Datatrak International, Inc.
Annual Report
December 31, 2021

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Datatrak International, Inc.

5900 Landerbrook Dr., Suite 170, Mayfield Heights, OH 44124

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

Annual Report
For the Period Ending: December 31, 2021
(The "Reporting Period")

As of December 31, 2021, the number of shares outstanding of our Common Stock was: 2,423,720

As of September 30, 2021, the number of shares outstanding of our Common Stock was: 2,421,507

As of December 31, 2020, the number of shares outstanding of our Common Stock was: 2,397,107

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: ☒

Indicate by check mark whether a Change in Control[1] of the company has occurred over this reporting period:
Yes: ☐ No: ☒

[1] "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.

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1) Name and address (es) of the Issuer and its Predecessors (if any)

Datatrak International, Inc., hereinafter referred to as “Datatrak” or the “Company,” was previously known as Collaborative Clinical Research, Inc. until April 1999.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer’s current standing in its state of incorporation (e.g. active, default, inactive):

Datatrak was incorporated in Ohio on July 17, 1991 and maintains an active status in that state.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:
None.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:
None.

The address (es) of the issuer’s principal executive office:
5900 Landerbrook Dr. Suite 170 Mayfield Heights, OH 44124

The address (es) of the issuer’s principal place of business:
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

Trading symbol:	DTRK		
Exact title and class of securities outstanding:	Common Shares		
CUSIP:	238134209		
Par or stated value:	no par value		
Total shares authorized:	25,000,000	as of date:	December 31, 2021
Total shares outstanding:	2,423,720	as of date:	December 31, 2021
Number of shares in the Public Float[2]:	1,311,931	as of date:	December 31, 2021
Total number of shareholders of record:	98	as of date:	December 31, 2021

All additional class(es) of publicly traded securities (if any):

Trading symbol:	N/A		
Exact title and class of securities outstanding:	N/A		
CUSIP:	N/A		
Par or stated value:	N/A		
Total shares authorized:	N/A	as of date:	December 31, 2021
Total shares outstanding:	N/A	as of date:	December 31, 2021

[2] “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.

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Datatrak International, Inc. Common Shares are not registered with the SEC and, therefore, have a restricted legend affixed to the front of any share certificates. For non-affiliates, the restriction can be removed once the shares have been held for a period of one year.

Transfer Agent

Name: Computershare Investor Services
Phone: (800) 622-6757
Email: Melissa.Pierce@computershare.com
Address: 6200 S. Quebec St. Greenwood Village, CO 80111

Is the Transfer Agent registered under the Exchange Act?[3] Yes: ☒ No: ☐

3) Issuance History

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Shares Outstanding as of 12/31/2019		2,358,667 -	Common: Preferred

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued ($/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
2-Jan-20	Issued out of Treasury	1,145	Common	$5.52	Yes	Employees participating in the Employee Stock Purchase Plan	Employee Stock Purchase Plan	Restricted	Not registered[1]
2-Jan-20	New issuance	4,982	Common	$6.49	No	Board of Directors	Director Compensation	Restricted	Not registered[1]
31-Jan-20	New issuance	11,264	Common	$5.30	No	Qualifying employees participating in the 401(k) plan	401(k) Match	Restricted	Not registered[1]
1-Apr-20	Issued out of Treasury	1,289	Common	$3.57	Yes	Employees participating in the Employee Stock Purchase Plan	Employee Stock Purchase Plan	Restricted	Not registered[1]
1-Apr-20	New issuance	7,700	Common	$4.20	No	Board of Directors	Director Compensation	Restricted	Not registered[1]
8-May-20	Return to unissued/cancell	(3,704)	Common	$5.40	No	Michael T. Morgan	Cancellation of Employment Agreement	Restricted	Not registered[1]
1-Jul-20	Issued out of Treasury	1,763	Common	$3.78	Yes	Employees participating in the Employee Stock Purchase Plan	Employee Stock Purchase Plan	Restricted	Not registered[1]
1-Jul-20	New issuance	7,267	Common	$4.45	No	Board of Directors	Director Compensation	Restricted	Not registered[1]
1-Oct-20	Issued out of Treasury	1,300	Common	$5.06	Yes	Employees participating in the Employee Stock Purchase Plan	Employee Stock Purchase Plan	Restricted	Not registered[1]
1-Oct-20	New issuance	5,434	Common	$5.95	No	Board of Directors	Director Compensation	Restricted	Not registered[1]
4-Jan-21	Issued out of Treasury	1,119	Common	$5.02	Yes	Employees participating in the Employee Stock Purchase Plan	Employee Stock Purchase Plan	Restricted	Not registered[1]
4-Jan-21	New issuance	5,213	Common	$5.90	No	Board of Directors	Director Compensation	Restricted	Not registered[1]
27-Jan-21	New issuance	5,859	Common	$4.75	No	Qualifying employees participating in the 401(k) plan	401(k) Match	Restricted	Not registered[1]
1-Apr-21	New issuance	5,787	Common	$4.42	No	Board of Directors	Director Compensation	Restricted	Not registered[1]
1-Apr-21	Issued out of Treasury	1,100	Common	$5.20	Yes	Employees participating in the Employee Stock Purchase Plan	Employee Stock Purchase Plan	Restricted	Not registered[1]
1-Jul-21	New issuance	4,353	Common	$5.87	No	Board of Directors	Director Compensation	Restricted	Not registered[1]
1-Jul-21	Issued out of Treasury	969	Common	$6.91	Yes	Employees participating in the Employee Stock Purchase Plan	Employee Stock Purchase Plan	Restricted	Not registered[1]
1-Oct-21	Issued out of Treasury	334	Common	$13.60	Yes	Employees participating in the Employee Stock Purchase Plan	Employee Stock Purchase Plan	Restricted	Not registered[1]
1-Oct-21	New issuance	1,879	Common	$16.00	No	Board of Directors	Director Compensation	Restricted	Not registered[1]

Shares Outstanding as of 12/31/2021		2,423,720 -	Common: Preferred

[1] Issued 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.

[2] The value of the shares reflects a 15% discount pursuant to the terms of the ESPP.

[3] Shares were issued as follows: Scott DeMell 417 shares; Julia Henderson 147 shares; Shyla Jones 138 shares; Heather McCoy 89 shares; Michael Raykhinshteyn 54 shares; Patrick Smith 417 shares; and Suzanne Young 274 shares.

[4] Shares were issued as follows: Jack Jacobs 2,683 shares; Rizvan Mirza 3,000 shares; Behnam Tabatabai 3,000 shares; and Eric Wilhelm 2,100 shares.

[5] Shares were issued as follows: Melody Aguilar 195 shares; John Bancroft 299 shares; Amy Boukair 199 shares; Josie Burdick 371 shares; Anthony Cribari 293 shares; Scott DeMell 550 shares; Marissa Dorsky 183 shares; Jennifer Duffy 226 shares; Morgan Durco 261 shares; Lisa Gadberry 383 shares; Aaron Gotreaux 273 shares; Julia Henderson 531 shares; James Herold 110 shares; Racquel Holness 118 shares; Ye Huang 400 shares; Shyla Jones 248 shares; Steven Katonka 183 shares; Jill Klein 214 shares; Niki Kutac 453 shares; Haiwen Liu 312 shares; Tim Lyons 655 shares; Heather McCoy 322 shares; Nadine Monie 365 shares; Sarah Nainggolan 185 shares; Barbara Norris 280 shares; Richard Peck 455 shares; Aleksandr Rakhmistrovskiy 252 shares; Ron Ramos 360 shares; Michael Raykhinshteyn 99 shares; Stephen Ryan 208 shares; Arthur Shnayder 273 shares; Patrick Smith 236 shares; Phillip Strunk 223 shares; Laura Stuebbe 242 shares; Ning Sun 246 shares; Chris Tetley 264 shares; Kathy Tibaldi 403 shares; Christine Wolford 255 shares; and Suzanne Young 328 shares.

[6] Shares were issued as follows: Jack Jacobs 1,164 shares; Rizvan Mirza 1,302 shares; Behnam Tabatabai 1,302 shares; and Eric Wilhelm 911 shares.

[7] Shares were issued as follows: Scott DeMell 284 shares; Julia Henderson 55 shares; Shyla Jones 52 shares; Heather McCoy 34 shares; Michael Raykhinshteyn 20 shares; Patrick Smith 249 shares; and Suzanne Young 103 shares.

[8] Shares were issued as follows: Jack Jacobs 1,238 shares; Rizvan Mirza 1,384 shares; Behnam Tabatabai 1,384 shares; and Eric Wilhelm 969 shares.

[9] Shares were issued as follows: Scott DeMell 353 shares; Julia Henderson 68 shares; Shyla Jones 65 shares; Heather McCoy 42 shares; Michael Raykhinshteyn 25 shares; Patrick Smith 312 shares; and Suzanne Young 129 shares.

[10] Shares were issued as follows: Jack Jacobs 1,341 shares; Rizvan Mirza 1,500 shares; Behnam Tabatabai 1,500 shares; and Eric Wilhelm 1,050 shares.

[11] Shares were issued as follows: Scott DeMell 339 shares; Julia Henderson 66 shares; Shyla Jones 60 shares; Heather McCoy 39 shares; Michael Raykhinshteyn 23 shares; Patrick Smith 417 shares; and Suzanne Young 119 shares.

[12] Shares were issued as follows: Scott DeMell 390 shares; Julia Henderson 78 shares; Shyla Jones 65 shares; Heather McCoy 42 shares; Michael Raykhinshteyn 24 shares; Patrick Smith 417 shares; and Suzanne Young 129 shares.

[13] Shares were issued as follows: Jack Jacobs 1,240 shares; Rizvan Mirza 1,386 shares; Behnam Tabatabai 1,386 shares; and Eric Wilhelm 970 shares.

[14] Shares were issued as follows: Melody Aguilar 199 shares; Rakesh Badgujar 226 shares; John Bancroft 452 shares; Amy Boukair 132 shares; Josie Burdick 379 shares; Scott DeMell 566 shares; Marissa Dorsky 192 shares; Jennifer Duffy 244 shares; Morgan Durco 267 shares; Lisa Gadberry 312 shares; Aaron Gotreaux 289 shares; Damond Greenwood 188 shares; Mike Hagopian 261 shares; Julia Henderson 554 shares; James Herold 192 shares; Racquel Holness 182 shares; Ye Huang 409 shares; Nicole Joliat 264 shares; Shyla Jones 253 shares; Steven Katonka 189 shares; Ryan Kinstler 200 shares; Niki Kutac 487 shares; Haiwen Liu 327 shares; Tim Lyons 660 shares; Heather McCoy 329 shares; Nadine Monie 384 shares; Sarah Nainggolan 190 shares; Aleksandr Rakhmistrovskiy 244 shares; Michael Raykhinshteyn 203 shares; Stephen Ryan 221 shares; Arthur Shnayder 284 shares; Patrick Smith 241 shares; Phillip Strunk 240 shares; Laura Stuebbe 248 shares; Ning Sun 252 shares; Kathy Tibaldi 412 shares; Christine Wolford 260 shares; and Suzanne Young 332 shares.

[15] Shares were issued as follows: Scott DeMell 417 shares; Julia Henderson 103 shares; Shyla Jones 90 shares; Heather McCoy 57 shares; Michael Raykhinshteyn 32 shares; Patrick Smith 417 shares; and Suzanne Young 173 shares.

[16] Shares were issued as follows: Jack Jacobs 1,916 shares; Rizvan Mirza 2,142 shares; Behnam Tabatabai 2,142 shares; and Eric Wilhelm 1,500 shares.

[17] Shares were issued as follows: Robin Akers 417 shares; Scott DeMell 417 shares; Julia Henderson 113 shares; Shyla Jones 103 shares; Heather McCoy 64 shares; Michael Raykhinshteyn 38 shares; Patrick Smith 417 shares; and Suzanne Young 194 shares.

[18] Shares were issued as follows: Jack Jacobs 1,808 shares; Rizvan Mirza 2,022 shares; Behnam Tabatabai 2,022 shares; and Eric Wilhelm 1,415 shares.

[19] Shares were issued as follows: Robin Akers 417 shares; Scott DeMell 365 shares; Julia Henderson 73 shares; Shyla Jones 66 shares; Niki Kutac 190 shares; Heather McCoy 41 shares; Michael Raykhinshteyn 24 shares; and Suzanne Young 124 shares.

[20] Shares were issued as follows: Jack Jacobs 1,352 shares; Rizvan Mirza 1,512 shares; Behnam Tabatabai 1,512 shares; and Eric Wilhelm 1,058 shares. Dr. Rizvan Mirza's term as a director did not continue following the Company's annual shareholder meeting held on October 28, 2020.

[21] Shares were issued as follows: Scott DeMell 417 shares; Rhiannon Fox 77 shares; Julia Henderson 85 shares; Shyla Jones 77 shares; Niki Kutac 241 shares; Heather McCoy 48 shares; Michael Raykhinshteyn 28 shares; and Suzanne Young 146 shares.

[22] Shares were issued as follows: Jack Jacobs 1,364 shares; Rizvan Mirza 457 shares; Behnam Tabatabai 1,525 shares; Eric Wilhelm 1,067 shares; and Pontea Shabkhiz 800 shares. Dr. Rizvan Mirza's term as a director did not continue following the Company's annual shareholder meeting held on October 28, 2020. Total Shares 5,213

[23] Shares were issued as follows: Melody Aguilar 114 shares; Rakesh Badgujar 129 shares; Josie Burdick 217 shares; Diana Caponi 252 shares; Scott DeMell 336 shares; Marissa Dorsky 114 shares; Morgan Durco 151 shares; Rhiannon Fox 77 shares; Lisa Gadberry 224 shares; Aaron Gotreaux 166 shares; Damond Greenwood 107 shares; Julia Henderson 336 shares; Racquel Holness 112 shares; Ye Huang 272 shares; Nicole Joliat 151 shares; Shyla Jones 151 shares; Steven Katonka 86 shares; Ryan Kinstler 120 shares; Niki Kutac 295 shares; Haiwen Liu 188 shares; Tim Lyons 378 shares; Heather McCoy 189 shares; Nadine Monie 185 shares; Itay Pogrebinsky 115 shares; Aleksandr Rakhmistrovskiy 141 shares; Michael Raykhinshteyn 117 shares; Jordan Regula 84 shares; Stephen Ryan 128 shares; Arthur Shnayder 163 shares; Phillip Strunk 136 shares; Laura Stuebbe 142 shares; Ning Sun 144 shares; Christine Wolford 149 shares; and Suzanne Young 190 shares. Total Shares 5,859

[24] Shares were issued as follows: Jack Jacobs 1,548 shares; Behnam Tabatabai 1,730 shares; Eric Wilhelm 1,211 shares; and Pontea Shabkhiz 1,298 shares. Total Shares 5,787

[25] Shares were issued as follows: Scott DeMell 417 shares; Rhiannon Fox 75 shares; Julia Henderson 83 shares; Shyla Jones 75 shares; Niki Kutac 234 shares; Heather McCoy 47 shares; Michael Raykhinshteyn 27 shares; and Suzanne Young 142 shares.Total Shares 1,100.

[26] Shares were issued as follows: Jack Jacobs 1,164 shares; Behnam Tabatabai 1,302 shares; Eric Wilhelm 911 shares; and Pontea Shabkhiz 976 shares. Total shares 4,353

[27] Shares were issued as follows: Scott DeMell 366 shares; Rhiannon Fox 67 shares; Julia Henderson 73 shares; Shyla Jones 67 shares; Niki Kutac 206 shares; Heather McCoy 41 shares; Michael Raykhinshteyn 24 shares; and Suzanne Young 125 shares. Total Shares 969

[28] Shares were issued as follows: Scott DeMell 135 shares; Rhiannon Fox 25 shares; Julia Henderson 27 shares; Niki Kutac 76 shares; Heather McCoy 15 shares; Michael Raykhinshteyn 9 shares; and Suzanne Young 47 shares. Total Shares 334

[29] Shares were issued as follows: Jack Jacobs 503 shares; Behnam Tabatabai 562 shares; Eric Wilhelm 393 shares; and Pontea Shabkhiz 421 shares. Total Shares 1,879

All Common Shares issued by Datatrak International, Inc. contain a restrictive legend since the shares are not registered with the SEC. Common Shares must be held by non-affiliates for one year for the restrictive legend to be removed. Affiliates remain subject to the restrictions under Rule 144 promulgated under the Securities Act as long as they are affiliates of the Company and for 90 days thereafter.

B. Debt Securities, Including Promissory and Convertible Notes

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☒

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting/investment control disclosed)	Reason for Issuance (e.g. Loan, Services, etc.)
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

4) Financial Statements

A. The following financial statements were prepared in accordance with:

☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)[4]:

Name: Mark Bobus, CPA
Title: Controller/
Relationship to Issuer: Controller

Overseen by:
Name: Adam Kopelman
Title: Senior Vice President of Sales and Strategic Initiatives
Relationship to Issuer: Principle Financial and Accounting Office

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[4] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

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Quarterly results of operations for the years ended December 31, 2021 and 2020 are included in Note 10 of the Consolidated Financial Statements

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MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Datatrak International, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Datatrak International, Inc. and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of operations and stockholders' equity (deficit), and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Datatrak International Inc. and Subsidiaries as of December 31, 2021 and 2020, and the consolidated results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Datatrak International Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Datatrak International Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Datatrak International Inc. and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Datatrak International Inc. and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Marcum LLP

Cleveland, OH
April 12, 2022

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	December 31, 2021	December 31, 2020
Assets		
Current Assets		
Cash and cash equivalents	1,692,962	2,634,490
Marketable securities	7,575	10,232
Accounts receivable, net of allowance for doubtful accounts of $15,000 and $15000	480,482	1,836,321
Other receivables	51	574
Prepaid expenses	238,653	163,077
Due from Related Party	548,189	-
Current assets	**2,967,912**	**4,644,694**
Operating right-of-use asset		
Operating right-of-use asset	2,129,171	2,129,171
Accumulated depreciation-operating right-of-use asset	(939,079)	(597,105)
Operating right-of-use assets - net	**1,190,092**	**1,532,066**
Property & equipment		
Equipment	359,390	355,502
Software, net of impairment	6,872,795	6,124,133
Leasehold Improvements	55,425	55,425
Property and equipment gross	**7,287,610**	**6,535,060**
Less accumulated depreciation and amortization	(5,419,815)	(4,888,292)
Property & equipment - net	**1,867,795**	**1,646,768**
Other Assets		
Certificate of deposit	95,020	125,095
Contract assets	52,641	76,499
Long-Term receivable	158,528	186,496
Deposits	16,547	16,547
Total Other Assets	**322,735**	**404,637**
Total Assets	**6,348,534**	**8,228,165**
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	143,059	97,215
PPP loan - current	-	428,897
Notes Payable	35,000	16,445
Accrued expenses	981,585	1,052,928
Contract Liability	1,692,342	2,219,772
Total current liabilities	**2,851,987**	**3,815,257**
Long-Term Liabilities		
Contract Liability-Long Term	1,120,865	1,104,024
Long-term operating lease liability	1,040,668	1,474,203
PPP loan - long term	-	422,969
Accrued expenses long term	150,000	150,000
Total Long-Term Liabilities	**2,311,534**	**3,151,196**
Shareholders' Equity		
Serial Preferred Shares, without par value, 1,000,000 shares authorized, none issued	-	-
Common Shares/Additional paid in capital, without par value, authorized 25,000,000 shares; Issued 2,435,726 shares as of Dec. 31, 2021 and 2,412,635 as of Dec. 31, 2020; Outstanding 2,423,720 as of Dec. 31, 2021 and 2,397,107 shares as of Dec. 31, 2020	69,080,047	68,934,862
Treasury Shares, 12,006 shares as of Dec. 31, 2021 at cost; 15,528 shares as of Dec.31, 2020 at cost	(95,448)	(123,448)
Accumulated Deficit	(67,799,585)	(67,549,702)
Total Shareholders' equity	**1,185,014**	**1,261,712**
Total Liabilities & Shareholders Equity	**6,348,534**	**8,228,165**

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31,					
	2021	**% of Sales**	**2020**	**% of Sales**	**2019**	**% of Sales**
Revenue	6,381,543	100.0%	7,157,009	100.0%	7,742,569	100.0%
Direct costs	(2,193,490)	(34.4%)	(1,928,425)	(26.9%)	(2,204,821)	(28.5%)
Gross profit	**4,188,053**	65.6%	**5,228,584**	73.1%	**5,537,748**	71.5%
Selling, general and administrative expenses	(5,327,469)	(83.5%)	(5,307,860)	(74.2%)	(5,144,820)	(66.4%)
Depreciation and amortization	(5,887)	(0.1%)	(10,770)	(0.2%)	(19,020)	(0.2%)
(Loss) income from operations	**(1,145,303)**	(17.9%)	**(90,046)**	(1.3%)	**373,908**	4.8%
Other income (expense):						
Interest income	48,240	0.8%	5,016	0.1%	18,140	0.2%
Gain (loss) on disposal of assets	-	0.0%				
Interest expense	(2,029)	(0.0%)	(8,510)	(0.1%)	(3,803)	(0.0%)
Gain (loss) on marketable securities	(2,657)	(0.0%)	3,354	0.0%	(1,446)	(0.0%)
Gain on PPP loan forgiveness	851,866	13.3%	-	0.0%	-	0.0%
(Loss) income before income taxes	**(249,883)**	(3.9%)	**(90,186)**	(1.3%)	**386,799**	5.0%
Income tax (benefit) expense	-	0.0%	-	0.0%	-	0.0%
Net (loss) income	**$ (249,883)**	(3.9%)	**$ (90,186)**	(1.3%)	**$ 386,799**	5.0%
Net (loss) income per share:						
Net (loss) income per share, basic	$ (0.10)		$ (0.04)		$ 0.16	
Weighted-average shares outstanding, basic	2,417,705		2,385,696		2,346,372	
Net (loss) income per share, diluted	$ (0.10)		$ (0.04)		$ 0.16	
Weighted-average shares outstanding, diluted	2,417,705		2,385,696		2,378,739	

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31, 2021	2020	2019
Operating Activities			
Net (loss) income	$ (249,883)	$ (90,186)	$386,799
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:			
Depreciation and amortization	531,523	451,457	766,565
Amortization of operating right-of-use asset	341,975	313,394	283,711
Stock-based compensation	120,992	121,719	144,697
Unrealized loss (gain) on marketable securities	2,657	(3,354)	1,230
401(k) match paid in stock	27,830	59,699	90,479
Forgiveness of PPP loan	(851,866)		
Changes in operating assets and liabilities:			
Accounts receivable	1,355,839	(1,129,798)	271,104
Prepaid expenses and other assets	(23,228)	213,836	148,926
Accounts payable and accrued expenses	(25,497)	82,015	(275,946)
Long-term operating lease liability	(433,535)	(392,204)	(182,764)
Interest payable	-	6,047	120
Contract liability	(510,588)	(984,767)	788,498
Net cash (used in) provided by operating activities	**286,220**	**(1,352,141)**	**2,423,419**
Investing Activities			
Purchases of property and equipment	(3,888)	-	-
Capitalization of software development costs	(748,662)	(743,061)	(712,902)
Due from Related Party	(548,189)	-	-
Purchase of marketable securities	-	-	(118)
Net cash used in investing activities	**(1,300,739)**	**(743,061)**	**(713,020)**
Financing Activities			
Proceeds from PPP loan		845,938	-
Proceeds from LOC net of repayments	35,000		
Payments of long-term debt and notes payable	(16,445)	(171,085)	(148,719)
Proceeds from ESPP	24,362	24,161	19,510
Net cash provided by (used in) financing activities	**42,917**	**699,015**	**(129,209)**
(Decrease) increase in cash and cash equivalents	(971,602)	(1,396,188)	1,581,190
Cash, restricted cash and cash equivalents at beginning of year	2,759,585	4,155,773	2,574,583
Cash, restricted cash and cash equivalents at end of year	**1,787,982**	**2,759,585**	**4,155,773**
Supplemental Cash Flow Disclosures:			
Cash paid during the year for interest	$ 4,233	$2,592	$3,828
Supplemental Schedule of Noncash Activities:			
Noncash financing			
Insurance note payable for prepaid insurance	$ -	$ 146,179	$ 144,235
Go to Debt Summary-Insurance (AFCO)			

Reconciliation of cash, restricted cash and cash equivalents to the consolidated balance sheet at the end of the year:

	2021	2020	2019
Cash and cash equivalents	1,692,962	2,634,490	3,990,549
Certificate of deposit	95,020	125,095	165,224
Cash, restricted cash and equivalents at the end of the year	**1,787,982**	**2,759,585**	**4,155,773**

1. **Forgiveness of PPP Loan**: This was the Paycheck Protection Program, (PPP) loan received in April 2020. The original loan of $846,000 plus accumulated interest of $6,000, for an aggregate of $852,000, was forgiven one year later in April of 2021.

Due from Related Party: During 2021 Datatrak purchased 500,000 shares of the common stock of CreditRiskMonitor.com at $1.40 per share from TabaFund. Datatrak has since sold back these shares to TabaFund. Accordingly, TabaFund owed the aggregate principal amount of $700,000 to Datatrak and interest accruing as of January 29, 2021 on the principal amount at a rate of 10% per annum, pursuant to a promissory note. During 2021, Datatrak has received $200,000 from TabaFund. The balance on the TabaFund promissory note as of December 31, 2021 was $548,189, ($500,000 principle plus $48,149 interest). In March of 2022, the Board of Directors approved an amendments of the TabaFund note to extend the maturity date to July 28, 2022.

Datatrak International, Inc.
Annual Report
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CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Shares		Treasury Shares		Common Share Warrants		Unrealized Loss		
	Number of Shares	Stated Amount	Number of Shares	Cost	Number of Shares	Cost		Accumulated Deficit	Total
Balance at December 31, 2018	**2,338,707**	**68,944,453**	**25,415**	**(593,304)**	**-**	**-**	**-**	**(67,846,315)**	**504,834**
Stock-based compensation	3,704	11,889	-	3,443	-	-	-	-	15,332
ESPP	-	(299,316)	(4,390)	318,826	-	-	-	-	19,510
401(k) match	11,453	90,479	-	-	-	-	-	-	90,479
Director fees	25,828	129,364	-	-	-	-	-	-	129,364
Net Profit (Loss)	-	-	-	-	-	-	-	386,799	386,799
Balance at December 31, 2019	**2,379,692**	**68,876,870**	**21,025**	**(271,035)**	**-**	**-**	**-**	**(67,459,516)**	**1,146,318**
Stock-based compensation	(3,704)	(11,889)	-	4,264	-	-	-	-	(7,625)
ESPP	-	(119,161)	(5,497)	143,322	-	-	-	-	24,161
401(k) match	11,264	59,699	-	-	-	-	-	-	59,699
Director fees	25,383	129,344	-	-	-	-	-	-	129,344
Net Profit (Loss)	-	-	-	-	-	-	-	(90,186)	(90,186)
Balance at December 31, 2020	**2,412,635**	**68,934,863**	**15,528**	**(123,448)**	**-**	**-**	**-**	**(67,549,702)**	**1,261,711**
Stock-based compensation	-	-	-	-	-	-	-	-	-
ESPP	-	(3,638)	(3,522)	28,000	-	-	-	-	24,362
401(k) match	5,859	27,830	-	-	-	-	-	-	27,830
Director fees	17,232	120,992	-	-	-	-	-	-	120,992
Net Profit (Loss)	-	-	-	-	-	-	-	(249,883)	(249,883)
Balance at December 31, 2021	**2,435,726**	**69,080,047**	**12,006**	**(95,448)**	**-**	**-**	**-**	**(67,799,585)**	**1,185,013**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(*All numbers, except share numbers, have been rounded to the nearest thousand in the Notes to the Consolidated Statements)*

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying audited consolidated financial statements of Datatrak International, Inc. and subsidiaries ("Datatrak" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for financial information and with the guidelines from OTC Pink Markets for providing adequate current information. The accompanying financial statements have been prepared by the Company's management and independent auditors have performed an audit of these financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

Principles of Consolidation

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

Revenue Recognition

Datatrak recognizes revenue from contracts with customers under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers (Topic 606)." The primary revenue sources for the Company are subscription fees and professional services. Revenue is recognized as the customer receives the benefit of access to the Datatrak Enterprise Cloud software suite and as the customer receives the benefit of the professional services performed by the Company in an amount that reflects the consideration that is expected to be received in exchange for those fees and services.

The Company recognizes revenue using the following steps:

1. Identification of the contract with a customer;
2. Identification of the performance obligations in the contract;
3. Determination of the transaction price;
4. Allocation of the transaction price to the performance obligations in the contract; and
5. Recognition of revenue when, or as, performance obligations are satisfied.

Datatrak satisfies its performance obligations in two ways: (1) for professional services, at the time when services are rendered to the customer and the customer receives the benefit of the service and (2) for subscription fees, as the customer uses the Company's software over the course of the contract term. Revenue for professional services provided is recognized as the services are performed while revenue from subscriptions is recognized ratably over the course of the contract term, and adjusted as estimates of a customer's measure of progress change over time. Revenue from contracts with customers is disaggregated as follows:

	For the Year Ended December 31,		
	2021	2020	2019
Subscription Revenue	$ 4,207,000	$ 5,138,000	$ 5,801,000
Professional Services	2,174,000	2,019,000	1,942,000
Total Revenue	6,381,000	7,157,000	7,743,000

Subscription Revenue

Subscription revenue consists of fees charged to provide customers access to one or more of the cloud solutions within the Datatrak Enterprise Cloud software suite. Customers may use the solutions on a single trial basis or through an enterprise agreement, which represents a long-term contract covering multiple trials. Revenue is generally recognized over the contract term beginning when access to the solutions is made available to the customer. Subscription revenue includes fees charged for various services contained in the license agreements including patients, points, users, randomization, inventory, safety case manager and clinical trial management services. The length of a contract can vary widely depending on the type of trial. A contract for a single trial can be as short as a few months or span multiple years. An enterprise agreement typically covers three to five years.

Professional Services Revenue

Professional services revenue consists of fees for trial design, testing, training, project management, solution center, hosting services, and applications support. Revenue for services is recognized as the services are performed.

Services provided by Datatrak that extend beyond the original terms of the contract are billed on a fee for service basis as services are completed. Costs associated with contract revenue are recognized as incurred. Costs that are paid directly by the Company's clients, and for which the Company does not bear the risk of economic loss, are excluded from revenue. The termination of a standard contract will not typically result in a material adjustment to the revenue or costs previously recognized.

Payment terms vary with each contract but may include an initial payment at the time the contract is executed, with future payments dependent upon the completion of certain contract phases or targeted milestones. In the event of contract cancellation, the Company is entitled to payment for all work performed through the point of cancellation. Likewise, in the event of contract cancellation prior to earning revenue equal to or greater than the initial payment, the Company is generally not required to refund the unused portion.

Datatrak does not act as an agent, and therefore has no performance obligation to arrange for another party to transfer goods or services.

The Company warrants to its customers that it will provide access to the software and perform the professional services using personnel of required skill, experience, and qualifications in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and in material compliance with all laws, rules and regulations applicable to the Company, including, without limitation, all applicable data privacy and data security laws.

Contracts with Multiple Performance Obligations

Most of Datatrak's contracts with customers contain multiple performance obligations. The performance obligations are accounted for separately if they are distinct. The transaction price is allocated to the separate performance obligations on a standalone selling price basis. Both subscription services and professional services are frequently sold individually which provides a basis for determining their standalone value.

Contract Costs and Liabilities

The contract costs and liability balances are presented on the face of the balance sheet as follows and conform to guidelines contained in U.S. GAAP.

	December 31, 2021	December 31, 2020
Contract Costs	$ 53,000	$ 76,000
Contract Liability	(2,813,000)	(3,324,000)

The Company expects to recognize $1,692,000 of revenue currently held in contract liabilities over the next 12 months of 2022. The remaining $1,121,000 is expected to be recognized during 2023.

Datatrak has not recognized revenue for the year ended December 31, 2021 or 2020 from a performance obligation satisfied in a previous period.

Transaction Price Allocated to the Remaining Performance Obligations

As of December 31, 2021, the Company had approximately $12,398,000 of estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially satisfied).

Deferred Commissions

Sales commissions earned by Datatrak's outside sales force are considered incremental and recoverable costs of obtaining a contract with a customer. These costs are deferred and amortized as revenue is recognized over the life of the contract. Amortization of sales commissions is included in selling, general and administrative ("SG&A") expenses in the accompanying consolidated statement of operations.

Concentration of Credit Risk

The Company is subject to credit risk through accounts receivable and cash equivalents. The Company does not require collateral and its accounts receivable are unsecured. The cash equivalents are placed with high credit-quality financial institutions. The Company limits the amount of credit exposure in any one institution or type of investment instrument.

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Company has never experienced any losses related to these balances. Interest-bearing amounts on deposit in excess of federally insured limits at December 31, 2021 and December 31, 2020 approximated $1,693,000 and $2,634,000, respectively.

Marketable Securities

Marketable securities consist of high quality corporate stock. The Company recognizes the change in the value of investments in its current period income statement. Based on the closing trade price, the Company recognized a loss of ($2,700) for the year ended December 31, 2021 compared to a gain of $3,400 for the year ended December 31, 2020 and a loss of ($1,400) for the year ended December 31, 2019.

Accounts Receivable

The Company generally invoices its customers on a monthly basis with payment terms of net 30 days from invoice date. The accounts receivable amount is recorded net of an estimated reserve for doubtful accounts. The Company has a history of favorable collections and had a reserve for uncollectible accounts of $15,000 at both December 31, 2021 and December 31, 2020. The Company's average collection period was 54 days as of December 31, 2021 compared to 45 days as of December 31, 2020. The net accounts receivable balance was $480,000 and $1,836,000 at December 31, 2021 and December 31, 2020, respectively. The net accounts receivable balance at December 31, 2020 included an invoice for $1,200,000 for a contract amendment with a customer.

Property and Equipment

Property and equipment are stated at cost. Depreciable assets consist of office and computer equipment, software and leasehold improvements. Depreciation and amortization on office and computer equipment and software are computed using the straight-line method over estimated useful lives of three to seven years. Leasehold improvements are amortized using the straight-line method over the lesser of the assets' estimated useful life or the lease term. Depreciation and amortization expense related to depreciable assets, including assets recorded under capital leases and software development efforts that have been placed into production, was $532,000, $451,000 and $767,000 for 2021, 2020 and 2019, respectively. The amortization of software development efforts that have been placed into production were charged to direct costs and totaled $526,000, $441,000 and $748,000 for 2021, 2020 and 2019, respectively.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with FASB Accounting Standards Codification ("ASC") 718, "Stock Compensation," using the "modified prospective" method. Common Shares and Common Share options awarded to non-employee Directors are fully vested and compensation costs are completely expensed on the grant date. Share-based incentive awards granted to employees vest over the assigned vesting period and related compensation costs are amortized ratably over the vesting period. Stock compensation expense was $121,000, $122,000, and $145,000 for the years ended December 31, 2021, 2020 and 2019, respectively. There was no unamortized compensation cost related to non-vested restricted Common Shares at December 31, 2021

Leases

In February 2016, FASB issued ASU 2016-02, "Leases." ASU 2016-02 requires companies to recognize right-of-use ("ROU") assets and lease liabilities for operating leases on the balance sheet in order to increase transparency and comparability among organizations. Datatrak adopted ASU 2016-02 as of January 1, 2019 and elected the first practical expedient. The first practical expedient under ASU 2016-02 allows an entity to accept the original determination of whether a contract contained a lease and the original lease classification. Additionally, it does not require the Company to reassess the initial direct costs. Based on this election, the office leases for Cleveland, College Station and Chicago are classified as operating leases. The copier lease, which was classified as a capital lease prior to the adoption of the standard, is classified as a finance lease.

A lease is determined at the inception of the arrangement. Operating leases are included in operating lease ROU assets, accrued expenses and other long-term operating lease liabilities in the consolidated balance sheet. Finance leases are included in property and equipment and notes payable in the consolidated balance sheet. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments for the use of such assets under the lease term. Operating lease ROU assets and liabilities are recognized at the commencement date of the lease based on the present value of the lease payments over the lease term. If the interest rate implicit in the lease is able to be determined, it will be used in calculating the present value of the lease payments. If the interest rate implicit in the lease is not able to be determined, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. The lease term may include options to extend the lease when it is reasonably certain that the Company will exercise that option. The expense for operating lease payments is recognized on a straight-line basis over the lease term.

Income Taxes

The Company follows FASB ASC 740. This accounting standard requires that the asset and liability method be used in accounting for income taxes. Under this accounting method, deferred tax assets and liabilities are determined based on the differences between the financial reporting basis and the tax basis of assets and liabilities and are measured using the enacted tax rates and laws that apply in the periods in which the deferred tax asset or liability is expected to be realized or settled. A valuation allowance is provided for deferred tax assets for which realization currently is not more likely than not. Quarterly income taxes are recorded at the effective rate, based on annual forecasted income. The Company is currently in an overall cumulative loss position totaling $33,470,000, after an increase of $1,135,000 for net operating loss carryforwards that are not expected to be utilized when the 2021 tax return is filed. As a result, the Company recorded a full valuation reserve against its net deferred tax assets in 2009 and the full valuation reserve remained on the books through December 31, 2021.

The Company adopted Internal Revenue Code ("IRC") Section 451(c) as of January 1, 2021. IRC Section 451(c) requires an accrual method taxpayer who receives an advance payment to include the amount in income within the first two tax years following receipt. This may accelerate recognition of revenue for tax purposes. The Company will not apply the regulation retroactively.

In accordance with FASB ASC 740-10, the Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that has a greater than 50% likelihood of being recognized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. As of December 31, 2021 and December 31, 2020, the Company had no uncertain income tax positions.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that might affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Financial Instruments

The carrying values of cash and cash equivalents, restricted cash, marketable securities, accounts receivable, accounts payable and accrued expenses are reasonable estimates of fair value due to the short-term nature of these financial instruments.

Direct Costs

Direct costs consist of personnel costs for those employees who directly support the Company's contracts, ISP costs, charges being passed through to customers and amortization related to software development efforts that have been placed into production.

Advertising Costs

Advertising costs are expensed as incurred and are included in SG&A. Advertising costs were $139,000, $159,000 and $142,000 for 2021, 2020 and 2019, respectively.

Software Development Costs

Development costs incurred in the research and development of new software products, enhancements to existing software products and maintenance activities are accounted for in accordance with FASB ASC 350-40, "Accounting for Cost of Internal-Use Software, Including Enterprise Software." Post-implementation stage activities such as maintenance or modifications that do not result in additional functionality are expensed as incurred. Enhancements to the software, which enable the software to perform tasks that it was previously incapable of performing, are to be capitalized based on the assigned fair value. If the project contains both elements of upgrades that provide additional functionality and maintenance, cost is allocated based on relative fair values. If the cost cannot be allocated between maintenance and upgrades on a reasonable basis, all cost is expensed as incurred.

The Company capitalized software development costs in accordance with FASB ASC 350-40 that provided additional functionality of $749,000 during the year ended December 31, 2021 compared to $743,000 for the year ended December 31, 2020 and $713,000 for the year ended December 31, 2019. Research and development expenses included in SG&A were $993,000, $1,076,000 and $1,040,000 in 2021, 2020 and 2019, respectively.

1. Subsequent Events

The Company has evaluated subsequent events through April 04, 2022, the date these consolidated financial statements were available to be issued. On February 23, 2022 Datatrak and OGC College Station Park LP, a Texas limited partnership, entered into an agreement to terminate the current Lease Agreement. This agreement states that Datatrak will pay OGC $31,000 and will forfeit its security deposit of $4,470 at which time OGC will release and forever discharge Datatrak of any and all claims, demands, and causes of action which OGC has or may have in the future. The payment for $31,000 was made on February 25, 2022 and the check was cashed on March 1, 2022. The last obligated rental payment was made on December 31, 2021 and there will be no rental payment obligations for 2022 and beyond.

2. Recent Developments

The Company continues to monitor state and federal guidelines regarding the COVID-19 pandemic and will modify business operations as needed to comply with these guidelines for the safety of its employees and customers. Despite the recovery the Company is seeing, the COVID-19 pandemic continues to evolve and the recovery could be slowed or reversed by a number of factors, including any additional widespread resurgences in COVID-19, infections, whether due to the spread of variants of the virus (some of which are more transmissible than the initial strain) or otherwise, the availability and rate of vaccinations, and the rate in which state and local governments are re-opening businesses or, in certain jurisdictions, reversing re-opening decisions. As such, the Company cannot provide any assurance that the effects of the COVID-19 pandemic will not have an adverse effect on its business or results of operations going forward. In addition, as long as the COVID-19 pandemic remains a public health threat, global economic conditions will continue to be volatile depending on several factors, including new information concerning the severity of the pandemic and new variants, government actions to mitigate the effects of the pandemic in the near-term, and the resulting impact on our clients' spending plans, any of which could potentially materially impact the Company. While we have seen the availability of vaccines and various treatments with respect to COVID-19 begin to have an overall positive impact on business conditions we cannot currently predict the continued recovery due to hesitancy of parts of the population to become vaccinated and the ongoing occurrence of sporadic outbreaks of COVID-19 cases. We will continue to assess the impact of the COVID-19 pandemic on our business and will respond accordingly.

3. Accrued Expenses

Accrued expenses consisted of the following:

	For the Year Ended December 31,			
		2021		**2020**
Payroll and other employee costs	$	297,000	$	419,000
Professional fees	$	175,000	$	166,000
Operating lease liability, current portion	$	436,000	$	392,000
Other	$	74,000	$	76,000
	$	**982,000**	**$**	**1,053,000**

1. **Payroll and other employee costs**: For 2021 includes the cancellation of the Chief Executive Officer's 2021 accrued bonus of $120k. The Chief Executive Officer was released from employment in December of 2021. This accrual was added back to income at the end of 2021.

4. Income Taxes

Due to its net operating loss carryforwards, the Company had no federal, state or local income tax expense for the years ended December 31, 2021, 2020 or 2019.

A reconciliation of income tax expense (benefit) at the U.S. federal statutory rate to the effective income tax rate is as follows:

	Year Ended December 31,		
	2021	2020	2019
Income tax (benefit) expense at the United States statutory rate	$ (52,500)	$ (19,000)	$ 81,000
Gain on Cancel of PPP Loan	$ (177,600)		
NOL Adj/Expiration	$ 605,300		
Change in valuation allowance	$ (377,000)	$ 18,000	$ (898,000)
U.S. net operating loss adjustment	$ -	$ -	$ 774,000
Depreciation and amortization	$ -	$ -	$ 40,000
Non-deductible permanent differences	$ 1,800	$ 1,000	$ 3,000
Income tax (benefit) expense at the effective income tax rate	**$ -**	**$ -**	**$ -**

Due to uncertainty regarding the realization of the deferred tax asset resulting from its cumulative operating losses through 2021 the Company provided for a full valuation allowance against its net deferred tax assets at December 31, 2021 and 2020.

The Company follows FASB ASC 740. This accounting standard requires that the asset and liability method be used in accounting for income taxes. Under this accounting method, deferred tax assets and liabilities are determined based on the differences between the financial reporting basis and the tax basis of assets and liabilities and are measured using the enacted tax rates and laws that apply in the periods in which the deferred tax asset or liability is expected to be realized or settled. A valuation allowance is provided for deferred tax assets for which realization currently is not more likely than not. Quarterly income taxes are recorded at the effective rate, based on annual forecasted income. The Company in 2020 had a net operating loss of $32,335,000. In 2021 a net operating loss totaled $32,412,000, after an increase of $77,000. The Company recorded a full valuation reserve against its net deferred tax assets in 2009 and the full valuation reserve remained on the books through December 31, 2021.

An equity transaction completed on January 7, 2002 has limited the Company's net operating loss carryforwards incurred prior to that date, to a maximum amount of approximately $1,000,000 per year, under Section 382 of the Internal Revenue Code. The Company's United States net operating loss carryforwards subject to expiration total $31,128,000 and will fully expire if not used by the year 2035. The remaining net operating loss carryforwards for 2020 of $149,000 and for 2021 of $1,135,000 have no expiration dates.

The significant components of the Company's deferred tax assets are as follows:

	December 31,	
Deferred tax assets:	2021	2020
U.S. net operating loss carryforwards	$ 6,818,000	$ 6,790,000
State and local net operating loss carryforwards	$ 150,000	
Foreign tax credit	$ 71,000	$ 71,000
Allowances and accruals	$ 3,000	$ 28,000
Restricted stock	$ 60,000	$ 67,000
Depreciation and amortization	$ 19,000	$ 8,000
Right of use asset	$ (249,900)	
Right of use Liability	$ 218,400	
451 Regulation	$ 222,000	
Gross deferred tax assets recorded	$ 7,311,500	$ 6,964,000
Valuation allowance	$ (7,311,500)	$ (6,964,000)
Net deferred tax asset recorded	$ -	$ -

At December 31, 2021, a valuation allowance of approximately $7,311,500 remained against Datatrak's deferred tax assets, which consisted primarily of net operating loss carryforwards for U.S. income taxes. Of the $7,311,500 total valuation allowance, approximately $6,818,000 is recorded against the portion of Datatrak's deferred tax assets that represent net operating loss carryforwards for U.S. income taxes. The remaining $493,500 valuation allowance is provided for other deferred tax assets.

1. As of December 31, 2021, and 2020, the Company had no uncertain income tax positions.
2. The tax years 2018 through 2021 remain subject to U.S. tax examination.

5. Net (Loss) Income per Share

The following table sets forth the computation of basic and diluted net (loss) income per share:

	Year Ended December 31,		
	2021	2020	2019
Net (loss) income used in the calculation of basic and diluted (loss) income per share	$ (250,000)	$ (90,000)	$387,000
Denominator for basic net (loss) income per share — weighted-average common shares outstanding	2,418,000	2,386,000	2,346,000
Effect of dilutive common share options			33,000
Denominator for diluted net (loss) income per share	2,418,000	2,386,000	2,379,000
Basic net (loss) income per share	($0.10)	($0.04)	$0.16
Diluted net (loss) income per share	($0.10)	($0.04)	$0.16
Common share options excluded due to anti-dilutive effect on net (loss) income per share		24,000	
Weighted-average common share options excluded from the computation of diluted net (loss) income per share because they would have an anti-dilutive effect on net (loss) income per share		23,000	24,000

6. Leases

Datatrak has operating leases for office space in College Station, Cleveland and Chicago and a finance lease for certain office equipment. The leases have remaining terms of 2 to 5 years.

The components of the lease expense were as follows:

For the Twelve Months Ended	**Dec. 31, 2021**	**Dec. 31, 2020**
Operating lease cost	479,000	478,000
Finance lease cost:		
Amortization of right-of-use asset	-	1,000
Interest on lease liabilities	-	-
Variable rent cost	285,000	244,000
Month-to-month rental cost	21,000	18,000
	785,000	**$741,000**
Sublease income	(449,000)	(449,000)
Total operating and finance lease cost	**$336,000**	**$292,000**

Supplemental balance sheet information related to leases was as follows:

Operating Leases	**Dec. 31, 2021**	**Dec. 31, 2020**
Operating lease right-of-use assets, Gross	$2,129,000	$2,129,000
Accumulated Depreciation	($939,000)	($597,000)
	$1,190,000	$1,532,000
Accrued expenses	$436,000	$392,000
Long-term operating lease liabilities	1,041,000	1,474,000
Total operating lease liabilities	$1,477,000	$1,866,000
Finance Leases		
Property and equipment, gross	21,000	$20,000
Accumulated depreciation	($21,000)	($20,000)
Property and equipment, net	$ -	$ -

Supplemental cash flow information related to leases was as follows:

The Company leases certain office equipment and space, some of which are under month-to-month agreements. Net rent expense relating to the operating leases was approximately $335,000, $292,000 and $292,000 in 2021, 2020 and 2019, respectively. Future minimum lease payments for the Company under non-cancelable operating leases are as follows.

	Dec. 31, 2021	**Dec. 31, 2020**
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	($527,000)	($514,000)
Operating cash flows from finance leases	-	($1,000)
Weighted Average Remaining Lease Term		
Operating leases - years	4	5
Weighted Average Discount Rate		
Operating leases	8%	8%

Year Ending December 31,	**Year**	**Amount[1]**
	2022	537,000
	2023	384,000
	2024	349,000
	2025	357,000
Remainder		90,000
Net lease payments		**1,717,000**
Less: interest		($240,000)
Present value of operating lease liabilities		$1,477,000 [2]
College Park Savings		**$ (25,000)**
Net lease payments		**$ 1,452,000**

The Company leases certain office equipment and space, some of which are under month-to-month agreements. Net rent expense relating to the operating leases was approximately $335,000, $292,000 and $292,000 in 2021, 2020 and 2019, respectively.

[1] Datatrak remains responsible for the master lease for the Chicago office space. The master lease contains material monthly variable rent costs of $19,300, which are not included in the future minimum lease payments above.

[2] The short-term operating lease liabilities total $436,000 and are included in accrued expenses. See Note 4. Accrued Expenses. The long-term operating lease liabilities total $1,041,000 as shown under the long-term liabilities on the balance sheet.

On July 7, 2016, the Company entered into a sublease agreement with OERM Software, Inc., now known as Sphera Solutions, Inc., for the Chicago, IL office space ("Chicago sublease"). The Chicago sublease covers the remaining term of the original lease. Future minimum lease payments expected to be received under the Chicago sublease agreement are as follows:

Year Ending December 31,	Amount
2022	484,000
2023	491,000
2024	498,000
2025	505,000
Remainder	127,000
Total	2,105,000

Effective August 26, 2019, Datatrak signed a Consent to Sub-Sublease, which allowed Sphera Solutions, Inc. to sublease the Chicago office space to BKD, LLP. The consent to sub-sublease changed none of the terms of the Company's agreement with Sphera Solutions, Inc. and has no financial impact on Datatrak.

7. Long-Term Debt

Long-term debt at December 31, 2021 and December 31, 2020 is summarized below:

	Dec. 31, 2021	Dec. 31, 2020
PPP loan (includes accrued interest)	-	852,000
LOC	35,000	
Insurance note payable		16,000
Total debt	**35,000**	**868,000**
Less current maturities	-	(445,000)
Long-term debt (PPP loan – long-term)	**35,000**	**423,000**

The Company entered into a financing agreement with AFCO for payment of a portion of the Company's 2019-2020 annual insurance premiums. The note bore interest at 4.99% and was due in monthly installments of $13,400, including accrued interest, beginning in May 2019 and ending in March 2020. All amounts were fully paid as of December 31, 2020.

The Company entered into a financing agreement with First Insurance Funding for payment of a portion of the Company's 2020-2021 annual insurance premiums. The note bears interest at 3.74% and was due in monthly installments of $16,500, including accrued interest, beginning in May 2020 and ending in January 2021. All amounts were fully paid as of December 31, 2020.

Datatrak applied for a loan under the Paycheck Protection Program ("PPP"), which was approved on April 18, 2020 in the amount of $846,000. The PPP loan was a two-year, unsecured promissory note with an interest rate of 1% per annum. Payments under the PPP loan were deferred until the applicants completed the forgiveness process and were declined or partially declined, or they reached sixteen-months post-funding of the original loan. At that time, monthly payments of principal and interest would have been due for any portion of the PPP loan which was not forgiven. The PPP loan could have been prepaid at any time prior to maturity with no prepayment penalties. The PPP loan note was scheduled to mature on April 18, 2022. As required, the Company used the funds to cover payroll and benefit costs during the COVID-19 pandemic. The Company was notified by Small Business Administration, (SBA) in April of 2021 that the PPP Loan had been forgiven and it was were no longer obligated to prepay the loan.

On March 26, 2021, Datatrak entered into a revolving line of credit ("2021 Line of Credit") with KeyBank National Association ("KeyBank"). Which served as a renewal of previous line of credit with KeyBank that expired March 31, 202. The 2021 Line of Credit provides for draws when requested by the Company's officers of up to $750,000 to be used for business operations. Interest will accrue monthly on any outstanding balance at a rate equal to 1-Month LIBOR plus 3.25% or KeyBank's Prime Rate plus 0.25%. The maturity date of the 2021 Line of Credit is March 31, 2022. Datatrak borrowed $175, 000 in its LOC in May of 2021. As of December 31, 2022 a balance of $35,000 was drawn. The LOC has been fully paid as of March 31, 2022. KeyBank has extended the March 31, 2022 LOC for an additional six months. The new maturity date is September 30, 2022.

8. Shareholders' Equity

On May 14, 2013, the Company's Board of Directors approved the 2013 Omnibus Equity Plan ("2013 Omnibus Plan"), thereby replacing the 2011 Omnibus Equity Plan ("2011 Omnibus Plan") as the primary share-based incentive award program for covered employees and directors. The 2011 Omnibus Plan was the primary share-based incentive award program from its approval on August 10, 2011 until the approval of the 2013 Omnibus Plan. Common Share options have been awarded and remain outstanding under the 2013 Omnibus Plan and the 2011 Omnibus Plan. The Company used the Black-Scholes option valuation model to calculate the fair value of stock options granted.

At December 31, 2021, the Company had reserved 191,109 Common Shares for the exercise of Common Share options under the 2013 Omnibus Plan and the 2011 Omnibus Plan. Of the 191,109 reserved shares, 156,609 shares are reserved for future grants under these share option plans and 34,500 are reserved for the exercise of outstanding stock options pursuant to the established share option plans. Since the 2013 Omnibus Plan is intended to serve as the primary equity incentive compensation plan for the Company, the 91,359 Common Share options that could have been granted pursuant to the Company's 2011 Omnibus Plan are not expected to be granted. All recent equity awards were granted outside of the 2013 Omnibus Plan. Cost of shares acquired is accounted for on a first-in-first-out basis. When treasury shares are issued at a price below their recorded cost, the difference between their fair value and the recorded cost is input as an increase or decrease to additional paid-in capital.

9. Retirement Savings Plan

The Company sponsors The Datatrak International, Inc. Retirement Savings Plan (the "Plan") as defined by Section 401(k) of the Internal Revenue Code of 1986, as amended. The Plan covers substantially all United States employees who elect to participate. Participants may contribute their annual compensation into a variety of mutual fund options. Matching and profit sharing contributions by the Company are discretionary. The Company made a discretionary contribution in 2021, 2020 and 2019 to each eligible employee's 401(k) account in restricted Common Shares of Datatrak's stock with a value equal to between 1% and 3% of each eligible employee's salary, not to exceed the amount contributed by the employee. The total number of restricted shares granted in connection with such match was 5,859 and 11,264, respectively, for discretionary contributions awarded in the years ended December 31, 2020 and 2019 respectively. During 2021, the Company accrued a 1% match, not to exceed the amount contributed by the employee, for all active participants in the plan who qualify for the match. The 2021 401k matching funds will be deposited as a cash contribution into the employee's 401(k) account in the first quarter of 2022 upon the Board of Directors' approval.

10. Quarterly Data (Unaudited)

	Year Ended December 31, 2021				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	YTD 2021
Revenue	$ 1,671	$ 1,604	$ 1,516	$1,591	$6,382
Gross profit	1,176	1,059	950	1,003	4,188
Income (loss) from operations	(110)	(390)	(393)	(252)	(1,145)
Net income (loss)	11	501	(431)	(331)	(250)
Basic net income (loss) per share	$ 0.00	$ 0.21	$ (0.18)	$ (0.14)	$(0.10)
Diluted net income (loss) per share	$ 0.00	$ 0.21	$ (0.18)	$ (0.14)	$(0.10)
Shares	2,409	2,416	2,422	2,424	2,418

	Year Ended December 31, 2020				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	YTD 2020
Revenue	$1,951	$1,745	$1,752	$1,709	$7,157
Gross profit	1,460	1,278	1,262	1,229	5,229
Income from operations	62	(39)	(28)	(85)	(90)
Net income	66	(41)	(27)	(88)	(90)
Basic net income per share	$ 0.03	$ (0.02)	$ (0.01)	$ (0.04)	$(0.04)
Diluted net income per share	$ 0.03	$ (0.02)	$ (0.01)	$ (0.04)	$(0.04)
Shares	2,376	2,381	2,390	2,397	2,386
See Tab Qtrly Mthly Stk Shares	0.03	(0.02)	(0.01)	(0.04)	(0.04)

11. Segment Information

The Company operates in one business segment: the eClinical solutions business.

Enterprise-Wide Disclosures

Geographic Information

The Company operates in the United States.

Major Customers

The following sets forth the percentage of revenue generated by customers who accounted for 10% or more of the Company's revenue during each of the periods presented:

	Year ended December 31,		
Customer	**2021**	**2020**	**2019**
Client A	20%	18%	16%
Client B	*	*	12%
Client C	*	10%	11%

* Less than 10% of revenue.

The accounts receivable balance with major customers as of December 31, 2021 and December 31, 2020 was $18,000 and $1,320,000, respectively. The decrease in the accounts receivable balance as of December 31, 2021 compared to December 31, 2020 was due to a $1.2 million outstanding invoice that was issued in December 2020 in connection with a contract amendment.

12. Contingencies

In the ordinary course of business, the Company may be involved in ordinary, routine legal proceedings. Additionally, certain of the Company's revenues may be subject to sales and use tax in certain jurisdictions and the Company may be subject to penalties relating to terms of use of owned licenses. The Company has assessed its positions and is of the opinion that the ultimate resolution of such matters will not have a material adverse effect on the results of operations, cash flows or the financial position of the Company.

13. Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

1) Issuer's Business, Products and Services

(All numbers in this section, (Other than the numbers in the ("Financial Performance" section), section have been rounded to the nearest thousand for discussion purposes)

A. Description of the Issuer's Business Operations

Datatrak is a leading technology and services company delivering global eClinical solutions for the clinical trials industry. The Company's services support clients in the clinical pharmaceutical, biotechnology, contract research organization ("CRO"), academic research organizations ("ARO") and medical device research industries in accelerating the completion of clinical trials more efficiently and safely by providing improved data quality and real time access to information on a global scale.

Datatrak pursues the innovation of eClinical Solutions, seeking to empower users with insight-driven clinical trial outcomes within the Life Sciences industry. Offering a unified Enterprise Cloud solution, Datatrak seeks to deliver operational efficiencies that improve workflow, reduce error, eliminate redundancy, and provide meaningful insight and analysis through actionable data – all while driving down the costs of clinical trial operation.

Datatrak believes it is uniquely positioned in the market with industry leading architecture that leverages the power of a single database, removing complexities in integration and friction points with disparate data. Datatrak believes that it also provides an industry leading user experience, originating from an easy-to-use, intuitive interface, that supports pre-clinical and Phase I - Phase IV drug and device studies, in multiple languages – no matter the complexity.

Datatrak's business is directed towards companies in the pharmaceutical, biotechnology, CRO, ARO and medical device industries, the cloud-based Software as a Service (SaaS) solution is deployed world-wide, eliminates the need for customers to invest in expensive hardware or software, and is routinely maintained or upgraded with automatic platform enhancements.

Datatrak's vision is to continue to build and own a multilingual and multi-tenant enterprise platform with unified access to clinical applications, databases and workflows to ensure scalable and operational efficiency, while eliminating the need for back-end integration which is the cause of common friction points.

Datatrak is committed to empowering workgroup teams with role-based access to version-controlled file management, calendar events, tasks and contacts, all built within its eClinical applications including Business Intelligence, Clinical Trial Management System ("CTMS"), Trial Design, Electronic Data Capture ("EDC"), Medical Coding, Risk-Based Monitoring, Electrocardiogram ("ECG") Data Capture, Image Data Capture, Endpoint Adjudication, Randomization, Clinical Supply Inventory, Electronic Consent ("eConsent"), Electronic Patient Reported Outcomes ("ePRO"), and Electronic Clinical Outcomes Assessment ("eCOA").

Financial Performance

Datatrak International, Inc.
Annual Report
December 31, 2021

	For the Year Ended December 31,								
		2021	**% of Sales**		**2020**	**% of Sales**		**2019**	**% of Sales**
Revenue		6,381,543	100.0%		7,157,009	100.0%		7,742,569	100.0%
Direct costs		(2,193,490)	(34.4%)		(1,928,425)	(26.9%)		(2,204,821)	(28.5%)
Gross profit		**4,188,053**	65.6%		**5,228,584**	73.1%		**5,537,748**	71.5%
Selling, general and administrative expenses		(5,327,469)	(83.5%)		(5,307,859)	(74.2%)		(5,144,820)	(66.4%)
Depreciation and amortization		(5,887)	(0.1%)		(10,770)	(0.2%)		(19,020)	(0.2%)
(Loss) income from operations		**(1,145,303)**	(17.9%)		**(90,045)**	(1.3%)		**373,908**	4.8%
Other income (expense):									
Interest income		48,240	0.8%		5,016	0.1%		18,140	0.2%
Gain (loss) on disposal of assets		-	0.0%						
Interest expense		(2,029)	(0.0%)		(8,510)	(0.1%)		(3,803)	(0.0%)
Gain (loss) on marketable securities		(2,657)	(0.0%)		3,354	0.0%		(1,446)	(0.0%)
Gain on PPP loan forgiveness		851,866	13.3%		-	0.0%		-	0.0%
(Loss) income before income taxes		**(249,883)**	(3.9%)		**(90,185)**	(1.3%)		**386,799**	5.0%
Income tax (benefit) expense		-	0.0%		-	0.0%		-	0.0%
Net (loss) income	$	**(249,883)**	(3.9%)	$	**(90,185)**	(1.3%)	$	**386,799**	5.0%

Backlog

Backlog consists of future value from authorization letters to commence services, statements of work, technology and services agreements, change orders and other customer contracts, billed and unbilled. At December 31, 2021, the Company's backlog was $12,398,000 compared to $13,728,000 at December 31, 2020. An amendment was signed with a major customer during the fourth quarter of 2020 which increased backlog.

All contracts are subject to possible delays or cancellation or can change in scope in a positive or negative direction. Therefore, current backlog is not necessarily indicative of the Company's future quarterly or annual revenue. Historically, backlog has not always been an accurate predictor of the Company's short-term revenue.

Results of Operations

Year ended December 31, 2021 compared with the year ended December 31, 2020

Revenue for the year ended December 31, 2021 was $6,382,000 compared to $7,157,000 for the year ended December 31, 2020. During the year ended December 31, 2021, Datatrak recorded revenue related to 119 contracts compared to 127 contracts during the year ended December 31, 2020. For the year ended December 31, 2021, $5,458,000 of revenue was the result of contracts that were in backlog at December 31, 2020 and $923,000 was the result of new business signed since January 1, 2021. For the year ended December 31, 2020, $6,101,000 of revenue was generated from contracts that were in backlog at December 31, 2020 and $1,056,000 was the result of new business signed since January 1, 2020.

Direct costs of revenue increased $271,000 from $1,929,000 for the year ended December 31, 2020, to $2,193,000 for the year ended December 31, 2021. The increase in direct costs was due higher employee costs and Internet Service Provider costs. The Company's gross margin was 66% for the year ended December 31, 2021 compared to 73% for the year ended December 31, 2020.

SG&A expenses include all administrative personnel costs, sales and software development costs, stock compensation and all other expenses not directly chargeable to a specific contract. SG&A expenses were $5,327,000 for the year ended December 31, 2021 compared to $5,308,000 for the year ended December 31, 2020. These costs stayed relatively flat between 2021 and 2020.

Depreciation and amortization was $6,000 for the year ended December 31, 2021 compared to $11,000 for the year ended December 31, 2020.

As a result of the items discussed, Datatrak had a loss from operations for the year ended December 31, 2021 of ($250,000) compared to a loss of from operations of (90,000) for the year ended December 31, 2020. Interest income increased by $43,000 over 2020 due to interest earned on Tabatabai Investments note receivable for stock purchases. Our 2020 PPP, (as defined below) loan of $846,000 was forgiven in 2021. This created a net gain in marketable securities of $840k over 2020.

Earlier Years

Year ended December 31, 2020 compared with the year ended December 31, 2019

Revenue for the year ended December 31, 2020 was $7,157,000 compared to $7,743,000 for the year ended December 31, 2019. During the year ended December 31, 2020, Datatrak recorded revenue related to 127 contracts compared to 116 contracts during the year ended December 31, 2019. For the year ended December 31, 2020, $6,101,000 of revenue was the result of contracts that were in backlog at December 31, 2019 and $1,056,000 was the result of new business signed since January 1, 2020. For the year ended December 31, 2019, $6,792,000 of revenue was generated from contracts that were in backlog at December 31, 2018 and $951,000 was the result of new business signed since January 1, 2019.

The Company recorded $4,454,000 in revenue during the year ended December 31, 2020 compared to $4,808,000 during the year ended December 31, 2019 from significant multi-year enterprise license agreements. The Company will continue to recognize the remaining, non-refundable, aggregate deferred revenue on the enterprise license agreements ratably, or in line with the acceleration of points contained in the license agreement, over the remaining lives of each respective license period. The active enterprise license agreements totaled $29 million of original contract value as of December 31, 2020.

Direct costs of revenue decreased $276,000 from $2,205,000 for the year ended December 31, 2019, to $1,929,000 for the year ended December 31, 2020. The decrease in direct costs was due to less amortization related to software development efforts that have been placed into production, which was partially offset by higher employee costs. The Company's gross margin was 73% for the year ended December 31, 2020 compared to 72% for the year ended December 31, 2019.

SG&A expenses include all administrative personnel costs, sales and software development costs, stock compensation and all other expenses not directly chargeable to a specific contract. SG&A expenses were $5,308,000 for the year ended December 31, 2020 compared to $5,145,000 for the year ended December 31, 2019. The increase of $163,000 for the year ended December 31, 2020 compared to the year ended December 31, 2019 was driven by higher employee expenses, due to salary adjustments, commissions and employee recruitment. Consulting costs, legal and advertising also increased for the year ended December 31, 2020 compared to the year ended December 31, 2019. However, travel costs decreased for the year ended December 31, 2020 compared to the year ended December 31, 2019 due to the COVID-19 pandemic.

Depreciation and amortization was $11,000 for the year ended December 31, 2020 compared to $19,000 for the year ended December 31, 2019.

Liquidity and Capital Resources

The Company's principal sources of cash are existing cash and cash flow from operations. Contracts with customers usually require a portion of the contract amount to be paid at the time the contract is initiated. Additional payments are generally received monthly as work on the contract progresses. The Company records all amounts received as a contract liability until work has been completed and revenue is recognized. Cash receipts do not necessarily correspond to costs incurred or revenue recognized. Datatrak's primary cash needs are to fund normal working capital requirements.

On March 26, 2021, Datatrak entered into a revolving line of credit ("2021 Line of Credit") with KeyBank National Association ("KeyBank"), which served as a renewal of a previous line of credit with KeyBank that expired March 31, 2021. The 2021 Line of Credit provides for draws when requested by the Company's officers of up to $750,000 to be used for business operations. Interest will accrue monthly on any outstanding balance at a rate equal to 1-Month LIBOR plus 3.25% or KeyBank's Prime Rate plus 0.25%. The maturity date of the 2021 Line of Credit is March 31, 2022. Datatrak borrowed $175, 000 in its LOC in May of 2021. As of December 31, 2022 a balance of $35,000 was drawn. The LOC has been fully paid as of March 31, 2022. KeyBank has extended the March 31, 2022 LOC for an additional six months. The new maturity date is September 30, 2022.

Datatrak applied for a loan under the Paycheck Protection Program ("PPP"), which was approved on April 18, 2020 in the amount of $846,000. The PPP loan was a two-year, unsecured promissory note with an interest rate of 1% per annum. Payments under the PPP loan were deferred until the applicant completed the forgiveness process and were declined or partially declined, or they reached sixteen-months post-funding of the original loan. At that time, monthly payments of principal and interest would have been due for any portion of the PPP loan which is not forgiven. The PPP loan could have been prepaid at any time prior to maturity with no prepayment penalties. The PPP loan note was scheduled to mature on April 18, 2022. As required, the Company used the funds to cover payroll and benefit costs during the COVID-19 pandemic. The Company was notified by Small Business Administration, (SBA) in in April of 2021 that the PPP Loan principle and any interest due, ($852,000), had been forgiven.

While the Company has seen a delay in the signing of some new contracts due to the COVID-19 pandemic, it has not laid off and does not currently have plans to lay off any employees. Datatrak's employees were all able to work remotely during quarantine, and the Company has continued to deliver services according to the terms of its contracts. Datatrak re-opened its offices as of May 4, 2020 to correspond with the state of Ohio's plan for general office environments. Employees who are comfortable and would like to work out of the offices have been able to do so as long as they follow social distancing requirements and wear masks. Office cleaning takes place daily. The Company has been monitoring state and federal guidelines regarding the COVID-19 pandemic and will modify business operations as needed to comply with these guidelines for the safety of its employees and customers.

Despite the recovery the Company is seeing, the COVID-19 pandemic continues to evolve and the recovery could be slowed or reversed by a number of factors, including any additional widespread resurgences in COVID-19, infections, whether due to the spread of variants of the virus (some of which are more transmissible than the initial strain) or otherwise, the availability and rate of vaccinations, and the rate in which state and local governments are re-opening businesses or, in certain jurisdictions, reversing re-opening decisions. As such, the Company cannot provide any assurance that there will not be additional office closures or that the effects of the COVID-19 pandemic will not have an adverse effect on its business or results of operations going forward. In addition, as long as the COVID-19 pandemic remains a public health threat, global economic conditions will continue to be volatile depending on several factors, including new information concerning the severity of the pandemic and new variants, government actions to mitigate the effects of the pandemic in the near-term, and the resulting impact on our clients' spending plans, any of which could potentially materially impact the Company. While we have seen the availability of vaccines and various treatments with respect to COVID-19 begin to have an overall positive impact on business conditions we cannot currently predict the continued recovery due to hesitancy of parts of the population to become vaccinated and the ongoing occurrence of sporadic outbreaks of COVID-19 cases. We will continue to assess the impact of the COVID-19 pandemic on our business and will respond accordingly.

As the COVID-19 pandemic is a continually evolving situation, including the recent emergence of new variants of COVID-19, some of which may be more transmissible than the initial strain, the Company cannot provide any assurance that there will not be additional office closures or that the effects of the COVID-19 pandemic will not have an adverse effect on its business or results of operations going forward. In addition, the COVID-19 pandemic has caused a global economic recession, which could potentially materially impact the Company. While we expect the availability of vaccines and various treatments with respect to COVID-19 to have an overall positive impact on business conditions in the aggregate over time, we cannot currently predict the timing and availability of such treatments or vaccines.

During 2021 Datatrak purchased 500,000 shares of the common stock of CreditRiskMonitor.com at $1.40 per share from TabaFund. Datatrak has since sold back these shares to TabaFund. Accordingly, TabaFund owed the aggregate principal amount of $700,000 to Datatrak and interest accruing as of January 29, 2021 on the principal amount at a rate of 10% per annum, pursuant to a promissory note. During 2021, Datatrak has received $200,000 from TabaFund. The balance on the TabaFund promissory note as of December 31, 2021 was $548,189, ($500,000 principle plus $48,149 interest). In March of 2022, the Board of Directors approved an amendment of the TabaFund note to extend the maturity date to July 28, 2022.

Cash Flow

A summary of operating, investing and financing cash flow activities are shown in the following table for the year ended December 31, 2021 and 2020 (rounded to the nearest thousand):

	Year Ended December 31,	
	2021	2020
Cash Flow Summary:		
(Used in) provided by operating activities	286,000	(1,352,000)
Used in investing activities	(1,301,000)	(743,000)
Provided by (used in) financing activities	43,000	699,000
(Decrease) increase in cash and cash equivalents	**(972,000)**	**(1,396,000)**
Cash balance at beginning of year	2,760,000	4,156,000
Cash balance at end of year	**1,788,000**	**2,760,000**

As a result of the changes above, the cash balance, including restricted cash, at December 31, 2021 was $1,788,000 compared to $2,760,000 at December 31, 2020. A net decrease in cash of ($972,000).

Datatrak's "days sales outstanding" was 54 days as of December 31, 2021 compared to 45 days as of December 31, 2020. Trade accounts receivable (net of allowance for doubtful accounts of $15,000) were $480,000 at December 31, 2021 and $1,836,000 at December 31, 2020. Management believes the company will have available funds in order to meet its short-term working capital requirements for at least the next 12 months.

Datatrak continuously evaluates its cost structure to timely match its cost structure with anticipated revenue and backlog. Although the Company has made strategic investments in its infrastructure in order to support longer-term growth, Datatrak will continue to carefully evaluate its cost structure and implement cost cutting measures if its revenue and sales trend performance falls below its minimum expectations, especially in light of the COVID-19 pandemic and the global economic impacts. The Company received a PPP loan in the amount of $845,000 in April of 2020 which was used to cover payroll and benefit costs during the COVID-19 pandemic. In April of 2021 the PPP loan was forgiven and Datatrak is not obligated to pay it back. Datatrak has also secured a line of credit with KeyBank in the amount of $750,000 until September 30, 2022 in case additional funding is necessary to support business operations. However, additional funding may still be necessary. The Company may need to raise additional funds to offset delays or cancellations of existing contracts, insufficient generation of new contracts, or to cover liquidity needs beyond 2022. Datatrak may raise additional funds by selling debt or equity securities, by entering into strategic relationships or through other arrangements. Additional capital may not be available on acceptable terms, if at all. To the extent that additional equity capital is raised, it could have a dilutive effect on the existing shareholders.

Inflation

To date, the Company believes the effects of inflation have not had a material adverse effect on its results of operations or financial condition.

Information about Forward-Looking Statements

Certain statements made in this annual report, written materials or orally by the Company or its representatives may constitute forward-looking statements that are based on management's current beliefs, estimates and assumptions concerning the operations, future results and prospects of the Company and the clinical pharmaceutical research industry in general. All statements that address operating performance, events or developments that management anticipates will occur in the future, including statements related to future revenue, profits, expenses, cost reductions, cash management alternatives and working capital requirements, exploration of strategic alternatives, raising additional funds, income and earnings per share or statements expressing general optimism about future results, are forward-looking statements. In addition, words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," variations of such words, and similar expressions are intended to identify forward-looking statements. Factors that may cause actual results to differ materially from those in the forward-looking statements include the ability of the Company to continue to enhance its software products to meet customer and market needs; fluctuations in the Company's quarterly results; the viability of the Company's business strategy and its stage of development; the timing of clinical trial sponsor decisions to conduct new clinical trials or cancel or delay ongoing trials; the expectations regarding the potential impacts of COVID-19 pandemic, including its impact on general economic conditions in the U.S. and globally, on the Company's business; the Company's dependence on major customers; government regulation associated with clinical trials and the approval of new drugs; political climate, including geopolitical conditions and uncertainty surrounding the U.S. administration; the ability of the Company to compete in the EDC market; losses that potentially could be incurred from breaches of contracts or loss of customer data; the inability to protect intellectual property rights or prevent the infringement upon others' intellectual property rights; the Company's ability to comply with and costs related to governmental regulation, legal requirements and industry standards concerning consumer privacy and data protection; any future litigation; the costs and damages to reputation associated with any data breaches, cyber-attacks or other interference with the Company's technological systems; the costs associated with maintaining and/or developing the Datatrak Enterprise Cloud software suite and other products and offerings; the Company's ability to retain key employees; uncertain impact on customers and contracts as a result of any economic downturns or of health pandemics or epidemics and other outbreaks, including COVID-19; access to financing on acceptable terms or at all; and general economic conditions such as the rate of employment, inflation, interest rates and the condition of capital markets, including the effects of any global recession that has occurred, or may occur in the future, due to the impact of the COVID-19 pandemic or geopolitical conditions. This list of factors is not all inclusive and many of the risks listed here have been, and may further be, exacerbated by the COVID-19 pandemic. In addition, the Company's success depends on the outcome of various strategic initiatives it has undertaken, all of which are based on assumptions made by the Company concerning trends in the clinical research market and the health care industry. Any forward-looking statement speaks only as of the date on which such statement is made and the Company does not undertake any obligation to update any statements whether as a result of new information, future events or otherwise.

B. Description of Issuer’s Subsidiaries, Parents, or Affiliated Companies (if applicable)

Datatrak has three wholly-owned subsidiaries, Datatrak, Inc., CF Merger Sub, Inc. and DTRAK, Inc., which are inactive holding companies with no employees and do not provide any services to the Company or its customers.

C. Description of Issuer’s Principal Products or Services

The Company’s products were originally developed with the goal of providing data to sponsors of clinical research trials faster and more efficiently than other competing systems, including paper-based solutions. Automating data entry and review procedures under a single architecture can save time in the drug development and medical device approval process, and possibly result in enhanced patient safety. The Datatrak Enterprise Cloud consists of numerous modules designed for configurability to each clinical research process. The Company provides a multilingual and multi-tenant enterprise platform with access to multiple clinical applications, databases and workflows which the Company believes provides scalability and operational efficiencies, while eliminating the need for back-end integration which is the cause of most friction points. Datatrak’s Enterprise Cloud facilitates virtual teams to execute and manage clinical trials across the larger research and development enterprise for data driven insights into product key performance indicators and predictive metrics and benchmarks.

Datatrak’s CTMS solution leverages cross solution functionality in reporting and analysis. The Company believes its CTMS solution will transform how the industry measures return on investment (“ROI”) on software purchases, opening the door for an increase in multi-solution purchases by current and potential clients. Datatrak’s CTMS can be leveraged with any EDC platform, enabling clients to take control of their clinical data. The Company’s modern enterprise trial management system offers a flexible, cloud-based, SaaS solution that should eliminate the need for a lengthy, complex implementation process, and costly hardware or software expenses. Clients can connect CTMS seamlessly with Datatrak’s EDC, or utilize powerful application programming interfaces (“API’s”) that give them the ability to connect CTMS with outside programs or processes, allowing clients to achieve unified data. To reduce redundant data entry, Datatrak’s Imports Manager allows patients, personnel, products, site, vendor, and deviation data to be imported directly into CTMS.

Datatrak EDC and Medical Coding provides higher quality data faster utilizing user-friendly and powerful tools. With control in an easy-to-use interface, EDC and Medical Coding supports the specific data needs of each trial, providing detailed insight to the status of the trial. Most importantly, Datatrak’s platform is easily scaled and adapted to match any protocol for drug, device and diagnostic studies. API functionality provides clients with the ability to connect EDC with outside programs or processes for maximum trial optimization. Datatrak features powerful and innovative reporting capabilities, allowing study team members to easily access, filter and export real-time study data into clear and concise reports, whenever they are needed. Users can run standard and ad-hoc reports, and export the information they want, as needed. Additionally, data and metadata listings can be created by filtering through the managers. Unique to the Datatrak solution is the ability to be linked from the report, directly to the eCRF, enabling study team members to access the source of the data with a single click.

Datatrak seeks to help clients maximize the benefits of their Risk-Based Monitoring strategy by utilizing out-of-the-box functionality for source data verification, Data Review and eSignature. Datatrak’s EDC and CTMS can generate key risk indicators, key performance indicators and sponsor defined metrics for every step of clinical trial workflow, customizable to align with their specific processes and resource needs. This functionality allows the creation, implementation, and monitoring of both static and dynamic plans in real-time. These metrics are supported with dashboards that provide study health, recruitment, monitoring, data cleanliness status and reports.

Medical Imaging, or Image Data Capture, and its embedded data play a pivotal role in new protocol development. The Company believes this is becoming a critical source of big data and the demand for analytics for better decision making. Datatrak’s Medical Imaging Capture allows for the analysis and annotation of image data, including the versioned images, processed into Datatrak’s EDC platform. Whether clients are utilizing CORE lab services, or conducting internal scientific research, Datatrak can enhance their information needs with Datatrak’s enterprise platform. Datatrak’s system provides the ability to remotely capture any image based on the DICOM (Digital Imaging and Communications in Medicine) standard. Working with the specifications from the protocol, targeted bio-markers and measures are identified and captured, including the initial image. The client-specified information is automatically displayed into the appropriate clinical trial eCRF with the necessary edit checks and notifications automatically triggering based on the specifications of the study. Based on client roles and permissions, internal and third parties have the ability to analyze and annotate the image, creating derivative files to be uploaded back into the system, which will display new image information to the eCRF. This allows image reader adjudication to be completed within a centralized EDC system using intelligent workflows to manage the reader adjudication process while keeping the blinding and permission restrictions. Whether the adjudication process is simple or complex, these tools have the flexibility to address specific needs.

Datatrak's Randomization and Trial Supply Management ("RTSM") supports all types of protocol requirements while dispensing, controlling and automating drug supply fulfillment. The robust Manager tool lets users view, filter, update and export information on drug containers, drug assignments, shipments and randomization schedules on demand. While Datatrak's randomization gives clients the control to leverage blinded and non-blinded roles, it also allows them to control the visibility of their events.

Datatrak's Trial Design streamlines the entire design-to-deployment process using a single tool. Trial Designers can configure their studies using a Visual or Data Architect in several solutions of the Datatrak Cloud, including EDC and RTSM. Designs and changes can be immediately viewed in the Trial Design environment before committing the files into the versioning repository. As the study continues through the deployment process, Trial Design offers a Test environment and tracks user acceptance testing within an approval environment. After completion of all quality assurance activities, the study can be transferred to production for deployment of the clinical trial. Mid-study changes are simplified using Datatrak's system, which allows new versions to be deployed to live trials with no downtime.

Datatrak's Training enables clients to manage instructions for users in a compliant environment. Training gives clients access to Datatrak's standard web-based training courses, or Datatrak can develop a unique curriculum to meet the needs of the study team. All courses can be run through Datatrak's learning management system to give users seamless access to learning content.

Further expanding on patient engagement, Datatrak Direct uses an iOS or Android app to capture data directly from patients (ePRO, eCOA or eConsent) using their own mobile devices. This means patients will be free to use any device be it a phone, PC, or tablet that they find most convenient. All patient-entered data is instantaneously stored on the Datatrak Enterprise Cloud. Datatrak's unified platform allows users to enforce and track compliance with flexible form design for ePRO, eCOA, and eConsent data. Bringing all data collection under the umbrella of a single enterprise platform would allow clients to leverage Business Intelligence utilities available in EDC and CTMS to gain better oversight and more actionable insight into their data.

Datatrak built its multi-component, cloud-based solution through a single, unified clinical research platform leveraging a single database architecture and expanded this concept to include services delivered by the Datatrak Clinical and Consulting Services ("DCCS") group. The Company delivers a complete portfolio of software products designed to accelerate the reporting of clinical research data from sites to sponsors and ultimately regulatory authorities more efficiently than loosely integrated technologies. The Datatrak Enterprise Cloud unified software solution, deployed worldwide through its cloud offering, supports pre-clinical and Phase I – Phase IV drug and device studies in multiple languages throughout the world.

DCCS offers support to our clients in Pre-clinical, Device and Phase I – Phase IV trials. Starting with the final protocol, DCCS can conduct most clinical data management services from study start-up through study close-out. The Datatrak Project Management team tracks study deliverables, including interim data transfers if required by the client, or data cuts, data locks and ad-hoc requests. As the study comes to a close, DCCS assists in the finalization or "locking" of the database and performs the study data archival. In addition to clinical trial-specific services, DCCS also offers clinical and technology consulting as well as rescue study and migration expertise.

Datatrak has partner and enterprise transfer programs to enable customers to design, deploy and manage their clinical trials independently through the Company's cloud-based delivery. Datatrak has found that customers desire to be as independent as possible in the performance of their clinical trials. This trend is another growth aspect of the industry that is believed to be gaining momentum.

2) Issuer's Facilities

As of December 31, 2021, the Company was leasing approximately 6,400 square feet of office space in Mayfield Heights, Ohio. This space is used for the Company's headquarters and U.S. operations. In addition, Datatrak previously had U.S. based operations in College Station, Texas, where the Company leased approximately 2,200 square feet of office space. Both spaces were fully utilized as of December 31, 2021. The Company entered into a sublease agreement as of July 7, 2016 for the 14,000 square feet of office space in Chicago, Illinois, in order to mitigate the expense associated with the original lease. For additional information regarding the leases, see Note 7. Leases to the consolidated financial statements included in this report. On February 23, 2022 Datatrak and OGC College Station Park LP, a Texas limited partnership, entered into an agreement to terminate the current Lease Agreement for the College Park Station, Texas office space. This agreement states that Datatrak will pay OGC College Station Park, LP $31,000 and will forfeit its security deposit of $4,470 at which time OGC will release and forever discharge Datatrak of any and all claims, demands, and causes of action which OGC has or may have in the future. The payment for $31,000 was made on February 25, 2022 and the check was cashed on March 1, 2022.The last obligated rental payment was made on December 31, 2021 and there will be no rental payment obligations for 2022 and beyond.

3) Company Insiders (Officers, Directors, and Control Persons)

The names of Officers, Directors and 5% and greater shareholders as of December 31, 2021 are as follows:

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Alex Tabatabai (1)	Chief Executive Officer, Chairman of the Board of Directors, President and Interim CEO, Chairman of the Audit Committee; greater than 5% shareholder	Mayfield Heights, OH	830,930	Common	34.3%	Beneficially held by Tabatabai Investment Management LLC, of which Alex Tabatabai is a managing member. Tabatabai Investment Management LLC is a general partner of Tabatabai Investment Partners LP
Col. Jack H. Jacobs (1)	Director, Chairman of the Compensation Committee, Chairman of the Nominating & Governance Committee	Mayfield Heights, OH	31,635	Common	1.3%	
Dr. Eric J. Wilhelm (1)	Director	Mayfield Heights, OH	25,269	Common	1.0%	
Dr. Pontea Shabkhiz (1)	Director	Mayfield Heights, OH	3,832	Common	0.2%	
Dr. Behnam Tabatabai (1)	Director	Mayfield Heights, OH	30,027	Common	1.2%	
James R. Ward	Former CEO, President and Director	Mayfield Heights, OH	60,958	Common	2.5%	
Ralph E. & Sandra J. Mongeon (1)	Greater than 5% Shareholder	Fort Meyers, FL.	221,000	Common	9.1%	

[1] Each active director and officer's mailing address for Datatrak purposes is the company's corporate headquarters of 5900 Landerbrook Drive, Suite 170, Mayfield Heights, OH 44124.

[2] The company is unable to confirm the holdings as of December 31, 2021. The amount shown represents the last known information.

In addition to the directors and officers listed above as of December 31, 2021, Adam Kopelman, Senior Vice President of Sales and Strategic Initiatives was appointed principal financial and accounting officer of the Company in March 2022.

In addition to the board committees listed above as of December 31, 2021, an executive committee of the board was approved and created by the board of the directors in March 2022. The members of the executive committee are Alex Tabatabai, Col. Jack Jacobs, Dr. Eric Wilhelm, Dr. Behnam Tabatabai, and Dr. Pontea Shabkhiz.

To the Company's knowledge, the following persons are control persons as they beneficially owned 5% or more of Datatrak stock as of December 31, 2021:

Tabatabai Investment Management LLC[1]	c/0 Dereck Bork Thompson Hine LLP 3900 Key Center, 127 Public Square Cleveland, OH 44114	830,930 Common Shares
Ralph E. & Sandra J. Mongeon	1807 Coral Circle Fort Myers, FL 33903	221,000 Common Shares

[1] All Common Shares are beneficially held by Tabatabai Investment Management LLC, which is controlled by Mr. Alex Tabatabai, Chairman of the Board of Directors, Interim Chief Executive Officer, President, and Chairman of the Audit Committee of the Company. Tabatabai Investment Management LLC is the general partner of Tabatabai Investment Partners LP.

The disclosure is limited to those whose holdings the Company knows or can verify.

The table below sets forth information regarding the compensation received during the years ended December 31, 2021 and 2020 and the securities held at each year then ended for the current executives and all directors who served during the year ended December 31, 2021.

Name and Principal Position	Year	Salary	Bonus	All Other Compensation	Common Shares Owned	Common Share Options
Alex Tabatabai, Chief Executive Officer, Chairman of the Board of Directors, President and Interim CEO, Chairman of the Audit Committee	2021	—	—	$240,000 [2]	830,930	—
	2020	—	—	$220,000 [2]	830,930	—
Col. Jack H. Jacobs, *Director*	2021	—	—	$46,000 [2]	31,635	—
	2020	—	—	$46,000 [2]	26,654	—
Dr. Eric J. Wilhelm, *Director*	2021	—	—	$36,000 [2]	25,269	—
	2020	—	—	$36,000 [2]	21,373	—
Dr. Pontea Shabkhiz, Director	2021	—	—	$36,000 [2]	3,832	—
	2020	—	—	—	—	—
Dr. Behnam Tabatabai, *Director*	2021	—	—	$36,000 [2]	30,027	—
	2020	—	—	$36,000 [2]	24,458	—
James R. Ward, (1), (2) Director, Former *CEO, and President*	2021	$254,000	—	—	60,958	—
	2020	$270,000	—	—	79,279	—
Julia Henderson, Former *Chief Financial Officer and Treasurer (3), (4)*	2021	$139,000	—	—	13,338	
	2020	$160,000	—	—	16,633	500

[2] Other compensation includes director compensation paid in cash and/or Common Shares. All other compensation includes both cash and restricted Common Shares valued based on the closing stock price on the last day of the applicable quarter. For the fourth quarter of 2021, the following share amounts of 905, 1,012, 707, and 758 were paid respective to Col. Jack Jacobs, Dr. Behnam Tabatabai, Dr. Eric Wilhelm, and Dr. Pontea Shabkhiz. Director compensation for fourth quarter of 2021 and fourth quarter of 2020 was not paid as of December 31, 2021 and December 31, 2020, respectively, and therefore, is not included in this table.

1. James R. Ward was terminated as Chief Executive Officer, President, and from all other positions with the company as of December 1, 2021.
2. The company is unable to confirm the holdings as of December 31, 2021. The amount shown represents the last known information
3. Julia Henderson entered into a separation agreement with the Company that became effective on November 15, 2021.
4. The company is unable to confirm the holdings as of December 31, 2021.The amount shown represents the last known information.

4) Legal/Disciplinary History

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

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. 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, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry 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

The Company has no information regarding beneficial holders of more than 5% of its common stock other than Mr. Alex Tabatabai and Tabatabai Investment Management LLC.

B. Datatrak has no current pending legal proceedings. The Company may from time to time be involved in ordinary, routine legal proceedings incidental to the business.

5) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name:	Derek Bork
Firm:	Thompson Hine LLP
Address 1:	3900 Key Center, 127 Public Square
Address 2:	Cleveland, OH 44114
Phone:	(216) 566-5500
Email:	Derek.Bork@ThompsonHine.com

Accountant or Auditor

Name:	Marilea Campomizzi
Firm:	Marcum LLP
Address 1:	6685 Beta Drive
Address 2:	Mayfield Village, OH 44143
Phone:	(440) 449-6800
Email:	Marilea.Campomizzi@marcumllp.com

Investor Relations

None.

Other Service Providers

Provide the name of any other service provider(s) that assisted, advised, prepared or provided information with respect to this disclosure statement. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) who provided assistance or services to the issuer during the reporting period.

Name:	David DiCillo	Dan McMullen
Firm:	DiCillo & Associates, Inc.	Calfee Halter & Griswold LLP
Nature of Services:	Tax Advisory and Preparation	Legal Counsel for Patents and Trademarks
Address 1:	6240 SOM Center Rd., Suite 225	The Calfee Building 1405 East Sixth St.
Address 2:	Solon, OH 44139	Cleveland, OH 44114
Phone:	(216) 377-1950	(216) 622-8200
Email:	ddicillo@greatlakescpa.net	dmcmullen@calfee.com

6) Issuer Certification

Principal Executive Officer

I, Alex Tabatabai certify that:

1. I have reviewed this annual 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 12, 2022

/s/ Alex Tabatabai

Alex Tabatabai

Principle Financial Officer

I, Adam Kopelman certify that:

1. I have reviewed this annual 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 12, 2022
/s/ Adam Kopelman
Adam Kopelman