

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

**FORM 10-Q**

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

For the quarterly period ended March 31, 2022

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-37464



**CENTREX, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

30-0399914  
(I.R.S. Employer  
Identification No.)

276 Greenpoint Ave, Suite 208, Brooklyn, NY  
(Address of principal executive offices)

11222  
(Zip Code)

631-756-9116  
(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock	CETX	Nasdaq Capital Market
Series 1 Preferred Stock	CETXP	Nasdaq Capital Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes     No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes     No

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

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes     No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

As of May 13, 2022, the issuer had 26,263,296 shares of common stock issued and outstanding.

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**Part I. Financial Information****Item 1. Financial Statements**

**Centrex, Inc. and Subsidiaries**  
**Condensed Consolidated Balance Sheets**

<b>Assets</b>	<b>(Unaudited)</b> <b>March 31,</b> <b>2022</b>	<b>September 30,</b> <b>2021</b>
Current assets		
Cash and equivalents	\$ 8,970,324	\$ 15,426,976
Restricted cash	1,659,905	1,759,347
Short-term investments	4,624,803	14,981
Trade receivables, net	6,005,568	7,810,896
Trade receivables - related party	1,472,514	1,487,155
Inventory –net of allowance for inventory obsolescence	7,066,654	5,657,287
Prepaid expenses and other assets	3,367,643	2,585,652
Total current assets	33,167,411	34,742,294
Property and equipment, net	6,560,246	6,738,944
Right-of-use assets	2,918,671	2,940,127
Goodwill	7,821,283	7,821,283
Other	1,280,386	697,240
<b>Total Assets</b>	<b>\$ 51,747,997</b>	<b>\$ 52,939,888</b>
<b>Liabilities &amp; Stockholders' Equity (Deficit)</b>		
Current liabilities		
Accounts payable	\$ 4,764,560	\$ 4,235,002
Short-term liabilities	15,720,515	9,977,972
Lease liabilities - short-term	905,041	830,791
Deposits from customers	184,134	536,220
Accrued expenses	1,309,514	1,621,053
Deferred revenue	2,543,822	2,004,170
Accrued income taxes	135,388	448,194
Total current liabilities	25,562,974	19,653,402
Long-term liabilities		
Loans payable to bank	203,547	767,279
Long-term lease liabilities	2,013,630	2,017,408
Notes payable	2,114,322	2,350,000

Mortgage payable	2,207,617	2,257,785
Other long-term liabilities	822,008	839,171
Paycheck Protection Program Loans	103,190	1,032,200
Deferred Revenue - long-term	582,022	467,967
Total long-term liabilities	<u>8,046,336</u>	<u>9,731,810</u>
Total liabilities	<u>33,609,310</u>	<u>29,385,212</u>
Commitments and contingencies	-	-
Shareholders' equity		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized, Series 1, 3,000,000 shares authorized, 1,979,753 shares issued and outstanding as of March 31, 2022 and 1,885,151 shares issued and outstanding as of September 30, 2021 (liquidation value of \$10 per share)	1,980	1,885
Series C, 100,000 shares authorized, 50,000 shares issued and outstanding at March 31, 2022 and September 30, 2021	50	50
Common stock, \$0.001 par value, 50,000,000 shares authorized, 24,673,210 shares issued and outstanding at March 31, 2022 and 20,782,194 shares issued and outstanding at September 30, 2021	24,673	20,782
Additional paid-in capital	65,779,736	61,727,834
Retained earnings (accumulated deficit)	(51,107,260)	(41,908,062)
Treasury stock at cost	(148,291)	(148,291)
Accumulated other comprehensive income (loss)	2,756,321	2,896,452
Total Centrex stockholders' equity	<u>17,307,209</u>	<u>22,590,650</u>
Non-controlling interest	831,478	964,026
<b>Total liabilities and shareholders' equity</b>	<b><u>\$ 51,747,997</u></b>	<b><u>\$ 52,939,888</u></b>

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

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**Centrex, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Operations and Comprehensive Income/(Loss)**  
**(Unaudited)**

	For the three months ended		For the six months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Revenues	12,728,215	9,260,385	23,400,704	18,096,461
Cost of revenues	8,675,604	5,331,501	15,478,899	10,162,107
Gross profit	<u>4,052,611</u>	<u>3,928,884</u>	<u>7,921,805</u>	<u>7,934,354</u>
Operating expenses				
General and administrative	6,757,233	5,249,985	13,369,237	10,667,181
Research and development	1,114,715	641,497	2,426,428	1,275,722
Total operating expenses	<u>7,871,948</u>	<u>5,891,482</u>	<u>15,795,665</u>	<u>11,942,903</u>
Operating income/(loss)	<u>(3,819,337)</u>	<u>(1,962,598)</u>	<u>(7,873,860)</u>	<u>(4,008,549)</u>
Other income/(expense)				
Other income/(expense)	334,931	1,679,944	1,265,100	2,630,932
Settlement Agreement - Related Party	-	3,674,165	-	3,674,165
Interest Expense	(1,317,517)	(849,076)	(2,722,986)	(1,458,017)
Total other income/(expense), net	<u>(982,586)</u>	<u>4,505,033</u>	<u>(1,457,886)</u>	<u>4,847,080</u>
Net loss before income taxes	<u>(4,801,923)</u>	<u>2,542,435</u>	<u>(9,331,746)</u>	<u>838,531</u>
Income tax benefit/(expense)	-	(98,477)	-	(127,431)
Net income/(loss)	<u>(4,801,923)</u>	<u>2,443,958</u>	<u>(9,331,746)</u>	<u>711,100</u>
Less loss in noncontrolling interest	<u>(80,676)</u>	<u>(10,174)</u>	<u>(132,548)</u>	<u>(50,421)</u>
Net income/(loss) attributable to Centrex, Inc. shareholders	<u>\$ (4,721,247)</u>	<u>\$ 2,454,132</u>	<u>\$ (9,199,198)</u>	<u>\$ 761,521</u>
Other comprehensive income/(loss)				
Net income/(loss)	\$ (4,801,923)	\$ 2,443,958	\$ (9,331,746)	\$ 711,100
Foreign currency translation loss	(199,623)	(97,423)	(140,131)	(40,325)
Defined benefit plan actuarial gain	-	87,895	-	87,895
Comprehensive income/(loss)	<u>(5,001,546)</u>	<u>2,434,430</u>	<u>(9,471,877)</u>	<u>758,670</u>
Less comprehensive loss attributable to noncontrolling interest	<u>80,676</u>	<u>10,174</u>	<u>132,548</u>	<u>50,421</u>
Comprehensive income/(loss) attributable to Centrex, Inc. shareholders	<u>\$ (5,082,222)</u>	<u>\$ 2,424,256</u>	<u>\$ (9,604,425)</u>	<u>\$ 708,249</u>
Income/(loss) Per Share-Basic	<u>\$ (0.20)</u>	<u>\$ 0.13</u>	<u>\$ (0.39)</u>	<u>\$ 0.04</u>
Income/(loss) Per Share-Diluted	<u>\$ (0.20)</u>	<u>\$ 0.13</u>	<u>\$ (0.39)</u>	<u>\$ 0.04</u>
Weighted Average Number of Shares-Basic	<u>24,088,940</u>	<u>18,558,843</u>	<u>23,588,004</u>	<u>18,195,510</u>
Weighted Average Number of Shares-Diluted	<u>24,088,940</u>	<u>18,663,770</u>	<u>23,588,004</u>	<u>18,203,374</u>

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

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**Centrex, Inc. and Subsidiaries**  
**Condensed Consolidated Statement of Stockholders' Equity**  
**(Unaudited)**

	Preferred Stock Series 1 Par Value \$0.001		Preferred Stock Series C Par Value \$0.001		Common Stock Par Value \$0.01		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock, At cost	Accumulated other Comprehensive Income(loss)	Centrex Stockholders' Equity	Non-controlling interest
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount						
<b>Balance at September 30, 2021</b>	<u>1,885,151</u>	<u>\$ 1,885</u>	<u>50,000</u>	<u>\$ 50</u>	<u>20,782,194</u>	<u>\$ 20,782</u>	<u>\$ 61,727,834</u>	<u>\$ (41,908,062)</u>	<u>\$ (148,291)</u>	<u>\$ 2,896,452</u>	<u>\$ 22,590,650</u>	<u>\$ 964,026</u>
Foreign currency translation gain/(loss)										59,492	59,492	
Share-based compensation							45,371				45,371	
Shares issued to pay notes payable					2,891,016	2,891	3,285,180				3,288,071	
Dividends paid in Series 1 preferred shares	94,602	95					(95)					
Income/(loss) attributable to noncontrolling interest												(51,872)
Net loss								(4,477,951)			(4,477,951)	
<b>Balance at December 31, 2021</b>	<u>1,979,753</u>	<u>\$ 1,980</u>	<u>50,000</u>	<u>\$ 50</u>	<u>23,673,210</u>	<u>\$ 23,673</u>	<u>\$ 65,058,290</u>	<u>\$ (46,386,013)</u>	<u>\$ (148,291)</u>	<u>\$ 2,955,944</u>	<u>\$ 21,505,633</u>	<u>\$ 912,154</u>
Foreign currency translation gain/(loss)										\$ (199,623)	(199,623)	
Share-based compensation							\$ 27,046				27,046	
Shares issued with note payable					1,000,000	\$ 1,000	\$ 694,400				695,400	
Income/(loss) attributable to noncontrolling interest												(80,676)
Net loss								(4,721,247)			(4,721,247)	
<b>Balance at March 31, 2022</b>	<u>1,979,753</u>	<u>\$ 1,980</u>	<u>50,000</u>	<u>\$ 50</u>	<u>24,673,210</u>	<u>\$ 24,673</u>	<u>\$ 65,779,736</u>	<u>\$ (51,107,260)</u>	<u>\$ (148,291)</u>	<u>\$ 2,756,321</u>	<u>\$ 17,307,209</u>	<u>\$ 831,478</u>

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

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**Centrex, Inc. and Subsidiaries**  
**Condensed Consolidated Statement of Stockholders' Equity (Continued)**  
**(Unaudited)**

	Preferred Stock Series 1 Par Value \$0.001		Preferred Stock Series A Par Value \$0.001		Preferred Stock Series C Par Value \$0.001		Common Stock Par Value \$0.01		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock, At cost	Accumulated other Comprehensive Income(loss)	Centrex Stockholders' Equity	Non-controlling interest
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount						
<b>Balance at September 30, 2020, as restated</b>	<u>2,156,784</u>	<u>\$ 2,157</u>	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>100,000</u>	<u>\$ 100</u>	<u>17,622,539</u>	<u>\$ 17,623</u>	<u>\$ 60,221,766</u>	<u>\$ (34,100,067)</u>	<u>\$ (148,291)</u>	<u>\$ 1,812,457</u>	<u>\$ 27,806,745</u>	<u>\$ 1,042,300</u>
Foreign currency translation gain/(loss)												37,864	37,864	
Share-based compensation								16,071					16,071	
Shares issued to pay notes payable							345,638	345	407,507				407,852	
Dividends paid in Series 1 preferred shares	108,169	108							(108)					
Income/(loss) attributable to noncontrolling interest														(40,247)
Net loss										(1,692,611)			(1,692,611)	
<b>Balance at December 31, 2020</b>	<u>2,264,953</u>	<u>\$ 2,265</u>	<u>1,000,000</u>	<u>\$ 1,000</u>	<u>100,000</u>	<u>\$ 100</u>	<u>17,968,177</u>	<u>\$ 17,968</u>	<u>\$ 60,645,236</u>	<u>\$ (35,792,678)</u>	<u>\$ (148,291)</u>	<u>\$ 1,850,321</u>	<u>\$ 26,575,921</u>	<u>\$ 1,002,053</u>
Foreign currency translation gain/(loss)												(97,423)	(97,423)	
Defined benefit plan actuarial gain/(loss)												87,895	87,895	
Share-based compensation								49,246					49,246	
Shares issued to pay notes payable							743,286	743	1,298,733				1,299,476	
Income in noncontrolling interest														(10,174)
Shares and options surrendered in settlement agreement	(469,949)	(470)	(1,000,000)	(1,000)	(50,000)	(50)			(3,672,645)				(3,674,165)	
Net income										2,454,132			2,454,132	
<b>Balance at March 31, 2021</b>	<u>1,795,004</u>	<u>\$ 1,795</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>\$ 50</u>	<u>18,711,463</u>	<u>\$ 18,711</u>	<u>\$ 58,320,570</u>	<u>\$ (33,338,546)</u>	<u>\$ (148,291)</u>	<u>\$ 1,840,793</u>	<u>\$ 26,695,082</u>	<u>\$ 991,879</u>

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

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**Condensed Consolidated Statements of Cash Flows**  
(Unaudited)

<b>Cash Flows from Operating Activities</b>	<b>For the six months ended</b>	
	<b>March 31,</b>	
	<b>2022</b>	<b>2021</b>
Net income/(loss)	\$ (9,331,746)	\$ 711,100
<b>Adjustments to reconcile net loss to net cash provided/(used) by operating activities:</b>		
Depreciation and amortization	862,683	680,004
Loss on disposal of property and equipment	30,558	9,219
Amortization of right-of-use assets	338,643	438,539
Change in allowance for doubtful accounts	(1,839)	(137,356)
Share-based compensation	72,417	65,318
Income tax expense/ (benefit)	-	127,431
Interest expense paid in equity shares	1,521,992	657,329
Accrued interest on notes payable	329,264	41,833
Amortization of original issue discounts on notes payable	583,333	475,000
Gain on marketable securities	(159,905)	(1,869,338)
Discharge of Paycheck Protection Program Loans	(971,500)	-
Settlement Agreement - Related Party	-	(3,674,165)
<b>Changes in operating assets and liabilities net of effects from acquisition of subsidiaries:</b>		
Accounts receivable	1,807,167	1,420,861
Accounts receivable - related party	14,641	(71,581)
Inventory	(1,409,367)	(565,002)
Prepaid expenses and other current assets	(781,991)	(631,714)
Other assets	(83,146)	169,346
Other liabilities	(17,163)	11,438
Accounts payable	529,558	(543,272)
Operating lease liabilities	(246,715)	(450,102)
Deposits from customers	(352,086)	66,808
Accrued expenses	(311,539)	161,820
Deferred revenue	653,707	138,595
Income taxes payable	(312,806)	(88,765)
<b>Net cash used by operating activities</b>	<b>(7,235,840)</b>	<b>(2,856,654)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(935,499)	(944,601)
Proceeds from sale of property and equipment	230,901	-
Investment in MasterpieceVR	(500,000)	(500,000)
Investment in related party	-	(900,000)
Proceeds from sale of marketable securities	176,945	7,080,375
Purchase of marketable securities	(4,626,862)	(4,845,903)
<b>Net cash used by investing activities</b>	<b>(5,654,515)</b>	<b>(110,129)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from notes payable	8,000,000	-
Payments on notes payable	(901,763)	(2,070,257)
Payments on bank loans	(613,900)	(655,276)
Proceeds from Paycheck Protection Program Loans	-	1,970,785
<b>Net cash provided/(used) by financing activities</b>	<b>6,484,337</b>	<b>(754,748)</b>
Effect of currency translation	(150,076)	(70,668)
Net decrease in cash, cash equivalents, and restricted cash	(6,406,018)	(3,721,531)
Cash, cash equivalents, and restricted cash at beginning of period	17,186,323	21,072,859
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 10,630,229</b>	<b>\$ 17,280,660</b>
<b>Balance Sheet Accounts Included in Cash, Cash Equivalents, and Restricted Cash</b>		
Cash and equivalents	\$ 8,970,324	\$ 15,573,734
Restricted cash	1,659,905	1,706,926
<b>Total cash, cash equivalents, and restricted cash</b>	<b>\$ 10,630,229</b>	<b>\$ 17,280,660</b>

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

**Centrex, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows (Continued)**  
(Unaudited)

<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the period for interest	\$ 288,397	\$ 283,855
Cash paid during the period for income taxes	\$ 312,806	\$ 88,765
<b>Supplemental Schedule of Non-Cash Investing and Financing Activities</b>		

Investment in Virtual Driver Interactive	\$	-	\$	439,774
Stock issued to pay notes payable	\$	3,288,071	\$	1,707,327
Shares issued in connection with note payable	\$	700,400	\$	-
Financing of right of use assets	\$	317,187	\$	-

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

**Centrex Inc. and Subsidiaries**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

NOTE 1 – ORGANIZATION AND PLAN OF OPERATIONS

Centrex was incorporated in 1998, in the state of Delaware and has evolved through strategic acquisitions and internal growth into a leading multi-industry technology company. The Company has expanded in a wide range of sectors, including smart technologies, virtual and augmented realities, industrial solutions, and intelligent security systems. Unless the context requires otherwise, all references to “we”, “our”, “us”, “Company”, “registrant”, “Centrex” or “management” refer to Centrex, Inc. and its subsidiaries.

The Company has two business segments, consisting of (i) Advanced Technologies (AT) and (ii) Industrial Services (IS).

*Advanced Technologies (AT)*

Centrex’s Advanced Technologies segment operates several brands that deliver cutting-edge software and hardware technologies:

- **Vicon Industries** – Vicon Industries, a majority owned subsidiary, provides end-to-end video security solutions to meet the toughest corporate, industrial and governmental security challenges. Vicon’s products include browser-based video monitoring systems and analytics-based recognition systems, cameras, servers, and access control systems for every aspect of security and surveillance in industrial and commercial facilities, federal prisons, hospitals, universities, schools, and federal and state government offices. Vicon provides cutting edge, mission critical security and video surveillance solutions utilizing Artificial Intelligence (AI) based data algorithms.
- **SmartDesk** – SmartDesk is focused on reinventing the workspace through developing state-of-the-art, modern, fully integrated, workplace solutions.
- **Centrex XR (“CXR”)** – CXR is focused on realizing the potential of the metaverse. CXR delivers Virtual Reality (VR) and Augmented Reality (AR) solutions that provide higher productivity, progressive design and impactful experiences for consumer products, and various commercial and industrial applications. The Company is in the process of developing virtual reality applications for commercialization in the metaverse over the next couple years. CXR also invests in emerging startups focused on building best in class solutions for the metaverse.
- **Virtual Driver Interactive (“VDI”)** – VDI provides innovative driver training simulation solutions for effective and engaging learning for all ages and skills.
- **Bravo Strong** – Bravo Strong is a gaming and content studio working to building games and experiences for the metaverse.
- **good tech (formerly Centrex Labs)** – good tech provides mobile, web, and enterprise software application development services for startups to large enterprises.

*Industrial Services (IS)*

Centrex’s IS segment operates through a brand, Advanced Industrial Services (“AIS”), that offers single-source expertise and services for rigging, millwrighting, in plant maintenance, equipment erection, relocation, and disassembly to diversified customers. We install high precision equipment in a wide variety of industrial markets like automotive, printing & graphics, industrial automation, packaging, and chemicals among others. We are a leading provider of reliability-driven maintenance and contracting solutions for the machinery, packaging, printing, chemical, and other manufacturing markets. The focus is on customers seeking to achieve greater asset utilization and reliability to cut costs and increase production from existing assets, including small projects, sustaining capital, turnarounds, maintenance, specialty welding services, and high-quality scaffolding.

*Acquisition of Virtual Driver Interactive*

On October 26, 2020, the company acquired Virtual Driver Interactive (“VDI”), a California based provider of innovative driver training simulation solutions for a purchase price of \$1,339,774 plus contingent consideration of \$175,428.

For over 10 years, VDI has been known for its effective and engaging driver training systems, designed for users of all ages and skill levels. The Company offers comprehensive training for new teen and novice drivers, along with advanced training for corporate fleets and truck drivers. VDI’s wide range of training courses and system options provide customers with highly portable, affordable and effective solutions, all while focusing on the dangers of distracted driving. Results for VDI will be reported under the AT segment.

The Company paid \$900,000 in cash and issued a note payable in the amount of \$439,774. This note carries interest of 5% and is payable in two installments of \$239,774 plus accumulated interest on October 26, 2021, and \$200,000 plus accumulated interest on October 26, 2022. Additionally, the Company paid contingent consideration of \$175,428 in May 2021. There is no further contingent consideration specified in the purchase agreement. The Company has accounted for this acquisition as a business combination and has allocated the purchase price as follows, \$876,820 to proprietary software, \$39,992 to inventory, and \$598,391 to goodwill.

*Strategic Investment*

On November 13, 2020, Centrex made a \$500,000 investment and on January 19, 2022 made an additional \$500,000 investment via a simple agreement for future equity (“SAFE”) in MasterpieceVR. The SAFE provides that the Company will automatically receive shares of the entity based on the conversion rate of future equity rounds up to a valuation cap, as defined. MasterpieceVR is a software company that is developing software for content creation using virtual reality. The investment is included in other assets in the accompanying balance sheet and the Company accounts for this investment and recorded at cost. No impairment has been recorded for the period ended March 31, 2022.

*Potential Impacts of COVID-19 on our Business*

The current COVID-19 pandemic has impacted our business operations and the results of our operations in the last fiscal year, primarily with delays in expected orders by many customers and new product development, including newer versions of surveillance software since our technical facility in Pune, India has been under lock down on multiple occasions. Overall bookings level in the IS segment of our business were down by more than 20%, however our AT segment had experienced relatively less slow down. Bookings and revenue are starting to show signs of recovery in this fiscal quarter compared to the same period last year. However, due to delays in certain supply chain

areas, the expected launch times of our new products and new versions has resulted in delays of several months. Additionally, increased prices and the need to increase wages to retain talent may cause our gross margin percentages to shrink and our operational costs to rise.

The broader implications of COVID-19 on our results from operations going forward remains uncertain. The COVID-19 pandemic and the resulting supply chain issues and inflation has the potential to cause adverse effects to our customers, suppliers or business partners in locations that have or will experience more pronounced disruptions, which could result in a reduction to future revenue and manufacturing output as well as delays in our new product development activities. However, opportunities in the video surveillance field have been growing for Vicon products.

The extent of the pandemic's effect on our operational and financial performance will depend in large part on future developments, which cannot be reasonably estimated at this time. Future developments include the duration, scope and severity of the pandemic, the emergence of new virus variants that are more contagious or harmful than prior variants, the actions taken to contain or mitigate its impact both within and outside the jurisdictions where we operate, the impact on governmental programs and budgets, the development of treatments or vaccines, and the resumption of widespread economic activity. Due to the inherent uncertainty of the unprecedented and rapidly evolving situation, we are unable to predict with any confidence the likely impact of the COVID-19 pandemic on our future operations.

NOTE 2 – INTERIM STATEMENT PRESENTATION

**Basis of Presentation and Use of Estimates**

The accompanying unaudited condensed consolidated financial information should be read in conjunction with the audited consolidated financial statements and the notes thereto included in the Annual Report on Form 10-K for the year ended September 30, 2021, of Cemtrex Inc.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X pursuant to the requirements of the U.S. Securities and Exchange Commission ("SEC"). Accordingly, they 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 (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The results of operations for the interim periods are not necessarily indicative of the results of operations for the entire year.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the condensed consolidated financial statements, the disclosure of contingent assets and liabilities in the condensed consolidated financial statements and the accompanying notes, and the reported amounts of revenues, expenses and cash flows during the periods presented. Actual amounts and results could differ from those estimates. The estimates and assumptions the Company makes are based on historical factors, current circumstances and the experience and judgment of the Company's management. The Company evaluates its estimates and assumptions on an ongoing basis.

The condensed consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, Cemtrex Advanced Technologies Inc., Cemtrex Technologies Pvt. Ltd., Cemtrex XR Inc., and Advanced Industrial Services, Inc. and the Company's majority owned subsidiary Vicon Industries, Inc. and its subsidiary, Vicon Industries Ltd. All inter-company balances and transactions have been eliminated in consolidation.

**Accounting Pronouncements**

Significant Accounting Policies

Note 2 of the Notes to Consolidated Financial Statements, included in the annual report on Form 10-K for the year ended September 30, 2021, includes a summary of the significant accounting policies used in the preparation of the consolidated financial statements.

Recently Issued Accounting Standards

ASU 2016-13 Measurement of Credit Losses on Financial Instrument is effective for fiscal years beginning after December 15, 2022. This is not expected to apply to the Company as financial instruments giving rise to credit risk are not utilized by the Company.

In May 2021, the FASB issued ASU 2021-04, Earnings Per Share (Topic 260), Debt-Modifications and Extinguishments (Subtopic 470-50), Compensation-Stock Compensation (Topic 718), and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40). The new ASU addresses issuer's accounting for certain modifications or exchanges of freestanding equity-classified written call options. This amendment is effective for all entities, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact this new guidance will have on its financial statements.

The Company does not believe that any other recently issued but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

NOTE 3 – LOSS PER COMMON SHARE

Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income per common share is computed by dividing net income by the weighted average number of shares of common stock and potentially dilutive outstanding shares of common stock during the period to reflect the potential dilution that could occur from common shares issuable through contingent share arrangements, stock options and warrants. For the three and six months ended March 31, 2022, and 2021, the following items were excluded from the computation of diluted net loss per common share as their effect is anti-dilutive:

	For the three months ended		For the six months ended	
	March 31,		March 31,	
	2022	2021	2022	2021
Warrants to purchase shares	-	433,965	-	433,965
Options	800,000	880,049	800,000	944,757

NOTE 4 – SEGMENT INFORMATION

The Company reports and evaluates financial information for two segments: Advanced Technologies (AT) segment, and the Industrial Services (IS) segment. The AT segment develops smart devices and provides progressive design and development solutions to create impactful experiences for mobile, web, virtual and augmented reality,



wearables and television as well as providing cutting edge, mission critical security and video surveillance. The IS segment offers single-source expertise and services for rigging, millwrighting, in plant maintenance, equipment erection, relocation, and disassembly to diversified customers in USA in industries such as: manufacturing, steel, printing, construction, & petrochemical.

The following tables summarize the Company's segment information:

	For the three months ended		For the six months ended	
	March 31,		March 31,	
	2022	2021	2022	2021
Revenues from external customers				
Advanced Technologies	\$ 7,722,307	\$ 5,487,414	\$ 13,340,824	\$ 10,160,283
Industrial Services	\$ 5,005,908	\$ 3,772,971	\$ 10,059,880	\$ 7,936,178
Total revenues	\$ 12,728,215	\$ 9,260,385	\$ 23,400,704	\$ 18,096,461
Gross profit				
Advanced Technologies	\$ 2,586,593	\$ 2,646,926	\$ 5,025,602	\$ 4,993,198
Industrial Services	\$ 1,466,018	\$ 1,281,958	\$ 2,896,203	\$ 2,941,156
Total gross profit	\$ 4,052,611	\$ 3,928,884	\$ 7,921,805	\$ 7,934,354
Operating income/(loss)				
Advanced Technologies	\$ (4,810,095)	\$ (1,693,377)	\$ (9,826,559)	\$ (3,535,723)
Industrial Services	\$ 990,758	\$ (269,221)	\$ 1,952,699	\$ (472,826)
Total operating loss	\$ (3,819,337)	\$ (1,962,598)	\$ (7,873,860)	\$ (4,008,549)
Other income/(expense)				
Advanced Technologies	\$ (963,668)	\$ 3,769,515	\$ (1,387,920)	\$ 4,136,750
Industrial Services	\$ (18,918)	\$ 735,518	\$ (69,966)	\$ 710,330
Total other expense	\$ (982,586)	\$ 4,505,033	\$ (1,457,886)	\$ 4,847,080
Depreciation and Amortization				
Advanced Technologies	\$ 423,360	\$ 89,746	\$ 506,970	\$ 205,578
Industrial Services	\$ 176,490	\$ 229,680	\$ 355,713	\$ 474,426
Total depreciation and amortization	\$ 599,850	\$ 319,426	\$ 862,683	\$ 680,004

	March 31,	September 30,
	2022	2021
Identifiable Assets		
Advanced Technologies	\$ 33,772,905	\$ 33,850,496
Industrial Services	\$ 17,975,092	\$ 19,089,392
Total Assets	\$ 51,747,997	\$ 52,939,888

#### NOTE 5 – FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level hierarchy is applied to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the guidance for fair value measurements are described below:

Level 1 — Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Our Level 1 assets include cash equivalents, banker's acceptances, trading securities investments and investment funds. We measure trading securities investments and investment funds at quoted market prices as they are traded in an active market with sufficient volume and frequency of transactions.

Level 2 — Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified contractual term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Level 3 inputs are unobservable inputs for the asset or liability in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include cost method investments. Quantitative information for Level 3 assets and liabilities reviewed at each reporting period includes indicators of significant deterioration in the earnings performance, credit rating, asset quality, business prospects of the investee, and financial indicators of the investee's ability to continue as a going concern.

The Company's fair value assets at March 31, 2022 and September 30, 2021, are as follows.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of March 31, 2022
<b>Assets</b>				
Investment in marketable securities (included in short-term investments)	\$ 4,624,803	\$ -	\$ -	\$ 4,624,803
	\$ 4,624,803	\$ -	\$ -	\$ 4,624,803

Quoted Prices in Active Markets for	Significant Other Observable	Significant Unobservable	Balance as of
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	Identical Assets (Level 1)	Inputs (Level 2)	Inputs (Level 3)	September, 30 2021
<b>Assets</b>				
Investment in marketable securities (included in short-term investments)	\$ 14,981	\$ -	\$ -	\$ 14,981
	<u>\$ 14,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,981</u>

#### NOTE 6 – RESTRICTED CASH

A subsidiary of the Company participates in a consortium in order to self-insure group care coverage for its employees. The plan is administrated by Benecon Group and the Company makes monthly deposits in a trust account to cover medical claims and any administrative costs associated with the plan. These funds, as required by the plan are restricted in nature and amounted to \$1,502,490 at March 31, 2022 and \$1,601,932 at September 30, 2021. Additionally, the Company has a standby letter of credit for deposit on a building lease and payable against a money market account. The amount of the standby letter of credit is \$157,415 as of March 31, 2022 and September 30, 2021.

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#### NOTE 7 – ACCOUNTS RECEIVABLE, NET

Accounts receivables, net consist of the following:

	March 31, 2022	September 30, 2021
Accounts receivable	\$ 6,182,721	\$ 7,989,888
Allowance for doubtful accounts	(177,153)	(178,992)
	<u>\$ 6,005,568</u>	<u>\$ 7,810,896</u>

Accounts receivable include amounts due for shipped products and services rendered.

Allowance for doubtful accounts include estimated losses resulting from the inability of our customers to make required payments.

#### NOTE 8 – INVENTORY, NET

Inventory, net, consist of the following:

	March 31, 2022	September 30, 2021
Raw materials	\$ 2,414,149	\$ 1,957,410
Work in progress	830,950	429,871
Finished goods	5,638,355	5,191,007
	8,883,454	7,578,288
Less: Allowance for inventory obsolescence	(1,816,800)	(1,921,001)
Inventory –net of allowance for inventory obsolescence	<u>\$ 7,066,654</u>	<u>\$ 5,657,287</u>

#### NOTE 9 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	March 31, 2022	September 30, 2021
Land	\$ 790,373	\$ 790,373
Building and leasehold improvements	2,930,735	2,892,900
Furniture and office equipment	534,185	501,885
Computers and software	1,313,816	1,105,681
Machinery and equipment	12,865,786	12,984,959
	18,434,895	18,275,798
Less: Accumulated depreciation	(11,874,649)	(11,536,854)
Property and equipment, net	<u>\$ 6,560,246</u>	<u>\$ 6,738,944</u>

Depreciation expense for the three months ended March 31, 2022, and 2021 were \$99,850, \$319,426, respectively, and for the six months ended March 31, 2022, and 2021 were \$862,683, \$680,004, respectively.

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#### NOTE 10 – LEASES

ASC 842, “Leases”, requires that a lessee recognize the assets and liabilities that arise from operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at either the effective date (the “effective date method”) or the beginning of the earliest period presented (the “comparative method”) using a modified retrospective approach. Under the effective date method, the Company’s comparative period reporting is unchanged. In contrast, under the comparative method, the Company’s date of initial application is the beginning of the earliest comparative period presented, and the Topic 842 transition guidance is then applied to all comparative periods presented. Further, under either transition method, the standard includes certain practical expedients intended to ease the burden of adoption. The Company adopted ASC 842 October 1, 2019, using the effective date method and elected certain practical expedients allowing the Company not to reassess:

- whether expired or existing contracts contain leases under the new definition of a lease;
- lease classification for expired or existing leases; and
- whether previously capitalized initial direct costs would qualify for capitalization under Topic 842.

The Company also made the accounting policy decision not to recognize lease assets and liabilities for leases with a term of 12 months or less

The Company entered into a financing lease for a single vehicle in the Industrial services segment with a term of 3 years. The Company entered into operating leases for its facilities in New York, United Kingdom, and India, as well as for vehicles for use in our Industrial Services segment. The operating lease terms range from 2 to 7 years. The Company excluded the renewal option on its applicable facility leases from the calculation of its right-of-use assets and lease liabilities.

Finance and operating lease liabilities consist of the following:

	March 31, 2021	September 30, 2021
Lease liabilities - current		
Finance leases	\$ -	\$ -
Operating leases	905,041	830,791
	<u>905,041</u>	<u>830,791</u>
Lease liabilities - net of current portion		
Finance leases	\$ -	\$ -
Operating leases	2,013,630	2,017,408
	<u>\$ 2,013,630</u>	<u>\$ 2,017,408</u>

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A reconciliation of undiscounted cash flows to finance and operating lease liabilities recognized in the condensed consolidated balance sheet at March 31, 2022, is set forth below:

Years ending September 30,	Finance leases	Operating Leases	Total
2022	-	604,963	604,963
2023	-	784,504	784,504
2024	-	660,865	660,865
2025	-	638,531	638,531
2026 & Thereafter	-	702,252	702,252
Undiscounted lease payments	-	3,391,115	3,391,115
Amount representing interest	-	(472,444)	(472,444)
Discounted lease payments	<u>\$ -</u>	<u>\$ 2,918,671</u>	<u>\$ 2,918,671</u>

Additional disclosures of lease data are set forth below:

	Six months ended	
	March 31, 2022	March 31, 2021
Lease costs:		
Finance lease costs:		
Depreciation of finance lease assets	\$ -	\$ 5,728
Interest on lease liabilities	-	27
Operating lease costs:		
Amortization of right-of-use assets	338,643	186,777
Interest on lease liabilities	30,720	16,636
Total lease cost	<u>\$ 369,363</u>	<u>\$ 209,168</u>
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating leases	\$ 246,715	\$ 178,228
Finance leases	-	14,306
	<u>\$ 246,715</u>	<u>\$ 192,534</u>
Weighted-average remaining lease term - finance leases (months)	0	7
Weighted-average remaining lease term - operating leases (months)	36	48
Weighted-average discount rate - finance leases	N/A	3.63%
Weighted-average discount rate - operating leases	5.66%	6.64%

The Company used the rate implicit in the lease, where known, or its incremental borrowing rate as the rate used to discount the future lease payments.

#### NOTE 11 – PREPAID AND OTHER CURRENT ASSETS

On March 31, 2022, the Company had prepaid and other current assets consisting of prepayments on inventory purchases of \$630,165, costs and estimated earnings in excess of billings on uncompleted contracts of \$1,102,347, and other current assets of \$1,635,131. On September 30, 2021, the Company had prepaid and other current assets consisting of prepayments on inventory purchases of \$298,707, costs and estimated earnings in excess of billings on uncompleted contracts of \$1,148,243, and other current assets of \$1,138,702.

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#### NOTE 12 – OTHER ASSETS

As of March 31, 2022, the Company had other assets of \$1,280,386 which was comprised of rent security of \$90,791, a strategic investment in MasterpieceVR of \$1,000,000, and other assets of \$189,585. As of September 30, 2021, the Company had other assets of \$697,240 which was comprised of rent security deposits of \$84,362, Investment in Masterpiece VR valued at \$500,000, and other assets of \$112,878.

#### NOTE 13 – RELATED PARTY TRANSACTIONS

On August 31, 2019, the Company entered into an Asset Purchase Agreement for the sale of Griffin Filters, LLC to Ducon Technologies, Inc., which Aron Govil, the Company's Founder and former CFO, is President, for total consideration of \$550,000. As of March 31, 2022, and September 30, 2021, there was \$1,472,514 and \$1,487,155 in receivables due from Ducon Technologies, Inc., respectively. At March 31, 2022, \$500,000 of the balance due is for the sale of Griffin, which was due in February 2021, and the remaining balance are various receivables with various due dates within the next fiscal year. The Company is currently negotiating a payment agreement surrounding all these amounts due.

On February 23, 2021, Cemtrex's Board of Directors determined that certain transactions between Cemtrex Inc. and First Commercial, a company owned by former Executive Director, former Controlling Shareholder and former CFO, Aron Govil, were incorrectly handled and accounted for.

The total amount of disputed transfers was approximately \$7,100,000 and occurred in fiscal year 2017 in the amount of \$5,600,000 and in fiscal year 2018 in the amount of \$1,500,000. Cemtrex did not find any other such transfers during this period or thereafter, upon further review of the Company's records.

Upon the Company's investigation into this matter, the Company has determined that there were inaccuracies in the Company's financial statements. The financials for the periods 2017 and 2018 were incorrect corresponding to the amounts that were incorrectly accounted for, and subsequent years were affected by the roll forward effects of these entries. The Company found unsupported advertising expenses in the amount of approximately \$400,000 on Cemtrex Inc's income statement for fiscal year 2018 and found that approximately \$5,700,000 of intangible assets and \$975,000 of research and development expenses, as translated from Indian Rupee at the time, were recorded on Cemtrex India's financial statements in fiscal year 2018 and could not be substantiated. The total amount of unsubstantiated transfers recorded by Cemtrex India, and the unsupported advertising expense recorded by Cemtrex, Inc. sums to \$7,100,000, corresponding with the total amount in question regarding First Commercial transfers during fiscal years 2017 and 2018

On February 26, 2021, the Company entered into a Settlement Agreement and Release with Aron Govil regarding these transactions.

As part of the Settlement Agreement, Mr. Govil was required to pay the Company consideration with a total value of \$7,100,000 (the "Settlement Amount") by entering into the Agreement. The Settlement Amount was satisfied in a combination of Mr. Govil forfeiting certain Preferred Stock and outstanding options and executing a secured note in the amount of \$1,533,280. The Independent Board of Directors in coordination with Management concluded the settlement represented fair value.

In March 2021, Mr. Govil returned to the Company 1,000,000 shares of Series A Preferred Stock, 50,000 Shares of Series C Preferred Stock, 469,949 shares of Series 1 Preferred Stock, and forfeited all outstanding options to purchase shares of commons stock (collectively, the "Securities"). For the purposes of accounting recognition, the Company determined the fair value of the Series A, Series C, and Series 1 Preferred stock based on the closing trading value of the Series 1 Preferred Stock on the date of the agreement. The options surrendered were valued using the Black-Scholes option pricing model.

The Company recognized the gain with respect to the surrendered Securities during the second quarter of fiscal year 2021. The gain of \$,674,165 is reported as Settlement Agreement – Related Party on the Company's Condensed Consolidated Statements of Operations and Comprehensive Income/(Loss).

As discussed above, Mr. Govil also executed a secured promissory note (the "Note") in the amount of \$,533,280. The Note matures and is due in full into two years and bears interest at 9% per annum and is secured by all of Mr. Govil's assets. Mr. Govil also agreed to sign an affidavit confessing judgment in the event of a default on the Note. While the Company believes the note is fully collectible, in accordance with ASC 450-30, Gain Contingencies, the Company determined the gain will not be recognized until the note is paid. Accordingly, the note and associated gain is not presented on the Company's Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Operations and Comprehensive Income/(Loss).

#### NOTE 14 – LINES OF CREDIT AND LONG-TERM LIABILITIES

##### *Lines of credit*

The Company currently has a line of credit with Fulton Bank for \$3,500,000. The line carries an interest of LIBOR plus 2.00% per annum (2.783% as of March 31, 2022 and 2.075% as of September 30, 2021). At March 31, 2022 and September 30, 2021, there was no outstanding balance on this line of credit. The terms of this line of credit are subject to the bank's review annually on February 1.

##### *Loans payable to bank*

On December 15, 2015, the Company acquired a loan from Fulton Bank in the amount of \$,250,000 in order to fund the purchase of Advanced Industrial Services, Inc. \$5,000,000 of the proceeds went to direct purchase of AIS. This loan carries interest of LIBOR plus 2.25% per annum (3.033% as of March 31, 2022 and 2.325% as of September 30, 2021) and is payable on December 15, 2022. This loan carries loan covenants which the Company was in compliance with as of March 31, 2022. The outstanding balance on this loan was \$735,494 and \$1,218,680, on March 31, 2022, and September 30, 2021, respectively. This loan is secured by the assets of the Company.

On May 1, 2018, the Company acquired a loan from Fulton Bank in the amount of \$400,000 in order to fund new equipment for Advanced Industrial Services, Inc. This loan carries interest of LIBOR plus 2.00% per annum (2.783% as of March 31, 2022 and 2.075% as of September 30, 2021) and is payable on May 1, 2023. This loan carries loan covenants which the Company was in compliance with as of March 31, 2022. The outstanding balance on this loan was \$106,799 and \$149,914, on March 31, 2022, and September 30, 2021, respectively. This loan is secured by the assets of the Company

On January 28, 2020, the Company acquired a loan from Fulton Bank in the amount of \$60,000 in order to fund new equipment for Advanced Industrial Services, Inc. This loan carries interest of LIBOR plus 2.25% per annum (3.033% as of March 31, 2022 and 2.325% as of September 30, 2021) and is payable on May 1, 2023. This loan carries loan covenants which the Company was in compliance with as of March 31, 2022. The outstanding balance on this loan was \$220,630 and \$258,060, on March 31, 2022, and September 30, 2021, respectively. This loan is secured by the assets of the Company

##### *Notes payable*

On September 30, 2020, the Company, issued a note payable to an independent private lender in the amount of \$,605,000. This note carried interest of 8% and matured on March 30, 2022. After deduction of an original issue discount of \$600,000 and legal fees of \$5,000, the Company received \$4,000,000 in cash. As of March 31, 2022, and September 30, 2021, this note had a balance of \$0 and \$2,256,448, respectively. As of March 31, 2022, and September 31, 2021, this note had unamortized original issue discount balance of \$0 and \$200,000, respectively

On September 30, 2021, the Company, issued a note payable to an independent private lender in the amount of \$,755,000. This note carries interest of 8% and matures on March 30, 2023. After deduction of an original issue discount of \$750,000 and legal fees of \$5,000, the Company received \$5,000,000 in cash. As of March 31,

2022, and September 30, 2021, this note had a balance of \$5,992,502 and \$5,005,000, respectively. As of March 31, 2022, and September 31, 2021, this note had unamortized original issue discount balance of \$500,000 and \$750,000, respectively.

On February 22, 2022, the Company, issued a note payable to an independent private lender in the amount of \$9,205,000. This note carries interest of 8% and matures on August 22, 2023. After deduction of an original issue discount of \$1,200,000 and legal fees of \$5,000, the Company received \$8,000,000 in cash. Additionally, the Company issued 1,000,000 shares of its common stock to the lender. The fair market value of the stock of \$700,400 was recognized as interest expense on the Company's Condensed Consolidated Statement of Operations and Comprehensive Income/(Loss). As of March 31, 2022, this note had a balance of \$9,280,989. As of March 31, 2022, this note had unamortized original issue discount balance of \$1,066,667.

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On March 30, 2022, Vicon, a subsidiary of the Company, amended the \$5,600,000 Term Loan Agreement with NIL Funding Corporation ("NIL"). Upon closing, \$500,000 of outstanding borrowings were repaid to NIL. The Agreement requires monthly payments of accrued interest that began on October 1, 2018. This note carries interest of 8.85% and matures on March 30, 2023. This note carries loan covenants which the Company is in compliance with as of March 31, 2022. As of March 31, 2022, and September 30, 2021, this note had a balance of \$2,954,743 and \$3,604,743, respectively.

#### *Mortgage Payable*

On January 28, 2020, the Company's subsidiary, Advanced Industrial Services, Inc., completed the purchase of two buildings for a total purchase price of \$3,381,433. The Company paid \$905,433 in cash and acquired a mortgage from Fulton Bank in the amount of \$2,476,000. This mortgage carries interest of LIBOR plus 2.50% per annum (3.283% as of March 31, 2022 and 2.575% as of September 30, 2021) and is payable on January 28, 2040. This loan carries loan covenants similar to covenants on the Company's other loans from Fulton Bank. As of March 31, 2022, the Company was in compliance with these covenants. As of March 31, 2022, and September 30, 2021, this mortgage had a balance of \$2,228,945 and \$2,339,114, respectively.

#### *Paycheck Protection Program Loans*

In April and May of 2020, and January and April of 2021, the Company and its subsidiaries applied for and were granted \$6,413,385 in Paycheck Protection Program loans under the CARES Act. These loans bear interest of 2% and mature in two years. The Company has applied for and received loan forgiveness under the provisions of the CARES Act for \$6,291,985. The remaining loan of \$121,400 has been modified with a maturity date of May 5, 2025 and payments starting in June of 2022 and is recorded under Paycheck Protection Program Loans on our Condensed Consolidated Balance Sheet as of March 31, 2022, net of the short-term portion of \$18,210. The issuing bank determined that this loan qualifies for loan forgiveness, however the Company is awaiting final approval from the Small Business Administration.

#### NOTE 15 – STOCKHOLDERS' EQUITY

##### *Preferred Stock*

The Company is authorized to issue 10,000,000 shares of Preferred Stock, \$0.001 par value. As of March 31, 2022, and September 30, 2021, there were 2,029,753 and 1,935,151 shares issued and outstanding, respectively.

##### Series 1 Preferred Stock

During the six months ended March 31, 2022, 94,602 shares of Series 1 Preferred Stock were issued to pay dividends to holders of Series 1 Preferred Stock.

As of March 31, 2022, and September 30, 2021, there were 1,979,753 and 1,885,151 shares of Series 1 Preferred Stock issued and outstanding, respectively.

##### Series C Preferred Stock

On October 3, 2019, pursuant to Article IV of our Articles of Incorporation, our Board of Directors voted to designate a class of preferred stock entitled Series C Preferred Stock, consisting of up to one hundred thousand (100,000) shares, par value \$0.001. Under the Certificate of Designation, holders of Series C Preferred Stock are entitled to the number of votes equal to the result of (i) the total number of shares of Common Stock outstanding at the time of such vote multiplied by 10.01, and divided by (ii) the total number of shares of Series C Preferred Stock outstanding at the time of such vote, at each meeting of our shareholders with respect to any and all matters presented to our shareholders for their action or consideration, including the election of directors.

As of March 31, 2022, and September 30, 2021, there were 50,000 shares of Series C Preferred Stock issued and outstanding.

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##### *Common Stock*

The Company is authorized to issue 50,000,000 shares of common stock, \$0.001 par value. As of March 31, 2022, there were 24,673,210 shares issued and outstanding and at September 30, 2021, there were 20,782,194 shares issued and outstanding.

During the six months ended March 31, 2022, 2,891,016 shares of the Company's common stock have been issued to satisfy \$2,112,500 of notes payable, \$353,978 in accrued interest, and \$821,593 of excess value of shares issued recorded as interest expense. An additional 1,000,000 shares were issued in connection with a note payable issued on February 22, 2022.

#### NOTE 16 – SHARE-BASED COMPENSATION

For the six months ended March 31, 2022, and 2021, the Company recognized \$72,417 and \$65,317 of share-based compensation expense on its outstanding options, respectively. As of March 31, 2022, \$174,318 of unrecognized share-based compensation expense is expected to be recognized over a period of four years. Future compensation amounts will be adjusted for any change in estimated forfeitures.

#### NOTE 17 – COMMITMENTS AND CONTINGENCIES

The Company has its corporate headquarters in New York City with a 12-month lease of 2,500 square feet of office space at a rate of \$10,000 per month.

The Company's IS segment owns approximately 25,000 square feet of warehouse space in Manchester, PA and approximately 43,000 square feet of office and warehouse space in York, PA. The IS segment also leases approximately 15,500 square feet of warehouse space in Emigsville, PA from a third party in a three-year lease at a monthly rent of \$4,555 expiring on August 31, 2022.

The Company's AT segment leases (i) approximately 6,700 square feet of office and warehouse space in Pune, India from a third party in a five year lease at a

monthly rent of \$6,453 (INR456,972) expiring on February 28, 2024, (ii) approximately 30,000 square feet of office and warehouse space in Hauppauge, New York from a third party in a seven-year lease at a monthly rent of \$28,719 expiring on March 31, 2027, and (iii) approximately 9,400 square feet of office and warehouse space in Hampshire, England in a fifteen-year lease with at a monthly rent of \$7,329 (£5,771) which expires on March 24, 2031 and contains provisions to terminate in 2026.

## NOTE 18 – SUBSEQUENT EVENTS

Cemtrex has evaluated subsequent events up to the date the condensed consolidated financial statements were issued. Cemtrex concluded that the following subsequent events have occurred and require recognition or disclosure in the condensed consolidated financial statements.

In April and May of 2022, the Company issued an aggregate of 1,590,086 shares of common stock to settle \$600,000 of notes payable, and \$105,053 of excess value of shares issued recorded as interest expense.

On April 7, 2022, 99,369 shares of Series 1 Preferred Stock were issued to pay dividends to holders of Series 1 Preferred Stock. The holders of the Series 1 Preferred Stock are entitled to receive dividends at the rate of 10% annually, based on the \$10.00 per share Preference Amount, payable semiannually.

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

*Except for historical information contained in this report, the matters discussed are forward-looking statements that involve risks and uncertainties. When used in this report, words such as “anticipates”, “believes”, “could”, “estimates”, “expects”, “may”, “plans”, “potential” and “intends” and similar expressions, as they relate to the Company or its management, identify forward-looking statements. Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. Such forward-looking statements are based on the beliefs of the Company’s management, as well as assumptions made by and information currently available to the Company’s management. Among the factors that could cause actual results to differ materially are the following: the effect of business and economic conditions; the impact of competitive products and their pricing; unexpected manufacturing or supplier problems; the Company’s ability to maintain sufficient credit arrangements; changes in governmental standards by which our environmental control products are evaluated and the risk factors reported from time to time in the Company’s SEC reports, including its recent report on Form 10-K. The Company undertakes no obligation to update forward-looking statements as a result of future events or developments.*

### General Overview

Cemtrex was incorporated in 1998, in the state of Delaware and has evolved through strategic acquisitions and internal growth into a leading multi-industry technology company. The Company has expanded in a wide range of sectors, including smart technologies, virtual and augmented realities, industrial solutions, and intelligent security systems. Unless the context requires otherwise, all references to “we”, “our”, “us”, “Company”, “registrant”, “Cemtrex” or “management” refer to Cemtrex, Inc. and its subsidiaries.

The Company has two business segments, consisting of (i) Advanced Technologies (AT) and (ii) Industrial Services (IS).

#### Advanced Technologies (AT)

Cemtrex’s Advanced Technologies segment operates several brands that deliver cutting-edge software and hardware technologies:

- **Vicon Industries** – Vicon Industries, a majority owned subsidiary, provides end-to-end video security solutions to meet the toughest corporate, industrial and governmental security challenges. Vicon’s products include browser-based video monitoring systems and analytics-based recognition systems, cameras, servers, and access control systems for every aspect of security and surveillance in industrial and commercial facilities, federal prisons, hospitals, universities, schools, and federal and state government offices. Vicon provides cutting edge, mission critical security and video surveillance solutions utilizing Artificial Intelligence (AI) based data algorithms.
- **SmartDesk** – SmartDesk is focused on reinventing the workspace through developing state-of-the-art, modern, fully integrated, workplace solutions.
- **Cemtrex XR (“CXR”)** – CXR is focused on realizing the potential of the metaverse. CXR delivers Virtual Reality (VR) and Augmented Reality (AR) solutions that provide higher productivity, progressive design and impactful experiences for consumer products, and various commercial and industrial applications. The Company is in the process of developing virtual reality applications for commercialization in the metaverse over the next couple years. CXR also invests in emerging startups focused on building best in class solutions for the metaverse.
- **Virtual Driver Interactive (“VDI”)** – VDI provides innovative driver training simulation solutions for effective and engaging learning for all ages and skills.
- **Bravo Strong** – Bravo Strong is a gaming and content studio working to building games and experiences for the metaverse.
- **good tech (formerly Cemtrex Labs)** – good tech provides mobile, web, and enterprise software application development services for startups to large enterprises.

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#### Industrial Services (IS)

Cemtrex’s IS segment operates through a brand, Advanced Industrial Services (“AIS”), that offers single-source expertise and services for rigging, millwrighting, in plant maintenance, equipment erection, relocation, and disassembly to diversified customers. We install high precision equipment in a wide variety of industrial markets like automotive, printing & graphics, industrial automation, packaging, and chemicals among others. We are a leading provider of reliability-driven maintenance and contracting solutions for the machinery, packaging, printing, chemical, and other manufacturing markets. The focus is on customers seeking to achieve greater asset utilization and reliability to cut costs and increase production from existing assets, including small projects, sustaining capital, turnarounds, maintenance, specialty welding services, and high-quality scaffolding.

### Significant Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon the accompanying unaudited condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). The preparation of financial statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and the related disclosures at the date of the financial statements and during the reporting period. Although these estimates are based on our knowledge of current events, our actual amounts and results could differ from those estimates. The estimates made are based on historical factors, current circumstances, and the experience and judgment of our management, who continually evaluate the judgments, estimates and assumptions and may employ outside experts to assist in the evaluations.

Certain of our accounting policies are deemed “significant”, as they are both most important to the financial statement presentation and require management’s most difficult, subjective or complex judgments as a result of the need to make estimates about the effect of matters that are inherently uncertain. For a discussion of our significant accounting policies, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended

**Results of Operations – For the three months ending March 31, 2022, and 2021**

Total revenue for the three months ended March 31, 2022, and 2021 was \$12,728,215 and \$9,260,385, respectively, an increase of \$3,467,830, or 37%. Loss from operations for the three months ended March 31, 2022, was \$3,819,337 compared to \$1,962,598 for the three months ended March 31, 2021, an increase on the loss of \$1,856,739, or 95%. Total revenue for the quarter increased, as compared to total revenue in the same period last year, due to shutdowns and limited operations of businesses due to the COVID-19 crisis during the same period last year. Loss from operations increased due to increased expenses related to personnel costs, travel, and research and development costs.

*Revenues*

Our Advanced Technologies segment revenues for the three months ended March 31, 2022, increased by \$2,234,893 or 41% to \$7,722,307 from \$5,487,414 for the three months ended March 31, 2021. This increase is mainly due to an improvement in economic climate from the impact of the COVID-19 crisis during the same period last year.

Our Industrial Services segment revenues for the three months ended March 31, 2022, increased by \$1,232,937 or 33%, to \$5,005,908 from \$3,772,971 for the three months ended March 31, 2021. This increase is mainly due to an improvement in economic climate from the impact of the COVID-19 crisis during the same period last year.

*Gross Profit*

Gross Profit for the three months ended March 31, 2022, was \$4,052,611 or 32% of revenues as compared to gross profit of \$3,928,884 or 42% of revenues for the three months ended March 31, 2021. Gross profit as a percentage of revenues decreased in the three months ended March 31, 2022, compared to the three months ended March 31, 2021, due to increased cost of revenues as a result of supply chain difficulties and increased transportation costs for goods. The Company's gross profit margins vary from product to product and from customer to customer.

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*General and Administrative Expenses*

General and administrative expenses for the three months ended March 31, 2022, increased \$1,507,248 or 29% to \$6,757,233 from \$5,249,985 for the three months ended March 31, 2021. General and administrative expenses as a percentage of revenues was 53% and 57% of revenues for the three-month periods ended March 31, 2022, and 2021, respectively. The increase in general and administrative expenses is the result of increased personnel, travel, depreciation and amortization, and insurance expenses.

*Research and Development Expenses*

Research and Development expenses for the three months ended March 31, 2022, was \$1,114,715 compared to \$641,497 for the three months ended March 31, 2021. Research and Development expenses are primarily related to the Advanced Technologies Segment's development of proprietary technology and further developments of the SmartDesk and Artificial Intelligence (AI) and next generation solutions associated with security and surveillance systems software.

*Other Income/(Expense)*

Other income/(expense) for the second quarter of fiscal 2022, was \$(982,586) as compared to \$4,505,033 for the second quarter of fiscal 2021. Other income/(expense) for the three months ended March 31, 2022, included the issuance of common stock in connection with a note payable of \$700,400.

*Provision for Income Taxes*

During the second quarter of fiscal 2022, the Company did not record an income tax provision compared to \$98,477 for the second quarter of fiscal 2021. The provision for income tax is based upon the projected income tax from the Company's various U.S. and international subsidiaries that are subject to their respective income tax jurisdictions and the Company's projected ability to utilize net loss carryforwards.

*Net income/(loss) attributable to Centrex, Inc. shareholders*

The Company had a net loss attributable to Centrex, Inc. shareholders of \$4,721,247, or 37% of revenues, for the three-month period ended March 31, 2022, as compared to net income attributable to Centrex, Inc. shareholders of \$2,454,132 or 27% of revenues, for the three months ended March 31, 2021. Net loss attributable to Centrex, Inc. shareholders increased in the first quarter as compared to the same period last year was primarily due to costs of revenues, operating, and other expenses mentioned above.

**Results of Operations – For the six months ending March 31, 2022, and 2021**

Total revenue for the six months ended March 31, 2022, and 2021 was \$23,400,704 and \$18,096,461 respectively, an increase of \$5,304,243, or 29%. Loss from operations for the six months ended March 31, 2022, was \$7,873,860 compared to \$4,008,549 for the six months ended March 31, 2021, an increase on the loss of \$3,865,311, or 96%. Total revenue for the period increased, as compared to total revenue in the same period last year, due to shutdowns and limited operations of businesses due to the COVID-19 crisis during the same period last year. Loss from operations increased due to increased expenses related to personnel costs, depreciation and amortization, insurance, travel, and research and development costs.

*Revenues*

Our Advanced Technologies segment revenues for the six months ended March 31, 2022, increased by \$3,180,541 or 31% to \$13,340,824 from \$10,160,283 for the six months ended March 31, 2021. This increase is mainly due to an improvement in economic climate from the impact of the COVID-19 crisis during the same period last year.

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Our Industrial Services segment revenues for the six months ended March 31, 2022, increased by \$2,123,702 or 27%, to \$10,059,880 from \$7,936,178 for the six months ended March 31, 2021. This increase is mainly due to an improvement in economic climate from the impact of the COVID-19 crisis during the same period last year.

*Gross Profit*

Gross Profit for the six months ended March 31, 2022, was \$7,921,805 or 34% of revenues as compared to gross profit of \$7,934,354 or 44% of revenues for the six months ended March 31, 2021. Gross profit decreased in the six months ended March 31, 2022, compared to the six months ended March 31, 2021, due to increased cost of revenues as a result of supply chain difficulties and increased transportation costs for goods. The Company's gross profit margins vary from product to product and from

customer to customer.

#### *General and Administrative Expenses*

General and administrative expenses for the six months ended March 31, 2022, increased \$2,702,056 or 25% to \$13,369,237 from \$10,667,181 for the six months ended March 31, 2021. General and administrative expenses as a percentage of revenues was 57% and 59% of revenues for the six-month periods ended March 31, 2022, and 2021, respectively. The increase in general and administrative expenses is the result of increased personnel, travel, depreciation and amortization, and insurance expenses.

#### *Research and Development Expenses*

Research and Development expenses for the six months ended March 31, 2022, was \$2,426,428 compared to \$1,275,722 for the six months ended March 31, 2021. Research and Development expenses are primarily related to the Advanced Technologies Segment's development of proprietary technology and further developments of the SmartDesk and Artificial Intelligence (AI) and next generation solutions associated with security and surveillance systems software.

#### *Other Income/(Expense)*

Other income/(expense) for the first and second quarters of fiscal 2022, was \$(1,457,886) as compared to \$4,847,080 for the first and second quarters of fiscal year 2021. Other income/(expense) for the six months ended March 31, 2022, included the gain on the forgiveness of our PPP loans of \$971,500 and the issuance of common stock in connection with a note payable of \$700,400.

#### *Provision for Income Taxes*

During the first and second quarters of fiscal year 2022, the Company did not record an income tax provision compared to \$127,431 for the first and second quarters of fiscal year 2021. The provision for income tax is based upon the projected income tax from the Company's various U.S. and international subsidiaries that are subject to their respective income tax jurisdictions and the Company's projected ability to utilize net loss carryforwards.

#### *Net income/(loss) attributable to Centrex, Inc. shareholders*

The Company had a net loss attributable to Centrex, Inc. shareholders of \$9,199,198, or 39% of revenues, for the six-month period ended March 31, 2022, as compared to net income attributable to Centrex, Inc. shareholders of \$761,521 or 4% of revenues, for the six months ended March 31, 2021. Net loss attributable to Centrex, Inc. shareholders increased in the first and second quarters of fiscal year 2022 as compared to the same period last year was primarily due to costs of revenues and operating expenses mentioned above.

#### **Effects of Inflation**

The Company's business and operations have not been materially affected by inflation during the periods for which financial information is presented.

#### **Liquidity and Capital Resources**

Working capital was \$7,604,437 at March 31, 2022, compared to \$15,088,892 at September 30, 2021. This includes cash and equivalents and restricted cash of \$10,630,229 at March 31, 2022, and \$17,186,323 at September 30, 2021. The decrease in working capital was primarily due to the Company's use of cash to build inventory and a shift of liabilities to short-term during the first two quarters of fiscal year 2022.

Accounts receivable decreased \$1,805,328 or 23% to \$6,005,568 at March 31, 2022, from \$7,810,896 at September 30, 2021. The decrease in accounts receivable is attributable to increased collection efforts to keep our accounts receivable from going past due.

Inventories increased \$1,409,367 or 25% to \$7,066,654 at March 31, 2022, from \$5,657,287 at September 30, 2021. The increase in inventories is attributable to the purchase of inventories for new products the Company plans to ship in the future and to build up stock inventory to account for supply chain issues.

Cash used by operating activities for the six months ended March 31, 2022 and 2021 was \$7,235,840 and \$2,865,654 respectively. The decrease in operating cash flows was primarily due to purchases on inventory and payment of accounts payable and accrued expenses.

Cash used by investment activities for the six months ended March 31, 2022 and 2021 was \$5,654,515 and \$110,129, respectively. Investing activities for the first and second quarters of fiscal year 2022 were driven by the Company's purchase of fixed assets, the additional investment in Masterpiece VR, and marketable securities.

Cash provided by financing activities for the six months ended March 31, 2022 and 2021 was \$6,484,337 and \$754,748, respectively. Financing activities were primarily driven by proceeds from the note payable issued in February of 2022.

We believe that our cash on hand and cash generated by operations is sufficient to meet the capital demands of our current operations for fiscal year 2022 (ending September 30, 2022). Any major increases in sales, particularly in new products, may require substantial capital investment. Failure to obtain sufficient capital could materially adversely impact our growth potential.

Overall, there is no guarantee that cash flow from our existing or future operations and any external capital that we may be able to raise will be sufficient to meet our expansion goals and working capital needs.

#### **Item 4. Controls and Procedures**

##### **Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures reporting as promulgated under the Exchange Act is defined as controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. Disclosure controls and procedures include without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our CEO and our CFO have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2022. Our disclosure controls and procedures were not effective and Based on their evaluation, our management has concluded that as of March 31, 2022, our disclosure controls and procedures



were not effective and there is a material weakness in our internal control over financial reporting. The material weakness relates to the Company lacking sufficient accounting personnel. The shortage of accounting personnel resulted in the Company lacking entity level controls around the review of period-end reporting processes, accounting policies and public disclosures. Additionally, the Company's current processes and systems do not provide for necessary, timely reconciliation of certain accounts and sufficient consideration regarding recoverability of certain assets. This deficiency is common in small companies, similar to us, with limited personnel.

Notwithstanding the conclusion by our Chief Executive Officer and Chief Financial Officer that our disclosure controls and procedures as of March 31, 2022, were not effective, and notwithstanding the material weakness in our internal control over financial reporting described below, management believes that the unaudited condensed financial statements and related financial information included in this Quarterly Report fairly present in all material respects our financial condition, results of operations and cash flows as of the dates presented, and for the periods ended on such dates, in conformity with GAAP.

In order to mitigate the material weakness, the Board of Directors has assigned a priority to the short-term and long-term improvement of our internal control over financial reporting. Our Board of Directors will work with management to continuously review controls and procedures to identified deficiencies and implement remediation within our internal controls over financial reporting and our disclosure controls and procedures.

### Changes in Internal Control Over Financial Reporting

While there was no change in the Company's internal control over financial reporting during the Company's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting, the Company is taking steps to improve its internal controls by obtaining additional accounting personnel.

### Limitations on the Effectiveness of Controls

Our management, including our CEO and CFO, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

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## Part II Other Information

### Item 1. Legal Proceedings.

NONE.

### Item 1A. Risk Factors

See Risk Factors included in our Annual Report on Form 10-K for 2021.

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

During the six months ended March 31, 2022 the Company issued an aggregate of 2,891,016 shares of common stock to settle \$2,112,500 of notes payable, \$353,978 in accrued interest, and \$821,593 of excess value of shares issued recorded as interest expense. Additionally, the Company issued another 1,000,000 shares in connection with the issuance of a note payable on February 22, 2022. The fair market value of the shares, \$700,400 has been recorded as interest expense on the Company's Condensed Consolidated Statement of Operations and Comprehensive Income/(Loss). Such shares were issued pursuant to the exemption contained under Section 4(a)(2) of the Securities Act of 1933, as amended.

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### Item 6. Exhibits

<u>Exhibit No.</u>	<u>Description</u>
2.2	<a href="#">Stock Purchase Agreement regarding the stock of Advanced Industrial Services, Inc., AIS Leasing Company, AIS Graphic Services, Inc., and AIS Energy Services, LLC. Dated December 15, 2015. (8)</a>
2.3	<a href="#">Asset Purchase agreement between Periscope GmbH and ROB Centrex Assets UG, ROB Centrex Automotive GmbH, and ROB Centrex Logistics GmbH. (7)</a>
3.1	<a href="#">Certificate of Incorporation of the Company.(1)</a>
3.2	<a href="#">By Laws of the Company.(1)</a>
3.3	<a href="#">Certificate of Amendment of Certificate of Incorporation, dated September 29, 2006.(1)</a>
3.4	<a href="#">Certificate of Amendment of Certificate of Incorporation, dated March 30, 2007.(1)</a>
3.5	<a href="#">Certificate of Amendment of Certificate of Incorporation, dated May 16, 2007.(1)</a>
3.6	<a href="#">Certificate of Amendment of Certificate of Incorporation, dated August 21, 2007.(1)</a>
3.7	<a href="#">Certificate of Amendment of Certificate of Incorporation, dated April 3, 2015.(3)</a>
3.8	<a href="#">Certificate of Designation of the Series A Preferred Shares, dated September 8, 2009.(2)</a>
3.9	<a href="#">Certificate of Designation of the Series 1 Preferred Stock.(11)</a>
3.10	<a href="#">Certificate of Amendment of Certificate of Incorporation, dated September 7, 2017.(12)</a>
3.11	<a href="#">Certificate of Correction to the Certificate of Amendment to the Amended and Restated Certificate of Incorporation, as amended, of Cemtrex, Inc (6)</a>
3.12	<a href="#">Amended Certificate of Designation of the Series 1 Preferred Shares, dated March 30, 2020.(16)</a>
3.13	<a href="#">Certificate of Amendment of Certificate of Incorporation, dated July 29, 2020 (20)</a>
3.14	<a href="#">Certificate of Correction of Certificate of Incorporation, dated July 29, 2021, filed October 7, 2020 (9)</a>
4.1	<a href="#">Form of Subscription Rights Certificate. (10)</a>
4.2	<a href="#">Form of Series 1 Preferred Stock Certificate. (10)</a>
4.3	<a href="#">Form of Series 1 Warrant. (10)</a>
4.4	<a href="#">Form of Common Stock Purchase Warrant, dated March 22, 2019. (14)</a>
10.1	<a href="#">Amendment of the Term Loan Agreement between Vicon and NIL Funding, dated March 4, 2020.(17)</a>
10.2	<a href="#">Consulting Agreement, dated April 22, 2020 between Centrex, Inc. and Adtron, Inc. (5)</a>
10.3	<a href="#">Securities Purchase Agreement dated June 1, 2020 (18)</a>
10.4	<a href="#">Securities Purchase Agreement dated June 9, 2020 (19)</a>
10.5	<a href="#">Settlement Agreement and Release between Cemtrex, Inc. and Aron Govil dated February 26, 2021 (13)</a>
10.6*	<a href="#">Securities Purchase Agreement dated February 22, 2022</a>
10.7*	<a href="#">Amendment of the Term Loan Agreement between Vicon and NIL Funding, dated March 30, 2022.</a>

14.1	<a href="#">Corporate Code of Business Ethics.(4)</a>
21.1*	<a href="#">Subsidiaries of the Registrant</a>
31.1*	<a href="#">Certification of Chief Executive Officer as required by Rule 13a-14 or 15d-14 of the Exchange Act, as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Interim Chief Financial Officer and Principal Financial Officer as required by Rule 13a-14 or 15d-14 of the Exchange Act, as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1*	<a href="#">Certification of Chief Executive Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act Of of 2002.</a>
32.2*	<a href="#">Certification of Interim Chief Financial Officer and Principal Financial Officer Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act Of of 2002.</a>
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

- \* Filed herewith
- 1 Incorporated by reference from Form 10-12G filed on May 22, 2008.
  - 2 Incorporated by reference from Form 8-K filed on September 10, 2009.
  - 3 Incorporated by reference from Form 8-K filed on August 22, 2016.
  - 4 Incorporated by reference from Form 8-K filed on July 1, 2016.
  - 5 Incorporated by reference from Form S-8 filed on May 1, 20120
  - 6 Incorporated by reference from Form 8-K filed on June 12, 2019.
  - 7 Incorporated by reference from Form 8-K/A filed on November 24, 2017.
  - 8 Incorporated by reference from Form 8-K/A filed on September 26, 2016.
  - 9 Incorporated by reference from Form 10-Q filed on May 28, 2021.
  - 10 Incorporated by reference from Form S-1 filed on August 29, 2016 and as amended on November 4, 2016, November 23, 2016, and December 7, 2016.

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- 11 Incorporated by reference from Form 8-K filed on January 24, 2017.
- 12 Incorporated by reference from Form 8-K filed on September 8, 2017.
- 13 Incorporated by reference from Form 8-K filed on February 26, 2021.
- 14 Incorporated by reference from Form 8-K filed on March 22, 2019.
- 15 Intentionally left blank
- 16 Incorporated by reference from Form 8-K filed on April 1, 2020.
- 17 Incorporated by reference from Form 8-K filed on March 9, 2020.
- 18 Incorporated by reference from Form 8-K filed on June 4, 2020.
- 19 Incorporated by reference from Form 8-K filed on June 12, 2020.
- 20 Incorporated by reference from Form 10-K filed on January 5, 2021.

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### Signatures

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

Cemtrex, Inc.

Dated: May 16, 2022

By: /s/Saagar Govil  
 Saagar Govil  
 Chief Executive Officer

Dated: May 16, 2022

/s/Paul J. Wyckoff  
 Paul J. Wyckoff  
 Interim Chief Financial Officer and Principal Financial Officer

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## SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (this “**Agreement**”), dated as of February 22, 2022, is entered into by and between CEMTREX INC., a Delaware corporation (“**Company**”), and STREETERVILLE CAPITAL, LLC, a Utah limited liability company, its successors and/or assigns (“**Investor**”).

A. Company and Investor are executing and delivering this Agreement in reliance upon an exemption from securities registration afforded by the Securities Act of 1933, as amended (the “**1933 Act**”), and the rules and regulations promulgated thereunder by the United States Securities and Exchange Commission (the “**SEC**”).

B. Investor desires to purchase and Company desires to issue and sell, upon the terms and conditions set forth in this Agreement: (a) a Promissory Note, in the form attached hereto as Exhibit A, in the original principal amount of \$9,205,000.00 (the “**Note**”); and (b) 1,000,000 shares (the “**Commitment Shares**”) of Company’s common stock, \$0.001 par value per share (the “**Common Stock**”).

C. This Agreement, the Note, and all other certificates, documents, agreements, resolutions and instruments delivered to any party under or in connection with this Agreement, as the same may be amended from time to time, are collectively referred to herein as the “**Transaction Documents**”.

**NOW, THEREFORE**, in consideration of the above recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Company and Investor hereby agree as follows:

1. Purchase and Sale of Securities.

2.1. Purchase of Securities. Company shall issue and sell to Investor and Investor shall purchase from Company the Note and the Commitment Shares. In consideration thereof, Investor shall pay the Purchase Price (as defined below) to Company.

2.2. Form of Payment. On the Closing Date (as defined below), Investor shall pay the Purchase Price to Company via wire transfer of immediately available funds against delivery of the Note and issuance of the Commitment Shares.

2.3. Closing Date. Subject to the satisfaction (or written waiver) of the conditions set forth in Section 5 and Section 6 below, the date of the issuance and sale of the Note pursuant to this Agreement (the “**Closing Date**”) shall be February 22, 2022, or such other mutually agreed upon date. The closing of the transactions contemplated by this Agreement (the “**Closing**”) shall occur on the Closing Date by means of the exchange by email of .pdf documents, but shall be deemed for all purposes to have occurred at the offices of Hansen Black Anderson Ashcraft PLLC in Lehi, Utah.

2.4. Collateral for the Note. The Note shall not be secured.

2.5. Original Issue Discount; Transaction Expense Amount. The Note carries an original issue discount of \$1,200,000.00 (the “**OID**”). In addition, Company agrees to pay \$5,000.00 to Investor to cover Investor’s legal fees, accounting costs, due diligence, monitoring and other transaction costs incurred in connection with the purchase and sale of the Note (the “**Transaction Expense Amount**”), all of which amount is included in the initial principal balance of the Note. The “**Purchase Price**”, therefore, shall be \$8,000,000.00, computed as follows: \$9,205,000.00 initial principal balance, less the OID, less the Transaction Expense Amount. Company agrees that it will pay any and all expenses associated with the issuance of the Commitment Shares.

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3. Investor’s Representations and Warranties. Investor represents and warrants to Company that as of the Closing Date: (i) this Agreement has been duly and validly authorized; (ii) this Agreement constitutes a valid and binding agreement of Investor enforceable in accordance with its terms; and (iii) Investor is an “accredited investor” as that term is defined in Rule 501(a) of Regulation D of the 1933 Act.

4. Company’s Representations and Warranties. Company represents and warrants to Investor that as of the Closing Date: (i) Company is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has the requisite corporate power to own its properties and to carry on its business as now being conducted; (ii) Company is duly qualified as a foreign corporation to do business and is in good standing in each jurisdiction where the nature of the business conducted or property owned by it makes such qualification necessary; (iii) Company has registered the Common Stock under Section 12(g) of the Securities Exchange Act of 1934, as amended (the “**1934 Act**”), and is obligated to file reports pursuant to Section 13 or Section 15(d) of the 1934 Act; (iv) each of the Transaction Documents and the transactions contemplated hereby and thereby, have been duly and validly authorized by Company and all necessary actions have been taken; (v) this Agreement, the Note, and the other Transaction Documents have been duly executed and delivered by Company and constitute the valid and binding obligations of Company enforceable in accordance with their terms; (vi) the execution and delivery of the Transaction Documents by Company and the consummation by Company of the other transactions contemplated by the Transaction Documents do not and will not conflict with or result in a breach by Company of any of the terms or provisions of, or constitute a default under (a) Company’s formation documents or bylaws, each as currently in effect, (b) any indenture, mortgage, deed of trust, or other material agreement or instrument to which Company is a party or by which it or any of its properties or assets are bound, including, without limitation, any listing agreement for the Common Stock, or (c) any existing applicable law, rule, or regulation or any applicable decree, judgment, or order of any court, United States federal, state or foreign regulatory body, administrative agency, or other governmental body having jurisdiction over Company or any of Company’s properties or assets; (vii) no further authorization, approval or consent of any court, governmental body, regulatory agency, self-regulatory organization, or stock exchange or market or the stockholders or any lender of Company is required to be obtained by Company for the issuance of the Note to Investor or the entering into of the Transaction Documents; (viii) none of Company’s filings with the SEC contained, at the time they were filed, any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (ix) Company has filed all reports, schedules, forms, statements and other documents required to be filed by Company with the SEC under the 1934 Act on a timely basis or has received a valid extension of such time of filing and has filed any such report, schedule, form, statement or other document prior to the expiration of any such extension; (x) there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or, to the knowledge of Company, threatened against or affecting Company before or by any governmental authority or non-governmental department, commission, board, bureau, agency or instrumentality or any other person, wherein an unfavorable decision, ruling or finding would have a material adverse effect on Company or which would adversely affect the validity or enforceability of, or the authority or ability of Company to perform its obligations under, any of the Transaction Documents;

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(xi) Company has not consummated any financing transaction that has not been disclosed in a periodic filing or current report with the SEC under the 1934 Act; (xii) Company is not, nor has it been at any time in the previous twelve (12) months, a “Shell Company,” as such type of “issuer” is described in Rule 144(i)(1) under the 1933 Act; (xiii) with respect to any commissions, placement agent or finder’s fees or similar payments that will or would become due and owing by Company to any person or entity as a result of this Agreement or the transactions contemplated hereby (“**Broker Fees**”), any such Broker Fees will be made in full compliance with all applicable laws and regulations and only to a person or entity that is a registered investment adviser or registered broker-dealer; (xiv) Investor shall have no obligation with respect to any Broker Fees or with respect to any claims made by or on behalf of other persons for fees of a type contemplated in this subsection that may be due in connection with the transactions contemplated hereby and Company shall indemnify and hold harmless each of Investor, Investor’s employees, officers, directors, stockholders, managers, agents, and partners, and their respective affiliates, from and against all claims, losses, damages, costs (including the costs of preparation and attorneys’ fees) and expenses suffered in respect of any such

claimed or existing Broker Fees; (xv) neither Investor nor any of its officers, directors, members, managers, employees, agents or representatives has made any representations or warranties to Company or any of its officers, directors, employees, agents or representatives except as expressly set forth in the Transaction Documents and, in making its decision to enter into the transactions contemplated by the Transaction Documents, Company is not relying on any representation, warranty, covenant or promise of Investor or its officers, directors, members, managers, employees, agents or representatives other than as set forth in the Transaction Documents; (xvi) Company acknowledges that the State of Utah has a reasonable relationship and sufficient contacts to the transactions contemplated by the Transaction Documents and any dispute that may arise related thereto such that the laws and venue of the State of Utah, as set forth more specifically in Section 8.3 below, shall be applicable to the Transaction Documents and the transactions contemplated therein; (xvii) Company has consulted with counsel and conducted its own due diligence, and understands that Investor is not registered as a 'dealer' under the 1934 Act, and agrees Investor is not required to do so; and (xviii) Company has performed due diligence and background research on Investor and its affiliates, including, without limitation, John M. Fife, and, to its satisfaction, has made inquiries with respect to all matters Company may consider relevant to the undertakings and relationships contemplated by the Transaction Documents, including, among other things, the following: <http://investing.businessweek.com/research/stocks/people/person.asp?personId=7505107&ticker=UAHC>; SEC Civil Case No. 07-C-0347 (N.D. Ill.); SEC Civil Action No. 07-CV-347 (N.D. Ill.); and FINRA Case #2011029203701. In addition, various affiliates of Investor are involved in ongoing litigation with the SEC regarding broker-dealer registration (*see* SEC Civil Case No. 1:20-cv-05227 (N.D. Ill.)). Company, being aware of the matters described in subsections (xvii) and (xviii) above, acknowledges and agrees that such matters, or any similar matters, have no bearing on the transactions contemplated by the Transaction Documents and covenants and agrees it will not use any such information as a defense to performance of its obligations under the Transaction Documents or in any attempt to avoid, modify or reduce such obligations.

5. Company Covenants. Until all of Company's obligations under the Note are paid and performed in full, or within the timeframes otherwise specifically set forth below, Company will at all times comply with the following covenants: (i) Company will timely file on the applicable deadline all reports required to be filed with the SEC pursuant to Sections 13 or 15(d) of the 1934 Act, and will take all reasonable action under its control to ensure that adequate current public information with respect to Company, as required in accordance with Rule 144 of the 1933 Act, is publicly available, and will not terminate its status as an issuer required to file reports under the 1934 Act even if the 1934 Act or the rules and regulations thereunder would permit such termination; (ii) the Common Stock shall be listed or quoted for trading on any of (a) NYSE, (b) NASDAQ, (c) OTCQX, or (d) OTCQB; (iii) trading in Company's Common Stock will not be suspended, halted, chilled, frozen, reach zero bid or otherwise cease on Company's principal trading market; (iv) when issued, the Commitment Shares will be duly authorized, validly issued, full paid for and non-assessable; and (v) Company will not make any Variable Security Issuance (as defined below) without Investor's prior written consent, which consent may be granted or withheld in Investor's sole and absolute discretion. For purposes hereof, the term "**Variable Security Issuance**" means any issuance of Company securities that (A) have or may have conversion rights of any kind, contingent, conditional or otherwise, in which the number of shares that may be issued pursuant to such conversion right varies with the market price of Company's Common Stock, or (B) are or may become convertible into Company's Common Stock (including without limitation convertible debt, warrants or convertible preferred stock), with a conversion price that varies with the market price of Company's Common Stock, even if such security only becomes convertible following an event of default, the passage of time, or another trigger event or condition. For avoidance of doubt, the issuance of shares of Company's Common Stock under, pursuant to, in exchange for or in connection with any contract or instrument, whether convertible or not, is deemed a Variable Security Issuance for purposes hereof if the number of shares of Company Common Stock to be issued is based upon or related in any way to the market price of Company's Common Stock, including, but not limited to, Company's Common Stock issued in connection with a Section 3(a)(9) exchange, a Section 3(a)(10) settlement, or any other similar settlement or exchange.

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6. Conditions to Company's Obligation to Sell. The obligation of Company hereunder to issue and sell the Note to Investor at the Closing is subject to the satisfaction, on or before the Closing Date, of each of the following conditions:

- 6.1. Investor shall have executed this Agreement and delivered the same to Company.
- 6.2. Investor shall have delivered the Purchase Price to Company in accordance with Section 1.2 above.

7. Conditions to Investor's Obligation to Purchase. The obligation of Investor hereunder to purchase the Note at the Closing is subject to the satisfaction, on or before the Closing Date, of each of the following conditions, provided that these conditions are for Investor's sole benefit and may be waived by Investor at any time in its sole discretion:

- 7.1. Company shall have executed this Agreement and the Note and delivered the same to Investor.

7.2. Company shall have delivered to Investor a fully executed Secretary's Certificate substantially in the form attached hereto as Exhibit B evidencing Company's approval of the Transaction Documents.

7.3. Company shall have delivered to Investor fully executed copies of all other Transaction Documents required to be executed by Company herein or therein.

8. Terms of Future Financings. So long as the Note is outstanding, upon any Variable Security Issuance by Company in any private transaction (e.g., a transaction involving an offering of Company securities to the general public), then Company shall notify Investor of such Variable Security Issuance and the terms of such Variable Security Issuance, at Investor's option, shall become a part of the Transaction Documents for the benefit of Investor. Additionally, if Company fails to notify Investor of any such Variable Security Issuance, but Investor becomes aware of such Variable Security Issuance, Investor may notify Company of such Variable Security Issuance and the terms of such Variable Security Issuance shall become a part of the Transaction Documents retroactive to the date on which such Variable Security Issuance was made to the applicable third party.

9. Miscellaneous. The provisions set forth in this Section 8 shall apply to this Agreement, as well as all other Transaction Documents as if these terms were fully set forth therein; provided, however, that in the event there is a conflict between any provision set forth in this Section 8 and any provision in any other Transaction Document, the provision in such other Transaction Document shall govern.

9.1. Certain Capitalized Terms. To the extent any capitalized term used in any Transaction Document is defined in any other Transaction Document (as noted therein), such capitalized term shall remain applicable in the Transaction Document in which it is so used even if the other Transaction Document (wherein such term is defined) has been released, satisfied, or is otherwise cancelled or terminated.

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9.2. Arbitration of Claims. The parties shall submit all Claims (as defined in Exhibit C) arising under this Agreement or any other Transaction Document or any other agreement between the parties and their affiliates or any Claim relating to the relationship of the parties to binding arbitration pursuant to the arbitration provisions set forth in Exhibit C attached hereto (the "**Arbitration Provisions**"). The parties hereby acknowledge and agree that the Arbitration Provisions are unconditionally binding on the parties hereto and are severable from all other provisions of this Agreement. By executing this Agreement, Company represents, warrants and covenants that Company has reviewed the Arbitration Provisions carefully, consulted with legal counsel about such provisions (or waived its right to do so), understands that the Arbitration Provisions are intended to allow for the expeditious and efficient resolution of any dispute hereunder, agrees to the terms and limitations set forth in the Arbitration Provisions, and that Company will not take a position contrary to the foregoing representations. Company acknowledges and agrees that Investor may rely upon the foregoing representations and covenants of Company regarding the Arbitration Provisions.

9.3. Governing Law; Venue. This Agreement shall be construed and enforced in accordance with, and all questions concerning the construction, validity,

interpretation and performance of this Agreement shall be governed by, the internal laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. Each party consents to and expressly agrees that the exclusive venue for arbitration of any dispute arising out of or relating to any Transaction Document or the relationship of the parties or their affiliates shall be in Salt Lake County, Utah. Without modifying the parties' obligations to resolve disputes hereunder pursuant to the Arbitration Provisions, for any litigation arising in connection with any of the Transaction Documents, each party hereto hereby (i) consents to and expressly submits to the exclusive personal jurisdiction of any state or federal court sitting in Salt Lake County, Utah, (ii) expressly submits to the exclusive venue of any such court for the purposes hereof, and (iii) waives any claim of improper venue and any claim or objection that such courts are an inconvenient forum or any other claim, defense or objection to the bringing of any such proceeding in such jurisdiction or to any claim that such venue of the suit, action or proceeding is improper.

9.4. Specific Performance. Company acknowledges and agrees that irreparable damage may occur to Investor in the event that Company fails to perform any material provision of this Agreement or any of the other Transaction Documents in accordance with its specific terms. It is accordingly agreed that Investor shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement or such other Transaction Document and to enforce specifically the terms and provisions hereof or thereof, this being in addition to any other remedy to which any Investor may be entitled under the Transaction Documents, at law or in equity. For the avoidance of doubt, in the event Investor seeks to obtain an injunction against Company or specific performance of any provision of any Transaction Document, such action shall not be a waiver of any right of Investor under any Transaction Document, at law, or in equity, including without limitation its rights to arbitrate any Claim pursuant to the terms of the Transaction Documents.

9.5. Calculation Disputes. Notwithstanding the Arbitration Provisions, in the case of a dispute as to any determination or arithmetic calculation under the Transaction Documents (each, a "**Calculation**"), Company or Investor (as the case may be) shall submit any disputed Calculation via email or facsimile with confirmation of receipt (i) within two (2) business days after receipt of the applicable notice giving rise to such dispute to Company or Investor (as the case may be) or (ii) if no notice gave rise to such dispute, at any time after Investor learned of the circumstances giving rise to such dispute. If Investor and Company are unable to agree upon such Calculation within two (2) business days of such disputed Calculation being submitted to Company or Investor (as the case may be), then Investor will promptly submit via email or facsimile the disputed Calculation to Unkar Systems Inc. ("**Unkar Systems**"). Investor shall cause Unkar Systems to perform the Calculation and notify Company and Investor of the results no later than ten (10) business days from the time it receives such disputed Calculation. Unkar Systems' determination of the disputed Calculation shall be binding upon all parties absent demonstrable error. Unkar Systems' fee for performing such Calculation shall be paid by the incorrect party, or if both parties are incorrect, by the party whose Calculation is furthest from the correct Calculation as determined by Unkar Systems. Notwithstanding the foregoing, Investor may, in its sole discretion, designate an independent, reputable investment bank or accounting firm other than Unkar Systems to resolve any such dispute and in such event, all references to "Unkar Systems" herein will be replaced with references to such independent, reputable investment bank or accounting firm so designated by Investor.

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9.6. Counterparts. Each Transaction Document may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. The parties hereto confirm that any electronic copy of another party's executed counterpart of a Transaction Document (or such party's signature page thereof) will be deemed to be an executed original thereof.

9.7. Document Imaging. Investor shall be entitled, in its sole discretion, to image or make copies of all or any selection of the agreements, instruments, documents, and items and records governing, arising from or relating to any of Company's loans, including, without limitation, this Agreement and the other Transaction Documents, and Investor may destroy or archive the paper originals. The parties hereto (i) waive any right to insist or require that Investor produce paper originals, (ii) agree that such images shall be accorded the same force and effect as the paper originals, (iii) agree that Investor is entitled to use such images in lieu of destroyed or archived originals for any purpose, including as admissible evidence in any demand, presentment or other proceedings, and (iv) further agree that any executed facsimile (faxed), scanned, emailed, or other imaged copy of this Agreement or any other Transaction Document shall be deemed to be of the same force and effect as the original manually executed document.

9.8. Headings. The headings of this Agreement are for convenience of reference only and shall not form part of, or affect the interpretation of, this Agreement.

9.9. Severability. In the event that any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

9.10. Entire Agreement. This Agreement, together with the other Transaction Documents, contains the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither Company nor Investor makes any representation, warranty, covenant or undertaking with respect to such matters. For the avoidance of doubt, all prior term sheets or other documents between Company and Investor, or any affiliate thereof, related to the transactions contemplated by the Transaction Documents (collectively, "**Prior Agreements**"), that may have been entered into between Company and Investor, or any affiliate thereof, are hereby null and void and deemed to be replaced in their entirety by the Transaction Documents. To the extent there is a conflict between any term set forth in any Prior Agreement and the term(s) of the Transaction Documents, the Transaction Documents shall govern.

9.11. No Reliance. Company acknowledges and agrees that neither Investor nor any of its officers, directors, members, managers, representatives or agents has made any representations or warranties to Company or any of its officers, directors, representatives, agents or employees except as expressly set forth in the Transaction Documents and, in making its decision to enter into the transactions contemplated by the Transaction Documents, Company is not relying on any representation, warranty, covenant or promise of Investor or its officers, directors, members, managers, agents or representatives other than as set forth in the Transaction Documents.

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9.12. Amendments. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by both parties hereto.

9.13.

9.14. Notices. Any notice required or permitted hereunder shall be given in writing (unless otherwise specified herein) and shall be deemed effectively given on the earliest of: (i) the date delivered, if delivered by personal delivery as against written receipt therefor or by email to an executive officer, or by facsimile (with successful transmission confirmation), (ii) the earlier of the date delivered or the third business day after deposit, postage prepaid, in the United States Postal Service by certified mail, or (iii) the earlier of the date delivered or the third business day after mailing by express courier, with delivery costs and fees prepaid, in each case, addressed to each of the other parties thereto entitled at the following addresses (or at such other addresses as such party may designate by five (5) calendar days' advance written notice similarly given to each of the other parties hereto):

If to Company:

Centrex Inc.

Attn: Saagar Govil

276 Greenpoint Ave. Bld 8 Suite 208

Brooklyn, New York 11222

Email: sgovil@cemtrex.com

If to Investor:

Streeterville Capital, LLC  
Attn: John Fife

303 East Wacker Drive, Suite 1040  
Chicago, Illinois 60601

Email: jfife@chicagoventure.com

With a copy to (which copy shall not constitute notice):  
Hansen Black Anderson Ashcraft PLLC

Attn: Jonathan K. Hansen

3051 West Maple Loop Drive, Suite 325  
Lehi, Utah 84043

Email: jhansen@hbaalaw.com

9.15. Successors and Assigns. This Agreement or any of the severable rights and obligations inuring to the benefit of or to be performed by Investor hereunder may be assigned by Investor to a third party, including its affiliates, in whole or in part, without the need to obtain Company's consent thereto. Company may not assign its rights or obligations under this Agreement or delegate its duties hereunder without the prior written consent of Investor.

9.16. Survival. The representations and warranties of Company and the agreements and covenants set forth in this Agreement shall survive the Closing hereunder notwithstanding any due diligence investigation conducted by or on behalf of Investor. Company agrees to indemnify and hold harmless Investor and all its officers, directors, employees, attorneys, and agents for loss or damage arising as a result of or related to any breach or alleged breach by Company of any of its representations, warranties and covenants set forth in this Agreement or any of its covenants and obligations under this Agreement, including advancement of expenses as they are incurred.

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9.17. Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

9.18. Investor's Rights and Remedies Cumulative; Liquidated Damages. All rights, remedies, and powers conferred in this Agreement and the Transaction Documents are cumulative and not exclusive of any other rights or remedies, and shall be in addition to every other right, power, and remedy that Investor may have, whether specifically granted in this Agreement or any other Transaction Document, or existing at law, in equity, or by statute, and any and all such rights and remedies may be exercised from time to time and as often and in such order as Investor may deem expedient. The parties acknowledge and agree that upon Company's failure to comply with the provisions of the Transaction Documents, Investor's damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties' inability to predict future interest rates, Investor's increased risk, and the uncertainty of the availability of a suitable substitute investment opportunity for Investor, among other reasons. Accordingly, any fees, charges, and default interest due under the Note and the other Transaction Documents are intended by the parties to be, and shall be deemed, liquidated damages. The parties agree that such liquidated damages are a reasonable estimate of Investor's actual damages and not a penalty, and shall not be deemed in any way to limit any other right or remedy Investor may have hereunder, at law or in equity. The parties acknowledge and agree that under the circumstances existing at the time this Agreement is entered into, such liquidated damages are fair and reasonable and are not penalties. All fees, charges, and default interest provided for in the Transaction Documents are agreed to by the parties to be based upon the obligations and the risks assumed by the parties as of the Closing Date and are consistent with investments of this type. The liquidated damages provisions of the Transaction Documents shall not limit or preclude a party from pursuing any other remedy available at law or in equity; *provided, however*, that the liquidated damages provided for in the Transaction Documents are intended to be in lieu of actual damages.

9.19. Attorneys' Fees and Cost of Collection. In the event of any arbitration or action at law or in equity to enforce or interpret the terms of this Agreement or any of the other Transaction Documents, the parties agree that the party who is awarded the most money (which, for the avoidance of doubt, shall be determined without regard to any statutory fines, penalties, fees, or other charges awarded to any party) shall be deemed the prevailing party for all purposes and shall therefore be entitled to an additional award of the full amount of the attorneys' fees, deposition costs, and expenses paid by such prevailing party in connection with arbitration or litigation without reduction or apportionment based upon the individual claims or defenses giving rise to the fees and expenses. Nothing herein shall restrict or impair an arbitrator's or a court's power to award fees and expenses for frivolous or bad faith pleading. If (i) the Note is placed in the hands of an attorney for collection or enforcement prior to commencing arbitration or legal proceedings, or is collected or enforced through any arbitration or legal proceeding, or Investor otherwise takes action to collect amounts due under the Note or to enforce the provisions of the Note, or (ii) there occurs any bankruptcy, reorganization, receivership of Company or other proceedings affecting Company's creditors' rights and involving a claim under the Note; then Company shall pay the costs incurred by Investor for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees, expenses, deposition costs, and disbursements.

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9.20. Waiver. No waiver of any provision of this Agreement shall be effective unless it is in the form of a writing signed by the party granting the waiver. No waiver of any provision or consent to any prohibited action shall constitute a waiver of any other provision or consent to any other prohibited action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver or consent in the future except to the extent specifically set forth in writing.

9.21. Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ANY AND ALL RIGHTS SUCH PARTY MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT, OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING UNDER COMMON LAW OR ANY APPLICABLE STATUTE, LAW, RULE OR REGULATION. FURTHER, EACH PARTY HERETO ACKNOWLEDGES THAT SUCH PARTY IS KNOWINGLY AND VOLUNTARILY WAIVING SUCH PARTY'S RIGHT TO DEMAND TRIAL BY JURY.

9.22. Time is of the Essence. Time is expressly made of the essence with respect to each and every provision of this Agreement and the other Transaction Documents.

9.23. No Changes; Signature Pages. Company, as well as the person signing each Transaction Document on behalf of Company, represents and warrants to Investor that it has not made any changes to this Agreement or any other Transaction Document except those that have been conspicuously disclosed to Investor in a "redline" or similar draft of the applicable Transaction Document, which clearly marks all changes Company has made to the applicable Transaction Document. Moreover, the versions of the Transaction Documents signed by Company are the same versions Investor delivered to Company as being the "final" versions of the Transaction Documents and Company represents and warrants that it has not made any changes to such "final" versions of the Transaction Documents and that the versions Company signed are the same versions Investor delivered to it. In the event Company has made any changes to any Transaction Document that are not conspicuously disclosed to Investor in a "redline" or similar draft of the applicable Transaction Document and that have not been explicitly accepted and agreed upon by Investor, Company acknowledges and agrees that any such changes shall not be considered part of the final document set. Finally, and in furtherance of the foregoing, Company agrees and authorizes Investor to compile the "final" versions of the Transaction Documents, which shall consist of Company's executed signature pages for all Transaction Documents being applied to the last set of the Transaction Documents that Investor delivered to Company, and Company agrees that such versions of the Transaction Documents that have been collated by Investor shall be deemed to be the final versions of the Transaction Documents for all purposes.

9.24. Voluntary Agreement. Company has carefully read this Agreement and each of the other Transaction Documents and has asked any questions needed for Company to understand the terms, consequences and binding effect of this Agreement and each of the other Transaction Documents and fully understand them. Company has had the opportunity to seek the advice of an attorney of Company's choosing, or has waived the right to do so, and is executing this Agreement and each of the other Transaction Documents voluntarily and without any duress or undue influence by Investor or anyone else.

*[Remainder of page intentionally left blank; signature page follows]*

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IN WITNESS WHEREOF, the undersigned Investor and Company have caused this Agreement to be duly executed as of the date first above written.

**SUBSCRIPTION AMOUNT:**

Principal Amount of Note: \$9,205,000.00

Purchase Price: \$8,000,000.00

INVESTOR:

**STREETERVILLE CAPITAL, LLC**

By: /s/ John M. Fife  
John M. Fife, President

COMPANY:

**CEMTREX INC.**

By: /s/ Saagar Govil  
Name: Saagar Govil  
Title: CEO

**ATTACHED EXHIBITS:**

Exhibit A Note  
Exhibit B Secretary's Certificate  
Exhibit C Arbitration Provisions

*[Signature Page to Securities Purchase Agreement]*

**Exhibit A**

**PROMISSORY NOTE**

U.S. \$9,205,000.00

February 22, 2022

FOR VALUE RECEIVED, Cemtrex Inc., a Delaware corporation ("**Borrower**"), promises to pay in lawful money of the United States of America to the order of Streeterville Capital, LLC, a Utah limited liability company, or its successors or assigns ("**Lender**"), the principal sum of \$9,205,000.00, together with all other amounts due under this Promissory Note (this "**Note**"). This Note is issued pursuant to that certain Securities Purchase Agreement of even date herewith between Borrower and Lender (the "**Purchase Agreement**").

1. PAYMENT. Borrower shall pay to Lender the entire outstanding balance of this Note on or before the date that is eighteen (18) months from the date hereof (the "**Maturity Date**"). Borrower will make all payments of sums due hereunder to Lender at Lender's address set forth in the Purchase Agreement, or at such other place as Lender may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to any unpaid collection costs and late charges, then to accrued interest and finally to principal.

2. INTEREST. Interest shall accrue on the outstanding balance of this Note at the rate of eight percent (8%) per annum from the date hereof until this Note is paid in full. Upon the occurrence of an Event of Default (as defined below), interest shall accrue on the outstanding balance of this Note at the lesser of the rate of eighteen percent (18%) per annum or the maximum rate permitted by applicable law. All interest calculations hereunder shall be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months, shall compound daily and shall be payable in accordance with the terms of this Note.

3. ORIGINAL ISSUE DISCOUNT; TRANSACTION EXPENSES. This Note carries an original issue discount of \$1,200,000.00. In addition, Borrower agrees to pay \$5,000.00 to Lender to cover Lender's legal fees, accounting costs, due diligence, monitoring and other transaction costs incurred in connection with the purchase and sale of this Note, all of which amounts are included in the initial principal balance of this Note and are fully earned and payable as of the date hereof.

4. PREPAYMENT. Borrower may pay all or any portion of the amount owed earlier than it is due; *provided that* in the event Borrower elects to prepay all or any portion of the outstanding balance, it shall pay to Lender 115% of the portion of the outstanding balance Borrower elects to prepay. Early payments of less than all principal,



fees and interest outstanding will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's remaining obligations hereunder.

5. REDEMPTIONS. Beginning on the date that is six (6) months from the date hereof and at any time thereafter until this Note is paid in full, Lender shall have the right to redeem up to \$800,000.00 of the outstanding balance of this Note per calendar month (the amount of each exercise, the "**Redemption Amount**") by providing written notice (each, a "**Redemption Notice**") delivered to Borrower by facsimile, email, mail, overnight courier, or personal delivery. Upon receipt of any Redemption Notice, Borrower shall pay the applicable Redemption Amount in cash to Lender within five (5) business days of Borrower's receipt of such Redemption Notice.

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6. EVENT OF DEFAULT. The occurrence of any of the following shall constitute an "**Event of Default**" under this Note:

(a) Failure to Pay. Borrower shall fail to pay when due, whether at stated maturity, upon acceleration or otherwise, any principal or interest payment, or any other payment required under the terms of this Note on the date due.

(b) Breaches of Covenants. Borrower or any other person or entity defaults or otherwise fails to observe or perform any covenant, obligation, condition or agreement of Borrower contained herein or in any other Transaction Document (as defined in the Purchase Agreement).

(c) Representations and Warranties. Any representation or warranty made by Borrower to Lender in this Note, the Purchase Agreement, any other Transaction Document, or any related agreement shall be false, incorrect, incomplete or misleading in any material respect when made or furnished.

(d) Voluntary Bankruptcy or Insolvency Proceedings. Borrower shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, (ii) make a general assignment for the benefit of its or any of its creditors, (iii) be dissolved or liquidated, or (iv) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it.

(e) Involuntary Bankruptcy or Insolvency Proceedings. Proceedings for the appointment of a receiver, trustee, liquidator, or custodian of Borrower or of all or a substantial part of its property, or an involuntary case or other proceedings seeking liquidation, reorganization, or other relief with respect to Borrower or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within sixty (60) days of commencement.

(f) Government Action. If any governmental or regulatory authority takes or institutes any action that will materially affect Borrower's financial condition, operations or ability to pay or perform Borrower's obligations under this Note.

(g) Judgment. A judgment or judgments for the payment of money in excess of the sum of \$100,000.00 in the aggregate shall be rendered against Borrower and either (i) the judgment creditor executes on such judgment or (ii) such judgment remains unpaid or undischarged for more than sixty (60) days from the date of entry thereof or such longer period during which execution of such judgment shall be stayed during an appeal from such judgment.

(h) Attachment. Any execution or attachment shall be issued whereby any substantial part of the property of Borrower shall be taken and the same shall not have been vacated or stayed within thirty (30) days after the issuance thereof.

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(i) Cross Default. Borrower breaches or any event of default occurs under any term or provision of any Other Agreement (as defined hereafter). For purposes hereof, "**Other Agreement**" means collectively, (i) all existing and future agreements and instruments between, among or by Borrower (or an affiliate), on the one hand, and Lender (or an affiliate), on the other hand, and (ii) any financing agreement or a material agreement that affects Borrower's ongoing business operations.

7. ACCELERATION; REMEDIES.

(a) At any time following the occurrence of an Event of Default (other than an Event of Default referred to in Sections 6(d) and 6(e)), Lender may, by written notice to Borrower, declare all unpaid principal, plus all accrued interest and other amounts due hereunder to be immediately due and payable at the Mandatory Default Amount (as defined below) without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding. Upon the occurrence or existence of any Event of Default described in Sections 6(d) and 6(e), immediately and without notice, all outstanding unpaid principal, plus all accrued interest and other amounts due hereunder shall automatically become immediately due and payable at the Mandatory Default Amount, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding. In addition to the foregoing remedies, upon the occurrence or existence of any Event of Default, Lender may exercise any other right, power or remedy permitted to it by law, either by suit in equity or by action at law, or both. For purposes hereof, the term "**Mandatory Default Amount**" means an amount equal to 115% (the "**Default Premium**") of the outstanding balance of this Note (which outstanding balance, for avoidance of doubt, shall include principal, interest, fees and any previously incurred prepayment premium) as of the date the applicable Event of Default occurred, plus all interest, fees, and charges that may accrue on such outstanding balance thereafter.

(b) Upon the occurrence of a Change in Control (as defined below), and without further notice to Borrower, all unpaid principal, plus all accrued interest and other amounts due hereunder, shall become immediately due and payable. For purposes hereof, a "**Change in Control**" means a sale of all or substantially all of Borrower's assets, or a merger, consolidation, significant equity financing, or other capital reorganization of Borrower with or into another company; *provided however* that a merger, consolidation, significant equity financing, or other capital reorganization in which the holders of the equity of Borrower outstanding immediately prior to such transaction continue to hold (either by the voting securities remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of Borrower, or such surviving entity, outstanding immediately after such transaction shall not constitute a Change in Control.

8. UNCONDITIONAL OBLIGATION; NO OFFSET. Borrower acknowledges that this Note is an unconditional, valid, binding and enforceable obligation of Borrower not subject to offset, deduction or counterclaim of any kind. Borrower hereby waives any rights of offset it now has or may have hereafter against Lender, its successors and assigns, and agrees to make all payments due hereunder in accordance with the terms of this Note.

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9. NO USURY. Notwithstanding any other provision contained in this Note or in any instrument given to evidence the obligations evidenced hereby: (a) the rates of interest and charges provided for herein and therein shall in no event exceed the rates and charges which result in interest being charged at a rate equaling the maximum allowed by law; and (b) if, for any reason whatsoever, Lender ever receives as interest in connection with the transaction of which this Note is a part an amount which would result in interest being charged at a rate exceeding the maximum allowed by law, such amount or portion thereof as would otherwise be excessive interest shall automatically be applied toward reduction of the unpaid principal balance then outstanding hereunder and not toward payment of interest.

10. ATTORNEYS' FEES. If this Note is placed in the hands of an attorney for collection or enforcement prior to commencing arbitration or legal proceedings, or is collected or enforced through any arbitration or legal proceeding, or Lender otherwise takes action to collect amounts due under this Note or to enforce the provisions of this Note, then Borrower shall pay the costs incurred by Lender for such collection, enforcement or action including, without limitation, reasonable attorneys' fees and disbursements.

11. GOVERNING LAW; VENUE. This Note shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the internal laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Utah. The provisions set forth in the Purchase Agreement to determine the proper venue for any disputes are incorporated herein by this reference.

12. ARBITRATION OF DISPUTES. Borrower agrees that any dispute arising under this Note shall be subject to the Arbitration Provisions (as defined in the Purchase Agreement) set forth as an exhibit to the Purchase Agreement.

13. WAIVERS. Borrower hereby waives presentment, notice of nonpayment, notice of dishonor, protest, demand and diligence.

14. LOSS OR MUTILATION. On receipt by Borrower of evidence reasonably satisfactory to Borrower of the loss, theft, destruction or mutilation of this Note and, in the case of any such loss, theft or destruction of this Note, on delivery of an indemnity agreement reasonably satisfactory in form and amount to Borrower or, in the case of any such mutilation, on surrender and cancellation of such Note, Borrower at its expense will execute and deliver, in lieu thereof, a new Note of like tenor.

15. NOTICES. Any notice required or permitted hereunder shall be given in the manner provided in the subsection titled "Notices" in the Purchase Agreement, the terms of which are incorporated herein by this reference.

16. AMENDMENT AND WAIVER. This Note and its terms and conditions may be amended, waived or modified only in writing by Borrower and Lender.

17. SEVERABILITY. If any part of this Note is construed to be in violation of any law, such part shall be modified to achieve the objective of the parties to the fullest extent permitted and the balance of this Note shall remain in full force and effect.

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18. ASSIGNMENTS. Borrower may not assign this Note without the prior written consent of Lender. This Note may be offered, sold, assigned or transferred by Lender without the consent of Borrower.

19. FINAL NOTE. This Note, together with the other Transaction Documents, contains the complete understanding and agreement of Borrower and Lender and supersedes all prior representations, warranties, agreements, arrangements, understandings, and negotiations. THIS NOTE, TOGETHER WITH THE OTHER TRANSACTION DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY ALLEGED PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

20. WAIVER OF JURY TRIAL. BORROWER IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS NOTE OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING UNDER COMMON LAW OR ANY APPLICABLE STATUTE, LAW, RULE OR REGULATION. FURTHER, BORROWER ACKNOWLEDGES THAT IT KNOWINGLY AND VOLUNTARILY IS WAIVING SUCH PARTY'S RIGHT TO DEMAND TRIAL BY JURY.

21. TIME IS OF THE ESSENCE. Time is of the essence of this Note and each and every provision hereof in which time is an element.

22. LIQUIDATED DAMAGES. Lender and Borrower agree that in the event Borrower fails to comply with any of the terms or provisions of this Note, Lender's damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties' inability to predict future interest rates and other relevant factors. Accordingly, Lender and Borrower agree that any fees, balance adjustments, default interest or other charges assessed under this Note are not penalties but instead are intended by the parties to be, and shall be deemed, liquidated damages.

*[Remainder of page intentionally left blank]*

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IN WITNESS WHEREOF, Borrower has caused this Note to be issued as of the date first set forth above.

BORROWER:

**CEMTREX INC.**

By: /s/ Saagar Govil

Name: Saagar Govil

Title: CEO

*[Signature Page to Promissory Note]*

CEMTREX INC.

SECRETARY' S CERTIFICATE

I hereby certify that I am the duly elected, qualified and acting Secretary of Cemtrex Inc., a Delaware corporation (**Company**), and I am authorized to execute this Secretary's Certificate (this "**Certificate**") on behalf of Company. This Certificate is delivered in connection with that certain Securities Purchase Agreement dated February 22, 2022 (the "**Purchase Agreement**"), by and between Company and Streeterville Capital, LLC, a Utah limited liability company.

Solely in my capacity as Secretary, I certify that Schedule 1 attached hereto is a true, accurate and complete copy of all of the resolutions adopted by the Board of Directors of Company (the "**Resolutions**") approving and authorizing the execution, delivery and performance of the Purchase Agreement and related documents to which

Company is a party on the date hereof, and the transactions contemplated thereby. Such Resolutions have not been amended, rescinded or modified since their adoption and remain in effect as of the date hereof.

IN WITNESS WHEREOF, I have made this Secretary's Certificate effective as of February 22, 2022.

Cemtrex Inc.

/s/ Paul Wyckoff

Printed Name: Paul Wyckoff

Title: Secretary

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**Schedule 1**

**BOARD RESOLUTIONS**

**CENTREX INC.**

**RESOLUTIONS ADOPTED BY THE BOARD OF DIRECTORS**

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Effective February 22, 2022

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**APPROVAL OF FINANCING**

WHEREAS, the Board of Directors (the "**Board**") of Cemtrex Inc., a Delaware corporation ("**Company**"), has determined that it is in the best interests of Company to seek financing in the amount of \$8,000,000.00 through the issuance and sale to Streeterville Capital, LLC, a Utah limited liability company ("**Investor**"), of 1,000,000 shares of Company's common stock (the "**Commitment Shares**") and a Promissory Note (the "**Financing**");

WHEREAS, the terms of the Financing are reflected in a Securities Purchase Agreement substantially in the form attached hereto as Exhibit A (the "**Purchase Agreement**"), a Promissory Note issued by Company to Investor in the original principal amount of \$9,205,000.00 substantially in the form attached hereto as Exhibit B (the "**Note**"), and all other agreements, certificates, instruments and documents being or to be executed and delivered under or in connection with the Financing (collectively, the "**Financing Documents**"); and

WHEREAS, the Board, having received and reviewed the Financing Documents, believes that it is in the best interests of Company and the stockholders to approve the Financing and the Financing Documents and authorize the officers of Company to execute such documents.

NOW, THEREFORE, BE IT:

RESOLVED, that the Financing is hereby approved and determined to be in the best interests of Company and its stockholders;

RESOLVED FURTHER, that the form, terms and provisions of the Financing Documents (including all exhibits, schedules and other attachments thereto) are hereby ratified, confirmed and approved;

RESOLVED FURTHER, that the Note shall be duly and validly issued upon the issuance and delivery thereof in accordance with the Purchase Agreement;

RESOLVED FURTHER, that the Commitment Shares shall be duly authorized, validly issued, fully paid for and non-assessable upon the issuance and delivery thereof in accordance with the Purchase Agreement;

RESOLVED FURTHER, that each of the officers of Company be, and each of them hereby is, authorized to execute and deliver in the name of and on behalf of Company, each of the Financing Documents and any other related agreements (with such additions to, modifications to, or deletions from such documents as the officer approves, such approval to be conclusively evidenced by such execution and delivery), to conform Company's minute books and other records to the matters set forth in these resolutions, and to take all other actions on behalf of Company as any of them deem necessary, required, or advisable with respect to the matters set forth in these resolutions;

Page 1 of Board Resolutions

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RESOLVED FURTHER, that the Board hereby determines that all acts and deeds previously performed by the Board and other officers of Company relating to the foregoing matters prior to the date of these resolutions are ratified, confirmed and approved in all respects as the authorized acts and deeds of Company; and

RESOLVED FURTHER, that all prior actions or resolutions of Company's directors that are inconsistent with the foregoing are hereby amended, corrected and restated to the extent required to be consistent herewith.

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EXHIBITS ATTACHED TO BOARD RESOLUTIONS:

Exhibit A PURCHASE AGREEMENT

Exhibit B NOTE

*[Remainder of page intentionally left blank]*

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## ARBITRATION PROVISIONS

1. **Dispute Resolution.** For purposes of this Exhibit C, the term “**Claims**” means any disputes, claims, demands, causes of action, requests for injunctive relief, requests for specific performance, liabilities, damages, losses, or controversies whatsoever arising from, related to, or connected with the transactions contemplated in the Transaction Documents and any communications between the parties related thereto, including without limitation any claims of mutual mistake, mistake, fraud, misrepresentation, failure of formation, failure of consideration, promissory estoppel, unconscionability, failure of condition precedent, rescission, and any statutory claims, tort claims, contract claims, or claims to void, invalidate or terminate the Agreement (or these Arbitration Provisions (defined below)) or any of the other Transaction Documents. The term “**Claims**” specifically excludes a dispute over Calculations. The parties to the Agreement (the “**parties**”) hereby agree that the arbitration provisions set forth in this Exhibit C (“**Arbitration Provisions**”) are binding on each of them. As a result, any attempt to rescind the Agreement (or these Arbitration Provisions) or declare the Agreement (or these Arbitration Provisions) or any other Transaction Document invalid or unenforceable for any reason is subject to these Arbitration Provisions. These Arbitration Provisions shall also survive any termination or expiration of the Agreement. Any capitalized term not defined in these Arbitration Provisions shall have the meaning set forth in the Agreement.

2. **Arbitration.** Except as otherwise provided herein, all Claims must be submitted to arbitration (“**Arbitration**”) to be conducted exclusively in Salt Lake County, Utah and pursuant to the terms set forth in these Arbitration Provisions. Subject to the arbitration appeal right provided for in Paragraph 5 below (the “**Appeal Right**”), the parties agree that the award of the arbitrator rendered pursuant to Paragraph 4 below (the “**Arbitration Award**”) shall be (a) final and binding upon the parties, (b) the sole and exclusive remedy between them regarding any Claims, counterclaims, issues, or accountings presented or pleaded to the arbitrator, and (c) promptly payable in United States dollars free of any tax, deduction or offset (with respect to monetary awards). Subject to the Appeal Right, any costs or fees, including without limitation attorneys’ fees, incurred in connection with or incident to enforcing the Arbitration Award shall, to the maximum extent permitted by law, be charged against the party resisting such enforcement. The Arbitration Award shall include default interest (as defined or otherwise provided for in the Note, “**Default Interest**”) (with respect to monetary awards) at the rate specified in the Note for Default Interest both before and after the Arbitration Award. Judgment upon the Arbitration Award will be entered and enforced by any state or federal court sitting in Salt Lake County, Utah.

3. **The Arbitration Act.** The parties hereby incorporate herein the provisions and procedures set forth in the Utah Uniform Arbitration Act, U.C.A. § 78B-11-101 *et seq.* (as amended or superseded from time to time, the “**Arbitration Act**”). Notwithstanding the foregoing, pursuant to, and to the maximum extent permitted by, Section 105 of the Arbitration Act, in the event of conflict or variation between the terms of these Arbitration Provisions and the provisions of the Arbitration Act, the terms of these Arbitration Provisions shall control and the parties hereby waive or otherwise agree to vary the effect of all requirements of the Arbitration Act that may conflict with or vary from these Arbitration Provisions.

4. **Arbitration Proceedings.** Arbitration between the parties will be subject to the following:

4.1 **Initiation of Arbitration.** Pursuant to Section 110 of the Arbitration Act, the parties agree that a party may initiate Arbitration by giving written notice to the other party (“**Arbitration Notice**”) in the same manner that notice is permitted under Section 8.13 of the Agreement; *provided, however*, that the Arbitration Notice may not be given by email or fax. Arbitration will be deemed initiated as of the date that the Arbitration Notice is deemed delivered to such other party under Section 8.13 of the Agreement (the “**Service Date**”). After the Service Date, information may be delivered, and notices may be given, by email or fax pursuant to Section 8.13 of the Agreement or any other method permitted thereunder. The Arbitration Notice must describe the nature of the controversy, the remedies sought, and the election to commence Arbitration proceedings. All Claims in the Arbitration Notice must be pleaded consistent with the Utah Rules of Civil Procedure.

4.2 **Selection and Payment of Arbitrator.**

(a) Within ten (10) calendar days after the Service Date, Investor shall select and submit to Company the names of three (3) arbitrators that are designated as “neutrals” or qualified arbitrators by Utah ADR Services (<http://www.utahadrservices.com>) (such three (3) designated persons hereunder are referred to herein as the “**Proposed Arbitrators**”). For the avoidance of doubt, each Proposed Arbitrator must be qualified as a “neutral” with Utah ADR Services. Within five (5) calendar days after Investor has submitted to Company the names of the Proposed Arbitrators, Company must select, by written notice to Investor, one (1) of the Proposed Arbitrators to act as the arbitrator for the parties under these Arbitration Provisions. If Company fails to select one of the Proposed Arbitrators in writing within such 5-day period, then Investor may select the arbitrator from the Proposed Arbitrators by providing written notice of such selection to Company.

*Arbitration Provisions, Page 1*

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(b) If Investor fails to submit to Company the Proposed Arbitrators within ten (10) calendar days after the Service Date pursuant to subparagraph (a) above, then Company may at any time prior to Investor so designating the Proposed Arbitrators, identify the names of three (3) arbitrators that are designated as “neutrals” or qualified arbitrators by Utah ADR Service by written notice to Investor. Investor may then, within five (5) calendar days after Company has submitted notice of its Proposed Arbitrators to Investor, select, by written notice to Company, one (1) of the Proposed Arbitrators to act as the arbitrator for the parties under these Arbitration Provisions. If Investor fails to select in writing and within such 5-day period one (1) of the three (3) Proposed Arbitrators selected by Company, then Company may select the arbitrator from its three (3) previously selected Proposed Arbitrators by providing written notice of such selection to Investor.

(c) If a Proposed Arbitrator chosen to serve as arbitrator declines or is otherwise unable to serve as arbitrator, then the party that selected such Proposed Arbitrator may select one (1) of the other three (3) Proposed Arbitrators within three (3) calendar days of the date the chosen Proposed Arbitrator declines or notifies the parties he or she is unable to serve as arbitrator. If all three (3) Proposed Arbitrators decline or are otherwise unable to serve as arbitrator, then the arbitrator selection process shall begin again in accordance with this Paragraph 4.2.

(d) The date that the Proposed Arbitrator selected pursuant to this Paragraph 4.2 agrees in writing (including via email) delivered to both parties to serve as the arbitrator hereunder is referred to herein as the “**Arbitration Commencement Date**”. If an arbitrator resigns or is unable to act during the Arbitration, a replacement arbitrator shall be chosen in accordance with this Paragraph 4.2 to continue the Arbitration. If Utah ADR Services ceases to exist or to provide a list of neutrals and there is no successor thereto, then the arbitrator shall be selected under the then prevailing rules of the American Arbitration Association.

(e) Subject to Paragraph 4.10 below, the cost of the arbitrator must be paid equally by both parties. Subject to Paragraph 4.10 below, if one party refuses or fails to pay its portion of the arbitrator fee, then the other party can advance such unpaid amount (subject to the accrual of Default Interest thereupon), with such amount being added to or subtracted from, as applicable, the Arbitration Award.

4.3 **Applicability of Certain Utah Rules.** The parties agree that the Arbitration shall be conducted generally in accordance with the Utah Rules of Civil Procedure and the Utah Rules of Evidence. More specifically, the Utah Rules of Civil Procedure shall apply, without limitation, to the filing of any pleadings, motions or memoranda, the conducting of discovery, and the taking of any depositions. The Utah Rules of Evidence shall apply to any hearings, whether telephonic or in person, held by the arbitrator. Notwithstanding the foregoing, it is the parties’ intent that the incorporation of such rules will in no event supersede these Arbitration Provisions. In the event of any conflict between the Utah Rules of Civil Procedure or the Utah Rules of Evidence and these Arbitration Provisions, these Arbitration Provisions shall control.

4.4 **Answer and Default.** An answer and any counterclaims to the Arbitration Notice shall be required to be delivered to the party initiating the Arbitration within twenty (20) calendar days after the Arbitration Commencement Date. If an answer is not delivered by the required deadline, the arbitrator must provide written notice to the defaulting party stating that the arbitrator will enter a default award against such party if such party does not file an answer within five (5) calendar days of receipt of such notice. If an

answer is not filed within the five (5) day extension period, the arbitrator must render a default award, consistent with the relief requested in the Arbitration Notice, against a party that fails to submit an answer within such time period.

4.5 *Related Litigation.* The party that delivers the Arbitration Notice to the other party shall have the option to also commence concurrent legal proceedings with any state or federal court sitting in Salt Lake County, Utah (“**Litigation Proceedings**”), subject to the following: (a) the complaint in the Litigation Proceedings is to be substantially similar to the claims set forth in the Arbitration Notice, provided that an additional cause of action to compel arbitration will also be included therein, (b) so long as the other party files an answer to the complaint in the Litigation Proceedings and an answer to the Arbitration Notice, the Litigation Proceedings will be stayed pending an Arbitration Award (or Appeal Panel Award (defined below), as applicable) hereunder, (c) if the other party fails to file an answer in the Litigation Proceedings or an answer in the Arbitration proceedings, then the party initiating Arbitration shall be entitled to a default judgment consistent with the relief requested, to be entered in the Litigation Proceedings, and (d) any legal or procedural issue arising under the Arbitration Act that requires a decision of a court of competent jurisdiction may be determined in the Litigation Proceedings. Any award of the arbitrator (or of the Appeal Panel (defined below)) may be entered in such Litigation Proceedings pursuant to the Arbitration Act.

*Arbitration Provisions, Page 2*

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4.6 *Discovery.* Pursuant to Section 118(8) of the Arbitration Act, the parties agree that discovery shall be conducted as follows:

(a) Written discovery will only be allowed if the likely benefits of the proposed written discovery outweigh the burden or expense thereof, and the written discovery sought is likely to reveal information that will satisfy a specific element of a claim or defense already pleaded in the Arbitration. The party seeking written discovery shall always have the burden of showing that all of the standards and limitations set forth in these Arbitration Provisions are satisfied. The scope of discovery in the Arbitration proceedings shall also be limited as follows:

(i) To facts directly connected with the transactions contemplated by the Agreement.

(ii) To facts and information that cannot be obtained from another source or in another manner that is more convenient, less burdensome or less expensive than in the manner requested.

(b) No party shall be allowed (i) more than fifteen (15) interrogatories (including discrete subparts), (ii) more than fifteen (15) requests for admission (including discrete subparts), (iii) more than ten (10) document requests (including discrete subparts), or (iv) more than three (3) depositions (excluding expert depositions) for a maximum of seven (7) hours per deposition. The costs associated with depositions will be borne by the party taking the deposition. The party defending the deposition will submit a notice to the party taking the deposition of the estimated attorneys’ fees that such party expects to incur in connection with defending the deposition. If the party defending the deposition fails to submit an estimate of attorneys’ fees within five (5) calendar days of its receipt of a deposition notice, then such party shall be deemed to have waived its right to the estimated attorneys’ fees. The party taking the deposition must pay the party defending the deposition the estimated attorneys’ fees prior to taking the deposition, unless such obligation is deemed to be waived as set forth in the immediately preceding sentence. If the party taking the deposition believes that the estimated attorneys’ fees are unreasonable, such party may submit the issue to the arbitrator for a decision. All depositions will be taken in Utah.

(c) All discovery requests (including document production requests included in deposition notices) must be submitted in writing to the arbitrator and the other party. The party submitting the written discovery requests must include with such discovery requests a detailed explanation of how the proposed discovery requests satisfy the requirements of these Arbitration Provisions and the Utah Rules of Civil Procedure. The receiving party will then be allowed, within five (5) calendar days of receiving the proposed discovery requests, to submit to the arbitrator an estimate of the attorneys’ fees and costs associated with responding to such written discovery requests and a written challenge to each applicable discovery request. After receipt of an estimate of attorneys’ fees and costs and/or challenge(s) to one or more discovery requests, consistent with subparagraph (c) above, the arbitrator will within three (3) calendar days make a finding as to the likely attorneys’ fees and costs associated with responding to the discovery requests and issue an order that (i) requires the requesting party to prepay the attorneys’ fees and costs associated with responding to the discovery requests, and (ii) requires the responding party to respond to the discovery requests as limited by the arbitrator within twenty-five (25) calendar days of the arbitrator’s finding with respect to such discovery requests. If a party entitled to submit an estimate of attorneys’ fees and costs and/or a challenge to discovery requests fails to do so within such 5-day period, the arbitrator will make a finding that (A) there are no attorneys’ fees or costs associated with responding to such discovery requests, and (B) the responding party must respond to such discovery requests (as may be limited by the arbitrator) within twenty-five (25) calendar days of the arbitrator’s finding with respect to such discovery requests. Any party submitting any written discovery requests, including without limitation interrogatories, requests for production subpoenas to a party or a third party, or requests for admissions, must prepay the estimated attorneys’ fees and costs, before the responding party has any obligation to produce or respond to the same, unless such obligation is deemed waived as set forth above.

*Arbitration Provisions, Page 3*

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(d) In order to allow a written discovery request, the arbitrator must find that the discovery request satisfies the standards set forth in these Arbitration Provisions and the Utah Rules of Civil Procedure. The arbitrator must strictly enforce these standards. If a discovery request does not satisfy any of the standards set forth in these Arbitration Provisions or the Utah Rules of Civil Procedure, the arbitrator may modify such discovery request to satisfy the applicable standards, or strike such discovery request in whole or in part.

(e) Each party may submit expert reports (and rebuttals thereto), provided that such reports must be submitted within sixty (60) days of the Arbitration Commencement Date. Each party will be allowed a maximum of two (2) experts. Expert reports must contain the following: (i) a complete statement of all opinions the expert will offer at trial and the basis and reasons for them; (ii) the expert’s name and qualifications, including a list of all the expert’s publications within the preceding ten (10) years, and a list of any other cases in which the expert has testified at trial or in a deposition or prepared a report within the preceding ten (10) years; and (iii) the compensation to be paid for the expert’s report and testimony. The parties are entitled to depose any other party’s expert witness one (1) time for no more than four (4) hours. An expert may not testify in a party’s case-in-chief concerning any matter not fairly disclosed in the expert report.

4.6 *Dispositive Motions.* Each party shall have the right to submit dispositive motions pursuant Rule 12 or Rule 56 of the Utah Rules of Civil Procedure (a “**Dispositive Motion**”). The party submitting the Dispositive Motion may, but is not required to, deliver to the arbitrator and to the other party a memorandum in support (the “**Memorandum in Support**”) of the Dispositive Motion. Within seven (7) calendar days of delivery of the Memorandum in Support, the other party shall deliver to the arbitrator and to the other party a memorandum in opposition to the Memorandum in Support (the “**Memorandum in Opposition**”). Within seven (7) calendar days of delivery of the Memorandum in Opposition, as applicable, the party that submitted the Memorandum in Support shall deliver to the arbitrator and to the other party a reply memorandum to the Memorandum in Opposition (“**Reply Memorandum**”). If the applicable party shall fail to deliver the Memorandum in Opposition as required above, or if the other party fails to deliver the Reply Memorandum as required above, then the applicable party shall lose its right to so deliver the same, and the Dispositive Motion shall proceed regardless.

4.7 *Confidentiality.* All information disclosed by either party (or such party’s agents) during the Arbitration process (including without limitation information disclosed during the discovery process or any Appeal (defined below)) shall be considered confidential in nature. Each party agrees not to disclose any confidential information received from the other party (or its agents) during the Arbitration process (including without limitation during the discovery process or any Appeal) unless (a) prior to or after the time of disclosure such information becomes public knowledge or part of the public domain, not as a result of any inaction or action of the receiving party or its agents, (b) such

information is required by a court order, subpoena or similar legal duress to be disclosed if such receiving party has notified the other party thereof in writing and given it a reasonable opportunity to obtain a protective order from a court of competent jurisdiction prior to disclosure, or (c) such information is disclosed to the receiving party's agents, representatives and legal counsel on a need to know basis who each agree in writing not to disclose such information to any third party. Pursuant to Section 118(5) of the Arbitration Act, the arbitrator is hereby authorized and directed to issue a protective order to prevent the disclosure of privileged information and confidential information upon the written request of either party.

**4.8 Authorization; Timing; Scheduling Order.** Subject to all other portions of these Arbitration Provisions, the parties hereby authorize and direct the arbitrator to take such actions and make such rulings as may be necessary to carry out the parties' intent for the Arbitration proceedings to be efficient and expeditious. Pursuant to Section 120 of the Arbitration Act, the parties hereby agree that an Arbitration Award must be made within one hundred twenty (120) calendar days after the Arbitration Commencement Date. The arbitrator is hereby authorized and directed to hold a scheduling conference within ten (10) calendar days after the Arbitration Commencement Date in order to establish a scheduling order with various binding deadlines for discovery, expert testimony, and the submission of documents by the parties to enable the arbitrator to render a decision prior to the end of such 120-day period.

**4.9 Relief.** The arbitrator shall have the right to award or include in the Arbitration Award (or in a preliminary ruling) any relief which the arbitrator deems proper under the circumstances, including, without limitation, specific performance and injunctive relief, provided that the arbitrator may not award exemplary or punitive damages.

**4.10 Fees and Costs.** As part of the Arbitration Award, the arbitrator is hereby directed to require the losing party (the party being awarded the least amount of money by the arbitrator, which, for the avoidance of doubt, shall be determined without regard to any statutory fines, penalties, fees, or other charges awarded to any party) to (a) pay the full amount of any unpaid costs and fees of the Arbitration, and (b) reimburse the prevailing party for all reasonable attorneys' fees, arbitrator costs and fees, deposition costs, other discovery costs, and other expenses, costs or fees paid or otherwise incurred by the prevailing party in connection with the Arbitration.

*Arbitration Provisions, Page 4*

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## 5. Arbitration Appeal.

**5.1 Initiation of Appeal.** Following the entry of the Arbitration Award, either party (the "**Appellant**") shall have a period of thirty (30) calendar days in which to notify the other party (the "**Appellee**"), in writing, that the Appellant elects to appeal (the "**Appeal**") the Arbitration Award (such notice, an "**Appeal Notice**") to a panel of arbitrators as provided in Paragraph 5.2 below. The date the Appellant delivers an Appeal Notice to the Appellee is referred to herein as the "**Appeal Date**". The Appeal Notice must be delivered to the Appellee in accordance with the provisions of Paragraph 4.1 above with respect to delivery of an Arbitration Notice. In addition, together with delivery of the Appeal Notice to the Appellee, the Appellant must also pay for (and provide proof of such payment to the Appellee together with delivery of the Appeal Notice) a bond in the amount of 110% of the sum the Appellant owes to the Appellee as a result of the Arbitration Award the Appellant is appealing. In the event an Appellant delivers an Appeal Notice to the Appellee (together with proof of payment of the applicable bond) in compliance with the provisions of this Paragraph 5.1, the Appeal will occur as a matter of right and, except as specifically set forth herein, will not be further conditioned. In the event a party does not deliver an Appeal Notice (along with proof of payment of the applicable bond) to the other party within the deadline prescribed in this Paragraph 5.1, such party shall lose its right to appeal the Arbitration Award. If no party delivers an Appeal Notice (along with proof of payment of the applicable bond) to the other party within the deadline described in this Paragraph 5.1, the Arbitration Award shall be final. The parties acknowledge and agree that any Appeal shall be deemed part of the parties' agreement to arbitrate for purposes of these Arbitration Provisions and the Arbitration Act.

**5.2 Selection and Payment of Appeal Panel.** In the event an Appellant delivers an Appeal Notice to the Appellee (together with proof of payment of the applicable bond) in compliance with the provisions of Paragraph 5.1 above, the Appeal will be heard by a three (3) person arbitration panel (the "**Appeal Panel**").

(a) Within ten (10) calendar days after the Appeal Date, the Appellee shall select and submit to the Appellant the names of five (5) arbitrators that are designated as "neutrals" or qualified arbitrators by Utah ADR Services (<http://www.utahadrservices.com>) (such five (5) designated persons hereunder are referred to herein as the "**Proposed Appeal Arbitrators**"). For the avoidance of doubt, each Proposed Appeal Arbitrator must be qualified as a "neutral" with Utah ADR Services, and shall not be the arbitrator who rendered the Arbitration Award being appealed (the "**Original Arbitrator**"). Within five (5) calendar days after the Appellee has submitted to the Appellant the names of the Proposed Appeal Arbitrators, the Appellant must select, by written notice to the Appellee, three (3) of the Proposed Appeal Arbitrators to act as the members of the Appeal Panel. If the Appellant fails to select three (3) of the Proposed Appeal Arbitrators in writing within such 5-day period, then the Appellee may select such three (3) arbitrators from the Proposed Appeal Arbitrators by providing written notice of such selection to the Appellant.

(b) If the Appellee fails to submit to the Appellant the names of the Proposed Appeal Arbitrators within ten (10) calendar days after the Appeal Date pursuant to subparagraph (a) above, then the Appellant may at any time prior to the Appellee so designating the Proposed Appeal Arbitrators, identify the names of five (5) arbitrators that are designated as "neutrals" or qualified arbitrators by Utah ADR Service (none of whom may be the Original Arbitrator) by written notice to the Appellee. The Appellee may then, within five (5) calendar days after the Appellant has submitted notice of its selected arbitrators to the Appellee, select, by written notice to the Appellant, three (3) of such selected arbitrators to serve on the Appeal Panel. If the Appellee fails to select in writing within such 5-day period three (3) of the arbitrators selected by the Appellant to serve as the members of the Appeal Panel, then the Appellant may select the three (3) members of the Appeal Panel from the Appellant's list of five (5) arbitrators by providing written notice of such selection to the Appellee.

(c) If a selected Proposed Appeal Arbitrator declines or is otherwise unable to serve, then the party that selected such Proposed Appeal Arbitrator may select one (1) of the other five (5) designated Proposed Appeal Arbitrators within three (3) calendar days of the date a chosen Proposed Appeal Arbitrator declines or notifies the parties he or she is unable to serve as an arbitrator. If at least three (3) of the five (5) designated Proposed Appeal Arbitrators decline or are otherwise unable to serve, then the Proposed Appeal Arbitrator selection process shall begin again in accordance with this Paragraph 5.2; *provided, however*, that any Proposed Appeal Arbitrators who have already agreed to serve shall remain on the Appeal Panel.

*Arbitration Provisions, Page 5*

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(d) The date that all three (3) Proposed Appeal Arbitrators selected pursuant to this Paragraph 5.2 agree in writing (including via email) delivered to both the Appellant and the Appellee to serve as members of the Appeal Panel hereunder is referred to herein as the "**Appeal Commencement Date**". No later than five(5) calendar days after the Appeal Commencement Date, the Appellee shall designate in writing (including via email) to the Appellant and the Appeal Panel the name of one (1) of the three (3) members of the Appeal Panel to serve as the lead arbitrator in the Appeal proceedings. Each member of the Appeal Panel shall be deemed an arbitrator for purposes of these Arbitration Provisions and the Arbitration Act, provided that, in conducting the Appeal, the Appeal Panel may only act or make determinations upon the approval or vote of no less than the majority vote of its members, as announced or communicated by the lead arbitrator on the Appeal Panel. If an arbitrator on the Appeal Panel ceases or is unable to act during the Appeal proceedings, a replacement arbitrator shall be chosen in accordance with Paragraph 5.2 above to continue the Appeal as a member of the Appeal Panel. If Utah ADR Services ceases to exist or to provide a list of neutrals, then the arbitrators for the Appeal Panel shall be selected under the then prevailing rules of the American Arbitration Association.

(d) Subject to Paragraph 5.7 below, the cost of the Appeal Panel must be paid entirely by the Appellant.

**5.3 Appeal Procedure.** The Appeal will be deemed an appeal of the entire Arbitration Award. In conducting the Appeal, the Appeal Panel shall conduct a de novo review of

all Claims described or otherwise set forth in the Arbitration Notice. Subject to the foregoing and all other provisions of this Paragraph 5, the Appeal Panel shall conduct the Appeal in a manner the Appeal Panel considers appropriate for a fair and expeditious disposition of the Appeal, may hold one or more hearings and permit oral argument, and may review all previous evidence and discovery, together with all briefs, pleadings and other documents filed with the Original Arbitrator (as well as any documents filed with the Appeal Panel pursuant to Paragraph 5.4(a) below). Notwithstanding the foregoing, in connection with the Appeal, the Appeal Panel shall not permit the parties to conduct any additional discovery or raise any new Claims to be arbitrated, shall not permit new witnesses or affidavits, and shall not base any of its findings or determinations on the Original Arbitrator's findings or the Arbitration Award.

#### 5.4 *Timing.*

(a) Within seven (7) calendar days of the Appeal Commencement Date, the Appellant (i) shall deliver or cause to be delivered to the Appeal Panel copies of the Appeal Notice, all discovery conducted in connection with the Arbitration, and all briefs, pleadings and other documents filed with the Original Arbitrator (which material Appellee shall have the right to review and supplement if necessary), and (ii) may, but is not required to, deliver to the Appeal Panel and to the Appellee a Memorandum in Support of the Appellant's arguments concerning or position with respect to all Claims, counterclaims, issues, or accountings presented or pleaded in the Arbitration. Within seven (7) calendar days of the Appellant's delivery of the Memorandum in Support, as applicable, the Appellee shall deliver to the Appeal Panel and to the Appellant a Memorandum in Opposition to the Memorandum in Support. Within seven (7) calendar days of the Appellee's delivery of the Memorandum in Opposition, as applicable, the Appellant shall deliver to the Appeal Panel and to the Appellee a Reply Memorandum to the Memorandum in Opposition. If the Appellant shall fail to substantially comply with the requirements of clause (i) of this subparagraph (a), the Appellant shall lose its right to appeal the Arbitration Award, and the Arbitration Award shall be final. If the Appellee shall fail to deliver the Memorandum in Opposition as required above, or if the Appellant shall fail to deliver the Reply Memorandum as required above, then the Appellee or the Appellant, as the case may be, shall lose its right to so deliver the same, and the Appeal shall proceed regardless.

(b) Subject to subparagraph (a) above, the parties hereby agree that the Appeal must be heard by the Appeal Panel within thirty (30) calendar days of the Appeal Commencement Date, and that the Appeal Panel must render its decision within thirty (30) calendar days after the Appeal is heard (and in no event later than sixty (60) calendar days after the Appeal Commencement Date).

5.5 *Appeal Panel Award.* The Appeal Panel shall issue its decision (the "**Appeal Panel Award**") through the lead arbitrator on the Appeal Panel. Notwithstanding any other provision contained herein, the Appeal Panel Award shall (a) supersede in its entirety and make of no further force or effect the Arbitration Award (provided that any protective orders issued by the Original Arbitrator shall remain in full force and effect), (b) be final and binding upon the parties, with no further rights of appeal, (c) be the sole and exclusive remedy between the parties regarding any Claims, counterclaims, issues, or accountings presented or pleaded in the Arbitration, and (d) be promptly payable in United States dollars free of any tax, deduction or offset (with respect to monetary awards). Any costs or fees, including without limitation attorneys' fees, incurred in connection with or incident to enforcing the Appeal Panel Award shall, to the maximum extent permitted by law, be charged against the party resisting such enforcement. The Appeal Panel Award shall include Default Interest (with respect to monetary awards) at the rate specified in the Note for Default Interest both before and after the Arbitration Award. Judgment upon the Appeal Panel Award will be entered and enforced by a state or federal court sitting in Salt Lake County, Utah.

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5.6 *Relief.* The Appeal Panel shall have the right to award or include in the Appeal Panel Award any relief which the Appeal Panel deems proper under the circumstances, including, without limitation, specific performance and injunctive relief, provided that the Appeal Panel may not award exemplary or punitive damages.

5.7 *Fees and Costs.* As part of the Appeal Panel Award, the Appeal Panel is hereby directed to require the losing party (the party being awarded the least amount of money by the arbitrator, which, for the avoidance of doubt, shall be determined without regard to any statutory fines, penalties, fees, or other charges awarded to any party) to (a) pay the full amount of any unpaid costs and fees of the Arbitration and the Appeal Panel, and (b) reimburse the prevailing party (the party being awarded the most amount of money by the Appeal Panel, which, for the avoidance of doubt, shall be determined without regard to any statutory fines, penalties, fees, or other charges awarded to any party) the reasonable attorneys' fees, arbitrator and Appeal Panel costs and fees, deposition costs, other discovery costs, and other expenses, costs or fees paid or otherwise incurred by the prevailing party in connection with the Arbitration (including without limitation in connection with the Appeal).

#### 6. *Miscellaneous.*

6.1 *Severability.* If any part of these Arbitration Provisions is found to violate or be illegal under applicable law, then such provision shall be modified to the minimum extent necessary to make such provision enforceable under applicable law, and the remainder of the Arbitration Provisions shall remain unaffected and in full force and effect.

6.2 *Governing Law.* These Arbitration Provisions shall be governed by the laws of the State of Utah without regard to the conflict of laws principles therein.

6.3 *Interpretation.* The headings of these Arbitration Provisions are for convenience of reference only and shall not form part of, or affect the interpretation of, these Arbitration Provisions.

6.4 *Waiver.* No waiver of any provision of these Arbitration Provisions shall be effective unless it is in the form of a writing signed by the party granting the waiver.

6.5 *Time is of the Essence.* Time is expressly made of the essence with respect to each and every provision of these Arbitration Provisions.

*[Remainder of page intentionally left blank]*

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**THIS THIRD AMENDMENT TO TERM LOAN AGREEMENT AND RELATED LOAN DOCUMENTS WITH CONSENT OF GUARANTORS IS SUBJECT TO ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT AND/OR §15-48-10 OF THE SOUTH CAROLINA CODE OF LAWS (1976), AS AMENDED.**

**THIRD AMENDMENT TO TERM LOAN AGREEMENT AND RELATED LOAN DOCUMENTS WITH CONSENT OF GUARANTORS**

THIS THIRD AMENDMENT TO TERM LOAN AGREEMENT AND RELATED LOAN

DOCUMENTS WITH CONSENT OF GUARANTORS (the "**Amendment**") effective as of March , 2022, by and among Vicon Industries, Inc., (the "**Borrower**"), NIL Funding Corporation (the "**Lender**"), IQinVision, Inc., ("**IQin**"), TeleSite U.S.A., Inc., ("**TeleSite**"), Vicon Industries Limited ("**Vicon Industries**"), and Vicon Systems Ltd., ("**Vicon Systems**" and collectively with IQin, TeleSite, and Vicon Industries, the "**Guarantors**").

W I T N E S S E T H:

WHEREAS, Borrower and Lender executed that certain Term Loan Agreement, dated as of September 21, 2018 (the "**Loan Agreement**") pursuant to which Lender agreed to loan to Borrower Five Million Six Hundred Thousand and No/100 Dollars (\$5,600,000.00) in accordance with the terms set forth therein (the "**Loan**");

WHEREAS, the Borrower executed that certain Promissory Note [Facility A], dated as of September 21, 2018, in the original principal amount of One Million Seven Hundred Ninety Six Thousand and No/100 Dollars (\$1,796,000.00) in favor of Lender (the "**Facility A Note**");

WHEREAS, the Borrower executed that certain Promissory Note [Facility B], dated as of September 21, 2018, in the original principal amount of Three Million Eight Hundred Four Thousand and No/100 Dollars (\$3,804,000.00) in favor of Lender (the "**Facility B Note**");

WHEREAS, the Guarantors each executed a Continuing Guaranty, dated as of September 21, 2018 (collectively, the "**Guaranty Agreements**"), pursuant to which the Guarantors jointly and severally guaranteed all obligations of the Borrower to the Lender;

WHEREAS, the Borrower, Lender, and Citibank, N.A. executed those three (3) certain Deposit Account Control Agreements, dated as September 28, 2018 (collectively, the "**Citibank DACAs**");

WHEREAS, pursuant to that certain Termination of Deposit Account Control Agreement dated September 28, 2021, the Citibank DACAs were terminated.

WHEREAS, the Borrower, Lender, and TD Bank, N.A., executed that certain Deposit Account Control Agreement, dated as of November 9, 2021 (the "**TD Bank DACA**").

WHEREAS, the Guarantors each executed a Security Agreement, dated as of September 21, 2018 (collectively, the "**Security Agreements**," and collectively with the Loan Agreement, Facility A Note, Facility B Note, Guaranty Agreements, the Citibank DACAs, and all other documents executed in connection with the foregoing, including, but not limited to, that certain First Amendment to Term Loan Agreement and the Related Loan Documents with Consent of Guarantors, dated as of March 4, 2020, and that certain Second Amendment to Term Loan Agreement and Related Loan Documents with Consent of

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Guarantors, dated as of March 30, 2020, the "**Loan Documents**"), pursuant to which the Guarantors each granted security interests in the collateral more particularly described therein to Lender; and

WHEREAS, Borrower, Lender, and Guarantors now desire to modify and amend certain terms of the Loan Documents as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Capitalized terms used herein but not defined shall have the meaning ascribed to them in the Loan Documents.
2. The Loan Documents are hereby amended as follows:
  - a. The Maturity Date of the Facility A Note is extended to March 30, 2023, but all other terms of the Facility A Note, including monthly payment terms, shall remain the same.
  - b. The Maturity Date of the Facility B Note is extended to March 30, 2023, but all other terms of the Facility B Note, including monthly payment terms, shall remain the same.
  - c. On or before March 31, 2022, Borrower shall pay to Lender an additional Five Hundred Thousand and No/100 Dollars (\$500,000.00) principal payment (the "**Additional Principal Payment**"). Failure to make the Additional Principal Payment by March 31, 2022, shall be an automatic Event of Default.
3. Each of the existing Loan Documents is hereby further amended to provide that each reference to any one or more of the Loan Documents is deemed to refer to such documents as modified by this Amendment. In addition, this Amendment shall be deemed to be included as a "Loan Document" in any and all references to the "Loan Documents" contained in any of the Loan Documents existing as of the date hereof or which are executed following the date hereof.
4. Except as specifically amended herein, all terms and conditions of the Loan Documents shall remain in full force and effect, without waiver or modification.
5. Borrower and Guarantors each hereby remake all of their respective representations and warranties contained in the Loan Documents and reaffirm all respective covenants set forth therein. Borrower and Guarantors each further certify that as of the date of this Amendment there exists no Event of Default as defined in the Loan Documents, nor any condition, act or event which with the giving of notice or the passage of time or both would constitute any such Event of Default. As a further inducement to the Lender to enter into this Amendment, Borrower and each Guarantor further represents, warrants, covenants and acknowledges (as applicable) as follows (it being acknowledged by all parties that each such representation, warranty, covenant and acknowledgment relates to material matters upon which Lender has relied):

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(a) There are no defenses, offsets or counterclaims or other claims, legal or equitable, available to Borrower, any Guarantor, or any other person or entity with respect to this Amendment, the Loan Documents, or any other instrument, document and/or agreement described herein or therein, as modified and amended hereby, or

with respect to the obligation of Borrower to repay the Loan, as the case may be.

(b) The Borrower and Guarantors each has the right and power and has obtained all authorizations necessary to execute and deliver this Amendment and all documents required to be delivered in connection herewith and to perform its respective obligations hereunder and under the Loan Documents in accordance with their respective terms. This Amendment and all documents required to be delivered in connection herewith has been duly executed and delivered by duly authorized officers, managers, partners, trustee(s), or directors (as applicable) of the Borrower and Guarantors and is a legal, valid and binding obligation of the Borrower and/or Guarantors (as applicable), enforceable against each party thereto in accordance with their respective terms, except as the same may be limited by bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and the availability of equitable remedies for the enforcement of certain obligations contained herein or therein may be limited by equitable principles generally.

(c) There is no action, suit, investigation or proceeding, pending or threatened, in any court or before any arbitrator or governmental authority, that has a reasonable probability of materially adversely affecting Borrower or Guarantors or any transaction contemplated hereby or by the Loan Documents, or the ability of Borrower or Guarantors to perform their respective obligations under this Amendment or the other Loan Documents as modified and amended hereby.

(d) Each of the Borrower and Guarantors is duly organized and validly existing in its state of organization. The undersigned persons are duly authorized to execute and deliver, on behalf of the Borrower and Guarantor, as applicable, this Amendment and all documents required to be delivered in connection herewith.

(e) The amendments to the Loan Documents set forth in this Amendment are not intended as and do not constitute novations of any of the obligations reflected in the Loan Documents.

6. The effectiveness of this Amendment is subject to receipt by the Lender of each of the following, each in form and substance satisfactory to the Lender:

- (a) a counterpart of this Amendment duly executed by the Borrower and Guarantors;
- (b) payment by Borrower of Ten Thousand and No/100 Dollars (\$10,000.00) to reimburse Lender for fees incurred in connection with this Amendment;
- (c) payment by Borrower of Five Hundred Thousand and No/100 Dollars (\$500,000.00), which amount shall be credited towards the outstanding principal balance of the Loan;

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(d) a current Certificate of Existence/Good Standing for the Borrower and Guarantors issued by the jurisdiction in which such entity is organized;

(e) original counterparts of resolutions from the Borrower and Guarantors authorizing the execution and delivery of this Amendment; and

(f) such other documents, instruments and agreements as the Lender may reasonably request.

7. The failure of the Borrower or Guarantors to perform any of their respective obligations under this Amendment or the falsity of any representation or warranty made herein shall, at the option of the Lender, constitute an Event of Default the Loan Documents.

8. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF SOUTH CAROLINA APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE. In the event no party makes demand for arbitration pursuant to Section 7.11 of the Loan Agreement, any legal suit, action or proceeding arising out of or relating to this Amendment, the Loan Agreement, any of the Loan Documents, the transactions contemplated hereby or thereby shall be instituted in the Federal Courts of the United States of America or the State Courts of the State of South Carolina and County of Charleston, and the Borrower and Guarantors irrevocably submit to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. The Borrower and Guarantors irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

9. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. No party shall transfer or assign any of their respective rights or obligations hereunder without the prior written consent of the Lender.

10. Except as expressly herein amended, the terms and conditions of the Loan Documents remain in full force and effect. The amendments and modifications contained herein shall be deemed to have prospective application only, unless otherwise specifically stated herein. If any provision of any of this Amendment or of any Loan Document, as amended hereby, is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions. The Borrower and Guarantors will execute such additional documents as are reasonably requested by the Lender to reflect the terms and conditions of this Amendment., and will cause to be delivered such additional certificates, legal opinions and other documents as are reasonably required by the Lender.

11. The Borrower hereby agrees that all fees, expenses and costs incurred by the Lender (including, without limitation, fees, expenses and costs of Lender's counsel) in negotiating, preparing, reviewing and granting the amendment set forth herein shall, to the extent not paid or invoiced as of the date hereof, be paid by it upon demand as fees, costs and expenses incurred in connection with the Loan Agreement.

12. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. It shall not be necessary in making proof of this Amendment to produce or account for more than one such counterpart for each of the parties hereto. Delivery by facsimile by any of the parties hereto of an executed counterpart of this Amendment shall be as effective as an original executed counterpart hereof and shall be deemed a representation that an original executed counterpart hereof will be delivered. Each counterpart hereof shall be deemed to be an original and shall be binding upon all parties, their successors and assigns.

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13. In consideration of the modifications set forth in this Amendment, Borrower and Guarantors each releases and holds harmless the Lender and its officers, employees, agents, affiliates, parent companies, and subsidiaries from and against any claim, action, suit, demand, cost expense or liability of any kind relating to the transactions contemplated by the Loan Documents, the administration thereof or any business communications and dealings among Borrower, and/or Guarantors and the Lender concerning the Loan through the date of execution hereof.

14. The Guarantors, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, each hereby consent to and join in this Amendment and hereby declare to and agree with the Lender that: (a) the Guaranty Agreements and Security Agreements entered into by the Guarantors, are and shall continue in full force and effect for the benefit of Lender with respect to the obligations guaranteed and secured thereby, as amended by this Agreement, (b) there are no offsets, claims, counterclaims, cross-claims or defenses of the Guarantors with respect to such Guaranty Agreements or Security Agreements nor, with respect to the obligations guaranteed and secured thereby, (c) that the Guaranty Agreements and Security Agreements are not released, diminished or impaired in any way by this Amendment or the transactions contemplated hereby, and (d) such Guaranty Agreements and Security Agreements, as amended by this Agreement, are hereby ratified and confirmed in all respects. Guarantors each

acknowledge that without this consent and reaffirmation, the Lender would not execute this Agreement or otherwise consent to its terms.

15. This Amendment shall, upon satisfaction of the items set forth in Section 6 above, be effective as of the date set forth above. Thereafter, this Amendment shall be binding upon and inure to the benefit of the Borrower, the Lender, each of the other parties to the Loan Documents and each of their respective successors and assigns.

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(SIGNATURE PAGE(S) ATTACHED)

IN WITNESS WHEREOF, Borrower and Lender have set their respective hands and seals as of March 30, 2022.

BORROWER:

Vicon Industries, Inc.

By: /s/ Saagar Govil  
Name: Saagar Govil  
Title: CEO

GUARANTORS:

IQinVision, Inc.

By: /s/ Saagar Govil  
Name: Saagar Govil  
Title: CEO

TeleSite U.S.A., Inc.

By: /s/ Saagar Govil  
Name: Saagar Govil  
Title: CEO

Vicon Industries Limited

By: /s/ Saagar Govil  
Name : Saagar Govil  
Title: CEO

Vicon Systems Ltd.

By: /s/ Saagar Govil  
Name: Saagar Govil  
Title :CEO

LENDER:

NIL Funding Corporation

By: \_\_\_\_\_  
Name:  
Title:

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## EXHIBIT 21.1

<b>Name of consolidated subsidiary or entity</b>	<b>State or other jurisdiction of incorporation or organization</b>	<b>Date of incorporation or formation (date of acquisition, if applicable)</b>	<b>Attributable interest</b>
Advanced Industrial Services, Inc.	Pennsylvania	July 20, 1984 (December 15, 2015)	100%
Cemtrex Advanced Technologies, Inc.	New York	July 11, 2017	100%
Cemtrex Technologies Pvt Ltd.	India	December 21, 2017	100%
Cemtrex XR, Inc.	Nevada	September 10, 2020	100%
Vicon Industries, Inc.	New York	March 23, 2018	95%
Vicon Industries Limited	United Kingdom	March 23, 2018	95%

**CERTIFICATION PURSUANT TO RULE 13A/15D OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE  
SARBANES-OXLEY ACT OF 2002**

I, Saagar Govil, certify that:

1. I have reviewed this report on Form 10-Q of Cemtrex, Inc. and subsidiaries (the “registrant”);
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 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 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.

*/s/ Saagar Govil*

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Saagar Govil  
Chief Executive Officer

Dated: May 16, 2022

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**CERTIFICATION PURSUANT TO RULE 13A/15D OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE  
SARBANES-OXLEY ACT OF 2002**

I, Paul J. Wyckoff, certify that:

1. I have reviewed this report on Form 10-Q of Cemtrex, Inc. and subsidiaries (the “registrant”);
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 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 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.

*/s/ Paul J. Wyckoff*

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Paul J. Wyckoff  
Interim Chief Financial Officer  
and Principal Financial Officer

Dated: May 16, 2022

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

In connection with the quarterly report of Centrex, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Saagar Govil, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

*/s/ Saagar Govil*

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Saagar Govil  
Chief Executive Officer

Dated: May 16, 2022

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

In connection with the quarterly report of Centrex, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul J. Wyckoff, Interim Chief Financial Officer and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

*/s/ Paul J. Wyckoff*

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Paul J. Wyckoff  
Interim Chief Financial Officer  
and Principal Financial Officer

Dated: May 16, 2022

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