

**SHOWOPP, INC. d/b/a DADA**  
A Delaware Corporation

Financial Statements (Unaudited) and  
Independent Accountants' Review Report

December 31, 2018 and 2017

**SHOWOPP, INC. d/b/a DADA**

Years Ended December 31, 2018 and 2017

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT



To Management of Showopp, Inc. d/b/a DADA  
New York, New York

We have reviewed the accompanying financial statements of Showopp, Inc. d/b/a DADA (the "Company"), which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

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

### Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for my (our) conclusion.

### Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

As disclosed in Note 2 of the financial statements, the Company has not generated sufficient revenues to date, relies on outside sources to fund operations, and has incurred significant losses. Accordingly, substantial doubt is raised about the Company's ability to continue as a going concern.

*Fruci & Associates II, PLLC*

Spokane, WA  
May 15, 2019

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**SHOWOPP, INC. d/b/a DADA**  
**BALANCE SHEETS**  
December 31, 2018 and 2017  
(unaudited)

	2018	2017
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 4,039	\$ -
Related party receivable	-	40,000
<b>Total current assets</b>	<b>4,039</b>	<b>40,000</b>
Virtual platform, net	784,234	363,736
<b>Total assets</b>	<b>\$ 788,273</b>	<b>\$ 403,736</b>
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 160,195	\$ -
Accrued interest	-	31,286
Convertible notes payable, current	-	200,000
<b>Total current liabilities</b>	<b>160,195</b>	<b>231,286</b>
Convertible notes payable, noncurrent - related party	-	247,450
SAFT liability	58,805	
<b>Total liabilities</b>	<b>219,000</b>	<b>478,736</b>
<b>Commitments and contingencies</b>	-	-
<b>Stockholders' equity</b>		
Preferred stock, 4,822,073 and 0 shares issued and outstanding at December 31, 2018 and 2017	482	-
Common stock, 10,000,000 and 0 shares issued and outstanding at December 31, 2018 and 2017	1,000	-
Additional paid-in capital	913,828	26,604
Stock to be Issued	-	1,000
Stock receivable	-	(1,000)
Accumulated deficit	(346,037)	(101,604)
<b>Total stockholders' equity</b>	<b>569,273</b>	<b>(75,000)</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 788,273</b>	<b>\$ 403,736</b>

See accountants' review report and accompanying notes to the financial statements.

**SHOWOPP, INC. d/b/a DADA**  
**STATEMENTS OF OPERATIONS**  
For the Years Ended December 31, 2018 and 2017  
(unaudited)

	<u>2018</u>	<u>2017</u>
Revenue	\$ -	\$ -
Operating expenses		
Payroll and related expenses	159,867	-
Contractor fees	51,128	75,000
Travel	18,349	-
General and administrative	7,848	-
Stock-based compensation	3,708	26,604
Advertising and promotional	2,847	-
Professional fees	686	-
Total operating expenses	<u>244,433</u>	<u>101,604</u>
Net loss before income taxes	(244,433)	(101,604)
Provision for income taxes	<u>-</u>	<u>-</u>
Net loss	<u>\$ (244,433)</u>	<u>\$ (101,604)</u>

See accountants' review report and accompanying notes to the financial statements.

**SHOWOPP, INC. d/b/a DADA**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
For the Years Ended December 31, 2018 and 2017  
(unaudited)

	<b>Preferred Stock</b>		<b>Common Stock</b>		Additional Paid-in Capital	Stock to be Issued	Stock Receivable	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
<b>Balance on December 31, 2016</b>	-	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stock to be issued	-	-	-	-	-	1,000	(1,000)	-	-
Stock-based compensation	-	-	-	-	26,604	-	-	-	26,604
Net loss	-	-	-	-	-	-	-	(101,604)	(101,604)
<b>Balance on December 31, 2017</b>	-	-	-	-	26,604	1,000	(1,000)	(101,604)	(75,000)
Issuance of preferred stock for cash	1,438,553	144	-	-	349,856	-	-	-	350,000
Issuance of preferred stock for conversion of debt	3,383,520	338	-	-	533,664	-	-	-	534,003
Issuance of common stock	-	-	10,000,000	1,000	-	(1,000)	1,000	-	1,000
Stock-based compensation	-	-	-	-	3,704	-	-	-	3,704
Net loss	-	-	-	-	-	-	-	(244,433)	(244,433)
<b>Balance on December 31, 2018</b>	<b>4,822,073</b>	<b>\$ 482</b>	<b>10,000,000</b>	<b>\$ 1,000</b>	<b>\$ 913,828</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (346,037)</b>	<b>\$ 569,273</b>

See accountants' review report and accompanying notes to the financial statements.

**SHOWOPP, INC. d/b/a DADA**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2018 and 2017  
(unaudited)

	2018	2017
Cash flows from operating activities		
Net loss	\$ (244,433)	\$ (101,604)
Adjustments to reconcile net loss to net cash used by operating activities:		
Stock based compensation	3,704	26,604
Changes in operating assets and liabilities:		
Related party receivable	40,000	(40,000)
Accounts payable and accrued expenses	160,195	-
Net cash used by operating activities	<u>(40,534)</u>	<u>(115,000)</u>
Cash flows from investing activities		
Cash paid for development of software asset	<u>(399,686)</u>	<u>(14,814)</u>
Net cash used by investing activities	<u>(399,686)</u>	<u>(14,814)</u>
Cash flows from financing activities		
Net proceeds from issuance of convertible notes	34,454	129,814
Proceeds from SAFT notes	58,805	-
Proceeds from issuance of common stock	1,000	-
Proceeds from issuance of preferred stock	350,000	-
Net cash provided by financing activities	<u>444,259</u>	<u>129,814</u>
Net increase in cash and cash equivalents	4,039	-
Cash and cash equivalents, beginning	-	-
Cash and cash equivalents, ending	<u>\$ 4,039</u>	<u>\$ -</u>
<b>Supplemental cash flow information:</b>		
Cash paid during the period for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>
<b>Noncash activities:</b>		
Conversion of convertible notes to preferred shares	<u>\$ 534,002</u>	<u>\$ -</u>
Capitalization of accrued interest	<u>\$ 20,812</u>	<u>\$ 23,096</u>
Issuance of shares to be issued	<u>\$ 1,000</u>	<u>\$ -</u>
Related party advances converted to convertible notes	<u>\$ -</u>	<u>\$ 250,000</u>

See accountants' review report and accompanying notes to the financial statements.

**SHOWOPP, INC d/b/a DADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)

For the Years Ended December 31, 2018 and 2017

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**NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES**

Nature of Business

Showopp, Inc. d/b/a DADA (“the Company”) is a Delaware C-corporation that was founded on March 29, 2012, and is headquartered in Brooklyn, New York. The Company is an online visual platform where people talk to each other through drawings, envisioned with the goal of creating a vibrant creative community where artists can share their individual visions and connect with each other for the common good.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are normal and recurring in nature. The Company’s fiscal year-end is December 31.

Use of Estimates

The preparation of financial statements in conformity with 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.

Revenue Recognition

The Company recognizes revenue only when all of the following criteria have been met:

- Persuasive evidence of an arrangement exists;
- Delivery has occurred or services have been rendered;
- The fee for the arrangement is fixed or determinable; and
- Collectability is reasonably assured.

Risks and Uncertainties

Through December 31, 2018, the Company has continued to develop its virtual platform that utilizes new and emerging technologies, such as block chain. The Company has not yet begun principal operations and there is a risk that the Company is not able to secure sufficient funding or launch its virtual platform, and therefore, does not commence principal operations.

**SHOWOPP, INC d/b/a DADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)

For the Years Ended December 31, 2018 and 2017

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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.

The following tables summarize items measured at fair market value during the years ended December 31, 2018 and 2017:

<b>Fair value measurements during December 31, 2018:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stock options	\$ -	\$ -	\$ 3,704	\$ 3,704
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,704</u>	<u>\$ 3,704</u>

<b>Fair value measurements during December 31, 2017:</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stock options	\$ -	\$ -	\$ 26,604	\$ 26,604
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,604</u>	<u>\$ 26,604</u>

**SHOWOPP, INC d/b/a DADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)

For the Years Ended December 31, 2018 and 2017

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Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents. At December 31, 2018 and 2017, the Company had no items, other than bank deposits, that would be considered cash equivalents. The Company maintains its cash in bank deposit accounts, that may at times, exceed federal insured limits. No losses have been recognized as a result of these excess amounts.

Virtual Platform

Costs for internally-developed software to be marketed to outside users are recorded pursuant to ASC Section 985 *Software*. Research and development costs prior to attaining 'technical feasibility' are expensed as incurred. Costs to develop the final product incurred thereafter, and up to the date of the software is released to the public, are capitalized and amortized over an estimated useful life of the asset using the straight-line method for financial statement purposes. The Company reviews the recoverability of internally-developed software assets, including the useful lives, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. No impairment was deemed necessary at December 31, 2018 and 2017.

At December 31, 2018 and 2017, the Company's virtual platform has not yet been placed into service, and as such, no amortization expense has been recorded as of the years then ended.

Advertising costs

The Company's advertising costs are expensed as incurred. During the years ended December 31, 2018 and 2017, the Company recognized \$2,847 and \$0 of advertising costs, respectively.

Stock-Based Compensation

The Company accounts for employee stock-based compensation in accordance with ASC Section 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 accounts for non-employee stock-based compensation in accordance with ASC Section 505 *Equity Based Payments to Non-Employees*. Under the fair value recognition provisions of ASC 505, 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.

**SHOWOPP, INC d/b/a DADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)

For the Years Ended December 31, 2018 and 2017

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Income Taxes

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 based on the provisions promulgated by the Internal Revenue Service (“IRS”) and the State of Delaware, which both have a statute of limitation of three years from the due date of the return. As such, all tax years from 2016 are open since the Company’s inception.

In December 2017, the U.S. government enacted the Tax Cuts and Jobs Act tax reform legislation (the Tax Act), which among other matters reduced the U.S. corporate income tax rate from 35 percent to 21 percent effective January 1, 2018. As a result of the rate reduction, the Company has reduced the deferred tax asset balance as of December 31, 2018 and 2017, commensurate with the decrease in applicable tax rate. Due to the Company’s full valuation allowance position, there was no net impact on the Company’s income tax provision as of December 31, 2018 or 2017, as the reduction in the deferred tax asset balance was fully offset by a corresponding decrease in the valuation allowance.

The Company currently has incurred losses of \$346,037 for which it may receive future tax benefits. However, as of December 31, 2018, no such benefit is expected to be recognized in the near term, and therefore, a full valuation allowance has been assessed on any potential income tax benefit.

Recent Accounting Pronouncements

In July 2018, the FASB issued ASU 2018-07, Improvements to Nonemployee Share-Based Payment Accounting. The amendments expand the scope of ASC 718, Compensation – Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees and to supersede the guidance in ASC 505-50, Equity-Based Payments to Non-Employees. The accounting for nonemployee awards will now be substantially the same as current guidance for employee awards. ASU 2018-07 impacts all entities that issue awards to nonemployees in exchange for goods or services to be used or consumed in the grantor’s own operations, as well as to nonemployees of an equity method investee that provide goods or services to the investee that are used or consumed in the investee’s operations. ASU 2018-07 aligns the measurement-date guidance for employee and nonemployee awards using the current employee model, meaning that the measurement date for nonemployee equity-classified awards generally will be the grant date, while liability-classified awards generally will be the settlement date. ASU 2018-07 is effective for nonpublic business entities for fiscal years beginning after December 15, 2019, including interim periods within that fiscal year. The Company does not believe the adoption of this ASU will have a material effect on the financial statements.

No other recently issued accounting pronouncements are expected to have a significant impact on the Company’s financial statements.

**SHOWOPP, INC d/b/a DADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)

For the Years Ended December 31, 2018 and 2017

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Subsequent Events

The Company has evaluated subsequent events through May 15, 2019, the date these financial statements were available to be issued. The following transactions occurred subsequent to the December 31, 2018:

- On January 9, 2019, the Company received proceeds of \$50,000 for a convertible promissory note, the provisions of which are still being negotiated and have yet to be finalized.

**NOTE 2 – GOING CONCERN**

The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the recoverability of assets and the satisfaction of liabilities in the normal course of business.

The Company has incurred losses from inception of \$346,037 which, among other factors, raises substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon management's plans to raise additional capital from the issuance of debt or the sale of stock, its ability to commence profitable sales of its flagship product, and its ability to generate positive, sufficient operational cash flow. The accompanying financial statements do not include any adjustments that might be required should the Company be unable to continue as a going concern.

**NOTE 3 – RELATED PARTY TRANSACTIONS**

During the years ended December 31, 2018 and 2017, the Company issued convertible notes payable to shareholders totaling \$34,454 and \$250,000, respectively. The convertible notes bear interest at 8% per annum and mature between June 2019 and June 2020. The convertible notes may be converted upon the following:

1. Upon the Company receiving cash of no less than \$1,000,000 ("Qualified Financing") for the sale of the Company's equity securities, the note will be automatically converted into shares of the Company's preferred or common shares at a price of the lower of 80% of the price paid for the stock as part of the Qualified Financing or, the quotient of the valuation cap and the fully diluted capitalization of the Company, as defined in the individual agreements.
2. Upon maturity, holders may elect to convert any outstanding principal and accrued interest into common or preferred shares of the Company, to be negotiated and agreed-upon at the time of conversion.

Additionally, upon a change of control, as defined in the individual agreements, for total consideration over \$1,000,000, the Company shall repay an amount equal to three times the principal and accrued unpaid interest.

**SHOWOPP, INC d/b/a DADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)

For the Years Ended December 31, 2018 and 2017

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Of the \$250,000 of convertible notes payable issued to shareholders in 2017, \$40,000 of the cash to be received under the notes was deposited with an entity related through common ownership, and was recorded as a related party receivable at December 31, 2017.

In July 2018, all of the outstanding shareholder convertible promissory notes were converted into preferred shares of the Company. At December 31, 2018 and 2017, outstanding shareholder convertible promissory notes total \$0 and \$250,000, respectively.

As of December 31, 2018 and 2017, the Company capitalized interest on shareholder convertible promissory notes of \$12,176 and \$12,831, respectively. At December 31, 2018 and 2017, accrued interest on shareholder convertible notes payable totaled \$0 and \$12,831, respectively.

**NOTE 4 – CONVERTIBLE NOTES PAYABLE**

In June 2017, the Company executed a \$125,000 convertible promissory note. The note bears interest at 8% per annum and matured December 2018. The note may be converted upon the following:

1. Upon the Company receiving cash of no less than \$750,000 for the sale of the Company's preferred stock ("Qualified Financing"), the security will be automatically converted into shares of preferred stock of the Company at a price of the greater of the price paid for preferred stock as part of the Qualified Financing, or the conversion percentage multiplied by the fully diluted capitalization of the Company, as defined in the agreement.
2. Upon maturity, holders may elect at any time to convert the security to common shares of the Company at a price equal to the conversion percentage multiplied by the fully diluted capitalization of the Company, as defined in the agreement.

Additionally, upon a change of control, as defined in the individual agreements, for total consideration over \$1,000,000, the Company shall repay an amount equal to three times the principal and accrued unpaid interest.

The Company recognized interest expense of \$8,635 and \$10,265 during the years ended December 31, 2018 and 2017, respectively, all of which was capitalized to the Company's virtual platform.

Prior to 2017, the Company entered into several convertible notes payable that bear interest at 8% per annum and mature between February 2017 and May 2018. At December 31, 2018 and 2017, the outstanding principal on these notes is \$0 and \$75,000, respectively. The conversion provisions of these notes were similar to those disclosed above. At December 31, 2017, three of the convertible notes were in default.

During June 2018, all of the convertible notes were converted in to preferred stock of the Company.

**SHOWOPP, INC d/b/a DADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)

For the Years Ended December 31, 2018 and 2017

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**NOTE 5 – SAFT EQUITY SECURITIES**

During the year ended December 31, 2018, the Company entered into five Simple Agreement for Future Tokens (“SAFT”) agreements for total proceeds of \$58,805. The SAFTs are convertible into digital tokens of the Company upon launch of the Company’s virtual platform. Should the Company not launch the virtual platform by February 22, 2019, the SAFTs are to be repaid to the holders in cash. As of the date of this report, the SAFTS are in default, however, the Company has verbal agreement with the holders to postpone payment of the until the Company launches a digital token.

**NOTE 6 – COMMON STOCK**

The Company has 32,610,000, \$0.0001 par value, common shares authorized at December 31, 2018 and 2017. 10,000,000 of authorized common shares are designated Class F, and 22,610,000 are designated as Class A. At December 31, 2018 and 2017, there were issued and outstanding Class F common shares of 10,000,000 and 0, respectively. There are no issued and outstanding Class A common shares at either December 31, 2018 and 2017.

At December 31, 2017, there were 10,000,000 shares of Class F common stock that were granted to founders of the Company, but had not yet been issued. During the year ended December 31, 2018, these shares were issued for \$1,000.

Class F shareholders have special voting rights as it pertains to amendments to incorporation documents, and vote with Class A members on all other matters. Each share of Class F common stock is convertible into one share of Class A common shares, and automatically convert to Class A common shares upon transfer of ownership of the Class F shares.

**NOTE 7 – PREFERRED STOCK**

The Company has 5,541,385 \$0.0001 par value, Series Seed Preferred Stock authorized at December 31, 2018 and 2017. At December 31, 2018 and 2017, there were issued and outstanding preferred shares of 4,822,073 and 0, respectively.

On July 18, 2018 the Company executed a Series Seed Preferred Stock Purchase Agreement which included the issuance of preferred stock for cash and for the conversion of outstanding convertible notes. The Company issued 1,438,553 shares of preferred stock at \$0.2433 per share in exchange for \$350,000 in cash. As a part of the agreement, the Company converted all outstanding convertible debt of principal and accrued interest totaling \$534,005 into a total 3,383,520 shares of preferred stock.

**SHOWOPP, INC d/b/a DADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)

For the Years Ended December 31, 2018 and 2017

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Holders of preferred shares of the Company receive liquidation preference in any liquidation, dissolution, or winding up of the Company, and participate in voting matters in an amount equal to the number of Class A common shares in which the preferred shares may be converted. Each share of preferred stock is convertible into one of share of Class A common shares, and upon a qualified public offering, as defined by the articles of incorporation, will automatically convert in Class A common shares.

**NOTE 8 – STOCK OPTIONS**

During 2017, the Company executed the 2017 Stock Incentive Plan, which reserved 3,917,421 common shares to be issued in the form of shares, restricted shares, or stock options. During 2018 and 2017, the Company issued 0 and 2,525,679 stock options pursuant to the 2017 plan, respectively. These options allow the holder to purchase an equal number of common shares at an exercise price of \$0.0125 per share. The options are subject to two vesting schedules: (1) 25% one year from the date of grant and ratably over the remaining 36 months and (2) 50% three months from the date of grant and ratably over the remaining 21 months. At December 31, 2018 and 2017, there were vested stock options of 2,525,679 and 2,217,037, respectively. The options issued in 2017 have no intrinsic value. The Company reserved 3,917,421 Class A common shares for use in under the stock incentive plan and shares issued upon exercise will be first issued from this reserve pool, and new shares will be issued for any exercise of options in excess of the reserve pool

The options issued were valued using the Black Scholes Merton pricing model, and resulted in stock based compensation expense of \$3,708 and \$26,604 as of December 31, 2018 and 2017, respectively.

The following are the estimates and assumptions that were used to value stock options: (1) \$0.0125 exercise price and Class A common share value, (2) 300% volatility, (3) 1.71% risk-free rate, (4) five year expected term, and (5) no expected dividends.

A summary of option activity is as follows:

	Options - Common Share Equivalents	Weighted Average Exercise Price	Weighted Average Remaining Life
Outstanding December 31, 2016	-	\$ -	-
Granted	2,525,679	0.01	10.0
Expired/Forfeited	-	-	-
Exercised	-	-	-
Outstanding December 31, 2017	2,525,679	\$ 0.01	9.5
Granted	-	-	-
Expired/Forfeited	-	-	-
Exercised	-	-	-
Outstanding December 31, 2018	2,525,679	\$ 0.01	8.5

**SHOWOPP, INC d/b/a DADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(unaudited)  
For the Years Ended December 31, 2018 and 2017

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**NOTE 9 – STOCK WARRANTS**

On July 18, 2018, the Company issued a warrant to purchase 616,553 Class A common shares, alongside the purchase of preferred shares pursuant Series Seed Preferred Stock Purchase Agreement. The stock warrant is exercisable at \$0.2433 per share and expire July 18, 2025. As of December 31, 2018 and 2017, this stock warrant has not been exercised.