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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended March 31, 2021

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: 000-30542

DATA443 RISK MITIGATION, INC.
(Exact name of registrant as specified in its charter)

Nevada	**86-0914051**
(State of incorporation)	(I.R.S. Employer Identification No.)
101 J Morris Commons Lane, Suite 105 **Morrisville, North Carolina**	**27560**
(Address of principal executive offices)	(Zip Code)

(919) 858-6542
(Registrant's telephone number, including area code)

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 [X]

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 [X]

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 [X]	Smaller reporting company [X]
	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 Act). Yes [ ] No [X]

The outstanding number of shares of common stock as of April 14, 2021 was: 1,427,565,404.

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

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Documents incorporated by reference: None

DATA443 RISK MITIGATION, INC.
FORM 10-Q
TABLE OF CONTENTS

PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

DATA443 RISK MITIGATION, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2021	December 31, 2020
Assets		
Current assets		
Cash	$ 53,060	$ 58,783
Accounts receivable, net	36,911	136,503
Prepaid expense and other current assets	9,167	-
Total current assets	99,138	195,286
Property and equipment, net	367,612	324,349
Operating lease right-of-use assets, net	230,492	248,237
Intellectual property, net of accumulated amortization	2,069,385	2,310,907
Deposits	31,440	31,440
Total Assets	$ 2,798,067	$ 3,110,219
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable and accrued liabilities	$ 383,654	$ 401,014
Deferred revenue	1,255,396	1,478,430
Interest payable	29,012	62,212
Notes payable	826,173	585,310
Convertible notes payable, net of unamortized discount	89,264	1,241,412
Due to a related party	458,218	561,230
License fee payable	-	1,094,691
Operating lease liability	103,117	100,170
Finance lease liability	90,799	90,565
Total Current Liabilities	3,235,633	5,615,034
Series B Preferred Stock, 80,000 shares designated; $0.001 par value; Stated value $10.00 22,200 and 5,300 shares issued and outstanding, net of discount, respectively	211,438	50,203
Notes payable - non-current	1,873,093	572,495
Convertible notes payable, net of unamortized discount - non-current	7,287	2,356
Deferred revenues - non-current	31,657	39,733
Operating lease liability - non-current	210,715	237,961
Finance lease liability - non-current	61,237	83,109
Total Liabilities	5,631,060	6,600,891
Stockholders' Deficit		
Preferred stock: 337,500 authorized; $0.001 par value Series A Preferred Stock, 150,000 shares designated; $0.001 par value; 150,000 shares issued and outstanding, respectively	150	150
Common stock: 1,800,000,000 authorized; $0.001 par value 1,442,053,442 and 1,044,012,947 shares issued and outstanding, respectively	1,442,053	1,044,013
Additional paid in capital	33,423,635	30,983,749

Accumulated deficit		(37,698,831)		(35,518,584)
Total Stockholders' Deficit		(2,832,993)		(3,490,672)
Total Liabilities and Stockholders' Deficit	$	2,798,067	$	3,110,219

See the accompanying Notes, which are an integral part of these unaudited Consolidated Financial Statements

DATA443 RISK MITIGATION, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,			
	2021		2020	
Revenue	$	837,868	$	477,877
Cost of revenue		166,994		34,289
Gross profit		670,874		443,588
Operating expenses				
General and administrative		1,433,565		1,425,234
Sales and marketing		95,424		120,818
Total operating expenses		1,528,989		1,546,052
Net loss from operations		(858,115)		(1,102,464)
Other income (expense)				
Interest expense		(905,426)		(518,400)
Loss on settlement of debt		(227,501)		(54,000)
Change in fair value of derivative liability		(185,256)		(8,506,151)
Total other expense		(1,318,183)		(9,078,551)
Loss before income taxes		(2,176,298)		(10,181,015)
Provision for income taxes		-		-
Net loss	$	(2,176,298)	$	(10,181,015)
Dividend on Series B Preferred Stock		(3,949)		-
Net loss attributable to common stockholders	$	(2,180,247)	$	(10,181,015)
Basic and diluted loss per Common Share	$	(0.00)	$	(0.70)
Basic and diluted weighted average number of common shares outstanding		1,222,055,574		14,542,721

See the accompanying Notes, which are an integral part of these unaudited Consolidated Financial Statements

DATA443 RISK MITIGATION, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT
(Unaudited)

Three Months Ended March 31, 2021

	Series A Preferred Stock		Common Stock		Additional Paid in	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit
Balance - December 31, 2020	150,000	$ 150	1,044,012,947	$ 1,044,013	$ 30,983,749	$ (35,518,584)	$ (3,490,672)
Common stock issued for cash	-	-	166,666,667	166,667	486,938	-	653,605
Common stock issued for conversion of preferred stock	-	-	11,196,474	11,196	157,011		168,207
Common stock issued for conversion of debt	-	-	203,494,048	203,494	1,319,764	-	1,523,258
Common stock issued in conjunction with convertible note	-	-	5,725,000	5,725	83,013	-	88,738
Stock-based compensation	-	-	10,958,306	10,958	393,160	-	404,118
Net loss	-	-	-	-	-	(2,180,247)	(2,180,247)
Balance - March 31, 2021	150,000	150	1,442,053,442	1,442,053	33,423,635	(37,698,831)	(2,832,993)

Three Months Ended March 31, 2020

	Convertible Preferred Series A		Common Stock		Additional Paid in	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit
Balance - December 31, 2019	1,334	$ 1	9,692,065	$ 9,692	$ 15,204,771	$ (21,610,915)	$ (6,396,451)

Common stock issued for conversion of debt	-	-	6,824,272	6,824	1,317,686	-	1,324,510
Stock issued for asset acquisition	-	-	2,465,754	2,466	(2,466)	-	-
Share-based compensation	-	-	500,000	500	205,152	-	205,652
Net loss	-	-		-		(10,181,015)	(10,181,015)
Balance - March 31, 2020	1,334	$ 1	19,482,091	$ 19,482	$ 16,725,143	$ (31,791,930)	$ (15,047,304)

See the accompanying Notes, which are an integral part of these unaudited Consolidated Financial Statements

DATA443 RISK MITIGATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (2,180,247)	$ (10,181,015)
Adjustments to reconcile net loss to net cash used in operating activities:		
Change in fair value of derivative liability	185,256	8,506,151
Loss on settlement of debt	227,501	54,000
Stock-based compensation expense	404,118	205,652
Depreciation and amortization	277,279	450,359
Amortization of debt discount	838,227	437,639
Bad debt	-	50,800
Lease liability amortization	(6,554)	(2,128)
Changes in operating assets and liabilities:		
Accounts receivable	99,592	(18,610)
Prepaid expenses and other assets	(9,167)	242
Accounts payable and accrued liabilities	(16,901)	(70,841)
Deferred revenue	(231,110)	192,947
Payroll liability	-	(10,535)
Accrued interest	28,358	52,999
Deposit	-	(10,496)
Net Cash used in Operating Activities	(383,648)	(342,836)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(79,020)	(4,068)
Net Cash used in Investing Activities	(79,020)	(4,068)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of convertible notes payable	100,000	497,250
Proceeds from issuance of common stock	653,605	-
Proceeds from issuance of series B Preferred Stock	160,000	-
Finance lease payments	(21,638)	(8,225)
Proceeds from issuance of notes payable	924,581	189,615
Repayment of notes payable	(1,256,591)	(203,245)
Proceeds from related parties	65,250	83,204
Repayment to related parties	(168,262)	(160,725)
Net Cash provided by Financing Activities	456,945	397,874
Net change in cash	(5,723)	50,970
Cash, beginning of period	58,783	18,673
Cash, end of period	$ 53,060	$ 69,643
Supplemental cash flow information		
Cash paid for interest	$ 15,101	$ 27,653
Cash paid for taxes	$ -	$ -
Non-cash Investing and Financing transactions:		
Settlement of series B preferred stock through issuance of common stock	$ 168,207	$ -
Settlement of convertible notes payable through issuance of common stock	$ 1,523,258	$ 427,671
Common stock issued in conjunction with convertible note	$ 88,738	$ -
Resolution of derivative liability upon conversion of debt	$ -	896,839
Equipment paid by capital lease	$ -	$ 158,005
Derivative liability recognized as debt discount	$ 100,000	$ 500,675
Settlement of convertible notes payable through issuance of preferred common stock	$ 65,600	$ -
Note payable issued for settlement of License fee payable	$ 1,404,000	$ -

See the accompanying Notes, which are an integral part of these unaudited Consolidated Financial Statements

DATA443 RISK MITIGATION, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements as of March 31, 2021 include the accounts of the Company and its wholly-owned subsidiary, Data 443 Risk Mitigation, Inc., a North Carolina operating company, and the operations of Myriad Software Productions, LLC through September 2018 when it was liquidated. Prior to the acquisition of Data 443 Risk Mitigation, Inc. in North Carolina and the assets of Myriad Software Productions, LLC in 2018, these two entities were controlled by our sole director and officer, Jason Remillard. On November 17, 2017, Mr. Remillard acquired control of LandStar, Inc. through his purchase of all the outstanding Series A preferred shares of the Company, and as a result, these two entities became common controlled entities that require consolidation of results with the reporting company, LandStar, Inc., from the time common control occurred. All intercompany accounts and activities have been eliminated. These consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

Interim Financial Statements

These unaudited consolidated financial statements have been prepared in accordance U.S. GAAP for interim financial information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, the consolidated financial statements do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and such adjustments are of a normal recurring nature. These consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020 and notes thereto and other pertinent information contained in our Form 10-K the Company has filed with the Securities and Exchange Commission (the "SEC") on March 23, 2021. The results of operations for the three months ended March 31, 2021, are not necessarily indicative of the results to be expected for the full fiscal year ending December 31, 2021.

Share-Based Compensation

Employees - The Company accounts for share-based compensation under the fair value method which requires all such compensation to employees, including the grant of employee stock options, to be calculated based on its fair value at the measurement date (generally the grant date), and recognized in the consolidated statement of operations over the requisite service period.

Nonemployees - During June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-07, *Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting* ("ASU 2018-07") to simplify the accounting for share-based payments to nonemployees by aligning it with the accounting for share-based payments to employees. The Company elected to adopt ASU 2018-07 early. Under the requirements of ASU 2018-07, the Company accounts for share-based compensation to non-employees under the fair value method which requires all such compensation to be calculated based on the fair value at the measurement date (generally the grant date), and recognized in the statement of operations over the requisite service period.

The Company recorded approximately $404,118 in share-based compensation expense for the three months ended March 31, 2021, compared to $205,652 in share-based compensation expense for the three months ended March 31, 2020.

Determining the appropriate fair value model and the related assumptions requires judgment. During the three months ended March 31, 2021, the fair value of each option grant was estimated using a Black-Scholes option-pricing model. The expected volatility represents the historical volatility of the Company's publicly traded common stock. Due to limited historical data, the Company calculates the expected life based on the mid-point between the vesting date and the contractual term which is in accordance with the simplified method. The expected term for options granted to nonemployees is the contractual life. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected life of stock options. The Company has not paid and does not anticipate paying cash dividends on its shares of common stock; therefore, the expected dividend yield is assumed to be zero.

Basic and Diluted Net Loss Per Common Share

Basic earnings per share ("EPS") is computed based on the weighted average number of shares of common stock outstanding during the period. Diluted EPS is computed based on the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method and as if converted method. Dilutive potential common shares include outstanding stock options, warrant and convertible notes.

For the three months ended March 31, 2021 and 2020, respectively, the following common stock equivalents were excluded from the computation of diluted net loss per share as the result of the computation was anti-dilutive.

	March 31,	
	2021	2020
	(Shares)	(Shares)
Series A Preferred Stock	150,000,000	1,334,000
Stock options	24,942,045	466,672
Warrants	100,000,000	69,714,754
Convertible notes	-	144,106,172
Total	261,327,991	215,621,598

Recently Issued Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, ASC Subtopic 470-20 "Debt—Debt with "Conversion and Other Options" and ASC subtopic 815-40 "Hedging—Contracts in Entity's Own Equity". The standard reduced the number of accounting models for convertible debt instruments and convertible preferred stock. Convertible instruments that continue to be subject to separation models are (1) those with embedded conversion features that are not clearly and closely related to the host contract, that meet the definition of a derivative, and that do not qualify for a scope exception from derivative accounting; and, (2) convertible debt instruments issued with substantial premiums for which the premiums are recorded as paid-in capital. The amendments in this update are effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Company is currently assessing the impact of the adoption of this standard on its consolidated financial statements.

The Company has considered all other recently issued accounting pronouncements and does not believe the adoption of such pronouncements will have a material impact on its consolidated financial statements.

NOTE 2: LIQUIDITY AND GOING CONCERN

The accompanying consolidated financial statements have been prepared (i) in accordance with accounting principles generally accepted in the United States, and (ii) assuming that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has not generated significant income to date. The Company is subject to the risks and uncertainties associated with a business with no substantive revenue, as well as limitations on its operating capital resources. These matters, among others, raise substantial doubt about the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. In light of these matters, the Company's ability to continue as a going concern is dependent upon the Company's ability to raise capital and generate revenue and profits in the future.

During 2018, the Company made two product acquisitions, ClassiDocs™, and ARALOC™, and completed the acquisition of one entity, Data443 Risk Mitigation, Inc. ("Data443"), the North Carolina operating company. During 2019, the Company completed the acquisition of selected assets of DataExpress™; and, completed a transaction under which the Company licensed the assets of ArcMail™. During the period ending September 30, 2020, the Company has completed the acquisition of selected assets of FileFacets™, and selected assets of Intelly WP™. The Company is actively seeking new products and entities to acquire, with several candidates identified. The Company has developed, and continues to develop, large scale relationships with cyber security, marketing and product organizations, and to market and promote ClassiDocs and other products the Company may develop or acquire. As of March 31, 2021, the Company had negative net working capital; an accumulated deficit; and, had reduced its operating losses.

We continue to monitor the effects COVID-19 could have on our operations and liquidity including our ability to collect account receivable timely from our customers due to the economic impacts COVID-19 could have on the general economy. COVID-19 has also impacted our ability to travel, meet distribution partners in their offices, present at tradeshows, and perform other enterprise-related sales functions. Many customers have still yet to return to their pre-pandemic "normal" office working conditions. These continued operating conditions have impacted our ability to execute and deploy some of our normal sales and marketing activities. While we are not unique in this position, these factors, among others, raise some doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 3: PROPERTY AND EQUIPMENT

The following table summarizes the components of the Company's property and equipment as of the dates presented:

	March 31, 2021	December 31, 2020
Furniture and Fixtures	$ 2,991	$ 2,991
Computer Equipment	500,343	421,323
	503,334	424,314
Accumulated depreciation	(135,722)	(99,965)
Property and equipment, net of accumulated depreciation	$ 367,612	$ 324,349

Depreciation expense for the three months ended March 31, 2021 and 2020, was $35,757 and $11,421, respectively.

During the three months years ended March 31, 2021 and 2020, the Company purchased property and equipment of $79,020 and $4,068, respectively.

NOTE 4: INTELLECTUAL PROPERTY

The following table summarizes the components of the Company's intellectual property as of the dates presented:

	March 31, 2021	December 31, 2020
Intellectual property:		
Word press GDPR rights	$ 46,800	$ 46,800
ARALOC™	1,850,000	1,850,000
ArcMail License	1,445,000	1,445,000
DataExpress™	1,388,051	1,388,051
FileFacets™	135,000	135,000
IntellyWP™	135,000	135,000
Resilient Network Systems	305,000	305,000
	5,304,851	5,304,851
Accumulated amortization	(3,235,466)	(2,993,944)
Intellectual property, net of accumulated amortization	$ 2,069,385	$ 2,310,907

The Company recognized amortization expense of approximately $241,522 and $438,938 for the three months ended March 31, 2021, and 2020, respectively.

Based on the carrying value of definite-lived intangible assets as of March 31, 2021, we estimate our amortization expense for the next five years will be as follows:

Year Ended December 31,	Amortization Expense
2021 (excluding the three months ended March 31, 2021)	$ 724,566
2022	860,484

2023	441,584
2024	27,000
Thereafter	15,750
	2,069,385

NOTE 5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The following table summarizes the components of the Company's accounts payable and accrued liabilities as of the dates presented:

	March 31, 2021	December 31, 2019
Accounts payable	$ 191,177	$ 178,319
Payroll liabilities	106,513	102,793
Credit cards	42,657	31,918
Accrued dividend - preferred stock	3,307	484
Accrued liabilities	40,000	87,500
	$ 383,654	$ 401,014

NOTE 6: DEFERRED REVENUE

Changes in deferred revenue were as follows:

	March 31, 2020
Balance, beginning of period	$ 1,518,163
Deferral of revenue	508,358
Recognition of deferred revenue	(739,468)
Balance, end of period	$ 1,287,053

	March 31, 2020	December 31, 2020
Current	$ 1,255,396	$ 1,478,430
Non-current	31,657	39,733
	$ 1,287,053	$ 1,518,163

NOTE 7: LEASES

Operating lease

We have noncancelable operating leases for our office facility that expire in 2024. The operating lease has renewal options and rent escalation clauses.

We recognized total lease expense of approximately $24,000 and $28,000 for the three months ended March 31, 2021 and 2020, respectively, primarily related to operating lease costs paid to lessors from operating cash flows. As of March 31, 2021 and December 31, 2020, the Company recorded security deposit of $10,000. We entered into our operating lease in January 2019. On July 1, 2020, the Company renegotiated the office lease to obtain rent expense relief for the months of April 2020 – December 2020.

Future minimum lease payments under operating leases that have initial noncancelable lease terms in excess of one year at March 31, 2021 were as follows:

	Total
Year Ended December 31,	
2021 (excluding the three months ended March 31, 2021)	$ 92,700
2022	127,300
2023	131,150
Thereafter	-
	351,150
Less: Imputed interest	(37,318)
Operating lease liabilities	313,832
Operating lease liability - current	103,117
Operating lease liability - non-current	$ 210,715

The following summarizes other supplemental information about the Company's operating lease as of March 31, 2021:

Weighted average discount rate	8%
Weighted average remaining lease term (years)	2.79

Finance lease

The Company leases computer and hardware under non-cancellable capital lease arrangements. The term of those capital leases is 3 years and annual interest rate is 12%. At March 31, 2021 and December 31, 2020, capital lease obligations included in current liabilities were $90,799 and $90,565, respectively, and capital lease obligations included in long-term liabilities were $61,237 and $83,109, respectively. As of March 31, 2021 and December 31, 2020, the Company recorded security deposit of $10,944.

At March 31, 2021, future minimum lease payments under the finance lease obligations, are as follows:

		Total
2021 (excluding the three months ended March 31, 2021)	$	79,899
2022		78,379
2023		10,496
Thereafter		-
		168,774
Less: Imputed interest		(16,738)
Finance lease liabilities		152,036
Finance lease liability		90,799
Finance lease liability - non-current	$	61,237

As of March 31, 2021 and December 31, finance lease assets are included in property and equipment as follows:

		March 31, 2021		December 31, 2020
Finance lease assets	$	267,284	$	267,284
Accumulated depreciation		(106,912)		(87,337)
Finance lease assets, net of accumulated depreciation	$	160,372	$	179,947

NOTE 8: CONVERTIBLE NOTES PAYABLE

Convertible notes payable consists of the following:

		March 31, 2021		December 31, 2020
Convertible Notes - Issued in fiscal year 2020		100,000		1,526,000
Convertible Notes - Issued in fiscal year 2021		114,500		-
		214,500		1,526,000
Less debt discount and debt issuance cost		(117,949)		(282,232)
		96,551		1,243,768
Less current portion of convertible notes payable		89,264		1,243,768
Long-term convertible notes payable	$	7,287	$	-

During the three months ended March 31, 2021 and 2020, the Company recognized interest expense of $15,142 and $53,517, and amortization of debt discount, included in interest expense of $305,441 and $410,019, respectively.

Conversion

During the three months ended March 31, 2021, the Company converted notes with principal amounts and accrued interest of $1,340,150 into 203,494,048 shares of common stock. The corresponding derivative liability at the date of conversion of $183,108 was credited to additional paid in capital.

Convertible notes payable consists of the following:

Promissory Notes - Issued in fiscal year 2020

During the twelve months ended December 31, 2020, the Company issued a total of $2,466,500 of notes with the following terms:

- Terms ranging from 5 months to 60 months.
- Annual interest rates of 0% - 25%.
- Convertible at the option of the holders at issuance date, after maturity date or 6 months after issuance date.
- Conversion prices are typically based on the discounted (25% to 50% discount) average closing prices or lowest trading prices of the Company's shares during various periods prior to conversion. Certain note has a fixed conversion price ranging from $0.001 to $0.007. Certain note has a fixed conversion price of $0.5 for a first 5 months Certain note allows the principal amount will increase by $15,000 and the discount rate of conversion price will decrease by 18% if the conversion price is less than $$0.01.

Promissory Notes - Issued during first three months of fiscal year 2021

During the three months ended March 31, 2021, the Company issued convertible note of $114,500 for cash proceeds of $100,000 after deducting financing fee of $14,500 with the following terms;

- Terms 90 days.
- Annual interest rates of 5%.

- Convertible at the option of the holders after maturity date
- Conversion price is the lesser of (i) $0.01 or (ii) 61% multiplied by the average of two lowest trading prices during the 20 trading day period prior to the conversion date.
- 5,725,000 shares of common stock valued at $88,738 issued in conjunction with convertible note

NOTE 9: DERIVATIVE LIABILITIES

The Company analyzed the conversion option for derivative accounting consideration under ASC 815, Derivatives and Hedging, and hedging, and determined that the instrument should be classified as a liability since the conversion option becomes effective at issuance resulting in there being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options.

ASC 815 requires we assess the fair market value of derivative liability at the end of each reporting period and recognize any change in the fair market value as other income or expense item.

The Company determined our derivative liabilities to be a Level 3 fair value measurement during the year based on management's estimate of the expected future cash flows required to settle the liabilities, and used the Binomial pricing model to calculate the fair value as of March 31, 2021. As of the three month period ended March 31, 2021, there were no derivative liabilities. The Binomial model requires six basic data inputs: the exercise or strike price, time to expiration, the risk-free interest rate, the current stock price, the estimated volatility of the stock price in the future, and the dividend rate. Changes to these inputs could produce a significantly higher or lower fair value measurement. The fair value of each convertible note and warrant is estimated using the Binomial valuation model.

For the three months March 31, 2021 and 2020, the estimated fair values of the liabilities measured on a recurring basis are as follows:

The Company valued the conversion feature using the Binomial pricing model. The fair value of the derivative liability for all the notes and convertible preferred stock that became convertible, including the notes and convertible preferred stock issued in prior years, during the three months ended March 31, 2021 amounted to $186,456, and $100,000 of the value assigned to the derivative liability was recognized as a debt discount to the notes, while the balance of $86,459 was recognized as a "day 1" derivative loss.

For the three months March 31, 2021 and year ended December 31, 2020, the estimated fair values of the liabilities measured on a recurring basis are as follows:

	Three months Ended March 31, 2021	Year Ended December 31, 2020
Expected term	0.48 - 1.00 years	0.25 - 5.00 years
Expected average volatility	186%- 302%	187%- 464%
Expected dividend yield	-	-
Risk-free interest rate	0.07% - 0.10%	0.01% - 1.57%

The following table summarizes the changes in the derivative liabilities during the three months March 31, 2021 and 2021:

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
Derivative liability as of December 31, 2020	$	-
Addition of new derivatives recognized as debt discounts		100,000
Addition of new derivatives recognized as day-one loss		86,459
Derivative liabilities settled upon conversion of convertible note		(285,256)
Change in derivative liabilities recognized as loss on derivative		98,797
Derivative liability as of March 31, 2021	$	-

The aggregate loss on derivatives during the three months ended March 31, 2021 and 2020 was $185,256 and $8,506,151, respectively.

NOTE 10: NOTES PAYABLE

Notes payable consists of the following:

		March 31, 2021		December 31, 2020	Maturity	Interest Rate
10% Promissory note - originated in October 2019	$	25,060	$	25,060	Due on demand	10.0%
Promissory note - originated in October 2019		25,060		25,060	Due on demand	10.0%
Promissory note - originated in April 2020		10,000		10,000	Due on demand	No interest
Paycheck Protection Program Promissory note - originated in April 2020 (1)		339,000		339,000	2 years	1.0%
Economic Injury Disaster Loan - originated in May 2020 (2)		150,000		150,000	30 years	1.0%
Promissory note - originated in June 2020		-		43,356	$3,942.86 daily payment	16.0%
Promissory note - originated in September 2020		73,162		80,730	$2,873.89 monthly payment for 36 months	14.0%
Promissory note - originated in October 2020		-		158,169	$2,293.31 daily payment	25.0%
Promissory note - originated in November 2020		-		170,886	$4,497.00 daily payment	25.0%
Promissory note - originated in November 2020		439,243		394,846	$6,999.00 daily payment	25.0%
Promissory note - originated in December 2020		47,199		50,031	$1,854.41 monthly payment for 36 months	8.0%
Promissory note - originated in January 2021 (3)		1,394,000		-	5 years	4.0%
Promissory note - originated in January 2021		68,338		-	$2,675.89 monthly payment for 36 months	18.0%
Promissory note - originated in January 2021		14,484		-	$992.06 daily payment	25.0%

Promissory note - originated in January 2021	112,425	-	$4,497.00 daily payment	25.0%
Promissory note - originated in February 2021	171,224	-	$3,971.43 daily payment	25.0%
Promissory note - originated in March 2021	73,950	-	$870,00 daily payment	15.0%
Promissory note - originated in March 2021	47,595	-	$5,613.46 daily payment	24.0%
	2,990,740	1,447,138		
Less debt discount and debt issuance cost	(291,474)	(289,332)		
	2,699,266	1,157,806		
Less current portion of promissory notes payable	826,173	585,310		
Long-term promissory notes payable	$ 1,873,093	$ 572,496		

(1) In response to the Coronavirus (COVID-19) pandemic, the US Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020. The CARES Act provides fast and direct economic assistance for entrepreneurs and small businesses through the US Small Business Administration ("SBA").

During the period, the Company received a loan issued under the CARES Act program - Paycheck Protection Program ("PPP"). This loan program provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities.

Under the PPP, the Company may apply to have certain amounts forgiven under the direction of the Administrator of the SBA providing that the Company satisfies certain criteria. Repayment of the PPP loan will commence earlier of when the SBA remits the forgiveness amount to the lender or the Maturity Date.

(2) The Company received an advance under the Economic Injury Disaster Loan (EIDL) program.

As the Company received an EIDL advance and a PPP loan, the EIDL advance portion will be applied against the PPP forgiveness amount as repayment to the SBA upon approval of the PPP forgiveness application.

(3) On February 12, 2021, the Company issued notes payable of $1,404,000 to settle license fee payable of $1,094,691. As a result, the Company recorded loss on settlement of debt of $309,309.

During the three months ended March 31, 2021, the Company recognized interest expense of $17,170, and amortization of debt discount, included in interest expense of $469,471, respectively.

During the three months years ended March 31, 2021 and 2020, the Company issued a total of $2,800,191 and $276,000, less discount of $471,610 and $86,385, and repaid $1,256,591 and $203,245, respectively.

NOTE 11: CAPITAL STOCK AND REVERSE STOCK SPLIT

Changes in Authorized Shares

On February 19, 2021 the written consent of the holders of a majority of the voting power of the outstanding capital stock of the Company as of the Record Date (the "Consenting Stockholders") approved the following corporate actions:

(1) Amendment of our articles of incorporation (the "Articles of Incorporation") to provide for a decrease in the authorized shares of the Company's Common Stock from 1,800,000,000 to a number of not less than 10,000,000 and not more than 1,000,000,000 (the "Authorized Common Stock Reduction"), at any time prior to the one year anniversary of the filing of the Definitive Information Statement on Schedule 14C with respect to the actions envisioned under Preliminary Information Statement in Schedule 14C filed with the SEC on February 23 2021 (the "Definitive Information Statement"), with the Board of Directors of the Company (the "Board") having the discretion to determine whether or not the Authorized Common Stock Reduction is to be effected, and if effected, the exact number of the Authorized Common Stock Reduction within the above range.

(2) That the Board be authorized to implement through the amendment to our Articles of Incorporation a reverse stock split of the Company's Common Stock by a ratio of not less than 1-for-10 and not more than 1-for-2,000, (the "Reverse Split"), at any time prior to the one year anniversary of the filing of the Definitive Information Statement, with the Board having the discretion to determine whether or not the Reverse Split is to be effected, and if effected, the exact ratio for the Reverse Split within the above range.

Preferred Stock

Series A Preferred Stock

As of March 31, 2021 and December 31, 2020, 150,000 shares of Series A were issued and outstanding. Each share of Series A was (i) convertible into 1,000 shares of common stock, and (ii) entitled to vote 15,000 shares of common stock on all matters submitted to a vote by shareholders voting common stock. All issued and outstanding shares of Series A Preferred Stock are held by Mr. Jason Remillard, sole director of the Company.

Series B Preferred Stock

As of March 31, 2021 and December 31, 2020, 22,200 and 5,300 shares of Series B were issued and outstanding, respectively. Each share of Series B (i) has a stated value of Ten Dollars ($10.00) per share; (ii) are convertible into common stock at a price per share equal to sixty one percent (61%) of the lowest price for the Company's common stock during the twenty (20) day of trading preceding the date of the conversion; (iii) earn dividends at the rate of nine percent (9%) per annum; and, (iv) generally have no voting rights.

During the three months ended March 31, 2021, the Company issued a total of 23,460 shares of Series B preferred stock as follows

- 16,900 shares for $160,000, less $9,000 financing fee.
- 6,560 shares in exchange for convertible note and accrued interest of $65,600

During the three months ended March 31, 2021, 6,560 shares of series B preferred stock was converted into 11,196,475 shares.

Common Stock

As of March 31, 2021, the Company is authorized to issue 1,800,000,000 shares of common stock with a par value of $0.001. All shares have equal voting rights, are non-assessable, and have one vote per share. The total number of shares of Company common stock issued and outstanding as of March 31, 2021 and December 31, 2020, respectively, was 1,442,053,442 and 1,044,012,947 shares, respectively.

During the three months ended March 31, 2021, the Company issued common stock as follows:

- 203,494,048 shares issued for conversion of debt;
- 166,666,667 shares issued for cash of 1,000,000, less financing cost of $10,000, of which $336,395 was not yet received,;
- 10,958,306 shares issued for service
- 11,196,474 shares issued for conversion of Series B preferred stock; and
- 5,725,000 shares issued as a loan fee in connection with the issuance of a promissory note.

Warrants

During the three month period ended March 31, 2021 the Company did not issue any warrants.

A summary of activity during the period ended March 31, 2021 follows:

	Warrants Outstanding		
	Shares		Weighted Average Exercise Price
Outstanding, December 31, 2020	100,000,000	$	0.01
Granted			-
Reset feature			
Exercised	-		-
Forfeited/canceled	-		-
Outstanding, March 31, 2021	100,000,000	$	0.01

The following table summarizes information relating to outstanding and exercisable warrants as of March 31, 2021:

Warrants Outstanding				Warrants Exercisable		
Number of Shares	Weighted Average Remaining Contractual life (in years)		Weighted Average Exercise Price	Number of Shares		Weighted Average Exercise Price
100,000,000	4.70	$	0.0100	100,000,000	$	0.0100

NOTE 12: SHARE-BASED COMPENSATION

Stock Options

During the three months ended March 31, 2021, the Company granted options for the purchase of the Company's common stock to certain employees, consultants and advisors as consideration for services rendered. The terms of the stock option grants are determined by the Company's Board of Directors. The Company's stock options generally vest upon the one-year anniversary date of the grant and have a maximum term of ten years.

The following summarizes the stock option activity for the three months ended March 31, 2021:

	Options Outstanding		Weighted-Average Exercise Price
Balance as of December 31, 2020	11,751,592	$	0.05
Grants	13,190,453		0.02
Exercised	-		-
Cancelled	-		-
Balance as of Mach 31, 2021	24,942,045	$	0.03

The weighted average grant date fair value of stock options granted during the three months ended March 31, 2021 was $0.0215. The total fair value of stock options that granted during the three ended March 31, 2021 was approximately $284,000. The fair value of each stock option is estimated on the date of grant using the Black-Scholes-Merton option pricing model with the following weighted average assumptions for stock options granted during the three months ended March 31, 2021:

Expected term (years)		5.7 years
Expected stock price volatility		296.17%
Weighted-average risk-free interest rate		0.64%
Expected dividend	$	0.00

Volatility is a measure of the amount by which a financial variable such as share price has fluctuated (historical volatility) or is expected to fluctuate (expected volatility) during a period. The Company estimates expected volatility giving primary consideration to the historical volatility of its common stock. The risk-free interest rate is based on the published yield available on U.S. Treasury issues with an equivalent term remaining equal to the expected life of the stock option. The expected lives of the stock options represent the estimated period of time until exercise or forfeiture and are based on the simplified method of using the mid-point between the vesting term and the original contractual term.

The following summarizes certain information about stock options vested and expected to vest as of March 31, 2021:

	Number of Options	Weighted-Average Remaining Contractual Life (In Years)	Weighted- Average Exercise Price
Outstanding	24,942,045	9.58	$ 0.03
Exercisable	745,031	8.81	0.43
Expected to vest	24,197,014	9.60	$ 0.02

As of March 31, 2021 and December 31, 2020, there was $448,292 and $211,661, respectively, of total unrecognized compensation cost related to non-vested share-based compensation arrangements which is expected to be recognized within the next year.

Restricted Stock Awards

During the three months ended March 31, 2021, the Company issued restricted stock awards for shares of common stock which have been reserved for the holders of the awards. Restricted stock awards were issued to certain consultants and advisors as consideration for services rendered. The terms of the restricted stock units are determined by the Company's Board of Directors. The Company's restricted stock shares generally vest over a period of one year and have a maximum term of ten years.

The following summarizes the restricted stock activity for the three months ended March 31, 2021:

	Shares	Weighted-Average Fair Value
Balance as of December 31, 2020	14,712,760	0.02
Shares of restricted stock granted	9,000,309	0.03
Exercised	-	-
Cancelled	-	-
Balance as of Mach 31, 2021	23,713,069	0.04

Number of Restricted Stock Awards	March 31, 2021	December 31, 2020
Vested	477,192	452,192
Non-vested	23,235,877	14,260,568

As of March 31, 2021 and December 31, 2020, there was $245,619 and $144,964, respectively, of total unrecognized compensation cost related to non-vested share-based compensation, which is expected to be recognized over the next year.

NOTE 13: RELATED PARTY TRANSACTIONS

Jason Remillard is our Chief Executive Officer and sole director. Through his ownership of Series A Preferred Shares, Mr. Remillard has voting control over all matters to be submitted to a vote of our shareholders.

On September 16, 2019, the Company entered into an Asset Purchase Agreement with DMBGroup, LLC. Amounts owed to DMBGroup, LLC including the note payable of $940,000 and member loans of $97,689 were recorded as amounts due to a related party. During the three months ended March 31, 2021, the Company repaid note payable of $119,499 including interest expense of $5,485. As of March 31, 2021 and December 31, 2020, the Company had recorded a liability to DMBGroup totaling $285,883 and $405,382, respectively.

During the three months ended March 31, 2021, the Company borrowed $47,000 from our CEO, our CEO paid operating expenses of $18,249 on behalf of the Company and the Company repaid $48,763 to our CEO.

As of March 31, 2021 and December 31, 2020, the Company had due to related party of $458,218 and $561,230, respectively.

NOTE 14: SUBSEQUENT EVENTS

The Company has analyzed its operations subsequent to March 31, 2021 through the date these financial statements were issued and has determined that it does not have any material subsequent events to disclose.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the results of operations and financial condition for the three months ended March 31, 2021 and 2020 should be read in conjunction with our consolidated financial statements, and the notes to those financial statements that are included elsewhere in this Quarterly Report.

All references to "Data443", "we", "our," "us" and the "Company" in this Item 2 refer to Data443 Risk Mitigation, Inc., a Nevada corporation.

The discussion in this section contains forward-looking statements. These statements relate to future events or our future financial performance. We have attempted to identify forward-looking statements by terminology such as "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "should," "would" or "will" or the negative of these terms or other comparable terminology, but their absence does not mean that a statement is not forward-looking. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, which could cause our actual results to differ from those projected in any forward-looking statements we make. Several risks and uncertainties we face are discussed in more detail under "Risk Factors" in Part I, Item 1A of the Form

10 filed by the Company with the SEC on January 11, 2019, and in the Part I, Item 1A of the Form 10-K filed by the Company with the SEC on March 23, 2021, and in the discussion and analysis below. You should, however, understand that it is not possible to predict or identify all risks and uncertainties and you should not consider the risks and uncertainties identified by us to be a complete set of all potential risks or uncertainties that could materially affect us. You should not place undue reliance on the forward-looking statements we make herein because some or all of them may turn out to be wrong. We undertake no obligation to update any of the forward-looking statements contained herein to reflect future events and developments, except as required by law. The following discussion should be read in conjunction with the consolidated financial statements and the notes to those statements included elsewhere in this Quarterly Report on Form 10-Q.

Overview

Our company was incorporated as LandStar, Inc., a Nevada corporation, on May 4, 1998, for the purpose of purchasing, developing and reselling real property, with its principal focus on the development of raw land. From incorporation through December 31, 1998, we had no business operations and was a development-stage company. We did not purchase or develop any properties and decided to change our business plan and operations. On March 31, 1999, we acquired approximately 98.5% of the common stock of Rebound Rubber Corp. ("Rebound Rubber") pursuant to a share exchange agreement with Rebound Rubber and substantially all of Rebound Rubber's shareholders. The acquisition was effected by issuing 14,500,100 shares of common stock, which constituted 14.5% of the 100,000,000 of our authorized shares, and 50.6% of the 28,622,100 issued and outstanding shares on completion of the acquisition.

The share exchange with Rebound Rubber (and other transactions occurring in March 1999) resulted in a change of control and the appointment of new officers and directors. These transactions also changed our focus to the development and utilization of technology to de-vulcanize and reactivate recycled rubber for resale as a raw material in the production of new rubber products. Our business strategy was to sell the de-vulcanized material (and compounds using the materials) to manufacturers of rubber products.

Prior to 2001 we had no revenues. In 2001 and 2002 revenues were derived from management services rendered to a rubber recycling company.

In August 2001, we amended our Articles of Incorporation to authorize 500,000,000 shares of common stock, $0.001 par value per share, and 150,000,000 shares of preferred stock, $0.01 par value per share. We may designate preferred stock into specific classes by action of our board of directors. In May 2008, our board of directors established a class of Convertible Preferred Series A (the "Series A"), authorizing 10,000,000 shares. When established, among other things, (i) each share of Series A was convertible into 1,000 shares of our common stock, and (ii) a holder of Series A was entitled to vote 1,000 shares of common stock for each share of Series A on all matters submitted to a vote by stockholders.

In September 2008, we amended our Articles of Incorporation to increase the number of authorized shares to 985,000,000, $0.001 par value per share, further amended the Articles in January 2009 to increase the number of authorized shares to 4,000,000,000, and in January 2010 amended our Articles to increase the number of authorized shares to 8,888,000,000.

We were effectively dormant for a number of years. In or around February 2014, there was a change in control whereby Kevin Hayes acquired 1,000,000 shares of the Series A and was appointed as our sole director and officer. In or around April 2017, there was another change in control when Mr. Hayes sold the 1,000,000 shares of Series A to Hybrid Titan Management, which then proceeded to assign the Series A to William Alessi. Mr. Alessi was then appointed as our sole director and officer. Mr. Alessi initiated legal action in his home state of North Carolina to confirm, among other things, his ownership of the Series A; his "control" over the company, and the status of creditors of the company. In or around June 2017, the court entered judgment in favor of Mr. Alessi, confirming his majority ownership and control of the company.

In or around July 2017, while under the majority ownership and management of Mr. Alessi, we sought to effect a merger transaction (the "Merger") under which the company would be merged into Data443 Risk Mitigation, Inc., a North Carolina corporation ("Data443"). Data443 was originally formed under the name LandStar, Inc. The name of the North Carolina corporation was changed to Data443 in December 2017. In November 2017, our controlling interest was acquired by our current chief executive officer and sole board member, Jason Remillard, when he acquired all of the Series A shares from Mr. Alessi. In that same transaction, Mr. Remillard also acquired all of the shares of Data443 from Mr. Alessi. Mr. Remillard was then appointed as our sole director and sole officer and of Data443.

In January 2018, we acquired substantially all of the assets of Myriad Software Productions, LLC, which was owned 100% by Mr. Remillard. Those assets were comprised of the software program known as ClassiDocs®, and all intellectual property and goodwill associated therewith. As a result of the acquisition, the Company was no longer a "shell" under applicable securities rules. In consideration for the acquisition, we agreed to a purchase price of $1,500,000, comprised of: (i) $50,000 paid at closing; (ii) $250,000 in the form of a promissory note; and (iii) $1,200,000 in shares of our common stock, valued as of the closing, which equated to 1,200,000,000 shares of our common stock. The shares have not yet been issued and are not included as part of our issued and outstanding shares. However, these shares have been recorded as "Acquisition of ClassiDocs" included in additional paid in capital within our financial statements for the year ending December 31, 2019.

In April 2018, we amended the designation for our Series A by providing that a holder of Series A was entitled to (i) vote 15,000 shares of common stock for each share of Series A on all matters submitted to a vote by stockholders, and (ii) convert each share of Series A into 1,000 shares of our common stock.

In May 2018, the Company amended and restated its Articles of Incorporation. The total authorized number of shares is 8,888,000,000 shares of common stock, $0.001 par value per share, and 50,000,000 shares of preferred stock, $0.001 par value per share, designated in the discretion of our board of directors. The Series A remains in full force and effect.

In June 2018, after careful analysis and in reliance upon professional advisors we retained, it was determined that the Merger had, in fact, not been completed, and that the Merger was not in the best interests of the Company and its stockholders. As such, the Merger was legally terminated. In place of the Merger, in June 2018, we acquired all of the issued and outstanding shares of stock of Data443 (the "Share Exchange"). As a result of the Share Exchange, Data443 became our wholly-owned subsidiary, with both the Company and Data443 continuing to exist as corporate entities. As consideration in the Share Exchange, we agreed to issue to Mr. Remillard: (a) 100,000,000 shares of our common stock and (b) on the eighteen-month anniversary of the closing of the Share Exchange (the "Earn Out Date"), an additional 100,000,000 shares of our common stock, provided that Data443 has at least an additional $1,000,000 in revenue by the Earn Out Date (not including revenue directly from acquisitions). None of the shares of our common stock to be issued to Mr. Remillard under the Share Exchange have been issued. As such, none of said shares are included as part of our issued and outstanding shares. However, these shares have been recorded as "Share exchange with related party for Data443 additional share issuable" included in additional paid in capital within our financial statements for the year ending December 31, 2019.

On or about June 29, 2018, we secured the rights to the WordPress GDPR Framework through our wholly-owned subsidiary Data443 for a total consideration of €40,001, or approximately $46,521, payable in four payments of approximately €10,000, with the first payment due at closing, and the remaining payments due at the end of July, August and September 2018. Upon issuance of the final payment, we gained the right to enter into an asset transfer agreement for the nominal cost of one euro (€1).

On or about October 22, 2018, we entered into an asset purchase agreement with Modevity, LLC ("Modevity") to acquire certain assets collectively known as ARALOC®, a software-as-a service ("SaaS") platform that provides cloud-based data storage, protection, and workflow automation. The acquired assets consist of intellectual and related intangible property including applications and associated software code, and trademarks. Access to books and records related to the customers and revenues Modevity created on the ARALOC platform were also included in the asset purchase agreement. These assets were substantially less than the total assets of Modevity, and revenues from the platform comprised a portion of the overall sales of Modevity. We are required to create the technical capabilities to support the ongoing operation of this SaaS platform. A substantial effort on our part is needed to continue generating ARALOC revenues through development of a sales force, as well as billing and collection processes. We paid Modevity (i) $200,000 in cash, (ii) $750,000, in the form of a 10-month promissory note, and (iii) 164,533,821 shares of our common stock.

On or around February 7, 2019, the Company entered into an Exclusive License and Management Agreement (the "License Agreement") with Wala, Inc. ("Wala"). Under the License Agreement the Company was granted the exclusive right and license to receive all benefits from the marketing, selling, and licensing of the data archiving platform known as ArcMail and all assets related thereto (the "ArcMail Assets"). In connection with the License Agreement, the Company also executed (i) a Stock Rights Agreement, under which the Company had the right to acquire all shares of stock of Wala; and, (ii) a Business Covenants Agreement, under which Wala and its CEO agreed to not compete with the Company's use of the ArcMail assets for a designated period of time. The License Agreement, Stock Rights Agreement, and Business Covenants Agreement are collectively referred to herein as the "ArcMail Agreements").

On June 21, 2019, the Company filed an amendment to its articles of incorporation to increase the total number authorized shares of the Company's common stock, par value $0.001 per share, from 8,888,000,000 shares to 15,000,000,000 shares.

On September 16, 2019, the Company entered into an Asset Purchase Agreement with DMBGroup, LLC to acquire certain assets collectively known as DataExpress ™, a software platform for secure sensitive data transfer within the hybrid cloud. The total purchase price of approximately $2.8 million consists of: (i) a $410,000 cash payment at closing; (ii) a promissory note in the amount of $940,000, payable in the amount of $41,661 over 24 monthly payments starting on October 15, 2019, accruing at a rate of 6% per annum; (iii) assumption of approximately $98,000 in liabilities and, (iv) approximately 2,465,753 shares of our common stock. As of December 31, 2019, these shares have not been issued and are recorded as "Stock issuable for asset purchase" included in additional paid in capital.

On October 14, 2019, the Company filed an amendment to its Articles of Incorporation to change its name to Data443 Risk Mitigation, Inc., and to effect a 1-for-750 reverse stock split of its issued and outstanding shares of common and preferred shares, each with $0.001 par value, and to reduce the numbers of authorized common and preferred shares to 60,000,000 and 337,500, respectively. On October 28, 2019, the name change and the split and changes in authorized common and preferred shares was effected, resulting in approximately 7,282,678,714 issued and outstanding shares of the Company's common stock to be reduced to approximately 9,710,239, and 1,000,000 issued and outstanding shares of the Company's preferred shares to be reduced to 1,334 as of October 28, 2019. All per share amounts and number of shares, including the authorized shares, in the consolidated financial statements and related notes have been retroactively adjusted to reflect the reverse stock split and decrease in authorized common and preferred shares.

On March 05, 2020 the Company amended its Articles of Incorporation to increase the number of shares of authorized common stock to 250,000,000. On April 15, 2020 the Company further amended its Articles of Incorporation to increase the number of shares of authorized common stock to 750,000,000. On August 17, 2020 the Company again amended its Articles of Incorporation to increase the number of shares of authorized common stock to 1.5 billion. On November 25, 2020 the Company filed a Certificate of Designation to authorize and create its Series B Preferred shares, consisting of 80,000 shares. On December 15, 2020 the Company again amended its Articles of Incorporation to increase the number of shares of authorized common stock to 1.8 billion.

On August 13, 2020, the Company entered into an Asset Purchase Agreement to acquire certain assets collectively known as FileFacets ™, a Software-as-a-Service (SaaS) platform that performs sophisticated data discovery and content search of structured and unstructured data within corporate networks, servers, content management systems, email, desktops and laptops. The total purchase price was $135,000, which amount was paid in full at the closing of the transaction.

On September 21, 2020, the Company entered into an Asset Purchase Agreement with the owners of a business known as IntellyWP™, to acquire the intellectual property rights and certain assets collectively known as IntellyWP™, an Italy-based developer that produces WordPress plug-ins that enhance the overall user experience for webmaster and end users. The total purchase price of $135,000 consists of: (i) a $55,000 cash payment at closing; (ii) a cash payment of $40,000 upon completion of certain training; and, (iii) a cash payment of $40,000 upon the Company collecting $25,000 from the assets acquired in the subject transaction.

On October 08, 2020, the Company entered into an Asset Purchase Agreement with Resilient Network Systems, Inc. ("RNS") to acquire the intellectual property rights and certain assets collectively known as Resilient Networks™, a Silicon Valley based SaaS platform that performs SSO and adaptive access control "on the fly" with sophisticated and flexible policy workflows for authentication and authorization. The total purchase price of $305,000 consists of: (i) a $125,000 cash payment at closing; and, (ii) the issuance of 19,148,936 shares of our common stock to RNS.

On December 11, 2020, the Company entered into a Common Stock Purchase Agreement ("CSPA") with Triton Funds, LP, a Delaware limited partnership ("Triton"), an unrelated third party. Triton agreed to invest $1 million in the Company in the form of common stock purchases. Subject to the terms and conditions set forth in the CSPA, the Company agreed to sell to Triton common shares of the Company having an aggregate value of One Million Dollars ($1,000,000). The price of the shares to be sold will be $0.006 per shares. Triton's obligation to purchase securities is conditioned on certain factors including, but not limited, to the Company having an effective registration available for resale of the securities being purchased; a minimum closing price of $0.009 per share for the Company's common stock on the delivery date for the shares; and, Triton's ownership not exceeding 9.9% of the issued and outstanding shares of the Company at any time. The Company filed a registration statement on Form S-1 with the SEC on December 28, 2020. The S-1 was declared effective by the SEC as of January 26, 2021.

Effective January 31, 2021, the Company closed an Asset Sale Agreement with the creditors of Mr. Welch and ArcMail (the creditors had taken ownership of the ArcMail Assets) for the Company's purchase and continued use of the ArcMail Assets. In consideration thereof, the Company issued notes payable of $1,404,000 to settle license fee payable of $1,094,691. It was considered as an unrecognized subsequent event for the extinguishment of debt.

As of March 31, 2021, the Company has sold to Triton 166,666,667 shares of its common stock pursuant to the CSPA, and which shares were registered under the S-1. All sales occurred during the three month period ended March 31, 2021 and resulted in the receipt by the Company of net proceeds in the amount of $653,604.62. The Company is owed $166,104.38 by an unrelated third party for shares of our common stock acquired from Triton. The Company is also owed $167,791.00 by Triton for shares issued to Triton and for which it has not yet paid.

The Company is now the de facto industry leader in data privacy solutions for *All Things Data Security*™, providing software and services to enable secure data across local devices, network, cloud, and databases, at rest and in flight. Its suite of products and services is highlighted by: (i) ARALOC™, which is a market leading secure, cloud-based platform for the management, protection and distribution of digital content to the desktop and mobile devices, which protects an organization's confidential content and intellectual property assets from leakage - malicious or accidental - without impacting collaboration between all stakeholders; (ii) DATAEXPRESS®, the leading data transport, transformation and delivery product trusted by leading financial organizations worldwide; (iii) ArcMail™, which is a leading provider of simple, secure and cost-effective email and enterprise archiving and management solutions; (iv) ClassiDocs® the Company's award-winning data classification and governance technology, which supports CCPA, LGPD, and GDPR compliance; (v) ClassiDocs™ for Blockchain, which provides an active implementation for the Ripple XRP that protects blockchain transactions from inadvertent disclosure and data leaks; (vi) Data443® Global Privacy Manager, the privacy compliance and consumer loss mitigation platform which is integrated with ClassiDocs™ to do the delivery portions of GDPR and CCPA as well as process Data Privacy Access Requests – removal request – with inventory by ClassiDocs™; (vii) Resilient Access™, which enables fine-grained access controls across myriad platforms at scale for internal client systems and commercial public cloud platforms like Salesforce, Box.Net, Google G Suite, Microsoft OneDrive and others; (viii) Data443™ Chat History Scanner, which scans chat messages for Compliance, Security, PII, PI, PCI & custom keywords; (ix) the CCPA Framework WordPress plugin, which enables organizations of all sizes to comply with the CCPA privacy framework; (x) FileFacets™, a Software-as-a-Service (SaaS) platform that performs sophisticated data discovery and content search of structured and unstructured data within corporate networks, servers, content management systems, email, desktops and laptops; (xi) the GDPR Framework WordPress plugin, with over 30,000 active users and over 400,000 downloads it enables organizations of all sizes to comply with the GDPR and other privacy frameworks; and (xii) IntellyWP™, a leading purveyor of user experience enhancement products for webmasters for the world's largest content management platform, WordPress.

COVID-19 Update

The Company continues to closely monitor developments and is taking steps to mitigate the potential risks related to the COVID-19 pandemic to the Company, its employees and its customers. The extent to which the COVID-19 pandemic will impact our business and operations will depend on future developments that are highly uncertain. While in the near-term we may experience reductions in our billing and revenue growth rates, we are proactively managing expenditures, including reductions of non-critical and discretionary expenses, while preserving strategic investment in sales capacity and still seeking new acquisition targets and opportunities. To protect our employees while continuing to provide the services needed by our clients the Company continues to limit customer contact, and continues to minimize employee contact with other employees by having our employees work remotely while they shelter in place as required by local regulations. The dedication of our employees and their work ethic have allowed us to continue providing critical services to our customers during these challenging times.

Due to the pandemic, we have been forced to adapt and change the way we have historically operated. At the end of the first quarter, we temporarily closed our office and instructed our employees to work remotely as a precautionary measure intended to minimize the risk of the virus to them, our customers, partners and the communities in which we operate. Towards the end of the second quarter, we cautiously and gradually started to open our office. While we did not require employees to work from our office, we did ensure all required adjustments were made and all local regulations and recommendations were met to ensure the safety of our employees should they voluntarily choose to work from our office. As part of the move to remote work and virtual-only customer experience, we have had to postpone or cancel customer and industry events, as well as travel to visit potential customers, or conduct them virtually. We cannot predict with certainty the impact these changes may have on our sales.

We believe that the impact of COVID-19 has increased the long-term opportunity that we see to help our customers protect their data and detect threats, as well as achieve regulatory compliance. Nevertheless, in the early stages of the pandemic, we experienced some negative impact on our results of operations in the last two weeks of the first quarter, as we believe our customers' focus turned primarily to the safety of their employees and to positioning themselves to operate under a work-from-home environment. However, since that time, we have seen companies pivot from that emergency mode to become more focused on the elevated risks associated with having a highly distributed workforce. Companies around the world now have the majority of their employees working from potentially vulnerable home networks, accessing critical on-premises data stores and infrastructure through VPNs and in cloud data stores. We believe that the COVID-19 pandemic has significantly increased the threat of cybercrime, and that we remain positioned to help our clients protect against data and infrastructure against cybercrime. This has resulted in increase in traffic to our website. During the third and fourth quarters of 2020, as existing customers and prospects continued to adjust to the new working practices, we saw some of this interest convert into new business or the expansion of existing business. While we are encouraged by these trends, we continue to see corporate expenditures subject to elevated scrutiny in the current environment. We have also been unable to travel to meet with prospective new clients, which has impacted our ability to convert prospects into new clients. We anticipate that as the COVID-19 pandemic continues, it will continue to be challenging to estimate conversion rates of prospective business into actual new client.

Through March 31, 2021, there has not been a noticeable increase in accounts receivable for the Company. However, it is likely that if the COVID-19 pandemic persists and state stay-at-home orders remain in place, it is likely that more customers will be unable to keep their bills current. Further, while we have not yet experienced any interruption to our normal materials and supplies process, it is impossible to predict whether COVID-19 will cause future interruptions and delays.

Through March 31, 2021 we have not had any of our employees contract the COVID-19 virus. Should we have a significant number of our employees contract the COVID-19 virus it could have a negative impact on our ability to serve customers in a timely fashion.

CARES Act

The Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was enacted on March 27, 2020. There are several different provisions with the CARES Act that impact income taxes for corporations. While we continue to evaluate the tax implications, we believe these provisions will not have a material impact to the financial statements.

Additionally, the Company has applied for, and has received, funds under the Paycheck Protection Program (the "PPP Loan") after the period covered in these financial statements in the amount of $339,000. The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on our having initially qualified for the loan and qualifying for the forgiveness of such loan based on our future adherence to the forgiveness criteria.

The PPP Loan has a two-year term and bears interest at a rate of 1.0% per annum. Monthly principal and interest payments are deferred for six months after the date of disbursement. The PPP Loan may be prepaid at any time prior to maturity with no prepayment penalties. The promissory note issued in connection with the PPP Loan contains events of default and other provisions customary for a loan of this type.

The PPP Loan is being used to retain our employees, as well as for other permitted uses under the terms and conditions of the PPP Loan.

The Company also received a $150,000 loan (the "EID Loan") from the U.S. Small Business Administration (the "SBA") under the SBA's Economic Injury Disaster Loan program. The Company received the loan proceeds on or around May 27, 2020. The EID Loan has a thirty year term and bears interest at a rate of 3.75% per annum. Monthly principal and interest payments are deferred for twelve months after the date of disbursement. The EID Loan may be prepaid at any time prior to maturity with no prepayment penalties, and is otherwise repaid at the rate of $731 per month. The proceeds from the EID Loan must be used for working capital. The Loan Authorization and Agreement and the Note executed by the Company in connection with the EID Loan contains events of default and other provisions customary for a loan of this type.

Recent Accounting Pronouncements

From time-to-time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB"), or other standard setting bodies, relating to the treatment and recording of certain accounting transactions. Unless otherwise discussed herein, management of the Company has determined that these recent accounting pronouncements will not have a material impact on the financial position or results of operations of the Company. For further discussion of recently issued and adopted accounting pronouncements, please see Note 1 to the consolidated financial statements included herein.

Critical Accounting Policies

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements which we have been prepared in accordance with U.S. generally accepted accounting principles. In preparing our consolidated financial statements, we are required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods.

Critical accounting estimates are estimates for which (a) the nature of the estimate is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change and (b) the impact of the estimate on financial condition or operating performance is material.

These significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to these estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the consolidated financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly.
Actual results could differ from those estimates.

While our significant accounting policies are described in more detail in Note 2 of our consolidated Quarterly financial statements included in this Quarterly Report, we believe the following accounting policies to be critical to the judgments and estimates used in the preparation of our consolidated financial statements:

Assumption as a Going Concern

Management assumes that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business. However, given our current financial position and lack of liquidity, there is substantial doubt about our ability to continue as a going concern.

Convertible Financial Instruments

The Company bifurcates conversion options from their host instruments and accounts for them as free standing derivative financial instruments if certain criteria are met. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. An exception to this rule is when the host instrument is deemed to be conventional, as that term is described under applicable GAAP.

When the Company has determined that the embedded conversion options should not be bifurcated from their host instruments, discounts are recorded for the intrinsic value of conversion options embedded in the instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the transaction and the effective conversion price embedded in the instrument.

Beneficial Conversion Feature

The issuance of the convertible debt issued by the Company generated a beneficial conversion feature ("BCF"), which arises when a debt or equity security is issued with an embedded conversion option that is beneficial to the investor or in the money at inception because the conversion option has an effective strike price that is less than the market price of the underlying stock at the commitment date. The Company recognized the BCF by allocating the intrinsic value of the conversion option, which is the number of shares of common stock available upon conversion multiplied by the difference between the effective conversion price per share and the fair value of common stock per share on the commitment date, resulting in a discount on the convertible debt (recorded as a component of additional paid in capital).

Fair Value of Financial Instruments

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires the Company to use observable inputs when available, and to minimize the use of unobservable inputs, when determining fair value. The three tiers are defined as follows:

- Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2—Observable inputs other than quoted prices in active markets that are observable either directly or indirectly in the marketplace for identical or similar assets and liabilities; and
- Level 3—Unobservable inputs that are supported by little or no market data, which require the Company to develop its own assumptions.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

Stock-Based Compensation

We measure the cost of services received in exchange for an award of equity instruments based on the fair value of the award. For employees and directors, the fair value of the award is measured on the grant date. For non-employees, as per ASU No. 2018-7, *Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting,* remeasurement is not required. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Stock-based compensation expense is recorded by us in the same expense classifications in the consolidated statements of operations, as if such amounts were paid in cash. Also, refer to Note 1 – Summary of Significant Accounting Policies, in the consolidated financial statements that are included in this Annual Report.

Deferred Tax Assets and Income Taxes Provision

The Company adopted the provisions of paragraph 740-10-25-13 of the FASB Accounting Standards Codification. Paragraph 740-10-25-13 which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under paragraph 740-10-25-13, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Paragraph 740-10-25-13 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of paragraph 740-10-25-13.

The estimated future tax effects of temporary differences between the tax basis of assets and liabilities are reported in the accompanying balance sheets, as well as tax credit carry-backs and carry-forwards. The Company periodically reviews the recoverability of deferred tax assets recorded on its balance sheets and provides valuation allowances as management deems necessary.

Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management's opinion, adequate provisions for income taxes have been made for all years. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

Management assumes that the realization of the Company's net deferred tax assets resulting from its net operating loss ("NOL") carry–forwards for Federal income tax purposes that may be offset against future taxable income was not considered more likely than not and accordingly, the potential tax benefits of the net loss carry-forwards are offset by a full valuation allowance. Management made this assumption based on (a) the Company has incurred recurring losses and presently has no revenue-producing business; (b) general economic conditions; and, (c) its ability to raise additional funds to support its daily operations by way of a public or private offering, among other factors.

Outlook

Our continued objective is to further integrate our growing suite of proven industry leading data security and privacy offerings and deliver the combined offering to our growing stable of enterprise and medium-sized clients directly and via our partner channel. Data privacy concerns continue to grow lockstep with security breaches and ongoing expansion of data storage, consumption and spread of telework, telehealth and remote learning requirements.

We have utilized, and expect to continue to utilize, acquisitions to contribute to our long-term growth objectives. During fiscal 2021 we hope to continue to acquire complimentary business assets and client bases. Some of the key element to our growth strategy include, without limitation:

- Improve and extend our technological capabilities, domestically and internationally.
- Further integrate our product offerings to provide an unmatched data privacy platform.
- Focus on underserved markets, such as sports teams (at all levels) and medium-sized businesses.
- Deliver capabilities via unconventional channels, including open-source and "freemium" and trial subscription models.
- Leverage our existing relationships for professional references, association and internal private industry level promotional events and other high-value and successful product positional activities.
- Be prepared to capture and execute on opportunities in the acquisition marketplace.
- Continued focus on net bookings with minimum long-term contract value.
- Improve SaaS Services with high increasing 'attach' rate for additional capabilities.
- Increase year-over-year conversions from perpetual one-time contract sales to multiyear recurring subscription revenue agreements.

While we report primarily income based on recognized and deferred revenue, another measurement internally for the business is booked revenues. Management utilizes this measure to track numerous indicators such as: contract value growth; initial contract value per customer; and, certain other values that change quarter-over-quarter. These results may also be subject to, and impacted by, sales compensation plans, internal performance objectives, and other activities. We continue to increase revenue from our existing operations. We generally recognize revenue from customers ratably over the terms of their subscription, which is generally one year at a time. As a result, a substantial portion of the revenue we report in each period is attributable to the recognition of deferred revenue relating to agreements that we entered into during previous periods. Consequently, any increase or decline in new sales or renewals in any one period will not be immediately reflected in our revenue for that period. Any such change, however, would affect our revenue in future periods. Accordingly, the effect of downturns or upturns in new sales and potential changes in our rate of renewals may not be fully reflected in our results of operations until future periods.

In December 2019, COVID-19 was reported in China; in January 2020 the World Health Organization ("WHO") declared it a Public Health Emergency of International Concern;, and, in March 2020 the WHO declared it a pandemic. The long-term impact of COVID-19 on our operational and financial performance will depend on certain developments including the duration, spread, severity, and potential recurrence of the virus. Our future performance will also depend on the impact of COVID-19 on our customers, partners, employee productivity, and sales cycles, including as a result of travel restrictions. These potential developments are uncertain and cannot be predicted and as such, the extent to which COVID-19 will impact our business, operations, financial condition and results of operations over the long term is unknown. Furthermore, due to our shift to a predominantly subscription model, the effect of COVID-19 may not be fully reflected in our results of operations until future periods.

While we are actively managing our response to the COVID-19 pandemic, its impact on our year 2021 results and beyond is uncertain. We continue to conduct business as usual with modifications to employee travel, employee work locations, customer interactions, and cancellation of certain marketing events, among other things. We will continue to actively monitor the situation and may take further actions that alter our business operations as may be required by federal, state, or local authorities, or that we determine are in the best interests of our employees, customers, partners, suppliers, and stockholders. The extent to which the COVID-19 pandemic may impact our longer-term operational and financial performance remains uncertain. Furthermore, due to our subscription-based business model, the effect of the COVID-19 pandemic may not be fully reflected in our results of operations until future periods, if at all. The extent of the impact of the COVID-19 pandemic will depend on several factors, including the pace of reopening the economy around the world; the possible resurgence in the spread of the virus; the development cycle of therapeutics and vaccines; the impact on our customers and our sales cycles; the impact on our customer, employee, and industry events; and the effect on our vendors. Please see Item 1A, "Risk Factors," in this Quarterly Report for a further description of the material risks we currently face, including the risks related to the COVID-19 pandemic.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2021 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2020

Revenue

We recognized $838,000 of revenue during the three months ended March 31, 2021, compared to $478,000 in revenue for the three months ended March 31, 2020. We had net billings for the three months ended March 31, 2021 of $624,000 compared to $603,000 in the prior year period. Deferred revenues are $1,287,000 as of March 31, 2021, a decrease of $231,000 from $1,518,000 as of December 31, 2020.

General and Administrative Expenses

General and administrative expenses for the three months ended March 31, 2021 amounted to $1,434,000 as compared to $1,425,000 for the three months ended year ended March 31, 2020, an increase of $8,000, or 1%. The expenses for the three months ended March 31, 2021, primarily consisted of management costs, costs to integrate assets we acquired and to expand sales, audit and review fees, filing fees, professional fees, and other expenses, including the re-classification of sales-related management expenses, in connection with the projected growth of the Company's business. Expenses for the three months ended March 31, 2020 consisted of primarily the same items.

Sales and Marketing Expenses

Sales and marketing expense for the three months ended March 31, 2021 amounted to $95,000 as compared to $121,000 for the three months ended year ended March 31, 2020, a decrease of $25,000, or 21%. The expenses for the three months ended March 31, 2021 primarily consisted of developing a sales operation, with some previously reported expenses, primarily management costs, reclassified to general and administrative expenses. Expenses for the three months ended March 31, 2020 consisted of primarily the same items.

Net Loss

The net loss for the three months ended March 31, 2021 was $2,176,000 as compared to net loss of $10,181,000 for the three months ended March 31, 2020. The net loss for the three months ended March 31, 2021 was mainly derived from operating loss of $858,000, interest expense of $905,000, loss on settlement of debt of $228,000 and a loss from change in fair value of derivative liability of $185,000. The net loss of $10,181,000 was mainly due to a net operating loss 1,103,000 and a loss from change in fair value of derivative liability of $8,506,000, associated with convertible notes payable.

Provision for Income Tax

No provision for income taxes was recorded in either the three months ended March 31, 2021 or 2020, as we have incurred taxable losses in both periods.

Related Party Transactions

The following individuals and entities have been identified as related parties based on their affiliation with our CEO and sole director, Jason Remillard:

Jason Remillard

Myriad Software Productions, LLC

The following amounts were owed to related parties, affiliated with the CEO and Chairman of the Board, at the dates indicated:

	March 31, 2021	December 31, 2020
Jason Remillard	$ 172,335	$ 155,848

CASH FLOW FOR THE THREE MONTHS ENDED MARCH 31, 2021 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2020

Liquidity and Capital Resources

We require cash to fund our operating expenses and working capital requirements, including outlays for capital expenditures. As of March 31, 2021, our principal sources of liquidity were cash or cash equivalents of $53,000; trade accounts receivable of $37,000; and, other current assets of $9,000, as compared to cash or cash equivalents of $59,000; and trade accounts receivable of $137,000 as of December 31, 2020.

During the last two years, and through the date of this Quarterly Report, we have faced an increasingly challenging liquidity situation that has impacted our ability to execute our operating plan. We started generating revenue in the fourth quarter of 2018, and we have continued to increase revenue through the date of this Quarterly Report as we have actively sought to grow our business in the data security market. We have also been required to maintain our corporate existence; satisfy the requirements of being a public company; and, have chosen to become a mandatory filer with the SEC. We will need to obtain capital to continue operations. There is no assurance that our Company will be able to secure such funding on acceptable (or any) terms. During the three months ended March 31, 2021 and 2020, we reported a loss from operations of $858,000 and $1,102,000, respectively; and, used cash flows from operating activities totaling $384,000 and $343,000, respectively, for the same periods. We had a beginning cash balance of $59,000 as of January 01, 2021, and a beginning cash balance of $19,000 as of January 01, 2020.

As of March 31, 2021, we had assets of cash in the amount of $53,000 and other current assets in the amount of $46,000. As of March 31, 2021, we had current liabilities of $3,236,000. The Company's accumulated deficit was $37,699,000.

As of March 31, 2020, we had assets of cash in the amount of $70,000 and other current assets in the amount of $40,000. As of March 31, 2020, we had current liabilities of $17,899,000. The Company's accumulated deficit was $31,792,000.

The revenues, if any, generated from our acquisitions alone will not be sufficient to fund our operations or planned growth. We will require additional capital to continue to operate our business, and to further expand our business. Sources of additional capital through various financing transactions or arrangements with third parties may include equity or debt financing, bank loans or revolving credit facilities. We may not be successful in locating suitable financing transactions in the time period required or at all, and we may not obtain the capital we require by other means. Unless the Company can attract additional investment, the future of the Company operating as a going concern is in serious doubt.

We are now obligated to file annual, quarterly and current reports with the SEC pursuant to the Exchange Act. In addition, the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley") and the rules subsequently implemented by the SEC and the Public Company Accounting Oversight Board have imposed various requirements on public companies, including requiring changes in corporate governance practices. We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities of ours more time- consuming and costly. In order to meet the needs to comply with the requirements of the Securities Exchange Act, we will need investment of capital.

Management has determined that additional capital will be required in the form of equity or debt securities. There is no assurance that management will be able to raise capital on terms acceptable to the Company.

If we are unable to obtain sufficient amounts of additional capital, we may have to cease filing the required reports and cease operations completely. If we obtain additional funds by selling any of our equity securities or by issuing common stock to pay current or future obligations, the percentage ownership of our shareholders will be reduced, shareholders may experience additional dilution, or the equity securities may have rights preferences or privileges senior to the common stock.

Cash Flow

	Three Months Ended March 31,					
	2021		2020		Change	
Cash used in operating activities	$	(383,648)	$	(342,836)	$	(40,812)
Cash used in investing activities	$	(79,020)	$	(4,068)	$	(74,952)
Cash provided by financing activities	$	456,945	$	397,874	$	59,071
Cash on hand	$	53,060	$	69,643	$	(16,583)

Operating Activities

During the three months ended March 31, 2021, our Company used $384,000 in operating activities, compared to $343,000 during the three months ended March 31, 2020. Cash used in operation activities was primarily due to an increase in operating liabilities.

Investing Activities

During the three months ended March 31, 2021, we used funds in investing activities of $79,000 to acquire equipment. During the three months ended March 31, 2020, we used funds in investing activities of $4,000 to acquire furniture and fixtures.

Financing Activities

During the three months ended March 31, 2021 we raised net proceeds of $160,000 through the issuance of our Series B Convertible Stock in the gross amount of $169,000. We also raised net proceeds of $654,000 through the issuance of our common stock. We raised proceeds of $65,000 through loans from related parties and repaid $168,000 to related parties. We raised net proceeds of $100,000 through the issuance of our convertible note and net proceeds of $925,000 through the issuance of our notes payable, and repaid 1,257,000 on notes payable. By comparison, during the three months ended March 31, 2020, we raised net proceeds of $497,000 through the issuance of our convertible promissory notes in the gross amount of $540,000. We also raised net proceeds of $190,000 through the issuance of our promissory notes and repaid 203,245 on a note payable. We raised proceeds of $83,000 through loans from related parties and repaid $161,000 to related parties.

We are dependent upon the receipt of capital investment or other financing to fund our ongoing operations and to execute our business plan for growth in the data security market. If continued funding and capital resources are unavailable at reasonable terms, we may not be able to implement our plan of operations.

Going Concern

The consolidated financial statements accompanying this Quarterly Report have been prepared on a going concern basis, which implies that our Company will continue to realize its assets and discharge its liabilities and commitments in the normal course of business. Our Company has generated very limited revenues since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of our company as a going concern is dependent upon the ability of our company to obtain necessary financing to achieve our operating objectives, and the attainment of profitable operations. As of March 31, 2021, our Company has an accumulated deficit of $37,699,000. We do not have sufficient working capital to enable us to carry out our plan of operation for the next twelve months.

Due to the uncertainty of our ability to meet our current operating expenses and the capital expenses noted above in their report on the consolidated financial statements for the three months ended March 31, 2021, our independent auditors included an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our consolidated financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors.

The continuation of our business is dependent upon us raising additional financial support. The issuance of additional equity or debt securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments. There can be no assurance that the Company will be able to raise any additional capital.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Management's Plans

Our plan is to continue to grow our business through strategic acquisitions, and then expand selling across our subsidiaries and affiliated companies. During the next twelve months, we anticipate incurring costs related to (i) filing of Exchange Act reports; and, (ii) operating our businesses. We will require additional operating capital to maintain and continue operations. We will need to raise additional capital through debt or equity financing, and there is no assurance we will be able to raise the necessary capital.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide information regarding this Item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management conducted an evaluation, with the participation of our Chief Executive Officer, who is our principal executive officer and our principal financial and accounting officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period by this Form 10-Q. Based on that evaluation, we concluded that because of the material weakness and significant deficiencies in our internal control over financial reporting described below, our disclosure controls and procedures were not sufficient as of March 31, 2021.

Management's Report of Internal Control over Financial Reporting

Jason Remillard, as our Principal Executive Officer and Principal Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rule 13a-15(f) under the Exchange Act. An evaluation was performed of the effectiveness of the Company's internal control over financial reporting. The evaluation was based on the framework in 2013 Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway

Commission ("COSO").

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on our evaluation under the criteria set forth in 2013 Internal Control — Integrated Framework, our management concluded that, as of March 31, 2021 our internal control over financial reporting was not effective because of the identification of material weaknesses described as follows:

- We did not have controls designed to validate the completeness and accuracy of underlying data used in the determination of accounting transactions. Accordingly, we believe we have a material weakness because there is a reasonable possibility that a material misstatement to the interim or annual consolidated financial statements would not be prevented or detected on a timely basis.

- We do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act which is applicable to us. Management evaluated the impact of our failure to have written documentation of our internal controls and procedures on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

- We do not have sufficient segregation of duties within accounting functions, which is a basic internal control. Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals. Management evaluated the impact of our failure to have segregation of duties on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

- We have an inadequate number of personnel with requisite expertise in the key functional areas of finance and accounting.

- We do not have a functioning audit committee or outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures.

Remediation Plan for Material Weaknesses in Internal Control over Financial Reporting

Management of the Company is committed to improving its internal controls and will (i) continue to use third party specialists to address shortfalls in staffing and to assist the Company with accounting and finance responsibilities; (ii) increase the frequency of independent reconciliations of significant accounts which will mitigate the lack of segregation of duties until there are sufficient personnel; (iii) seek to add a full-time Chief Financial Officer to replace Mr. Remillard when the Company has adequate financial resources; and, (iv) is currently considering appointing outside directors and audit committee members in the future.

Management has discussed the material weaknesses noted above with our independent registered public accounting firm. Due to the nature of these material weaknesses, it is reasonably possible that misstatements which could be material to the annual or interim consolidated financial statements could occur that would not be prevented or detected during our financial close and reporting process.

This Quarterly Report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this annual report.

Changes in Internal Controls Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three month period ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Subsequent Events

Subsequent to March 31, 2021, the following transactions occurred:

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company may from time to time be involved in various claims and legal proceedings of a nature it believes are normal and incidental to its business. These matters may include product liability, intellectual property, employment, personal injury cause by the Company's employees, and other general claims. The Company is not presently a party to any legal proceedings that, in the opinion of its management, are likely to have a material adverse effect on its business. Regardless of outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

ITEM 1A. RISK FACTORS

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by this Item. However, as a result of recent events that may be outside of our control, such as political and social unrest, terrorist attacks, hostilities, malicious human acts, climate change, natural disasters (including extreme weather), pandemics or other major public health concerns, including the ongoing outbreak of a respiratory illness caused by the 2019 novel coronavirus that was recently named by the World Health Organization as COVID-19, and other similar events, we have included the following additional Risk Factors:

Adverse or uncertain macroeconomic or geopolitical conditions or reduced IT spending may adversely impact our business, revenues, and profitability.

Our business, operations and performance are dependent in part on worldwide economic conditions and events that may be outside of our control, such as political and social unrest, terrorist attacks, hostilities, malicious human acts, climate change, natural disasters (including extreme weather), pandemics or other major public health concerns and other similar events, and the impact these conditions and events have on the overall demand for enterprise computing infrastructure solutions and on the economic health and general willingness of our current and prospective end customers to purchase our solutions and to continue spending on IT in general. The global macroeconomic environment has been, and may continue to be, inconsistent, challenging and unpredictable due to international trade disputes, tariffs, including those recently imposed by the U.S. government on Chinese imports to the U.S., restrictions on sales and technology transfers, uncertainties related to changes in public policies such as domestic and international regulations, taxes, or international trade agreements, elections, geopolitical turmoil and civil unrests, instability in the global credit markets, uncertainties regarding the effects of the United Kingdom's separation from the European Union, commonly known as "Brexit", actual or potential government shutdowns, and other disruptions to global and regional economies and markets. Specifically, the recent and developing outbreak of a respiratory illness caused by the 2019 novel coronavirus that was named by the World Health Organization as COVID-19 (collectively with any future mutations or related strains thereof, "COVID-19") has caused and may continue to cause travel bans or disruptions, supply chain delays and disruptions, and additional macroeconomic uncertainty. The impact of COVID-19 is fluid and uncertain, but it has caused and may continue to cause various negative effects, including an inability to meet with actual or potential customers, our end customers deciding to delay or abandon their planned purchases, us to delay, cancel, or withdraw from user and industry conferences and other marketing events, and delays or disruptions in our or our OEM partners' supply chains, including delays or disruptions in procuring and shipping the hardware appliances on which our software solutions run. As a result, we may experience extended sales cycles, our ability to close transactions with new and existing customers and partners may be negatively impacted, potentially significantly, our ability to recognize revenue from software transactions we do close may be negatively impacted, potentially significantly, our demand generation activities, and the efficiency and effect of those activities, may be negatively affected, our ability to provide 24x7 worldwide support and/or replacement parts to our end customers may be effected, and it has been and, until the COVID-19 outbreak is contained, will continue to be more difficult for us to forecast our operating results. These macroeconomic challenges and uncertainties, including the COVID-19 outbreak, have, and may continue to, put pressure on global economic conditions and overall IT spending and may cause our end customers to modify spending priorities or delay or abandon purchasing decisions, thereby lengthening sales cycles and potentially lowering prices for our solutions, and may make it difficult for us to forecast our sales and operating results and to make decisions about future investments, any of which could materially harm our business, operating results and financial condition.

Public health threats or outbreaks of communicable diseases could have a material adverse effect on the Company's operations and overall financial performance.

The Company may face risks related to public health threats or outbreaks of communicable diseases. A global health crisis, such as the current outbreak of coronavirus or COVID-19, could adversely affect the United States and global economies and limit the ability of enterprises to conduct business for an indefinite period of time. The current outbreak of COVID-19 has negatively impacted the global economy, disrupted financial markets, and international trade, resulted in increased unemployment levels and significantly impacted global supply chains, all of which have the potential to impact the Company's business.

In addition, government authorities have implemented various mitigation measures, including travel restrictions, limitations on business operations, stay-at-home orders, and social distancing protocols. The economic impact of the aforementioned actions may impair our ability to sustain sufficient financial liquidity and impact our financial results. Specifically, the continued spread of COVID-19 and efforts to contain the virus could: (i) result in an increase in costs related to delayed payments from customers and uncollectable accounts, (ii) cause a reduction in revenue related to late fees and other charges related to governmental regulations, (iii) cause delays and disruptions in the supply chain related to obtaining necessary materials for our network infrastructure or customer equipment, (iv) cause workforce disruptions, including the availability of qualified personnel; and (v) cause other unpredictable events.

As we cannot predict the duration or scope of the global health crisis, the anticipated negative financial impact to our operating results cannot be reasonably estimated, but could be material and last for an extended period of time.

Prolonged economic uncertainties or downturns could materially adversely affect our business.

Our business depends on our current and prospective customers' ability and willingness to invest money in IT services, and more importantly cybersecurity projects, which in turn is dependent upon their overall economic health. Negative conditions in the general economy both in the United States and abroad, including conditions resulting from COVID-19 and numerous other factors beyond our control, could cause a decrease in business investments, including corporate spending on enterprise software in general and negatively affect the rate of growth of our business. Uncertainty in the global economy makes it extremely difficult for our customers and us to forecast and plan future business activities accurately. This could cause our customers to reevaluate decisions to purchase our product or to delay their purchasing decisions, which could lengthen our sales cycles.

We have a significant number of customers, many of which are impacted significantly by the economic turmoil caused by the COVID-19 pandemic. Our customers may reduce their spending on IT; delay or cancel IT projects; focus on in-house development efforts; or, seek to lower their costs by renegotiating maintenance and support agreements. To the extent purchases of licenses for our software and services are perceived by customers and potential customers to be discretionary, our revenues may be disproportionately affected by delays or reductions in general IT spending. If the economic conditions of the general economy or industries in which we operate worsen from present levels, our business, results of operations and financial condition could be adversely affected.

If we are unable to attract new customers and expand sales to existing customers, both domestically and internationally, our growth could be slower than we expect, and our business may be harmed.

Our success will depend, in part, on our ability to support new and existing customer growth and maintain customer satisfaction. Due to COVID-19, our sales and marketing teams have avoided in-person meetings and are increasingly engaging with customers online and through other communications channels, including virtual meetings. While our revenues increased in the first quarter of 2021 compared to the first quarter of 2020, there is no guarantee that for the long run our sales and marketing teams will be as successful or effective using these other communications channels as they try to build relationships. If we cannot provide the tools and training to our teams to efficiently do their jobs and satisfy customer demands, we may not be able to achieve anticipated revenue growth as quickly as expected.

Our future growth depends upon expanding sales of our products to existing customers and their organizations and receiving subscription and maintenance renewals. If our customers do not purchase additional licenses or capabilities, our revenues may grow more slowly than expected, may not grow at all, or may decline. There can be no assurance that our efforts would result in increased sales to existing customers ("upsells") and additional revenues. If our efforts to upsell to our customers are not successful, our business would suffer. Our future growth also depends in part upon increasing our customer base, particularly those customers with potentially high customer lifetime values. Our ability to achieve significant growth in revenues in the future will depend, in large part, upon the effectiveness of our sales and marketing efforts, both domestically and internationally, and our ability to attract new customers. Our ability to attract new customers may be adversely affected by the continued COVID-19 pandemic. If we fail to attract new customers and maintain and expand those customer relationships, our revenues may be adversely affected, and our business will be harmed.

Adverse or uncertain macroeconomic or geopolitical conditions or reduced IT spending may adversely impact our business, revenues and profitability.

Our business, operations and performance are dependent in part on worldwide economic conditions and events that may be outside of our control, such as political and social unrest, terrorist attacks, hostilities, malicious human acts, climate change, natural disasters (including extreme weather), pandemics or other major public health concerns and other similar events, and the impact these conditions and events have on the overall demand for enterprise computing infrastructure solutions and on the economic health and general willingness of our current and prospective end customers to purchase our solutions and to continue spending on IT in general. The global macroeconomic environment has been, and may continue to be, inconsistent, challenging and unpredictable due to international trade disputes, tariffs, including those recently imposed by the U.S. government on Chinese imports to the U.S., restrictions on sales and technology transfers, uncertainties related to changes in public policies such as domestic and international regulations, taxes, or international trade agreements, elections, geopolitical turmoil and civil unrests, instability in the global credit markets, uncertainties regarding the effects of the United Kingdom's separation from the European Union, commonly known as "Brexit", actual or potential government shutdowns, and other disruptions to global and regional economies and markets. Specifically, the recent and developing outbreak of a respiratory illness caused by the 2019 novel coronavirus that was named by the World Health Organization as COVID-19 (collectively with any future mutations or related strains thereof, "COVID-19") has caused and may continue to cause travel bans or disruptions, supply chain delays

and disruptions, and additional macroeconomic uncertainty. The impact of COVID-19 is fluid and uncertain, but it has caused and may continue to cause various negative effects, including an inability to meet with actual or potential customers, our end customers deciding to delay or abandon their planned purchases, us to delay, cancel, or withdraw from user and industry conferences and other marketing events, and delays or disruptions in our or our OEM partners' supply chains, including delays or disruptions in procuring and shipping the hardware appliances on which our software solutions run. As a result, we may experience extended sales cycles, our ability to close transactions with new and existing customers and partners may be negatively impacted, potentially significantly, our ability to recognize revenue from software transactions we do close may be negatively impacted, potentially significantly, our demand generation activities, and the efficiency and effect of those activities, may be negatively affected, our ability to provide 24x7 worldwide support and/or replacement parts to our end customers may be effected, and it has been and, until the COVID-19 outbreak is contained, will continue to be more difficult for us to forecast our operating results. These macroeconomic challenges and uncertainties, including the COVID-19 outbreak, have, and may continue to, put pressure on global economic conditions and overall IT spending and may cause our end customers to modify spending priorities or delay or abandon purchasing decisions, thereby lengthening sales cycles and potentially lowering prices for our solutions, and may make it difficult for us to forecast our sales and operating results and to make decisions about future investments, any of which could materially harm our business, operating results and financial condition.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following information represents securities sold by the Company during the period covered by this Quarterly Report, and the subsequent period, which were not registered under the Securities Act. Included are sales of reacquired securities, as well as new issues, securities issued in exchange for property, services, or other securities, and new securities resulting from the modification of outstanding securities.

- On January 15, 2019, the Company converted $5,000 of a promissory note into 100,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On February 6, 2019, the Company agreed to issue a total of 418,451,781 restricted shares of its common stock for subscriptions of $500,000. The Company received the entire amount of the proceeds. In connection with the issuance of the shares, the Company also agreed to issue to the subscribers warrants to acquire a total of 218,413,977 shares of our common stock at a strike price of $0.0029 per share, with a cashless exercise feature and a five year term. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On February 7, 2019, the Company converted $20,000 of a promissory note into 400,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On April 15, 2019, the Company issued a Convertible Promissory Note (the "Auctus Note") in the aggregate principal amount of $600,000 (the "Principal Amount"), and received gross proceeds of $546,000 (excluded were legal fees and a transaction fee charged by the lender, Auctus Fund, LLC); the proceeds will be used for general corporate purposes. The Auctus Note may be converted into shares of the Company's common stock in whole or in part at any time from time to time after the four (4) month anniversary of the issuance of the Auctus Note, at an initial conversion price per share equal to the lesser of: (a) $0.0015; or, (b) 50% multiplied by the lowest trading price for the Company's common stock during the 25 days of trading ending on the latest complete trading day prior to the date of conversion. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends and other similar transactions and terms. The Company also granted to the lender warrants to purchase 60,000,000 shares of Common Stock at $0.005 per share, with a cashless exercise feature. The Auctus Note and the warrants were issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- On June 12, 2019, the Company issued a Convertible Promissory Note (the "Redstart Note") in the aggregate principal amount of $63,000, and received gross proceeds of $60,000 (excluded were legal fees and a transaction fee charged by the lender, Redstart Holdings, LLC). The proceeds will be used for general corporate purposes. The Redstart Note (i) accrues interest at a rate of 22% per annum, (ii) can be converted 180 days from June 12, 2019 at a discount of 39% to the lowest trading price during the twenty consecutive trading days immediately preceding the date of conversion, (iii) is due and payable June 12, 2020, and (iv) has an original issue discount of $3,000. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends, and other similar transactions and terms. The Redstart Note was issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- On September 16, 2019, the Company entered into an Asset Purchase Agreement with DMBGroup, LLC to acquire certain assets collectively known as DataExpress^{TM}, a software platform for secure sensitive data transfer within the hybrid cloud. The total purchase price of approximately $2.8 million consists of: (i) a $410,000 cash payment at closing; (ii) a promissory note in the amount of $940,000, payable in the amount of $41,661 over 24 monthly payments starting on October 15, 2019, accruing at a rate of 6% per annum; (iii) assumption of approximately $98,000 in liabilities and, (iv) approximately 2,465,753 shares of our common stock.

- On December 19, 2019, the Company issued a Convertible Promissory Note (the "Geneva Note") in the aggregate principal amount of $38,000, and received gross proceeds of $38,000 from the lender, Geneva Roth Remark Holdings, Inc. The proceeds will be used for general corporate purposes. The Geneva Note (i) accrues interest at a rate of 22% per annum, (ii) can be converted 180 days from December 19, 2019 at a discount of 39% to the lowest trading price during the twenty consecutive trading days immediately preceding the date of conversion, and, (iii) is due and payable December 19, 2020. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends, and other similar transactions and terms. The Geneva Note was issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- Effective December 31, 2019 the Company entered into an agreement with Blue Citi to amend the Consolidated Note as follows: (i) principal balance of $1,700,000 as of 12-31-2019; (ii) zero interest would accrue on and after January 01, 2020 so long as the Consolidated Note was not otherwise in default; (iii) $270,000 of principal could not be converted until July 01, 2020; (iv) a maximum of $500,000 could be converted each month, unless there was at least $500,000 in daily trading volume for five (5) consecutive trading days; (v) conversions will be at a 40% discount to the lower of the lowest price for our common stock during the 20 days preceding the conversion, or the lowest price for our common stock for the 20 days preceding December 31, 2019; and, (vi) the maturity date of the Consolidated Note is March 31, 2021.

- Effective December 31, 2019 the Company entered into an agreement with Blue Citi to amend the AFT Note as follows: (i) principal balance of $441,150 as of 12-31-2019; (ii) no conversions until July 01, 2020; (iii) 12% interest; (iv) conversions will be at a 50% discount to the lower of the lowest price for our common stock during the 20 days preceding the conversion, or the lowest price for our common stock for the 20 days preceding December 02, 2019; and, (v) the maturity date of the AFT Note is April 15, 2020.

- Effective December 31, 2019 the Company entered into an agreement with Smea2z, LLC to amend the Smea2z Note as follows: (i) principal balance of $608,850 as of 12-31-2019; (ii) no conversions until July 01, 2020; (iii) 12% interest; (iv) conversions will be at a 50% discount to the lower of the lowest price for our common stock during the 20 days preceding the conversion, or the lowest price for our common stock for the 20 days preceding December 02, 2019; and, (v) the maturity date of the Smea2z Note is April 15, 2020.

- On January 3, 2020, the Company completed a settlement with Hubai Chuguan Industry Co. Ltd. under which the Company cancelled 2,000,000 shares of its common stock and returned those shares to authorized and unissued status.

- On January 6, 2020, the Company issued a total of 2,465,754 shares of its common stock to three individuals in connection with the transaction closed on September 16, 2019, in which we acquired certain assets collectively known as DataExpress™ from DMBGroup, LLC. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On January 13, 2020, the Company converted $20,000 of a promissory note into 81,766 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On January 17, 2020, the Company converted $84,000 of a promissory note into 400,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On January 21, 2020, the Company converted $23,000 of a promissory note into 94,031 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On January 27, 2020, the Company converted $15,000 of a promissory note into 110,294 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On January 29, 2020, the Company converted $8,150 of a promissory note into 63,622 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On February 3, 2020, the Company converted $36,000 of a promissory note into 500,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On February 11, 2020, the Company converted $36,000 of a promissory note into 500,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On February 12, 2020, the Company issued 500,000 shares of its common stock to its former chief financial officer as additional compensation. The issuance was effected under the Company's Form S-8 filed with the SEC on May 20, 2019.

- On February 21, 2020, the Company converted $44,000 of a promissory note into 611,111 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On March 02, 2020, the Company converted $38,250 of a promissory note into 750,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On March 05, 2020, the Company issued a Convertible Promissory Note (the "GS Capital Note") in the aggregate principal amount of $136,250, and received gross proceeds of $129,750 from the lender, GS Capital Partners, LLC. The proceeds will be used for general corporate purposes. The GS Capital Note (i) accrues interest at a rate of 10% per annum, (ii) can be converted six months after issuance at a discount of 35% to the lowest trading price during the twenty consecutive trading days immediately preceding the date of conversion, and, (iii) is due and payable March 05, 2021. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends, and other similar transactions and terms. The GS Capital Note was issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- On March 10, 2020, the Company issued a Convertible Promissory Note (the "Adar Note") in the aggregate principal amount of $78,750, and received gross proceeds of $75,000 from the lender, Adar Alef, LLC. The proceeds will be used for general corporate purposes. The Adar Note (i) accrues interest at a rate of 10% per annum, (ii) can be converted six months after issuance at a discount of 35% to the lowest trading price during the twenty consecutive trading days immediately preceding the date of conversion, and, (iii) is due and payable March 10, 2021. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends, and other similar transactions and terms. The Adar Note was issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- On March 16, 2020, the Company converted $33,247.80 of a promissory note into 786,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On March 18, 2020, the Company converted $42,075 of a promissory note into 825,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On March 19, 2020, the Company converted $15,000 of a promissory note into 354,610 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On March 20, 2020, the Company issued a Convertible Promissory Note in the aggregate principal amount of $1,000,000. Of that amount, $125,000 was loaned immediately by the lender, Granite Global Value Investments Ltd. (the "Granite Note"), from which we received gross proceeds of $102,500. The proceeds will be used for general corporate purposes. The Granite Note (i) accrues interest at a rate of 12% per annum, (ii) can be converted six months after issuance at a discount of 25% to the lowest trading price during the twenty consecutive trading days immediately preceding the date of conversion, and, (iii) is due and payable six months after issuance. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends, and other similar transactions and terms. The Granite Note was issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- On March 26, 2020, the Company converted $19,675 of a promissory note into 862.938 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On March 27, 2020, the Company converted $13,273.50 of a promissory note into 884,900 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On April 01, 2020, the Company issued 4,666 shares of its common stock to its president/chief executive officer, Jason Remillard, as additional compensation.

- On April 02, 2020, the Company converted $20,000 of a promissory note into 1,333,333 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On April 02, 2020, the Company converted $4,521.33 of a promissory note into 301,422 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On April 03, 2020, the Company converted $17,460 of a promissory note into 970,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On April 14, 2020, the Company converted $6,471.33 of a promissory note into 431,422 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On April 16, 2020, the Company converted $6,793.83 of a promissory note into 452,922 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On April 17, 2020 the Company issued a total of 11,935,000 shares of its common stock to twelve (12) individuals, each of whom was either an employee or services provider to the Company. The shares were issued under the Company's S-8 filed with the SEC on May 20, 2019 (SEC File No. 333-231615).
- On April 22, 2020, the Company converted $20,000 of a promissory note into 1,388,888 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On April 27, 2020, the Company converted $19,922.10 of a promissory note into 1,811,100 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On April 28, 2020 the Company issued a total of 1,496,516 shares of its common stock to three persons who had previously invested $1,775,000 in the Company though the Company had not yet issued them their respective shares. These shares were issued for this prior investment, and the issuance was exempt under Section 4(a)(2) of the Securities Act.
- On April 28, 2020, the Company converted $24,540 of a promissory note into 1,804,411 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On May 02, 2020, the Company converted $15,600 of a promissory note into 2,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On May 06, 2020, the Company converted $10,080 of a promissory note into 1,680,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On May 06, 2020, the Company converted $8,490.72 of a promissory note into 2,166,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On May 07, 2020, the Company converted $11,494.90 of a promissory note into 2,357,929 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On May 12, 2020, the Company converted $14,700 of a promissory note into 2,450,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On May 19, 2020, the Company converted $16,620 of a promissory note into 2,770,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On May 21, 2020, the Company converted $16,800 of a promissory note into 2,800,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On May 26, 2020, the Company converted $18,000 of a promissory note into 3,000.000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On May 26, 2020, the Company converted $14,627.62 of a promissory note into 3,000,538 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On May 26, 2020, the Company converted $11,761.96 of a promissory note into 3,000,500 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On May 28, 2020, the Company converted $20,700 of a promissory note into 3,450,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On May 29, 2020, the Company converted $13,522.42 of a promissory note into 3,449,597 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On June 02, 2020, the Company converted $21,600 of a promissory note into 3,600,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On June 04, 2020, the Company converted $23,400 of a promissory note into 3,900,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On June 05, 2020, the Company converted $15,576.50 of a promissory note into 3,973,597 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On June 09, 2020, the Company converted $26,100 of a promissory note into 4,350,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On June 10, 2020, the Company converted $20,000 of a promissory note into 4,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On June 10, 2020, the Company issued a Convertible Promissory Note (the "JSJ Note") in the aggregate principal amount of $84,500, and received gross proceeds of

$75,000 from the lender, JSJ Investment Inc. The proceeds will be used for general corporate purposes. The JSJ Note (i) accrues interest at a rate of 12% per annum, (ii) can be converted 180 days from June 10, 2020 at a discount of 25% to the lowest trading price during the twenty consecutive trading days immediately preceding the date of conversion, and, (iii) is due and payable June 10, 2021. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends, and other similar transactions and terms. The JSJ Note was issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- On June 11, 2020, the Company issued a Convertible Promissory Note (the "June 11 Geneva Note") in the aggregate principal amount of $43,000, and received gross proceeds of $40,000 from the lender, Geneva Roth Remark Holdings, Inc. The proceeds will be used for general corporate purposes. The June 11 Geneva Note (i) accrues interest at a rate of 22% per annum, (ii) can be converted 180 days from June 11, 2020 at a discount of 39% to the lowest trading price during the twenty consecutive trading days immediately preceding the date of conversion, and, (iii) is due and payable June 11, 2021. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends, and other similar transactions and terms. The June 11 Geneva Note was issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- On June 12, 2020, the Company converted $27,000 of a promissory note into 4,500,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On June 12, 2020, the Company converted $15,000 of a promissory note into 2,343,750 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On June 16, 2020, the Company converted $24,900 of a promissory note into 3,952,381 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On June 16, 2020, the Company converted $29,100 of a promissory note into 5,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On June 17, 2020, the Company converted $21,617.03 of a promissory note into 5,571,400 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On June 19, 2020, the Company converted $34,920 of a promissory note into 6,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On June 23, 2020, the Company converted $15,000 of a promissory note into 2,419,355 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On June 23, 2020, the Company converted $23,424 of a promissory note into 6,100,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On June 24, 2020, the Company converted $24,980.82 of a promissory note into 6,573,900 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On June 24, 2020, the Company converted $24,900 of a promissory note into 4,081,967 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On June 25, 2020, the Company converted $20,000 of a promissory note into 4,210,526 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On June 25, 2020, the Company issued a Convertible Promissory Note (the "June 25 Geneva Note") in the aggregate principal amount of $43,000, and received gross proceeds of $40,000 from the lender, Geneva Roth Remark Holdings, Inc. The proceeds will be used for general corporate purposes. The June 25 Geneva Note (i) accrues interest at a rate of 22% per annum, (ii) can be converted 180 days from June 25, 2020 at a discount of 39% to the lowest trading price during the twenty consecutive trading days immediately preceding the date of conversion, and, (iii) is due and payable June 25, 2021. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends, and other similar transactions and terms. The June 25 Geneva Note was issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- On June 26, 2020, the Company converted $24,700 of a promissory note into 6,500,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On June 29, 2020, the Company converted $26,600 of a promissory note into 7,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On July 01, 2020, the Company converted $29,032.38 of a promissory note into 7,640,100 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- Effective July 01, 2020, the Company entered into an agreement with Blue Citi under which Blue Citi agreed to forbear from enforcing its rights under the Consolidated Note with regard certain possible events of default under the Consolidated Note, and the Company and Blue Citi further agreed to amend the Consolidated Note as follows: (i) maturity date will be March 31, 2021; (ii) Blue Citi's right to match a lower conversion rate will now only apply to convertible notes issued after July 01, 2020; and, (iii) no further interest shall accrue on the Consolidated Note so long as there is no event of default.

- Effective July 01, 2020, the Company entered into an agreement with Smea2z LLC ("Smea2z") under which Smea2z agreed to forbear from enforcing its rights with regard certain possible events of default under that certain 8% Convertible Redeemable Note in the original principal amount of Two Hundred Twenty Thousand Dollars ($220,000) on 23 October 2018, with a maturity date of 23 July 2019 (the "SME Note"). The Company and Smea2z further agreed to amend the SME Note as follows: (i) maturity date will be September 30, 2020; (ii) Smea2z has no right to match a lower conversion rate; (iii) no conversions until October 01, 2020; and, (iv) no further interest shall accrue on the SME Note so long as there is no event of default.

- Effective July 01, 2020, the Company entered into an agreement with Blue Citi under which Blue Citi agreed to forbear from enforcing its rights with regard certain possible events of default under that certain 8% Convertible Redeemable Note in the original principal amount of One Hundred Ten Thousand Dollars ($110,000) on 16 October 2018, with a maturity date of 16 July 2019 (the "AFT Note"). The Company and Blue Citi further agreed to amend the AFT Note as follows: (i) maturity date will be September 30, 2020; (ii) Blue Citi has no right to match a lower conversion rate; (iii) no conversions until October 01, 2020; and, (iv) no further interest shall accrue on the AFT Note so long as there is no event of default.

- Effective July 01, 2020, the Company entered into an agreement with Blue Citi under which Blue Citi agreed to forbear from enforcing its rights under the Credit Line Note with regard certain possible events of default under the Credit Line Note, and the Company and Blue Citi further agreed to amend the Credit Line Note as follows: (i) maturity date will be June 30, 2021; (ii) Blue Citi no longer has a right to match a lower conversion rate; (iii) the conversion rate will be set at 40%; (iv) conversions can start at the earlier of (a) the maturity date or, (b) both the AFT Note and Smea2z Note are paid in full; and, (v) as additional consideration, the Company issued the Penalty Note to Blue, as discussed below.

- Effective July 01, 2020, the Company issued to Blue Citi a Convertible Promissory Note (the "Penalty Note") in the aggregate principal amount of $25,000 as additional consideration for amendment and forbearance of the Credit Line Note. The Penalty Note (i) accrues interest at a rate of 10% per annum; (ii) can be converted starting on April 01, 2021, at a discount of 40% to the lowest trading price during the twenty consecutive trading days immediately preceding the date of conversion; (iii) Blue Citi has no right to match a lower conversion rate; and, (iv) is due and payable July 01, 2021. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends, and other similar transactions and terms. The Penalty Note was issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- On July 01, 2020, the Company issued a Convertible Promissory Note (the "July Blue Citi Note") in the aggregate principal amount of $150,000, and received gross proceeds of $140,000 from the lender, Blue Citi. The proceeds will be used for general corporate purposes. The July Blue Citi Note (i) accrues interest at a rate of 10% per annum, (ii) can be converted starting on April 01, 2021, at a discount of 40% to the lowest trading price during the twenty consecutive trading days immediately preceding the date of conversion; (iii) Blue Citi has no right to match a lower conversion rate; and, (iv) is due and payable July 01, 2021. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends, and other similar transactions and terms. The July Blue Citi Note was issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- On July 06, 2020, the Company converted $28,500 of a promissory note into 7,500,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On July 10, 2020, the Company converted $33,230.62 of a promissory note into 8,744,900 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On July 10, 2020, the Company converted $20,000 of a promissory note into 4,210,526 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On July 16, 2020, the Company converted $33,060 of a promissory note into 8,700,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On July 17, 2020, the Company converted $37,336.90 of a promissory note into 9,825,500 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On July 20, 2020, the Company converted $34,200 of a promissory note into 9,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On July 21, 2020, the Company converted $3,800 of a promissory note into 1,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On July 22, 2020, the Company converted $40,906.62 of a promissory note into 10,764,900 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On July 23, 2020, the Company converted $39,900 of a promissory note into 10,500,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On July 23, 2020, the Company issued a Convertible Promissory Note (the "July 23 Geneva Note") in the aggregate principal amount of $43,000, and received gross proceeds of $40,000 from the lender, Geneva Roth Remark Holdings, Inc. The proceeds will be used for general corporate purposes. The July 23 Geneva Note (i) accrues interest at a rate of 22% per annum, (ii) can be converted 180 days from July 23, 2020 at a discount of 39% to the lowest trading price during the twenty consecutive trading days immediately preceding the date of conversion, and, (iii) is due and payable July 23, 2021. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends, and other similar transactions and terms. The July 23 Geneva Note was issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- On July 27, 2020, the Company converted $14,469.19 of a promissory note into 3,014,415 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On July 27, 2020, the Company converted $43,700 of a promissory note into 11,500,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- Effective July 28, 2020, the company entered into an Advisory Board Agreement (the "Advisory Agreement") with Omkharan Arasaratnam (the "Advisor"). Pursuant to the Advisory Agreement, the Advisor joined the Advisory Board of the Company for a term of 12-months, although either party may terminate the Advisory Agreement early upon proper notice. The Company agreed to issue to the Advisor five million (5,000,000) shares of its common stock to the Advisor, which shares shall vest at the rate of 25% every 3-months under the Advisory Agreement. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On July 29, 2020, the Company converted $45,600 of a promissory note into 12,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On July 29, 2020, the Company converted $47,880.38 of a promissory note into 12,600,100 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On July 31, 2020, the Company converted $46,130 of a promissory note into 12,139,479 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 03, 2020, the Company issued a Convertible Promissory Note (the "August Blue Citi Note") in the aggregate principal amount of $200,000, and received gross proceeds of $185,000 from the lender, Blue Citi. The proceeds will be used for general corporate purposes. The August Blue Citi Note (i) accrues interest at a rate of 10% per annum; (ii) can be converted starting on February 03, 2021, at a discount of 40% to the lowest trading price during the twenty consecutive trading days immediately preceding the (a) date of conversion or (b) issue date of the August Blue Citi Note; (iii) Blue Citi has no right to match a lower conversion rate; (iv) has prepayment premiums, and can be prepaid only during the first 6-months of the August Blue Citi Note; and, (v) is due and payable August 03, 2021. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends, and other similar transactions and terms. The August Blue Citi Note was issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- Effective August 03, 2020, the Company entered into an agreement with Blue Citi under which Blue Citi agreed to the following amendments to the respective convertible promissory notes:

  AFT Note: maturity date extended to June 30, 2021.

  Credit Line Note: (i) add the same prepayment premiums as under the August Blue Citi Note; and, (ii) six (6) months to prepay the Credit Line Note commencing on August 03, 2020.

  July Blue Citi Note: (i) six (6) months to prepay the July Blue Citi Note; and, (ii) no prepayment premiums.

  The conversion of all convertible promissory notes held by Blue Citi shall be covered by a single account of reserved shares with the transfer agent for the Company.

- Effective August 03, 2020, the Company entered into an agreement with Smea2z LLC to amend the Smea2z Note by extending the maturity date to June 30, 2021.

- On August 04, 2020, the Company converted $53,200 of a promissory note into 14,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 06, 2020, the Company converted $19,000 of a promissory note into 5,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 06, 2020, the Company converted $38,000 of a promissory note into 10,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 10, 2020, the Company converted $43,566 of a promissory note into 10,783,664 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 12, 2020, the Company converted $63,047.80 of a promissory note into 16,418,698 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 12, 2020, the Company converted $70,000 of a promissory note into 17,156,863 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 14, 2020, the Company converted $69,481.34 of a promissory note into 18,094,099 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 14, 2020, the Company entered into a Share Settlement Agreement with the Company's CEO, Jason Remillard (the "Share Settlement Agreement"). Pursuant to the Share Settlement Agreement, the Company issued to Remillard 144,000 shares of the Company's Series A preferred stock in exchange for (i) the shares of the Company's common stock owed to Remillard for the Company's acquisition of Myriad Software Productions, LLC and Data443 Risk Mitigation, Inc. (the North Carolina corporation) from Remillard; and, (ii) releases of liability from Remillard. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 19, 2020, the Company converted $48,000 of a promissory note into 10,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 21, 2020, the Company converted $56,678 of a promissory note into 11,807,917 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 21, 2020, the Company converted $56,678 of a promissory note into 11,807,917 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 21, 2020, the Company converted $56,678 of a promissory note into 11,807,917 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 24, 2020, the Company converted $116,976 of a promissory note into 19,496,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 24, 2020, the Company issued a Convertible Promissory Note (the "$300K Note") in the aggregate principal amount of $300,000, and received gross proceeds of $275,000 from the lender, Blue Citi. The proceeds will be used for general corporate purposes. The $300K Note (i) accrues interest at a rate of 10% per annum; (ii) can be converted starting on February 24, 2021, at a discount of 40% to the lowest trading price during the twenty consecutive trading days immediately preceding the (a) date of conversion or (b) issue date of the $300K Note; (iii) Blue Citi has no right to match a lower conversion rate; (iv) has prepayment premiums, and can be prepaid only during the first 6-months of the $300K Note; and, (v) is due and payable August 24, 2021. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends, and other similar transactions and terms. The $300K Note was issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- On August 27, 2020, the Company converted $41,600 of a promissory note into 10,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On August 28, 2020, Data443 Risk Mitigation, Inc. (the "Company"), entered into a letter agreement (the "Maxim Agreement") with Maxim Group, LLC ("Maxim") for Maxim to provide general financial advisory, investment banking, and digital marketing services for the Company for an initial term of 6-months. In exchange for the services under the Agreement, the Company shall issue to Maxim shares of the Company's company stock (a) upon execution of the Maxim Agreement in an amount equal to 2.50% of the Company's issued and outstanding shares of common stock; and, (b) 2.49% of the of the Company's issued and outstanding shares of common stock upon the up-listing of the Company's common stock to a national exchange (NASDAQ or NYSE). All shares issued to Maxim will be non-dilutable for 2-years.

Further, cash fees will be paid to Maxim as follows: (i) monthly fee of $2,500; (ii) 8% of the amount of capital raised, invested or committed through or arranged by Maxim; (iii) fee for unallocated expenses of 1% of the amount of capital raised, invested or committed through or arranged by Maxim; and (iv) a 5-year warrant to purchase shares of the Company's common stock equal to eight percent (8%) of the number of shares of the common stock underlying the securities issued in the financing arranged by Maxim. Lastly, Maxim shall receive a transaction fee equal of 3% of the consideration underlying an acquisitive transaction (such as a merger) arranged by Maxim.

- On August 31, 2020, the Company converted $86,100 of a promissory note into 21,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On September 01, 2020, the Company converted $40,696.47 of a promissory note into 7,979,700 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On September 02, 2020, the Company converted $94,300 of a promissory note into 23,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On September 09, 2020, the Company converted $143,368.15 of a promissory note into 23,426,168 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On September 10, 2020, the Company issued a Convertible Promissory Note (the "September 10 Geneva Note") in the aggregate principal amount of $63,000, and received gross proceeds of $60,000 from the lender, Geneva Roth Remark Holdings, Inc. The proceeds will be used for general corporate purposes. The September 10 Geneva Note (i) accrues interest at a rate of 22% per annum, (ii) can be converted 180 days from September 10, 2020 at a discount of 39% to the lowest trading price during the twenty consecutive trading days immediately preceding the date of conversion, and, (iii) is due and payable September 10, 2021. The conversion price is subject to adjustment for stock splits, reverse stock splits, stock dividends, and other similar transactions and terms. The September 10 Geneva Note was issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- On September 14, 2020, the Company converted $13,750 of a promissory note into 2,073,906 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On September 15, 2020, the Company converted $20,000 of a promissory note into 3,016,591 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On September 17, 2020, the Company converted $25,000 of a promissory note into 3,770,739 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On September 18, 2020, the Company converted $57,400 of a promissory note into 14,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On September 22, 2020, the Company converted $24,131.94 of a promissory note into 3,788,374 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On September 29, 2020 the Company converted $75,000 of a promissory note into 25,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- Effective September 30, 2020, the Company exchanged (i) its convertible promissory note originally issued on March 20, 2020 in the amount of $125,000 (referred to herein as the Granite Note); and, (ii) the Common Stock Purchase Warrant dated 18 March 2020 for the issuance of two hundred fifty thousand (250,0000) shares of Company Common Stock (the "Granite Warrant") for the issuance of a new convertible promissory note issued in favor of Blue Citi LLC in the amount of $325,000 (the "Exchange Note"). Both the Granite Note and the Granite Warrant were cancelled as a result of the exchange and the issuance of the Exchange Note. Terms of the Exchange Note include, without limitation, the following:

    a. Principal balance of $325,000, which includes all accrued and unpaid interest on the Granite Note;

    b. No further interest shall accrue so long as there is no event of default;

    c. Conversions into common stock under the Exchange Note shall be effected at the lowest closing stock price during the five (5) days preceding any conversion, with -0- discount and a conversion price not below $0.007;

    d. No prepayment premiums or penalties; and

    e. Maturity date of September 30, 2021.

The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On October 02, 2020, the Company issued a total of 119,155,869 shares of its common stock to three individuals in connection with the transaction closed on September 16, 2019, in which we acquired certain assets collectively known as DataExpress® from DMBGroup, LLC. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On October 6, 2020, the Company issued 25,300,000 shares of its common stock upon the cashless exercise of a warrant. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On October 07, 2020, the Company converted $92,600 of a promissory note into 30,866,666 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On October 08, 2002, the Company entered into an Asset Purchase Agreement with Resilient Network Systems, Inc. ("RNS") to acquire the intellectual property rights and certain assets collectively known as Resilient Networks™, a Silicon Valley based SaaS platform that performs SSO and adaptive access control "on the fly" with sophisticated and flexible policy workflows for authentication and authorization. The total purchase price of $305,000 consists of: (i) a $125,000 cash payment at closing; and, (ii) the issuance of 19,148,936 shares of our common stock to RNS. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On October 21, 2020, the Company converted $131,250 of a promissory note into 37,500,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On November 4, 2020, the Company issued 12,711,503 shares of its common stock upon the cashless exercise of a warrant. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On November 16, 2020, the Company converted $118,000 of a promissory note into 40,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On November 17, 2020, the Company entered into an agreement with an existing lender to settle a dispute regarding a convertible promissory note, and exchanged that note for a newly issued note. The disputed note, referred to herein as the "Smea2z Note", was originally issued on 23 October 2018 in favor of SMEA2Z LLC in the original principal amount of Two Hundred Twenty Thousand Dollars ($220,000), with a variable conversion feature at discount to the market price, and a maturity date of 23 July 2019. Subsequent to the issuance of the Smea2z Note, a series of agreements were executed which amended various terms and conditions of the Smea2z Note, resulting in, among other things, a purported current principal balance of Six Hundred Thousand Eight Hundred Fifty Dollars ($608,850), a variable conversion feature at a deeper discount to the market price, and a maturity date of 30 June 2021. The Smea2z Note was recently acquired by the current holder. The Company and the holder executed a Settlement and Release Agreement (the "Settlement Agreement") under which, among things, they agreed to settle all disputes regarding the Smea2z Note and release each other from all liability under the Smea2z Note. As a result, the Smea2z Note was cancelled, and a new note was issued (the "Smea2z Exchange Note") in exchange for the Smea2z Note. The Smea2z Exchange Note was issued as of 17 November 2020 in the reduced original principal amount of Four Hundred Thousand Dollars ($400,000). The Smea2z Exchange Note further provides as follows: (i) no further interest shall accrue so long as there is no event of default; (ii) maturity date of 30 June 2021; (iii) no right to prepay; (iv) conversion price is fixed at $0.0035; (v) Typical events of default for such a note, as well as a default in the event the closing price for the Company's common stock is less than $0.0035 for at least 5-consecutive days; and, (vi) leak-out provision providing for (a) one conversion per week, for no more than 40,000,000, and (b) if the trading volume for the Company's common stock exceeds 50,000,000 shares on any day, a second conversion may be exercised during that week, for no more than 40,000,000 (a total of eighty million shares for that week).

- On November 18, 2020, the Company entered into an agreement with three existing investors in the Company (the "Warrant Holders"), each of which was the holder of warrants issued the Company. The total number of warrants (collectively, the "Exchanged Warrants") held by the Warrant Holders totaled 617,682 (which were accounted for in the Company's financial statements at approximately 300,000,000 warrants after resets and derivative liabilities). The Company and the Warrant Holders agreed to exchange the Exchanged Warrants for three newly issued promissory notes (the "Warrant Exchange Notes"). As a result of the exchange, the Exchanged Warrants were cancelled and of no further force and effect. The Warrants Exchange Notes were issued as of 18 November 2020 in the total original principal amount of One Hundred Thousand Dollars ($100,000). The Warrant Exchange Notes further provide as follows: (i) interest accrues at 5% per annum; (ii) maturity date of 18 November 2025; (iii) no right to prepay; (iv) fixed conversion price of $0.01; and, (v) typical events of default for such a note. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On November 23, 2020, the Company converted $44,900 of a promissory note into 15,482,759 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On November 25, 2020, the Company issued 5,300 shares of its Series B Preferred Stock in exchange for $50,000 of net proceeds from an investor. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On December 02, 2020, the Company converted $140,000 of a promissory note into 40,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On December 08, 2020, the Company converted $140,000 of a promissory note into 40,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On December 11, 2020, the Company entered into a Common Stock Purchase Agreement ("CSPA") with Triton Funds, LP, a Delaware limited partnership ("Triton"), an unrelated third party. Triton agreed to invest $1 million in the Company in the form of common stock purchases. Subject to the terms and conditions set forth in the CSPA, the Company agreed to sell to Triton common shares of the Company having an aggregate value of One Million Dollars ($1,000,000). The Company may, in its sole discretion, deliver a Purchase Notice to Triton which states the dollar amount of shares which the Company intends to sell to Triton. The price of the shares to be sold will be $0.006 per shares. Triton's obligation to purchase securities is conditioned on certain factors including, but not limited, to the Company having an effective registration available for resale of the securities being purchased; a minimum closing price of $0.009 per share for the Company's common stock on the delivery date for the shares; and, Triton's ownership not exceeding 9.9% of the issued and outstanding shares of the Company at any time. In connection with the CSPA, the Company also issued to Triton warrants to acquire 100,000,000 shares of the Company's common stock at an exercise price of $0.01 per shares, with a term of 5-years. The issuance of the warrants was exempt under Section 4(a)(2) of the Securities Act.

- On December 15, 2020, the Company converted $30,000 of a promissory note into 9,375,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On December 15, 2020, the Company converted $15,150 of a promissory note into 4,734,375 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On December 17, 2020, the Company converted $45,000 of a promissory note into 12,371,134 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On December 29, 2020, the Company converted $45,150 of a promissory note into 14,109,375 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On January 04, 2021, the Company converted $45,390 of a promissory note into 11,866,580 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On January 06, 2021, the Company issued 3,800 shares of its Series B Preferred Stock in exchange for $35,000 of net proceeds from an investor. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On January 25, 2021, pursuant to the terms and conditions of a Note Purchase Agreement, the Company issued a Convertible Promissory Note (the "Quick Capital Note") in the aggregate principal amount of $114,500, and received gross proceeds of $100,000 from the lender, Quick Capital, LLC ("Quick Capital"). The proceeds will be used for general corporate purposes. The Quick Capital Note (i) has a one-time interest charge of five percent (5%); (ii) is due and payable 90-days from issuance; and, (iii) can be converted into shares of the Company's common stock upon an event of default, at a conversion price equal to the lesser of: (a) $0.01, or (b) 61% multiplied by the average of the two lowest trading prices for our Common Stock during the 20-days prior to the date of the conversion. In connection with, and as a condition to, the issuance of the Quick Capital Note, the Company also issued 5,725,000 shares of its common stock to Quick Capital. The Quick Capital Note and the shares of common stock were issued in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder, and in reliance on similar exemptions under applicable state laws.

- On January 27, 2021, the Company converted $45,150 of a promissory note into 12,541,667 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On January 28, 2021, the Company issued 2,000,000 shares of its common stock to a consultant pursuant to an agreement with the consultant. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On February 02, 2021, the Company issued 20,684,000 shares of its common stock to Maxim Partners LLC pursuant to the Maxim Agreement. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On February 03, 2021, the Company issued 1,250,000 shares of its common stock to a member of the Company's Advisory Board. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On February 03, 2021, the Company issued 1,250,000 shares of its common stock to a member of the Company's Advisory Board. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- Effective February 08, 2021 the Company entered into the Blue Citi Notes Settlement Agreement with Blue Citi (the "Notes Settlement") to, among other things, settle all disputes regarding all convertible promissory notes issued in favor of Blue Citi (the "Blue Citi Notes"). The following terms, among others, applied to each of the Blue Citi Notes:

  a. All accrued and unpaid interest under the Blue Citi Notes shall be nullified in full and be deemed to be zero, and no further interest of any amount shall accrue on any of the Blue Citi Notes.

  b. At no time shall the total ownership of shares of the Company's common stock by Blue Citi exceed 9.99% of the total number of issued and outstanding shares of common stock.

  c. The Company shall have no right to prepayment, or any other right to repay in cash, any of the Blue Citi Notes. Similarly, Blue Citi shall have no right to demand cash payment under any of the Blue Citi Notes.

  d. Blue Citi shall be limited in its sales of our common stock to a maximum of fifty million (50,000,000) shares each calendar week. However, in the event that the total volume of traded shares for our common stock exceeds three hundred million (300,000,000) in any calendar week, then the trading limitation for the following calendar week shall be increased to seventy five million (75,000,000) shares of common stock.

With regard to each of the respective Blue Citi Notes, the Company and Blue Citi further agreed as follows:

  a. Convertible note in the original principal amount of Two Hundred Thousand Dollars ($200,000) issued on 08 January 2020 shall have a fixed conversion price of $0.01, resulting in the issuance of 20,000,000 shares upon conversion.

  b. Convertible note in the original principal amount of Twenty Five Thousand Dollars ($25,000) issued on 01 July 2020 shall be nullified in full and be deemed to be zero, and be of no further force and effect.

  c. Convertible note in the original principal amount of One Hundred Fifty Thousand Dollars ($150,000) issued on 01 July 2020 shall have a fixed conversion price of $0.01, resulting in the issuance of 15,000,000 shares upon conversion.

  d. Convertible note in the original principal amount of Two Hundred Thousand Dollars ($200,000) issued on 03 August 2020 shall have a fixed conversion price of $0.005, resulting in the issuance of 40,000,000 shares upon conversion.

  e. Convertible note in the original principal amount of Three Hundred Thousand Dollars ($300,000) issued on 24 August 2020 shall have a fixed conversion price of $0.005, resulting in the issuance of 60,000,000 shares upon conversion.

  f. Convertible note in the original principal amount of Three Hundred Twenty Five Thousand Dollars ($325,000) issued on 30 September 2020 shall have a fixed conversion price of $0.015, resulting in the issuance of 21,666,667 shares upon conversion.

  g. Convertible note in the original principal amount of Four Hundred Thousand Dollars ($400,000) issued on 17 November 2020 shall have a fixed conversion price of $0.0035, resulting in the issuance of 34,285,714 shares upon conversion.

- On February 09, 2021, the Company converted $120,000 of a promissory note into 34,285,714 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On February 10, 2021, the Company converted $200,000 of a promissory note into 40,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- Effective February 12, 2021 Geneva Roth Remark Holdings, Inc. ("Geneva Roth") and the Company finalized and closed the Securities Exchange Agreement (the "Geneva Exchange Agreement"). Geneva Roth was the holder of that certain Convertible Promissory Note in the original principal amount of Sixty Three Thousand Dollars ($63,000) dated September 10, 2020, with a maturity date of September 10, 2021 (the "Geneva Roth Note"). Pursuant to the Geneva Exchange Agreement, and solely in exchange for the Geneva Roth Note, Geneva Roth exchanged the Geneva Roth Note for six thousand five hundred sixty (6,560) shares of our Series B Preferred Stock. The Geneva Roth Note was thereafter cancelled and of no further force and effect. The issuance was exempt under Section 4(a)(2) and 3(a)(9) of the Securities Act.
- On February 19, 2021, the Company converted $200,000 of a promissory note into 20,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On February 19, 2021, the Company converted $150,000 of a promissory note into 15,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.
- On February 19, 2021, the Company issued 7,800 shares of its Series B Preferred Stock in exchange for $75,000 of net proceeds from an investor. The issuance was

exempt under Section 4(a)(2) of the Securities Act.

- On February 19, 2021, the Company converted $100,000 of a promissory note into 20,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On February 24, 2021, the Company converted $200,000 of a promissory note into 40,000,000 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On February 25, 2021, the Company converted $325,000 of a promissory note into 21,666,667 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On March 15, 2021, the Company converted 4,500 shares of its Series B Preferred Stock into 7,680,508 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On March 16, 2021, the Company converted 2,060 shares of its Series B Preferred Stock into 3,515,966 shares of its common stock. The issuance was exempt under Section 4(a)(2) of the Securities Act.

- On March 24, 2021, the Company issued 5,300 shares of its Series B Preferred Stock in exchange for $50,000 of net proceeds from an investor. The issuance was exempt under Section 4(a)(2) of the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description of Documents
2.1	Share Exchange Agreement dated December 31, 1998, by and between the Company and Rebound Corp., incorporated by reference to Exhibit 10.7 to Form 10-SB/A as filed by the Company with the Securities and Exchange Commission on January 7, 2000.
3.1	Articles of Incorporation of the Company, dated May 04, 1998, incorporated by reference to Exhibit 3(I) to Form 10-SB as filed by the Company with the Securities and Exchange Commission on January 4, 2000.
3.2	Amended and Restated Articles of Incorporation of the Company, dated May 01, 2018, incorporated by reference to Exhibit 3.2 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
3.3	Certificate of Designation for Preferred Series A Stock of the Company, dated May 28, 2008, incorporated by reference to Exhibit 3.3 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
3.4	Amendment to Certificate of Designation for Preferred Series A Stock of the Company, dated April 27, 2018, incorporated by reference to Exhibit 3.4 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
3.5	Bylaws of the Company, incorporated by reference to Exhibit I to Form 10-SB as filed by the Company with the Securities and Exchange Commission on January 4, 2000.
3.6	Certificate of Amendment to the Company's Articles of Incorporation dated August 17, 2020, increasing the number of authorized shares of Common Stock to 1.5 billion, incorporated by reference to Exhibit 3.1 to Form 8-K as filed by the Company with the Securities and Exchange Commission on 21 August 2020.
3.7	Certificate of Designation for Preferred Series B Stock of the Company, dated November 25, 2020, incorporated by reference to Exhibit 3.1 to Form 8-K as filed by the Company with the Securities and Exchange Commission on 02 December 2020.
3.8	Certificate of Amendment to the Company's Articles of Incorporation dated December 15, 2020, increasing the number of authorized shares of Common Stock to 1.8 billion, incorporated by reference to Exhibit 3.1 to Form 8-K as filed by the Company with the Securities and Exchange Commission on 17 December 2020.
4.1	Convertible Note issued by the Company on October 17, 2014 in favor of Atlantic Holding Corp. in the original principal amount of $125,000 incorporated by reference to Exhibit 4.1 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
4.2	8% Convertible Redeemable Note issued by the Company on October 16, 2018 in favor of AFT Funding Corp. in the original principal amount of $110,000 incorporated by reference to Exhibit 4.2 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
4.3	8% Convertible Redeemable Note issued by the Company on October 23, 2018 in favor of Smea2z LLC in the original principal amount of $220,000 incorporated by reference to Exhibit 4.3 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
4.4	Convertible Redeemable Note issued by the Company on April 15, 2019 in favor of Auctus Fund, LLC in the original principal amount of $600,000 incorporated by reference to Exhibit 4.1 to Form 8-K as filed by the Company with the Securities and Exchange Commission on 19 April 2019.

4.5	Common Stock Purchase Warrant Agreement issued in favor of Auctus Fund, LLC on 15 April 2019 for the purchase of 60,000,000 shares of Common Stock at $0.005 per share, incorporated by reference to Exhibit 4.2 to Form 8-K as filed by the Company with the Securities and Exchange Commission on 19 April 2019.
4.6	Smea2z Exchange Note issued in favor of Blue Citi LLC on 17 November 2020 in the amount of $400,000, incorporated by reference to Exhibit 4.6 to Form 10-K as filed by the Company with the Securities and Exchange Commission on 23 March 2021.
4.7	Warrant Exchange Notes issued as of 18 November 2020 in the total original principal amount of $100,000 incorporated by reference to Exhibit 4.7 to Form 10-K as filed by the Company with the Securities and Exchange Commission on 23 March 2021.
4.8	Common Stock Purchase Warrant issued in favor of Triton Funds LP on 11 December 2020 for the purchase of 100,000,000 shares of Common Stock at $0.01 per share, incorporated by reference to Exhibit 4.1 to Form 8-K as filed by the Company with the Securities and Exchange Commission on 17 December 2020.
10.1	Asset Purchase Agreement dated January 26, 2018 by and between Myriad Software Productions, LLC and Data443 Risk Management, Inc., incorporated by reference to Exhibit 10.1 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
10.2	Secured Promissory Note dated January 26, 2018 issued by Data443 Risk Management, Inc. in favor of Myriad Software Productions, LLC in the original principal amount of $250,000, incorporated by reference to Exhibit 10.2 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
10.3	Security Agreement dated January 26, 2018 executed by Data443 Risk Management, Inc. in favor of Myriad Software Productions, LLC, incorporated by reference to Exhibit 10.3 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
10.4	Share Exchange Agreement dated June 29 2018 by and between LandStar, Inc.; Data443 Risk Mitigation, Inc.; and, Jason Remillard, incorporated by reference to Exhibit 10.4 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
10.5	Asset Purchase Agreement dated October 22, 2018 by and between Data443 Risk Mitigation, Inc.; Modevity, LLC; and, Jim Coyne, incorporated by reference to Exhibit 10.5 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
10.6	Secured Promissory Note dated October 22, 2018 issued by Data443 Risk Management, Inc. in favor of Modevity, LLC in the original principal amount of $750,000, incorporated by reference to Exhibit 10.6 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
10.7	Security Agreement dated October 22, 2018 executed by Data443 Risk Management, Inc. in favor of Modevity, LLC, incorporated by reference to Exhibit 10.7 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
10.8	Debt Restructuring Agreement dated September 30, 2018 by and between LandStar, Inc. and Blue Citi LLC, incorporated by reference to Exhibit 10.8 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
10.9	Consolidated Note dated September 30, 2018 issued by LandStar, Inc. in favor of Blue Citi LLC Modevity, LLC in the original principal amount of $829,680, incorporated by reference to Exhibit 10.9 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
10.10	Form of Common Stock Purchase Agreement executed in connection with the issuance in December 2018 of 252,016,130 shares of the Company's common stock in exchange for $500,000, incorporated by reference to Exhibit 10.10 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.

10.11	Form of Common Stock Purchase Warrant issued in December 2018 in connection with the Common Stock Purchase Agreement and the issuance thereunder, for a total of 50,403,226 warrants, incorporated by reference to Exhibit 10.11 to Form 10 as filed by the Company with the Securities and Exchange Commission on 11 January 2019.
10.12	Form of Exclusive License and Management Agreement entered into with Wala, Inc. on 07 February 2019, incorporated by reference to Exhibit 10.1 to Form 8-K as filed by the Company with the Securities and Exchange Commission on 11 February 2019.
10.13	Form of Stock Purchase Rights Agreement entered into with Rory Welch on 07 February 2019, incorporated by reference to Exhibit 10.2 to Form 8-K as filed by the Company with the Securities and Exchange Commission on 11 February 2019.
10.14	Form of Business Covenants Agreement entered into with Wala, Inc. and Rory Welch on 07 February 2019, incorporated by reference to Exhibit 10.3 to Form 8-K as filed by the Company with the Securities and Exchange Commission on 11 February 2019.
10.15	Form of Securities Purchase Agreement executed in connection with the issuance on 15 April 2019 of the Company's convertible promissory note, incorporated by reference to Exhibit 10.1 to Form 8-K as filed by the Company with the Securities and Exchange Commission on 19 April 2019.
10.16	Form of Common Stock Purchase Agreement executed in connection with the issuance in February 2019, of 418,451,781 shares of the Company's common stock in exchange for $500,000, incorporated by reference to Exhibit 10.16 to Form 10-Q as filed by the Company with the Securities and Exchange Commission on 15 May 2019.
10.17	Form of Common Stock Purchase Warrant issued in February 2019, in connection with the Common Stock Purchase Agreement and the issuance thereunder, for a total of 218,413,977 warrants, incorporated by reference to Exhibit 10.17 to Form 10-Q as filed by the Company with the Securities and Exchange Commission on 15 May 2019.
10.18†	Employment Agreement, effective May 01, 2019, between the Company and Steven Dawson, incorporated by reference to Exhibit 10.18 to Form 10-Q as filed by the Company with the Securities and Exchange Commission on 15 May 2019.
10.19†	Advisory Board Agreement, effective July 28, 2020, between the Company and Omkharan Arasaratnam, incorporated by reference to Exhibit 10.19 to Form 10-Q as filed by the Company with the Securities and Exchange Commission on 06 August 2020.
10.20	Exchange Note for $325,000 issued on September 30, 2020 in favor of Blue Citi LLC, incorporated by reference to Exhibit 10.20 to Form 10-Q as filed by the Company with the Securities and Exchange Commission on 16 November 2020.
10.21	Share Settlement Agreement effective August 14, 2020, between the Company and Jason Remillard, incorporated by reference to Exhibit 10.20 to Form 10-Q as filed by the Company with the Securities and Exchange Commission on 16 November 2020.
10.22	Convertible Promissory Note issued the Company in favor of Blue Citi LLC on August 24, 2020 in the original principal amount of $300,000, incorporated by reference to Exhibit 10.20 to Form 10-Q as filed by the Company with the Securities and Exchange Commission on 16 November 2020.

10.23 Letter Agreement effective August 28, 2020, between the Company and Maxim Group, LLC, incorporated by reference to Exhibit 10.20 to Form 10-Q as filed by the Company with the Securities and Exchange Commission on 16 November 2020.

10.24 Settlement and Release Agreement dated November 17, 2020, by and between the Company and Smea2z LLC incorporated by reference to Exhibit 10.24 to Form 10-K as filed by the Company with the Securities and Exchange Commission on 23 March 2021.

10.25 Common Stock Purchase Agreement effective December 11, 2020, between the Company and Triton Funds LP, incorporated by reference to Exhibit 10.1 to Form 8-K as filed by the Company with the Securities and Exchange Commission on 17 December 2020.

10.26 Blue Citi Notes Settlement Agreement effective February 8, 2021, between the Company and Blue Citi LLC, incorporated by reference to Exhibit 10.26 to Form 10-K as filed by the Company with the Securities and Exchange Commission on 23 March 2021.

10.27 Securities Exchange Agreement effective February 12, 2021, between the Company and Geneva Roth Remark Holdings, Inc., incorporated by reference to Exhibit 10.27 to Form 10-K as filed by the Company with the Securities and Exchange Commission on 23 March 2021.

10.28 Asset Sale Agreement effective January 31, 2021, between the Company and the secured creditors of Wala, Inc., incorporated by reference to Exhibit 10.28 to Form 10-K as filed by the Company with the Securities and Exchange Commission on 23 March 2021.

10.29 Three Secured Promissory Notes, each effective January 31, 2021 and issued by the Company in favor of the secured creditors of Wala, Inc., incorporated by reference to Exhibit 10.29 to Form 10-K as filed by the Company with the Securities and Exchange Commission on 23 March 2021.

10.30 Security Agreement effective January 31, 2021, between the Company and the secured creditors of Wala, Inc., incorporated by reference to Exhibit 10.30 to Form 10-K as filed by the Company with the Securities and Exchange Commission on 23 March 2021.

21.1* List of Subsidiaries of the Company.

31.1* Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2* Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1* Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.

32.2* Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.

(*) Filed herewith.

(†) Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, our Company caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 14, 2021

DATA443 RISK MITIGATION, INC.

By: */s/ Jason Remillard*
Name: JASON REMILLARD
Title: Chief Executive Officer, (Principal Executive Officer)

EXHIBIT 21.1

LIST OF SUBSIDIARIES

Name of consolidated subsidiary or entity	State or other jurisdiction of incorporation or organization	Date of incorporation or formation (date of acquisition, if applicable)	Attributable Interest
Data443 Risk Mitigation, Inc.	North Carolina	07/12/2017	100%

EXHIBIT 31.1

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

I, JASON REMILLARD, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DATA443 RISK MITIGATION, INC. for the period ended March 31, 2021;

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.

Date: April 14, 2021	By:	*/s/ Jason Remillard*
	Name:	JASON REMILLARD
	Title:	Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.2

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

I, JASON REMILLARD, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DATA443 RISK MITIGATION, INC. for the period ended March 31, 2021;

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.

Date: April 14, 2021

By:	*/s/ Jason Remillard*
Name:	JASON REMILLARD
Title:	Chief Financial Officer (Principal Accounting Officer)

EXHIBIT 32.1

CERTIFICATION OF CEO
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

SECURITIES AND EXCHANGE COMMISSION
450 Fifth Street, N.W.
Washington, C.C. 20549

Ladies and Gentlemen:

The Certifications set forth below are being submitted in connection with the Quarterly Report on Form 10-Q (the "Report") of DATA443 RISK MITIGATION, INC. for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Jason Remillard, the Chief Executive Officer, of DATA443 RISK MITIGATION, INC., hereby certifies that to the best of his knowledge and in the respective capacities as an officer of DATA443 RISK MITIGATION, INC.:

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

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of DATA443 RISK MITIGATION, INC.

A signed original of this written statement required by Section 906 has been provided to our Company and will be retained by our Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: April 14, 2021	By:	*/s/ Jason Remillard*
	Name:	JASON REMILLARD
	Title:	Chief Executive Officer (Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION OF CFO
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

SECURITIES AND EXCHANGE COMMISSION
450 Fifth Street, N.W.
Washington, C.C. 20549

Ladies and Gentlemen:

The Certifications set forth below are being submitted in connection with the Quarterly Report on Form 10-Q (the "Report") of DATA443 RISK MITIGATION, INC. for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Jason Remillard, the Chief Financial Officer, of DATA443 RISK MITIGATION, INC., hereby certifies that to the best of his knowledge and in the respective capacities as an officer of DATA443 RISK MITIGATION, INC.:

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

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of DATA443 RISK MITIGATION, INC.

A signed original of this written statement required by Section 906 has been provided to our Company and will be retained by our Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: April 14, 2021	By:	*/s/ Jason Remillard*
	Name:	JASON REMILLARD
	Title:	Chief Financial Officer (Principal Accounting Officer)