum. The promissory note provides for monthly payments of principal, on an even line 36-month basis, plus cash interest, with a balloon payment of all outstanding principal, cash interest, and PIK interest at maturity. The Company received and deposited the principal amount on July 31, 2022. On November 15, 2023, the Company executed an amendment to the promissory note with Mr. Marshall, providing for the payment of interest only for 18 months at an interest rate of 12% per annum and thereafter the amortization of the note over a 12 month period, starting in June of 2025. No principal is currently outstanding as of June 30, 2025. In addition to this, the Company issued Mr. Marshall a warrant to purchase up to 18,750 shares of the Company's common stock for five years at a per share price of $22.00. $1,000,000 of the promissory note was used by the investor in the purchase of VitaMedica.

On October 19, 2022, Upexi, Inc. (the "Company") and its indirect wholly owned subsidiary, Upexi 17129 Florida, LLC entered into a loan agreement, promissory note and related agreements 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 repaid 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. As of March 31, 2023, the Company was not in compliance with the debt service ratio. The Company received a forbearance agreement from the bank until June 30, 2024 to return to compliance of the debt service ratio of 1.25 to 1, until that time the Company will pay an interest rate of 10% instead of the contractual terms of 4.8% and has paid the original principal and adjusted interest through this report. The building was sold for $4,300,000 on July 8, 2024.

On February 22, 2023, the Company executed a promissory note with an investor, in the original principal amount of $560,000. On November 15, 2023, the Company executed an amendment to the promissory note with the investor, providing for the payment of interest only for 18 months at 12% per annum and thereafter the amortization of the note over a 12-month period, starting in June of 2025. The principal currently outstanding is $560,000. In addition to this, the Company issued the investor a warrant to purchase up to 6,250 shares of the Company's common stock for five years at a per share price of 22.00. The note has been classified as current in the consolidated financial statements.

On February 22, 2023, the Company executed a promissory note with an investor, in the original principal amount of $2,150,000. In November of 2023, the Company executed an amendment to the promissory note with the investor, providing for the payment of interest only for 18 months at 12% per annum and thereafter the amortization of the note over a 12-month period, starting in June of 2025. No principal is currently outstanding as of June 30, 2025. In addition to this, the Company issued the investor a warrant to purchase up to 25,000 shares of the Company's common stock at a per share price of $22.00. In addition, $100,000 of the promissory note was used by the investor in the purchase of VitaMedica.

On March 7, 2025, the Company executed a convertible note with two investors, in the original principal amount of $350,000. The term of the note is two (2) years and has an interest rate of three (3) percent. There are no interest or principal payments due during the term of the note. All principal and interest not converted during the term of the note is payable on March 7, 2027. The convertible note and interest is convertible into the Company's common stock at $3.00 per common share. Additionally, there were 116,668 warrant shares issued associated with these debt agreements. The warrants are classified as equity instruments and are not subject to remeasurement. At the time of issuance, the market price of the Company's common stock was $2.74 per share.

In accordance with ASC 470-20, the Company allocated the proceeds between the debt, beneficial conversion feature (BCF) and the warrants based on their relative fair values. The fair value of the BCF and the warrants were calculated using the Black-Scholes option pricing model and had the following assumptions: expected volatility of 253%, risk-free interest rate of 3.99%, expected term of 2 years, and no expected dividends. The intrinsic values of the BCF and warrants were $107,262 and $115,865, respectively. These balances were recorded as a debt discount, with a corresponding credit to Additional Paid-In Capital. The discounts are being amortized over the two-year term of the notes.

As of June 30, 2025, the two convertible notes have been converted into 116,668 shares of common stock. There was $27,891 of the debt discount amortized prior to the conversion of the debt. The $27,891 was expensed during the period as interest expense.

Short-term Treasury Debt

The Company entered into a credit facility with BitGo Prime, LLC ("BitGo"). Pursuant to a Master Loan Agreement (the "Agreement") the Company may borrow up to $20,000,000 of Digital Currency or United States Dollars with interest at the rate of 11.5% per year. The term of the credit facility is for one year and is renewable for successive one year options. Each individual loan under the facility is negotiable as to the amount, term prepayment or recall (payment demand). The loans shall be collateralized by the Company's treasury assets, already held at BitGo, the initial availability is based on 260% collateral level and a margin call level of 175%. There are no requirements or fees for non-use of the credit facility and the facility can be increased in the future based on the value of the assets BitGo is the custodian of for the Company. At June 30,2025, the outstanding balance of the credit facility was $20,000,000. Subsequent to June 30, 2025 the credit facility increased to $50,000,000. The $50,000,000 credit facility is outstanding as of the date of this report and was used for the purchase of Solana.

Note 11. Related Party Transactions

In March 2025, Allan Marshall purchased 125,000 shares of Series A preferred shares from the Company at a per share price of $2.60 per preferred share. This purchase was settled through the cancellation of the $400,000 advance previously mentioned. At March 31, 2025 there was $75,000 of this advance remaining and was paid subsequent to the period end, March 31, 2025.

In June 2024, Allan Marshall, the Company's CEO advanced the Company $100,000 to enable the Company to purchase equipment needed for the new warehouse facility. This advance was paid in July 2024. No interest or other fees were paid related to this transaction.

On April 1, 2024, the Company entered into a lease agreement with MFA 2510 Merchant LLC, which is owned by our CEO, Allan Marshall. 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. The initial term of the lease is five years. The Company spent $611,768 in leasehold improvements to prepare the facility for product manufacturing, which will be amortized over the five year lease term. At June 30, 2024 there was $100,004 accrued for the deposit, 3 months' rent, and 3 months estimated expenses, this was paid in July 2024 and is now kept current. Product manufacturing was at full capacity and fully moved from the Nevada facility as of August 1, 2024.

On June 13, 2024, the Company entered into a Stock Purchase Agreement ("SPA") pursuant to which the Company sold one hundred percent (100%) of the issued and outstanding equity (the "Interests") of its wholly owned subsidiary VitaMedica, Inc. to three investors (the "Buyers"). One of the minority interest buyers is Allan Marshall, the Company's CEO. The purchase price for the stock was Six Million Dollars ($6,000,000), subject to certain customary post-closing adjustments. The proceeds of the transaction will be used for working capital, the reduction of debt and the reduction of other liabilities currently outstanding.

In June 2022, the Company entered into a promissory note with a member of management. The loan was for $1,500,000 and has a two-year term with an interest rate of 8.5% per annum with an additional PIK of 3.5% per annum. On November 15, 2023, the Company executed an amendment to the promissory note with Mr. Marshall, providing for the payment of interest only for 18 months at an interest rate of 12% per annum and thereafter, the amortization of the note over a 12-month period, starting in June of 2025. $1,000,000 of the principal was used as part of the VitaMedica purchase price. The principal outstanding and accrued interest at June 30, 2025 and 2024 was $0 and $500,000, respectively. The accrued interest was paid in July of 2024. In addition, the Company issued Mr. Marshall a warrant to purchase up to 18,750 shares of the Company's common stock for five years at a per share price of $22.00.

On April 23, 2025, the Company entered into an Asset Management Agreement (the "Asset Management Agreement") with GSR Strategies LLC (the "Asset Manager"), pursuant to which the Asset Manager shall provide discretionary investment management services with respect to the Company's cryptocurrency treasury (the "Account Assets"). The Company shall pay the Asset Manager an asset-based fee (the "Asset-based Fee") equal to 1.75% per annum, of the assets under the Asset Manager's management, which shall be calculated and paid in advance as of the first business day of each calendar month, as determined by the Asset Manager in a commercially reasonable manner. The Company issued warrants (the "GSR Warrants") to the Asset Manager to purchase 2,192,982 shares of Common Stock at various prices per share of common stock as follows: (i) 877,193 shares of Common Stock at an exercise price of $2.28 per share of Common Stock; (ii) 438,596 shares of Common Stock at an exercise price of $3.42 per share of Common Stock; (iii) 438,596 shares of Common Stock at an exercise price of $4.56 per share of Common Stock; (iv) 438,597 shares of Common Stock at an exercise price of $5.70 per share of Common Stock. The Asset Management Agreement will, unless early terminated in accordance with its terms, continue in effect until the twentieth (20th) anniversary of April 23, 2025. The Asset Management Agreement may be terminated by the Company without cause solely upon a two-thirds majority vote of the Company's common stockholders. If the Company terminates the Asset Management Agreement for any other reason other than for cause, the Company shall pay the Asset Manager an early termination fee (the "Termination Fee) in the amount equal or greater of (i) five (5) times the aggregate amount of the management fees paid by the Company to the Asset Manager over the prior ten (10) year period, or (ii) $15 million. The Asset Management Agreement may be terminated for Cause (i) by the Company upon at least thirty (30) days prior written notice to the Asset Manager and (ii) by the Asset Manager upon at least sixty (60) days prior written notice to the Company. GSR Growth Investments LP, a related party of the Asset Manager, holds shared voting power over 4,006,210 shares of common stock, or approximately 7.45%, of the Company's outstanding common stock.

The above related party transactions are not necessarily indicative of the amounts and terms that would have been incurred had comparable transactions been entered into with independent parties.

Note 12. Equity Transactions

Convertible Preferred Stock

The Company has 150,000 shares of Preferred Stock issued and outstanding to Allan Marshall, CEO. The preferred stock is convertible into 138,889 shares of the Company's common stock at the holder's option, has preferential liquidation rights and the preferred stock shall vote together with the common stock as a single class on all matters to which shareholders of the Company are entitled to vote at the rate of ten votes per share of preferred stock.

Common Stock

During the year ended June 30, 2025:

On April 24, 2025, the Company issued: (i) 35,970,383 shares of Common Stock, at an offering price of $2.28 per share, and (ii) pre-funded warrants (the "Pre-Funded Warrants") to purchase 7,889,266 shares of Common Stock (the "Pre-Funded Warrant Shares") at an offering price of $2.279 per Pre-Funded Warrant. Each of the Pre-Funded Warrants is exercisable for one share of Common Stock at the exercise price of $0.001 per Pre-Funded Warrant Share, are immediately exercisable, and may be exercised at any time until all of the Pre-Funded Warrants are exercised in full. At the time of this report, all of the Pre-funded warrants have been exercised and issued to the investors.

The Company issued 742,896 shares of common stock in return for termination of a Promissory Note with a principal balance owed of $1,750,000 as per below:

- In June of 2025, the Company issued 116,668 shares of common stock as repayment of $400,000 of the Company's debt. The shares were valued at $400,000 or $3.43 per share.
- In April of 2025, the Company issued 241,228 shares of common stock as repayment of $550,000 of the Company's debt. The shares were valued at $550,000 or $2.28 per share.
- In February of 2025, the Company issued 125,000 shares of common stock to two different investors for the repayment of $250,000 of outstanding debt. The average share price for the repayment of debt was approximately $2.00 per common share issued.
- In January of 2025, the Company issued 260,000 shares of common stock to two different investors for the repayment of $550,000 of outstanding debt. The weight average share price for the repayment of debt was approximately $2.12 per common share issued.

The Company issued 102,583 shares of common stock upon vesting for restricted stock units to certain employees in connection with the Company's 2019 Equity Incentive Plan.

The Company issued 7,278 for the cashless exercise of options in connection with the Company's 2019 Equity Incentive Plan.

The Company issued 382,425 shares from the exercise of warrants.

The Company issued 19,577 shares in exchange for services from consultants.

During the year ended June 30, 2024:

In September of 2023, the Company issued 4,505 shares of common stock for the purchase of the remaining 45% of Cygnet Online, LLC. The shares were valued at $162,727 or $36.12 per common share. These shares were held due to a dispute with the seller.

On January 18, 2024, the Company issued 25,081 shares of common stock as repayment of $500,000 of the Company's long-term debt. The shares were valued at $500,000 or $19.94 per common share.

On March 18, 2024, the Company issued 5,000 shares of common stock as an incentive-restricted stock grant to certain employees. The shares were valued at $85,000 or $17 per common share.

The Company effectuated a reverse stock split, at a rate of 20 to 1, effective at 12:01 am ET, October 3, 2024. The total issued and outstanding shares of the Company's common stock, post reverse stock split was 1,040,886. The Depository Trust Company ("DTC") has requested an additional 202,183 shares of the Company's common stock to round up, pursuant to the terms of the reverse stock split, the holdings of DTC's beneficial holders. 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. 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. The Reverse Stock Split did not modify the relative rights or preferences of the Common Stock.

Note 13. Stock Based Compensation

The Company has established a Company an incentive plan, 2019 Equity Incentive Plan (the "2019 Plan"). The plan grants incentives to select persons who can make, are making and continue to make substantial contributions to the growth and success of the Company, to attract and retain the employment and services of such persons and to encourage and reward such contributions by providing these individuals with an opportunity to acquire or increase stock ownership in the Company through either the grant of options or restructured stock. The 2019 Plan is administered by the Compensation Committee or such other committee as is appointed by the Board of Directors pursuant to the 2019 Plan (the "Committee"). The Committee has full authority to administer and interpret the provisions of the 2019 Plan including, but not limited to, the authority to make all determinations with regard to the terms and conditions of an award made under the 2019 Plan. On February 8, 2021, the Shareholders consented, and the Board of Directors approved, the amendment of the 2019 Plan to increase the maximum number of Shares that may be issued thereunder by 138,889 Shares to 277,778 Shares. On May 24, 2022, the Shareholders consented, and the Board of Directors approved the amendment of the 2019 Plan to increase the maximum number of Shares that may be issued thereunder by 222,222 Shares to 500,000 Shares. On September 18, 2024, the Company filed a Certificate of Change with the Nevada Secretary of State to effect a reverse stock split of its 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. Concurrently, the Company's shareholders consented to, and the Board of Directors approved, an amendment of the 2019 Plan to increase the maximum number of Shares that may be issued thereunder to 500,000 Shares, as adjusted for the 1 for 20 reverse stock split. Additionally, subsequent to a vote that was approved by shareholders, the 2019 Plan was amended to increase the number of shares issuable pursuant to awards granted under the 2019 Plan from 500,000 shares to 10,000,000 shares.

The Board of Directors of the Company may from time to time, in its discretion grant to directors, officers, consultants and employees of the Company, non-transferable options to purchase common shares. The options are exercisable for a period of up to 10 years from the date of the grant.

The following table reflects the activity of stock options for the years ended June 30, 2025 and 2024:

A summary of stock option activity is as follows:

	Options Outstanding	Weighted Average Exercise Price	Average Remaining Contractual Life (Years)	Aggregated Intrinsic Value
Outstanding at June 30, 2023	241,964	$ 66.20	6.23	$ 1,342,280
Granted	23,900	26.59	-	-
Forfeited or Cancelled	(65,150)	79.56	-	-
Outstanding at June 30, 2024	200,714	$ 57.40	5.83	$ 0.00
Granted	620,000	2.36	-	-
Forfeited or Cancelled	(192,083)	55.13	-	-
Exercised	(7,278)	3.46	-	-
Outstanding at June 30, 2025	621,353	$ 3.39	5.66	$ 374,500
Options exercisable at June 30, 2025 (vested)	600,311	3.42	5.52	374,500
Options exercisable at June 30, 2024 (vested)	196,972	58.20	5.85	0.00

The average fair value of stock options granted was estimated to be $2.36 per share for the period ended June 30, 2025, and the closing stock price on June 30, 2025, was $2.98 per common share.

The average fair value of stock options granted was estimated to be $3.40 per share for the period ended June 30, 2024, and the closing stock price on June 30, 2024, was $7.20 per common share.

Stock-based compensation expense attributable to stock options was approximately $1,409,916 and $957,095 for the years ended June 30, 2025 and 2024, respectively. As of June 30, 2025, there was approximately $59,000 unrecognized compensation expense related to unvested stock options outstanding, and the weighted average vesting period for those options was approximately 0.28 years.

The value of each grant is estimated at the grant date using the Black-Scholes option model with the following assumptions for options granted during the years ended June 30, 2025 and 2024:

	June 30, 2025	June 30, 2024
Dividend rate	-	-
Risk free interest rate	3.95%-4.61%	3.95%-4.53%
Expected term	5-10	5
Expected volatility	146%-151%	58%-107%
Grant date stock price	$ 2.28-3.46	$ 0.53– 1.47

The basis for the above assumptions are as follows: the dividend rate is based upon the Company's history of dividends; the risk-free interest rate for periods within the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant; the expected term was calculated based on the Company's historical pattern of options granted and the period of time they are expected to be outstanding; and expected volatility was calculated based upon historical trends in the Company's stock prices.

Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Based on historical experience of forfeitures, the Company estimated forfeitures at 0% for each of the years ended June 30, 2025 and 2024, respectively. In the year ended June 30, 2025, in light of the 1-20 reverse split, certain grants were cancelled and re-issued. The estimate of forfeitures relating to terminations is still 0%.

There were 9,027,903 shares available for issuance as of June 30, 2025, under the 2019 Plan as amended. The Plan contains an "evergreen" provision pursuant to which shares authorized for issuance may be automatically replenished.

Restricted Stock Units

Stock-based compensation from RSUs was approximately $696,946 for the year ended June 30, 2025 and $212,748 for the year ended June 30, 2024.

Pursuant to the 2019 Plan, restricted stock units may be granted. As of June 30, 2025, there was approximately $363,000 of unrecognized compensation expense related to 188,584 restricted stock units. The weighted-average term remaining on the unvested shares was approximately 0.48 years.

	Shares	Weighted-Average Grant Date Fair Value
Outstanding as of June 30, 2023	-	-
Granted	12,500	$ 12.69
Cancelled or Forfeited	-	-
Vested	(5,000)	$ 17.00
Outstanding as of June 30, 2024	7,500	9.82
Granted	447,000	2.86
Cancelled or Forfeited	(130,000)	3.37
Issued	(102,583)	3.53
Outstanding as of June 30, 2025	221,917	$ 2.48

At June 30, 2025, there were approximately 33,333 vested RSUs that are included in the 221,917 RSU's outstanding above as they are not included in the Company's issued and outstanding common stock.

The components of the stock compensation are as follows:

	2025	2024
Stock option amortization	$ 1,409,916	$ 957,095
Restricted stock units amortization	696,946	212,748
Total stock based compensation	$ 2,106,862	$ 1,169,843

14. Income Taxes

The components of the provision for income taxes are as follows:

	2025	2024
Current tax provision	$ 13,558	$ 12,700
Deferred tax provision	(13,558)	(344,801)
Provision for income taxes (benefit)	$ -	$ (332,101)

The differences between income taxes calculated at the statutory US federal income tax rate and the Company's provision for income taxes are as follows:

	2025	2024
Income tax provision at statutory federal and state tax rate	21%	21%
State taxes, net of federal benefit	4.80%	0.27%
Nondeductible expense	(0.03)%	(0.05)%
Tax return to provision	0.00%	0.00%
State tax rate change	0.25%	0.07%
Other, net	3.81%	5.53%
Valuation allowance	29.83%	(25.43)%
Provision for income taxes	0.00%	1.38%

The net deferred income tax asset balance related to the following:

	2025	2024
Net operating losses carry forward	$ 9,601,876	$ 4,405,549
Right of use assets	(28,366)	98,987
Inventory write off	161,146	981,758
Impairment loss	(27,512)	3,159,477
Intangible assets	2,795,409	1,034,959
Stock options	2,770,725	2,323,784
Capital loss	271,334	-
Fixed assets	306,804	-
Allowance for doubtful accounts	172,844	16,797
Accrued compensation	13,784	27,540
Deferred revenue	3,572	-
Other, net	7	7
Valuation allowances	(10,092,765)	(6,100,000)
Deferred tax asset	$ 5,948,858	$ 5,948,858

There were approximately $59,994,500 and $44,916,500 of losses available to reduce federal taxable income in future years and can be carried forward indefinitely as of June 30, 2025 and June 30, 2024, respectively.

Future realization of the tax benefits of existing temporary differences and net operating loss carryforwards ultimately depends on the existence of sufficient taxable income within the carryforward period. As of June 30, 2025 and 2024, the Company performed an evaluation to determine whether a valuation allowance was needed. The Company considered all available evidence, both positive and negative, which included the results of operations for the current and preceding years. The Company also considered whether there was any currently available information about future years. The Company determined that it is more likely than not that the Company will have future taxable income. During the years ended June 30, 2025 and June 30, 2024 the federal net operating loss increased significantly and management recorded a valuation reserve of $10,092,765 and $6,100,000, respectively.

We file federal and state income tax returns in jurisdictions with varying statutes of limitations. Income tax returns generally remain subject to examination by federal and most state tax authorities. We are not currently under examination in any federal or state jurisdiction.

Note 15. Risks and Uncertainties

There is substantial uncertainty and different interpretations 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. These different opinions include, but are not limited to, the regulation of cannabinoids by the U.S. Drug Enforcement Administration, or 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 uncertainties cannot be resolved without further federal, and perhaps even state-level, legislation, regulation or a definitive judicial interpretation of existing legislation and rules. If these uncertainties continue, they may have an adverse effect upon the introduction of our products in different markets.

Note 16. Discontinued Operations – Sale of Interactive Offers

On August 31, 2023, the Company sold Interactive Offers, LLC ("Interactive") to Amplifyir Inc. (the "Buyer"). The purchase price was $1,250,000 with a provision to adjust the final purchase price based on the business being transferred to Amplifyer Inc. with a net zero working capital. In addition, the Buyer is obligated to pay the Company two-and-one-half percent (2.5%) of certain advertising revenues of Interactive for a two-year period post-closing. Accordingly, the results of the business were classified as discontinued operations in our statements of operations and excluded from both continuing operations for all periods presented.

Summary of discontinued operations:

	Years ended June 30,	
	2025	**2024**
Discontinued Operations		
Revenue	$ -	$ 158,147
Cost of sales	$ -	$ 11,982
Sales, general and administrative expenses	$ -	$ 333,168
Depreciation and amortization	$ -	$ -
Loss from discontinued operations	$ -	$ (187,003)
Accounts receivable net of allowance for doubtful accounts	$ -	$ -
Fixed assets, net of accumulated depreciation	$ -	$ -
Total assets	$ -	$ -
Total liabilities	$ -	$ -

Note 17. Discontinued Operations – 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 Company'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.

Summary of discontinued operations:

	Years ended June 30,	
	2025	**2024**
Discontinued Operations		
Revenue	$ -	$ 8,707,268
Cost of sales	$ -	$ 2,051,854
Sales, general and administrative expenses	$ -	$ 6,076,257
Depreciation and amortization	$ -	$ 425,263
Other expenses	$ -	$ (59,742)
Income (loss) from discontinued operations	$ -	$ 213,636
Accounts receivable net of allowance for doubtful accounts	$ -	$ -
Fixed assets, net of accumulated depreciation	$ -	$ -
Total assets	$ -	$ -
Total liabilities	$ -	$ -

Fair value of consideration the Company was paid:

Cash	$ 2,100,000
Reduction of liabilities	1,900,000
Note payable	1,000,000
Working capital payment	1,000,000
	$ 6,000,000

Recognized amounts of identifiable assets, liabilities and intangible assets transferred:

Cash	$ 37,267
Accounts receivable	416,374
Inventory	1,747,150
Prepaid expenses	518,280
Fixed assets	111,305
Other assets	184,800
Liabilities	(512,926)
Total identifiable assets	2,502,250
Total goodwill and intangible assets	1,549,212
Total assets transferred	4,051,462
Purchase price	$ 6,000,000
Gain on sale of VitaMedica	$ 1,948,538

Note 18. Discontinued Operations – Sale of E-Core

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.) ("E-core"), to E-Core Holdings, LLC, a Florida limited liability company (the "Buyer") pursuant to the terms of an Agreement to Unwind Securities Purchase Agreement dated July 31, 2024 (the "Agreement"). The principals of the Buyer are the three individuals from whom the Company acquired E-core in October 2022. The purchase price in the transaction was $2,000,000 paid by the Buyer to the Company at closing. In addition, in connection with the closing of the transaction (i) the Company was released as a guarantor from E-core's commercial loan facility, and (ii) all subordinated promissory notes issued by the Company in connection with the Company's initial acquisition of E-core were cancelled and any outstanding principal and interest thereunder was deemed paid in full. The Agreement contains standard representations and warranties, conditions to closing, and covenants, for a transaction of this nature.

Summary of discontinued operations:

	Years ended June 30,	
	2025	**2024**
Discontinued Operations		
Revenue	$ -	$ 51,670,755
Cost of sales	$ -	$ 44,529,158
Sales, general and administrative expenses	$ -	$ 4,213,143
Depreciation and amortization	$ -	$ 1,615,500
Other expenses	$ -	$ 247,379
Income from discontinued operations	$ -	$ 1,065,575
Accounts receivable net of allowance for doubtful accounts	$ -	$ -
Fixed assets, net of accumulated depreciation	$ -	$ -
Total assets	$ -	$ -
Total liabilities	$ -	$ -

Fair value of consideration the Company was paid:

Acquisition payable, paid August 5, 2024	$ 2,000,000
Assumption of debt and accrued interest	10,636,309
	$ 12,636,309

Recognized amounts of identifiable assets, liabilities and intangible assets transferred:

Cash	$ 51,976
Accounts receivable	5,301,212
Inventory	1,870,687
Prepaid expenses	56,476
Fixed assets	-
Liabilities	(3,428,549)
Total identifiable assets	3,851,802
Total goodwill and intangible assets	10,521,833
Total assets transferred	14,373,635
Purchase price	$ 12,636,309
Loss on sale of E-core	$ 1,737,326

Note 19. Subsequent Events

On July 11, 2025 the Company closed on a private placement offering to sell 12,457,186 shares of the Company's common stock at an offering price of $4.00 per share. The Company received approximately $37,077,000, net of broker fees, the fees on the convertible debt offering completed on July 16, 2025, legal fees, filing fees and other expenses incurred for the private placement.

On July 16, 2025, the Company closed on a private placement offering a secured convertible note in exchange for locked and liquid Solana with an original principal amount of $151,169,169. The note matures on the second anniversary of the closing and bears interest at a rate of 2% per annum and may not be prepaid by the Company. The principal of the note can be converted at any time by the holders into the Company's common stock at a conversion price of $4.25 per share. The notes are secured by a first priority lien on the digital assets exchanged for the secured convertible note. If any of the principal remains at the end of the two year term, the Company would repay the note on a pro-rata basis for the remaining principal to the digital assets exchanged for the secured convertible note. The agreements contain other customary terms, conditions and covenants for similar agreements.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Management's Report on Disclosure Controls and Procedures

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 "Exchange Act"), as of the end of the period covered by this Annual Report on Form 10-K (the "Evaluation Date"). 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 ("SEC") 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.

Management's Report on Internal Control Over Financial Reporting

Management's Report on Disclosure Controls and Procedures

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 issuer'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.

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 "Evaluation Date"). 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 ("SEC") 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.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over the Company'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 – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") (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, 2025. The ineffectiveness of the Company's internal control over financial reporting was due to the following material weaknesses, which are indicative of many small companies with small staff:

(i) inadequate segregation of duties consistent with control objectives; and

(ii) lack of multiple levels of supervision and review.

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.

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.

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.

Management's Remediation Plan

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.

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:

(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 systematically and enable tracking of the multiple review process; and

(ii) We will add several workflow review processes with the new ERP and we expect to finalize these efforts by the end of the 2026 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.

Management believes that despite our material weaknesses set forth above, our consolidated financial statements for the year ended June 30, 2025 are fairly stated, in all material respects, in accordance with U.S. GAAP.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal controls over financial reporting that occurred during the quarter ended June 30, 2025, 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.

Attestation Report of the Independent Registered Public Accounting Firm

Not applicable for an emerging growth company.

Item 9B. Other Information

During the three months ended June 30,2025, none of our directors or executive officers adopted or terminated any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement”.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

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:

Name	Position Held with the Company	Age	Date First Elected or Appointed
Allan Marshall	Chief Executive Officer, Chairman of the Board	58	May 17, 2019
Andrew J. Norstrud	Chief Financial Officer, Director	51	April 1, 2020
Brian Rudick	Chief Strategy Officer	43	May 22, 2025
Gene Salkind	Director	71	January 1, 2021
Thomas C. Williams	Director	65	January 1, 2021
Lawrence H. Dugan	Director	58	January 1, 2021

Business Experience

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 person's principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

Allan Marshall, 58, 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. ("UST") 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, a Canadian company, where he founded their United States logistics division and had previously founded a successful driver leasing company in Toronto, Ontario, Canada.

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. 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.

Brian Rudick CFA, 43, Chief Strategy Officer. Mr Rudick joined Upexi, Inc. in May 2025 and brings deep expertise and connectivity in both traditional finance and crypto alike. Most recently, Mr. Rudick served as Head of Research for GSR, the largest digital asset market maker, where he demonstrated thought leadership externally and led internal business initiatives, including GSR's lead investment into Upexi's $100 million private placement. Prior to GSR, Mr. Rudick spent over a decade on Wall Street, primarily managing a long-short portfolio of bank stocks as a key member of financials-focused teams at Citadel, Balyasny, and Millennium. Mr. Rudick started his career at the Federal Reserve, where he conducted research as part of the monetary policy process. He holds a BSc from Duke University, an MBA from The University of Chicago, and is a CFA Charter holder.

Gene Salkind, 71, 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 neurosurgical 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.

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 nation'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 company's suite of technologies allows clients to execute personalized and relevant experiences, driving brand awareness and incremental revenue. He was previously a board member of Derm Tech International, a global leader in non-invasive dermatological molecular diagnostics.

Dr. Salkind in 2019 joined the Strategic Advisory Board of Bio Symetrics, a company that has built data services tools for automated pre-processing, integrated analytics, and predictive modeling to make machine learning accessible to scientists and providers. Their technology serves health and hospital systems, biopharma, drug discovery and precision medicine. Dr. Salkind, a member of our audit committee, currently owns greater than ten percent (10%) of the outstanding voting securities of the Company.

Thomas Williams, 65, has over 40 years of experience in the insurance industry. He has served in multiple roles in both originations and the administration side of operations. Mr. Williams has a specialization in providing securitization mechanisms of illiquid insurance assets. He was also with Smith Barney for his training in the capital markets and insurance industries.

Mr. Williams is currently an officer and director in several Ireland based holding companies with a focus in the insurance industry. He is an active member of the Risk Committee of Wyndham, a large Bermuda based captive. He has extensive experience in the Offshore and European Union insurance markets in both developing the structures and implementing corporate governance. His current role includes providing risk management services to a Section 110 Investment platform in both Luxembourg and Ireland for CSM Securities. Mr. Williams was the intermediary in the sale of Associate Industries of Florida, one of the largest insurance companies in workers' compensation. He facilitated the sale to Am Trust, a New York publicly traded company in 2009.

Mr. Williams has served on the board of directors of two public companies:

- GEE Group, an American Stock Exchange company from 2008 to 2018. At this company, he chaired the nominating committee and was a member of the Corporate Governance Committee and Audit Committee.

- Two Rivers Water and Farming from 2019 to 2020.

Mr. Williams completed a training program at Northwestern's Kellogg Business School for Corporate Governance in Public Companies in 2013.

Lawrence H Dugan, 58, Director. Mr. Dugan is a partner with the accounting firm Dorra & Dugan and has been since 1996. Mr. Dugan graduated from the University of Central Florida in 1989. Mr. Dugan is a Florida licensed Certified Public Accountant.

Family Relationships

There are no family relationships between any of our directors, executive officers and proposed directors or executive officers.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten years:

1. been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offences);

2. had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;

3. been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;

4. been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;

5. been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

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

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires the Company's executive officers and directors, and persons who own more than 10% of our common stock, to file reports of ownership and changes in ownership of such equity securities with the SEC. Executive officers, directors, and greater than 10% shareholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) reports they file.

Based solely on its review of the forms furnished to the Company and written representations provided to the Company from the individuals required to file the reports, the Company believes that during the fiscal year ended June 30, 2025, each of its executive officers and directors has complied with Section 16(a) filing requirements except for:

- Allan Marshall filed a late Form 4 on April 25, 2025 for transactions that had occurred on April 17, 2025 and March 12, 2025
- Andrew Norstrud filed a late Form on April 25, 2025 for transactions that had occurred on April 17, 2025
- Gene Salkin filed a late Form 4 on April 25, 2025 for transactions that occurred on April 17, 2025 and January 17, 2025
- Lawrence Dugan filed a late Form 4 on April 25, 2025 for a transaction that had occurred on January 17, 2025
- Thomas Williams filed a late Form 4 on April 25, 2025 for a transaction that had occurred on January 17, 2025

Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics, which is filed as Exhibit 14.1 to this Form 10-K. We have adopted a Code of Business Conduct and Ethics applicable to all of our directors, officers, employees and all persons performing similar functions. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed in our public filings with the Commission.

Term of Office of Directors

Our directors are elected at each annual meeting of stockholders and serve until the next annual meeting of stockholders or until their successor has been duly elected and qualified, or until their earlier death, resignation or removal.

Audit Committee and Financial Expert

On January 27, 2021, our Board established an audit committee that operates under a written charter as approved by our Board. The members of our audit committee are Dr. Gene Salkind, Mr. Thomas Williams, and Mr. Lawrence Dugan. Mr. Dugan serves as chairman of the audit committee and our Board has determined that he is an "audit committee financial expert" as defined by applicable SEC rules. The Board has determined that Dr. Salkind, Mr. Williams and Mr. Dugan are independent directors as that term is defined in Rule 5605(a)(2) of the Nasdaq Listing Rules, and has determined that Dr. Salkind, Mr. Williams and Mr. Dugan as audit committee members meet the more stringent requirements under Rule 5605(c)(2) of the Nasdaq Listing Rules.

Our audit committee is responsible for: (1) the integrity of the Company's consolidated financial statements, (2) the effectiveness of the Company's internal control over financial reporting, (3) the Company's compliance with legal and regulatory requirements, (4) the independent registered public accounting firm's qualifications and independence, (5) and the performance of the Company's independent registered public accountants and (6) preparation of the audit committee report as required to be included in the Company's annual proxy statement. The Audit Committee Charter is filed as Exhibit 10.11 hereto.

The audit committee met five times during the years ended June 30, 2025.

Compensation Committee

On January 27, 2021, our Board established a compensation committee that operates under a written charter as approved by our Board. The members of our compensation committee are Dr. Gene Salkind, Mr. Thomas Williams, and Mr. Lawrence Dugan. Dr. Salkind serves as chairman of the compensation committee.

Our compensation committee is responsible for the oversight of, and the annual and ongoing review of, the Chief Executive Officer, the compensation of the senior management team, and the bonus programs in place for employees, which includes: (1) reviewing the performance of the Chief Executive Officer and other senior officers, and determining the bonus entitlement for such officer or officers on an annual basis, (2) determining and approving proposed annual compensation and incentive opportunity level of executive officers for each fiscal year, and recommending such compensation to the Board, (3) administration of determination of proposed grants of stock options to directors, employees, consultants and advisors with the Chief Executive Officer, (4) reviewing and recommending to the Board the compensation of the Board and committee members, (5) administering and approving any general benefit plans in place for employees, (6) engaging and setting the compensation for independent counsel and other advisors and consultants, (7) preparing any reports on director and officer compensation to be included in the Company's proxy statements, (8) assessing the Company's competitive positions for each component of officer compensation and making recommendations to the Board regarding such positions and (9) reviewing and assessing the adequacy of its charter and submitting any recommended changes to our Board for its consideration and approval. The Compensation Committee Charter is filed as Exhibit 10.12 hereto.

The compensation committee met three times during the year ended June 30, 2025.

Nomination and Governance Committee

On January 27, 2021, our Board established a nomination and governance committee that operates under a written charter as approved by our Board. The members of our nomination committee are Dr. Gene Salkind, Mr. Thomas Williams, and Mr. Lawrence Dugan. Mr. Williams serves as chairman of the nomination and governance committee.

Our nomination and corporate governance committee is responsible for assisting the Board in (1) proposing a slate of qualified nominees for election to the Board by the shareholders or in the event of a Board vacancy, (2) evaluating the suitability of potential nominees for membership on the Board, (3) determining the composition of the Board and its committees, (4) monitoring a process to assess Board, committee and management effectiveness, (5) aiding and monitoring management succession planning and (6) developing, recommending to the Board, implementing and monitoring policies and processes related to the Company's corporate governance guidelines. The Compensation Committee Charter is filed as Exhibit 10.13 hereto.

The nomination committee met twice during the year ended June 30, 2025.

Nominations to the Board of Directors

We do not have any defined policy or procedural requirements for shareholders to submit recommendations or nominations for directors. Our Board believes that, given the stage of our development, a specific nominating policy would be premature and of little assistance until our business operations develop to a more advanced level. We do not currently have any specific or minimum criteria for the election of nominees to the Board. The Board, with the help of its nomination and corporate governance committee, will assess all candidates, whether submitted by management or shareholders, and make recommendations for election or appointment.

Stockholder Communications

We do not have a formal policy regarding stockholder communications with our Board. A shareholder who wishes to communicate with our Board may do so by directing a written request addressed to our Chief Executive Officer, at the address appearing on the first page of this filing.

Insider Trading Policies and Procedures

We have insider trading policies and procedures that govern the purchase, sale, and/or other disposition of the Company's securities by our directors, officers and employees, and the Company itself, that we believe are reasonably designed to promote compliance by the Company and our directors, officers, and employees with insider trading laws, rules and regulations and the listing standards of Nasdaq. A copy of our Insider Trading Policy is filed with this Annual Report on Form 10-K as Exhibit 19.1.

Item 11. Executive Compensation

The particulars of the compensation paid to the following persons:

(a) our principal executive officers;

EXECUTIVE COMPENSATION

The following summary compensation table sets forth all compensation awarded to, earned by, or paid to the named executive officers (the "named executive officers" or "NEOs") paid by us during the years ended June 30, 2025 and 2024.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)(4)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Allan Marshall, CEO, and Director (1)	2025	840,000	399,231	171,000	1,091,963	-	-	-	2,502,194
	2024	840,000	250,769	-	-	-	-	1,090,769	
Andrew Norstrud, Chief Financial Officer (2)	2025	266,385	350,000	228,000	-	-	-	-	844,385
	2024	250,000	-	-	-	-	-	250,000	
Brian Rudick, Chief Strategy Officer (3)	2025	25,385	-	-	-	-	-	-	25,385

(1) At June 30, 2025, Allan Marshall had an accrued and unpaid bonus of $2,500,000 not included in this compensation table.

(2) At June 30, 2025, Andrew Norstrud had an accrued and unpaid bonus of $350,000 not included in this compensation table.

(3) Brian Rudick was newly appointed as Chief Strategy Officer on May 22, 2025. At June 30, 2025, Brian Rudick had an accrued and unpaid bonus of $350,000 not included in this compensation table.

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. Our directors and executive officers may receive share options at the discretion of our board of directors in the future. We do not have any material bonus or profit-sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that share options may be granted at the discretion of our board of directors. The value of the option awards is based on the intrinsic value at date of grant.

(4) Represents equity-based compensation expense calculated in accordance with the provisions of Accounting Standards Codification Section 718 – Compensation – Stock Compensation, using the Black-Scholes option pricing model.

Employment Agreements

On September 23, 2025, the Company entered an amended and restated employment agreement that superseded all previous agreements with Allan Marshall, Chairman and Chief Executive Officer (the "Marshall Employment Agreement"), effective July 1, 2025. The Marshall Employment Agreement provides for a three-year term ending on April 24, 2028, unless employment is earlier terminated in accordance with the provisions thereof and after the initial term has a standard 1-year automatic extension clause if there is no notice by the Company of termination. Mr. Marshall received a starting base salary at the rate of $840,000 per year which can be adjusted by the Compensation Committee. Mr. Marshall has performance bonuses that Mr. Marshall can earn based on the increase of shareholder value, the increase of the Company's market cap / treasury growth and other criteria determined by the compensation committee. The Marshall Employment Agreement contains standard termination, change of control, non-compete and confidentiality provisions.

Mr. Marshall was granted an option to purchase up to 500,000 shares of common stock at a per share price of $2.28 with a term of five years and was awarded a restricted stock grant of 75,000 shares that cliff vests after six months of continued employment.

On April 24, 2025, the Company entered an employment agreement with Andrew Norstrud, Chief Financial Officer (the "Norstrud Employment Agreement"). The Norstrud Employment Agreement provides for a three-year term ending on April 24, 2028, unless employment is earlier terminated in accordance with the provisions thereof and after the initial term has a standard 1-year automatic extension clause if there is no notice by the Company of termination. Mr. Norstrud received a starting base salary at the rate of $350,000 per year which can be adjusted by the Compensation Committee. Mr. Norstrud was awarded a restricted stock grant of 100,000 shares that vests 10% per month for 10 months of continued employment. Mr. Norstrud will be paid a quarterly bonus of between 30% and 100% of his salary as determined by the Chief Executive Officer. Mr. Norstrud is entitled to receive an annual bonus based on criteria to be agreed to by Mr. Norstrud and the Chief Executive Officer and the Compensation Committee. The Norstrud Employment Agreement contains standard termination, change of control, non-compete and confidentiality provisions.

On May 22, 2025, the Company entered an employment agreement with Brian Rudick, Chief Strategy Officer (the "Rudick Employment Agreement"). Pursuant to the employment terms, Mr. Rudick will be paid an annual salary of $300,000 and additional cash and equity performance bonuses per year. In addition, Mr. Rudick will be paid $950,000 in structured cash payments through December 31, 2025 and will be granted 400,000 shares of restricted stock that will vest during his first year of employment. The initial term of employment is one year, that will automatically renew for one year if not terminated by Mr. Rudick or the Company.

Outstanding Equity Awards at Fiscal Year- End Table

The following table summarizes equity awards granted to Named Executive Officers and directors that were outstanding as of June 30, 2025:

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options: # Exercisable	Number of Securities Underlying Unexercised Options: # Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unearned and Unexercisable Options:	Option Exercise Price $	Option Expiration Date	# of Shares or Units of Stock That Have Not Vested #	Market Value of Shares or Units of Stock That Have Not Vested $	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested #	Equity Incentive Plan Awards: Market of Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested $
Allan Marshall, CEO, and Director	500,000	-	-	$ 2.28	4/17/2030	-	-	75,000	223,500
Andrew Norstrud, Chief Financial Officer and Director	-	-	-	$ -	-	-	-	80,000	238,400
Gene Salkind, Director	25,000	-	-	$ 3.46	1/17/2035	-	-	-	-
	-	-	35,000	$ 2.28	4/17/2035	-	-	-	-
Tomas C. Williams, Director	25,000	-	-	$ 3.46	1/17/2035	-	-	-	-
Lawrence H Dugan, Director	25,000	-	-	$ 3.46	1/17/2035	-	-	-	-

As of June 30, 2025, Mr. Norstrud had 20,000 shares that had vested, but had not yet issued.

As of June 30, 2025, Mr. Rudick did not have outstanding option or stock awards granted out of the Company's equity incentive plan.

Pension, Retirement or Similar Benefit Plans

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. We have no material bonus or profit-sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of the board of directors or a committee thereof.

Indebtedness of Directors, Senior Officers, Executive Officers and Other Management

None of our directors or executive officers or any associate or affiliate of our Company during the last two fiscal years, is or has been indebted to our Company by way of guarantee, support agreement, letter of credit or other similar agreement or understanding currently outstanding.

Directors Compensation

Our directors also receive cash compensation of $5,000 per quarterly board meeting and receive $5,000 up to $7,000 per year for being committee chair.

The table below summarizes the compensation we paid to our non-employee directors for the year ending June 30, 2025.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)(1)(2)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Lawrence H. Dugan	$ 27,000	-	$ 85,232	-	-	-	$ 112,232
Gene Salkind (3)	$ 25,000	-	$ 163,846	-	-	-	$ 188,846
Thomas Williams	$ 25,000	-	$ 85,232	-	-	-	$ 110,232

(1) The amounts in this column reflect the aggregate grant date fair values of the stock options granted in fiscal year 2025 to the directors, in each case, calculated in accordance with FASB ASC Topic 718. The actual value the director will realize is a function of the underlying shares if and when these awards are exercised and sold

(2) Options outstanding as of June 30, 2025 for Lawrence H. Dugan was 25,000, for Gene Salkind was 60,000 (including 35,000 that were unvested), and for Thomas Williams was 25,000.

(3) Options granted to Mr. Salkind include 35,000 granted for participation in a special advisory committee to the Company. This award was granted outside of his compensation for his normal duties as Board member.

TRANSACTIONS WITH RELATED PERSONS

We have a written policy requiring that our Audit Committee review and approve related person transactions that involve us and are of the type that are required to be disclosed in our proxy statement by SEC rules. A transaction may be a related person transaction if it's a transaction between us and any of our directors, executive officers, owners of more than 5% of our common stock, or their immediate family ("related persons") where the related persons have a material interest in the transaction. The policy authorizes the Audit Committee to approve a related person transaction upon discussing with management the business rationale for the transaction.

On April 23, 2025, the Company entered into an Asset Management Agreement (the "Asset Management Agreement") with GSR Strategies LLC (the "Asset Manager"), pursuant to which the Asset Manager shall provide discretionary investment management services with respect to the Company's cryptocurrency treasury (the "Account Assets"). The Company shall pay the Asset Manager an asset-based fee (the "Asset-based Fee") equal to 1.75% per annum, of the assets under the Asset Manager's management, which shall be calculated and paid in advance as of the first business day of each calendar month, as determined by the Asset Manager in a commercially reasonable manner. The Company issued warrants (the "GSR Warrants") to the Asset Manager (to purchase 2,192,982 shares of Common Stock at various prices per share of common stock as follows: (i) 877,193 shares of Common Stock at an exercise price of $2.28 per share of Common Stock; (ii) 438,596 shares of Common Stock at an exercise price of $3.42 per share of Common Stock; (iii) 438,596 shares of Common Stock at an exercise price of $4.56 per share of Common Stock; (iv) 438,597 shares of Common Stock at an exercise price of $5.70 per share of Common Stock. The Asset Management Agreement will, unless early terminated in accordance with its terms, continue in effect until the twentieth (20th) anniversary of April 23, 2025. The Asset Management Agreement may be terminated by the Company without cause solely upon a two-thirds majority vote of the Company's common stockholders. If the Company terminates the Asset Management Agreement for any other reason other than for cause, the Company shall pay the Asset Manager an early termination fee (the "Termination Fee) in the amount equal or greater of (i) five (5) times the aggregate amount of the management fees paid by the Company to the Asset Manager over the prior ten (10) year period, or (ii) $15 million. The Asset Management Agreement may be terminated for Cause (i) by the Company upon at least thirty (30) days prior written notice to the Asset Manager and (ii) by the Asset Manager upon at least sixty (60) days prior written notice to the Company. GSR Growth Investments LP, a related party of the Asset Manager, holds shared voting power over 4,006,210 shares of common stock, or approximately 7.45%, of the Company's outstanding common stock.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the ownership, as of June 30, 2025, of our Common Stock by each of our directors, by all of our executive officers and directors as a group and by each person known to us who is the beneficial owner of more than 5% of any class of our securities. As of June 30, 2025, there were 38,266,066 shares of our Common Stock issued and outstanding. All persons named have sole or shared voting and investment control with respect to the shares, except as otherwise noted. The number of shares described below includes shares which the beneficial owner described has the right to acquire within 60 days of June 30, 2025. Unless otherwise indicated, the address for each beneficial owner is c/o Upexi, Inc., 3030 North Rocky Point Drive Suite 420, Tampa, Florida 33607.

Name	Number of Shares Beneficially Owned	Percentage of Class[(1)]
Allan Marshall	1,466,957(2)	3.83%
Gene Salkind	390,127(3)	1.02%
Andrew Norstrud	99,138(4)	0.26%*
Brian Rudick	493,422(5)	1.29%
Lawrence Dugan	26,389(6)	0.07%*
Thomas Williams	25,000(7)	0.07%*
Directors and Executive Officers as a Group	2,501,033	**6.54%**

* Represents less than 1% of the number of shares of our Common Stock outstanding

(1) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of June 30, 2025. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the number of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of Common Stock actually outstanding on June 30, 2025. As of June 30, 2025, there were 38,266,066 shares of our Company's Common Stock issued and outstanding.

(2) Represents (i) 151,423 shares of Common Stock, (ii) 138,889 shares issuable upon the conversion of preferred stock, (iii) 18,750 shares issuable upon the exercise of warrant, (iv), 657,895 shares acquired through a PIPE transaction in April 2025, and (v) 500,000 options granted in April 2025.

(3) Represents (i) 365,127 shares of Common Stock and (ii) 25,000 shares issuable upon the exercise of stock option that are exercisable within 60 days.

(4) Represents (i) 79,138 shares of Common Stock and (ii) 20,000 shares issuable upon vesting of restricted stock within 60 days.

(5) Represents (i) 438,597 shares of Common Stock and (ii) 54,825 shares issuable upon the exercises of warrants.

(6) Represents (i) 1,389 shares of Common Stock and (ii) 25,000 shares issuable upon the exercise of stock option that are exercisable within 60 days.

(7) Represents 25,000 shares issuable upon the exercise of stock option that are exercisable within 60 days.

More than 5% Beneficial Holders:

Name	Number of Shares Beneficially Owned	Percentage
Attestor Value Master Fund LP (7)	3,419,461	8.94%
GSR Growth Investments LP (8)	2,306,060	6.03%
Michael Novogratz (9)	2,192,983	5.74%

(7) Reported shares are based on a Schedule 13G filed by Attestor Value Master Fund LP with the SEC on July 11, 2025 disclosing that it held shared voting power over 3,419,461 shares and shared dispositive power over 3,419,461 shares, beneficially owning in the aggregate 3,419,461 shares. As indicated on the aforementioned Schedule 13G, the address for this Attestor Value Master Fund LP is PO Box 309 Grand Cayman E9.

(8) Reported shares are based on a Schedule 13G filed by GSR Growth Investments LP with the SEC on April 30, 2025 disclosing that it held shared voting power over 2,306,060 shares and shared dispositive power over 2,306,060 shares, beneficially owning in the aggregate 2,306,060 shares. As indicated on the aforementioned Schedule 13G, the address for GSR Growth Investments LP is 65 Curzon Street London, United Kingdom W1J8PE.

(9) Reported shares are based on a Schedule 13G filed by Michael Novogratz with the SEC on May 1, 2025 disclosing that he held sole voting power over 2,192,983 shares and sole dispositive power over 2,192,983 shares, beneficially owning in the aggregate 2,192,983 shares. As indicated on the aforementioned Schedule 13G, the address for this reporting person is C/O Galaxy Group Investments 107 Grand St New York, NY 10013.

Securities Authorized for Issuance under Equity Compensation Plans

The Company has established an incentive plan, the 2019 Equity Incentive Plan as amended (the "2019 Plan"). The plan grants incentives to select persons who can make, are making and continue to make substantial contributions to the growth and success of the Company, to attract and retain the employment and services of such persons and to encourage and reward such contributions by providing these individuals with an opportunity to acquire or increase stock ownership in the Company through either the grant of options or restricted stock. The 2019 Plan is administered by the Compensation Committee or such other committee (the "Committee") as is appointed by the Board of Directors pursuant to the 2019 Plan. The Committee has full authority to administer and interpret the provisions of the 2019 Plan including, but not limited to, the authority to make all determinations with regard to the terms and conditions of an award made under the 2019 Plan. On May 24, 2022, the Shareholders consented, and the Board of Directors approved the amendment of the 2019 Plan to increase the maximum number of shares that may be issued thereunder by 222,223 shares to 500,000 shares, as adjusted for the 1 for 20 reverse stock split. In June 2025, the 2019 Plan was further amended to increase the number of shares for issuance to 10,000,000.

The Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, consultants and employees of the Company, non-transferable options to purchase common shares, as well as restricted stock. The options are exercisable for a period of up to 10 years from the date of the grant.

The following table summarizes information, as of June 30, 2025, relating to compensation plans under which equity securities are authorized for issuance.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights*	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)**
Equity compensation plans approved by security holders	843,270	$ 3.39	9,027,903
Equity compensation plans not approved by security holders	—	—	—
Total	843,270	$ 3.39	9,027,903

* Consists of 621,353 options outstanding and 221,917 RSUs outstanding.

**There have been 10,919 shares issued for the exercise of stock options and 117,908 shares issued for the vested RSUs.

On August 19, 2025, subsequent to the year ended June 30, 2025, the shareholders approved an amendment to the 2019 Plan to increase the number of shares issuable pursuant to awards granted under the 2019 Plan from 10,000,000 shares to 25,000,000 shares.

Item 13. Certain Relationships and Related Transactions, and Director Independence

On April 1, 2024, the Company entered into a lease agreement with MFA 2510 Merchant LLC, which is owned by our CEO, Allan Marshall. 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. The initial term of the lease is five years. The Company spent $611,768 in leasehold improvements to prepare the facility for product manufacturing, which will be amortized over the five year lease term. At June 30, 2024 there was $100,004 accrued for the deposit and 2 months' rent, this was paid in June 2024 and is now kept current. Product manufacturing was at full capacity and fully moved from the Nevada facility as of August 1, 2024.

On June 13, 2024, (the Company entered into a Stock Purchase Agreement ("SPA") pursuant to which the Company sold one hundred percent (100%) of the issued and outstanding equity (the "Interests") of its wholly owned subsidiary VitaMedica, Inc. to three investors (the "Buyers"). One of the minority Interest Buyers is Allan Marshall, the Company's Chief Executive Officer. The purchase price for the stock was Six Million Dollars ($6,000,000), subject to certain customary post-closing adjustments. The proceeds of the transaction will be used for working capital, the reduction of debt and the reduction of other liabilities currently outstanding.

Except as disclosed above, no director, executive officer, shareholder holding at least 5% of shares of our Common Stock, or any family member thereof, had any material interest, direct or indirect, in any transaction, or proposed transaction during the year ended June 30, 2025 and June 30, 2024, in which the amount involved in the transaction exceeded or exceeds the lesser of $120,000 or one percent of the average of our total assets at the year-end for the last three completed fiscal years.

Director Independence

The Board of Directors has determined that Gene Salkind, Lawrence Dugan and Thomas Williams are independent directors under the listing standards.

Item 14. Principal Accountant Fees and Services

The aggregate fees billed for the most recently completed fiscal year ended June 30, 2025, and 2024 for professional services rendered by the principal accountant for the audit of our annual consolidated financial statements and review of the consolidated financial statements and services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for these fiscal periods were as follows:

	Year Ended	
	June 30, 2025	**June 30, 2024**
Audit Fees	$ 245,500	$ 402,000
Audit Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	$ 245,500	$ 402,000

Our Board of Directors pre-approves all services provided by our independent auditors. All of the above services and fees were reviewed and approved by the Board of Directors either before or after the respective services were rendered.

Our Board of Directors has considered the nature and amount of fees billed by our independent auditors and believes that the provision of services for activities unrelated to the audit is compatible with maintaining our independent auditors' independence.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) Consolidated financial statements

(1) Consolidated financial statements for our Company are listed in the index under Part II, Item 8 of this Annual Report on Form 10-K.

(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

Exhibit No.	Description	Incorporation by Reference			Filing Date	Filed or Furnished Herewith
		Form	File No.	Exhibit		
3.1(a)	Amended and Restated Articles of Incorporation	S-1	333-255266	3.1	4/15/21	
3.1(b)	Certificate of Amendment to Articles of Incorporation	8-K	001-40535	3.1	8/17/22	
3.1(c)	Certificate of Change, dated September 11, 2024	8-K	001-30535	3.1	9/27/24	
3.1(d)	Certificate of Correction, dated September 18, 2024	8-K	001-30535	3.2	9/27/24	
3.1(e)	Certificate of Incorporation (Delaware)	S-1/A	333-288822	3.1	8/29/25	
3.2 (a)	Amended Bylaws	S-1	333-255266	3.2	4/15/21	
3.2 (b)	Bylaws (Delaware)	S-1/A	333-288822	3.2	8/29/25	
4.1	Specimen of Stock Certificate	S-1	333-255266	4.6	4/15/21	
4.2	Description of Securities					x
10.1	Upexi, Inc. 2019 Incentive Stock Plan (Amended and Restated as of August 19, 2025)					x
10.2	Form of Nonqualified Stock Option Agreement	S-1	333-255266	10.2	4/15/21	
10.3	Stock Purchase Agreement, dated June 1, 2024	8-K	001-40535	10.1	6/17/24	
10.4	Agreement to Unwind Securities Purchase Agreement, dated July 31, 2024	8-K	001-40535	10.1	8/5/24	
10.5+	Employment Agreement, dated April 24, 2025, between Registrant and Allan Marshall					x
10.6+	Employment Agreement, dated April 24, 2025, between Registrant and Andrew J. Norstrud	8-K	001-40535	10.2	4/25/25	
10.7+	Employment Agreement, dated May 23, 2025 between the Company and Brian Rudick	8-K	001-40535	99.2	5/23/25	
10.8	Equity Interest Purchase Agreement, dated August 31, 2023, between Registrant and Amplifyir Inc.	8-K	001-40535	2	9/6/23	
10.9	Exercise of Option to Acquire Cygnet Online, LLC, dated September 1, 2023, between Registrant and Eric Hanig	10-K	001-40535	10.23	10/3/23	
10.10	Upexi, Inc. 2019 Amended and Restated Stock Incentive Plan, effective May 24, 2022	S-8	333-273859	4.7	8/9/23	
10.11	Audit Committee Charter	10-K	001-40535	10.25	10/3/23	
10.12	Compensation Committee Charter	10-K	001-40535	10.26	10/3/23	
10.13	Nominating Committee Charter	10-K	001-40535	10.27	10/3/23	
10.14	Form of Securities Purchase Agreement, dated as of April 20, 2025, between Upexi, Inc. and each Purchaser (as defined therein)	8-K		10.1	4/24/25	
10.15	Placement Agency Agreement, dated April 20, 2025, between Upexi, Inc. and A.G.P/Alliance Global Partners	8-K		10.2	4/24/25	
10.16	Form of Registration Rights Agreement, dated as of April 20, 2025, between Upexi, Inc. and each Purchaser (as defined therein)	8-K		10.3	4/24/25	
10.17	Asset Management Agreement, dated April 23, 2025, between Upexi, Inc. and GSR Strategies LLC	8-K				
10.18	Form of Securities Purchase Agreement, dated as of July 11, 2025, between Upexi, Inc. and each Purchaser (as defined therein)	8-K		10.1	7/16/25	
10.19	Placement Agency Agreement, dated July 11, 2025, between Upexi, Inc. and A.G.P/Alliance Global Partners	8-K		10.2	7/16/25	
10.20	Form of Registration Rights Agreement, dated as of July 11, 2025, between Upexi, Inc. and each Purchaser (as defined therein)	8-K		10.3	7/16/25	
10.21	Form of Secured Convertible Promissory Note	8-K		4.1	7/18/25	
10.22	Form of Securities Purchase Agreement, dated as of July 2025, between Upexi, Inc. and each Purchaser (as defined therein)	8-K		10.1	7/18/25	
10.23	Form of Security Agreement, dated as of July 2025, between Upexi, Inc. and Seller	8-K		10.2	7/18/25	

10.24	Form of Registration Rights Agreement, dated as of July 2025, between Upexi, Inc. and each Purchaser (as defined therein)	8-K		10.4	7/18/25	
10.25	Common Stock Purchase Agreement, dated as of July 25, 2025, between Upexi, Inc. and A.G.P./ Alliance Global Partners	8-K		10.1	7/25/25	
10.26	Registration Rights Agreement, dated as of July 25, 2025, between Upexi, Inc. and A.G.P./ Alliance Global Partners	8-K		10.2	7/25/25	
10.27	Waiver and Amendment to that certain Securities Purchase Agreement, dated as of July 11, 2025	8-K		10.1	8/26/25	
10.28	Form of Greenshoe Instrument	8-K		10.2	8/26/25	
10.29	BitGo Custodian Services Agreement	S-1	333-255266	10.25	9/15/25	
10.30	BitGo Prime LLC Master Lending Agreement	S-1	333-255266	10.26	9/15/25	
10.31	Coinbase Custodian Services Agreement	S-1	333-255266	10.30	9/15/25	
10.32	Phantom Stock Appreciation Award Plan					x
14.1	Code of Business Conduct and Ethics	10-K	001-40535	14.1	10/3/23	
14.2	Whistleblower Policy	10-K	001-40535	14.2	10/3/23	
19.1	Upexi, Inc. Insider Trading Policy					x
21.1	List of Subsidiaries of Registrant					x
23.1	Consent of GBQ					x
31.1	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					x
31.2	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.					x
32.1*	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.					x
32.2*	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.					x
97.1	Upexi, Inc. Compensation Recovery Policy	10-K/A	001-40535	97.1	4/22/25	
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).					x
101.SCH	Inline XBRL Taxonomy Extension Schema Document					x
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					x
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					x
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					x
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					x
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)					x

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* 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 filings.

+ Indicates a management contract or compensatory plan or arrangement.

† Confidential portions of this exhibit were redacted pursuant to Item 601(b)(10) of Regulation S-K, and the Registrant agrees to furnish to the SEC a copy of any omitted schedule and/or exhibit upon request.

Item 16. Form 10-K Summary.

None.

SIGNATURES

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

UPEXI INC.
(Registrant)

Dated: September 24, 2025

/s/ Allan Marshall
Allan Marshall
President, Chief Executive Officer and Director
(Principal Executive Officer)

Dated: September 24, 2025

/s/ Andrew J. Norstrud
Andrew J. Norstrud
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

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

Dated: September 24, 2025

/s/ Allan Marshall
Allan Marshall
President, Chief Executive Officer and Director
(Principal Executive Officer)

Dated: September 24, 2025

/s/ Andrew J. Norstrud
Andrew J. Norstrud
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Dated: September 24, 2025

/s/ Gene Salkind
Gene Salkind
Director

Dated: September 24, 2025

/s/ Thomas C. Williams
Thomas C. Williams
Director

Dated: September 24, 2025

/s/ Laurence H. Dugan
Laurence H. Dugan
Director

EXHIBIT 4.2

DESCRIPTION OF REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

Upexi, Inc. has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our common stock. References to the "Company," "we," "us" and "our" refer to Upexi, Inc. and not to any of our subsidiaries.

The following is a summary of the material provisions of our common stock and does not purport to be complete. Because this is a summary description, it does not contain all of the information that may be important to you. For a more detailed description of our common stock, you should refer to the provisions of our certificate of incorporation and our bylaws, copies of which are listed as exhibits to our filings with the Securities and Exchange Commission (the "SEC").

General

The total number of shares of all classes of stock which the Company shall have authority to issue is 310,000,000 shares which shall be divided into two classes as follows:

(1) 300,000,000 shares of Common Stock (Common Stock), par value $0.00001; and
(2) 10,000,000 shares of Preferred Stock (Preferred Stock), par value $0.00001.

Common Stock

Voting Rights: The holders of our Common Stock are entitled to one vote per share on all matters submitted to a vote of stockholders and our certificate of incorporation does not provide for cumulative voting in the election of directors. Except in respect of matters relating to the election of directors and as otherwise provided in our certificate of incorporation, bylaws, or required by law, the affirmative vote of a majority of votes cast affirmatively or negatively on the matter shall be the act of the stockholders. In the case of the election of directors, nominees must be approved by a plurality of the votes cast.

Dividend Rights: Subject to the rights of the holders of Preferred Stock, holders of shares of Common Stock shall be entitled to receive such dividends and distributions and other distributions in cash, stock or property of the Company when, as and if declared thereon by the board of directors from time to time out of assets or funds of the Company legally available therefor.

Liquidation Rights: Subject to the rights of the holders of Preferred Stock, shares of Common Stock shall be entitled to receive the assets and funds of the Company available for distribution in the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary.

Preferred Stock

Our board of directors has the authority, subject to the limitations prescribed by Delaware law, to issue Preferred Stock in one or more classes or series and to fix the rights, preferences, privileges and related restrictions, including dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any class or series, or the designation of the class or series, without the approval of our stockholders.

The board of directors with respect to each series will determine whether the holders of the shares of such class or series of Preferred Stock shall be entitled to vote, as a class, series or otherwise, on any and all matters of the Company to which holders of Common Stock are entitled to vote. Each share of Series A Preferred Stock is entitled to ten votes on each matter to come before the Annual Meeting. Unless otherwise required by our certificate of incorporation or the Delaware General Corporation Law, or the DGCL, our Common Stock and Preferred Stock vote as a single class on all matters.

Anti-Takeover Effects of Provisions of Delaware Law and our Certificate of Incorporation and Bylaws

Provisions of the Delaware General Corporation Law, or the DGCL and our certificate of incorporation, and bylaws could make it more difficult to acquire our Company by means of a tender offer, a proxy contest or otherwise, or to remove incumbent officers and directors. These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of these provisions outweigh the disadvantages of discouraging certain takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms and enhance the ability of our board of directors to maximize stockholders value. However, these provisions may delay, deter or prevent a merger or acquisition of us that a stockholder might consider is in its best interest, including those attempts that might result in a premium over the prevailing market price of our Common Stock.

Stockholder Meetings

The DGCL provides that special meetings of the stockholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the bylaws. Our certificate of incorporation or bylaws do not authorize any other persons to call a special meeting.

No Cumulative Voting

The DGCL provides that the certificate of incorporation may permit cumulative voting in the election of directors. Our certificate of incorporation does not provide for cumulative voting.

Limitations on Liability and Indemnification of Officers and Directors

Our bylaws provide that we will indemnify our directors and officers, and may indemnify our employees and other agents, to the fullest extent permitted by Delaware law.

Our certificate of incorporation provides that each person who serves or has served as a director shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director. Delaware law prohibits our certificate of incorporation from limiting the liability of our directors for the following: (i) any breach of the director's duty of loyalty to us or to our stockholders; (ii) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) for unlawful payment of dividend or unlawful stock purchase or redemption as such liability is imposed under Section 174 of the General Corporation Law of Delaware, and (iv) any transaction from which the director derived an improper personal benefit.

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law, as so amended. Our bylaws, as amended, do not eliminate a director's duty of care and, in appropriate circumstances, equitable remedies, such as injunctive or other forms of non-monetary relief, remain available under Delaware law. This provision also does not affect a director's responsibilities under any other laws, such as the federal securities laws or other state or federal laws.

The limitation of liability and indemnification provisions provided for in our bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. Moreover, a stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act") may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

Authorized but Unissued Shares

Our authorized but unissued shares of Common Stock and Preferred Stock are available for future issuances without stockholder approval, except as required by the listing standards of the NASDAQ Capital Market and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved Common Stock and Preferred Stock could render more difficult or discourage an attempt to obtain control of the company by means of a proxy contest, tender offer, merger or otherwise.

EXHIBIT 10.1

UPEXI, INC.
2019 INCENTIVE STOCK PLAN
(AMENDED AND RESTATED AS OF AUGUST 19, 2025)

TABLE OF CONTENTS

UPEXI, INC.
2019 INCENTIVE STOCK PLAN
(AMENDED AND RESTATED AS OF AUGUST 19, 2025)

ARTICLE I
ESTABLISHMENT AND PURPOSE

1.1 Establishment. This Amended and Restated Upexi, Inc. Incentive Plan (the "Plan"), adopted by the Board of Directors (the "Board" or the "Board of Directors") of Upexi, Inc. (the "Company") on June 19, 2025 and approved by the shareholders at a meeting held on August 19, 2025, is a plan of deferred compensation, which amends and restates that certain Upexi, Inc. Incentive Plan dated February 8, 2021, as amended and restated by the Board and approved by the shareholders at a meetings held on May 24, 2022, June 16, 2025 and August 19, 2025.

1.2 Purpose. The purpose of the Plan is to (a) provide additional incentives to select persons who can make, are making, and continue to make substantial contributions to the growth and success of the Company, (b) attract and retain the employment and services of such persons, and (c) encourage and reward such contributions by providing these individuals with an opportunity to acquire or increase stock ownership in the Company through either (1) the grant and exercise of Options, and/or (2) the grant of Restricted Stock. It is the judgment of the Board of the Company that providing such additional incentives to select persons would advance the overall interests of the Company's business and enhance the value of the Company for all of its shareholders.

1.3 Type of Plan. The Plan permits the grant of Options and Restricted Stock. The Plan is intended to be an "unfunded" plan of deferred compensation. It shall not constitute an "employee benefit plan" subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

(a) Option. An Option granted under the Plan shall be either (1) an "Incentive Stock Option" within the meaning of Section 422(b) of the Code, or (2) a "Nonqualified Stock Option," meaning an Option to purchase Common Stock in the Company which does not qualify as Incentive Stock Option within the meaning of Section 422(b) of the Code. The Option Price shall never be less than the Fair Market Value of the underlying shares of stock on the Grant Date. Moreover, in the case of Incentive Stock Option granted to a Participant who, at the time of grant owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate, the per share Option Price shall be no less than one hundred ten percent (110%) of the Fair Market Value per share on the Grant Date. The number of shares of stock subject to the Option shall be fixed on the original Grant Date. The exercise of the Option is subject to taxation under Section 83 of the Code and Treasury regulation §1.83-7. The Option does not include any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the Option under Treasury regulation §1.83-7. Hence, a Nonqualified Stock Option shall be exempt from the requirements of Section 409A of the Code. Further, an Incentive Stock Option shall be exempt from the requirements of Section 409A of the Code pursuant to the regulatory exception set forth in Treasury regulation §1.409A-1(b)(5)(ii).

(b) Restricted Stock. The Plan permits Common Stock of the Company to be awarded and issued to certain persons, subject to vesting conditions and restrictions on transfer (known as "Restricted Stock"). The Restricted Stock awarded hereunder is taxed pursuant to the rules of Section 83(a) of the Code (or, if affirmatively elected, Section 83(b) of the Code), so that the Plan and Restricted Stock awarded hereunder is intended to be exempt from Section 409A of the Code.

1.4 Shareholder Approval. The grant of Incentive Stock Options under the Plan shall be subject to approval of the Plan by the shareholders of the Company within twelve (12) months before or after the date the Plan is adopted by the Board of Directors of the Company (excluding Incentive Stock Options issued in substitution for outstanding Incentive Stock Options pursuant to Section 424(a) of the Code). Such shareholder approval shall be obtained in the degree and manner required under applicable provisions of corporate charter, bylaws, and state law regarding approval required for the issuance of corporate stock; provided that if there is no such applicable authority, such shareholder approval shall be obtained in the degree and manner required under the provisions of the Code applicable to Incentive Stock Options. Incentive Stock Options may be granted hereunder prior to such approval by the shareholders, but until such approval is obtained, no such Incentive Stock Option shall be exercisable. In the event that shareholder approval is not obtained within such twelve (12) month period, all Incentive Stock Options previously granted under the Plan shall be exercisable as Nonqualified Stock Options. In addition, approval of the Plan by the shareholders of the Company is required under the NYSE MKT Listed Company Manual before any Awards may be issued under the Plan.

1.5 Term of Plan. The Plan shall continue in effect from the Effective Date set forth in Section 1.1 hereof until the earlier of the Plan's termination by the Board of Directors of the Company, as provided in Section 10.1 hereof, or the date on which all shares of Common Stock available for issuance under the Plan have been issued and all restrictions on such shares under the terms of the Plan have lapsed. In no event, however, shall any Incentive Stock Option be granted under the Plan after the tenth (10th) anniversary of the earlier of the date this Plan is adopted by the Company or the date this Plan is approved by the shareholders of the Company pursuant to Section 1.4 hereof.

ARTICLE II
DEFINITIONS

For purposes of the Plan, the following terms shall be defined as set forth below:

2.1 "Affiliate" shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Company including, without limitation, any member of an affiliated group of which the Company is a common parent corporation as provided in Section 1504 of the Code.

2.2 "Agreement" shall mean, individually or collectively, any agreement entered into pursuant to (a) Section 6.2 hereof, pursuant to which an Option is granted to a Participant, or (b) Section 7.2 hereof, pursuant to which Restricted Stock is granted to a Participant, including any amendments thereto made pursuant to Section 10.1 hereof.

2.3 "Award" shall mean any Option or Restricted Stock granted under this Plan.

2.4 "Beneficiary" shall mean the person (including any trust, estate, or other entity) that a Participant designates in his most recent written beneficiary designation filed with the Company to receive the benefits specified under the Plan upon such Participant's death or to which Awards or other rights are transferred if and to the extent permitted hereunder. If, upon a Participant's death, there is no designated Beneficiary or if such designated Beneficiary has predeceased the Participant, then the term Beneficiary shall mean the person (including any trust, estate, or other entity) entitled by will or the laws of descent and distribution to receive such benefits.

2.5 "Board" shall mean the Board of Directors of the Company.

2.6 "Cause" shall mean (a) any material act (that remains uncured for thirty (30) days following written notice from the Company or an Affiliate) that permits the Company or any Affiliate to terminate a written agreement or arrangement between the Participant and the Company or an Affiliate, as the case may be, for "cause" as defined in such agreement or arrangement, or (b) in the event there is no such agreement or arrangement, or the agreement or arrangement does not define the term "cause" or a substantially equivalent term, then "Cause" shall mean (i) any material breach of this Agreement by the Participant that remains uncured for thirty (30) days following written notice from the Company or an Affiliate, as the case may be, to the Participant of such breach, (ii) any act of dishonesty or fraud, embezzlement, theft or other material dishonesty with respect to the Company or an Affiliate, (iii) the commission by the Participant of a felony, a crime involving moral turpitude, or other willful act or omission that in the reasonable good faith judgment of the Committee causes material harm to the standing and reputation of the Company or an Affiliate, or (iv) the Participant's continued gross failure to perform his duties to the Company or an Affiliate.

2.7 "Change in Control" shall have the meaning set forth in Section 9.2.

2.8 "Code" shall mean the Internal Revenue Code of 1986, as amended.

2.9 "Commission" shall mean the Securities and Exchange Commission or any successor thereto.

2.10 "Committee" shall mean any two (2) or more persons who the Board appoints or designates to administer the Plan, as described in Section 3.1 below.

2.11 "Common Stock" shall mean the shares of the Company's regular voting common stock, $0.00001 par value, whether presently or hereafter issued, and any other stock or security resulting from adjustment thereof as described herein or the common stock of any successor to the Company, which is designated for the purposes of the Plan.

2.12 "Company" shall mean Upexi, Inc., a Delaware corporation, and includes any successor or assignee corporation or corporations into which the Company may be merged, changed, or consolidated.

2.13 "Director" shall mean a member of the Board.

2.14 "Disability" shall mean that a Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months. For the purposes of this Plan, a Participant shall not be considered to have incurred a Disability if the mental or physical condition of the Participant is the result of a willfully self-inflicted injury or self-induced sickness or is the result of an injury or disease contracted, suffered, or incurred by the Participant while participating in a criminal enterprise. The determination of Disability shall be made by the Committee, based upon medical evidence from a physician selected by the Committee. The determination of Disability for purposes of this Plan shall not be construed as a determination for any other purpose.

2.15 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

2.16 "Fair Market Value" shall mean, as of any date, the value of one (1) share of Common Stock, determined pursuant to the applicable method described below:

(a) if the Common Stock is listed on a national securities exchange, the closing price of the Common Stock on the relevant date (or, if such date is not a business day or a day on which quotations are reported, then on the immediately preceding date on which quotations were reported), as reported by the principal national exchange on which such shares are traded (in the case of an exchange);

(b) if the Common Stock is not listed on a national securities exchange, but is actively traded in the over-the-counter market, the average of the closing bid and asked prices for the Common Stock on the relevant date (or, if such date is not a business day or a day on which quotations are reported, then on the immediately preceding date on which quotations were reported), or the most recent preceding date for which such quotations are reported; and

(c) if, on the relevant date, the Common Stock is not publicly traded or reported as described in (a) or (b) above, the value determined, in good faith, by the Committee (or Board) through the reasonable application of a reasonable valuation method after giving effect to discounts for lack of marketability and minority discount, but excluding any reduction in value with respect to any transaction bonuses. For purposes of Section 409A of the Code and the exemption therefrom, the valuation of a class of stock shall be determined by an independent appraisal that meets the requirements of Section 401(a)(28)(C) of the Code and the Treasury regulations thereunder, it being understood that a valuation obtained no more than twelve (12) months before the relevant transaction to which the valuation is applied (e.g. the Grant Date) shall be presumed to be a method resulting in a "reasonable valuation."

2.17 "Grant Date" shall mean the date on which the Committee makes a grant of an Award to a person eligible to participate in the Plan, or any other date determined by the Committee.

2.18 "Incentive Stock Option" shall mean an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the Treasury regulations promulgated thereunder.

2.19 "Nonqualified Stock Option" shall mean an Option not intended to qualify as an Incentive Stock Option.

2.20 "Option" shall mean a right, granted to a Participant under Section 6.1 hereof, to purchase Common Stock, at a specified price, during a specified time period.

2.21 "Option Period" shall mean the period during which an Option shall be exercisable in accordance with the related Agreement and Article VI.

2.22 "Option Price" shall mean the price at which the Common Stock may be purchased under an Option as provided in Section 6.3(b).

2.23 "Option Shares" shall mean the shares of Common Stock that the Participant receives upon exercising vested Options.

2.24 "Participant" shall mean a person who satisfies the eligibility conditions of Article V and with whom an Agreement has been entered into and remains effective under the Plan, and in the event a Representative is appointed for a Participant or another person becomes a Representative, then the term Participant shall mean such Representative. The term shall also include a trust for the benefit of the Participant, the Participant's parents, spouse, or descendants, or a custodian under any uniform gifts to minors act or similar statute for the benefit of the Participant's descendants, to the extent permitted by the Committee and not inconsistent with Rule 16b-3. Notwithstanding the foregoing, the term "Termination of Employment" shall mean the Termination of Employment of the person to whom the Award was originally granted.

2.25 "Plan" shall mean the Upexi, Inc. 2019 Incentive Stock Plan, as herein set forth and as may be amended from time to time.

2.26 "Representative" shall mean (a) the person or entity acting as the executor or administrator of a Participant's estate pursuant to the last will and testament of a Participant or pursuant to the laws of the jurisdiction in which the Participant had the Participant's primary residence at the date of the Participant's death, (b) the person or entity acting as the guardian or temporary guardian of a Participant subject to court supervision, (c) the person or entity which is the Beneficiary of the Participant upon or following the Participant's death, or (d) any person to whom an Award has been permissibly transferred; provided that only one of the foregoing shall be the Representative, at any point in time, as determined under applicable law and recognized by the Committee. Any Representative shall be subject to all terms and conditions applicable to the Participant.

2.27 "Restricted Stock" shall mean shares of Common Stock subject to the satisfaction of vesting conditions, transfer restrictions, repurchase rights or other limitations imposed by the Plan and the Participant's Agreement (which may differ from other Participant's Agreements).

2.28 "Retirement" shall mean the Participant's Termination of Employment upon or after attaining age sixty-five (65).

2.29 "Rule 16b-3" shall mean Rule 16b-3, as from time to time in effect and applicable to the Plan and Participants, promulgated by the Commission under Section 16 of the Exchange Act.

2.30 "Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

2.31 "Termination of Employment" shall mean the occurrence of any act or event that actually or effectively causes or results in a person ceasing, for whatever reason, to be an employee, officer, Director, consultant or other service provider of the Company including, without limitation, Retirement, death, Disability, resignation by Participant with or without "Good Reason" (as defined by Participant's employment agreement, if any), resignation by Participant upon a change in control (as defined by Participant's employment agreement, if any), or termination by the Company with or without Cause. A transfer of employment from the Company to an entity that is an Affiliate, as defined in Section 2.1, or from such an entity to the Company shall not be a Termination of Employment, unless expressly determined by the Committee. With respect to any person who is not an employee of the Company, the Committee may determine and include in such person's Agreement more detailed or particular provisions concerning what act or event shall constitute a Termination of Employment with respect to such person.

2.32 "Transfer" shall mean any sale, gift, assignment, distribution, conveyance, pledge, hypothecation, encumbrance or other transfer of title, whether by operation of law or otherwise.

In addition, certain other terms used herein shall have the definitions given to such terms in the first place in which the terms are used.

ARTICLE III
ADMINISTRATION

3.1 Structure. The Plan shall be administered by a committee (the "Committee") comprised of two (2) or more Directors, as appointed by the Board. In the event the Board fails to name a Committee, at any time, the Board shall reserve and exercise the functions of the Committee under the Plan.

A majority of the members of an appointed Committee shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by all of the members, shall be the acts of the Committee. Notwithstanding any provision contained in Sections 3.1 or 3.2 to the contrary, the acts of two-thirds (2/3) of the members of the Committee shall be required to exercise the authority granted under Subsections 3.2(d)(ii), (iii), or (iv) to the extent such action accelerates or waives any restriction or limitation associated with any Award or any shares of Common Stock relating hereto. A member of the Committee shall not exercise any discretion respecting himself under the Plan.

The Board shall have the authority to remove, replace, or fill any vacancy of any member of the Committee upon notice to the Committee and the affected member. Any member of the Committee may resign upon notice to the Board. The Committee may allocate among one (1) or more of its members or may delegate to one (1) or more of its agents, such duties and responsibilities as it determines.

Notwithstanding anything herein to the contrary, with respect to grants of Awards to individuals who are "Officers" and "Directors" (as such terms are defined for purposes of Section 16 of the Exchange Act) of the Company, at such time or in such circumstances as such individuals are subject to Section 16 of the Exchange Act, such grants shall be made and administered by a "Rule 16b-3 Committee" appointed by the Board. Such Rule 16b-3 Committee shall consist solely of two (2) or more "Non-Employee Directors" (as defined for purposes of Rule 16b-3) and shall otherwise be constituted and act in such manner as to permit such grants to Officers and Directors and related transactions under the Plan to be exempt from Section 16(b) of the Exchange Act in accordance with Rule 16b-3.

Further, notwithstanding anything herein to the contrary, with respect to grants of Awards to individuals who are "Covered Employees" (as defined for purposes of Section 162(m) of the Code), at such time or in such circumstances as Section 162(m) of the Code may be applicable to the Company as a "Publicly Held Company" (as defined for purposes of Section 162(m) of the Code), such grants shall be made and administered by a "Section 162(m) Committee" appointed by the Board. Such Section 162(m) Committee shall consist solely of two (2) or more "Outside Directors" and shall otherwise be constituted and act in such manner as to permit such grants to Covered Employees to qualify as "Performance-Based Compensation" excludable from "Applicable Employee Remuneration" (as such terms are defined for purposes of Section 162(m) of the Code) in order that the Company not be subject to the limitation on deductions allowed for Applicable Employee Remuneration set forth in Section 162(m) of the Code.

Any Rule 16b-3 Committee or Section 162(m) Committee appointed by the Board shall function and have authority, and be subject to the constitutional and procedural provisions, as herein provided with respect to any Committee appointed by the Board, applicable to the making and administration of the grants of Awards with respect to which the Committee is appointed. A Rule 16-b Committee or Section 162(m) Committee may be a subcommittee of a Committee otherwise appointed by the Board.

3.2 Authority. Subject to the terms of the Plan, the Committee (subject to the specific terms and conditions of such appointment as established by the Board) shall have the authority:

(a) to select those persons to whom Awards may be granted from time to time;

(b) to determine whether and to what extent Awards are to be granted hereunder;

(c) to determine the number of shares of Common Stock to be covered by each Award granted hereunder;

(d) to determine the terms and conditions of any Award granted hereunder including, but not limited to:

(i) the Option Price, the Option Period, any exercise restriction or limitation and any exercise acceleration, forfeiture, or waiver regarding any Option;

(ii) any restriction or limitation and any acceleration, forfeiture, or waiver regarding any Award;

(iii) any shares of Common Stock relating to an Award; and

(iv) any performance criteria and the satisfaction of such criteria relating to an Award.

(e) to determine the Fair Market Value of one (1) share of Common Stock as of any date;

(f) to adjust the terms and conditions, at any time or from time to time, of any Award, subject to the limitations of Section 10.1;

(g) to provide for the form of Agreements to be utilized in connection with the Plan;

(h) to prescribe the manner in which and the form on which Participants may designate a Beneficiary;

(i) to determine the identity of a Participant's Beneficiary or Representative for purposes of the Plan;

(j) to determine whether a Participant has a Disability, Retirement, or Termination of Employment;

(k) to determine what securities law requirements are applicable to the Plan, Options, and Restricted Stock and the issuance of shares of Common Stock under the Plan and to require of a Participant that appropriate action be taken with respect to such requirements;

(l) to cancel, with the consent of the Participant or as otherwise provided in the Plan or an Agreement, outstanding Awards;

(m) to interpret and make final determinations with respect to the remaining number of shares of Common Stock available under the Plan;

(n) to determine the restrictions or limitations on the transfer of Common Stock;

(o) to determine whether the Company or any other person has a right or obligation to purchase Common Stock from a Participant and, if so, the terms and conditions on which such Common Stock is to be purchased;

(p) to determine whether an Award is to be adjusted, modified, or purchased;

(q) to determine whether an Option is to become fully exercisable under the Plan or the terms of an Agreement;

(r) to determine the permissible methods of Option exercise and payment;

(s) to adopt, amend, and rescind such rules, guidelines, procedures and practices as, in its opinion, may be advisable in the administration of the Plan (and which may differ with respect to Awards granted at different times or to different Participants);

(t) to suspend or delay any time period described in the Plan or any Agreement if the Committee determines the applicable action may constitute a violation of any law, or result in liability under any law to the Company or a shareholder of the Company, until such time as the action required or permitted shall not constitute such violation of law or result in such liability;

(u) to appoint and compensate agents, counsel, auditors or other specialists to aid it in the discharge of its duties; and

(v) to otherwise interpret and apply the terms and provisions of the Plan and any Award issued under the Plan (and any Agreement), and to otherwise supervise the administration of the Plan.

Any determination made by the Committee pursuant to the provisions of the Plan shall be made in its sole discretion, and in the case of any determination relating to an Award, may be made at the time of the grant of the Award or, unless in contravention of any express term of the Plan or an Agreement, at any time thereafter. All determinations and decisions made, and actions undertaken, by the Committee pursuant to the provisions of the Plan shall be final and binding for all purposes and on all persons, including the Company and Participants.

3.3 Liability and Indemnification. No member of the Committee (or Board, if no Committee has been appointed) shall be liable for any action or determination made or taken by the member, Committee, or Board, in good faith, with respect to the Plan. Each member of the Committee (or Board) shall be fully justified in relying or acting, in good faith, upon any report made by the independent public accountants of the Company, and upon any other information furnished in connection with the Plan. In no event shall any person who is or shall have been a member of the Committee (or Board) be liable for any determination made or other action taken or any omission to act in reliance upon any such report or information, or for any action taken, including the furnishing of information, or failure to act, if in good faith.

Each person who is or at any time serves as a member of the Committee (or Board) shall be indemnified and held harmless by the Company against and from (a) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit or proceeding to which such person may be a party or in which such person may be involved by reason of any action or failure to act under the Plan, and (b) any and all amounts paid by such person in satisfaction of judgment in any such action, suit, or proceeding relating to the Plan. Each person covered by this indemnification shall give the Company an opportunity, at its expense, to handle and defend such claim, action, suit or proceeding before such person undertakes to handle and defend the same on such person's own behalf. The foregoing right of indemnification shall not be exclusive of any other rights or indemnification to which such persons may be entitled under the articles or certificate of incorporation or by-laws of the Company, as a matter of law or otherwise, or any power that the Company may have to indemnify such persons or hold such persons harmless.

ARTICLE IV
STOCK SUBJECT TO PLAN

4.1 Number of Shares Available. Subject to adjustment under Section 4.5, the total number of shares of Common Stock reserved and available for distribution pursuant to the grant of Awards under the Plan shall be 25,000,000 shares of Common Stock. Such shares may consist, in whole or in part, of authorized and unissued shares or treasury shares.

Subject to adjustment under Section 4.5, the maximum number of shares of Common Stock reserved and available for distribution pursuant to the grant of Options under the Plan shall be 25,000,000 shares of Common Stock. Subject to adjustment under Section 4.5, the maximum number of shares of Common Stock reserved and available for distribution pursuant to the grant of Restricted Stock under the Plan shall be 25,000,000 shares of Common Stock.

4.2 Release of Shares. Subject to Sections 6.3 and 7.3, if any shares of Common Stock that are subject to any Award cease to be subject to an Award or are forfeited or repurchased, if any Option otherwise terminates without issuance of shares of Common Stock being made to the Participant, or if any shares (whether or not restricted) of Common Stock are received by the Company in connection with the exercise of an Option or grant of Restricted Stock, including the satisfaction of tax withholding, such shares, in the discretion of the Committee, may again be available for distribution in connection with Awards under the Plan.

4.3 Conditions on Issuance of Shares. Shares of Common Stock issued in conjunction with an Award shall be subject to the terms and conditions specified herein and to such other terms, conditions, and restrictions as the Committee, in its discretion, may determine or provide in an Agreement.

The Company shall not be required to issue or deliver any certificates for shares of Common Stock, cash, or other property prior to (a) the listing of such shares on any stock exchange (or other public market) on which the Common Stock may then be listed (or regularly traded), (b) the completion of any registration or qualification of such shares under Federal or state law, or any ruling or regulation of any government body which the Committee determines to be necessary or advisable, and (c) the satisfaction of any applicable withholding obligation.

The Committee may require any person exercising an Option or receiving Restricted Stock to make such representations, furnish such information, and execute such other documents as it may consider appropriate in connection with the issuance or delivery of the shares of Common Stock in compliance with applicable law or otherwise including, but not limited to, requiring each person purchasing shares to represent and agree with the Company, in writing, that such person is acquiring the shares without a view to the distribution thereof.

The Company may cause any certificate for any share of Common Stock to be delivered on exercise of an Option or pursuant to a grant of Restricted Stock to be properly marked with a legend or other notation reflecting the limitations on Transfer of such Common Stock as provided in this Plan or as the Committee may otherwise require.

Fractional shares shall not be delivered but shall be rounded to the next lower whole number of shares. No cash settlements shall be made with respect to fractional shares eliminated by rounding.

Any amounts owed to the Company or an Affiliate by the Participant of whatever nature may be offset by the Company from the value of any shares of Common Stock, cash, or other thing of value under this Plan or an Agreement to be transferred to the Participant, and no shares of Common Stock, cash, or other thing of value under this Plan or an Agreement shall be transferred unless and until all disputes between the Company, any Affiliate, and the Participant have been fully and finally resolved and the Participant has waived all claims to such against the Company and any Affiliate to the satisfaction of the Committee.

4.4 Shareholder Rights.

(a) Option. No person shall have any rights of a shareholder as to shares of Common Stock subject to an Option until after (i) proper exercise of the Option, (ii) such other action is taken by the person as may be required pursuant to the Agreement evidencing such Option, and (iii) such shares shall have been recorded on the Company's official shareholder records as having been issued or transferred. Upon exercise of an Option or any portion thereof, the Company shall have sixty (60) days in which to issue the shares and the Participant will not be treated as a shareholder for any purpose prior to such issuance. No adjustment shall be made for cash dividends or other rights for which the record date is prior to the date such shares are recorded as issued or transferred in the Company's official shareholder records, except as provided herein or in an Agreement.

(b) Restricted Stock. Each Participant receiving an Award shall be issued a stock certificate in respect of such Common Stock. Such certificate shall be registered in the name of such Participant and shall bear the legend referenced in Section 4.3. No person shall have any rights of a shareholder as to shares of Common Stock subject to an Award until such shares shall have been recorded on the Company's official shareholder records as having been issued or transferred. Upon grant of an Award, the Company shall have thirty (30) days in which to issue the shares, and the Participant will not be treated as a shareholder for any purpose prior to such issuance. The Participant shall have the right to vote when the Company has (a) issued the shares to the Participant, and (b) recorded such shares on the official shareholder records of the Company. In addition, on vesting the Participant shall not be entitled to any dividends declared and paid on Common Stock between the Grant Date and the date of vesting.

4.5 Adjustment for Corporate Changes. In the event of any Company stock dividend, stock split, combination or exchange of shares, recapitalization or other change in the capital structure of the Company or any Affiliate, corporate separation or division of the Company (including, but not limited to, a split-up, spin-off, split-off or distribution to Company shareholders other than a normal cash dividend), sale by the Company of all or a substantial portion of its assets, reorganization, rights offering, a partial or complete liquidation, or any other corporate transaction or event involving the Company or any Affiliate, then the Committee shall determine whether (and the extent to which) or not to adjust or substitute, as the case may be, the number of shares of Common Stock available for Awards under the Plan, the number of shares of Common Stock covered by outstanding Awards, the exercise price per share of outstanding Options, and performance conditions and any other characteristics or terms of the Awards as the Committee shall deem necessary or appropriate to reflect equitably the effects of such changes to the Participants; provided, however, that any fractional shares resulting from such adjustment shall be eliminated by rounding to the next lower whole number of shares (and no cash settlements shall be made with respect to fractional shares eliminated by rounding).

ARTICLE V
ELIGIBILITY AND SELECTION

5.1 Eligibility. The persons eligible to participate in the Plan and be granted Awards shall be employees, officers, Directors, consultants or other service providers of the Company or any Affiliate.

For purposes of this Section 5.1, prospective employees, officers, Directors, consultants or other service providers of the Company or any Affiliate shall be eligible to participate in the Plan and be granted Awards in connection with and in furtherance of written offers of employment, retention, or engagement, prior to the date any such person commences employment or first performs services for the Company or any Affiliate; provided that:

(a) any Award granted to such person shall be granted contingent on such person commencing employment or performance of services for the Company or any Affiliate, and shall be exercisable no earlier than the date on which such person commences employment or first performs service for the Company;

(b) any Option granted to such person who will not be a common-law employee of the Company (or any "Parent" or "Subsidiary" of the Company as defined in Section 424 of the Code) shall be a Nonqualified Stock Option; and

(c) any Option granted to such person who will be a common-law employee of the Company (or any "Participant" or "Subsidiary" of the Company as defined in Section 424 of the Code) designated as an Incentive Stock Option shall be deemed granted effective on the date such person commences such employment, with the exercise price of the Option to be determined pursuant to Section 6.3(b) as of such date of commencement of employment.

5.2 Selection of Participants. Of those persons eligible to participate in the Plan as described in Section 5.1, the Committee shall, from time to time and in its sole discretion, select the persons to be granted Awards and shall determine the terms and conditions with respect thereto. The Committee may give consideration to such factors as deemed relevant by the Committee to making such selection and determination.

5.3 Awards in Substitution. Awards (including cash in respect of fractional shares) may be granted under the Plan from time to time in substitution for (a) options, or (b) vested or unvested shares held by employees, officers, Directors, consultants or service providers of other corporations who are about to become employees, officers, Directors, consultants or service providers of the Company or an Affiliate as the result of a merger or consolidation of the employing corporation with the Company or an Affiliate, or the acquisition by the Company or an Affiliate of the assets of the employing corporation, or the acquisition by the Company or an Affiliate of the stock of the employing corporation, as the result of which it becomes an Affiliate. The terms and conditions of the Awards so granted may vary from the terms and conditions set forth in this Plan at the time of such grant as the Committee may deem appropriate to conform, in whole or in part, to the provisions of the options or (vested or unvested) shares in substitution for which they are granted.

ARTICLE VI
STOCK OPTIONS

6.1 General. The Committee shall have authority to grant Options under the Plan at any time or from time to time. An Option shall entitle the Participant to receive shares of Common Stock upon exercise of such Option, subject to the Participant's satisfaction in full of the conditions, restrictions, or limitations imposed in accordance with the Plan and an Agreement (which may differ from other Agreements) including, without limitation, payment of the Option Price.

6.2 Grant of Options. The grant of an Option shall occur as of the date the Committee determines. Each Option granted under the Plan shall be evidenced by an Agreement, in a form prescribed or approved by the Committee, that shall embody the terms and conditions of such Option and which shall be subject to the express terms and conditions set forth in the Plan. A person selected by the Committee to receive an Option shall not become a Participant and have any rights with respect to such Option unless and until such person has executed such Agreement, has delivered a fully executed copy of such Agreement to the person or office designated by the Committee, and has otherwise complied with any applicable requirements set forth by the Committee as part of the grant of the Option.

Each Option shall be designated in the Agreement as either an Incentive Stock Option or a Nonqualified Stock Option. Notwithstanding such designation, however, to the extent that the aggregate Fair Market Value of the shares of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Affiliate) exceeds $100,000, or in the event (and only to the extent) that an Option designated as an Incentive Stock Option fails to satisfy the requirements of Section 422 of the Code, such Options shall be treated as Nonqualified Stock Options. For purposes of this Section 6.2, Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the shares of Common Stock shall be determined, for purposes of that $100,000 limitation, as of the time the Option with respect to such shares is granted.

Neither the Plan nor any Option shall confer upon a Participant any right with respect to continuing the Participant's relationship as a service provider with the Company, nor shall they interfere in any way with the Participant's right or the Company's right to terminate such relationship at any time, with or without Cause.

6.3 Terms and Conditions. Options shall be subject to such terms and conditions as shall be determined by the Committee, including the following:

(a) Option Period. The Option Period of each Option shall be fixed by the Committee. Notwithstanding anything herein to the contrary, unless otherwise determined by the Committee and provided in an Agreement, the Option Period of each Option shall be ten (10) years from the Grant Date of the Option. Moreover, in the case of Incentive Stock Options granted to a Participant who, at the time of grant owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate, the term of the Incentive Stock Option shall be five (5) years from the Grant Date or such shorter term as may be provided in the Agreement.

(b) Option Price. The Option Price per share of the Common Stock purchasable under an Option shall be determined by the Committee. The Option Price per share shall not be less than the Fair Market Value of a share of Common Stock made subject to the Option, determined as of the Grant Date; provided, however, that the Option Price shall not be less than the Fair Market Value determined as of the date that the principal terms of the Option are fixed, authorized, and approved by or on behalf of the Committee if such date is not designated as the Grant Date. Moreover, in the case of Incentive Stock Options granted to a Participant who, at the time of grant owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate, the per share Option Price shall be no less than one hundred ten percent (110%) of the Fair Market Value per share on the Grant Date.

(c) Execution of Related Documents. A Participant shall be required to enter into such non-competition, non-solicitation, and confidentiality agreements as the Committee shall specify or as such provisions may be included in the Agreement.

(d) Vesting and Exercisability. Options shall become vested and be exercisable as determined by the Committee and set forth in each Agreement. An Agreement shall state, with respect to all or designated portions of the shares of Common Stock subject thereto, the time at which, the conditions upon which, or the installments in which the Option shall become vested and be exercisable during the Option Period. The Committee may establish requirements for vesting and exercisability based on (i) periods of employment or rendering of services, (ii) the satisfaction of performance criteria with respect to the Company or the Participant (or both), (iii) both periods of employment or rendering of services and satisfaction of performance criteria, or (iv) the occurrence of certain events including, but not limited to, a Change in Control.

Notwithstanding anything herein to the contrary, unless otherwise determined by the Committee and provided in the Agreement, each Option shall become vested and exercisable under the following provisions:

The Committee may substitute an effective date identified in the particular Agreement in place of the Grant Date for use with the foregoing vesting schedule or with any other vesting schedule set forth in such Agreement.

In the case of any Option which, at the Grant Date, is granted with provisions for vesting and exercisability at a later date or in installments, whether by determination of the Committee or by operation of the preceding paragraph, the Committee may thereafter, at any time and in its sole discretion, waive or modify such vesting requirements with respect to such Option, in whole or in part, and accelerate the exercisability of all or a portion of the Option.

(e) Method of Payment. Unless otherwise determined by the Committee and provided in an Agreement, payment of the Option Price under each Option shall be made, in full or in part, by cash or check. No shares of Common Stock shall be issued on exercise of an Option until full payment therefor has been made and all other applicable conditions have been satisfied, as determined by the Committee. Alternative methods of payment the Committee may consider shall include, but are not limited to, the following: (1) tendering other shares of Common Stock which have either been owned by the Participant for more than six (6) months on the date of surrender or were acquired upon exercise of the Option for which payment is being made and which, in either case, have a Fair Market Value on the date of surrender equal to the aggregate Option Price of the shares for which the Option is being exercised, (2) consideration received by the Company under a broker-assisted cashless exercise program implemented by the Company with respect to the Plan, or (3) any combination of the foregoing methods of payment.

(f) Nontransferability of Options. Except as specifically provided herein or in an Agreement, no Option or interest therein shall be transferable by the Participant other than by will or by the laws of descent and distribution, and an Option shall be exercisable during the Participant's lifetime only by the Participant.

(g) Designation of Beneficiary. A Participant may designate a Beneficiary who may exercise the Participant's Option after the Participant's death, subject to the provisions of the Plan. Such designation shall be made in such manner and on such form as shall be prescribed by the Company.

6.4 Effect of Termination of Employment. Except as otherwise determined by the Committee and set forth in an Agreement, if a Participant incurs a Termination of Employment, for any reason, prior to the expiration of the Option Period of any Option, the Option, if not vested and exercisable on the date of Termination of Employment, or any portion of the Option that is not vested and exercisable on the date of the Termination of Employment, shall expire and be forfeited, and shall be void for all purposes, immediately on the date of Termination of Employment.

Except as otherwise determined by the Committee and set forth in an Agreement, in the case of a Participant who incurs a Termination of Employment prior to the expiration of the Option Period of any Option, the Option, if vested and exercisable on the date of Termination of Employment, or any portion of the Option that is vested and exercisable on the date of Termination of Employment, shall continue to be exercisable only for the applicable extended time period following such Termination of Employment set forth hereinafter and shall otherwise cease to be exercisable as of the close of business on the date of Termination of Employment.

(a) In the event of Termination of Employment constituting Retirement, such Option or such portion thereof may be exercised by the Participant until the end of the ninety (90) day period commencing with the date of Retirement or, if earlier, the expiration of the Option Period.

(b) In the event of Termination of Employment due to death, such Option or such portion thereof may be exercised by the Participant's Representative until the end of the twelve (12) month period commencing with the date of the Participant's death or, if earlier, the expiration of the Option Period.

(c) In the event of Termination of Employment due to Disability, such Option or such portion thereof may be exercised by the Participant or, in the event the Participant is legally incompetent, the Participant's Representative until the end of the six (6) month period commencing with the date of Disability or, if earlier, the expiration of the Option Period.

(d) In the event of Termination of Employment at the election of the Participant with "Good Reason" (as defined by such Participant's Employment Agreement), such Option or such portion thereof may be exercised by the Participant until the end of the ninety (90) day period commencing with the date of Termination of Employment or, if earlier, the expiration of the Option Period.

(e) In the event of Termination of Employment by the Company or an Affiliate, as the case may be, without Cause, such Option or such portion thereof may be exercised by the Participant until the end of the ninety (90) day period commencing with the date of Termination of Employment or, if earlier, the expiration of the Option Period.

(f) Notwithstanding anything in the preceding subparagraphs (a) through (e) to the contrary, in the event of Termination of Employment of a Participant by the Company or an Affiliate, as the case may be, for Cause, such Option or such portion thereof shall cease to be exercisable automatically upon first notification to the Participant by the Company or the Affiliate of such termination, with no extended time period for any exercise of the Option or any portion thereof. If a Participant's employment or services are suspended pending an investigation of whether the Participant's employment or services should be terminated for Cause, all of the Participant's rights under any Option shall likewise be suspended during the period of such investigation.

Notwithstanding anything herein to the contrary, the Committee may, at any time and in its sole discretion, further extend or modify the extended time periods for exercisability set forth in this Section 6.4, or waive or modify the operation of the provisions of this Section 6.4 as regards elective Termination of Employment without appropriate or agreed notice and agreed termination terms or Termination of Employment for Cause.

6.5 Information Available to Participants. At least annually, the Company shall make available to all Participants copies of the Company's financial statements for its most recently completed fiscal year. Except as may be required by applicable law, neither the Company nor the Committee shall have any duty or obligation to provide or make available to any Participant any other disclosures or information regarding the Company, and no Participant shall have any right to obtain any other disclosures or to receive any other information regarding the Company, in connection with the grant or exercise of any Option.

6.6 Exercise of Options. An Option which is vested and exercisable shall be exercised by a Participant (or a Representative), in whole or in part, at any time during the Option Period, by giving written notice to the Company, in such form and manner as the Committee may prescribe, specifying the number of shares of Common Stock attributable to the Option to be purchased. Such notice of exercise given to the Company shall be accompanied by payment, in full, of the Option Price and any other executed documents required by the Committee.

6.7 Withholding on Exercise. No later than the date as of which an amount first becomes includible in the gross income of the Participant for Federal income tax purposes with respect to any Option, the Participant shall pay to the Company (or other entity identified by the Committee) or make arrangements satisfactory to the Company or other entity identified by the Board regarding the payment of any Federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company and any Affiliate shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Participant.

6.8 Cash-Out of Option. On receipt of written notice of exercise of an Option at any time prior to a Change in Control, the Committee may elect, at any time, in lieu of issuing Common Stock to cash-out all or any portion of the Option, provided such action would not violate Section 409A of the Code, by paying to the Participant an amount, in cash, equal to the excess of the Fair Market Value of a share of Common Stock, as of the date of exercise, over the Option Price, multiplied by the number of shares of Common Stock subject to the Option elected to be cashed-out by the Committee. The Committee may elect to cash-out all or any portion of an outstanding Option at any other time, using the same formula as described above for determining the consideration to be paid, regardless of any exercise notice or Change in Control. Cash-outs relating to Options held by Participants who are actually or potentially subject to Section 16 of the Exchange Act shall comply with Rule 16b-3, to the extent applicable. The Committee may elect to offset against any cash-out payment under this Section 6.8 any amounts outstanding under any indebtedness or obligations owed by the Participant to the Company or any Affiliate.

ARTICLE VII
RESTRICTED STOCK

7.1 General. The Committee shall have authority to grant an Award of Restricted Stock under the Plan at any time or from time to time.

7.2 Grant of Restricted Stock. The Grant Date shall be determined by the Committee. Each Award of Restricted Stock granted under the Plan shall be evidenced by an Agreement, in a form prescribed or approved by the Committee, that shall embody the terms and conditions of such Award of Restricted Stock and which shall be subject to the express terms and conditions set forth in the Plan. Such Agreement shall become effective upon execution and delivery by the Participant, and receipt by the person or office designated by the Committee.

7.3 Terms and Conditions. Awards of Restricted Stock shall be subject to such terms and conditions as shall be determined by the Committee, including the following:

(a) Vesting Schedule. Awards of Restricted Stock shall become vested in accordance with a schedule determined by the Committee and set forth in each Agreement. An Agreement shall state, with respect to all or designated portions of the shares of Common Stock subject thereto, the time at which, the conditions upon which, or the installments in which the Award shall become vested. The Committee may establish requirements for vesting based on (i) periods of employment or rendering of services, (ii) the satisfaction of performance criteria with respect to the Company or the Participant (or both), (iii) both periods of employment or rendering of services and satisfaction of performance criteria, or (iv) the occurrence of certain events including, but not limited to, a Change in Control.

Notwithstanding anything herein to the contrary, unless otherwise determined by the Committee and provided in the Agreement, each Awards of Restricted Stock shall become vested under the following provisions:

The Committee may substitute an effective date identified in the particular Agreement in place of the Grant Date for use with the foregoing vesting schedule or with any other vesting schedule set forth in such Agreement.

In the case of any Award which, at the Grant Date, is granted with provisions for vesting at a later date or in installments, whether by determination of the Committee or by operation of the preceding paragraph, two-thirds (2/3) of the Committee may thereafter, at any time and in its sole discretion, waive or modify such vesting requirements with respect to such Award, in whole or in part, and accelerate the vesting condition of all or a portion of the Award.

(b) Representations. The Committee may require each person receiving shares pursuant to an Award to represent to and agree with the Company in writing that such person is receiving the shares without a view to the distribution thereof. The certificates for such shares may include any legend that the Committee deems appropriate to reflect any restrictions on transfer.

(c) Other Terms and Conditions. Awards shall be subject to such other terms and conditions as may be determined by the Committee and set forth in an Agreement.

7.4 Effect of Termination of Employment.

(a) Without Cause. Except as otherwise determined by the Board and set forth in an Agreement, a Participant shall forfeit all Awards which are not vested on or before the effective date of a Participant's Termination of Employment without Cause. The Awards shall be forfeited and cancelled effective as of the date of the Participant's Termination of Employment.

(b) For Cause. Except as otherwise determined by the Board and set forth in an Agreement, and notwithstanding any provision in Section 7.3 to the contrary, a Participant shall forfeit all Awards (whether vested or not vested) if a Participant incurs a Termination of Employment for Cause. The Awards shall be forfeited and cancelled effective as of the date of the Participant's Termination of Employment.

7.5 Withholding. No later than the date as of which an amount first becomes includible in the gross income of the Participant for Federal income tax purposes with respect to any Award, the Participant shall pay to the Company (or other entity identified by the Committee) or make arrangements satisfactory to the Company or other entity identified by the Committee regarding the payment of any Federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company and any Affiliate shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Participant.

ARTICLE VIII
PROVISIONS APPLICABLE TO ACQUIRED STOCK

8.1 Securities Law Restrictions. The Company may impose such other restrictions on any shares of Common Stock granted pursuant to an Award under the Plan as it may deem advisable including, but not limited to, restrictions intended to achieve compliance with (a) the Securities Act, (b) the requirements of any stock exchange or over the counter market upon which the Common Stock is then listed or traded, and (c) any Blue Sky or state securities laws applicable to such Common Stock. If at any time the Committee shall determine, in its discretion, that the listing, registration, or qualification of any shares of Common Stock to be granted under the Plan upon any securities exchange or under any state or Federal law, or the consent or approval of any governmental or regulatory body, is necessary or desirable as a condition of or in connection with the grant or issuance of Common Stock hereunder, then no Award may be made unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee. The Committee may require any Participant receiving an Award under the Plan to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of any such Common Stock in compliance with applicable law and shall have the authority to cause the Company, at its expense, to take any action related to the Plan which may be required in connection with such listing registration, qualification, consent or approval.

8.2 Registration Statement. If a registration statement is not in effect under the Securities Act or any applicable state securities laws with respect to the Common Shares, the Company may require the Participant to represent, in writing, that the Common Shares received are being acquired for investment and not with a view to distribution and agree that the Common Shares will not be disposed of except pursuant to an effective registration statement, unless the Company shall have received an opinion of counsel that such disposition is exempt from such requirement under the Securities Act and any applicable state securities laws. The Company shall include on certificates representing Common Shares delivered pursuant to the Plan such legends referring to the foregoing representations or restrictions and any other applicable restrictions on resale as the Committee, in its discretion, shall deem appropriate.

8.3 Transfer on Change in Control. A Participant may Transfer, or may be required to sell, shares of Common Stock acquired pursuant to an Award upon the effective date of a Change in Control, as provided in Section 9.2. Notwithstanding anything herein to the contrary, the Committee may, at any time and in its sole discretion, provide that corporate transactions in addition to those specified in Section 9.2 as constituting a Change in Control, shall constitute events upon the effective date of which a Participant may Transfer any or all of the Shares of Common Stock acquired by the Participant pursuant to an Award.

8.4 Estate Planning Transfers. Notwithstanding anything herein to the contrary, a Participant may, at any time, make a Transfer of shares of Common Stock received pursuant to an Award to his parents, spouse, or descendants or to any trust for the benefit of the foregoing or to a custodian under any uniform gifts to minors act or similar statute for the benefit of any of the Participant's descendants.

8.5 Binding Effect of Plan. Any otherwise permitted Transfer of shares acquired pursuant to an Award shall not be permitted or valid unless and until the transferee agrees to be bound by the provisions of this Plan, and any provision restricting Common Stock under the Agreement; provided that "Termination of Employment" shall continue to refer to the Termination of Employment of the Participant.

8.6 Limited Transfer During Offering. In the event there is an effective registration statement under the Securities Act pursuant to which shares of Common Stock shall be offered for sale in an underwritten offering, a Participant shall not, during the period requested by the underwriters managing the registered offering, effect any public sale or distribution of shares received directly or indirectly pursuant to an Award.

8.7 Disqualifying Disposition. If a Participant disposes of shares of Common Stock acquired pursuant to the exercise of an Incentive Stock Option in any transaction considered a "disqualifying disposition" under Section 421(b) of the Code, the Participant shall provide notice to the Company of such transaction. The Company shall have the right to deduct any Federal, state, local or foreign taxes of any kind required by law to be withheld, with respect to the amount involved in such transaction, from any amounts otherwise payable by the Company to the Participant, or to require the Participant to make other arrangements satisfactory to the Company regarding payment of such taxes.

8.8 Rights of Repurchase. Prior to the effective date of a Change in Control, upon a Termination of Employment of a Participant, the Company shall have the right to repurchase all or any portion of the shares of Common Stock acquired pursuant to an Award (the "Acquired Shares"), whether held by the Participant or by a transferee of the Participant as permitted under Section 8.4 (a "Permitted Transferee"), on the following terms and conditions:

(a) The Company may exercise such right by delivery of written notice (the "Repurchase Notice") to the Participant or any Permitted Transferees within ninety (90) days after the date of the Participant's Termination of Employment or, if later, within ninety (90) days after the date the Participant or the Participant's Representative exercises the Participant's Option following the Participant's Termination of Employment (pursuant to Section 6.4) to obtain Acquired Shares. The Repurchase Notice shall set forth the number of Acquired Shares to be acquired by the Company from the Participant or the Permitted Transferees, the aggregate consideration to be paid for the Acquired Shares and the time and place for the closing of such transaction.

(b) The repurchase of Acquired Shares shall be closed at the Company's executive offices, or at such other location as may be designated by the Company, within twenty (20) days after the date of delivery of the applicable Repurchase Notice. At the closing, the Company shall pay the purchase price to the Participant (or, if applicable, the Permitted Transferee), and the Participant (or, if applicable, the Permitted Transferee) shall deliver the certificate or certificates representing such Acquired Shares to the Company (or nominee), accompanied by duly executed stock powers. The Company shall be entitled to receive customary representations and warranties from the seller regarding the sale of Acquired Shares (including representations and warranties regarding good title to such shares, free and clear of any liens or encumbrances) and to require a seller's signature to be guaranteed by a national bank or reputable securities broker.

(c) The purchase price per share to be paid for the Acquired Shares repurchased by the Company shall be equal to the Fair Market Value of each such Acquired Share as of the date of the Participant's Termination of Employment.

(d) The Company shall make payment for Acquired Shares by, at the option of the Company, (i) a check or wire transfer of funds to the extent such payment would not cause the Company to violate the General Corporation Law of the State of Nevada and would not cause the Company to breach any agreement to which it is a party relating to the indebtedness for borrowed money or other material agreement, (ii) a subordinated promissory note of the Company bearing interest (payable quarterly in cash unless otherwise prohibited) at the applicable federal rate for medium-term obligations, with all remaining principal and interest payment due on the fifth (5th) anniversary of the date of issuance and which shall be subordinated on terms and conditions satisfactory to the holders of the Company's indebtedness for borrowed money, or (iii) a combination of (i) and (ii) above in such proportions as the Company may determine in its sole discretion. In addition, the Company may pay the purchase price by offsetting amounts outstanding under an indebtedness or obligations owed by the Participant to the Company or any Affiliate.

(e) Notwithstanding the foregoing, any repurchase of Acquired Shares attributable to an Incentive Stock Option shall not take place before the first anniversary of the Participant's acquisition of such Acquired Shares, and such repurchase shall be closed within ninety (90) days after a ninety (90) day advance Repurchase Notice is given, so as not to create a "disqualifying disposition" of the Acquired Shares within the meaning of Code Sections 421(b) and 422(a)(i).

ARTICLE IX
CHANGE IN CONTROL PROVISIONS

9.1 Accelerated Vesting on Change in Control. Notwithstanding any other provision of the Plan or in an Agreement to the contrary, in the event of a Change in Control (as defined in Section 9.2), any Award outstanding as of the effective date of the Change in Control that was granted which are not then fully vested (or exercisable) shall become fully vested (or exercisable) to the full extent of the original Award.

9.2 Definition of Change in Control. For purposes of this Plan, a "Change in Control" shall be deemed to have occurred at such time as (a) a person or a group (within the meaning of Sections 13(d) or 14(d)(2) of the Exchange Act), other than a person who is an existing holder of capital stock of the Company or a group consisting solely of existing holders of capital stock of the Company, becomes the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act) of more than fifty (50%) percent of the Company's total outstanding capital stock, (b) a sale, lease or exchange of substantially all of the Company's assets and related business to a third party unaffiliated with an existing holder of capital stock of the Company, or (c) a merger of the Company into or consolidation with another corporation which is unaffiliated with the shareholders or management of the Company and, after giving effect to such merger or consolidation, the existing holders of capital stock of the Company immediately prior to such merger or consolidation own less than fifty-one percent (51%) of the capital stock of the surviving entity. Notwithstanding the foregoing, if Participant is a party to an employment agreement or consulting agreement with the Company that contains a change in control provision and a definition of change in control, the definition of change in control in the employment agreement or consulting agreement, as the case may be, shall be utilized under this Agreement, with respect to said Participant employee/consultant only, in place of the Change in Control definition set forth in this Section 9.2

ARTICLE X
MISCELLANEOUS

10.1 Amendment and Termination. The Board may amend or terminate the Plan at any time, but no amendment or termination shall be made which would impair the rights of a Participant under an Award theretofore granted without the Participant's consent, except to the extent such amendment or termination is made pursuant to express provisions of the Plan or an Agreement or is necessary for the Plan or an Award to comply with any applicable law, regulation, or rule, or in connection with a Change in Control.

The Board may amend the terms of any Award theretofore granted as set forth in an Agreement, prospectively or retroactively, but no such amendment shall be made which would impair the rights of any Participant without the Participant's consent, except to the extent such an amendment is made pursuant to express provisions of the Plan or an Agreement or is necessary for the Plan or an Award to comply with any applicable law, regulation, or rule, or in connection with a Change in Control.

Notwithstanding the foregoing to the contrary, the Board shall not amend or terminate the Plan or an Agreement if the result of such amendment or termination would cause the Award to be governed by Section 409A of the Code.

10.2 Fail-Safe for Rule 16b-3. With respect to persons subject to Section 16 of the Exchange Act, transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3. To the extent any provision of the Plan or action by the Committee fails to comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee. In the event the Plan does not include a provision required by Rule 16b-3 to be stated herein, such provision (other than one relating to eligibility requirements or the price and amount of Awards) shall be deemed to be incorporated by reference into the Plan with respect to Participants subject to Section 16.

If at the time a Participant incurs a Termination of Employment (other than due to Cause) or if at the time of a Change in Control, the Participant is subject to "short-swing" liability under Section 16 of the Exchange Act, any time period provided for under the Plan or an Agreement, to the extent necessary to avoid the imposition of such liability, shall be suspended and delayed during the period the Participant would be subject to such liability, but such suspension and delay shall not be for more than six (6) months and one (1) day and not to exceed the Option Period, whichever is shorter.

10.3 Fail-Safe for Incentive Stock Options. Notwithstanding anything in the Plan to the contrary, no term of the Plan relating to Incentive Stock Options shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be exercised, so as to disqualify the Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify any Incentive Stock Option under Section 422 of the Code.

10.4 Fail-Safe for Mitigation of Excise Tax. Except as otherwise provided in an Agreement or if the requirements of Treasury Regulation §1.280G-1 Q&A6(a)(2) are met to the satisfaction of the Committee, if any payment or right accruing to a Participant under this Plan (without the application of this provision), either alone or together with other payments or rights accruing to the Participant from the Company ("Total Payments"), would constitute a "parachute payment" (as defined in Section 280G of the Code), such payment or right shall be reduced to the largest amount or greatest right that will result in no portion of the amount payable or right accruing under the Plan being subject to an excise tax under Section 4999 of the Code or being disallowed as a deduction under Section 280G of the Code. The determination of the amount of any potential reduction in the payments or rights shall be made by the Committee, in good faith, after consultation with the Participant and shall be communicated to the Participant. The Participant shall cooperate, in good faith, with the Committee in making such determination and providing the necessary information for this purpose. The foregoing provisions of this paragraph shall apply with respect to any person only if, after reduction for any applicable Federal excise tax imposed by Section 4999 of the Code and Federal income tax imposed by the Code, the Total Payments accruing to such person would be less than the amount of the Total Payments as reduced, if applicable, under the foregoing provisions of the Plan and after reduction for only Federal income taxes.

10.5 No Creditor Rights. Unless otherwise provided in this Plan or in an Agreement, no Option shall be subject to the claims of Participant's creditors and no Award may be transferred, assigned, alienated or encumbered in any way other than by will or the laws of descent and distribution or to a Representative upon the death of the Participant.

10.6 No Rights with Respect to Employment. Nothing contained herein shall be deemed to alter the employment relationship between the Company or any Affiliate and a Participant, or the contractual relationship between the Company or any Affiliate and a Participant if there is a written contract regarding such relationship. Nothing contained herein shall be construed to constitute a contract of employment or a contract for services between the Company or any Affiliate and a Participant. The Company or any Affiliate, as the case may be, and each of the Participants shall continue to have the right to terminate the employment or service relationship at any time for any reason, except as provided in a written contract.

10.7 Relationship to Other Benefits. No payment under the Plan shall be taken into account in determining any benefits under any retirement or welfare benefit plan of the Company, unless otherwise specifically provided in such plan of the Company.

The adoption of the Plan by the Board shall not be construed as creating any limitations on the power of the Company or the Board to adopt such other incentive arrangements as the Company or the Board may deem desirable including, without limitation, any stock appreciation right, phantom stock, bonus arrangement, stock options, or restricted stock other than under the Plan, and such arrangements may be applicable either generally or only in specific cases.

10.8 Controlling Law. The Plan, all Agreements and all Awards granted and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Nevada (other than its law respecting choice of law). The Plan and all Agreements shall be construed to comply with all applicable law and to avoid liability to the Company, any Affiliate and (to the extent feasible) to Participants including, without limitation, liability under Section 16(b) of the Exchange Act.

10.9 Waiver of Cumulative Rights. The failure or delay of either the Company or a Participant to require performance by the other party under any provision of the Plan or an Agreement shall not affect the Company's or the Participant's right to require such performance, unless and until such performance has been waived in writing. Each and every right provided by the Plan and an Agreement shall be cumulative and may be exercised from time to time in whole or in part (unless otherwise specifically provided).

10.10 Notices. Any notice which either the Company or a Participant may be required or permitted to provide to the other party under the Plan or an Agreement shall be in writing and shall be deemed sufficiently given if personally delivered or sent by either facsimile, overnight courier, or postage paid first class mail. Notices sent by mail shall be deemed received three (3) business days after mailed, but in no event later than the date of actual receipt. Notices shall be directed, if to a Participant, to the Participant's address indicated in the Company's business records or as otherwise designated in writing delivered by the Participant to the Company to apply for purposes of the Plan and, if to the Company, to the Secretary of the Company at the Company's principal executive office or to such other officer of the Company at such address as may be designated in an Agreement or otherwise in writing delivered by the Company to the Participant.

10.11 Successors and Assigns. This Plan and an Agreement shall inure to the benefit of and be binding upon each successor and assign of the Company. All obligations imposed upon a Participant, and all rights granted to the Company under this Plan and an Agreement, shall be binding upon the Participant's heirs, legal representatives and successors.

10.12 Headings. The headings contained in this Plan or in an Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Plan or an Agreement.

10.13 Severability. If any provision of this Plan and an Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereby or thereof, and this Plan and the Agreement shall be construed as if such invalid or unenforceable provision were omitted.

10.14 Entire Agreement. This Plan and, with respect to any Participant, the Agreement entered into with the Participant pursuant to which an Award is granted, including any Exhibits thereto, shall constitute the entire Agreement with respect to the subject matter hereof and thereof; provided that in the event of any inconsistency between the Plan and the Agreement, the terms and conditions of the Plan shall control.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed on its behalf by the undersigned officer of the Company, as duly authorized by its Board of Directors, as of August 19, 2025.

Upexi, Inc.
("The Company")

By: */s/ Andrew Norstrud*
Andrew Norstrud
Title: CFO

EXHIBIT 10.5

EXECUTIVE EMPLOYMENT AGREEMENT
As Amended and Restated Effective July 1, 2025

Upexi, Inc., a Nevada Corporation, whose principal place of business is 3030 Rocky Point Drive, Suite 420, Tampa, Florida 33607 (the "Company" or "Employer") and Allan Marshall, an individual (the "Executive") entered into an Employment Agreement effective as of April 24, 2025 (the "Prior Agreement"). The Employer and Executive now wish to amend and restate the Prior Agreement effective as of July 1, 2025 to provide for the award of Phantom Stock Appreciation units as described herein and to modify certain terms of Executive's compensation (the "Agreement".) The Agreement supersedes any past employment agreements between the Employer and Executive.

RECITALS

A. The Employer recognizes that the Executive's talents and abilities are unique, and have been integral to the success of the Employer and thus wishes to secure the ongoing services of the Executive on the terms and conditions set forth herein,

B. The Employer desires to continue to employ the Executive and the Executive desires to be employed by the Employer.

C. The parties agree that a covenant not to compete is essential to the growth and stability of the Business of the Employer.

NOW, THEREFORE, in consideration of the mutual promises and agreements and covenants, and subject to the terms and conditions contained in this Agreement, the Employer and Executive, intending to be legally bound, hereby agree as follows:

1. Employment. Employer hereby employs Executive as Chief Executive Officer, and Executive hereby accepts employment by Employer, in accordance with and subject to the terms and conditions of this Agreement.

2. Duties and Authority. During the Employment Period (as hereinafter defined), Executive will occupy the position of Chief Executive Officer and report directly to the Board of Directors. As Chief Executive Officer, Executive shall be in charge of the Company and the Company operations and shall have full authority and responsibility, subject to the general direction and control of the Board of Directors of Employer (the "Board"), for formulating policies and administering the affairs of Employer in all respects, and otherwise performing such duties as are customarily performed by the Chief Executive Officer and member of the board of directors of a company of similar size and structure to Employer. Executive agrees to devote the necessary time, attention and best efforts to the performance of his duties hereunder; provided, however, it shall not be considered a violation of the foregoing for the Executive to serve on corporate, industry, civic, or charitable boards or committees, so long as such activities do not materially interfere with the performance of the Executive's responsibilities as an employee of the Employer in accordance with this Agreement.

3. Initial Term; Employment Period. The initial term of employment shall begin on April 24, 2025 and end on April 24, 2028 (the "Term of this Agreement"). The Term of this Agreement shall be extended automatically for one year beginning on April 24, 2028 and each annual anniversary thereof (the "Extension Date") unless, and until, at least 90 days prior to the applicable Extension Date either the Employer or the Executive provides written notice to the other party that this Agreement is not to be extended (the later of April 24, 2028 or the last date to which the Term is extended shall be the "End of Term"). For purposes of this Agreement, the period beginning on April 24, 2025 and ending on the Date of Termination (as hereinafter defined) shall be referred to herein as the "Employment Period."

4. Compensation. During the Employment Period, which is in the Term of this Agreement, Executive shall receive the following compensation:

(a) Salary. An annual salary of $840,000, payable in accordance with the Employer's standard practice for other senior executives. Executive's salary shall be subject to review, no less frequent than semi-annually, by the Board's Compensation Committee for discretionary periodic increases based on the Company's increase in market cap. For purposes of salary adjustments under this Agreement, "market cap" shall be determined based on the 30-day average price of the Company's common stock on the respective determination date(s). References to "Salary" in this Agreement shall be to the salary set forth in this Paragraph 4(a) and shall include any increases to such salary made hereby.

(b) Restricted Stock Grant. Each year the Board's Compensation Committee will determine the number of restricted shares to be granted to the executive under the Company's 2019 Incentive Stock Plan as amended by September 30th each year. This restricted stock grant will vest over the fiscal year and subject to the terms and conditions of the grant and subject to the restrictions set forth in the 2019 Incentive Stock Plan as amended.

(c) Market Cap / Treasury Growth Incentive Bonus. Executive shall be eligible for a discretionary or formula bonus based on the estimated growth of the Company's fully diluted market cap during each fiscal year. The bonus will be determined by the Board's Compensation Committee based on the current and estimated overall growth of the Company's market cap. The Executive will be paid one forth (1/4) of the estimated bonus quarterly with a final determination made by the Board's Compensation Committee after each fiscal year for the final payment of this incentive bonus for each fiscal year.

(d) Phantom Stock Appreciation. The Employer agrees to award Executive Phantom Stock Appreciation units, which amount is equal to two percent (2%) of the outstanding shares of common stock of Upexi, Inc. on July 1, 2025 (including pre-funded warrants). The Phantom Stock Appreciation award shall be subject to all of the terms and conditions of the Upexi, Inc. Phantom Stock Appreciation Plan effective July 1, 2025 (the "Phantom Stock Plan"). The Employer further agrees to grant Executive two percent (2%) of any future issuance of Upexi, Inc. common stock as long as Executive remains employed on the date of such issuance. The Employer may award additional Phantom Stock Appreciation Units under the Phantom Stock Plan as determined by the Board's Compensation Committee.

(e) Incentive Compensation. Executive shall be eligible for a discretionary or formula bonus as determined by the Board's Compensation Committee and be eligible to participate in one or more compensation plan(s) of Employer, subject to the terms and conditions of those plans.

5. Equity Incentives. Stock options of Employer and other forms of equity compensation such as restricted stock, stock appreciation rights or phantom stock (collectively, "Equity Incentives") may be granted to executive from time to time at the discretion of the Compensation Committee of the Board of Directors (the "Compensation Committee").

6. Benefits. The Executive shall be entitled to participate in all benefit programs of the Company currently existing or hereafter made available to comparable executives.

(a) Vacation. Executive shall be entitled to five (5) weeks of paid vacation during each calendar year and time off for all holidays as designated by the Employer. Unused vacation time will not be paid to Executive at calendar year end.

(b) Expense Reimbursement. Subject to compliance with Employer's business expense reimbursement policies, Executive shall be entitled to reimbursement for all reasonable expenses, including meals, telephone, travel, and entertainment, incurred by Executive in the performance of his duties. Executive will maintain records and written receipts as required by federal and state tax authorities to substantiate expenses as an income tax deduction for Employer and shall submit vouchers for expenses for which reimbursement is made. Credit card receipts (American Express, etc.) and other receipts are acceptable along with other corroborative evidence.

(c) Other Benefits. To the extent not otherwise provided herein (it being the intent not to duplicate benefits), Employer shall provide Executive with no less than the same type and level of other benefits provided by the Employer from time to time to its other executive officers as a group and Board members as a group if these are materially higher than what has been provided to Executive. These include, but are not limited to, life and health insurance benefits, participation in pension and profit-sharing plans, stock option and stock purchase plans, restricted stock grants, stock appreciation rights, and stock warrants.

7. Non-Compete and Non-Solicitation; Confidentiality. In consideration of the employment of Executive by Employer, Executive agrees as follows:

(a) Non-Compete and Non-Solicitation. During the Employment Period and for a period of two (2) years after the Date of Termination, Executive will not, directly or indirectly, within a fifty (50) mile radius of any office of Employer (or a consolidated subsidiary) in existence on the Date of Termination, own, manage, be employed by, work for, consult for, be an officer or director of, advise, represent, engage in or carry on any business which competes with the Business of the Employer at that time. During the Employment Period and for a period of two (2) years after the Date of Termination, Executive will not, directly or indirectly, solicit or induce, or attempt to solicit or induce, any employee of the Employer (or a consolidated subsidiary) to leave the Employer (or a consolidated subsidiary) for any reason whatsoever, or solicit the services of any employee of the Employer (or a consolidated subsidiary).

(b) Non-Disclosure of Information. Executive will not at any time, during or after the term of this Agreement, in any fashion, form, or manner, either directly or indirectly, divulge, disclose, or communicate to any person, firm, or corporation, in any manner whatsoever, any information of any kind, nature, or description concerning any matters affecting or relating to the Business of the Employer, including, but not limited to, the names of any of its customers or prospective customers or any other information concerning the Business of the Employer, its manner of operation, its plans, its vendors, its suppliers, its advertising, its marketing, its methods, its practices, or any other information of any kind, nature, or description, without regard to whether any or all of the foregoing matters would otherwise be deemed confidential, material, or important; provided, however, that this provision shall not prevent disclosures by Executive to the extent such disclosures are (i) believed by the Executive, in good faith and acting reasonably, to be in the best interest of the Employer, (ii) of information that is public at the time of the disclosure (other than as a result of the Executive's violation of this Paragraph 7(b)), or (iii) as required by law or legal process (and, if the Executive is so required to disclose, Executive shall provide the Employer notice of such to allow the Company the opportunity to contest such disclosure).

8. Termination of Employment.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period. Additionally, if the Employer determines in good faith that the Executive has incurred a Disability, it may give the Executive written notice of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Employer shall terminate effective on the later of (i) the date in the notice, (ii) the day after receipt of such notice by the Executive, or (iii) the date the Disability has been considered to occur (the "Disability Effective Date"), provided that, prior to such date, the Executive shall not have returned to full-time performance of the Executive's duties.

(b) Cause. The Employer may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean (i) a material breach by the Executive of the Executive's obligations under paragraph 2 above (other than as a result of temporary incapacity due to physical or mental illness, or Disability) which is demonstrably willful and deliberate on the Executive's part, which is committed in bad faith or without reasonable belief that such breach is in the best interests of the Employer and which is not remedied in a reasonable period of time after receipt of written notice from the Employer specifying such breach; (ii) the conviction of the Executive of a felony; or (iii) a breach of the Executive's fiduciary duty to the Employer or willful violation in the course of performing his duties for the Employer of any law, rule or regulation (other than traffic violation or other minor offenses). (No act or failure to act on the Executive's part shall be considered willful unless done or omitted in bad faith and without reasonable belief that the action or omission was in the best interest of the Employer.)

(c) Good Reason. The Executive's employment may be terminated by the Executive at any time for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the assignment to the Executive of any duties inconsistent in a material respect with the Executive's position (including status, offices, titles and reporting requirement that executive reports directly to the Employer's Board of Directors), authority, duties or responsibilities as contemplated by Paragraph 2 above or any other action by the Employer which results in a diminution in such position, authority, duties or responsibilities in a material respect (including the Executive no longer being the Chief Executive Officer or a Board member of the Employer or a publicly held company successor) that is not consented to by Executive;

(ii) a reduction in the Executive's Salary, which is more than *de minimis*;

(iii) any failure by the Employer to comply with any of the provisions of this Agreement in a material respect;

(iv) the Employer's requiring the Executive to be based at any office or location other than Tampa, Florida; or

(v) a Change of Control; For purposes of this Agreement, "Change in Control" shall mean the occurrence of any of the following events:

(A) one person or entity or more than one person or entity acting as a "group" (as that term is defined in Section 409A-3(i)(5)(v)(B) of the Treasury Regulations) acquires legal or beneficial ownership of stock of the Employer that, together with the stock held legally or beneficially by such person or group, constitutes more than 45 % of the total fair market value or total voting power of the stock of such corporation; or

(B) individuals who, as of the date of the signing of this Agreement, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of such Board; provided that any individual who becomes a director of the Company subsequent to the date of the signing of this Agreement, whose election, or nomination for election by the Company stockholders, was approved by the vote of at least a majority of the directors then in office shall be deemed a member of the Incumbent Board; or

(C) the sale of all or substantially all of the Employer's assets; or

(D) the merger of the Employer into or consolidation with another entity and, after giving effect to such merger or consolidation, the holders of stock of the Employer immediately prior to such merger or consolidation own less than 51% of the stock of the surviving entity after such merger or consolidation.

Notwithstanding Paragraph 6(c)(i) above, the Executive shall not have Good Reason if Executive is involved in a "group" (as defined above) which acquires a substantial portion of the Company's assets or stock. For purposes of this subparagraph c, any good faith reasonable determination of "Good Reason" made by the Executive shall be conclusive**.** However, no such event described hereunder shall constitute Good Reason unless the Executive has given written notice to the Employer specifying the event relied upon for such termination within 30 days after the occurrence of such event and the Employer has not remedied such within 60 days of receipt of such notice. The Employer and the Executive, upon mutual written agreement, may waive any of the foregoing provisions which would otherwise constitute Good Reason.

(d) Notice of Termination. Any termination by the Employer for Cause, or by the Executive for Good Reason, shall be communicated to the other party by Notice of Termination. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon; (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment; and (iii) specifies the Date of Termination (as defined below). Notice of intent to terminate employment for Good Reason must be provided pursuant to Paragraph 8(c) of this Agreement. The failure by the Executive or the Employer to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Employer hereunder or preclude the Executive or the Employer from asserting such fact or circumstance in enforcing the Executive's or the Employer's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Employer for Cause, or by the Executive for Good Reason, the date specified in the Notice of Termination as the Date of Termination; (ii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be; and (iii) if the Executive's employment is terminated by either party other than for death, Disability, Cause or Good Reason, the date set forth in the notice required under subparagraph 8(d) above as the date the termination is to be effective.

9. Obligations of the Employer upon Termination. Upon termination of the Executive's employment for any reason during the Term of this Agreement, Executive shall be entitled to Salary and all benefits through the Date of Termination, and to exercise then vested stock options in accordance with and to the extent that exercise is approved by the Compensation Committee. Upon the termination of the Executive's employment during the Term of this Agreement by the Executive for Good Reason, or by the Employer for any reason other than Cause, Executive shall in addition be entitled to exercise the option(s) with accelerated vesting if and to the extent that exercise is approved by the Compensation Committee. In addition, upon the termination of the Executive's employment during the Term of this Agreement by the Executive for Good Reason, or by the Employer for any reason other the Cause or death, the Executive shall be entitled to receive: (1) a lump sum payment equal to three (3) times Executive's Salary as of the Date of Termination, (2) the Payment Date Value (as defined in the Phantom Stock Plan) on the Date of Termination of Phantom Stock Appreciation Units awarded to Executive, and (iii) Executive, Executive's spouse and dependent medical, dental and hospital benefits under Paragraph 6 that would continue to be provided at Employer expense based on the active employee premium cost (either group or individual policy) for a period of one year following the Date of Termination. The amounts payable to Executive under items (1), (2) and (3) of the preceding sentence shall be no less than $10,000,000. Such amounts shall be paid in a lump sum payment no later than thirty days after the Date of Termination in immediately available United States funds.

10. Indemnification of Executive. The Executive shall be entitled to indemnification and defense by the Employer to the full extent allowed by law, subject to and in accordance with the execution of the Employer's customary Indemnification Agreement—as established from time to time by the Employer's Board of Directors—to protect the Employer's officers and directors in the ordinary and prudent exercise of their duties to the Employer — including the benefits of any insurance coverage that the Employer may purchase or have in effect. To the extent that any such insurance coverage may not be sufficient or applicable, the Executive shall have the right to reimbursement and indemnification by the Employer, in accordance with the Employer's Indemnification Agreement in effect at the time of any relevant loss or claim. Nothing in this Agreement shall be deemed to alter, amend, limit, or vary any of the terms of the Employer's duly approved Indemnification Agreement or its effective date, as modified from time to time within the sole discretion of the Employer's Board of Directors.

11. Mitigation of Damages. Executive shall not be required to mitigate damages, or the amount of any payment provided for under this Agreement by seeking other employment or otherwise. Except as otherwise provided above with respect to certain welfare benefits, the amount of any payment provided for under this Agreement shall not be reduced by any compensation earned by the Executive as the result of self-employment or employment by another employer or otherwise.

12. Tax Effect. If Independent Tax Counsel shall determine that the aggregate payments made and benefits provided to the Executive pursuant to this Agreement and any other payments and benefits provided to the Executive from the Employer, its affiliates and plans which constitute "parachute payments" as defined in Section 280G of the Code (or any successor provision thereto) ("Parachute Payments") would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount (determined by Independent Tax Counsel) such that after payment by the Executive of all taxes (including any Excise Tax) imposed upon the Gross-Up Payment and any interest or penalties imposed with respect to such taxes, the Executive retains from the Gross-Up Payment an amount equal to the Excise Tax imposed upon the payments. For purposes of this Paragraph, "Independent Tax Counsel" shall mean a lawyer, a certified public accountant with a nationally recognized accounting firm, or a compensation consultant with a nationally recognized actuarial and benefits consulting firm with expertise in the area of executive compensation tax law, who shall be selected by the Employer and shall be reasonably acceptable to the Executive, and whose fees and disbursements shall be paid by the Employer.

(a) If Independent Tax Counsel shall determine that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion that the Executive has substantial authority not to report any Excise Tax on the Executive's Federal income tax return. If the Executive is subsequently required to make a payment of any Excise Tax, then the Independent Tax Counsel shall determine the amount of such additional payment ('Gross-Up Underpayment'), and any such Gross-Up Underpayment shall be promptly paid by the Employer to or for the benefit of the Executive. The fees and disbursements of the Independent Tax Counsel shall be paid by the Employer.

(b) The Executive shall notify the Employer in writing within 15 days of any claim by the Internal Revenue Service that, if successful, would require the payment by the Employer of a Gross-Up Payment. If the Employer notifies the Executive in writing that it desires to contest such claim and that it will bear the costs and provide the indemnification as required by this sentence, the Executive shall:

(i) give the Employer any information reasonably requested by the Employer relating to such claim;

(ii) take such action in connection with contesting such claim as the Employer shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Employer;

(iii) cooperate with the Employer in good faith in order to effectively contest such claim; and

(iv) permit the Employer to participate in any proceedings relating to such claim; provided, however, that the Employer shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. The Employer shall control all proceedings taken in connection with such contest; provided, however, that if the Employer directs the Executive to pay such claim and sue for a refund, the Employer shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance.

(c) If, after the receipt by the Executive of an amount advanced by the Employer pursuant to this Paragraph 12, the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall, within 10 days, pay to the Employer the amount of such refund, together with any interest paid or credited thereon after taxes applicable thereto.

13 Section 409A. To the greatest extent permissible under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations promulgated thereunder (collectively, "Section 409A"), the payments to Executive under this Agreement are intended to be exempt from Section 409A, including pursuant to Treasury Regulation sections 1.409A-1(b)(4) (the "short term deferral" exemption) or 1.409A-1(b)(9) (the "separation pay" exemption), and shall be administered accordingly. Notwithstanding anything in this Agreement to the contrary:

(a) To the extent any amounts or benefits payable pursuant to this Agreement constitute "deferred compensation" (within the meaning of Section 409A) and are not exempt from the applicability of Section 409A, then the following shall be applicable under this Agreement:

(i) If any amount paid pursuant to this Agreement is deferred compensation within the meaning of Section 409A, payable as a result of a termination of the Executive's employment, and as of the date of termination of employment giving rise to payment of such amount the Executive is a Specified Employee, then amount(s) that would otherwise be payable during the six (6) month period immediately following such date of termination shall instead be paid, with interest on any delayed payment at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code, on the first business day after the date that is six (6) months following the Executive's "separation from service" (within the meaning of Section 409A) (the "Delayed Payment Date"). As used in this Agreement, the term "Specified Employee" means a "specified employee" as defined in Section 409A(a)(2)(B)(i) of the Code. By way of clarification, "specified employee" means a "key employee" (as defined in Section 416(i) of the Code, disregarding Section 416(i)(5) of the Code) of Employer. The Executive shall be treated as a key employee if the Executive meets the requirement of Section 416(i)(1)(A)(i), (ii), or (iii) of the Code at any time during the twelve (12) month period ending on an "identification date." For purposes of any "Specified Employee" determination hereunder, the "identification date" shall mean the last day of each calendar year; and

(ii) Neither Employer nor the Executive or any other person or entity, acting alone or jointly, may exercise any discretion, through an amendment of this Agreement or otherwise, with respect to any payment under this Agreement which is not exempt from the requirements of Section 409A, regarding acceleration or other action or omission in respect of any such non-exempt payment, in a manner which would give rise to taxation under Section 409A.

14. Notices. Any notice provided for in this Agreement shall be given in writing. Notices shall be effective from the date of receipt if delivered personally to the party to whom notice is to be given, or on the second day after mailing if mailed by first class mail, postage prepaid. Notices shall be properly addressed to the parties at their respective addresses set forth below or to such other address as either party may later specify by notice to the other:

If to Employer:

Upexi, Inc.
3030 Rocky Point Drive
Suite 420
Tampa, Florida 33607

If to Executive:

Allan Marshall
6413 E Maclaurin Dr.
Tampa, FL 33647

15. Entire Agreement. This Agreement contains the entire agreement and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof, including, but not limited to, any and all prior employment agreements and related amendments entered into between the Employer and the Executive. This Agreement may be changed only by an agreement in writing signed by the party against whom any waiver, change, amendment or modification is sought.

16. Waiver. The waiver by one party of a breach of any of the provisions of this Agreement by the other shall not be construed as a waiver of any subsequent breach.

17. Attorney's Fees. In the event of litigation or other dispute resolution proceeding involving the interpretation or enforcement of this Agreement, the prevailing party shall be entitled to recover from the other all fees, costs and expenses incurred in connection therewith, including attorney's fees through appeal.

18. Tax Withholding. The Employer shall have the right to deduct from all benefits and/or payments under the Agreement any taxes required by law to be paid or withheld with respect to such benefits or payments.

19. Governing Law; Venue. The Agreement shall be construed and enforced in accordance with the laws of the State of Nevada.

20. Paragraph Headings. Paragraph headings are for convenience only and are not intended to expand or restrict the scope or substance of the provisions of this Agreement.

21. Assignability. The rights and obligations of the Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Employer. This Agreement is a personal employment agreement and the rights, obligations and interests of the Executive hereunder may not be sold, assigned, transferred, pledged or hypothecated.

22. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall remain in full force and shall in no way be impaired.

23. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to account for more than one such counterpart.

(Signatures appear on the following page.)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

EXECUTIVE

/s/ Allan Marshall
Allan Marshall, individually

EMPLOYER

UPEXI, INC.

By: */s/ Andrew J. Norstrrud*
Andrew J. Norstrud
Chief Financial Officer

EXHIBIT 10.32

UPEXI, INC.
PHANTOM STOCK APPRECIATION PLAN

EFFECTIVE JULY 1, 2025

TABLE OF CONTENTS

ARTICLE I
ESTABLISHMENT AND PURPOSE

1.1 Establishment of Plan. Upexi, Inc., a Delaware corporation, (the "Company") hereby adopts and establishes an incentive plan for key employees of the Company and its subsidiaries which shall be known as the Upexi, Inc. Phantom Stock Appreciation Plan (the "Plan").

1.2 Purpose. The purpose of the Plan is to motivate and reward key employees of the Company by providing incentive compensation opportunities based upon the value of the Company, thereby increasing the long-term value of the Company and enhancing the Company's ability to attract, retain, and motivate the highest caliber employees. The purpose of the Plan will be carried out by granting Phantom Stock Appreciation Units ("PSUs") to eligible employees, subject to the terms of the Plan. No actual shares of common stock or other ownership membership interests in the Company shall be issued under the Plan, and no Participant shall be entitled to receive shares of common stock or other ownership interests in the Company pursuant to the grant of an award under the Plan.

ARTICLE II
DEFINITIONS

The following definitions apply under the Plan:

"Account" means a bookkeeping account established in the name of each Participant which is credited with shares of Phantom Stock Appreciation Units awarded to the Participant.

"Affiliate" means a corporation or other entity that, directly or through one or more intermediaries, controls, is controlled by or is under common control with, the Company.

"Award" means the grant of Phantom Stock Appreciation Units to a Participant.

"Award Agreement" means the agreement between the Company and a participant evidencing each grant of Phantom Stock Appreciation Units and the terms thereof.

"Cause" means, if there is an employment agreement between the Participant and the Company and the agreement contains a definition of "Cause", the definition contained therein; otherwise "Cause" shall mean:

(a) the Participant's conviction of a felony under Federal law or the law of the state in which such action occurred;

(b) the Participant's dishonesty in the course of fulfilling employment duties;

(c) the Participant's disclosure of Company trade secrets;

(d) willful and deliberate failure of the Participant to perform employment duties in any material respect;

(e) the Participant's material violation of the Company's written policies or codes of conduct, including written policies related to discrimination, harassment, performance of illegal or unethical activities, and ethical misconduct;

(f) the Participant's engagement in conduct that brings or is reasonably likely to bring the Company negative publicity or into public disgrace, embarrassment, or disrepute.

The Compensation Committee of the Company shall have sole discretion to determine whether Cause exists and its determination shall be final.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" means Upexi, Inc.

"Date of Grant" means the date an Award is granted to a Participant.

"Effective Date" of the Plan is July 1, 2025.

"Employee" means a person (as described in Treas. Reg. §1.409A-1(f)(1)) providing services in the capacity of a common law employee to the Employer.

"Employer" means the Company, a subsidiary of the Company or an affiliate of the Company.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Grant Date Value" means the closing price of Upexi, Inc. common stock on NASDAQ on the business day preceding the Date of Grant.

"Participant" means an employee who is selected to participate in the Plan.

"Payment Date" means the date on which the Participant will receive a lump sum distribution of their Account balance.

"Payment Date Value" means the 30-day average closing price of Upexi, Inc. common stock on NASDAQ between June 1st and June 30th immediately preceding the Payment Date as described in Section 5.2. If the Payment Date is other than July 1st, then the Payment Date Value shall be the 30/31-day average closing price of Upexi, Inc. common stock on NASDAQ for the full month immediately preceding the designated payment date as determined by the Company.

"Phantom Stock Appreciation Units" or **"PSUs"** means an award of an unfunded, unsecured promise by the Company to pay to a Participant the Payment Date Value subject to the terms and conditions of this Plan. Phantom Stock Appreciation Units do not constitute issued and outstanding shares of stock for any corporate purposes and do not confer on the Participant any voting rights or the right to receive dividends.

"Plan" means the Upexi, Inc. Phantom Stock Appreciation Plan, as amended from time to time.

"Plan Year" means the twelve month period beginning July 1 and ending June 30.

"Rollover Date" means each July 1 following the Date of Grant for existing Award(s) granted to a Participant and subject to the terms and conditions of Articles IV and V.

"Rollover Date Value" means the 30-day average closing price of Upexi, Inc. common stock on NASDAQ between June 1st and June 30th immediately preceding the Rollover Date.

ARTICLE III
ELIGIBILITY AND PARTICIPATION

3.1 Eligibility. Any employee of the Company who is selected and approved by the Board of Directors, upon such criteria as determined by the Board of Directors in its discretion, shall be eligible to participate in the Plan.

3.2 Grant of Awards. The Company may grant awards of Phantom Stock Appreciation Units to Participants in such amounts as it may determine as of July 1 of a given Plan Year or such other date as the Company determines.

ARTICLE IV
TERMS AND CONDITIONS

4.1 Awards. The Board of Directors will grant to each Participant a number of PSUs as the Board of Directors shall determine in its discretion. The Board of Directors may, from time to time, grant additional PSUs to new and existing Participants at its sole discretion. PSUs will be deemed to be granted as of July 1 in the year specified by the Board of Directors or such other date as selected by the Board and listed in a Participant's Award Agreement.

4.2 Vesting. Except as otherwise provided in a Participant's employment or Award Agreement and subject to the Board's discretion pursuant to Section 5.2, PSUs shall be 100% vested on each June 30th following the Date of Grant provided that Participant is employed by the Company or an Affiliate on such date. Notwithstanding the foregoing, in the event a Participant is terminated by the Company or an Affiliate for Cause, all PSUs shall be forfeited.

4.3 Adjustment for Changes in Capitalization. In the event of any change in the number of outstanding shares of stock by reason of a recapitalization, reclassification, stock split, reverse stock split or stock dividend, the number of Phantom Stock Appreciation Units shall be proportionately adjusted by the Board of Directors if applicable and in a reasonable and equitable manner.

ARTICLE V
VALUATION AND PAYMENT OF PHANTOM STOCK APPRECIATION UNITS

5.1 Valuation. The Company shall credit to each Participant's Account by means of a bookkeeping entry the number of Phantom Stock Appreciation Units awarded. On an annual basis, as of the end of each Plan Year (June 30), the Account for each Participant shall be equal to the excess of (a) the Payment Date Value at the end of the Plan Year (or such other determination date selected by the Company if the Payment Date is not July 1); over (b) the Grant Date Value or the Rollover Date Value as applicable, multiplied by (c) the number of PSUs in a Participant's Account. Such amount shall be paid to a Participant pursuant to Section 5.2.

The PSUs in the Account shall be valued each year and such process shall continue until the earliest to occur of the date a Participant has terminated employment, the date of a Change of Control as defined by the Company, and the date the Plan has terminated or the Company has terminated one or more awards for a Participant. If the per unit value of PSU at the end of the Plan Year is less than the per unit value of the PSU at the beginning of such Plan Year, no amount shall be payable to a Participant under the Plan for such Plan Year.

5.2 Payment. A Participant must be employed on June 30th to receive the Account value for such Plan Year except as otherwise determined by the Company. The Account value as determined in Section 5.1 shall be paid in a lump sum payment no later than September 15th following the end of each Plan Year. Payment will be made in cash. The Company may also elect to pay up to 50% of the Account value prior to June 30 of each year with a true up made for the Payment Date Value on June 30 if applicable.

5.3 Withholding. The Company will withhold from any payment made under the Plan all applicable taxes, including federal, state, local and employment taxes.

ARTICLE VI
AMENDMENT AND TERMINATION

6.1 Amendment and Termination. The Board may, at any time, and in its discretion, alter, amend, modify, suspend or terminate the Plan or any portion thereof; provided, however, that no such amendment, modification, suspension or termination shall, without the consent of a Participant, adversely affect such Participant's rights with respect to amounts credited to or accrued in their Account and provided, further, that, no amendment shall be made or payment of benefits shall occur upon termination of the Plan unless the requirements of Section 409A of the Code have been met.

6.2 Cessation of Future Awards. The Company may elect at any time to amend the Plan to cease future awards as of a specified date. In such event, the Plan remains in effect (except those provisions permitting the frozen awards type) until all balances are paid in accordance with the Plan terms, or, if earlier, upon the Company's termination of the Plan.

ARTICLE VII
PLAN ADMINISTRATION AND GENERAL PROVISIONS

7.1 Plan Administration. The Board of Directors will administer and interpret the Plan, including making a determination of the benefit due any Participant under the Plan. The decision of the Board of Directors or its designee concerning the administration of the Plan is final and is binding upon all persons having any interest in the Plan.

7.2 Unfunded Plan. The Company intends this Plan to be an unfunded plan that is wholly or partially exempt under ERISA. No Participant, beneficiary or successor thereto has any legal or equitable right, interest or claim to any property or assets of the Company. The Company's obligation to pay Plan benefits is an unsecured promise to pay. Any assets held in the Plan remain subject to claims of the Company's general creditors and no Participant's or beneficiary's claim to Plan assets has any priority over any general unsecured creditor of the Company.

7.3 No Assignment. No Participant has the right to anticipate, alienate, assign, pledge, encumber, sell, transfer, mortgage or otherwise in any manner convey in advance of actual receipt, the Participant's Account. Prior to actual payment, a Participant's Account is not subject to the debts, judgments or other obligations of the Participant or beneficiary and is not subject to attachment, seizure, garnishment or other process applicable to the Participant or beneficiary.

7.4 Not an Employment Contract. The Plan does not constitute a contract of employment, and participation in the Plan will not give any Participant the right to be retained in the employ of the Company or any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan.

7.5 Severability. The parties expressly agree that in the event that any provision of this Plan shall be adjudicated to be unenforceable by any court of competent jurisdiction or by any arbitrator(s) pursuant to the foregoing provision, the balance of this Plan shall remain in full force and effect.

IN WITNESS WHEREOF, this instrument, by the authority of the Board of Directors of Upexi, Inc. has been executed this _____ day of _____, 2025.

UPEXI, INC.

By: _____

Its: _____

INSIDER TRADING POLICY

SUMMARY

- **You may not buy or sell Upexi, Inc. stock, notes or other securities without submitting a pre-clearance form to and obtaining pre-clearance from an Insider Trading Chief Financial Officer.** Pre-clearance forms may be obtained from the Chief Financial Officer.

- **You may not buy or sell Upexi, Inc. stock, notes or other securities except during an open trading window.** Trading windows will open for 30-trading-day periods beginning two full trading days after Upexi, Inc. has announced publicly the financial results for the quarter, or for the full year with respect to the fourth quarter.

- **You may not buy or sell Upexi, Inc. stock, notes or other securities while you are in possession of material, non-public information about the Company or the securities.**

- **You may not communicate material, non-public information to anyone** outside the Company under any circumstances, or to anyone within the Company other than on a need-to-know basis.

This Insider Trading Policy, including the restrictions set forth above, applies to all officers, directors and employees of Upexi, Inc. or its subsidiaries (collectively "Upexi, Inc." or the "Company") and extends to all activities within and outside your duties at the Company. It applies to all securities of the Company, including stock, preferred stock, warrants, notes and stock options, and strictly limits the periods during which you may buy or sell Upexi, Inc. stock, notes and other securities.

Upexi, Inc. is a publicly held company. Its common shares and senior notes trade on the Nasdaq Capital Market. Options issued by third parties may trade on other public markets. Publicly held companies are subject to an array of securities and other laws. Prevention of insider trading is necessary to comply with securities laws and to preserve the reputation and integrity of the Company and everyone associated with it. In some cases, this Insider Trading Policy goes beyond the minimum requirements of the law to avoid any appearance of impropriety and to protect your reputation as well as the Company's reputation.

Insider trading is a crime. It is illegal for you to buy or sell Upexi, Inc. stock or other Company security while you are in possession of material, non-public information about the Company or the security. Moreover, it is illegal for you to pass such information to others so that they might buy or sell Upexi, Inc. stock or other securities (called tipping). The penalties for violating the law include imprisonment, disgorgement of profits, civil fines of up to three times the profit gained, or loss avoided, and criminal fines of up to $1,000,000 for individuals and $2,500,000 for entities. You will also be subject to discipline by the Company, which may include termination of employment.

Officers and directors are also subject to rules regarding short-swing profits and short selling.

Questions regarding the Insider Trading Policy should be directed to the Company's General Counsel or Chief Financial Officer. Chief Financial Officer and General Counsel serve as the Insider Trading Chief Financial Officers (the "Chief Financial Officers").

STATEMENT OF POLICIES PROHIBITING INSIDER TRADING

You may not buy or sell any type of stock or other security of the Company (or third-party option or security the value of which is derived from securities of the Company) while in possession of material, non-public information relating to the Company or the security. Additionally, **you may not buy or sell stock or any other security of the Company (or a derivative security) except during the 30-trading-day periods that begin two full trading days after the date the financial results for the calendar quarter, or for the full year with respect to the fourth quarter, have been announced publicly.** The announcement date of the quarterly results varies but occurs normally toward the end of the month following the end of the fiscal quarter.

Notwithstanding the foregoing, you may engage in transactions directly with the Company (exercise stock options, for example), buy or sell securities pursuant to a plan described in Rule 10b5-1(c)(1) of the U.S. Securities and Exchange Commission (the "SEC") and make regular reinvestments pursuant to a dividend reinvestment plan.

The Company's Chief Executive Officer will have the authority and discretion anytime to extend any trading period beyond 30 days or to initiate an additional trading period of any duration upon making a determination that such extension or initiation of a trading period is not materially inimical to the best interests of the Company. Moreover, the Company's Chief Executive Officer will have the authority, on a case-by-case basis, to exempt one or more employees, directors or officers from the foregoing trading prohibition upon making a determination that special circumstances merit the exemption and that such exemption is not materially inimical to the best interests of the Company. Finally, the Company's Chief Executive Officer will have the authority and discretion to close any trading period before its scheduled expiration or extension upon making a determination that such closure is in the best interest of the Company.

You must not directly or indirectly tip material, non-public information to anyone while in possession of such information. In addition, material, non-public information should not be communicated to anyone outside the Company under any circumstances, or to anyone within the Company other than on a need-to-know basis.

As an employee, officer or director of Upexi, Inc. you may come into possession of inside information relating to another company with which we have or plan to have dealings. You may not buy or sell any type of stock or other security of that other company while in possession of such material, non-public information.

EXPLANATION OF INSIDER TRADING

"Insider trading" refers to the purchase or sale of a security while in possession of "material" "non-public" information relating to the security. The term "securities" means an investment instrument, including stocks, bonds, notes and debentures, but also options, warrants and similar instruments. "Purchase" and "sale" are defined broadly under federal securities laws. "Purchase" includes not only the actual purchase of a security, but any contract to purchase or otherwise acquire a security. "Sale" includes not only the actual sale of a security, but any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions including conventional cash-for-stock transactions, conversions, the grant and exercise of stock options and acquisitions and exercises of warrants or puts, calls or other options related to a security. It is generally understood that insider trading includes the following:

- Trading by insiders while in possession of material, non-public information;

- Trading by persons other than insiders while in possession of material, non-public information where the information either was received in breach of an insider's fiduciary duty to keep it confidential or was misappropriated; or

- Communicating or tipping material, non-public information to others, including recommending the purchase or sale of a security while in possession of such information.

What Facts are Material?

The materiality of a fact depends upon the circumstances. A fact is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where the fact is likely to have a significant effect on the market price of the security. Material information can be positive or negative and can relate to virtually any aspect of a company's business or to any type of security, debt or equity.

Examples of material information include facts concerning corporate earnings, earnings forecasts or other aspects of financial performance; mergers, acquisitions, joint venture arrangements, partnering agreements, significant equity investments by or in third parties; major litigation; departure of employees; significant advances or set-backs in technological research and development; important business developments; acquisition or loss of a major customer or supplier; significant borrowings or financings; defaults on borrowings; and bankruptcies. Moreover, material information does not have to be related to a company's business. For example, the contents of a forthcoming newspaper column about the sector or industry in general that is expected to affect the market price of a security can be material.

A good general rule of thumb: **when in doubt, do not buy or sell Upexi, Inc. stock or notes.**

What is Non-Public?

Information is nonpublic if it has not been disseminated in a manner making it available to investors generally. Typically, the Company makes information public by filing reports electronically with the SEC and issuing news releases though business news wire services. Almost immediately thereafter, the SEC reports and news releases become available automatically on the Company's website and various financial and business news sites. Additionally, the SEC reports are available on the SEC's website. In the future the Company may use social media to disseminate information.

The circulation of rumors, even if accurate and reported in the news media, does not constitute effective public dissemination.

In addition, even after a public announcement, a reasonable period of time must elapse in order for the market to react to the information. Generally, one should allow approximately 48 hours following publication as a reasonable waiting period before such information is deemed to be public.

Who is an Insider?

"Insiders" include officers, directors and employees of a company and anyone else who has material inside information about a company. Insiders have independent fiduciary duties to their company and its stockholders not to trade on material, non-public information relating to the company's securities. All officers, directors and employees of the Company should consider themselves insiders with respect to material, non-public information about the Company's business, activities and securities. Officers, directors and employees may not trade the Company's securities while in possession of material, non-public information relating to the Company nor tip (or communicate except on a need-to-know basis) such information to others.

It should be noted that trading by members of an officer's, director's or employee's household or immediate family can be the responsibility of such officer, director or employee under certain circumstances and could give rise to legal and Company-imposed sanctions.

Trading by Persons Other than Insiders

Insider trading violations are not limited to trading by insiders. Insiders may be liable for communicating or tipping material, non-public information to third parties ("tippees"). Moreover, persons other than insiders can be liable for insider trading, including tippees who trade on material, non-public information tipped to them or individuals who trade on material, non-public information which has been misappropriated.

Tippees inherit an insider's duties and are liable for trading on material, non-public information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the information along to others who trade. In other words, a tippee's liability for insider trading is no different from that of an insider. Tippees can obtain material, non-public information by receiving overt tips from others or through, among other things, conversations at social, business, or other gatherings.

Are There Excuses for Insider Trading?

There are no valid excuses for insider trading. There are no financial hardship exemptions. It does not matter that you need money to buy a house or pay for college or medical expenses. There is no exception for small trades. Losing money is not a defense. If you have material nonpublic information – don't trade. If in doubt – don't trade. Always assume your trading or advice to others will be scrutinized with twenty-twenty hindsight and presume the worst outcome.

Prohibition of Records Falsifications and False Statements

Section 13(b)(2) of the 1934 Act requires companies subject to the Act to maintain proper internal books and records and to devise and maintain an adequate system of internal accounting controls. The SEC has supplemented the statutory requirements by adopting rules that prohibit (1) any person from falsifying records or accounts subject to the above requirements and (2) officers or directors from making any materially false, misleading, or incomplete statement to any accountant in connection with any audit or filing with the SEC. These provisions reflect the SEC's intent to discourage officers, directors and other persons with access to the Company's books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

Penalties for Engaging in Insider Trading

Penalties for trading on or tipping material, non-public information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in such unlawful conduct and their employers. The SEC and Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the federal securities laws include:

- SEC administrative sanctions;
- Securities industry self-regulatory organization sanctions;
- Civil injunctions;
- Damage awards to private plaintiffs;

- Disgorgement of all profits;
- Civil fines for the violator of up to three times the amount of profit gained or loss avoided;
- Civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of $1,000,000 or three times the amount of profit gained or loss avoided by the violator;
- Criminal fines for individual violators of up to $1,000,000 ($2,500,000 for an entity); and
- Prison sentences of up to 10 years.

In addition, insider trading could result in serious sanctions by the Company, including dismissal. Insider trading violations are not limited to violations of the federal securities laws. Other federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the Racketeer Influenced and Corrupt Organizations Act (known as RICO), also may be violated upon the occurrence of insider trading.

Examples of Insider Trading

Examples of insider trading cases include actions brought against corporate officers, directors and employees who traded a company's securities after learning of significant confidential corporate developments; friends, business associates, family members, and other tippees of such officers, directors, and employees who traded the securities after receiving such information; government employees who learned of such information in the course of their employment; and other persons who misappropriated, and took advantage of, confidential information from their employers.

The following are illustrations of insider trading violations. These illustrations are hypothetical and, consequently, not intended to reflect on the actual activities or business of the Company or any other entity.

Trading by Insider

An officer of X Corporation learns that earnings to be reported by X Corporation will increase dramatically. Prior to the public announcement of such earnings, the officer purchases X Corporation's stock. The officer, an insider, is liable for all profits as well as penalties of up to three times the amount of all profits. The officer also is subject to, among other things, criminal prosecution, including up to $1,000,000 in additional fines and 10 years in prison. Depending upon the circumstances, X Corporation and the individual to whom the officer reports also could be liable as controlling persons.

Trading by Tippee

An officer of X Corporation tells a friend that X Corporation is about to publicly announce that it has concluded an agreement for a major acquisition. This tip causes the friend to purchase X Corporation's stock in advance of the announcement. The officer is jointly liable with his friend for all of the friend's profits and each is liable for all penalties of up to three times the amount of the friend's profits. In addition, the officer and his friend are subject to, among other things, criminal prosecution, as described above.

Insider Reporting Requirements, Short-Swing Profits and Short Sales

Reporting Obligations under Section 16(a)--SEC Forms 3, 4 and 5

Section 16(a) of the 1934 Act generally requires all officers, directors and 10% stockholders ("insiders") to file reports with the SEC indicating their beneficial ownership of equity securities in the registrant and any changes in that ownership.

Recovery of Profits under Section 16(b)

For the purpose of preventing the unfair use of information which may have been obtained by an insider, any profits realized by any officer, director or 10% stockholder from any "purchase" and "sale" of Company Stock during a six-month period, so called "short-swing profits," may be recovered by the Company. When such a purchase and sale occur, good faith is no defense. The insider is liable even if compelled to sell for personal reasons, and even if the sale takes place after full disclosure and without the use of any inside information.

The liability of an insider under Section 16(b) of the 1934 Act is only to the Company itself. The Company, however, cannot waive its right to short swing profits, and any Company stockholder can bring suit in the name of the Company. In this connection it must be remembered that reports of ownership filed with the SEC on Form 3, Form 4 or Form 5 pursuant to Section 16(a) are readily available to the public, and certain attorneys carefully monitor these reports for potential Section 16(b) violations. In addition, liabilities under Section 16(b) may require separate disclosure in the Company's annual report to the SEC on Form 10-K or its proxy statement for its annual meeting of stockholders. No suit may be brought more than two years after the date the profit was realized. However, if the insider fails to file a report of the transaction under Section 16(a), as required, the two-year limitation period does not begin to run until after the transactions giving rise to the profit have been disclosed. Failure to report transactions and late filing of reports require separate disclosure in the Company's proxy statements.

ANY combination of PURCHASE AND SALE or SALE AND PURCHASE within six months of each other results in a violation of Section 16(b), and the "profit" must be recovered by the Company. It makes no difference how long the shares being sold have been held -- or that you are an insider for only one of the two matching transactions. The highest priced sale will be matched with the lowest priced purchase within the six-month period. See the following checklist.

SALES—If you are an officer, director or 10% stockholder (or the sale is to be made by any family member living in the same household):

- Have there been any purchases by the insider (or family members) within the past six months?
- Have there been any option exercises within the past six months?
- Are any purchases (or option exercises) anticipated or required within the next six months?
- Has a SEC Form 4 been prepared?

PURCHASES AND OPTIONS EXERCISES—If a purchase or option exercise for stock is to be made:

- Have there been any sales by the insider (or family members) within the past six months?
- Are any sales anticipated or required within the next six months (such as tax-related or year-end transactions)?
- Has a SEC Form 4 been prepared?

You may wish to consult a Chief Financial Officer before engaging in any transactions involving the Company's securities, including without limitation, the Company's stock, options or warrants.

Short Sales Prohibited Under Section 16(c)

Section 16(c) of the 1934 Act prohibits insiders absolutely from making short sales of the Company's Stock, i.e., sales of shares which the insider does not own at the time of sale, or sales of Stock against which the insider does not deliver the shares within 20 days after the sale. Under certain circumstances, the purchase or sale of put or call options, or the writing of such options, can result in a violation of Section 16(c). Insiders violating Section 16(c) face criminal liability.

A Chief Financial Officer should be consulted if you have any questions regarding reporting obligations, short-swing profits or short sales under Section 16.

STATEMENT OF PROCEDURES PREVENTING INSIDER TRADING

The mere perception by your friends or business colleagues that you traded on material non-public information could damage both the Company's and your reputation and expose you to potentially serious consequences. To avoid the perception of insider trading and to avoid second-guessing of your trading by others, who may have the benefit of hindsight, you should be very cautious when deciding whether you possess material non-public information.

The following procedures have been established, and will be maintained and enforced, by Upexi, Inc. to prevent insider trading. Every officer, director and employee is required to follow these procedures.

Pre-Clearance of All Trades by All Officers, Directors and Employees

To provide assistance in preventing inadvertent violations of applicable securities laws and to avoid the appearance of impropriety in connection with the purchase and sale of the Company securities, **all transactions in Company securities (except transactions described in C below) by officers, directors and employees must be pre-cleared by a Chief Financial Officer.**

Trading Window

Additionally, except for transactions described in C below), **neither the Company nor any of its officers, directors or employees may trade stock or any other securities of the Company except during the 30-trading-day periods that begin two full trading days after Upexi, Inc. has announced publicly the financial results for the quarter, or for the full year with respect to the fourth quarter.** The announcement date of the quarterly results varies but occurs normally toward the end of the month following the end of the fiscal quarter.

C. Exceptions to Preclearance and Trading Window Rules

Notwithstanding the rules described in A and B above, officers, directors and employees may engage in the following transactions without preclearance and outside the trading window:

(i) transactions directly with the Company, including the exercise of stock options and conversion of convertible securities, so long as those transactions are not accompanied by a sale of securities;

(ii) transactions pursuant to a plan described in SEC Rule 10b5-1(c)(1); and

(iii) regular reinvestments pursuant to a dividend reinvestment plan.

D. Information Relating to the Company

Access to Information

You should comply with the Company's Public Disclosure Policy. You may be subject to additional restrictions or contracts dealing with confidentiality. Access to material, non-public information about Upexi, Inc. including the Company's business, earnings or prospects, should be limited to officers, directors and employees of the Company on a need-to-know basis. In addition, such information should not be communicated to anyone outside the Company under any circumstances or to anyone within the Company on a than need-to-know basis.

In communicating material, non-public information to employees of the Company, all officers, directors and employees must take care to emphasize the need for confidential treatment of such information and adherence to the Company's policies with regard to confidential information.

Inquiries from Third Parties

Inquiries from third parties, such as industry analysts or members of the news media, about the Company should be directed to the Company's investor relations officer, or one of the Chief Financial Officers.

E. Limitations on Access to the Company Information

The following procedures are designed to maintain confidentiality with respect to the Company's business operations and activities.

All officers, directors and employees should take all steps and precautions necessary to restrict access to, and secure, material, non-public information by, among other things:

- Maintaining the confidentiality of Company related transactions;
- Conducting their business and social activities so as not to risk inadvertent disclosure of confidential information. Review of confidential documents in public places should be conducted to prevent access by unauthorized persons;
- Restricting access to documents and files (including computer files) containing material, non-public information to individuals on a need-to-know basis (including maintaining control over the distribution of documents and drafts of documents);
- Promptly removing and cleaning up all confidential documents and other materials from conference rooms following the conclusion of any meetings;

- Disposing of all confidential documents and other papers, after there is no longer any business or other legally required need, through shredders when appropriate;

- Restricting access to areas likely to contain confidential documents or material, non-public information; and

- Avoiding the discussion of material, non-public information in places where the information could be overheard by others such as in elevators, restrooms, hallways, restaurants, airplanes or taxicabs.

Personnel involved with material, non-public information, to the extent feasible, should conduct their business and activities in areas separate from other Company activities.

F. Avoidance of Certain Aggressive or Speculative Trading

Officers, directors and employees and their respective family members (including spouses, minor children, or any other family members living in the same household), should not directly or indirectly participate in transactions involving trading activities which by their aggressive or speculative nature may give rise to an appearance of impropriety. Such activities would include the purchase of put or call options, or the writing of such options.

CERTIFICATION

The undersigned hereby acknowledges receipt of Upexi, Inc.'s Insider Trading Policy (the "Policy"), and certifies that the undersigned has read, understands and will comply with the Policy.

Date:_____

Signature:_____

Print Name:_____

Title:_____

One signed copy of this certificate should be sent to:

Upexi, Inc.
3030 North Rocky Point Drive
Tampa, FL 33607

PRE-CLEARANCE FORM FOR STOCK AND NOTES TRANSACTIONS

This form is valid until the close of business two days following approval

Name _____

Telephone Number _____

Stock or Notes? _____

Purchase, Sale or Other(describe) _____

(For the exercise of stock options, please use the form accompanying your stock option agreement. You may obtain a copy from the Chief Financial Officer.)

PLEASE READ AND SIGN BELOW.

I do not possess material, non-public information about Upexi, Inc. or any of its subsidiaries and I will not enter into the transaction referenced above if I possess such information at the time of the transaction.

Signature: _____

Date: _____

You will be notified whether clearance is approved as soon as practical after review by the Chief Financial Officer. If you do not initiate the transaction within two business days, then you will need to submit a new pre-clearance form. Pre-clearance may be revoked any time.

SUBMIT THIS FORM TO THE CHIEF FINANCIAL OFFICER OR THE COMPANY'S GENERAL COUNSEL

EXHIBIT 21.1

SUBSIDIARIES OF THE REGISTRANT

HAVZ, LLC	California limited liability company
Gummy Labs, LLC	Delaware limited liability company
Upexi Holdings, LLC	Delaware limited liability company
MW Products, Inc.	Nevada corporation
Trunano Labs, Inc.	Nevada corporation
Upexi Enterprise, LLC	Delaware limited liability company
Cygnet Online, LLC	Delaware limited liability company
Upexi Distribution LLC	Delaware limited liability company
Upexi Distribution Management, LLC	Delaware limited liability company
Upexi Pet Products, LLC	Delaware limited liability company
Upexi Property & Assets, LLC	Delaware limited liability company
Upexi 17129 Florida, LLC	Delaware limited liability company

EXHIBIT 23.1

230 West Street
Suite 700
Columbus, OH 43215

tel 614.221.1120
fax 614.227.6999

www.gbq.com

GBQ Partners

To the Board of Directors
UpExi, Inc.
3030 North Rocky Point Drive
Tampa, Florida 33607

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on S-1 (No. 333-287525), Form S-3 (Nos. 333-266000) and Form S-8 (Nos. 333-257491 and 333-273859) of UpExi, Inc. (the Company) of our report dated September 24, 2025, relating to the consolidated financial statements and schedules, which appear in this Annual Report on Form 10-K for the years ending June 30, 2025 and 2024.

/s/ GBQ Partners, LLC

Columbus, Ohio
September 24, 2025

EXHIBIT 31.1

CERTIFICATION

I, Allan Marshall, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended June 30, 2025, of Upexi Inc.;

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

3. Based on my knowledge, the 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;

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

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

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

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

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

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

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

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

Dated: September 24, 2025

/s/ Allan Marshall
Allan Marshall, President,
Chief Executive Officer and Director
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Andrew J. Norstrud, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended June 30, 2025 of Upexi, Inc.;

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

3. Based on my knowledge, the 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;

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

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

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

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

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

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

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

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

Dated: September 24, 2025

/s/ Andrew J. Norstrud
Andrew J. Norstrud,
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 32.1

CERTIFICATIONS PURSUANT TO SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

In connection with the Annual Report of Upexi, Inc. (the "Company") on Form 10-K for the year ended June 30, 2025, 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: September 24, 2025

By: */s/ Allan Marshall*
Allan Marshall, President,
Chief Executive Officer and Director
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATIONS PURSUANT TO SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

In connection with the Annual Report of Upexi, Inc. (the "Company") on Form 10-K for the year ended June 30, 2025, 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: September 24, 2025

By: */s/ Andrew J. Norstrud*
Andrew J. Norstrud
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)