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

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: **September 30, 2022**

or

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

For the transition period from ___________ to ___________

Commission File Number: 001-39553

AMESITE INC.
(Exact name of registrant as specified in its charter)

Delaware	**82-3431718**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
607 Shelby Street Suite 700 PMB 214 Detroit, MI	**48226**
(Address of principal executive offices)	(Zip Code)

(734) 876-8130
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001	AMST	The Nasdaq Stock Market LLC

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

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

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

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

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

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

There were 30,300,305 shares of the registrant's common stock issued and outstanding as of November 10, 2022.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. These statements may be identified by such forward-looking terminology as "may," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. Our forward-looking statements are based on a series of expectations, assumptions, estimates and projections about our company, are not guarantees of future results or performance and involve substantial risks and uncertainty. We may not actually achieve the plans, intentions or expectations disclosed in these forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in these forward-looking statements. Our business and our forward-looking statements involve substantial known and unknown risks and uncertainties, including the risks and uncertainties inherent in our statements regarding:

- our artificial intelligence (AI)-driven learning platform's ability to enable businesses, universities and K-12 schools to offer timely, improved popular courses and certification programs, without becoming software tech companies;
- our planned online machine learning platform's ability to result in opportunistic incremental revenue for colleges and universities, and improved ability to garner state funds due to increased retention and graduation rates through use of machine learning and natural language processing;
- our ability to continue as a going concern;
- our ability to obtain and maintain intellectual property protection for our technologies and our ability to operate our business without infringing the intellectual property rights of others;
- our reliance on third parties to conduct our business and studies;
- our reliance on third party designers, suppliers, and partners to provide and maintain our learning platform;
- our ability to attract and retain qualified key management and technical personnel;
- our expectations regarding the time during which we will be an emerging growth company under the Jumpstart Our Business Startups Act, or JOBS Act;
- our financial performance; and
- the impact of government regulation and developments relating to our competitors or our industry.

All of our forward-looking statements are as of the date of this Quarterly Report on Form 10-Q only. In each case, actual results may differ materially from such forward-looking information. We can give no assurance that such expectations or forward-looking statements will prove to be correct. An occurrence of, or any material adverse change in, one or more of the risk factors or risks and uncertainties referred to in this Quarterly Report on Form 10-Q or included in our other public disclosures or our other periodic reports or other documents or filings filed with or furnished to the U.S. Securities and Exchange Commission (the "SEC") could materially and adversely affect our business, prospects, financial condition and results of operations. Except as required by law, we do not undertake or plan to update or revise any such forward-looking statements to reflect actual results, changes in plans, assumptions, estimates or projections or other circumstances affecting such forward-looking statements occurring after the date of this Quarterly Report on Form 10-Q, even if such results, changes or circumstances make it clear that any forward-looking information will not be realized. Any public statements or disclosures by us following this Quarterly Report on Form 10-Q that modify or impact any of the forward-looking statements contained in this Quarterly Report on Form 10-Q will be deemed to modify or supersede such statements in this Quarterly Report on Form 10-Q.

This Quarterly Report on Form 10-Q may include market data and certain industry data and forecasts, which we may obtain from internal company surveys, market research, consultant surveys, publicly available information, reports of governmental agencies and industry publications, articles and surveys. Industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. While we believe that such studies and publications are reliable, we have not independently verified market and industry data from third-party sources.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Condensed Financial Statements
September 30, 2022

Contents

	September 30, 2022	June 30, 2022
Assets		
Current Assets		
Cash and cash equivalents	$ 8,083,704	$ 7,155,367
Accounts receivable	66,076	14,545
Prepaid expenses and other current assets	160,803	560,084
Total current assets	8,310,583	7,729,996
Noncurrent assets		
Property and Equipment - net	83,674	87,190
Capitalized software - net	995,552	1,066,674
Total noncurrent assets	1,079,226	1,153,864
Total assets	**$ 9,389,809**	**$ 8,883,860**
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 33,904	$ 122,285
Accrued and other current liabilities:		
Accrued compensation	222,132	174,056
Deferred revenue	341,670	342,672
Other accrued liabilities	146,159	109,095
Total current liabilities	743,865	748,108
Stockholders' Equity		
Common stock, $.0001 par value; 100,000,000 shares authorized; 30,300,305 and 25,993,484 shares issued and outstanding and September 30, 2022 and June 30, 2022, respectively	2,990	2,559
Preferred stock, $.0001 par value; 5,000,000 shares authorized; no shares issued and outstanding at September 30, 2022 and June 30, 2022, respectively	-	-
Additional paid-in capital	39,497,308	37,410,209
Accumulated deficit	(30,854,354)	(29,277,016)
Total stockholders' equity	8,645,944	8,135,752
Total liabilities and stockholders' equity	**$ 9,389,809**	**$ 8,883,860**

See accompanying Notes to Condensed Financial Statements.

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021
Net Revenue	$ 280,282	$ 140,691
Operating Expenses		
General and administrative expenses	976,320	1,235,770
Technology and content development	480,775	796,108
Sales and marketing	405,445	487,232
Total operating expenses	1,862,540	2,519,110
Other Income (Expense)		
Interest Income	5,451	262
Other Expense	(531)	-
Total other income	4,920	262
Net Loss	**$ (1,577,338)**	**$ (2,378,157)**
Earnings per Share		
Basic and diluted loss per share	$ (0.06)	$ (0.11)
Weighted average shares outstanding	27,420,362	21,609,693

See accompanying Notes to Condensed Financial Statements.

	Common Stock		Additional Paid-In	Accumulated	
	Shares	Amount	Capital	Deficit	Total
Balance - July 1, 2021	21,063,954	$ 2,066	$ 31,950,117	$ (20,217,093)	$ 11,735,090
Net loss	-	-	-	(2,378,157)	(2,378,157)
Issuance of common stock – net of offering costs of $140,000	911,824	91	1,359,909	-	1,360,000
Stock-based compensation expense	-	-	389,085	-	389,085
Balance - September 30, 2021	21,975,778	$ 2,157	$ 33,699,111	$ (22,595,250)	$ 11,106,018
Balance - July 1, 2022	25,993,484	$ 2,559	$ 37,410,209	$ (29,277,016)	$ 8,135,752
Net loss	-	-	-	(1,577,338)	(1,577,338)
Stock issued to vendor for services	125,000	13	61,237	-	61,250
Issuance of common stock – net of offering costs of $142,500	4,181,821	418	1,850,083	-	1,850,501
Stock-based compensation expense	-	-	175,779	-	175,779
Balance - September 30, 2022	30,300,305	$ 2,990	$ 39,497,308	$ (30,854,354)	$ 8,645,944

See accompanying Notes to Condensed Financial Statements.

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021
Cash Flows from Operating Activities		
Net loss	$ (1,577,338)	$ (2,378,157)
Adjustments to reconcile net loss to net cash and cash equivalents from operating activities:		
Depreciation and amortization	187,036	219,438
Stock-based compensation expense	175,779	389,085
Value of common stock issued in exchange for consulting services	61,250	-
Changes in operating assets and liabilities which used cash:		
Accounts receivable	(51,531)	28,195
Prepaid expenses and other assets	399,281	125,999
Accounts payable	(88,381)	92,651
Accrued compensation	48,076	210,820
Deferred revenue	(1,002)	76,114
Accrued and other liabilities	37,064	26,483
Net cash and cash equivalents used in operating activities	(809,766)	(1,209,372)
Cash Flows from Investing Activities		
Purchase of property and equipment	(2,861)	(5,747)
Investment in capitalized software	(109,537)	(267,400)
Net cash and cash equivalents used in investing activities	(112,398)	(273,147)
Cash Flows from Financing Activity		
Issuance of common stock - net of issuance costs	1,850,501	1,360,000
Net cash and cash equivalents provided by financing activity	1,850,501	1,360,000
Net Increase (Decrease) in Cash and Cash Equivalents	928,337	(122,519)
Cash and Cash Equivalents - Beginning of period	7,155,367	10,713,091
Cash and Cash Equivalents - End of period	**$ 8,083,704**	**$ 10,590,572**
Significant Noncash Transactions:		
Acquisition of capitalized software included in accounts payable and accrued liabilities	$ -	$ 72,853
Issuance of common stock in exchange for consulting services	$ 61,250	$ -

See accompanying Notes to Condensed Financial Statements.

Note 1 - Nature of Business and Liquidity

Amesite Inc. (the "Company") was incorporated in November 2017. The Company is an artificial intelligence driven platform and course designer, that provides customized, high performance and scalable online products for schools and businesses. The Company uses machine learning to provide a novel, mass customized experience to learners. The Company's customers are businesses, universities and colleges, and K-12 schools. The Company's activities are subject to significant risks and uncertainties. The Company's operations are considered to be in one segment.

On September 18, 2020, we consummated a reorganizational merger, pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), dated July 14, 2020 ("Effective Date"), whereby we merged with and into Amesite Inc. ("Amesite Parent") our former parent corporation, with our Company resulting as the surviving entity. In connection with the same, we filed a Certificate of Ownership and Merger with the Secretary of State of the State of Delaware, and changed our name from "Amesite Operating Company" to "Amesite Inc." The stockholders of Amesite Parent approved the Merger Agreement on August 4, 2020. The directors and officers of Amesite Parent became our directors and officers.

Pursuant to the Merger Agreement, on the Effective Date, each share of the Amesite parent's common stock, $0.0001 par value per share, issued and outstanding immediately before the Effective Date, was converted, on a one-for-one basis, into shares of our common stock.

Additionally, each option or warrant to acquire shares of Amesite Parent outstanding immediately before the Effective Date was converted into and became an equivalent option to acquire shares of our common stock, upon the same terms and conditions.

Going Concern

The accompanying condensed financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company is developing its customer base and has not completed its efforts to establish a stabilized source of revenue sufficient to cover its expenses. The Company has had a history of net losses and negative cash flows from operating activities since inception and expects to continue to incur net losses and use cash in its operations in the foreseeable future.

In addition, the Company has received a notice from the Nasdaq related to their failure to maintain a minimum bid price of $1 per share. The Company is not currently in compliance with the Nasdaq listing rules and if the Company does not regain compliance by March 6, 2023, the common stock of the Company will become subject to delisting. If the Company's common stock is delisted, it may affect the Company's ability to obtain financing, trade or sell shares of their common stock, and/or forecasted operations could be negatively impacted in an amount that the Company cannot currently quantify.

The assessment of the Company's ability to meet its future obligations is inherently judgmental, subjective and susceptible to change. Based on their current forecast, management believes that it will have sufficient cash and cash equivalents to maintain the Company's planned operations for the next twelve months following the issuance of these financial statements; however, there is uncertainty in the forecast and therefore the Company cannot assert that it is probable. The Company has considered both quantitative and qualitative factors that are known or reasonably knowable as of the date of these financial statements are issued and concluded that there are conditions present in the aggregate that raise substantial doubt about the Company's ability to continue as a going concern.

In response to the conditions, management plans include generating cash by completing financing transactions, which may include offerings of common stock. However, these plans are subject to market conditions, and are not within the Company's control, and therefore, cannot be deemed probable. There is no assurance that the Company will be successful in implementing their plans. As a result, the Company has concluded that management's plans do not alleviate substantial doubt about the Company's ability to continue as a going concern.

The condensed financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

Note 2 - Significant Accounting Policies

Basis of Presentation

The condensed financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and considering the requirements of the United States Securities and Exchange Commission ("SEC"). The Company has a fiscal year with a June 30 year end.

In the opinion of management, the condensed financial statements of the Company as of September 30, 2022 and 2021 and for the three months ended September 30, 2022 and 2021 include all adjustments and accruals, consisting only of normal, recurring accrual adjustments, which are necessary for a fair presentation of the results for the interim periods. These interim results are not necessarily indicative of results for a full year.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed in or omitted from this report pursuant to the rules and regulations of the SEC. These financial statements should be read together with the condensed financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended June 30, 2022.

Capitalized Software Costs

The Company capitalizes costs incurred in the development of software for internal use, including the costs of the software, materials, consultants, and payroll and payroll related costs for employees incurred in developing internal use computer software. Planning costs incurred prior to the development of software and costs not qualifying for capitalization are charged to expense. The Company amortizes capitalized software over a period of three years, which is the expected useful life of the software.

The Company recognized amortization expense of approximately $180,659 and $208,000 for the three months ended September 30, 2022 and 2021, respectively. Accumulated amortization on September 30, 2022 and 2021 was $2,364,068 and $1,545,483, respectively.

Revenue Recognition

We generate substantially all of our revenue from contractual arrangements with businesses, colleges and universities to provide a comprehensive platform of integrated technology and technology enabled services related to product offerings. During the three months ended September 30, 2022 and 2021, we recognized revenue from contracts with customers of $280,282 and $140,691, respectively, related to services provided over time.

<u>Performance Obligations and Timing of Recognition</u>

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

We derive revenue from annual licensing arrangements, including maintenance fees, setup fees and other variable fees for course development and miscellaneous items. Our contracts with partners generally have two-year terms and have a single performance obligation. The promises to set up and provide a hosted platform of tightly integrated technology and services partners needed to attract, enroll, educate, and support students are not distinct within the context of the contracts. This performance obligation is satisfied as the partners receive and consume benefits, which occurs ratably over the contract term.

Occasionally, we will provide professional services, such as custom development, non-complex implementation activities, training, and other various professional services. We evaluate these services to determine if they are distinct and separately identifiable in the context of the contract. In our contracts with customers that contain multiple performance obligations because of this assessment, we allocate the transaction price to each separate performance obligation on a relative standalone selling price basis. Standalone selling prices of our solutions and services are typically estimated based on observable transactions when the solutions or services are sold on a standalone basis. When standalone selling prices are not observable, we utilize a cost-plus margin approach to allocate the transaction price.

We do not disclose the value of unsatisfied performance obligations because the consideration is allocated entirely to a wholly unsatisfied promise to transfer a service that forms part of a single performance obligation (i.e., consideration received is based on the level of product offerings, which is unknown in advance). During the three months ended September 30, 2022, four customers comprised approximately 73% of total revenue. During the three months ended September 30, 2021, three customers comprised of approximately 86% of total revenue.

We also receive fees that are fixed in nature, such as annual license and maintenance charges. The fees are independent of the number of students that are enrolled in courses with our customers and are allocated to and recognized ratably over the service period of the contract that the Company's platform is made available to the customer (i.e., the customer simultaneously receives and consumes the benefit of the software over the contract service period).

The following factors affect the nature, amount, timing, and uncertainty of our revenue and cash flows:

- The majority of our customers are private and public learning institutions across various domestic regions

- The majority of our customers have annual payment terms

The following table shows revenue from contracts with customers by customer type for the three months ended September 30, 2022 and 2021, respectively.

	Three Months Ended	
Customer Type	September 30, 2022	September 30, 2021
Enterprise	$ 198,893	$ 105,666
University	81,389	30,025
K-12	-	5,000
Total	**$ 280,282**	**$ 140,691**

Accounts Receivable, Contract Assets and Liabilities

Balance sheet items related to contracts consist of accounts receivable (net) and contract liabilities on our condensed balance sheets. Accounts receivable (net) is stated at net realizable value, and we utilize the allowance method to provide for doubtful accounts based on management's evaluation of the collectability of the amounts due. Our estimates are reviewed and revised periodically based on historical collection experience and a review of the current status of accounts receivable. Historically, actual write-offs for uncollectible accounts have not significantly differed from prior estimates. There was no allowance for doubtful accounts on accounts receivable balances as of September 30, 2022 or June 30, 2022.

We may recognize revenue prior to billing a customer when we have satisfied or partially satisfied our performance obligations as billings to our customers may not be made until after the service period has commenced. As of September 30, 2022 and June 30, 2022, we do not have any contract assets.

Contract liabilities as of each balance sheet date represent the excess of amounts billed or received as compared to amounts recognized in revenue on our condensed statements of operations as of the end of the reporting period, and such amounts are reflected as a current liability on our condensed balance sheets as deferred revenue. We generally receive payments prior to completion of the service period and our performance obligations. These payments are recorded as deferred revenue until the services are delivered or until our obligations are otherwise met, at which time revenue is recognized.

Some contracts also involve annual license fees, for which upfront amounts are received from customers. In these contracts, the license fees received in advance of the platform's launch are recorded as contract liabilities.

The following table provides information on the changes in the balance of contract liabilities for the three months ended September 30:

	2022	2021
Opening balance	$ 342,672	$ 333,200
Billings	216,500	216,806
Less revenue recognized from continuing operations:	(217,502)	(140,691)
Closing balance	$ 341,670	$ 409,314

Revenue recognized during the three months ended September 30, 2022 and 2021 that was included in the deferred revenue balance that existed in the opening balance of each year was approximately $175,000 and $98,000, respectively.

The deferred revenue balance as of September 30, 2022 is expected to be recognized over the next 12 months.

Net Loss per Share

Basic net loss per share is calculated by dividing the net loss for the period by the weighted-average number of common shares outstanding during the period. Diluted net loss per share is calculated by dividing the net loss for the period by the weighted-average number of common shares outstanding during the period, increased by potentially dilutive common shares ("dilutive securities") that were outstanding during the period. Dilutive securities include stock options and warrants granted, convertible debt, and convertible preferred stock. There were 8,928,174 and 4,421,364 potentially dilutive securities for the three months ended September 30, 2022 and 2021, respectively.

Risks and Uncertainties

The Company operates in an industry subject to rapid change. The Company's operations will be subject to significant risk and uncertainties including financial, operational, technological, and other risks associated with an early-stage company, including the potential risk of business failure.

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a novel coronavirus as a "pandemic." First identified in late 2019 and known now as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries, including the United States, have implemented measures to combat the outbreak which have impacted global business operations. While management believes the Company's operations have not been significantly impacted, the Company continues to monitor the situation. In addition, while the Company's results of operations, cash flows and financial condition could be negatively impacted, the extent of the impact cannot be reasonably estimated at this time.

Note 3 - Stock-Based Compensation

The Company's Equity Incentive Plan (the "Plan") permits the grant of stock options, stock appreciation rights, restricted stock, or restricted stock units to officers, employees, directors, consultants, agents, and independent contractors of the Company. The Company believes that such awards better align the interests of its employees, directors, and consultants with those of its stockholders. Option awards are generally granted with an exercise price equal to the market price of the Company's stock at the date of grant; those option awards generally vest over two years from the grant date and generally have ten-year contractual terms. Certain option awards provide for accelerated vesting (as defined in the Plan).

The Company has reserved 4,600,000 shares of common stock to be available for granting under the Plan.

The Company estimates the fair value of each option award using a Black Scholes Model ("BSM") that uses the weighted average assumptions included in the table below. Expected volatilities used in the BSM assumptions are based on historical volatility of the Company's stock prices. The expected term of stock options granted has been estimated using the simplified method because the Company is generally unable to rely on its limited historical exercise data or alternative information as a reasonable basis upon which to estimate the expected term of such options. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The Company has not paid any dividends on common stock since its inception and does not anticipate paying dividends on its common stock in the foreseeable future. When calculating the amount of annual compensation expense, the Company has elected not to estimate forfeitures and instead accounts for forfeitures as they occur. Accordingly, $30,953 was reversed related to forfeited options for the three months ended September 30, 2022. There were no forfeited options for the three months ended September 30, 2021.

A summary of option activity for the three months ended September 30, 2022 is presented below:

Options	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding at July 1, 2022	3,163,190	$ 1.89	7.34
Granted	-	-	-
Terminated	(47,667)	2.84	8.55
Outstanding and expected to vest at September 30, 2022	3,115,523	1.88	7.07

During the quarter ended September 30, 2022, no options were issued and 47,667 options were terminated.

For the three months ended September 30, 2022 and 2021, the Company recognized $175,779 and $389,085, in expense related to the Plan, respectively.

On September 28, 2021, the Board approved certain stock awards to its board members in the form of stock options and restricted stock. The stock option awards and restricted stock awards are expected to vest ratably over a twelve-month period. The total approved compensation was $172,702 in stock options and $600,000 in restricted stock. The number of options was determined based on the fair value of the Company's share price as of the date of grant. The Company determined that there will be 337,078 of restricted shares issued upon vesting, based on the fair value of the Company's share price on the grant date. On September 28, 2022, the restricted shares became fully vested and are expected to be issued in the near term.

Accordingly, $42,200 related to the stock option grants made to the board members, was recognized as stock-based compensation expense for the three months ended September 30, 2022. The Company also recognized $150,000 as stock-based compensation expense related to the restricted stock unit grants made to the board members for the three months ended September 30, 2022, respectively. The cost related to the grants made to board members is expected to be recognized through September of 2022.

As of September 30, 2022, there was approximately $171,964 of total unrecognized compensation cost for employees and non-employees related to nonvested options. These costs are expected to be recognized through March 2026.

Note 4 - Common Stock

On August 2, 2021, the Company entered into a purchase agreement (the "Purchase Agreement"), with Lincoln Park Capital Fund, LLC ("Lincoln Park"), under which, subject to specified terms and conditions, the Company may sell to Lincoln Park up to $16.5 million worth of common stock, par value $0.0001 per share, from time to time during the term of the Purchase Agreement, which ends August 2, 2023.

In connection with the Purchase Agreement, the Company entered into an introducing broker agreement with Laidlaw & Company (UK) Ltd. ("Laidlaw"), pursuant to which the Company agreed to pay a cash fee to Laidlaw (the "Introductory Fee") equal to (i) 8% of the amount of the Initial Purchase, (ii) 8% of the amount of a one-time share request up to $1,000,000 ("Tranche Purchase"), if any, and (iii) 4% of up to the next $13,500,000 (or up to $14,500,000 if the Tranche Purchase is not exercised).

Upon entering into the Purchase Agreement, the Company sold 759,109 shares of common stock to Lincoln Park as an initial purchase for a total purchase price of $1,500,000 (the "Initial Purchase"). The Company received net proceeds from the Initial Purchase of $1,360,000 after the payment of the Introductory Fee and offering costs. As consideration for Lincoln Park's commitment to purchase up to $16.5 million of shares of common stock under the Purchase Agreement, the Company issued 152,715 shares of common stock to Lincoln Park. If Lincoln Park is requested to purchase additional shares during the term of the Purchase Agreement, the requested shares, ("Regular Purchase"), are limited based on the current share price of the Company's common stock. If the average price is below $3.00 per share, the Company is limited to issuing 50,000 shares per request; if the share price is between $3.00 and $4.00 per share, the limit is 75,000 shares per request, if the share price is between $4.00 and $5.00, the limit is 100,000 shares per request, and if the share price is above $5.00, the limit is 150,000 shares per request. Requests for purchases are permitted daily as long as the Company's stock price is above $0.50 per share. The price for such regular purchases will be the lower of: (i) the lowest closing price of the Company's common stock on the purchase date for such Regular Purchase and (ii) the arithmetic average of the three (3) lowest closing prices of the Company's common stock during the ten (10) consecutive business days immediately preceding. Additionally, the Company may instruct Lincoln Park to purchase additional shares of common stock that exceed the Regular Purchase limits ("Accelerated Purchase"). If the Company requests Lincoln Park to make an Accelerated Purchase, the price per share is discounted from average historical closing prices. No additional shares were sold to Lincoln Park through September 30, 2022.

The Company evaluated the contract that includes the right to require Lincoln Park to purchase additional shares of common stock in the future (“put right”) considering the guidance in ASC 815-40, “Derivatives and Hedging - Contracts on an Entity’s Own Equity” (“ASC 815-40”) and concluded that it is an equity-linked contract that does not qualify for equity classification, and therefore requires fair value accounting. The Company has analyzed the terms of the put right and has concluded that it has no value as of September 30, 2022.

On October 19, 2021 and December 2, 2021, the Company issued 9,901 shares of its common stock totaling approximately $18,218 and 4,000 shares of its common stock totaling approximately $4,480 in value, respectively, to various consulting firms in exchange for strategic investor relations services. These shares vested immediately upon issuance. During the fourth quarter of fiscal year 2022, the Company issued 250,000 of its common stock totaling approximately $126,250 in value, respectively, to a consulting firm in exchange for strategic advisory and digital marketing services. These shares vested immediately upon issuance.

On February 11, 2022, the Company entered into an underwriting agreement with Laidlaw, as representative of the several underwriters, to issue and sell up to 3,437,500 shares of the Company’s common stock, at a public offering price of $0.80 per share. On February 14, 2022, the Company entered into an amended and restated underwriting agreement in order to increase the number of shares sold in the offering to 3,750,000. On February 16, 2022, the Company closed the offering, and sold 3,750,000 shares of common stock to Laidlaw for total gross proceeds of $3,000,000. After deducting the underwriting commission and expenses, the Company received net proceeds of approximately $2,509,550. In connection with the offering, the Company issued five (5) year warrants to the underwriter to purchase 187,500 common shares at an exercise price of $1.00.

The Company measures the warrants using the BSM to estimate their fair value. The fair value of the warrants issued in connection with the offering was approximately $94,165 based on the following inputs and assumptions using the BSM: (i) expected stock price volatility of 80.10%; (ii) risk free interest rate of 1.63%; and (iii) expected life of the warrants of 5 years. The warrants were fully vested on the date of grant and are included in offering costs.

On July 12, 2022, the Company issued 125,000 of its common stock totaling $61,250 in value to a consulting firm in exchange for strategic advisory and digital marketing services. These shares vested immediately upon issuance.

On September 1, 2022, the Company sold 4,181,821 shares of common stock for approximately $1.85 million, net of financing fees and expenses, and in a concurrent private placement, warrants to purchase an aggregate of 4,181,821 shares of common stock at an exercise price of $0.82 per share. The fair value of the warrants issued was approximately $953,460 based on the following inputs and assumptions using the BSM: (i) expected stock price volatility of 94.90%; (ii) risk free interest rate of 3.54%; and (iii) expected life of the warrants of 5.5 years.

In connection with the offering, the Company issued five (5) year warrants to the underwriter to purchase 209,091 shares of common stock at an exercise price of $1.025 per share. The fair value of the warrants issued in connection with the offering was approximately $42,454 based on the following inputs and assumptions using the BSM: (i) expected stock price volatility of 94.90%; (ii) risk free interest rate of 3.54%; and (iii) expected life of the warrants of 5 years. The warrants were fully vested on the date of grant and are included in offering costs.

Note 5 - Income Taxes

For the three months ended September 30, 2022 and prior periods since inception, the Company's activities have not generated taxable income or tax liabilities. Accordingly, the Company has not recognized an income tax benefit for the three-month periods ended September 30, 2022 and 2021.

The Company has approximately $30.8 million of net operating loss carryforwards for federal and $30.8 million for state, available to reduce future income taxes. Of the $30.8 million of federal net operating losses, approximately $17,000 will expire in 2037 and the balance can be utilized indefinitely but will be limited to 80% utilization. The state net operating losses will begin to expire in 2027. Due to uncertainty as to the realization of the net operating loss carryforwards and other deferred tax assets as a result of the Company’s limited operating history and operating losses since inception, a full valuation allowance has been recorded against the Company’s deferred tax assets. The Company does not have any uncertain tax positions. The net operating loss carryforwards may be subject to an annual limitation as a result of a change of ownership as defined under Internal Revenue Code Section 382. Tax years 2019-2022 remain open to examination for federal income tax purposes and by other major taxing jurisdictions to which the Company is subject.

Note 6 - Subsequent Events

The Company has evaluated subsequent events through the date of filing this Quarterly Report on Form 10-Q and determined that no material events occurred.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read together with our unaudited condensed financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our audited financial statements and related notes for the year ended June 30, 2022 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission, or SEC, on September 28, 2022. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. We discuss factors that we believe could cause or contribute to these differences below and elsewhere in this Quarterly Report on Form 10-Q, including those factors set forth in the section entitled "Cautionary Statement Regarding Forward-Looking Statements" and in the section entitled "Risk Factors" in Part II, Item 1A.

Overview

The following discussion highlights our results of operations and the principal factors that have affected our financial condition as well as our liquidity and capital resources for the three months ended September 30, 2022, and provides information that management believes is relevant for an assessment and understanding of the statements of financial condition and results of operations presented herein. The following discussion and analysis are based on our unaudited condensed financial statements contained in this Quarterly Report on Form 10-Q, which we have prepared in accordance with United States generally accepted accounting principles, or GAAP. You should read the discussion and analysis together with such financial statements and the related notes thereto.

We are not currently profitable, and we cannot provide any assurance that we will ever be profitable. We incurred a net loss of $1,577,338 for the three months ended September 30, 2022, and we incurred a net loss of $30,854,354 for the period from November 14, 2017 (date of incorporation) to September 30, 2022.

The assessment of the Company's ability to meet its future obligations is inherently judgmental, subjective and susceptible to change. Based on their current forecast, management believes that it will have sufficient cash and cash equivalents to maintain the Company's planned operations for the next twelve months following the issuance of these financial statements; however, there is uncertainty in the forecast and therefore the Company cannot assert that it is probable. The Company has considered both quantitative and qualitative factors that are known or reasonably knowable as of the date of these financial statements are issued and concluded that there are conditions present in the aggregate that raise substantial doubt about the Company's ability to continue as a going concern.

In response to the conditions, management plans include generating cash by completing financing transactions, which may include offerings of common stock. However, these plans are subject to market conditions, and are not within the Company's control, and therefore, cannot be deemed probable. There is no assurance that the Company will be successful in implementing their plans. As a result, the Company has concluded that management's plans do not alleviate substantial doubt about the Company's ability to continue as a going concern.

Basis of Presentation

The financial statements contained herein have been prepared in accordance with GAAP and the requirements of the SEC.

Critical Accounting Policies and Significant Judgments and Estimates

This management's discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. In accordance with U.S. GAAP, we base our estimates on historical experience and on various other assumptions we believe to be reasonable under the circumstances. Actual results may differ from these estimates if conditions differ from our assumptions. While our significant accounting policies are more fully described in Note 2 in the "Notes to Condensed Financial Statements," we believe the following accounting policies are critical to the process of making significant judgments and estimates in preparation of our financial statements.

Internally-Developed Capitalized Software

We capitalize certain costs related to internal-use software, primarily consisting of direct labor and third-party vendor costs associated with creating the software. Software development projects generally include three stages: the preliminary project stage (all costs are expensed as incurred), the application development stage (certain costs are capitalized and certain costs are expensed as incurred) and the post-implementation/operation stage (all costs are expensed as incurred). Costs capitalized in the application development stage include costs related to the design and implementation of the selected software components, software build and configuration infrastructure, and software interfaces. Capitalization of costs requires judgment in determining when a project has reached the application development stage, the proportion of time spent in the application development stage, and the period over which we expect to benefit from the use of that software. Once the software is placed in service, these costs are amortized on the straight-line method over the estimated useful life of the software, which is generally three years.

Revenue Recognition

We generate substantially all our revenue from contractual arrangements with businesses, colleges and universities and K-12 schools to provide a comprehensive platform of tightly integrated technology and technology enabled services related to product offerings. Revenue related to our licensing arrangements is generally recognized ratably over the contract term commencing upon platform delivery. Revenue related to licensing arrangements recognized in a given time period will consist of contracts that went live in the current period or that went live in previous periods and are currently ongoing.

<u>Performance Obligations and Timing of Recognition</u>

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

We derive revenue from annual licensing arrangements, including maintenance fees, setup fees and other variable fees for course development and miscellaneous items. Our contracts with partners generally have two-year terms and have a single performance obligation. The promises to set up and provide a hosted platform of tightly integrated technology and services partners need to attract, enroll, educate and support students are not distinct within the context of the contracts. This performance obligation is satisfied as the partners receive and consume benefits, which occurs ratably over the contract term.

Occasionally, we will provide professional services, such as custom development, non-complex implementation activities, training, and other various professional services. We evaluate these services to determine if they are distinct and separately identifiable in the context of the contract. In our contracts with customers that contain multiple performance obligations because of this assessment, we allocate the transaction price to each separate performance obligation on a relative standalone selling price basis. Standalone selling prices of our solutions and services are typically estimated based on observable transactions when the solutions or services are sold on a standalone basis. When standalone selling prices are not observable, we utilize a cost-plus margin approach to allocate the transaction price.

We do not disclose the value of unsatisfied performance obligations because the variable consideration is allocated entirely to a wholly unsatisfied promise to transfer a service that forms part of a single performance obligation (i.e., consideration received is based on the level of product offerings, which is unknown in advance). During the three months ended September 30, 2022, four customers comprised approximately 73% of total revenue. During the three months ended September 30, 2021, three customers comprised of approximately 86% of total revenue.

We also receive fees that are fixed in nature, such as annual license and maintenance charges, in place of or in conjunction with variable consideration. The fees are independent of the number of students that are enrolled in courses with our customers and are allocated to and recognized ratably over the service period of the contract that the Company's platform is made available to the customer (i.e. the customer simultaneously receives and consumes the benefit of the software over the contract service period).

The following factors affect the nature, amount, timing, and uncertainty of our revenue and cash flows:

- The majority of our customers are private and public learning institutions across various domestic regions

- The majority of our customers have annual payment terms

Accounts Receivable, Contract Assets and Liabilities

Balance sheet items related to contracts consist of accounts receivable (net) and contract liabilities on our condensed balance sheets. Accounts receivable (net) is stated at net realizable value, and we utilize the allowance method to provide for doubtful accounts based on management's evaluation of the collectability of the amounts due. Our estimates are reviewed and revised periodically based on historical collection experience and a review of the current status of accounts receivable. Historically, actual write-offs for uncollectible accounts have not significantly differed from prior estimates. There was no allowance for doubtful accounts on accounts receivable balances as of September 30, 2022 and June 30, 2022.

We may recognize revenue prior to billing a customer when we have satisfied or partially satisfied our performance obligations as billings to our customers may not be made until after the service period has commenced. As of September 30, 2022 and June 30, 2022, we do not have any contract assets.

Contract liabilities as of each balance sheet date represent the excess of amounts billed or received as compared to amounts recognized in revenue on our statements of operations as of the end of the reporting period, and such amounts are reflected as a current liability on our balance sheets as deferred revenue. We generally receive payments prior to completion of the service period and our performance obligations. These payments are recorded as deferred revenue until the services are delivered or until our obligations are otherwise met, at which time revenue is recognized.

Some contracts also involve annual license fees, for which upfront amounts are received from Customers. In these contracts, the license fees received in advance of the platform's launch are recorded as contract liabilities.

Results of Operations

Revenue

We generated revenues of $280,282 for the three months ended September 30, 2022 as compared to $140,691 for the three months ended September 30, 2021. Revenue growth compared to prior year for the three months ended September 30, 2022 was primarily driven by higher recognition of deferred revenues as well as the sale of new annual license fees and associated implementation and customization services.

General and Administrative

General and administrative expenses consist primarily of personnel and personnel-related expenses, including executive management, legal, finance, human resources and other departments that do not provide direct operational services. General and administrative expense also includes professional fees and other corporate expense.

General and administrative expenses for the three months ended September 30, 2022 were $976,320 as compared to $1,235,770 for the three months ended September 30, 2021. The decrease between the three-month periods is primarily due to lower amount of professional fees and stock-based compensation expense incurred.

Technology and Content Development

Technology and content development expenses consist primarily of personnel and personnel-related expense and contracted services associated with the ongoing improvement and maintenance of our platform as well as hosting and licensing costs. Technology and content expense also include the amortization of capitalized software costs.

Technology and content development expenses for the three months ended September 30, 2022 were $480,775 as compared to $796,108 for the three months ended September 30, 2021. The decrease between the three-month periods is primarily due to decrease in the development of our technology platforms and decrease in amortization of capitalized software as compared to the first quarter of fiscal year 2022.

Sales and Marketing

Sales and marketing expense consist primarily of activities to attract customers to our offerings. This includes personnel and personnel-related expenses, various search engine and social media costs as well as the cost of advertising.

Sales and marketing expenses for the three months ended September 30, 2022 were $405,445 as compared to $487,232 for the three months ended September 30, 2021. The decrease between the three-month periods is primarily due to the decreased payroll costs allocated to fewer sales and marketing personnel employed in fiscal year 2023.

Interest Income

For the three months ended September 30, 2022, interest income totaled $5,451 as compared to interest income of $262 for the three months ended September 30, 2021.

Net Loss

Our net loss for the three months ended September 30, 2022 was $1,577,338 as compared to a net loss for the three months ended September 30, 2021 of $2,378,157. The loss was substantially lower during the three months ended September 30, 2022 compared to 2021 as a result of the decreased operating expenses noted above.

Financial Position, Liquidity, and Capital Resources

Overview

We are not currently profitable, and we cannot provide any assurance that we will ever be profitable, as indicated by our losses noted above.

During the period from November 14, 2017 (date of incorporation) to September 30, 2020, we raised net proceeds of approximately $11,760,000 from private placement financing transactions (stock and debt). On September 25, 2020, we completed the Offering of 3,000,000 shares of our common stock, $0.0001 par value per share, at an offering price of $5.00 per share (total net proceeds of approximately $12.8 million after underwriting discounts, commissions, and other offering costs).

On August 2, 2021, we entered into a purchase agreement (the "Purchase Agreement") with Lincoln Park Capital Fund, LLC ("Lincoln Park"), under which, subject to specified terms and conditions, we may sell up to $16.5 million of shares of common stock. Our net proceeds under the Purchase Agreement will depend on the frequency of sales and the number of shares sold to Lincoln Park and the prices at which we sell shares to Lincoln Park. On August 2, 2021, we sold 759,109 shares of our common stock to Lincoln Park in an initial purchase under the Purchase Agreement for a total purchase price of $1,500,000. We also issued 152,715 shares of our common stock to Lincoln Park as consideration for its irrevocable commitment to purchase our common stock under the Purchase Agreement.

On October 19, 2021 and December 2, 2021, the Company issued 9,901 shares of its common stock totaling approximately $18,218 and 4,000 shares of its common stock totaling approximately $4,480 in value, respectively, to various consulting firms in exchange for strategic investor relations services. During the fourth quarter of fiscal year 2022, the Company issued 250,000 of its common stock totaling approximately $126,250 in value, respectively, to a consulting firm in exchange for strategic advisory and digital marketing services.

On February 16, 2022, we closed on a public offering of common stock and received approximately $2.51 million of cash proceeds, net of underwriting discounts, commissions, and other offering costs (Note 4 to the Financial Statements).

On September 1, 2022, the Company sold 4,181,821 shares of common stock for approximately $1.85 million, net of financing fees and expenses, and in a concurrent private placement, warrants to purchase an aggregate of 4,181,821 shares of common stock. (Note 4 to the Financial Statements).

As of September 30, 2022, our cash balance totaled $8,083,704.

The Company is developing its customer base and has not completed its efforts to establish a stabilized source of revenue sufficient to cover its expenses. The Company has had a history of net losses and negative cash flows from operating activities since inception and expects to continue to incur net losses and use cash in its operations in the foreseeable future.

In addition, the Company has received a notice from the Nasdaq related to their failure to maintain a minimum bid price of $1 per share. The Company is not currently in compliance with the Nasdaq listing rules and if the Company does not regain compliance, the common stock of the Company could be delisted from the Nasdaq exchange. If the Company's common stock is delisted, it may affect the Company's ability to obtain financing, trade or sell shares of their common stock, and/or forecasted operations could be negatively impacted in an amount that the Company cannot currently quantify.

The assessment of the Company's ability to meet its future obligations is inherently judgmental, subjective and susceptible to change. Based on their current forecast, management believes that it will have sufficient cash and cash equivalents to maintain the Company's planned operations for the next twelve months following the issuance of these financial statements; however, there is uncertainty in the forecast and therefore the Company cannot assert that it is probable. The Company has considered both quantitative and qualitative factors that are known or reasonably knowable as of the date of these financial statements are issued and concluded that there are conditions present in the aggregate that raise substantial doubt about the Company's ability to continue as a going concern.

In response to the conditions, management plans include generating cash by completing financing transactions, which may include offerings of common stock. However, these plans are subject to market conditions, and are not within the Company's control, and therefore, cannot be deemed probable. There is no assurance that the Company will be successful in implementing their plans. As a result, the Company has concluded that management's plans do not alleviate substantial doubt about the Company's ability to continue as a going concern.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

The Company is not required to provide the information required by this Item as it is a “smaller reporting company.”

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation, under the supervision, and with the participation of, our management, including our Chief Executive Officer (also our principal executive officer) and our Chief Financial Officer (also our principal financial and accounting officer), of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (“Exchange Act”). Based on that evaluation, our management concluded that our disclosure controls and procedures were not effective due to un-remediated material weaknesses in our internal control over financial reporting. The Company had material weaknesses related to three components of the COSO framework – risk assessment, control activities and monitoring activities, as follows, and as a result, our internal control was not effective.

Risk assessment: Management identified a deficiency in a principle associated with the risk assessment component of the COSO framework. The Company does not have a documented process and controls to identify and assess changes to the business that could significantly affect the system of internal control.

Control activities: Management identified deficiencies in the principles associated with the control activities component of the COSO framework. Specifically, these control deficiencies constitute material weaknesses, either individually or in the aggregate, relating to: (i) developing control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels and (ii) deploying control activities through internal control policies that establish what is expected and procedures that put policies into action.

Monitoring activities: Management identified deficiencies in the principles associated with the monitoring component of the COSO framework. Specifically, these control deficiencies constitute material weaknesses, either individually or in the aggregate, relating to (i) selecting, developing, and performing ongoing evaluation to ascertain whether the components of internal controls are present and functioning, and (ii) documenting, evaluating and communicating internal control deficiencies in a timely manner to those parties responsible for taking corrective action.

Remediation Efforts to Address the Material Weaknesses

With the oversight of senior management and our audit committee, we are taking the steps below and plan to take additional measures to remediate the underlying causes of the material weaknesses:

- With assistance from a current finance and accounting third-party service provider, the Company will formalize our risk assessment process, which will include a risk assessment being revised, reviewed, and documented, on an as needed basis, as changes to the business occur. This service provider will also assist the Company with implementing revised control activities, controls documentation, and ongoing monitoring activities related to the internal controls over financial reporting.

- The Company will take steps to remediate the control activities material weakness through the documentation of processes and controls for transactions that occur in the course of business, and in the financial statement close, reporting and disclosure processes.

- The Company will formalize our process and documentation for monitoring internal control over financial reporting. The documentation will serve as the evidence to ascertain whether the control activities are present and functioning and provide a foundation for the Company to communicate internal control deficiencies in a timely manner to those parties responsible for taking corrective action.

In addition, under the direction of the audit committee of the Board of Directors, management will continue to review and make necessary changes to the overall design of the Company’s internal control environment, as well as to refine policies and procedures to improve the overall effectiveness of internal control over financial reporting of the Company.

We cannot be assured that the measures we have taken to date, or plan to implement, will be sufficient to remediate the material weaknesses we have identified or avoid potential future material weaknesses.

Changes in Internal Controls Over Financial Reporting

During the period covered by this Quarterly Report on Form 10-Q, there were no changes in our internal control over financial reporting (as defined in Rule 13(a)-15(f) or 15(d)-15(f)) that occurred during the period covered by this quarterly report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

Our business, financial condition, results of operations, and cash flows may be impacted by a number of factors, many of which are beyond our control, including those set forth in our Annual Report on Form 10-K, the occurrence of any one of which could have a material adverse effect on our actual results. There have been no material changes in our risk factors from those previously disclosed in our Annual Report on Form 10-K, other than as described below:

There is substantial doubt about our ability to continue as a going concern.

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles, or GAAP, applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We are in the early stages of developing our customer base and have not completed our efforts to establish a stabilized source of revenue sufficient to cover our costs over an extended period of time. For the three months ended September 30, 2022 and 2021, we had net losses of $1,577,338 and $2,378,157, respectively. On February 16, 2022, the Company sold 3,750,000 shares of common stock for net proceeds of $2,509,550 after deducting the underwriting commission and expenses. On September 1, 2022, the Company sold 4,181,821 shares of common stock for approximately $1.85 million, net of financing fees and expenses. The assessment of the Company's ability to meet its future obligations is inherently judgmental, subjective and susceptible to change. Based on their current forecast, management believes that it will have sufficient cash and cash equivalents to maintain the Company's planned operations for the next twelve months following the issuance of these financial statements; however, there is uncertainty in the forecast and therefore the Company cannot assert that it is probable. Further uncertainty remains regarding our ability to implement our business plan and to grow our business without additional financing. Our long-term future growth and success is dependent upon our ability to raise additional capital and implement our business plan. There is no assurance that we will be successful in implementing our business plan or that we will be able to generate sufficient cash from operations, sell securities or borrow funds on favorable terms or at all. Our inability to generate significant revenue or obtain additional financing could have a material adverse effect on our ability to fully implement our business plan and grow our business to a greater extent than we can with our existing financial resources. The Company has considered both quantitative and qualitative factors that are known or reasonably knowable as of the date of these financial statements are issued and concluded that there are conditions present in the aggregate that raise substantial doubt about the Company's ability to continue as a going concern.

Item 2. Sales of Equity Securities and Use of Proceeds.

In connection with the Company's September 2022 public offering of 4,181,821 shares of common stock, in a concurrent private placement, the Company issued warrants to purchase an aggregate of 4,181,821 shares of common stock. The warrants were issued pursuant to an exemption provided in Section 4(a)(2) under the Securities Act and Rule 506(b) promulgated thereunder.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Certificate of Incorporation of the Registrant	10-Q	001-39553	3.1	November 16, 2020	
3.2	Bylaws of the Registrant	10-Q	001-39553	3.2	November 16, 2020	
4.1	Form of Underwriter's Warrant	8-K	001-39553	4.1	February 16, 2022	
31.1*	Certification of Chief Executive Officer filed pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2*	Certification of Chief Financial Officer filed pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File - the cover page from the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 is formatted in Inline XBRL					X

* This certification is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized

	AMESITE INC.	
Date: November 10, 2022	By:	/s/ Ann Marie Sastry, Ph.D. Ann Marie Sastry, Ph.D. Chief Executive Officer (Principal Executive Officer)
Date: November 10, 2022	By:	/s/ Mark Corrao Mark Corrao Chief Financial Officer (Principal Financial Officer) (Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ann Marie Sastry, Ph.D., certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of Amesite Inc.;

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

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

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

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

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

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

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

November 10, 2022

By: /s/ Ann Marie Sastry, Ph.D.
Ann Marie Sastry, Ph.D.
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Corrao, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q of Amesite Inc.;

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

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

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

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

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

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

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

November 10, 2022

By: /s/ Mark Corrao
Mark Corrao
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT
TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q of Amesite Inc. for the period ended September 30, 2022 (the "Report"), the undersigned hereby certifies in her capacity as Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge and belief, that:

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

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Amesite Inc.

November 10, 2022

By: /s/ Ann Marie Sastry, Ph.D.
Ann Marie Sastry, Ph.D.
Chief Executive Officer
(Principal Executive Officer)

The certification set forth above is being furnished as an Exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and is not being filed as part of the Report or as a separate disclosure document of Amesite Inc. or the certifying officers.

Exhibit 32.2

CERTIFICATION PURSUANT
TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q of Amesite Inc. for the period ended September 30, 2022 (the “Report”), the undersigned hereby certifies in his capacity as Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge and belief, that:

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

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Amesite Inc.

November 10, 2022	By: /s/ Mark Corrao
	Mark Corrao
	Chief Financial Officer
	(Principal Financial and Accounting Officer)

The certification set forth above is being furnished as an Exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and is not being filed as part of the Report or as a separate disclosure document of Amesite Inc. or the certifying officers.