

**Offering Memorandum: Part II of Offering Document (Exhibit A to Form C)**

ChallengeHop Inc.  
205 Hudson Street  
New York, NY 10013  
<https://petzbe.com/>

Up to \$1,069,997.20 in Common Stock at \$6.52  
Minimum Target Amount: \$9,995.16

A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment.

In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document.

The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature.

These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

## **Company:**

**Company:** ChallengeHop Inc.

**Address:** 205 Hudson Street, New York, NY 10013

**State of Incorporation:** DE

**Date Incorporated:** July 27, 2015

## **Terms:**

### **Equity**

**Offering Minimum:** \$9,995.16 | 1,533 shares of Common Stock

**Offering Maximum:** \$1,069,997.20 | 164,110 shares of Common Stock

**Type of Security Offered:** Common Stock

**Purchase Price of Security Offered:** \$6.52

**Minimum Investment Amount (per investor):** \$195.60

### **COVID Relief**

This offering is being conducted on an expedited basis due to circumstances relating to COVID-19 and pursuant to the SEC's temporary regulatory COVID-19 relief set out in Regulation Crowdfunding §227.201(z).

### **Expedited closing sooner than 21 days**

In reliance on Regulation Crowdfunding §227.303(g)(2) A funding portal that is an intermediary in a transaction involving the offer or sale of securities initiated between May 4, 2020, and February 28, 2021, in reliance on section 4(a)(6) of the Securities Act (15 U.S.C. 77d(a)(6)) by an issuer that is conducting an offering on an expedited basis due to circumstances relating to COVID-19 shall not be required to comply with the requirement in paragraph (e)(3)(i) of this section that a funding portal shall not direct transmission of funds earlier than 21 days after the date on which the intermediary makes publicly available on its platform the information required to be provided by the issuer under §§227.201 and 227.203(a).

### **Voting Rights of Securities sold in this Offering**

**Voting Proxy.** Each Subscriber shall appoint the Chief Executive Officer of the Company (the "CEO"), or his or her successor, as the Subscriber's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to, consistent with this instrument and on behalf of the Subscriber, (i) vote all Securities, (ii) give and receive notices and communications, (iii) execute any instrument or document that the CEO determines is necessary or appropriate in the exercise of its authority under this instrument, and (iv) take all actions necessary or appropriate in the judgment of the CEO for the accomplishment of the foregoing. The proxy and power granted by the Subscriber pursuant to this Section are coupled with an interest.

Such proxy and power will be irrevocable. The proxy and power, so long as the Subscriber is an individual, will survive the death, incompetency and disability of the Subscriber and, so long as the Subscriber is an entity, will survive the merger or reorganization of the Subscriber or any other entity holding the Securities. However, the Proxy will terminate upon the closing of a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933 covering the offer and sale of Common Stock or the effectiveness of a registration statement under the Securities Exchange Act of 1934 covering the Common Stock.

*\*Maximum Number of Shares offered subject to adjustment for bonus shares. See Bonus info below.*

### **Investment Incentives & Bonuses\***

#### **Time-Based:**

##### **Friends and Family Early Birds**

- Invest within the first 48 hours and receive additional 20% bonus shares

##### **Super Early Bird Bonus**

- Invest within the first week and receive additional 15% bonus shares

##### **Early Bird Bonus**

- Invest within the first two weeks and receive an additional 10% bonus shares

#### **Amount-Based:**

\$200+

- 5% of total raise will go to lend a paw to support animals in need

\$400+

- 5% of total raise will go to lend a paw to support animals in need
- Code for free pack of Petzbe treats
- 10% off any ClueJay at-home pet testing kits (one time use)

\$800+

- 5% of total raise will go to lend a paw to support animals in need
- Code for free pack of Petzbe treats
- 10% off Iconic Paw
- 10% off any ClueJay at-home pet testing kits (one time use)

\$1,600+

- 5% of total raise will go to lend a paw to support animals in need
- Code for free pack of Petzbe treats
- 10% off Iconic Paw
- Petzbe keychain
- 10% off any ClueJay at-home pet testing kits (one time use)

\$5,000+

- 5% of total raise will go to lend a paw to support animals in need
- Code for free pack of Petzbe treats
- 10% off Iconic Paw
- Petzbe keychain
- 5% bonus shares
- Invitation to quarterly Zoom CockTAIL Hour with the Petzbe team
- 10% off any ClueJay at-home pet testing kits (one time use)
- Custom pet portrait from our very own Petzbe artist (<https://www.tailented.com/>)

\$10,000+

- 5% of total raise will go to lend a paw to support animals in need
- Code for free pack of Petzbe treats
- 10% off Iconic Paw
- Petzbe keychain
- 10% bonus shares
- Invitation to quarterly Zoom CockTAIL hour with the Petzbe team
- 10% off any ClueJay at-home pet testing kits (one time use)
- Custom pet portrait from our very own Petzbe artist (<https://www.tailented.com/>)
- Access to exclusive Petzbe investor community Facebook group where we can

together brainstorm on an ongoing basis.

*\*All perks occur when the offering is completed.*

### **The 10% StartEngine Owners' Bonus**

ChallengeHop, Inc. will offer 10% additional bonus shares for all investments that are committed by investors that are eligible for the StartEngine Crowdfunding Inc. OWNER's bonus.

This means eligible StartEngine shareholders will receive a 10% bonus for any shares they purchase in this offering. For example, if you buy 100 shares of Common Stock at \$6.52 / share, you will receive 10 additional shares of Common Stock, meaning you'll own 110 shares for \$652. Fractional shares will not be distributed and share bonuses will be determined by rounding down to the nearest whole share.

This 10% Bonus is only valid during the investors eligibility period. Investors eligible for this bonus will also have priority if they are on a waitlist to invest and the company surpasses its maximum funding goal. They will have the first opportunity to invest should room in the offering become available if prior investments are canceled or fail.

Investors will only receive a single bonus, which will be the highest bonus rate they are eligible for.

## **The Company and its Business**

### *Company Overview*

Petzbe, Inc. is a social media app for pets, where our users share their pet's daily lives, from the pet's perspective. We offer integrated marketing campaigns to pet companies. We will sell customized stickers & frames on our app. We are launching our own mobile app game early 2021 and will adopt the traditional revenue model of micro transactions.

Petzbe, Inc. is a wholly-owned subsidiary of ChallengeHop, Inc.

### *Competitors and Industry*

Social networking platforms were projected last year to exceed \$50 billion dollars. A report by IBISWorld projected that social networking sites in the U.S. market in 2020 would reach \$52.7 billion, with a Market Size Growth of 16.8%. A report from MarketWatch said that the global social networking sites market will grow by \$60.1 billion by 2024 at a CAGR of 18% in the given forecast period. Another report, from Market Research Engine, projected that the global social networking sites market will grow by \$70.8 billion by 2025 at a CAGR of 18%.

## **PET APPS**

ZooPix is a social media app that is mostly focused on a weekly Pet Show for a chance

to collect awards, win gift cards, and snag a trophy. There is not much public information about their numbers, but due to posting times, amount of accounts, etc. it's very clear they are not at the same level of sheer amount of content being shared. The app is based in the U.S. and launched in 2017.

LoveDog is a new social media app for dog lovers launched by British restaurateur Lisa Vanderpump in 2020.

Dig is a dating app that connects people over their dogs and allows sharing of dog photos. The app launched in 2018.

## **PET E-COMMERCE**

BarkBox is a monthly subscription service providing dog products, services, and experiences. BarkBox serves over 1 million dogs monthly. In December 2020, it was announced that Barkbox is going public through a special-purpose acquisition company at a \$1.6 billion valuation.

Chewy is an American online retailer of pet food and other pet-related products. In 2017, Chewy was acquired by PetSmart for \$3.35 billion, which was the largest ever acquisition of an e-commerce business at the time.

### *Current Stage and Roadmap*

#### **Current Stage**

We have a great completed product that we have invested significant capital into. At this stage, we are only adding additional fun features for our users to enjoy. In terms of new planned Petzbe features, we are currently developing a want a poll system, a talking pet feature, a FURtune feature (like Facetune but for editing furs, snouts, ears, etc.)

We are launching the Petzbe mobile app game in 2021. It's currently in beta testing, and once that is completed, we are ready for a release.

After two years of building a community of loyal and dedicated pet lovers, Petzbe is now moving into e-commerce starting off with its own Petzbe snacks - Salmon Breath Mints.

#### **Roadmap**

Our roadmap for 2021:

- Start heavily marketing Android app & Spanish app version. Only 2% of our users are Android users. We just launched an updated Android version in August 2020. This will be a big game changer in user growth once we start marketing it.
- Focus on positive cash flow & growth.
- Increase our product portfolio to accessories, toys, merchandise & more.

- Focus on partnerships with companies in the pet industry.
- Focus on press coverage in tech media, pet media & business media.
- Partner with celebrity animal activists for our charity division Lend A Paw.
- Launch the Petzbe Mobile app game, PetzbeVille.
- Increase our marketing budget to spend more towards our current active marketing campaigns that are performing well with a CPI of \$1.5, and create new fun campaigns to drive more users to our app.

## The Team

### Officers and Directors

**Name:** Andrea Nerep

Andrea Nerep's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** Founder/CEO  
**Dates of Service:** November 01, 2017 - Present  
**Responsibilities:** Making major corporate decisions and managing the overall operations and resources of a company, and acting as the main point of communication with various stakeholders. Andrea holds 47.6% shares of the company, and has \$0 annual salary.

**Name:** Julian Aleksov

Julian Aleksov's current primary role is with Rosland Capital Group Ltd. Julian Aleksov currently services 12 hours per week in their role with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** Board Member  
**Dates of Service:** January 01, 2016 - Present  
**Responsibilities:** He acts as an advisor to ChallengeHop to drive the organization towards a sustainable future, and to adopt legal governance and financial management policies, as well as raising capital. He has 12.5% in the company and received \$0 annual compensation.

Other business experience in the past three years:

- **Employer:** Oasmia  
**Title:** Board Member  
**Dates of Service:** January 01, 1999 - January 01, 2019

**Responsibilities:** He acts as an advisor to drive the organization towards a sustainable future, and to adopt legal governance and financial management policies.

Other business experience in the past three years:

- **Employer:** Petzbe, Inc.  
**Title:** Board Member  
**Dates of Service:** November 01, 2017 - Present  
**Responsibilities:** He acts as an advisor to drive the organization towards a sustainable future, and to adopt legal governance and financial management policies, as well as raising capital.

Other business experience in the past three years:

- **Employer:** Rosland Capital Group Ltd  
**Title:** Board Member  
**Dates of Service:** January 01, 2012 - Present  
**Responsibilities:** Rosland Capital Group Ltd

Other business experience in the past three years:

- **Employer:** Maida Vale Capital AB  
**Title:** Board Member  
**Dates of Service:** January 01, 2015 - Present  
**Responsibilities:** He acts as an advisor to drive the organization towards a sustainable future, and to adopt legal governance and financial management policies.

Other business experience in the past three years:

- **Employer:** Hunterhex International Ltd.  
**Title:** Chairman of the Board  
**Dates of Service:** January 01, 2018 - Present  
**Responsibilities:** He acts as an advisor to drive the organization towards a sustainable future, and to adopt legal governance and financial management policies.

**Name:** Anders Blom

Anders Blom's current primary role is with Rosland Capital Group Ltd.. Anders Blom currently services 12 hours per week in their role with the Issuer.

Positions and offices currently held with the issuer:



- **Position:** Board Member  
**Dates of Service:** January 01, 2016 - Present  
**Responsibilities:** He acts as an advisor to drive the organization towards a sustainable future, and to adopt legal governance and financial management policies. Anders receives \$0 as annual compensation.

Other business experience in the past three years:

- **Employer:** Petzbe, Inc.  
**Title:** Board Member  
**Dates of Service:** November 01, 2017 - Present  
**Responsibilities:** He acts as an advisor to drive the organization towards a sustainable future, and to adopt legal governance and financial management policies.

Other business experience in the past three years:

- **Employer:** Maida Vale Capital AB  
**Title:** Chairman of the Board  
**Dates of Service:** January 01, 2015 - Present  
**Responsibilities:** He acts as an advisor to drive the organization towards a sustainable future, and to adopt legal governance and financial management policies.

Other business experience in the past three years:

- **Employer:** Rosland Capital Group Ltd.  
**Title:** Board Member  
**Dates of Service:** January 01, 2016 - Present  
**Responsibilities:** He acts as an advisor to drive the organization towards a sustainable future, and to adopt legal governance and financial management policies.

Other business experience in the past three years:

- **Employer:** Hunterhex International Ltd.  
**Title:** Board Member  
**Dates of Service:** January 01, 2018 - Present  
**Responsibilities:** He acts as an advisor to drive the organization towards a sustainable future, and to adopt legal governance and financial management policies.

Other business experience in the past three years:

- **Employer:** Oasmia Pharmaceutical AB  
**Title:** Chief Financial Officer  
**Dates of Service:** October 01, 2017 - March 01, 2019  
**Responsibilities:** He managed the financial actions of a company including tracking cash flow and financial planning as well as analyzing the company's financial strengths and weaknesses and proposing corrective actions.

**Name:** Mattia Guella

Mattia Guella 's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- **Position:** Chief Technology Officer  
**Dates of Service:** January 01, 2016 - Present  
**Responsibilities:** Overseeing all aspects of the app development as well as consulting on future app development goals. Mattia: Equity: 1% Salary: \$7,000/month

Other business experience in the past three years:

- **Employer:** The Unconventional Company  
**Title:** Founder  
**Dates of Service:** February 10, 2016 - Present  
**Responsibilities:** Backend developer.

## **Risk Factors**

The SEC requires the company to identify risks that are specific to its business and its financial condition. The company is still subject to all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments (such as hacking and the ability to prevent hacking). Additionally, early-stage companies are inherently more risky than more developed companies. You should consider general risks as well as specific risks when deciding whether to invest.

These are the risks that relate to the Company:

### ***Uncertain Risk***

An investment in the Company (also referred to as “we”, “us”, “our”, or “Company”) involves a high degree of risk and should only be considered by those who can afford the loss of their entire investment. Furthermore, the purchase of any of the Common Stock should only be undertaken by persons whose financial resources are sufficient to enable them to indefinitely retain an illiquid investment. Each investor in the

Company should consider all of the information provided to such potential investor regarding the Company as well as the following risk factors, in addition to the other information listed in the Company's Form C. The following risk factors are not intended, and shall not be deemed to be, a complete description of the commercial and other risks inherent in the investment in the Company.

***Any valuation at this stage is difficult to assess***

The valuation for the offering was established by the Company. Unlike listed companies that are valued publicly through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess and you may risk overpaying for your investment.

***The transferability of the Securities you are buying is limited***

Any Common Stock purchased through this crowdfunding campaign is subject to SEC limitations of transfer. This means that the stock that you purchase cannot be resold for a period of one year. The exception to this rule is if you are transferring the stock back to the Company, to an "accredited investor," as part of an offering registered with the Commission, to a member of your family, trust created for the benefit of your family, or in connection with your death or divorce.

***Your investment could be illiquid for a long time***

You should be prepared to hold this investment for several years or longer. For the 12 months following your investment there will be restrictions on how you can resell the securities you receive. More importantly, there is no established market for these securities and there may never be one. As a result, if you decide to sell these securities in the future, you may not be able to find a buyer. The Company may be acquired by an existing player in the educational software development industry. However, that may never happen or it may happen at a price that results in you losing money on this investment.

***If the Company cannot raise sufficient funds it will not succeed***

The Company, is offering Common Stock in the amount of up to \$1,069,997.20 in this offering, and may close on any investments that are made. Even if the maximum amount is raised, the Company is likely to need additional funds in the future in order to grow, and if it cannot raise those funds for whatever reason, including reasons relating to the Company itself or the broader economy, it may not survive. If the Company manages to raise only the minimum amount of funds, sought, it will have to find other sources of funding for some of the plans outlined in "Use of Proceeds."

***We may not have enough capital as needed and may be required to raise more capital.***

We anticipate needing access to credit in order to support our working capital requirements as we grow. Although interest rates are low, it is still a difficult environment for obtaining credit on favorable terms. If we cannot obtain credit when we need it, we could be forced to raise additional equity capital, modify our growth plans, or take some other action. Issuing more equity may require bringing on additional investors. Securing these additional investors could require pricing our equity below its current price. If so, your investment could lose value as a result of this

additional dilution. In addition, even if the equity is not priced lower, your ownership percentage would be decreased with the addition of more investors. If we are unable to find additional investors willing to provide capital, then it is possible that we will choose to cease our sales activity. In that case, the only asset remaining to generate a return on your investment could be our intellectual property. Even if we are not forced to cease our sales activity, the unavailability of credit could result in the Company performing below expectations, which could adversely impact the value of your investment.

***Terms of subsequent financings may adversely impact your investment***

We will likely need to engage in common equity, debt, or preferred stock financings in the future, which may reduce the value of your investment in the Common Stock. Interest on debt securities could increase costs and negatively impact operating results. Preferred stock could be issued in series from time to time with such designation, rights, preferences, and limitations as needed to raise capital. The terms of preferred stock could be more advantageous to those investors than to the holders of Common Stock. In addition, if we need to raise more equity capital from the sale of Common Stock, institutional or other investors may negotiate terms that are likely to be more favorable than the terms of your investment, and possibly a lower purchase price per share.

***Management Discretion as to Use of Proceeds***

Our success will be substantially dependent upon the discretion and judgment of our management team with respect to the application and allocation of the proceeds of this Offering. The use of proceeds described below is an estimate based on our current business plan. We, however, may find it necessary or advisable to re-allocate portions of the net proceeds reserved for one category to another, and we will have broad discretion in doing so.

***Minority Holder; Securities with Voting Rights***

The common stock that an investor is buying has voting rights attached to them. However, you will be part of the minority shareholders of the Company and have agreed to appoint the Chief Executive Officer of the Company (the “CEO”), or his or her successor, as your voting proxy. You are trusting in management discretion in making good business decisions that will grow your investments. Furthermore, in the event of a liquidation of our company, you will only be paid out if there is any cash remaining after all of the creditors of our company have been paid out.

***You are trusting that management will make the best decision for the company***

You are trusting in management discretion. You are buying securities as a minority holder, and therefore must trust the management of the Company to make good business decisions that grow your investment.

***This offering involves “rolling closings,” which may mean that earlier investors may not have the benefit of information that later investors have.***

Once we meet our target amount for this offering, we may request that StartEngine instruct the escrow agent to disburse offering funds to us. At that point, investors

whose subscription agreements have been accepted will become our investors. All early-stage companies are subject to a number of risks and uncertainties, and it is not uncommon for material changes to be made to the offering terms, or to companies' businesses, plans or prospects, sometimes on short notice. When such changes happen during the course of an offering, we must file an amended to our Form C with the SEC, and investors whose subscriptions have not yet been accepted will have the right to withdraw their subscriptions and get their money back. Investors whose subscriptions have already been accepted, however, will already be our investors and will have no such right.

***Our new product could fail to achieve the sales projections we expected***

Our growth projections are based on an assumption that with an increased advertising and marketing budget our products will be able to gain traction in the marketplace at a faster rate than our current products have. It is possible that our new products will fail to gain market acceptance for any number of reasons. If the new products fail to achieve significant sales and acceptance in the marketplace, this could materially and adversely impact the value of your investment.

***We face significant market competition***

We will compete with larger, established companies who currently have products on the market and/or various respective product development programs. They may have much better financial means and marketing/sales and human resources than us. They may succeed in developing and marketing competing equivalent products earlier than us, or superior products than those developed by us. There can be no assurance that competitors will render our technology or products obsolete or that the products developed by us will be preferred to any existing or newly developed technologies. It should further be assumed that competition will intensify.

***We are competing against other recreational activities***

Although we are a unique company that caters to a select market, we do compete against other recreational activities. Our business growth depends on the market interest in the Company over other activities.

***We are an early stage company and have not yet generated any profits***

ChallengeHop, Inc. was incorporated on July 27, 2015. Accordingly, the Company has a limited history upon which an evaluation of its performance and future prospects can be made. Our current and proposed operations are subject to all business risks associated with new enterprises. These include likely fluctuations in operating results as the Company reacts to developments in its market, managing its growth and the entry of competitors into the market. We will only be able to pay dividends on any shares once our directors determine that we are financially able to do so.

ChallengeHop, Inc. has incurred a net loss and has had limited revenues generated since inception. There is no assurance that we will be profitable in the next 3 years or generate sufficient revenues to pay dividends to the holders of the shares.

***We are an early stage company and have limited revenue and operating history***

The Company has a short history, few customers, and effectively no revenue. If you

are investing in this company, it's because you think that ChallengeHop is a good idea, that the team will be able to successfully market, and sell the product or service, that we can price them right and sell them to enough peoples so that the Company will succeed. Further, we have never turned a profit and there is no assurance that we will ever be profitable.

***We have existing patents that we might not be able to protect properly***

One of the Company's most valuable assets is its intellectual property. The Company's owns one trademark. We believe one of the most valuable components of the Company is our intellectual property portfolio. Due to the value, competitors may misappropriate or violate the rights owned by the Company. The Company intends to continue to protect its intellectual property portfolio from such violations. It is important to note that unforeseeable costs associated with such practices may invade the capital of the Company.

***We have pending patent approval's that might be vulnerable***

One of the Company's most valuable assets is its intellectual property. The Company's intellectual property such as patents, trademarks, copyrights, Internet domain names, and trade secrets may not be registered with the proper authorities. We believe one of the most valuable components of the Company is our intellectual property portfolio. Due to the value, competitors may misappropriate or violate the rights owned by the Company. The Company intends to continue to protect its intellectual property portfolio from such violations. It is important to note that unforeseeable costs associated with such practices may invade the capital of the Company due to its unregistered intellectual property.

***Our trademarks, copyrights and other intellectual property could be unenforceable or ineffective***

Intellectual property is a complex field of law in which few things are certain. It is possible that competitors will be able to design around our intellectual property, find prior art to invalidate it, or render the patents unenforceable through some other mechanism. If competitors are able to bypass our trademark and copyright protection without obtaining a sublicense, it is likely that the Company's value will be materially and adversely impacted. This could also impair the Company's ability to compete in the marketplace. Moreover, if our trademarks and copyrights are deemed unenforceable, the Company will almost certainly lose any potential revenue it might be able to raise by entering into sublicenses. This would cut off a significant potential revenue stream for the Company.

***The cost of enforcing our trademarks and copyrights could prevent us from enforcing them***

Trademark and copyright litigation has become extremely expensive. Even if we believe that a competitor is infringing on one or more of our trademarks or copyrights, we might choose not to file suit because we lack the cash to successfully prosecute a multi-year litigation with an uncertain outcome; or because we believe that the cost of enforcing our trademark(s) or copyright(s) outweighs the value of winning the suit in light of the risks and consequences of losing it; or for some other reason. Choosing not

to enforce our trademark(s) or copyright(s) could have adverse consequences for the Company, including undermining the credibility of our intellectual property, reducing our ability to enter into sublicenses, and weakening our attempts to prevent competitors from entering the market. As a result, if we are unable to enforce our trademark(s) or copyright(s) because of the cost of enforcement, your investment in the Company could be significantly and adversely affected.

***The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business***

To be successful, the Company requires capable people to run its day to day operations. As the Company grows, it will need to attract and hire additional employees in sales, marketing, design, development, operations, finance, legal, human resources and other areas. Depending on the economic environment and the Company's performance, we may not be able to locate or attract qualified individuals for such positions when we need them. We may also make hiring mistakes, which can be costly in terms of resources spent in recruiting, hiring and investing in the incorrect individual and in the time delay in locating the right employee fit. If we are unable to attract, hire and retain the right talent or make too many hiring mistakes, it is likely our business will suffer from not having the right employees in the right positions at the right time. This would likely adversely impact the value of your investment.

***Our ability to sell our product or service is dependent on outside government regulation which can be subject to change at any time***

Our ability to sell product is dependent on the outside government regulation, such as the Federal Communications Commission and other relevant government laws and regulations. The laws and regulations concerning the selling of product may be subject to change and if they do then the selling of product may no longer be in the best interest of the Company. At such point the Company may no longer want to sell product and therefore your investment in the Company may be affected.

***We rely on third parties to provide services essential to the success of our business***

We rely on third parties to provide a variety of essential business functions for us, including manufacturing, shipping, accounting, legal work, public relations, advertising, retailing, and distribution. It is possible that some of these third parties will fail to perform their services or will perform them in an unacceptable manner. It is possible that we will experience delays, defects, errors, or other problems with their work that will materially impact our operations and we may have little or no recourse to recover damages for these losses. A disruption in these key or other suppliers' operations could materially and adversely affect our business. As a result, your investment could be adversely impacted by our reliance on third parties and their performance.

***The Company is vulnerable to hackers and cyber-attacks***

As an internet-based business, we may be vulnerable to hackers who may access the data of our investors and the issuer companies that utilize our platform. Further, any significant disruption in service on Petzbe or in its computer systems could reduce the

attractiveness of the platform and result in a loss of investors and companies interested in using our platform. Further, we rely on a third-party technology provider to provide some of our back-up technology. Any disruptions of services or cyber-attacks either on our technology provider or on Petzbe could harm our reputation and materially negatively impact our financial condition and business.

***Increase in Server Costs***

Server costs that our Company relies on may increase.

***Increase in Ad Prices***

We cannot control the costs of ads if Facebook and Instagram increase their ad prices.



## Ownership and Capital Structure; Rights of the Securities

### Ownership

The following table sets forth information regarding beneficial ownership of the company's holders of 20% or more of any class of voting securities as of the date of this Offering Statement filing.

Stockholder Name	Number of Securities Owned	Type of Security Owned	Percentage
Andrea Nerep	1,020,000	Common Stock	46.0
Rosland Capital Group, Ltd.	520,000	Common Stock	23.0
Black Moon Asia Capital, Ltd.	400,000	Common Stock	18.0

### The Company's Securities

The Company has authorized Common Stock, and Convertible Notes. As part of the Regulation Crowdfunding raise, the Company will be offering up to 164,110 of Common Stock.

#### *Common Stock*

The amount of security authorized is 10,000,000 with a total of 2,200,000 outstanding.

#### *Voting Rights*

one vote per share

#### *Material Rights*

### **Voting Rights of Securities sold in this Offering**

**Voting Proxy.** Each Subscriber shall appoint the Chief Executive Officer of the Company (the "CEO"), or his or her successor, as the Subscriber's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to, consistent with this instrument and on behalf of the Subscriber, (i) vote all Securities, (ii) give and receive notices and communications, (iii) execute any instrument or document that the CEO determines is necessary or appropriate in the exercise of its authority under this instrument, and (iv) take all actions necessary or appropriate in the judgment of the CEO for the accomplishment of the foregoing. The proxy and power granted by the Subscriber pursuant to this Section are coupled with an interest. Such proxy and power will be irrevocable. The proxy and power, so long as the Subscriber is an individual, will survive the death, incompetency and disability of the Subscriber and, so long as the Subscriber is an entity, will survive the merger or reorganization of the Subscriber or any other entity holding the Securities. However, the Proxy will terminate upon the closing of a firm-commitment underwritten public

offering pursuant to an effective registration statement under the Securities Act of 1933 covering the offer and sale of Common Stock or the effectiveness of a registration statement under the Securities Exchange Act of 1934 covering the Common Stock.

### ***Convertible Notes***

The security will convert into Equity shares and the terms of the Convertible Notes are outlined below:

**Amount outstanding:** \$1,190,000.00

**Maturity Date:** March 30, 2021

**Interest Rate:** 3.0%

**Discount Rate:** 0.0%

**Valuation Cap:** \$10,200,000.00

**Conversion Trigger:** Maturity Date

### ***Material Rights***

The company has secured \$1,200,000 in convertible notes, but has only received \$1,190,000 as of Dec. 31, 2020.

## **What it means to be a minority holder**

The common stock that you are buying has voting rights attached to them. However, you are granting the right to vote, by proxy, to the CEO and his or her successor. even if you were to receive control of your voting rights, as a minority holder, you will have limited rights in regards to the corporate actions of the company, including additional issuances of securities, company repurchases of securities, a sale of the company or its significant assets, or company transactions with related parties. Further, investors in this offering may have rights less than those of other investors, and will have limited influence on the corporate actions of the company.

## **Dilution**

Investors should understand the potential for dilution. The investor's stake in a company could be diluted due to the company issuing additional shares. In other words, when the company issues more shares, the percentage of the company that you own will go down, even though the value of the company may go up. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round, angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible bonds, preferred shares or warrants) into stock. If the company decides to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if the company offers dividends,

and most early stage companies are unlikely to offer dividends, preferring to invest any earnings into the company).

## Transferability of securities

For a year, the securities can only be resold:

- In an IPO;
- To the company;
- To an accredited investor; and
- To a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

## Recent Offerings of Securities

We have made the following issuances of securities within the last three years:

- **Type of security sold:** Convertible Note  
**Final amount sold:** \$400,000.00  
**Use of proceeds:** Business operations, development  
**Date:** December 01, 2020  
**Offering exemption relied upon:** 506(b)
- **Type of security sold:** Convertible Note  
**Final amount sold:** \$790,000.00  
**Use of proceeds:** Further development and marketing  
**Date:** January 01, 2020  
**Offering exemption relied upon:** 506(b)

## Financial Condition and Results of Operations

### Financial Condition

*You should read the following discussion and analysis of our financial condition and results of our operations together with our financial statements and related notes appearing at the end of this Offering Memorandum. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the section entitled "Risk Factors" and elsewhere in this Offering Memorandum.*

## Results of Operations

### **Circumstances which led to the performance of financial statements:**

ChallengeHop, Inc. is a technology company that started in 2015 building one app but has pivoted to another app "Petzbe" which is focused on building a social network related to pets. We have been focusing on app development and increasing the number of users by investing in our development staff and in advertising.

In 2020, the company received an additional \$890,000 in convertible notes, up from \$400,000 in 2019. The remaining balance of the note is reflected in current assets of \$72,853 at year end, down from \$145,839 in 2019.

Expenses increased from \$1,000,575 in 2019 to \$1,604,225 in 2020 primarily because of technology development costs increased to \$974,560 in 2020 from \$344,461 in 2019 due to aggressively developing the usability of the app.

### **Historical results and cash flows:**

We are focused on increasing user base of app through investing in development of the app and advertising, so our historical results and cashflows are mostly related to paying developers in the form of contractors and salaries and spending on advertising the app through platforms like Facebook.

The company anticipates that the expenses will remain pretty much the same as the company is focusing on the development and advertising of its application as part of the company's efforts to increase number of users on the platform.

In 2021, the company is looking to potentially start a Shopify store through which the company will sell products related to pets, such as dog food and accessories.

## Liquidity and Capital Resources

### **What capital resources are currently available to the Company? (Cash on hand, existing lines of credit, shareholder loans, etc...)**

As of December 31, 2020, the company had \$68,427 in cash and cash equivalents. The company currently has a revolving line of credit of a total amount available of \$600,000. This line of credit currently has an outstanding balance of \$300,000.

### **How do the funds of this campaign factor into your financial resources? (Are these funds critical to your company operations? Or do you have other funds or capital resources available?)**

The funds of this campaign are not critical to our company's operations. We have other funds available.

**Are the funds from this campaign necessary to the viability of the company? (Of the total funds that your company has, how much of that will be made up of funds raised from the crowdfunding campaign?)**

The funds from this crowdfunding campaign will be used in addition to funds we have raised and promised by investors so that we can speed up growth in terms of number of users of our social network related to pets.

**How long will you be able to operate the company if you raise your minimum? What expenses is this estimate based on?**

We will be able to operate for a minimum of one year. ChallengeHop has an average monthly burn rate of \$12,680.05.

**How long will you be able to operate the company if you raise your maximum funding goal?**

We will be able to operate for 2 to 3 years if maximum is raised. ChallengeHop has an average monthly burn rate of \$12,680.05.

**Are there any additional future sources of capital available to your company? (Required capital contributions, lines of credit, contemplated future capital raises, etc...)**

We are constantly looking for investors and have had successes in past. We are contemplating a subsequent capital raise after this Reg CF campaign closes.

## **Indebtedness**

- **Creditor:** Andrea Nerep  
**Amount Owed:** \$636,000.00  
**Interest Rate:** 0.0%  
**Maturity Date:** January 01, 2025

- **Creditor:** Scaninvest Ltd.  
**Amount Owed:** \$400,000.00  
**Interest Rate:** 3.0%  
**Maturity Date:** June 01, 2022  
The loan term will be extended automatically 6 months at a time, unless the lender no later than 4 months prior to the expiry date of the then current loan notifies the borrower that the loan matures at the end of such loan term.

- **Creditor:** Vasilka Holding, Ltd.

**Amount Owed:** \$790,000.00

**Interest Rate:** 3.0%

**Maturity Date:** January 01, 2022

The loan term will be automatically extended 6 months at a time, unless the lender no later than 4 months prior to the expiry of the then current loan term notifies the borrower that the loan matures at the end of such term. The lender is entitled to convert the outstanding loan amount into shares of ChallengeHop beginning on 3/30/21. The loan amount secured is 800,000 but the company has received only 790,000 as of Dec 31, 2021.

- **Creditor:** Andrea Nerep

**Amount Owed:** \$11,855.00

**Interest Rate:** 0.0%

The Company reimburses Andrea for operating expenses that she pays on her personal credit card from time to time. As of February 2021, the Company owes Andrea \$11,855.

- **Creditor:** Rosland Capital Group LLC

**Amount Owed:** \$185,000.00

**Interest Rate:** 3.0%

**Maturity Date:** June 30, 2021

The company has a \$200,000 line of credit and as of February 2021, the company has drawn \$185,000. The loan automatically extends on 3 months interval until the creditor demands repayment.

## Related Party Transactions

- **Name of Entity:** Andrea Nerep

**Relationship to Company:** Officer

**Nature / amount of interest in the transaction:** The Company reimburses Andrea for operating expenses that she pays with her personal credit card from time to time.

**Material Terms:** As of February 2021, the company owes Andrea \$11,855.

- **Name of Entity:** Andrea Nerep

**Relationship to Company:** Officer

**Nature / amount of interest in the transaction:** Loans injected by CEO as needed by the company with no interest.

**Material Terms:** As of Feb. 2021, the Company owes Andrea \$636,548.

- **Name of Entity:** Vasilka Holding Ltd.

**Names of 20% owners:** Staffan Lofgren

**Relationship to Company:** Major Investor

**Nature / amount of interest in the transaction:** \$800,000

**Material Terms:** The loan term is 24 months from the date of the agreement and

auto-renews 6 months at a time, unless the lender no later than 4 months prior to the expiry of the then-current loan term notifies the borrower that the loan matures at the end of such term. The lender is entitled to convert the outstanding loan amount into shares of Petzbe beginning on 3/30/21. The loan amount secured is 800,000 but the company has received only 790,000 as of Dec 31, 2021.

## Valuation

**Pre-Money Valuation:** \$14,344,000.00

### Valuation Details:

\*Petzbe, Inc. ("Petzbe"), is a wholly-owned subsidiary of ChallengeHop, Inc. ("ChallengeHop").

ChallengeHop is the sole shareholder of Petzbe, an entity formed by ChallengeHop to develop and publish the Petzbe application. The Common Stock securities sold in this Regulation Crowdfunding offering are issued by ChallengeHop.

Petzbe is a well-recognized social media brand within the companion animal segment. With over two years of proven execution, it is now expanding into new markets, adding its own product lines, and has a complementary and very exciting mobile app game on its way. Petzbe has almost a half-million users and is growing rapidly.

ChallengeHop's valuation is based on the following points:

1. ChallengeHop has a diverse and talented team with international expertise in the commercial pet industry, software, marketing, and user acquisition, and finance.
2. Petzbe has successfully tested and demonstrated its proprietary application that has the potential to scale globally by adding new languages and following new technical developments and platforms.
3. In the past year, Petzbe's user base grew 10X.
4. Last round of investments was to a selected group of investors last winter. Close to a million dollars were invested at a pre-money valuation of 8M USD. Since then the number of users has grown by 250+%. For this coming round, we discount the valuation per user and set a pre-money valuation of 14M USD.
5. ChallengeHop's valuation is comparable to our peer companies during their early-stage funding rounds. Fanbase, another app company currently raising capital through StartEngine, has 12.7K users and is valued at \$20M.

The pre-money valuation has been calculated on a fully diluted basis. The Company does not have preferred stock, any outstanding options, warrants, and other securities with a right to acquire shares, or any shares reserved for issuance under a stock plan.

ChallengeHop's valuation was determined internally without a formal-third party

independent evaluation.

## Use of Proceeds

If we raise the Target Offering Amount of \$9,995.16 we plan to use these proceeds as follows:

- *StartEngine Platform Fees*  
3.5%
- *Marketing*  
91.5%  
We will spend your money towards growth - Facebook and Instagram ads.
- *Donating to animal causes.*  
5.0%  
We will use this money to support animal rescues and other animal causes.

If we raise the over allotment amount of \$1,069,997.20, we plan to use these proceeds as follows:

- *StartEngine Platform Fees*  
3.5%
- *Marketing*  
75.0%  
Various marketing efforts.
- *Research & Development*  
16.5%  
Research and development.
- *Donating to animal causes.*  
5.0%  
We will use this money to support animal rescues and other animal causes.

The Company may change the intended use of proceeds if our officers believe it is in the best interests of the company.

## Regulatory Information

### Disqualification

No disqualifying event has been recorded in respect to the company or its officers or directors.

### Compliance Failure

The company has not previously failed to comply with the requirements of Regulation



Crowdfunding.

## **Ongoing Reporting**

The Company will file a report electronically with the SEC annually and post the report on its website no later than April 30 (120 days after Fiscal Year End). Once posted, the annual report may be found on the Company's website at <https://petzbe.com/> (Financial Reports Section).

The Company must continue to comply with the ongoing reporting requirements until:

- (1) it is required to file reports under Section 13(a) or Section 15(d) of the Exchange Act;
- (2) it has filed at least one (1) annual report pursuant to Regulation Crowdfunding and has fewer than three hundred (300) holders of record and has total assets that do not exceed \$10,000,000;
- (3) it has filed at least three (3) annual reports pursuant to Regulation Crowdfunding;
- (4) it or another party repurchases all of the securities issued in reliance on Section 4(a)(6) of the Securities Act, including any payment in full of debt securities or any complete redemption of redeemable securities; or
- (5) it liquidates or dissolves its business in accordance with state law.

## **Updates**

Updates on the status of this Offering may be found at: [www.startengine.com/petzbe](http://www.startengine.com/petzbe)

## **Investing Process**

See Exhibit E to the Offering Statement of which this Offering Memorandum forms a part.

**EXHIBIT B TO FORM C**

**FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT'S REVIEW FOR ChallengeHop  
Inc.**

*[See attached]*

**CHALLENGEHOP INC.**  
**AND SUBSIDIARY**  
*(a Delaware corporation)*

Unaudited Consolidated Financial Statements

For the calendar years ended December 31, 2020 and 2019



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

February 9, 2021

To: Board of Directors, CHALLENGEHOP INC.

Re: 2020-2019 Financial Statement Review

We have reviewed the accompanying consolidated financial statements of CHALLENGEHOP INC. and PETZBE, INC., a wholly-owned subsidiary (together, the "Company"), which comprise the balance sheet(s) as of December 31, 2020 and 2019, and the related statements of income, owners' equity/deficit and cash flows for the calendar year periods ended December 31, 2020 and 2019, 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 limited in scope compared to 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.

### **Accountant's 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 our conclusion.


### **Accountant's Conclusion**

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

**Going Concern**

As discussed in the Notes and Additional Disclosures, certain conditions indicate there is substantial doubt as to whether the Company may continue as a going concern. The accompanying financial statements do not include any adjustments which might be necessary should the Company be unable to continue as a going concern. Our conclusion is not modified with respect to that matter.

Sincerely,



IndigoSpire CPA Group

IndigoSpire CPA Group, LLC  
Aurora, CO

**CHALLENGEHOP INC. and subsidiary**  
**CONSOLIDATED BALANCE SHEET**  
**As of December 31, 2020 and 2019**

**See Accountant's Review Report and Notes to the Financial Statements**  
**(Unaudited)**

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
Current Assets		
Cash and cash equivalents	\$ 68,427	\$ 141,536
Prepaid expenses	4,426	4,303
Total current assets	72,853	145,839
Fixed assets	2,999	0
Total Assets	\$ 75,852	\$ 145,839
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts payable	\$ 87,331	\$ 3,372
Other current liabilities	122	122
Short-term loans payable, related party	12,258	43,952
Total Current Liabilities	99,711	47,446
Convertible notes payable	1,190,000	400,000
Long-term loan payable, related party	636,000	116,891
Long-term loan payable	100,000	0
Interest payable	23,153	1,512
Total Liabilities	2,048,864	565,849
<b>SHAREHOLDERS' EQUITY</b>		
Common stock (10,000,000 of \$0.0001 par value shares authorized, 2,225,000 shares issued and outstanding as of December 31, 2020)	1,513,148	1,438,430
Retained deficit	(3,486,160)	(1,858,440)
Total Shareholders' Equity	(1,973,012)	(420,010)
Total Liabilities and Shareholders' Equity	\$ 75,852	\$ 145,839

**CHALLENGEHOP INC. and subsidiary**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For calendar years ended December 31, 2020 and 2019**  
**See Accountant's Review Report and Notes to the Financial Statements**  
**(Unaudited)**

	2020	2019
Revenues, net	\$ --	\$ --
Operating expenses		
General and administrative	311,437	260,292
Technology development	974,560	344,461
Marketing and advertising	318,258	395,822
Total operating expenses	<u>1,604,225</u>	<u>1,000,575</u>
Net Operating Income (Loss)	<u>(1,604,255)</u>	<u>(1,000,575)</u>
Interest income (expense), net	(21,965)	(1,512)
Depreciation (expense)	(1,500)	--
Tax provision (benefit)	--	--
Net Income (Loss)	<u>\$ (1,627,720)</u>	<u>\$ (1,002,087)</u>

**CHALLENGEHOP INC. and subsidiary**  
**CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY**  
For calendar years ended December 31, 2020 and 2019  
See Accountant's Review Report and Notes to the Financial Statements  
(Unaudited)

	Common Stock (Amount)	Retained Deficit	Total Members' Equity
<b>Balance as of January 1, 2019</b>	\$ 835,923	\$ (856,353)	\$ (20,430)
Capital contributions, net of distributions	602,507		602,507
Net income (loss)		(1,002,087)	(1,002,087)
<b>Balance as of December 31, 2019</b>	<b>\$ 1,438,430</b>	<b>\$ (1,858,440)</b>	<b>\$ (420,010)</b>
Capital contributions, net of distributions	74,718		74,718
Net income (loss)		(1,627,720)	(1,627,720)
<b>Balance as of December 31, 2020</b>	<b>\$ 1,513,148</b>	<b>\$ (3,486,160)</b>	<b>\$ (1,973,012)</b>



**CHALLENGEHOP INC. and subsidiary**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For calendar years ended December 31, 2020 and 2019**  
**See Accountant's Review Report and Notes to the Financial Statements**  
**(Unaudited)**

	2020	2019
<b>Operating Activities</b>		
Net Income (Loss)	\$ (1,627,720)	\$ (1,002,087)
Adjustments to reconcile net income (loss) to net cash provided by operations:		
Add back: depreciation	1,500	--
Changes in operating asset and liabilities:		
(Increase) decrease in prepaid expenses	(123)	(4,303)
Increase (decrease) in accounts payable	83,959	3,372
Increase (decrease) in other current liabilities	0	122
Increase (decrease) in interest payable	21,641	1,512
	(1,520,743)	(1,001,384)
<b>Investing Activities</b>		
Acquisition of fixed assets	(4,499)	--
	(4,499)	--
<b>Financing Activities</b>		
Proceeds from capital contribution	74,718	602,507
Proceeds from convertible notes	790,000	400,000
Proceeds from long-term loan	100,000	0
Proceeds from of related party loans	487,415	139,321
	1,452,133	1,141,828
Net change in cash from financing activities	1,452,133	1,141,828
Net change in cash and cash equivalents	(73,109)	140,444
Cash and cash equivalents at beginning of period	141,536	1,092
Cash and cash equivalents at end of period	\$ 68,427	\$ 141,536

**CHALLENGEHOP INC. and subsidiary**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**See Accountant's Review Report**  
**For calendar years ended December 31, 2020 and 2019**  
**(UNAUDITED)**

**NOTE 1 – NATURE OF OPERATIONS**

CHALLENGEHOP INC. was organized in Delaware on July 27, 2015. PETZBE, INC. is a wholly owned subsidiary of Challengehop and was formed in Delaware on February 13, 2017. ChallengeHop, Inc. and Petzbe, Inc. (together, which may be referred to as the “Company”, “we,” “us,” or “our”) develop a pet-based social app platform for mobile devices.

Since Inception, the Company has primarily relied on securing funding from its investors and from related-party borrowings. As of December 31, 2020, the Company produced negative cash flow from operations and may incur additional losses prior to generating positive working capital. These matters raise substantial concern about the Company’s ability to continue as a going concern (see Note 3). During the next twelve months, the Company intends to fund its operations with funding from a crowdfunding campaign (see Note 9) and the receipt of funds from revenue producing activities, if and when such can be realized. If the Company cannot secure additional capital, it may cease operations. These financial statements and related notes thereto do not include any adjustments that might result from these uncertainties.

**NOTE 2 – 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 (“US GAAP”). The accompanying unaudited financial statements do not include all the information and notes required by GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for the fair presentation of the unaudited financial statements for the years presented have been included.

*Basis of Consolidation*

The Company’s financial position and results are presented on a consolidated basis between ChallengeHop, Inc. and Petzbe, Inc. where all intercompany items are eliminated and presented in accordance with US GAAP.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and footnotes thereto. Actual results could materially differ from these estimates. It is reasonably possible that changes in estimates will occur in the near term.

Significant estimates inherent in the preparation of the accompanying financial statements include valuation of provision for refunds and chargebacks, equity transactions and contingencies.

#### *Risks and Uncertainties*

The Company's business and operations are sensitive to general business and economic conditions in the United States and other countries that the Company operates in. A host of factors beyond the Company's control could cause fluctuations in these conditions. Adverse conditions may include recession, downturn or otherwise, local competition or changes in consumer taste. These adverse conditions could affect the Company's financial condition and the results of its operations.

#### *Concentration of Credit Risk*

The Company maintains its cash with a major financial institution located in the United States of America, which it believes to be credit worthy. The Federal Deposit Insurance Corporation insures balances up to \$250,000. At times, the Company may maintain balances in excess of the federally insured limits.

#### *Cash and Cash Equivalents*

The Company considers short-term, highly liquid investment with original maturities of three months or less at the time of purchase to be cash equivalents. Cash consists of funds held in the Company's checking account. As of December 31, 2020 and 2019, the Company had \$68,427 and \$141,536 of cash on hand, respectively.

#### *Fixed Assets and Other Long-Lived Assets*

Long-lived assets are recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When assets are retired or sold, the cost and related accumulated depreciation or amortization are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line method, based on useful lives of the assets which range from three to fifteen years. Amortization is provided over the useful life of the asset.

The Company reviews the carrying value of long-lived assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors.

As of December 31, 2020, the Company had acquired \$4,499 of assets and recorded \$1,500 of depreciation.

### *Fair Value Measurements*

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price) and such principles also establish a fair value hierarchy that prioritizes the inputs used to measure fair value using the following definitions (from highest to lowest priority):

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data by correlation or other means.
- Level 3 – Prices or valuation techniques requiring inputs that are both significant to the fair value measurement and unobservable.

### *Income Taxes*

Income taxes are provided for the tax effects of transactions reporting in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of receivables, inventory, property and equipment, intangible assets, and accrued expenses for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Any deferred tax items of the Company have been fully valued based on the determination of the Company that the utilization of any deferred tax assets is uncertain.

The Company complies with FASB ASC 740 for accounting for uncertainty in income taxes recognized in a company's financial statements, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. FASB ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Based on the Company's evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. The Company believes that its income tax positions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

### *Inventory*

When applicable, the Company records inventory at the lower of the cost of the inventory purchased or the ascertainable market price with adjustments made periodically for obsolescence, shrinkage and loss.

### *Revenue Recognition*

The Company recognizes revenue in accordance with ASC 606 when it has satisfied the performance obligations under an arrangement with the customer reflecting the terms and conditions under which products or services will be provided, the fee is fixed or determinable, and collection of any related receivable is probable. ASC Topic 606, "Revenue from Contracts with Customers" establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. Revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements: 1) identify the contract with a customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to performance obligations in the contract; and 5) recognize revenue as the performance obligation is satisfied.

The Company earns revenue from the usage of its app-based mobile platform but has not recorded any revenue yet.

### *Accounts Receivable*

Customers of the Company pay at the time of ordering or purchasing so there are generally no accounts receivable. If the Company ever sells on account, trade receivables due from customers would be uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date.

The Company would estimate an allowance for doubtful accounts based upon an evaluation of the current status of receivables, historical experience, and other factors as necessary. It is reasonably possible that the Company's estimate of the allowance for doubtful accounts will change.

### *Advertising*

The Company expenses advertising costs as they are incurred.

### *Recent Accounting Pronouncements*

In June 2019, FASB amended ASU No. 2019-07, Compensation – Stock Compensation, to expand the scope of Topic 718, Compensation – Stock Compensation, to include share-based payment transactions for acquiring goods and services from nonemployees. The new standard for nonpublic entities will be effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

In August 2019, amendments to existing accounting guidance were issued through Accounting Standards Update 2019-15 to clarify the accounting for implementation costs for cloud computing arrangements. The amendments specify that existing guidance for capitalizing implementation costs incurred to develop or obtain internal-use software also applies to implementation costs incurred in a hosting arrangement that is a service contract. The guidance is effective for fiscal

years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, and early application is permitted. We are currently evaluating the effect that the updated standard will have on the financial statements and related disclosures.

The FASB issues ASUs to amend the authoritative literature in ASC. There have been a number of ASUs to date, including those above, that amend the original text of ASC. Management believes that those issued to date either (i) provide supplemental guidance, (ii) are technical corrections, (iii) are not applicable to us or (iv) are not expected to have a significant impact our financial statements.

### **NOTE 3 – GOING CONCERN**

These financial statements are prepared on a going concern basis. The Company began operation in 2017. The Company's ability to continue may be dependent upon management's plan to raise additional funds and achieve profitable operations. The financial statements do not include any adjustments that might be necessary if the Company is not able to continue as a going concern.

### **NOTE 4 – DEBT**

The Company had combined short-term and long-term related party loans payable totaling \$648,258 and \$160,843 as of December 31, 2020 and 2019, respectively. The loans are owed to the Company's founder and chief executive and do not have fixed maturity date and no interest is charged.

As of December 31, 2020 and 2019, the Company had issued a total of \$1,190,000 and \$400,000 of convertible notes, respectively.

One tranche of notes, up to \$800,000 in value, bears interest at 3 percent per annum. The note terms are for 24 months and can be automatically extended in increments of 6 months. The note terms also allow the holder to convert any outstanding principal and unpaid interest into shares of the Company at a valuation of \$10,200,000.

A second tranche of notes, up to \$400,000 in value, bears interest at 3 percent per annum. The note terms are for 18 months but can be automatically extended in increments of 6 months. The note terms also allow the holder to convert any outstanding principal and unpaid interest into shares of the Company at a valuation of \$10,200,000.

During 2020, the Company also borrowed \$100,000 of up to a permissible \$200,000 to further fund the growth of the Company (the "Loan"). The interest rate of this credit is 3 percent per annum and is due in 2021 but can be extended. The Company expects to extend the maturity of this loan.

#### **NOTE 5 – INCOME TAX PROVISION**

The Company has filed its corporate income tax return for the period ended December 31, 2019. The income tax returns will remain subject to examination by the Internal Revenue Service under the statute of limitations for a period of three years from the date it is filed. The Company incurred a loss during the period from Inception through December 31, 2020 and the deferred tax asset from such losses have been fully valued based on their uncertainty in being used.

#### **NOTE 6 – COMMITMENTS AND CONTINGENCIES**

The Company is not currently involved with and does not know of any pending or threatening litigation.

#### **NOTE 7 – EQUITY**

As of January 9, 2020, the Company recapitalized ChallengeHop, Inc. to have 10,000,000 shares of common stock with a \$0.0001 par value. According to US GAAP, the Company presents the results of this recapitalization for all periods presented in the financial statements. The Company has 2,225,000 shares outstanding.

#### **NOTE 8 – RELATED PARTY TRANSACTIONS**

The Company has borrowed funds from a significant shareholder as described in Note 4 above.

Because these loans are transactions between insiders of the Company, there is no guarantee that it represents the terms that would otherwise be available if the loan had been made on arm's length terms.

#### **NOTE 9 – SUBSEQUENT EVENTS**

##### *Anticipated Crowdfunded Offering*

The Company is offering (the "Crowdfunded Offering") its securities in a Regulation CF offering exempt from registration. The Company must receive commitments from investors totaling the minimum amount by the offering deadline listed in the Form C, as amended in order to receive any funds.

The Crowdfunded Offering is being made through StartEngine and its FINRA approved Regulation CF portal. StartEngine is being compensated under customary terms for facilitating the Crowdfunded Offering.

*Additional Amounts Borrowed Under the Loan*

As discussed in Note 4, the Company has obtained up to \$200,000 in borrowings from a lender. As of December 31, 2020, the Company had borrowed \$100,000 of that amount. From January through February 2021, the Company has drawn on the remainder of the credit line such that \$200,000 is now outstanding.

*Management's Evaluation*

Management has evaluated subsequent events through February 9, 2021, the date the financial statements were available to be issued. Based on this evaluation, no additional material events were identified which require adjustment or disclosure in the financial statements.



**EXHIBIT C TO FORM C**  
**PROFILE SCREENSHOTS**

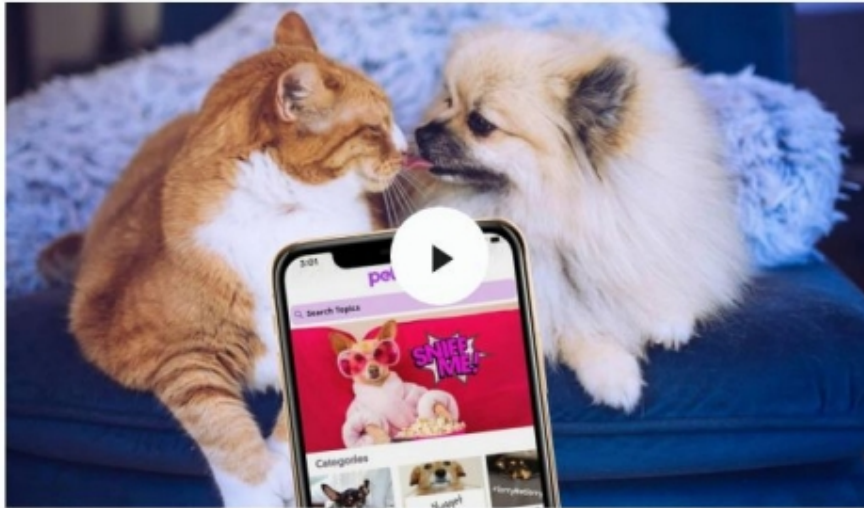
*[See attached]*

Petzbe is pending **StartEngine Approval**.



## Petzbe

No humans allowed.



[Website](#) 📍 New York, NY

[SOCIAL MEDIA](#)

**\$0.00** raised

**0** Investors **\$14.3M** Valuation

**\$6.52** Price per Share **\$195.60** Min. Investment

**Common** Shares Offered **Equity** Offering Type

**\$1.07M** Offering Max **Reg CF** Offering

[INVEST NOW](#)



This Offering is eligible for the [StartEngine Owner's 10% Bonus](#)

*This Reg CF offering is made available through StartEngine Capital, LLC.*

Petzbe is a social media pet app connecting pet owners in a community where they share their pets' daily lives, from the pets' perspective. Petzbe currently has 450,000 users and has grown its user base 10X in the past year. It launched in 2018. The app also allows companies to connect with a dedicated pet audience through customized campaigns. In 2019 Petzbe had a collaboration with Universal Studios to market its movie The Secret Life of Pets 2; and in 2021, Petzbe partnered with award winning Pet Testing company ClueJay. Petzbe launched its own products, Salmon Breath Mints, in February 2021, and will launch its own mobile app game - PetzbeVille - in spring 2021.

[Overview](#)

[Team](#)

[Terms](#)

[Updates](#)

[Comments](#)

[Follow](#)

## Reasons to Invest

- 450,000 users and the expectation of many more to come as we begin to heavily market the Android and Spanish version of our app. Our user base has grown 10X in the past year
- An expansive company that already has \$3 million in investment capital, with several existing and planned revenue streams including our own Petzbe

several existing and planned revenue streams including our own Petzbe products, in-app purchases, and mobile app game

- Featured in several major outlets including WIRED (U.S. and Japan), Good Morning America, The Wall Street Journal, People Magazine, The Times and more

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*Petzbe, Inc. ("Petzbe"), is a wholly owned subsidiary of ChallengeHop, Inc. ("ChallengeHop"). ChallengeHop is the sole shareholder of Petzbe, an entity formed by ChallengeHop to develop and publish the Petzbe application. The Common Stock securities sold in this Regulation Crowdfunding offering are issued by ChallengeHop.*



## THE PROBLEM

---

### Social media can be exhausting, even toxic

For many people, traditional **social media has become a toxic space** where comparison to the unrealistic, idealized lives of friends and celebrities has become the standard, negatively affecting the mental health of many users.



## EXHAUSTING

**57%**  
believe social  
media has a  
divisive/polarizing  
effect.

of women compare  
themselves to  
others on social  
media, with 50%  
saying the  
comparison is  
unfavorable.

(Source 1, Source 2)

During increasingly isolated and uncertain times, people need alternative ways to connect more than ever before. With options that focus on comparison and judgement, users looking to escape from stress and pressure are left with few options.

## PERKS

### OF PETZBE

“

After the drama, politics & nasty interactions of some social media you can open up Petzbe & bask in the lightness & fun of connection.

“

Petzbe is such a wonderful loving community! It's a nice break from all the other social media sites.

“

Apps like this just makes the world a better place to live.

*These testimonials may not be representative of the experience of other customers and are not a guarantee of future performance or success.*

## THE SOLUTION

---

**A social space for pets—no humans allowed**

Petzbe creates a safe, "no humans allowed," space that allows users to connect and express themselves as their pets. Our 450,000 users share their pet's daily life, from their pet's perspective, connecting with others on the platform pet-to-pet.

“

Pawsitively uplifting! WOW!!! What can I say except from that these reviews are spot on. The creators of this adorable Petzbe app have managed to make me smile each and every time I visit the app, as there is always something new and exciting going on. Not only is it so clever, visually beautiful, and uniquely created, but they're also putting an extreme amount of effort into helping our faithful companions, which makes it feel great to be a part of something so special. I can't wait to see what tomorrow brings!

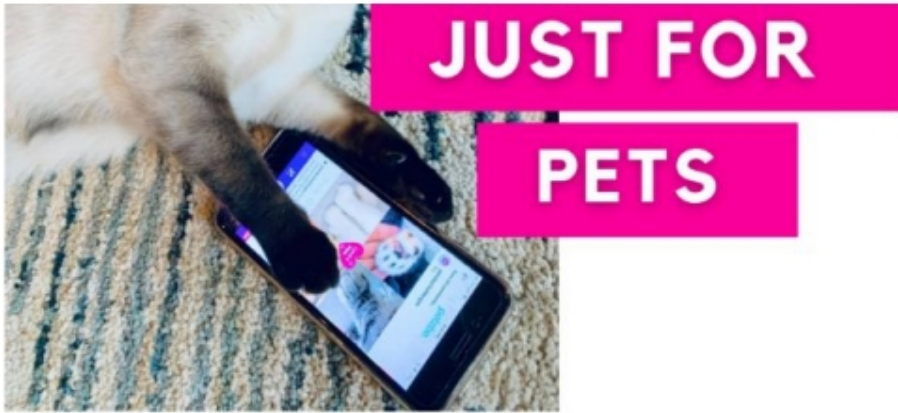
“

I can't express enough how amazing Petzbe is! I love animals & I've gotten to become my cat! It's a whole new world where I've made unlikely friends that if it weren't for our pets, we never would have met.

*These testimonials may not be representative of the experience of other customers and are not a guarantee of future performance or success.*



**FREE APP**

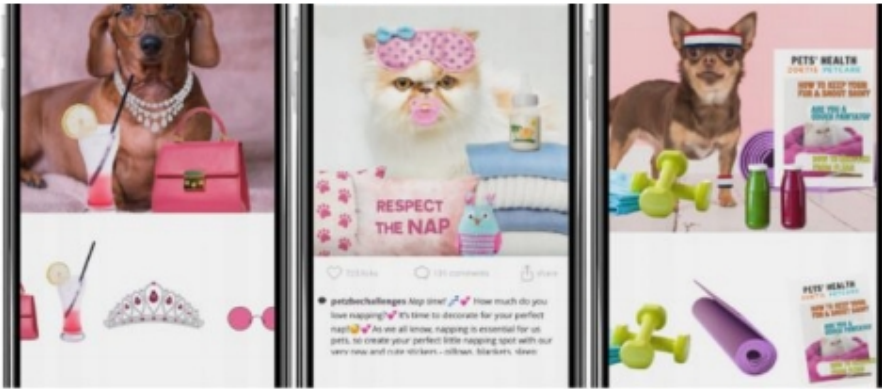


This animal-centric social media provides positive, light-hearted relief from the stress of modern life. It's a community where people can simply connect over their fluffy friends (or scaly, or feathery) friends in a healthy manner. The pet perspective fulfills a special mission to break down barriers between people in a unique way. On Petzbe, it's not about the user's looks, social status, or political standing. It's all about the animals.



**WE LAUNCH NEW FREE  
STICKERS & FRAMES EVERY WEEK**





## THE MARKET

# Two rapidly growing industries: Pet care and mobile apps

In the U.S., **almost 85 million households (67%)** have a pet, and total U.S. pet care expenditure was projected **\$99 billion in 2020**. **Market research** has shown that Americans are more than willing to spend vast amounts of money on their furry friends. Worldwide, the pet care market is expected to reach **\$269 billion by 2025**. As far as in-app spending, during the first half of 2020, global app revenues from purchases **grew approximately 23%, generating \$50 billion**.

**85 MILLION FAMILIES**

Own a pet in the US alone.



**76% OF PET OWNERS**

Would make financial sacrifices to pay for whatever their pets wanted or needed.

**45% OF DOG OWNERS**

Would take their dog out for a special meal on its birthday.



The global mobile gaming market alone is **projected to hit \$76.7 billion by the end of 2020**, representing a 12% market growth—**outpacing both PC and console gaming**. Even for mobile games that are free to download, optional in-game purchases of additional content and items **generate significant revenue**.

purchases of additional game privileges generate significant revenue.

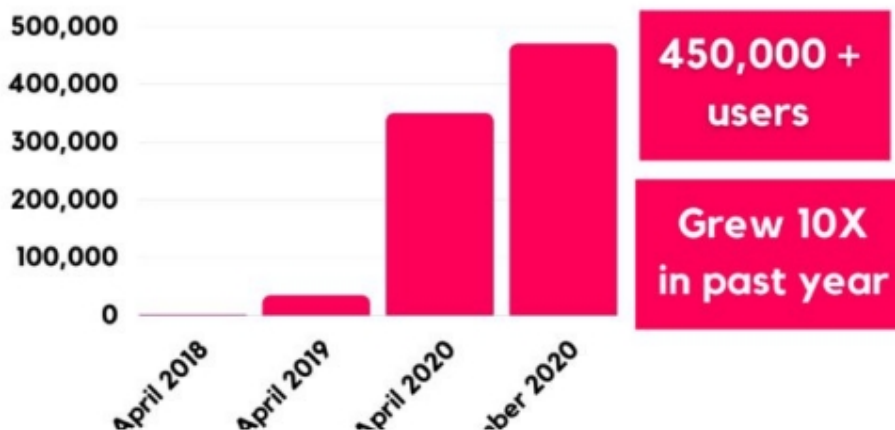
## OUR TRACTION

# A large and growing user base and exciting industry collaborations

In just one year (February 2020 to February 2021), we were able to grow our user base tenfold, with current users at about 450,000. We have an above-market-standard retention rate between 20% and 40%. We also have 1.2M followers on Facebook and 33K on Instagram.



## APP USER GROWTH





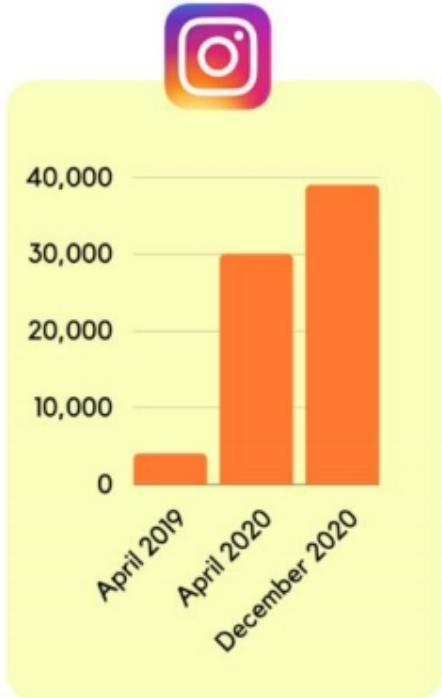
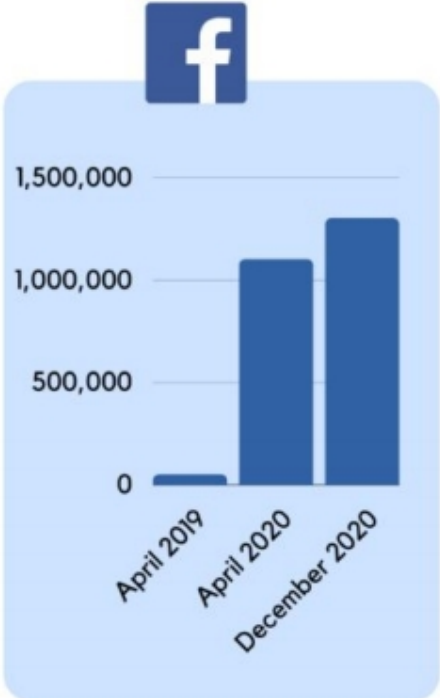
Decem

## iOS vs. ANDROID

Only 2% of our users are Android users. We just launched an updated Android version. This can be a big game changer in user growth once we start marketing it.



## SOCIAL MEDIA FOLLOWING GROWTH



We've been featured in WIRED (U.S. and Japan), Good Morning America, The Wall Street Journal and People Magazine. So far, we have also garnered \$3 million in investment capital. We expect to expand further into e-commerce while cultivating our own Petzbe merchandise brand including snacks and accessories.



**WIRED**

**abc GOOD MORNING AMERICA**

THE WALL STREET JOURNAL  
**WSJ People**

  
**THE TIMES**

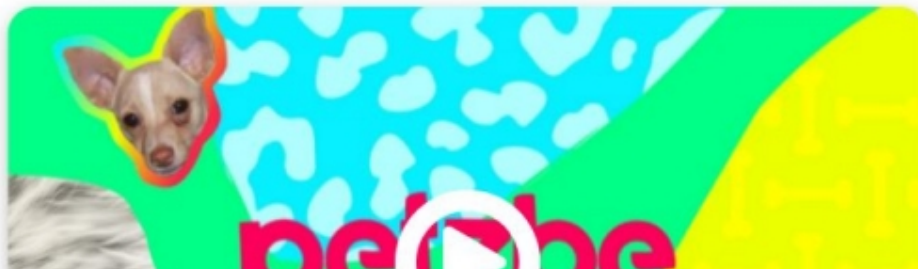
Additionally, in April 2019 we successfully collaborated with Universal Studios to run a four-week long ad campaign for the movie The Secret Life of Pets 2, one example we believe demonstrates the strength of our connection to a robust pet-loving community. And in 2021, Petzbe started a partnership with award winning Vet Tech company ClueJay.

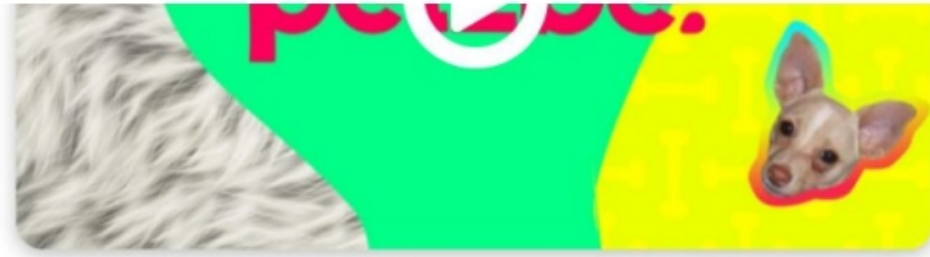
## WHAT WE DO

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# A warm and fuzzy community for pet lovers

Petzbe is an iPhone- and Android-compatible social media app where people interact as their pets.





With just the tap of a finger (or rather a paw, hoof, beak, talon, fin, or claw...) users can:

- “Sniff” (follow) pets and make friends
- Access tons of adorable pet-centric stickers, frames & feelings tags
- Creatively share their unique pet lifestyle
- Plan and host virtual celebrations and events
- Join weekly creative challenges and contests
- Participate in Petzbe’s monthly #LendAPaw campaign where we raise money for pets in need
- Use our Discussion Boards to post their pets’ thoughts, stories and recommendations

## Helping animals in need

Petzbe cares about Animal causes: Every third Sunday of the month, we host an in-app campaign called Lend a Paw. For each photo shared this day, with #LendAPaw, Petzbe donates \$1 to an animal cause. So far we’ve donated over \$100,000.

## THE BUSINESS MODEL

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### Multiple planned streams of revenue, from micro to multi-thousand

The Petzbe app itself is free to download. This low cost-of-entry has allowed us to build and continue growing our robust and loyal community. From here, we have a diversity of revenue streams.

We’ve also launched our own [Petzbe products](#) - Salmon Breath Mints - for cats and dogs. Our Salmon Breath Mints are made of 100% wild Alaskan salmon. They cost \$39 for two mint tins, two large bags with Salmon Breath Mints, and two small bags for them to share with their furriends. They also have an option of a refill mint subscription for \$29/month. In spring 2021, we will have in-app purchases available that give users access to customized stickers and frames at a cost between \$1-\$5 per pack.



We partner with companies in the pet industry to provide them in-app space for ad campaigns. We charge approximately \$15k+ to host a two-week campaign, though options are customizable depending on the company and campaign.

Finally, in 2021 we will be launching PetzbeVille, a mobile app game using a standard revenue model of micro-transactions, with each pack costing anywhere from \$1 to \$5.

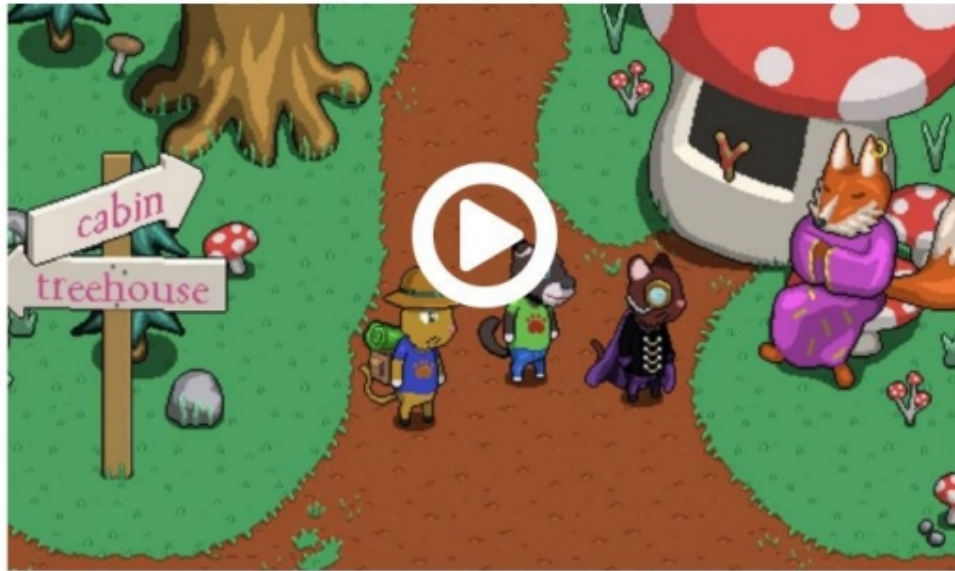


**IN-APP PURCHASES**  
\$1-\$5 per sticker pack

**PETZBE MOBILE APP GAME**  
\$1-\$5 per stick pack

**PARTNERSHIPS**  
~\$15K+ for a 2-week campaign





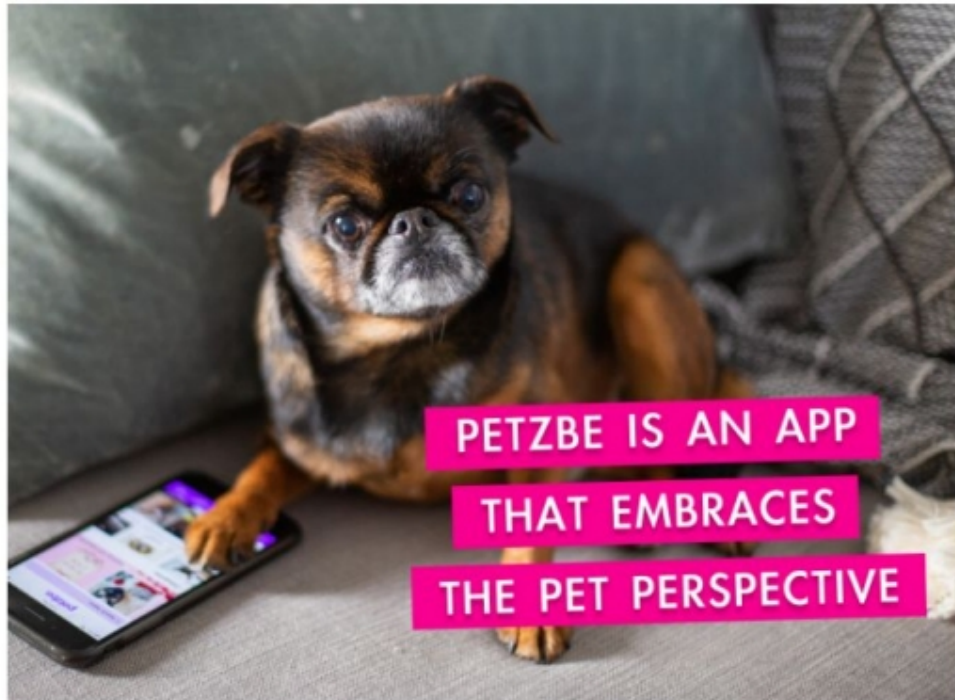
*Petzbeville is currently under development, actual results may differ.*

HOW WE ARE DIFFERENT

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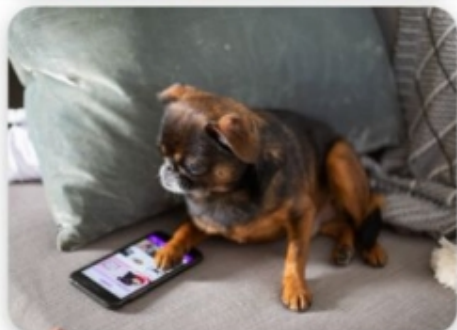
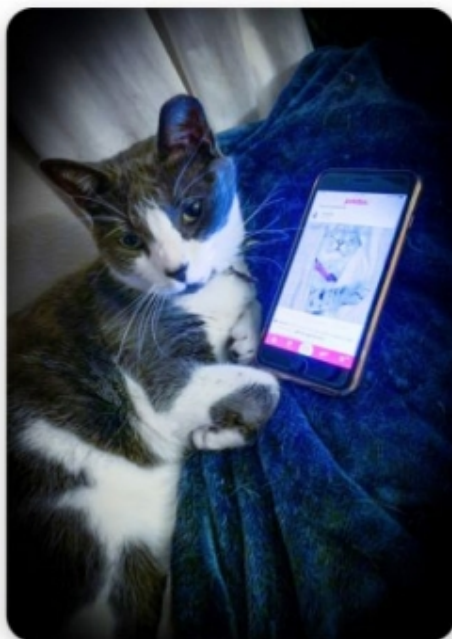
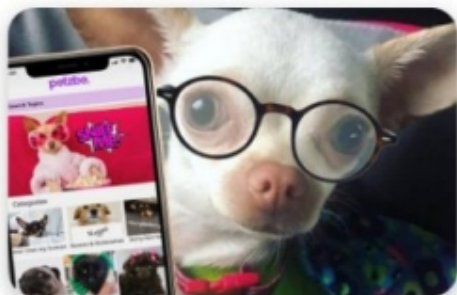
## A social media app meant to go beyond human comparison

Although there are other social media apps with pet components, our users exclusively post from the POV of their pets, which we believe contributes to a positive and loving social media environment.



Other apps in the pet realm include Zoopix, where owners participate in pet shows and competitions; Dig, a dating app specifically for dog-owners; and Love Dog, a social app where dog owners connect with one another, but without posting from their pets' perspectives.

We don't believe any of these apps offers the escapism and purely feel-good nature offered by our community on Petzbe.

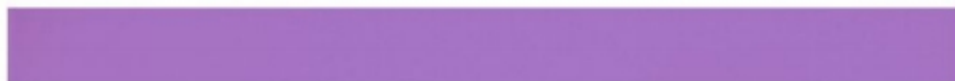


## THE VISION

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# Growing into an empire of pet services and products, all embracing the pet perspective

Currently iPhone users make up about 98% of our user base. We are now beginning to heavily market our recently launched Android app, as well as a Spanish language version of the app. We believe these two new populations will significantly increase the number of Petzbe users in the upcoming months. We also plan to create our own branded content products ranging from songs to books and movies. Our vision is to be a large ecosystem full of wonderful, unique experiences & products that our community will love, and to continue to grow to become a household name for pet owners worldwide.



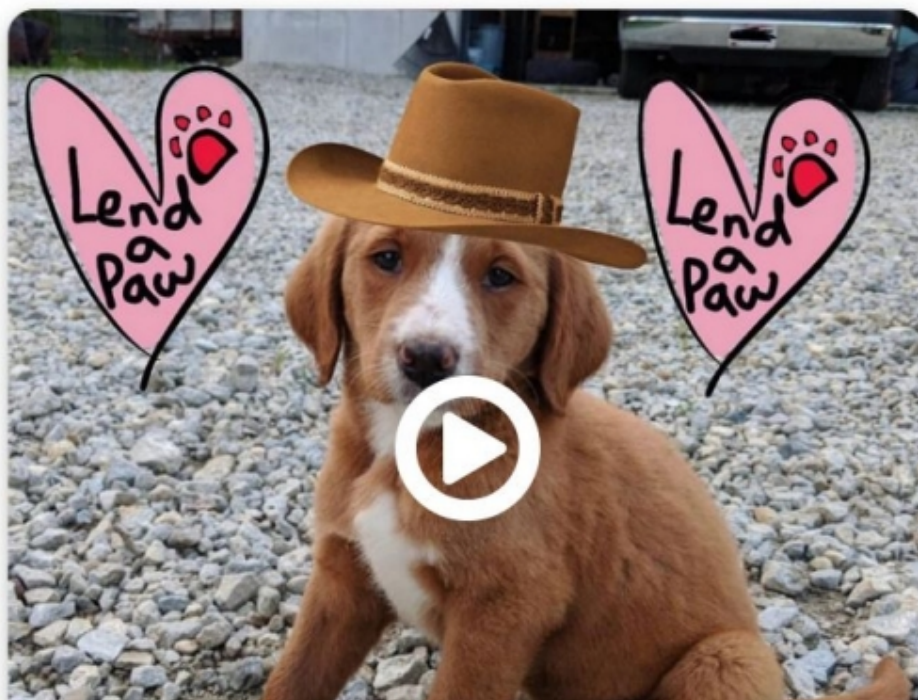


## OUR LEADERSHIP

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### A team well-versed in the worlds of content and tech

With a background in corporate communications, marketing and expansion, and PR, founder and CEO Andrea Nerep started Petzbe with her own personal investment in 2017. She has since drummed up \$3 million in outside investments for her rapidly growing company.





## ANGUS

**The Tiniest CEO In  
The World**



**ANDREA NEREP**

**CO-CEO & FOUNDER**

**CHELSEA ROSE WILLIAMS**

**DIRECTOR OF GROWTH**

The first employee of Petzbe, chief technology officer Mattia Guella has been a backend developer for 10+ years. He helped see the initial idea behind Petzbe and turn it into the product that now has 450,000 users.

Director of growth and marketing, Chelsea Rose Williams, is a brand growth expert in addition to being a professional content creator. Before Petzbe, Chelsea ran her own multi-media production company for several years, successfully orchestrating the entirety of the photography, design, branding, writing, producing, directing, shooting, editing and marketing for a large variety of clients and businesses.

### WHY INVEST

---

**Help expand a community where people  
can connect and express themselves**



# freely

In a time when connecting genuinely with others may be more difficult than ever before, Petzbe provides a way for people to bypass these obstacles to join an uplifting, feel-good community.

**5%**

of the total amount raised in the Petzbe StartEngine campaign will be donated to support animals in need.



Major news outlets have featured our work, we've already generated \$3 million in investment capital, and over the course of just one year our user base increased tenfold—all of this, we believe, because people recognize the benefit of what Petzbe has to offer.

## In the Press



[SHOW MORE](#)

# Meet Our Team



## Andrea Nerep

CEO/Founder

*Andrea worked in various early-stage start-ups before she founded ChallengeHop. She has a BSc in Business and a MSc in Public Relations & Corporate Communications. She built Petzbe from scratch through her passion for pets, psychology, business, and community building.*



## Chelsea Williams

Director of Marketing & Growth

*Chelsea is a pet industry & brand growth expert as well as a professional content creator. Before ChallengeHop, Chelsea ran her own multi-media production company for several years & orchestrated the entirety of the photography, design, branding, writing, producing, directing, shooting, editing & marketing for a large variety of clients & businesses.*



## Mattia Guella

Chief Technology Officer

*Mattia Guella has consulted and managed the backend for various tech companies for 10+ years. He has worked with ChallengeHop since the very beginning and has managed the developers and UX designers, as well as together with the founder set vision and goals for future development.*



## Julian Aleksov

Board Member

*Julian is an entrepreneur active in various businesses. One major accomplishment is having funded a pharmaceutical company, focused on human and veterinary medicine, which was listed on Nasdaq New York and Stockholm, Sweden. Today, Julian is active with international investments within several sectors.*

*Julian devotes approximately 12 hours per month as a director of ChallengeHop, Inc.*



## Anders Blom

Board Member

*Anders has worked internationally during many years, including being CFO in European and US listed companies. He has also been active within private equity sector, mainly working with pharmaceutical, veterinary and tech companies. Today, Anders focus is on investing in mainly financial and tech companies.*

*Anders devotes approximately 12 hours per month as a director for ChallengeHop, Inc.*



## Offering Summary

**Company** : ChallengeHop Inc.  
**Corporate Address** : 205 Hudson Street, New York, NY  
10013  
**Offering Minimum** : \$9,995.16  
**Offering Maximum** : \$1,069,997.20  
**Minimum Investment Amount** : \$195.60  
**(per investor)** :

## Terms

**Offering Type** : Equity  
**Security Name** : Common Stock  
**Minimum Number of Shares Offered** : 1,533  
**Maximum Number of Shares Offered** : 164,110  
**Price per Share** : \$6.52  
**Pre-Money Valuation** : \$14,344,000.00

### COVID Relief

This offering is being conducted on an expedited basis due to circumstances relating to COVID-19 and pursuant to the SEC's temporary regulatory COVID-19 relief set out in Regulation Crowdfunding §227.201(z).

### **Expedited closing sooner than 21 days**

In reliance on Regulation Crowdfunding §227.303(g)(2) A funding portal that is an intermediary in a transaction involving the offer or sale of securities initiated between May 4, 2020, and February 28, 2021, in reliance on section 4(a)(6) of the Securities Act (15 U.S.C. 77d(a)(6)) by an issuer that is conducting an offering on an expedited basis due to circumstances relating to COVID-19 shall not be required to comply with the requirement in paragraph (e)(3)(i) of this section that a funding portal shall not direct transmission of funds earlier than 21 days after the date on which the intermediary makes publicly available on its platform the information required to be provided by the issuer under §§227.201 and 227.203(a).

### Voting Rights of Securities sold in this Offering

**Voting Proxy.** Each Subscriber shall appoint the Chief Executive Officer of the Company (the "CEO"), or his or her successor, as the Subscriber's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to, consistent with this instrument and on behalf of the Subscriber, (i) vote all Securities, (ii) give and receive notices and communications, (iii) execute any instrument or document that the CEO determines is necessary or appropriate in the exercise of its

authority under this instrument, and (iv) take all actions necessary or appropriate in the judgment of the CEO for the accomplishment of the foregoing. The proxy and power granted by the Subscriber pursuant to this Section are coupled with an interest. Such proxy and power will be irrevocable. The proxy and power, so long as the Subscriber is an individual, will survive the death, incompetency and disability of the Subscriber and, so long as the Subscriber is an entity, will survive the merger or reorganization of the Subscriber or any other entity holding the Securities. However, the Proxy will terminate upon the closing of a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933 covering the offer and sale of Common Stock or the effectiveness of a registration statement under the Securities Exchange Act of 1934 covering the Common Stock.

*\*Maximum Number of Shares offered subject to adjustment for bonus shares. See Bonus info below.*

#### **Investment Incentives & Bonuses\***

##### **Time-Based:**

###### **Friends and Family Early Birds**

- Invest within the first 48 hours and receive additional 20% bonus shares

###### **Super Early Bird Bonus**

- Invest within the first week and receive additional 15% bonus shares

###### **Early Bird Bonus**

- Invest within the first two weeks and receive an additional 10% bonus shares

##### **Amount-Based:**

\$200+

- 5% of total raise will go to lend a paw to support animals in need

\$400+

- 5% of total raise will go to lend a paw to support animals in need

- Code for free pack of Petzbe treats

- 10% off any ClueJay at-home pet testing kits (one time use)

\$800+

- 5% of total raise will go to lend a paw to support animals in need

- Code for free pack of Petzbe treats

- 10% off Iconic Paw

- 10% off any ClueJay at-home pet testing kits (one time use)

\$1,600+

- 5% of total raise will go to lend a paw to support animals in need

- Code for free pack of Petzbe treats

- 10% off Iconic Paw

- Petzbe keychain

- 10% off any ClueJay at-home pet testing kits (one time use)

\$5,000+

- 5% of total raise will go to lend a paw to support animals in need

- Code for free pack of Petzbe treats

- 10% off Iconic Paw

- Petzbe keychain

- 5% bonus shares

- Invitation to quarterly Zoom CockTAIL Hour with the Petzbe team

- 10% off any ClueJay at-home pet testing kits (one time use)

- Custom pet portrait from our very own Petzbe artist (<https://www.tailented.com/>)

\$10,000+

- 5% of total raise will go to lend a paw to support animals in need
- Code for free pack of Petzbe treats
- 10% off Iconic Paw
- Petzbe keychain
- 10% bonus shares
- Invitation to quarterly Zoom CockTAIL hour with the Petzbe team
- 10% off any ClueJay at-home pet testing kits (one time use)
- Custom pet portrait from our very own Petzbe artist (<https://www.tailented.com/>)
- Access to exclusive Petzbe investor community Facebook group where we can together brainstorm on an ongoing basis.

*\*All perks occur when the offering is completed.*

#### **The 10% StartEngine Owners' Bonus**

ChallengeHop, Inc. will offer 10% additional bonus shares for all investments that are committed by investors that are eligible for the StartEngine Crowdfunding Inc. OWNER's bonus.

This means eligible StartEngine shareholders will receive a 10% bonus for any shares they purchase in this offering. For example, if you buy 100 shares of Common Stock at \$6.52 / share, you will receive 10 additional shares of Common Stock, meaning you'll own 110 shares for \$652. Fractional shares will not be distributed and share bonuses will be determined by rounding down to the nearest whole share.

This 10% Bonus is only valid during the investors eligibility period. Investors eligible for this bonus will also have priority if they are on a waitlist to invest and the company surpasses its maximum funding goal. They will have the first opportunity to invest should room in the offering become available if prior investments are canceled or fail.

Investors will only receive a single bonus, which will be the highest bonus rate they are eligible for.

#### **Irregular Use of Proceeds**

The Company might incur Irregular Use of Proceeds that may include but are not limited to the following over \$10,000:

[Offering Details](#)

[Form C Filings](#)

**SHOW MORE**

#### **Risks**

A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment. In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document. The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature. These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

## Updates

Follow Petzbe to get notified of future updates!

## Comments (0 total)

Add a public comment...

0/2500

I'm not a robot



Post

Please [sign in](#) to post a comment.

### About

[Our Team](#)  
[Equity Crowdfunding 101](#)  
[Blog](#)  
[StartEngine Careers](#)  
[Portfolio Job Board](#)

### Companies

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## EXHIBIT D TO FORM C

### VIDEO TRANSCRIPT

#### Campaign Video

Andrea: Hi! My name is Andrea, I'm the founder of Petzbe - THE social media app for pets ONLY - and today is your chance to become an investor in Petzbe for StartEngine. I founded Petzbe about the same time when I adopted my dog Angus -- and being completely mesmerized by his cuteness, I started taking hundreds of photos of him daily, and I was eager to share these photos with similar-minded people. But, at the time, I was a bit fed up with the traditional social media, and you know, it can be quite exhausting sometimes how we end up comparing ourselves to our lives with other people.

64% of Americans say social media mostly has a negative effect on how things are going in the U.S. today. 88% of women compare themselves to others on social media, with 50% saying the comparison is unfavorable.

And that's how I came up with Petzbe - a social media app for pets where users share their pet's daily life, from the pet's perspective. And as it turns out - people tend to be nicer to each other when they speak as their pets.

Petzbe launched in 2018. In the past year, Petzbe grew its user base 10 times. We currently have over 450,000 users. We've been featured in Good Morning America, WIRED, Wall Street Journal, People magazine, and more.

I built an amazing team. We're not only business-minded and very resilient, but they are also all pet lovers.

Chelsea: Hi, I'm Chelsea, the Director of Growth at Petzbe.

Andrea: Chelsea has 11 pets. She has four dogs and seven cats. She knows pets, and everything there is to know about the pet industry.

Chelsea: I do. Did you know that there are almost 900 million cats and dogs owned worldwide - and that's only cats and dogs. Petzbe is for ALL pets. With an additional marketing budget, we can go after these hundreds of millions of pet owners and grow exponentially.

Andrea: We're now raising capital from the public through this equity crowdfunding campaign. We plan to use your investment to increase our marketing budget to quickly explode in one of the fastest growing industries in the world.

Chelsea: In addition to our amazing app, we launch our own Petzbe snacks, and we plan to launch our own mobile app game - PetzbeVille in early 2021.

Petzbe is also donating over a hundred thousand dollars to animal welfare causes and pets in need through our Lend A Paw monthly campaign. Invest in Petzbe and own a part of this amazing social media movement.

Video of Dog with Wig: Preparing for a date? Don't forget your salmon breathmints for an



incredibly refreshing salmon breath! Nom nom nom.

Miranda thinks solitude is bliss. She ignores baby sister Mindy. Miranda uses Petzbe. Download Petzbe today.

With an additional marketing budget, we can reach these hundreds of millions of owners and grow exponentially.

### **Reasons to Invest Video**

Steve loves intense poetry. He occasionally dresses up as a cowboy. Steve uses Petzbe. Download Petzbe today.

### **The Vision Section Video**

Preparing for a date? Don't forget your salmon breathmints for an incredibly refreshing salmon breath! Nom nom nom.

## **STARTENGINE SUBSCRIPTION PROCESS (Exhibit E)**

### Platform Compensation

- As compensation for the services provided by StartEngine Capital, the issuer is required to pay to StartEngine Capital a fee consisting of a 6-8% (six to eight percent) commission based on the dollar amount of securities sold in the Offering and paid upon disbursement of funds from escrow at the time of a closing. The commission is paid in cash and in securities of the Issuer identical to those offered to the public in the Offering at the sole discretion of StartEngine Capital. Additionally, the issuer must reimburse certain expenses related to the Offering. The securities issued to StartEngine Capital, if any, will be of the same class and have the same terms, conditions and rights as the securities being offered and sold by the issuer on StartEngine Capital's website.

### Information Regarding Length of Time of Offering

- Investment Cancellations: Investors will have up to 48 hours prior to the end of the offering period to change their minds and cancel their investment commitments for any reason. Once within 48 hours of ending, investors will not be able to cancel for any reason, even if they make a commitment during this period.
- Material Changes: Material changes to an offering include but are not limited to: A change in minimum offering amount, change in security price, change in management, material change to financial information, etc. If an issuer makes a material change to the offering terms or other information disclosed, including a change to the offering deadline, investors will be given five business days to reconfirm their investment commitment. If investors do not reconfirm, their investment will be cancelled and the funds will be returned.

### Hitting The Target Goal Early & Oversubscriptions

- StartEngine Capital will notify investors by email when the target offering amount has hit 25%, 50% and 100% of the funding goal. If the issuer hits its goal early, the issuer can create a new target deadline at least 5 business days out. Investors will be notified of the new target deadline via email and will then have the opportunity to cancel up to 48 hours before new deadline.
- Oversubscriptions: We require all issuers to accept oversubscriptions. This may not be possible if: 1) it vaults an issuer into a different category for financial statement requirements (and they do not have the requisite financial statements); or 2) they reach \$1.07M in investments. In the event of an oversubscription, shares will be allocated at the discretion of the issuer.
- If the sum of the investment commitments does not equal or exceed the target offering amount at the offering deadline, no securities will be sold in the offering, investment commitments will be cancelled and committed funds will be returned.
- If a StartEngine issuer reaches its target offering amount prior to the deadline, it may conduct an initial closing of the offering early if they provide notice of the new offering deadline at least five business days prior to the new offering deadline (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment). StartEngine will notify investors when the issuer meets its

target offering amount. Thereafter, the issuer may conduct additional closings until the offering deadline.

#### Minimum and Maximum Investment Amounts

- In order to invest, to commit to an investment or to communicate on our platform, users must open an account on StartEngine Capital and provide certain personal and non-personal information including information related to income, net worth, and other investments.
- Investor Limitations: Investors are limited in how much they can invest on all crowdfunding offerings during any 12-month period. The limitation on how much they can invest depends on their net worth (excluding the value of their primary residence) and annual income. If either their annual income or net worth is less than \$107,000, then during any 12-month period, they can invest up to the greater of either \$2,200 or 5% of the lesser of their annual income or net worth. If both their annual income and net worth are equal to or more than \$107,000, then during any 12-month period, they can invest up to 10% of annual income or net worth, whichever is less, but their investments cannot exceed \$107,000.