

RAADR, INC.

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(UNAUDITED)**

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RAADR, Inc.
Consolidated Balance Sheets
(Unaudited)

	<u>As of</u> <u>September 30, 2020</u>	<u>As of</u> <u>December 31, 2019</u>
Assets:		
Current assets		
Cash and cash equivalents	\$ -	\$ -
Total current assets	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Stockholders' Deficit:		
Current liabilities		
Account payable	\$ 478,831	\$ 470,986
Accrued liabilities	2,465,469	2,338,673
Advances	104,600	40,500
Preferred stock to be issued	259,900	259,900
Common stock to be issued	1,066,138	1,066,138
Convertible notes payable, net of discount of \$77,771 and \$0, respectively	856,940	877,170
Notes payable	908,034	948,034
Related party notes payable	199,204	199,204
Derivative liabilities	<u>2,314,524</u>	<u>2,433,438</u>
Total current liabilities	<u>8,653,640</u>	<u>8,634,043</u>
Long term liabilities		
Notes payable	<u>150,000</u>	<u>-</u>
Total long term liabilities	<u>150,000</u>	<u>-</u>
Total liabilities	<u>8,803,640</u>	<u>8,634,043</u>
Commitments and contingencies (Note 5)		
Stockholders' Deficit:		
Preferred stock, \$0.001 par value; 80,000,000 shares authorized; 0 and 0 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	-	-
Preferred stock, Series A; \$0.001 par value; 20,000,000 shares authorized; 0 and 0 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	-	-
Preferred stock, Series E; \$0.001 par value; 1,000,000 shares authorized; 1,000,000 and 1,000,000 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	1,000	1,000
Common stock, \$0.001 par value; 9,000,000,000 shares authorized, 209,595,332 and 151,076,327 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	209,596	151,076
Common stock, owed but not issued; 6 and 6 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	-	-
Additional paid-in capital	16,494,104	16,117,034
Accumulated deficit	<u>(25,508,340)</u>	<u>(24,903,153)</u>
Total stockholders' deficit	<u>(8,803,640)</u>	<u>(8,634,043)</u>
Total liabilities and stockholders' deficit	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the consolidated financial statements.

RAADR, Inc.
Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended September 30, 2020	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Revenue, net	\$ -	\$ -	\$ -	\$ -
Cost of goods sold	-	-	-	-
Gross profit	-	-	-	-
Operating expenses:				
Executive compensation	24,000	24,000	72,000	72,000
General and administrative expenses	155,312	18,705	155,552	30,857
Professional fees, including stock-based compensation of \$0, \$0, \$0 and \$0, respectively	16,000	870	54,213	2,320
Total operating expenses	195,312	43,575	281,765	105,177
Loss from operations	(195,312)	(43,575)	(281,765)	(105,177)
Other income (expense):				
Interest expense	(132,261)	(68,791)	(383,747)	(205,797)
Other income	-	114,081	-	114,081
Change in fair value of derivatives	(598,774)	(379,981)	60,325	(928,364)
Total other income (expense)	(731,035)	(334,691)	(323,422)	(1,020,080)
Income (loss) before provision for income taxes	(926,347)	(378,266)	(605,187)	(1,125,257)
Provision for income taxes	-	-	-	-
Net income (loss)	<u>\$ (926,347)</u>	<u>\$ (378,266)</u>	<u>\$ (605,187)</u>	<u>\$ (1,125,257)</u>
Basic and diluted net income (loss) per common share attributable to common stockholders	<u>\$ (0.01)</u>	<u>\$ (0.35)</u>	<u>\$ (0.00)</u>	<u>\$ (1.05)</u>
Diluted net income (loss) per common share attributable to common stockholders	<u>\$ (0.01)</u>	<u>\$ (0.35)</u>	<u>\$ (0.00)</u>	<u>\$ (1.05)</u>
Weighted-average number of shares used in computing basic per share amounts	<u>178,689,929</u>	<u>1,076,327</u>	<u>165,748,243</u>	<u>1,076,327</u>
Weighted-average number of shares used in computing dilutive per share amounts	<u>178,689,929</u>	<u>1,076,327</u>	<u>165,748,243</u>	<u>1,076,327</u>

See accompanying notes to the consolidated financial statements.

RAADR, Inc.
Consolidated Statement of Stockholders' Deficit
(Unaudited)

Periods Ended September 30, 2020:

	Preferred Stock, Series A		Preferred Stock, Series E		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, June 30, 2020	-	\$ -	1,000,000	\$ 1,000	173,537,473	\$ 173,537	\$ 16,404,955	\$ (24,581,993)	\$ (8,002,501)
Conversion of notes payable and derivative liabilities into common stock	-	-	-	-	36,057,859	36,059	86,355	-	122,414
Imputed interest on notes payable	-	-	-	-	-	-	2,794	-	2,794
Net income	-	-	-	-	-	-	-	(926,347)	(926,347)
Balance, September 30, 2020	-	\$ -	1,000,000	\$ 1,000	209,595,332	\$ 209,596	\$ 16,494,104	\$ (25,508,340)	\$ (8,803,640)

	Preferred Stock, Series A		Preferred Stock, Series E		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, December 31, 2019	-	\$ -	1,000,000	\$ 1,000	151,076,327	\$ 151,076	\$ 16,117,034	\$ (24,903,153)	\$ (8,634,043)
Conversion of notes payable and derivative liabilities into common stock	-	-	-	-	58,519,005	58,520	368,688	-	427,208
Imputed interest on notes payable	-	-	-	-	-	-	8,382	-	8,382
Net income	-	-	-	-	-	-	-	(605,187)	(605,187)
Balance, September 30, 2020	-	\$ -	1,000,000	\$ 1,000	209,595,332	\$ 209,596	\$ 16,494,104	\$ (25,508,340)	\$ (8,803,640)

Periods Ended September 30, 2019:

	Preferred Stock, Series A		Preferred Stock, Series E		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, June 30, 2019	-	\$ -	1,000,000	\$ 1,000	1,076,327	\$ 1,076	\$ 12,261,446	\$ (19,440,714)	\$ (7,177,192)
Imputed interest on notes payable	-	-	-	-	-	-	2,794	-	2,794
Net loss	-	-	-	-	-	-	-	(378,266)	(378,266)
Balance, September 30, 2019	-	\$ -	1,000,000	\$ 1,000	1,076,327	\$ 1,076	\$ 12,264,240	\$ (19,818,980)	\$ (7,552,664)

	Preferred Stock, Series A		Preferred Stock, Series E		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, December 31, 2018	-	\$ -	1,000,000	\$ 1,000	1,076,327	\$ 1,076	\$ 12,255,858	\$ (18,693,723)	\$ (6,435,789)
Imputed interest on notes payable	-	-	-	-	-	-	8,382	-	8,382
Net loss	-	-	-	-	-	-	-	(1,125,257)	(1,125,257)
Balance, September 30, 2019	-	\$ -	1,000,000	\$ 1,000	1,076,327	\$ 1,076	\$ 12,264,240	\$ (19,818,980)	\$ (7,552,664)

See accompanying notes to the consolidated financial statements.

RAADR, Inc.
Consolidated Statements of Cash Flows
(Unaudited)

	<u>For the Nine Months Ended September 30, 2020</u>	<u>For the Nine Months Ended September 30, 2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (605,187)	\$ (1,125,257)
Adjustments to reconcile net loss to net cash used in operating activities:		
Increase in principal on note exchange	38,405	-
(Gain) loss on derivative liability	(60,325)	928,364
Accretion of debt discount	42,229	8,049
Imputed interest on notes payable	8,382	8,382
Additional interest expense on conversion of notes payable and derivative liabilities	87,794	-
Changes in operating assets and liabilities:		
Accounts payable	7,844	20,525
Accrued liabilities	166,758	142,443
Net cash provided by (used in) operating activities	<u>(314,100)</u>	<u>(17,494)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash provided by investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of convertible notes payable	270,000	-
Repayment of convertible notes payable	(20,000)	-
Proceeds from advances	64,100	17,500
Net cash provided by financing activities	<u>314,100</u>	<u>17,500</u>
Change in cash and cash equivalents	-	6
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ 6</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ 700</u>
Non-cash investing and financing activities:		
Conversions of notes payable and derivative liabilities into common stock	<u>\$ 427,208</u>	<u>\$ -</u>

See accompanying notes to the consolidated financial statements.

RAADR, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Note 1 - History and Organization

Organization

Raadr, Inc. (the "Company") was organized March 29, 2006 (Date of Inception) under the laws of the State of Nevada, as White Dental Supply, Inc. On December 27, 2012, the Company formed two wholly owned subsidiaries, Choice One Mobile, Inc. and PITOOEY! Mobile, Inc., under the laws of the State of Nevada. On January 7, 2013, the Board of Directors of the Company authorized and a majority of the stockholders of the Company ratified, by written consent, resolutions to change the name of the Company to PITOOEY!, Inc. The name change was effective with the State of Nevada February 7, 2013. On February 6, 2013, the Company formed a wholly owned subsidiary, Rockstar Digital, Inc., under the laws of the State of Nevada. On October 31, 2013, the Company, as part of its settlement agreement with the employees of Rockstar Digital, ceased operations of its wholly owned subsidiary, Rockstar Digital, Inc. On July 29, 2015, the Company changed their name to Raadr, Inc. The name change was effective with the State of Nevada on July 29, 2015.

Business

The Company offers a unique software tool in www.raadr.com that allows individuals to monitor social media activity online. As the digital world of the 21st Century continues to evolve, parents, guardians, and children are faced with challenges and threats not just in the real world, but in the omnipresent realm of Social Media as well. PITOOEY! INC., makers of the proprietary technology application RAADR© have developed a web based tool that provides families with peace of mind when it comes to knowing that children are safe from bullying and predatory behavior unfortunately so prevalent today.

By customizing their own unique monitoring and alert settings, parents and guardians can be alerted when their children's Facebook, Twitter, Instagram and other pertinent social media platforms under scrutiny become posted with inappropriate language. By utilizing customized keywords chosen by the user that are added to an already existing database, parents and guardians can carry a sense of assuredness that the youth they love and are responsible for are safe and acting in a fun, yet appropriate manner.

Going Concern

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying consolidated financial statements, the Company has no assets and a working capital deficit of approximately \$8.7 million.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. The Company is significantly dependent upon its ability, and will continue to attempt, to secure equity and/or additional debt financing. The Company is attempting to conduct private placements of its preferred and common stock to raise proceeds to finance its plan of operation. There are no assurances that the Company will be successful, and without sufficient financing, it would be unlikely for the Company to continue as a going concern.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments that might arise from this uncertainty.

Unaudited and Unreviewed Financial Statements

The accompanying consolidated financial statements have been prepared by the Company's management pursuant to the rules and regulations of the United States Securities and Exchange Commission. These consolidated financial statements have not been audited or reviewed by an independent third party.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Company's unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

Effective August 13, 2019, the Company effected a one-for-5,000 reverse stock split of the Company's common stock. The par value and authorized shares of common stock and preferred stock were not adjusted as a result of the reverse stock split. All share and per share amounts in the consolidated financial statements and notes thereto have been retroactively adjusted for all periods presented to give effect to this reverse stock split, including reclassifying an amount equal to the reduction in par value of common stock to additional paid-in capital.

Principles of Consolidation

The consolidated financial statements include the accounts of Raadr, Inc., Choice One Mobile, Inc., PITOOEY! Mobile, Inc. and Rockstar Digital, Inc. All significant intercompany balances and transactions have been eliminated. Raadr, Inc., Choice One Mobile, Inc., PITOOEY! Mobile, Inc. and Rockstar Digital, Inc. will be collectively referred herein to as the "Company".

Risks and Uncertainties

The Company has a limited operating history and has not generated revenues from our planned principal operations.

The Company's business and operations are sensitive to general business and economic conditions in the U.S. and worldwide. These conditions include short-term and long-term interest rates, inflation, fluctuations in debt and equity capital markets and the general condition of the U.S. and world economy. A host of factors beyond the Company's control could cause fluctuations in these conditions, including the political environment and acts or threats of war or terrorism. Adverse developments in these general business and economic conditions, including through recession, downturn or otherwise, could have a material adverse effect on the Company's consolidated financial condition and the results of its operations.

The Company currently has limited sales and marketing and/or distribution capabilities. The Company has limited experience in developing, training or managing a sales force and will incur substantial additional expenses if we decide to market any of our current and future products. Developing a marketing and sales force is also time consuming and could delay launch of our future products. In addition, the Company will compete with many companies that currently have extensive and well-funded marketing and sales operations. Our marketing and sales efforts may be unable to compete successfully against these companies. In addition, the Company has limited capital to devote sales and marketing.

The Company's industry is characterized by rapid changes in technology and customer demands. As a result, the Company's products may quickly become obsolete and unmarketable. The Company's future success will depend on its ability to adapt to technological advances, anticipate customer demands, develop new products and enhance our current products on a timely and cost-effective basis. Further, the Company's products must remain competitive with those of other companies with substantially greater resources. The Company may experience technical or other difficulties that could delay or prevent the development, introduction or marketing of new products or enhanced versions of existing products. Also, the Company may not be able to adapt new or enhanced products to emerging industry standards, and the Company's new products may not be favorably received. We also may not have the capital resources to further the development of existing and/or new ones.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ significantly from those estimates.

Loss Per Common Share

Net loss per share is provided in accordance with ASC Subtopic 260-10. The Company presents basic loss per share (“EPS”) and diluted EPS on the face of the statements of operations. Basic EPS is computed by dividing reported losses by the weighted average shares outstanding. Except where the result would be anti-dilutive to income from continuing operations, diluted earnings per share has been computed assuming the conversion of the convertible long-term debt and the elimination of the related interest expense, and the exercise of stock warrants. Loss per common share has been computed using the weighted average number of common shares outstanding during the year. Dilutive loss per share for the three and nine months ended September 30, 2020 and 2019 excludes all potential dilutive common shares as their effects are anti-dilutive. As of September 30, 2020, the Company’s convertible notes payable was convertible into approximately 3.1 billion shares of common stock.

Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants as of the measurement date. Applicable accounting guidance provides an established hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company’s assumptions about the factors that market participants would use in valuing the asset or liability.

The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

As of September 30, 2020 and December 31, 2019, the derivative liabilities are considered a level 2 item; see Note 4.

The carrying amounts reflected in the balance sheets for cash, accounts payable and accrued expenses approximate the respective fair values due to the short maturities of these items.

Recent Pronouncements

Management does not believe that any other recently issued, but not yet effective, authoritative guidance, if currently adopted, would have a material impact on the Company's consolidated financial statement presentation or disclosures.

Note 3 – Financial Statement Elements

Accrued liabilities as of September 30, 2020 and December 31, 2019 consisted of:

	September 30, 2020	December 31, 2019
Accrued payroll and taxes	\$ 190,615	\$ 190,615
Executive compensation	451,161	491,341
Accrued interest	1,232,278	1,065,302
Other	591,415	591,415
	<u>\$ 2,465,469</u>	<u>\$ 2,338,673</u>

In August 2015, the Company entered into a settlement agreement with their former Chief Executive Officer. In connection with the agreement, the Company has the obligation to issue 141 shares of common stock in settlement of amounts payable to the former Chief Executive Officer for accrued salaries and an investment in Series B preferred stock. The Company has yet to issue the required shares, and thus, as of September 30, 2020 and December 31, 2019, the liabilities remain.

See Note 8 for discussion of accrued wages due to the Company's Chief Executive Officer.

Note 4 - Notes Payable

Notes payable as of September 30, 2020 and December 31, 2019 consisted of:

	September 30, 2020	December 31, 2019
Third Party Notes:		
Convertible promissory notes	\$ 934,711	\$ 877,170
Debentures with warrants	327,664	327,664
Notes under Investment Agreement	541,764	581,764
Promissory notes	188,606	38,606
Less: unamortized discount	(77,771)	-
Subtotal - third party notes	<u>1,914,974</u>	<u>1,825,204</u>
Related Party Notes:		
Debentures with warrants	87,445	87,445
Demand notes	111,759	111,759
Subtotal - related party notes	<u>199,204</u>	<u>199,204</u>
Total	2,114,178	2,024,408
Current portion	<u>(1,964,178)</u>	<u>(2,024,408)</u>
Long-term portion	<u>\$ 150,000</u>	<u>\$ -</u>

As of the date of this filing, all notes outstanding as of September 30, 2020 and December 31, 2019, with exception of \$270,000 for which were issued during the nine months ended September 30, 2020 are in default.

Convertible Promissory Notes

Commencing in December 2014 and through September 2018, the Company issued various convertible promissory notes to third parties to be used for operations. In most cases, these convertible promissory notes are convertible upon issuance into a variable number of shares of common stock. Based on the requirements of ASC 815, we determined that a derivative liability was triggered upon issuance due to the variable conversion price. Using the Black-Scholes pricing model, we calculated the derivative liability upon issuance and recorded the fair market value of the derivative liability as a discount to the convertible promissory notes. When a derivative liability associated with a convertible note is in excess of the face value of the convertible note, the excess of fair value of derivative is charged to the statement of operations. The derivative liability is required to be revalued at each conversion event and at each reporting period. The Company doesn't account for the derivative liability until the convertible promissory note is convertible. In addition, these convertible promissory notes include various default provisions in which increase the interest rate to rates ranging from 12% to 35% and at times the principal balance at rates ranging from 5% to 50%. Additionally, most convertible promissory notes have prepayment penalties in which range from 15% to 50%.

In March 2020, a \$59,000 convertible note was sold from one third party to another. On March 23, 2020, the holder converted the convertible note into 14,461,146 shares of common stock for which were valued at \$225,594 based upon the closing market price of the Company's common stock on the date of the transaction. The excess fair value of the common stock of \$48,594 over the convertible note relieved of \$59,000 and the derivative liability relieved of \$118,000 was recorded as interest expense.

In May, June and September 2020, a total of \$35,000 in convertible notes were received. The notes bear an interest rate of 10% and mature on April 1, 2021. The notes are convertible into common stock based upon a 50% discount to the lowest traded price within the 20 trading days preceding the conversion. The note contains various prepayment and default provisions, similar to those disclosed above.

On July 23, 2020, the Company entered into a convertible note payable with a third party for proceeds of \$25,000. The convertible note incurs interest at 20% per annum, is due 180 days from the date of issuance and is convertible upon issuance into shares of the Company's common stock at a 50% discount to the average closing bid price during the preceding 10 trading days. The note contains various prepayment and default provisions, similar to those disclosed above.

On August 13, 2020, the Company entered into a convertible note payable with a third party for proceeds of \$60,000. The convertible note incurs interest at 25% per annum, is due 180 days from the date of issuance and is convertible upon issuance into shares of the Company's common stock at a 50% discount to the average closing bid price during the preceding 10 trading days. The note contains various prepayment and default provisions, similar to those disclosed above.

In September 2020, a \$40,000 convertible note was sold from one third party to another. Under the terms of the new note agreement, principal of \$98,367 is due on year from the date of issuance. The notes bear an interest rate of 10% and mature on April 1, 2021. The notes are convertible into common stock based upon a 50% discount to the lowest traded price within the 20 trading days preceding the conversion. The note contains various prepayment and default provisions, similar to those disclosed above. The difference between the carry value of the new note and the old not plus accrued interest was \$38,405 and recorded as interest expense.

During the nine months ended September 30, 2020, the Company issued 36,057,859 shares of common stock in satisfaction of \$61,826 in principal and interest.

2018 Issuances

During the year ended December 31, 2018, the Company received \$45,775 in proceeds from the issuance of six convertible notes payable. Under the terms of the agreements, the notes are due in 180 days from the date of issuance, incur interest at rates ranging from 10%- 25% per annum and are convertible into common stock at a 50% discount to the average closing bid price per share of common stock during the 10 consecutive trading days immediately prior to conversion. In addition, the notes include a 50% prepayment penalty. Due to the variable conversion price, the Company recorded a derivative liability in connection with these notes.

Discounts and Conversions

The convertible notes issued in 2015 through 2018 were fully discounted at issuance due to the associated derivative liabilities being in excess of the convertible notes payable. For notes issued in 2020, discounts of \$120,000 were recorded in connection with estimated derivative liabilities upon issuance of \$120,000. The discounts are being amortized over the terms of the notes. As of September 30, 2020, discounts of \$77,771 remained for which will be amortized through 2011. Amortization expense for the nine months ended September 30, 2020 was \$42,229. At September 30, 2020, the derivative liabilities were re-valued at \$2,314,524 for which resulted in a gain on change in the fair market value of derivative liabilities of \$60,325. In addition, \$178,589 was reclassified to additional paid-in capital as the corresponding notes was converted into common stock. See below for weighted average variables used.

As of September 30, 2020, these convertible notes were convertible into approximately 3.1 billion shares of common stock.

Derivative Liabilities

During the nine months ended September 30, 2020, the range of inputs used to calculate the derivative liability were as follows:

	<u>September 30, 2020</u>
Exercise price per share	\$0.0010
Expected life (years)	0.50
Risk-free interest rate	0.60%
Expected volatility	1712%

Debentures with Warrants

At various dates in 2014 and 2013, the Company issued debentures with warrants totaling \$347,664. These debentures contain interest rates ranging from 8% to 20% and matured at various times from July 2014 through July 2015. As of September 30, 2020 and December 31, 2019, these notes were in technical default. The warrants issued with these debentures contain an exercise price of \$2,500 per share and expired three years from the date of issuance.

Notes Issued Under an Investment Agreement

On April 29, 2013, the Company entered into an Investment Agreement, in which an investor agreed to purchase debentures up to a total principal amount of \$1,100,000. This commitment was increased to \$2,000,000 based on an agreement modification entered into on December 2, 2013. Each debenture will accrue interest on the unpaid principal of each individual debenture at the rate of 8% per year from the date each debenture is issued until paid. Maturity dates of the debentures issued range from April 2014 through May 2015. As such, these notes are in default as of December 31, 2019. As of September 30, 2020 and December 31, 2019, the principle balance owed on these debentures was \$541,764 and \$581,764, respectively, plus accrued interest.

In June 2020, the holder agreed to satisfy \$40,000 of the note for the issuance of 8.0 million shares of common stock. The Company determined the fair market value of the common stock to be \$79,200 based upon the closing market price of the Company's common stock on the date of the transaction. The Company recorded the excess amount of \$39,200 as interest expense.

Promissory Notes

On July 25, 2012, the Company entered into an Intellectual Property Assignment Agreement. In accordance with the terms and conditions contained therein, the Company has agreed to pay the Seller \$8,000 in two installments: The first payment of \$4,000 was due July 25, 2013, and second payment of \$4,000 was due July 25, 2014. The note is currently in default due to non-payment.

During the year ended December 31, 2013, the Company issued a \$50,000 promissory note bearing interest at 10% and due on May 31, 2014. The note is payable in monthly payments of principal and interest. As of September 30, 2020 and December 31, 2019, the remaining principal balance of \$10,606 and \$10,606, respectively, is past due and in default.

In June 2015, the Company received \$20,000 in proceeds from convertible notes payable. The notes are convertible, only at the Company's option, for a minimum of \$40,000 in common stock based upon the closing stock price on the date of conversion for a period of one year. In addition, the notes incur interest at 12% per annum and is due June 1, 2016. Since the note is only convertible at the Company's option, the accounting for such will be triggered if the option is exercised.

On July 13, 2020, the Company entered into a \$150,000 loan with the Small Business Administration. The note incurs interest at 3.75% per annum with principal and interest due over the period of thirty years. The note is secured by substantially all of the Company's asset and requires the funds to be used for operational purposes

Debentures with Warrants Issued to Related Parties

At various times in 2014 and 2013, the Company issued debentures with warrants to several related parties for \$87,445. These debentures bear interest at 8% and mature at various times from July 2014 through February 2015. As of December 31, 2019, all the notes are in default as they are past the maturity dates. The warrants issued with these debentures contain an exercise price of \$2,500 per share and expire three years from the date of issuance.

Demand Notes Issued to Related Parties

The Company has various notes outstanding to related parties totaling \$111,759 as of September 30, 2020 and December 31, 2019. These notes are due on demand and have no stated interest rate. The Company records imputed interest in connection with these related party notes.

Advances

As of September 30, 2020 and December 31, 2019, the Company received advances from a third party totaling \$104,600 and \$40,500, respectively. These advances bear interest at 20% per annum and are due 90 days after the funds are received. As of the date of this filing, these advances are considered in default as they are past their maturity date.

Note 5 - Commitments and Contingencies

Consulting Agreements

On December 30, 2015, effective January 1, 2016, the Company entered into an agreement with two consultants to promote the Company's RAADR mobile app for a period of 60 days. Under the terms of the agreement, the consultants received a total of 20 shares of common stock and were to be paid a total of \$50,000 for their services. In addition, the consultants were to receive 50% of all revenues generated from the RAADR mobile app. As of September 30, 2020, no amounts had been earned under the revenue arrangement.

On June 27, 2018, the Company entered into an agreement with an individual whereby the individual is to provide consulting services in exchange for 4,000 shares of common stock. The shares were valued at \$2,000 based upon the closing price of the Company's common stock on the date of the agreement. The agreement does not provide for a performance commitment, and thus, the common stock was expensed upon issuance.

During the year ended December 31, 2018, the Company entered into an agreement with an individual whereby the individual is to provide consulting services in exchange for 10,000 shares of common stock. The shares were valued at \$5,000 based upon the closing price of the Company's common stock on the date of the agreement. The agreement does not provide for a performance commitment, and thus, the common stock was expensed upon issuance. Additionally, the agreement notes a signing bonus of \$10,000 as well as bonuses for certain milestones, none of which have been paid.

See Note 6 for an additional agreements.

Legal

On February 6, 2013, we formed a wholly owned subsidiary, Rockstar Digital, Inc. ("Rockstar"), under the laws of the State of Nevada. Rockstar was organized to specialize in internet branding through social media marketing, mobile marketing and iPhone® app development Company. On October 31, 2013, the Company entered into a settlement agreement with certain former employees to assume responsibility for certain payroll taxes of Rockstar Digital, Inc. ("Rockstar") and assign its ownership of Mobile Application and Transition Services intellectual property rights to Rockstar. In addition, the Company agreed to not assert a claim against certain computer equipment (cost of \$28,307) in use at Rockstar. The Company agreed to assume liability for any payroll taxes owed on payroll paid by the Company on behalf of Rockstar's employees. The Company estimated this liability at \$30,000 which they have recorded in accrued liabilities as of September 30, 2020 and December 31, 2019.

On July 29, 2014, a default judgment was issued against the Company in Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida. This judgment stems from a legal filing by a consulting firm, with which the Company entered into an agreement for consulting services, on February 20, 2013. On September 25, 2013, the Company cancelled the agreement because it determined that services had not been provided by consulting firm, as promised per the agreed-upon contract terms. In November 2014, we entered into a settlement agreement whereby the Company shall pay the plaintiff \$13,246, in monthly installments of \$1,472. In addition, the Company issued options to purchase 20 shares of the Company's common stock at an exercise price of \$8,750 expiring in two years. The Company valued the options on the date of issuance at \$21,424 using the Black-Sholes model. The required payments on the settlement have not been made, however, the full amount of the liability has been recorded within accrued liabilities as of September 30, 2020 and December 31, 2019.

On April 5, 2017, the Circuit Courts within the Twelfth Judicial Circuit of Florida entered an order approving the stipulation of the parties (the "Stipulation") in the matter of Northbridge Financial, Inc. ("NBF") v. Raadr Inc. Under the Stipulation, the Company agreed to issue, as settlement of liabilities owed by the Company to NBF in the aggregate amount of \$272,250 (the "Claim Amount") and the following:

- (a) In one or more tranches as necessary, 7,000 shares of common stock (the "Initial Issuance") and \$27,500 in fees.
- (b) Through the Initial Issuance and any required additional issuances, that number of shares of common stock with an aggregate value equal to the Purchase Price (defined under the Stipulation as the market price (defined as the lowest closing bid price of the Company's common stock during the valuation period set forth in the Stipulation) less the product of the Discount (equal to 50%) and the market price.
- (c) If at any time during the valuation period the closing bid price of the Company's common stock is below 90% of the closing bid price on the day before an issuance date, the Company will immediately cause to be issued to NBF such additional shares as may be required to affect the purposes of the Stipulation.
- (d) Notwithstanding anything to the contrary in the Stipulation, the number of shares beneficially owned by NBF will not exceed 4.99% of the Company's outstanding common stock.

In connection with the Settlement Shares, the Company relied on the exemption from registration provided by Section 3(a)(10) under the Securities Act.

The Company cannot reasonably estimate the amount of proceeds NBF expects to receive from the sale of these shares which be used to satisfy the liabilities. Thus, the Company accounts for the transaction as the shares are sold and the liabilities are settled. All amounts are included within accounts payable. Shares in which are held by NBF at each reporting period are accounted for as issued but not outstanding. During the year ended December 31, 2017, the Company issued 626,250 shares of common stock in settlement of \$219,250 in accounts payable. The Company valued the common stock issued at \$847,250 based upon the closing market price of the common stock on the settlement date. The difference between the fair market value of the common stock and accounts payable relieved of \$628,000 was recorded as additional interest expense. As of September 30, 2020 and December 31, 2019, amounts payable to NBF included within accounts payable were \$53,000.

Note 6 - Stockholders' Deficit

Authorized Shares

As of September 30, 2020 and December 31, 2019, the Company is authorized to issue 9,000,000,000 shares of \$0.001 par value common stock and 101,000,000 shares of \$0.001 par value preferred stock (of which 20,000,000 have been designated as Series A Preferred Stock, 1,000,000 have been designated as Series E Preferred Stock, and 80,000,000 shares of preferred stock available for the Company to assign or designate such provisions or preferences as may be assigned by the Board of Directors).

Series A Preferred Stock

On January 3, 2013, the Company filed a Certificate of Designation with the State of Nevada to designate up to 20,000,000 shares of preferred stock as “Series A”. The Series A holds no voting rights, but is automatically convertible into shares of the Company’s common stock immediately upon the effectiveness of a Certificate of Change filed by the Company to increase the number of shares of common stock the Company would become authorized to issue.

Series B Preferred Stock

As of the date of these consolidated financial statements the designations for the Series B have not been filed with the State, and thus, the proceeds received for sale of these shares to date are reflected as a liability on the accompanying balance sheets at September 30, 2020 and December 31, 2019. The rights and preferences are not valid until the designations are filed. Once approved, the holders are expected to receive warrants to purchase two shares of common stock at \$0.50 per share. In addition, each share of Series B converted the holder would receive two shares of common stock.

Series E Preferred Stock

On January 27, 2016, the Company filed a Certificate of Designation with the State of Nevada to designate up to 1,000,000 shares of preferred stock as “Series E”. The Series E hold voting rights equal to twice the number of votes of all outstanding shares of capital stock such that the holders of outstanding shares of Series E shall always constitute 66.67% of the voting rights of the Corporation. All shares of Series E rank subordinate to all of the Company’s common and preferred stock and are not entitled to participate in the distribution of the Company’s assets upon liquidation.

Nine Months Ended September 30, 2020

On February 15, 2020, the Company entered into a 12-month agreement with a consultant for investor relations services. For these services, the Company will pay the consultant a monthly retainer of \$3,500. In addition, the Company will issue a total of 500,000 shares of the Company’s common stock in four quarterly tranches of 125,000 common shares beginning on the 91st date following the execution of the agreement. As of September 30, 2020, no shares have been issued.

See Notes 4 and 8 for additional common stock issuance.

Year Ended December 31, 2019

In October 2019, the Company issued 100,000,000 shares of common stock to an individual for consulting services. The same individual has been providing advances to the Company for operations. In connection with this issuance, the Company recorded stock-based compensation expense of \$2,000,000 based on the closing market price of the Company’s stock on the date of grant.

In October 2019, the Company issued 50,000,000 shares of common stock to the Company’s CEO for his services. In connection with this issuance, the Company recorded stock-based compensation of \$2,000,000 based on the closing market price of the Company’s stock on the date of grant.

See Notes 4 and 5 for additional issuances of common stock.

Note 7 - Related Party Transactions

As of September 30, 2020 and December 31, 2019, amounts included within accrued liabilities related to payroll due to Jacob DiMartino, our Chief Executive Officer, were \$451,161 and \$491,341, respectively. The Company accrues \$8,000 per month in connection with the CEO's services.

See Note 4 discussion related to notes payable and Note 6 for shares issued to related parties.

Note 8 - Subsequent Events

Subsequent to September 30, 2020, the Company issued 117,490,721 shares of common stock in connection with the conversion of notes payable.

The Company has evaluated events subsequent to September 30, 2020 and through the date these financial statements have been posted on OTC Markets and has determined no events, other than those disclosed above, have occurred that would materially affect the consolidated financial statements above.