

# Datatrak International, Inc.

3690 Orange Place, Suite 375  
Beachwood, OH 44122

(440) 443-0082  
www.datatrak.com  
investor@datatrak.com  
SIC Code 7374

## Annual Report

For the period ending December 31, 2023 (the "Reporting Period")

### Outstanding Shares

The number of shares outstanding of our Common Stock was:

5,889,968 shares as of December 31, 2023

### Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934): Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

### Change in Control

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:  No:

### 1) Name and address of the issuer

Datatrak International, Inc. ("Datatrak" or "Company") was previously known as Collaborative Clinical Research, Inc. until April 1999. The Company is incorporated in Ohio and is active since July 17, 1991. The Company has had no trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception. The Company has had no stock splits, stock dividends, recapitalizations, mergers, acquisitions, spin-offs, or reorganizations either currently or anticipated or that occurred within the past 12 months. The address of the issuer's principal executive office is 3690 Orange Place, Suite 375, Beachwood, OH 44122. *Check box if principal executive office and principal place of business are the same address:*  Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years? Yes:  No:  If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below: None.

### 2) Security Information

#### Transfer Agent

Computershare Investor Services  
(800) 622-6757

<sup>1</sup> "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Melissa.pierce@computershare.com  
6200 S. Quebec St., Greenwood Village, CO 80111

**Publicly Quoted or Traded Securities:**

Trading symbol:	<u>DTRK</u>	
Class of securities outstanding:	<u>Common Shares</u>	
CUSIP:	<u>238134209</u>	
Par value:	<u>No par value</u>	
Common shares authorized:	<u>25,000,000</u>	as of date: <u>December 31, 2023</u>
Common shares outstanding:	<u>5,889,968</u>	as of date: <u>December 31, 2023</u>
Common shares in the Public Float <sup>2</sup> :	<u>1,176,141</u>	as of date: <u>December 31, 2023</u>
Common shareholders of record:	<u>81</u>	as of date: <u>December 31, 2023</u>

**Other classes of authorized or outstanding equity securities that do not have a trading symbol:**

Title and class of securities outstanding:	<u>Preferred Shares</u>	
Par value:	<u>No par value</u>	
Total shares authorized:	<u>1,000,000</u>	as of date: <u>December 31, 2023</u>
Total shares outstanding:	<u>375,000</u>	as of date: <u>December 31, 2023</u>
Total number of shareholders of record:	<u>5</u>	as of date: <u>December 31, 2023</u>

**Security Description:**

**1. For common equity, describe any dividend, voting, and preemption rights.**

As set forth in corporate bylaws and relevant documents.

**2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights, as well as redemption or sinking fund provisions.**

Company's preferred shares have certain rights, including but not limited to, conversion, voting, dividends, liquidation rights and others.

**3. Describe any other material rights of common or preferred stockholders.**

N/A

**4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

N/A

**3) Issuance History**

**A. Changes to the Number of Outstanding Shares**

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No:  Yes:  (If yes, you must complete the table below)

Opening Balance	
12/31/2022	Common: 2,423,720

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

Date of Transaction	Type	Issued/ (Returned)	Class of Securities	Price at Issuance	Issued at Discount?	Issued to	Reason for Issuance	Restricted or Unrestricted	Registration Type
01/01/2022	From Treasury	731	Common	\$7.57	Yes	ESPP	Employee Plan	Restricted	Not Registered
02/18/2022	New Issuance	3,382	Common	\$8.90	No	Directors	Compensation	Restricted	Not Registered
04/01/2022	New Issuance	5,235	Common	\$5.75	No	Directors	Compensation	Restricted	Not Registered
05/08/2022	Returned to Treasury	(75,094)	Common	\$4.03	No	Various	Did Not Meet Requirements	Restricted	Not Registered
07/01/2022	New Issuance	15,050	Common	\$1.97	No	Directors	Compensation	Restricted	Not Registered
09/26/2022	Returned to Treasury	(8,523)	Common	\$1.60	No	Various	Did Not Meet Requirements	Restricted	Not Registered
11/11/2022	New Issuance	350,000	Common	\$0.85	No	Various	Incentive Plan	Restricted	Not Registered
01/02/2023	New Issuance	82,938	Common	\$0.40	No	Directors	Compensation	Restricted	Not Registered
04/01/2023	New Issuance	73,751	Common	\$0.80	No	Directors	Compensation	Restricted	Not Registered
05/01/2023	New Issuance	400,000	Common	\$0.29	No	Various	Incentive Plan	Restricted	Not Registered
05/11/2023	New Issuance	10,000	Common	\$0.60	No	Various	Incentive Plan	Restricted	Not Registered
05/11/2023	New Issuance	296,000	Options	\$0.60	No	Various	Incentive Plan	Restricted	Not Registered
07/03/2023	New Issuance	154,000	Common	\$0.25	No	Directors	Compensation	Restricted	Not Registered
07/13/2023	New Issuance	36,480	Common	\$0.25	No	Various	Plan	Restricted	Not Registered
08/15/2023	New Issuance	10,000	Common	\$0.50	No	Various	Incentive Plan	Restricted	Not Registered
10/02/2023	New Issuance	154,000	Common	\$0.25	No	Directors	Compensation	Restricted	Not Registered
10/05/2023	New Issuance	375,000	Preferred	\$0.15	No	Various	Incentive Plan	Restricted	Not Registered
10/05/2023	New Issuance	2,225,000	Common	\$0.15	No	Various	Incentive Plan	Restricted	Not Registered
10/05/2023	New Issuance	325,000	Options	\$0.15	No	Various	Incentive Plan	Restricted	Not Registered
10/06/2023	New Issuance	63,235	Common	\$0.15	No	Various	Plan	Restricted	Not Registered
01/02/2024	New Issuance	962,500	Common	\$0.04	No	Directors	Compensation	Restricted	Not Registered
01/02/2024	New Issuance	13,700,000	Common	\$0.04	No	Various	Incentive Plan	Restricted	Not Registered
01/02/2024	New Issuance	1,070,000	Options	\$0.04	No	Various	Incentive Plan	Restricted	Not Registered
03/01/2024	New Issuance	100,000	Options	\$0.03	No	Various	Incentive Plan	Restricted	Not Registered
04/01/2024	New Issuance	256,668	Common	\$0.15	No	Directors	Compensation	Restricted	Not Registered
Ending Balance:									
December 31, 2023 Common: 5,889,968									
Preferred: 375,000									

The board of directors authorized a stock repurchase program of up to \$250,000 of its common stock through the end of 2024. Under the program, the Company may repurchase its shares from time to time in the open market, through privately negotiated transactions, or by other means. The program does not specify a maximum number of shares to be repurchased or obligate the Company to repurchase any specific dollar amount of number of shares. The timing and amount of repurchase transactions will be determined by the board based on their evaluation of market conditions, share price and other factors. There is no assurance that the Company will repurchase shares and the program may be suspended or discontinued at any time.

#### B. Debt Securities, Including Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No:  Yes:

#### 4) Issuer's Business, Products and Services

#### A. Issuer's business operations

Any potential business operations permissible by law for generating financial gains, currently including the sale and promotion of our internet based software platform for sales to other business, currently including the life sciences industry for conducting clinical trials and other activities. Company is a technology company providing software and data solutions for the life sciences industry.

#### B. Issuer's subsidiaries, parents, or affiliated companies.

Company has the following active and operating wholly-owned subsidiaries: Fountayn LLC, which is in the same line of business as Datatrak International, Inc.

#### C. Issuers' principal products or services.

Internet based software platform products and services. Company's principal products and services are cloud-based software solutions for life sciences that include applications such as clinical trial management systems, trial design, electronic data capture, medical coding, risk-based monitoring, electrocardiogram data capture, image data capture, endpoint adjudication, randomization, clinical supply inventory, and others.

### 5) Issuer's Facilities

Company leases approximately 1,500 square feet of office space at 3690 Orange Place, Suite 375, Beachwood, OH 44122, that expires in 2027.

### 6) Officers, Directors, and Control Persons

Name of All Officers, Directors, and Control Persons	Affiliation with Company	Residential Address	Number of Shares Owned	Share Type/Class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Alex Tabatabai	Chairman & President	Beachwood, OH	1,940,688 100,000 137,000	Common Preferred Options	33.0% 26.7%	Control person for Tabatabai Investment Management LP
Dr. Eric J. Wilhelm	Director	Beachwood, OH	692,475 100,000 125,000	Common Preferred Options	11.8% 26.7%	
Dr. Ben Tabatabai	Director	Beachwood, OH	711,570 100,000 125,000	Common Preferred Options	12.1% 26.7%	
Dr. Pontea Shabkhiz	Director	Beachwood, OH	437,285 50,000 100,000	Common Preferred Options	7.4% 13.3%	
Yuichi Levinson	Director	Beachwood, OH	255,750 25,000 75,000	Common Preferred Options	4.3% 6.7%	

On January 2, 2024, the board approved grants to directors, employees, and consultants of the Company a total of 460,000 shares of restricted stock, which vested upon the date of grant, and 559,500 options to purchase shares of common stock, which have an exercise price of \$0.29 per share, will vest in four equal annual installments commencing on the first anniversary of the grant date and will expire five years from the grant date. Directors and officers received the following restricted shares and options: Mr. Alex Tabatabai, 150,000 shares and 25,000 options; Dr. Eric J. Wilhelm, 50,000 shares and 25,000 options; Dr. Ben Tabatabai, 50,000 shares and 25,000 options; Dr. Pontea Shabkhiz, 50,000 shares and 25,000 options; and Yuichi Levinson 50,000 and 25,000 options. These equity awards were granted pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), as provided by Rule 701, Regulation D and/or Section (4)(a)(2) of the Securities Act, as applicable.

On April 1, 2024, the board issued to the directors the following shares of restricted stock for Q1 2024: Yuichi Levinson 60,000; Dr. Pontea Shabkhiz 60,000; Dr. Ben Tabatabai 68,334; Dr. Eric J. Wilhelm 68,334.

### 7) Legal/Disciplinary History

#### A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations):

None.

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities:

None.

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated:

None.

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above:

None.

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities:

None.

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail:

None.

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities. None.

## 8) Third Party Providers

Securities Counsel  
Thompson Hine LLP  
3900 Key Center, 127 Public Square  
Cleveland, OH 44114  
(216) 566-5500

## 9) Financial Statements

- A. This Disclosure Statement was prepared by:

Name: Alex Tabatabai  
Title: Chief Executive Officer  
Relationship to Issuer: Chief Executive Officer

- B. The following financial statements were prepared in accordance with:

- U.S. GAAP  
 IFRS

C. The financial statements for this reporting period were prepared by (name of individual)<sup>3</sup>:

Name: Alex Tabatabai  
Title: Chief Executive Officer  
Relationship to Issuer: Chief Executive Officer  
Qualifications of person: Over fifteen years experience in the financial services industry and being financially literate in financial accounting.

## 10) Issuer Certification

*Principal Executive Officer:*

I, Alex Tabatabai certify that:

1. I have reviewed this quarterly disclosure statement of Datatrak International, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 30, 2024  
/s/ Alex Tabatabai  
Alex Tabatabai

*Principal Financial Officer:*

I, Alex Tabatabai certify that:

1. I have reviewed this quarterly disclosure statement of Datatrak International, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 30, 2024  
/s/ Alex Tabatabai  
Alex Tabatabai

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<sup>3</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

### Consolidated Balance Sheets (Unaudited)

	12/31/2023	12/31/2022
<b>Assets</b>		
Current Assets		
Cash and Cash Equivalents	\$ 163,586	\$ 204,963
Marketable Securities	3,643	431,347
Accounts Receivable	2,921,867	805,854
Other Receivables		4,700
Prepaid Expenses	3,914	15,193
Fixed Assets		2,934,407
Notes Due	125,254	382,213
Total Current Assets	3,218,264	4,778,677
Operating Lease Right of Use Asset ("RUA")	99,458	2,092,768
RUA Accumulated Depreciation	(22,009)	(1,267,538)
Property & Equipment	85,444	2,935
Other Assets	236,931	137,997
Total Assets	\$ 4,321,691	\$ 5,744,839
<b>Liabilities</b>		
Current Liabilities		
Notes Payable	\$ 267,412	\$ 750,133
Accounts Payable	1,152,410	748,164
Accrued Expenses	413,882	943,662
Short-Term Deferred Revenue	917,604	345,067
Total Current Liabilities	2,751,308	2,787,026
Long Term Liabilities		
Other Long-Term Liabilities		731,150
Long-Term Deferred Revenue	3,428,908	947,694
Accrued Expenses		503
Total Long Term Liabilities	3,428,908	1,678,839
Total Liabilities	6,180,216	4,465,865
<b>Shareholder's Equity</b>		
Preferred Shares, no par value; 1,000,000 authorized; 375,000 issued		
Common Stock, no par value; 25,000,000 authorized; 5,889,968 issued	70,116,496	69,498,641
Additional Paid-In Capital	4,000,221	720,853
Retained Earnings	(66,026,639)	(68,688,152)
Treasury Stock	89,636	89,636
Total Shareholder's Equity	(1,858,525)	1,278,974
Total Liability & Shareholder's Equity	\$ 4,321,691	\$ 5,744,839

**Consolidated Statement of Operations (Unaudited)**

	<b>12/31/2023</b>	<b>12/31/2022</b>
Operating Revenues	\$ 6,184,265	\$ 5,925,394
Direct Costs	(969,765)	(2,250,146)
Gross Profit	5,214,500	3,675,248
Selling, General, & Administrative	(3,268,537)	(5,150,903)
Depreciation & Amortization	(67,053)	
Operating Income	1,874,886	(1,475,655)
Interest Income	19,991	59,024
Interest Expense		(37,291)
Capital Gains	16,903	423,772
Dividends	764	141,583
Other Income	744,930	
Tax Expense	(56)	
Net Income	\$ 2,657,418	\$ (888,567)
Net Income Per Share		
Basic	\$ 0.45	\$ (0.32)
Diluted	\$ 0.38	\$ (0.28)

### Consolidated Statement of Cash Flows (Unaudited)

	12/31/2023	12/31/2022
<b>Operating Activities</b>		
Net Income	\$ 2,657,418	\$ (888,567)
Depreciation	329,307	(514,526)
Depreciation of RUA	(51,220)	328,459
Stock-Based Compensation	463,855	123,849
Unrealized Gain on Marketable Securities	(427,704)	(423,772)
Accounts Receivable	(2,626,319)	140,079
Prepaid Expenses	(46,212)	308,531
Accounts Payable	(1,087,295)	(605,104)
Long-Term Operating Lease Liability	47,891	310,026
Interest Payable	83,035	(3,797)
Contract Liability	515,430	(1,520,447)
Net Cash from Operating Activities	3,718,451	(1,671,420)
<b>Investing Activities</b>		
Purchases of Property & Equipment	(333,380)	(9,824)
Software Capitalization		8,496,877
Reclassification of Software Capitalization		(8,496,877)
Notes Due	256,959	165,976
Net Cash from Investing Activities	(79,787)	156,152
<b>Financing Activities</b>		
Repayment of LOC	(482,721)	751,016
Payments of Long-term Debt		(35,883)
Proceeds from ESPP		6,505
Net Cash from Financing Activities	(482,721)	721,638
Increase in cash and cash equivalents	(41,377)	(1,583,019)
Cash, restricted cash, and cash equivalents at the beginning of the year	204,963	1,787,982
Cash, restricted cash, and cash equivalents at the end of the year	\$ 163,586	\$ 204,963

#### Notes

Notes Due is a note between the Company and Tabatabai Investment Partners LP, a related party, with an approximate remaining balance, as of April 30, 2024, of principal and interest of approximately \$129,387 that accrues interest at a ten percent (10%) annual rate and matures on December 31, 2024.

**Consolidated Statement of Stockholder's Equity (Unaudited)**

	Preferred Shares	Common Shares		Treasury Shares		Accumulated Balance	Total
	Shares	Shares	Amount	Shares	Cost		
<b>Balance as of December 31, 2021</b>		<b>2,435,726</b>	<b>69,080,048</b>	<b>12,006</b>	<b>(95,448)</b>	<b>(67,799,585)</b>	<b>1,185,014</b>
Stock Based Compensation		350,000	297,500	83,617			
ESPP			693	(731)	5,812		6,505
Director Fees		103,223	120,400				120,400
Net Profit						(888,567)	(888,567)
<b>Balance as of December 31, 2022</b>		<b>2,814,127</b>	<b>69,498,641</b>	<b>94,892</b>	<b>(89,636)</b>	<b>(68,688,152)</b>	<b>423,352</b>
Stock Based Compensation	350,000	2,636,777	463,855	125,000			
Director Fees		439,064	154,000				154,000
Net Profit						2,661,513	2,661,553
<b>Balance as of December 31, 2023</b>	<b>350,000</b>	<b>5,889,968</b>	<b>70,116,496</b>	<b>219,892</b>	<b>(89,636)</b>	<b>(66,026,639)</b>	<b>3,238,905</b>