Daplie, Inc.
Utah Corporation

Financial Statements

December 31, 2017

DAPLIE, INC.

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DAPLIE, INC.
BALANCE SHEETS
As of December 31, 2017

		2017
ASSETS		
Current Assets:		
Cash and cash equivalents	$	8,266
Work-in-Process		325,312
Prepaid expenses		-
Total Current Assets		333,578
Non-Current Assets:		
Property and equipment, net		6,533
Total Non Current Assets		6,533
Intangible Assets:		-
Intangibles, net		25,000
TOTAL ASSETS	$	365,111
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Liabilities:		
Current Liabilities:		
Accounts payable	$	9,769
Accrued expenses		33,123
Taxes payable		-
Customer deposits (pre-sales)		987,049
Accrued interest payable		104
Pending investment		-
Convertible notes, current		-
Total Current Liabilities		1,030,045
Long-Term Liabilities:		
Convertible notes, long-term		22,500
Total Liabilities		1,052,545
Stockholders' Equity (Deficit):		
Preferred stock, no par, 2,000,000 shares authorized, -0- shares issued and outstanding at December 31, 2017.		-
Common Stock, $0.001 par, 8,000,000 shares authorized, 1,138,846 shares issued and outstanding, 905,513 shares vested as of December 31, 2017.		1,139
Additional paid-in capital		2,106,579
Accumulated deficit		(2,795,152)
Total Stockholders' Equity (Deficit)		(687,434)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$	365,111

See accompanying notes, which are an integral part of these financial statements.

DAPLIE, INC.
STATEMENTS OF OPERATIONS
For the year ended December 31, 2017

		2017
Net revenues:	$	-
Costs of net revenues		-
Gross profit (loss)		-
Operating Expenses:		
General & administrative		748,458
Sales & marketing		708,343
Research & development		784,276
Total Operating Expenses		2,241,077
Loss from operations		(2,241,077)
Other Income (Expense):		
Interest expense		(2,093)
Total Other Income (Expense)		(2,093)
Provision for Income Taxes		24,761
Net Loss	$	(2,218,409)

See accompanying notes, which are an integral part of these financial statements.

DAPLIE, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
For the year ended December 31, 2017

	Common Stock				
	Number of Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
Balance at December 31, 2016	964,305	$ 965	$ 445,562	$ (576,743)	$ (130,216)
Warrants issued for services	-	-	1,030,232	-	1,030,232
Common stock issued for services	11,400	11	56,989	-	57,000
Common stock issued for cash	104,311	104	521,451	-	521,555
Common stock issued for debt	14,528	15	52,066	-	52,081
Exercises of warrants to common stock	44,302	44	279	-	323
Net loss	-	-	-	(2,218,409)	(2,218,409)
Balance at December 31, 2017	1,138,846	$ 1,139	$ 2,106,579	$ (2,795,152)	$ (687,434)

See accompanying notes, which are an integral part of these financial statements.

DAPLIE INC.
STATEMENTS OF CASH FLOWS
For the year ended December 31, 2017

		2017
Cash Flows From Operating Activities		
Net Loss	$	(2,218,409)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of property and equipment		1,536
Warrants issued for services		1,030,232
Common stock issued for services		57,000
Notes payable issued for services		12,500
Common stock issued for interest expense		3,981
Changes in operating assets and liabilities:		
(Increase)/Decrease in accounts receivable		-
(Increase)/Decrease in prepaid expenses		
Increase/(Decrease) in accounts payable		3,715
Increase/(Decrease) in accrued expenses		33,123
Increase/(Decrease) in taxes payable		(24,761)
Increase/(Decrease) in deferred revenue		716,670
Increase/(Decrease) in accrued interest payable		(2,470)
Net Cash Used In Operating Activities		(386,883)
Cash Flows From Investing Activities		
Purchase of WIP-Hardware		(325,312)
Purchase of property and equipment		(8,069)
Purchase of patent		(25,000)
Net Cash Used In Investing Activities		(358,381)
Cash Flows From Financing Activities		
Proceeds from exercise of warrants		323
Issuance of convertible notes payable		8,100
Proceeds from issuance of common stock		521,555
Payment of pending investment		(12,000)
Net Cash Provided By Financing Activities		517,978
Net Change In Cash		(227,286)
Cash at Beginning of Period		235,552
Cash at End of Period	$	8,266
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$	-
Cash paid for income taxes	$	-
Supplemental Disclosure of Non-Cash Financing Activities		
Warrants issued for services	$	1,030,232
Common stock issued for services	$	57,000
Common stock issued to retire debt	$	52,081
Notes payable issued for services	$	12,500

See accompanying notes, which are an integral part of these financial statements.

NOTE 1: NATURE OF OPERATIONS

Daplie, Inc. (the "Company"), is a corporation organized August 12, 2015 under the laws of Utah. The Company was formed to develop personal home servers.

As of December 31, 2017, the Company has not yet commenced planned principal operations nor generated significant revenue. The Company's activities since inception have consisted of formation activities, business development, and efforts to raise additional capital. The Company is dependent upon additional capital resources for the commencement of its planned principal operations and is subject to significant risks and uncertainties; including failing to secure additional funding to operationalize the Company's planned operations.

NOTE 2: GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is a business that has not yet generated revenues or profits since inception, does not yet have its product developed to a point ready for sale, sustained a net loss of $2,218,409 for the period ended December 31, 2017, has current liabilities in excess of current assets by $696,467 and has stockholders' deficit of $687,434 as of December 31, 2017. The Company's ability to continue as a going concern for the next twelve months is dependent upon its ability to generate sufficient cash flows from operations to meet its obligations, which it has not been able to accomplish to date, and/or to obtain additional capital financing. Management plans to raise additional capital and realize revenues to alleviate these risks, but no assurance can be given that the Company will be successful in these efforts. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern for a reasonable period of time. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America (GAAP). The Company adopted the calendar year as its basis of reporting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents and Concentration of Cash Balance

The Company considers all highly liquid securities with an original maturity of less than three months to be cash equivalents. The Company's cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits.

Inventories – Work-in-Process

Inventories consists entirely of work-in-process components, labor and production costs related to the manufacture of products for sale. These amounts are carried at the lower of cost or net realizable value and assessed for impairment. As of December 31, 2017, work-in-process totaled $325,312.

Property and Equipment

The Company has a policy to capitalize expenditures with useful lives in excess of one year and costs exceeding $1,000. Property and equipment is recorded at cost when purchased. Depreciation is computed using the straight-line method as follows:

Computer equipment	3 years
Other equipment	3 years

Fair Value of Financial Instruments

Financial Accounting Standards Board ("FASB") guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).

Level 3 - Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

The carrying amounts reported in the balance sheets approximate their fair value.

Revenue Recognition

The Company recognizes revenue when: (1) persuasive evidence exists of an arrangement with the customer reflecting the terms and conditions under which products or services will be provided; (2) delivery has occurred or services have been provided; (3) the fee is fixed or determinable; and (4) collection is reasonably assured. No revenues have been earned or recognized as of December 31, 2017.

The Company has conduct pre-sale crowdfunding campaigns on its planned product, which resulted in $987,049 of customer deposits on future production of its product as of December 31, 2017. Revenues will be recognized on these arrangements after the pre-sold units are produced and fulfilled to the customers, and all other revenue recognition criteria are achieved.

Organizational Costs

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 720, organizational costs, including accounting fees, legal fees, and costs of incorporation, are expensed as incurred. Certain expenses were incurred prior to the Company's inception and are recognized in these financial statements as being incurred effective on the inception date.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC 718, *Compensation - Stock Compensation*. Under the fair value recognition provisions of ASC 718, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense ratably over the requisite service period, which is generally the option vesting period. The Company uses the Black-Scholes option pricing model to determine the fair value of stock options.

Research and Development

Research and development ("R&D") costs are charged to expense as incurred. R&D expenses consist primarily of salaries, project materials, contract labor and other costs associated with ongoing product development and enhancement efforts. R&D expenses were $784,276 for the year ended December 31, 2017 and are included in development costs in the Statements of Operations.

Deferred Offering Costs

The Company complies with the requirements of FASB ASC 340-10-S99-1 with regards to offering costs. Prior to the completion of an offering, offering costs are capitalized. The deferred offering costs are charged to stockholders' equity upon the completion of an offering or to expense if the offering is not completed.

Income Taxes

The Company uses the liability method of accounting for income taxes as set forth in ASC 740, *Income Taxes*. Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax basis of assets and liabilities using tax rates expected to be in effect during the years in which the basis differences reverse. A valuation allowance is recorded when it is unlikely that the deferred tax assets will be realized. The Company assesses its income tax positions and records tax benefits for all years subject to examination based upon its evaluation of the facts, circumstances and information available at the reporting date. In accordance with ASC 740-10, for those tax positions where there is a greater than 50% likelihood that a tax benefit will be sustained, our policy is to record the largest amount of tax benefit that is more likely than not to be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where there is less than 50% likelihood that a tax benefit will be sustained, no tax benefit will be recognized in the financial statements. The Company has determined that there are no material uncertain tax positions.

The Company accounts for income taxes with the recognition of estimated income taxes payable or refundable on income tax returns for the current period and for the estimated future tax effect attributable to temporary differences and carryforwards. Measurement of deferred income items is based on enacted tax laws including tax rates, with the measurement of deferred income tax assets being reduced by available tax benefits not expected to be realized in the immediate future.

As of December 31, 2017, the Company had a net operating loss of approximately $427,700. The Company incurs Federal and Utah income taxes at rates of approximately 34% and 5%, respectively, and has used an effective blended rate of 37.3% to derive a net deferred tax asset of $159,500 as of December 31, 2017. Due to the uncertainty as to the Company's ability to generate sufficient taxable income in the future and utilize the net operating loss carryforwards before they expire in 2035, the Company has recorded a full valuation allowance to reduce the net deferred tax asset to zero as of December 31, 2017.

The Company reviews tax positions taken to determine if it is more likely than not that the position would be sustained upon examination resulting in an uncertain tax position. The Company recognizes interest accrued and penalties related to unrecognized tax benefits in tax expense. The Company files U.S. federal and Utah state income tax returns. All tax periods since inception remain open to examination by the taxing jurisdictions to which the Company is subject.

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following:

Computer Equipmenet	5,414
Equipment	2,655
	8,069
Less accumulated depreciation and amortization	(1,536)
	6,533

NOTE 5: STOCKHOLDERS' EQUITY (DEFICIT)

The Company amended and restated its articles of incorporation on September 1, 2015, authorizing 10,000,000 shares of $0.001 par value common stock. On May 12, 2016, the Company amended and restated its Articles of Incorporation to provide a 1 for 8 stock split on all outstanding shares of common stock, change the authorized stock from 10,000,000 shares of common stock to 8,000,000 shares of $0.001 par value common stock and 2,000,000 shares of no par value preferred stock, designate the 8,000,000 shares of common stock as 6,000,000 shares of Class A Shares and 2,000,000 shares of Class B Shares, and establish various rights and privileges among the shares classes. Class A common stockholders have voting rights and preferred stockholders vote on an as-converted basis with Class A common stockholders, while Class B common stockholders do not have voting rights. Preferred stock is convertible into Class A common stock.

Regarding the 8 to 1 stock split on all outstanding stock, all share, options, warrants, and earnings per share information have been retroactively adjusted to reflect the stock split and the incremental par value of the newly issued shares was recorded with the offset to additional paid-in capital.

In 2017, the Company issued 104,311 shares of common stock for prices of $5.00 per share, providing total proceeds of $521,555. Additionally, 11,400 shares of common stock were issued to service providers and consultants to the Company for services valued at $57,000 based on the Company's estimate of the fair value of the common stock issued under these arrangements. Various warrant holders exercised warrants during 2017 converting warrants to purchase 44,315 shares of common stock into 44,302 shares of common stock.

Stock issuances were conducted under terms of restricted stock purchase agreements subject to vesting provisions. Unvested shares under these arrangements can be repurchased by the Company upon termination of service for any reason at the lesser of $0.10 per share or the fair value of the Company's common stock at the repurchase date (as determined by the Board of Directors). All shares issued under these arrangements become fully vested immediately prior to a change in control event, as defined in the agreements.

As of December 31, 2017 1,138,846 shares of common stock were issued and outstanding and 905,513 shares of common stock were vested.

<u>Stock Plan</u>

In September 2015, the Company approved its 2015 Stock Plan (the "Plan") to provide employees, officers, non-employee directors, contractors, and consultants to the Company with stock based awards. The Company reserved 100,000 shares of common stock for issuance under the Plan. No stock options have been granted as of December 31, 2017.

<u>Warrants</u>

During 2017, the Company issued 93,056 warrants to purchase shares of common stock in exchanges for services. The warrants expire after three years. The exercise price for the common stock warrants is $0.01 per share, or at the price per share in the next qualifying equity financing over $1,000,000, or the price per share in a change of control event (all as defined in the agreements). The number of shares or exercise price will be adjusted in the event of any stock dividend, stock splits or recapitalization of the Company. The Company determined the fair value of these warrants under a Black-Scholes calculation and recorded an adjustment to additional paid-in capital for the value of the services received in exchange for these warrants in the total amount of $1,030,232 for the year ended December 31, 2017. The inputs used to value these warrants for the year ended December 31, 2017 are as follows:

	2017
Risk Free Interest Rate	1.01% - 1.40%
Expected Dividend Yield	0.00%
Expected Volatility	50.00%
Expected Life (years)	1.50
Fair Value per Stock Option	\$5.00 - \$15.00

NOTE 6: CONVERTIBLE NOTES PAYABLE

During September 2015, the Company issued six convertible notes for total principal of \$40,000, all of which with related parties. These notes bear interest at 5% per annum and mature in 48 months (September 2019). Accrued interest for the first 12 months is to be capitalized to principal, then monthly payments are required thereafter at an amount determined by an eight-year amortization of the principal plus capitalized accrued interest. The remaining balance plus accrued and unpaid interest is due at the end of the 48 month term in September 2019. The Company may not prepay these notes without the consent of the holder. Four notes are only partially convertible, and therefore the total convertible principal on these notes is \$21,950 as of both December 31, 2016 and 2015. The notes are convertible upon a qualified equity financing (as defined in the note agreements) of \$500,000 or greater at the lower of the price per share in the triggering equity financing, or at the price per share derived from a \$3,000,000 valuation on the fully diluted capitalization of the Company at the conversion date. The notes are also convertible at the holder's option at any time prior to maturity at the price per share derived from a \$600,000 valuation on the fully diluted capitalization of the Company at the conversion date for \$21,000 of the convertible notes payable and \$275,250 valuation on the fully diluted capitalization of the Company at the conversion date for \$950 of the convertible notes payable. In April 2017, the Company repaid \$1,900 of principal on one of these notes. In June 2017, the Company issued 12,421 share of common stock in conversion of the remaining notes payable with an aggregate principal and accrued interest balances of \$41,546.

In November 2015, the Company issued a convertible note payable to a law firm to be drawn upon in exchange for legal services in the maximum principal amount of \$5,000. \$5,000 services had been incurred as of December 31, 2017. Another attorney of the Company was issued a \$5,000 convertible note payable during 2016. These notes bear interest at 4% and are payable on demand. The notes are convertible into the Company's stock upon: A) Optional conversion upon a qualifying financing event (as defined in the agreement) at a price per share equal to the lowest price paid by investors in the triggering financing event; B) Optional conversion upon a change in control at a price per share at 80% the share price paid in the change in control event; C) Automatic conversion upon an initial public offering at a price per share of 80% of the lowest per share selling price at which shares of such stock are issued to the public in the initial public offering. In May and June 2017, the Company issued 2,107 share of common stock in conversion of the remaining notes payable with an aggregate principal and accrued interest balances of \$10,535.

In April 2017, the Company issued a convertible note payable for principal of \$10,000. The note bears interest of 1% per annum and matures on January 1, 2025. The Company may not prepay the note without the written consent of the holder. Accrued interest on this note as of December 31, 2017 was \$73. The unpaid principal and interest on the note is automatically convertible upon the next equity financing with an aggregate sales price or proceeds of not less than \$100,000.

In August 2017, the Company issued a convertible note to a service provider to be drawn upon in exchange for consulter services at a rate of $2,500 per month. $12,500 of services had been incurred as of December 31, 2017. The note bears interest of 1% per annum and matures on January 1, 2025. The Company may not prepay the note without the written consent of the holder. Accrued interest on this note as of December 31, 2017 was $30. The unpaid principal and interest on the note may be converted upon the next equity financing with an aggregate sales price or proceeds of not less than $100,000.

The Company determined that the convertible notes contained conversion features that were potentially beneficial under FASB ASC 470-20, and analyzed each note accordingly. The contingent conversion features were not considered for recording a discount at issuance due to none of the triggering contingent events occurring prior to December 31, 2017, and therefore in accordance with FASB ASC 470-20 a contingent beneficial conversion feature in an instrument that becomes convertible only upon the occurrence of a future event outside the control of the holder is not recognized in earnings until the contingency is resolved. The remaining conversion features were determined to not qualify as beneficial based on the Company's analysis of its valuation being less than the stock prices implied by the terms of these conversion features. Therefore, the Company concluded that no discounts were necessary on its convertible note issuances as the conversion features did not qualify as beneficial.

NOTE 7: RELATED PARTIES

The Company's founders and other related parties to the Company were issued stock in exchange for services, assets, and expenses incurred prior to inception, as described in Note 5. Convertible notes payable were issued to various related parties, as described in Note 6.

NOTE 8: RECENT ACCOUNTING PRONOUNCEMENTS

In January 2016, the FASB issued Accounting Standards Update No. 2016-01, Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities ("ASU 2016-01"), which requires that (i) all equity investments, other than equity-method investments, in unconsolidated entities generally be measured at fair value through earnings and (ii) when the fair value option has been elected for financial liabilities, changes in fair value due to instrument-specific credit risk will be recognized separately in other comprehensive income. Additionally, the ASU 2016-01 changes the disclosure requirements for financial instruments. The new standard will be effective for the Company starting in the first quarter of fiscal 2019. Early adoption is permitted for certain provisions. The Company is in the process of determining the effects the adoption will have on its consolidated financial statements as well as whether to adopt certain provisions early.

In June 2014, the FASB issued Accounting Standards Update No. 2014-12, "Compensation - Stock Compensation (Topic 718): Accounting for Share-Based Payments when the terms of an award provide that a performance target could be achieved after the requisite service period," ("ASU 2014-12"). Current U.S. GAAP does not contain explicit guidance on whether to treat a performance target that could be achieved after the requisite service period as a performance condition that affects vesting or as a nonvesting condition that affects the grant-date fair value of an award. The new guidance requires that a performance target that affects vesting and that could be achieved after the requisite service period is treated as a performance condition. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. The updated guidance will be effective for annual reporting periods beginning after December 15, 2015, including interim periods within that reporting period. The adoption of this ASU did not have any impact on the Company's consolidated financial position, liquidity, or results of operations.

In July 2015, the FASB issued ASU 2015-11, "Simplifying the Measurement of Inventory." Under this ASU, inventory will be measured at the "lower of cost and net realizable value" and options that currently exist for "market value" will be eliminated. The ASU defines net realizable value as the "estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation." No other changes were made to the current guidance on inventory measurement. ASU 2015-11 is effective for interim and annual periods beginning after December 15, 2016. Management is evaluating the provisions of this statement and has not determined what impact the adoption of ASU 2015-11 will have on the Company's financial position or results of operations.

In November 2015, the FASB issued ASU 2015-17: Financial Instruments—Overall: Recognition and Measurement of Financial Assets and Financial Liabilities, which provides guidance to simplify the financial statement presentation of deferred income taxes. The new guidance requires an entity to present deferred tax assets and liabilities as non-current in a classified balance sheet. Prior to the issuance of this guidance, deferred tax liabilities and assets were required to be separately classified into a current amount and a non-current amount in the balance sheet. The new guidance represents a change in accounting principle and is effective for annual reporting periods beginning after December 15, 2016, with early adoption permitted.

In November 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No.2015-17, "Balance Sheet Classification of Deferred Taxes". The new guidance eliminates the requirement to separate deferred income tax liabilities and assets into current and noncurrent amounts. The amendments will require that deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. The updated guidance is effective for fiscal years beginning after December 15, 2016, including interim periods within those annual periods. The Company is in the process of evaluating this guidance.

Management does not believe that any recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statements. As new accounting pronouncements are issued, the Company will adopt those that are applicable under the circumstances.

NOTE 9: NON-CASH EXPENSES

The Company's expenses for the year ended December 31, 2017 were significantly increased by non-cash transactions as the result of $1,030,232 of expenses recognized on the issuance of warrants as compensation (see Note 5), $57,000 of expense recognized on the issuance of common stock as compensation (see Note 5), and $12,500 of convertible notes issued as compensation for accounting services. In total, $1,099,732 of the Company's $2,233,577 of operating expenses on the statement of operations for the year ended December 31, 2017 were the result of non-cash compensation. Non-cash transactions are valued using management's estimates and assumptions to determine the fair value of the instruments issued in exchange for the services received, which are inherently subjective and could differ from actual results.

NOTE 10: SUBSEQUENT EVENTS

Short-Term Loan

In January 2018, the Company entered into a loan agreement for principal of $100,000. The loan bears interest of 12% per annum. The loan is repayable within 10 days of the Lender providing a written notice of demand, with a minimum loan period of one month and a maximum loan period of three months. The parties have agreed to extend the loan.

Stock Issuances

During 2018, the Company has issued a total of 20,035 Class A Common Shares for $15.00 per share for total proceeds of $300,525.

Stock Repurchases

In February 2018, the Company agreed to sell certain patent rights to a third-party. The third-party was the owner of 6,000 shares of common stock. As part of the Patent Purchase Agreement, the buyer agreed to transfer the 6,000 shares of common stock to the Company.

Redemption Agreement

In April 2018, the Company entered into a redemption agreement with one of the Company's founders and former employee, in which it was agreed that the Company would purchase 160,000 shares of vested and unvested common stock as well as unexercised warrants to purchase 20,042 shares of common stock for $5,000. In addition, the Company agreed to purchase certain domains for $7,500. The Company also agreed to offer to redeem shares of common stock of certain parties related to the founder at a price per share equal to the original subscription price paid by those parties. If accepted by all parties, the total shares redeemed would amount to 11,164 shares for a total redemption price of $35,000.

Management's Review

The Company has evaluated subsequent events through April 30, 2018, the date the financial statements were available to be issued. Based on the evaluation, no additional material events were identified which require adjustment or disclosure.