

BALANCE SHEET
December 31, 2015

	<u>2015</u>
ASSETS	
Cash and cash equivalents	\$ 0
Accounts receivable	
Real estate owned, net	
Intangible assets, net	82
Goodwill	
Total assets	<u>\$ 82</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	
Liabilities	
Accrued expenses	<u>\$ 450</u>
Other current liabilities	<u>450</u>
Accrued interest payable and other liabilities	
Loans from shareholders	<u>23,483</u>
Total liabilities	<u>\$ 24,933</u>
Shareholders' equity	
Common stock, \$.000001 par value; 1,000,000 shares authorized; 1,000,000 shares issued	1
Additional paid-in capital	149
Retained earnings	<u>(24,001)</u>
Total shareholders' equity	<u>\$ (23,851)</u>
Total liabilities and shareholders' equity	<u>\$ 82</u>

INCOME STATEMENT
December 31, 2015

Revenues		\$ <u>2015</u> 0
Expenses		
Rent expense	9,809	
Utilities expense	1,795	
Supplies expense	25	
Automobile expense	6,001	
Website expense	524	
Professional fees	600	
Travel expenses	1,009	
Meetings and conference expenses	1,745	
Amortization	<u>30</u>	21,538
Net income		<u>\$ (21,538)</u>
Other comprehensive income adjustments		\$ 0
Comprehensive income		<u><u>\$ (21,538)</u></u>

CASH FLOW
December 31, 2015

Cash flows from operating activities	<u>2015</u>
Net income	\$ (21,538)
Adjustments to reconcile net income to net cash from operating activities	
Net amortization	30
Increase in accrued expenses	200
Net cash from operating activities	<u>\$ (21,308)</u>
 Cash flows from investing activities	
Net cash from investing activities	<u>\$ 0</u>
 Cash flows from financing activities	
Proceeds from loan	<u>\$ 21,308</u>
Net cash from financing activities	<u>\$ 21,308</u>
 Net change in cash and cash equivalents	<u>\$ 0</u>
 Beginning cash and cash equivalents	<u>\$ 0</u>
 Ending cash and cash equivalents	<u>\$ 0</u>

PERCHANCE, INC. NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
DECEMBER 31, 2015

ORGANIZATION AND NATURE OF ACTIVITIES

Perchance, Inc. (“the Company”) is a mobile application that offers users a second chance at reconnecting with someone they may have shared a passing moment with. Using GPS, Perchance locates other users that were in your immediate vicinity at the same time as you. If two users confirm a missed connection, the Perchance application gives them the ability to coordinate a time and venue to meet.

The Company will conduct an equity crowdfund offering to commence during the third quarter of 2017 for the purpose of raising operating capital. The Company’s ability to continue is a going concern and to achieve management’s objectives will be dependent on the outcome of the offering or management’s other efforts to raise operating capital.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with maturities of three months or less when purchased.

Equipment

The Company capitalizes equipment with an original purchase price of \$100 or more. Equipment is capitalized on a straightline basis in accordance with the asset lives specified under the Internal Revenue Service Modified Adjusted Cost Recovery System.

Convertible Notes

The Company has the following notes outstanding:

\$23,483 total investment in Company from Friends and Family round through a SAFE agreement and from Company Management. This agreement grants the investors in this round a future interest in equity which converts at the time Company has a raise of \$250,000 or greater. The

PERCHANCE, INC. NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
DECEMBER 31, 2015

valuation of the company will be determined at this time by the average of three financial experts (assigned by Company Management, the next investors, and a neutral third party). The equity of each investor against the valuation of Company will determine the equity of each investor.

Income Taxes

The Company is subject to tax in the federal jurisdiction of the United States. The Company recognized net operating losses for tax years 2015 and 2014. These losses have passed through to the Company shareholders on their personal tax returns, as Company is an S CORPORATION. The Company is up to date in its federal income tax filings. The Company's federal tax filings will be subject to inspection by the Internal Revenue Service for three years after the original due date or the filing date, whichever is later.

CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company places its cash and cash equivalents with a limited number of high quality institutions and at times may exceed the amount of insurance provided on such deposits.

SUBSEQUENT EVENTS

Management considered events subsequent to the end of the period but before July 18, 2017, the date that the financial statements were available to be issued.

BALANCE SHEET
December 31, 2016

	<u>2016</u>
ASSETS	
Cash and cash equivalents	\$ 12,564
Accounts receivable	
Real estate owned, net	
Intangible assets, net	52
Goodwill	
Total assets	<u>\$ 12,616</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	
Liabilities	
Accrued expenses	<u>\$ 0</u>
Other current liabilities	<u>0</u>
Accrued interest payable and other liabilities	
Loans from shareholders	<u>40,507</u>
Total liabilities	<u>\$ 40,507</u>
Shareholders' equity	
Common stock, \$.000001 par value; 1,000,000 shares authorized; 1,000,000 shares issued	1
Additional paid-in capital	149
Retained earnings	<u>(28,041)</u>
Total shareholders' equity	<u>\$ (27,891)</u>
Total liabilities and shareholders' equity	<u>\$ 12,616</u>

INCOME STATEMENT
December 31, 2016

Revenues		\$ <u>2016</u> 0
Expenses		
Utilities expense	1,362	
Supplies expense	122	
Automobile expense	1,176	
Taxes and licenses	150	
Website expense	156	
Professional fees	410	
Amortization	30	
Meals and entertainment	<u>634</u>	4,040
Net income		<u>\$ (4,040)</u>
Other comprehensive income adjustments		\$ 0
Comprehensive income		<u><u>\$ (4,040)</u></u>

CASH FLOW
December 31, 2016

Cash flows from operating activities	<u>2016</u>
Net income	\$ (4,040)
Adjustments to reconcile net income to net cash from operating activities	
Net amortization	30
Decrease in accrued expenses	<u>(450)</u>
Net cash from operating activities	<u>\$ (4,460)</u>
 Cash flows from investing activities	
Net cash from investing activities	<u>\$ 0</u>
 Cash flows from financing activities	
Proceeds from loan	<u>\$ 17,024</u>
Net cash from financing activities	<u>\$ 17,024</u>
 Net change in cash and cash equivalents	<u>\$ 12,564</u>
 Beginning cash and cash equivalents	<u>\$ 0</u>
 Ending cash and cash equivalents	<u>\$ 12,564</u>

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Convertible Notes

The Company has the following notes outstanding:

\$40,507 total investment in Company from Friends and Family round through a SAFE agreement and from Company Management (\$25,500 of which is the total from the entire Friends and Family round). This agreement grants the investors in this round a future interest in equity

PERCHANCE, INC. NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
(CONTINUED)
DECEMBER 31, 2016

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