

APPLIQATE INC

FORM 1-A POS

(Post-qualification amendment to a 1-A offering statement)

Filed 07/26/18

Address	1250 E 200 S, STE 2F LEHI, UT, 84043
Telephone	385-429-2708
CIK	0001669778
Symbol	APQT
SIC Code	7311 - Services-Advertising Agencies
Fiscal Year	01/31

Form 1-A Issuer Information
FORM 1-A

UNITED STATE
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 1-A
REGULATION A OFFERING STATEMENT
UNDER THE SECURITIES ACT OF 1933

OMB APPROVAL
OMB Number: #####
Estimated average burden hours per response: ##.

1-A: Filer Information

Issuer CIK	0001669778
Issuer CCC	XXXXXXXX
DOS File Number	
Offering File Number	024-10540
Is this a LIVE or TEST Filing?	<input checked="" type="checkbox"/> LIVE <input type="checkbox"/> TEST
Would you like a Return Copy?	<input checked="" type="checkbox"/>
Notify via Filing Website only?	<input type="checkbox"/>
Since Last Filing?	<input type="checkbox"/>

Submission Contact Information

Name
Phone
E-Mail Address

1-A: Item 1. Issuer Information

Issuer Infomation

Exact name of issuer as specified in the issuer's charter	Appligate Inc
Jurisdiction of Incorporation / Organization	WYOMING
Year of Incorporation	2015
CIK	0001669778
Primary Standard Industrial Classification Code	SERVICES-ADVERTISING AGENCIES
I.R.S. Employer Identification Number	81-0953022
Total number of full-time employees	2
Total number of part-time employees	2

Contact Infomation

Address of Principal Executive Offices

Address 1	12465 South Fort Street
Address 2	Suite 240
City	Draper
State/Country	UTAH
Mailing Zip/ Postal Code	84020
Phone	8012033978

Provide the following information for the person the Securities and Exchange Commission's staff should call in connection with any pre-qualification review of the offering statement.

Name	John Brannelly, Attorney
Address 1	
Address 2	
City	
State/Country	

Mailing Zip/ Postal Code
Phone

Provide up to two e-mail addresses to which the Securities and Exchange Commission's staff may send any comment letters relating to the offering statement. After qualification of the offering statement, such e-mail addresses are not required to remain active.

Financial Statements

Industry Group (select one)	<input type="checkbox"/> Banking <input type="checkbox"/> Insurance <input checked="" type="checkbox"/> Other
-----------------------------	---

Use the financial statements for the most recent period contained in this offering statement to provide the following information about the issuer. The following table does not include all of the line items from the financial statements. Long Term Debt would include notes payable, bonds, mortgages, and similar obligations. To determine "Total Revenues" for all companies selecting "Other" for their industry group, refer to Article 5-03(b)(1) of Regulation S-X. For companies selecting "Insurance", refer to Article 7-04 of Regulation S-X for calculation of "Total Revenues" and paragraphs 5 and 7 of Article 7-04 for "Costs and Expenses Applicable to Revenues".

Balance Sheet Information

Cash and Cash Equivalents	<u>\$ 1219.00</u>
Investment Securities	<u>\$ 0.00</u>
Total Investments	<u>\$ -</u>
Accounts and Notes Receivable	<u>\$ 0.00</u>
Loans	<u>\$ -</u>
Property, Plant and Equipment (PP&E):	<u>\$ 0.00</u>
Property and Equipment	<u>\$ -</u>
Total Assets	<u>\$ 42886.00</u>
Accounts Payable and Accrued Liabilities	<u>\$ 10734.00</u>
Policy Liabilities and Accruals	<u>\$ -</u>
Deposits	<u>\$ -</u>
Long Term Debt	<u>\$ 65000.00</u>
Total Liabilities	<u>\$ 75734.00</u>
Total Stockholders' Equity	<u>\$ -32848.00</u>
Total Liabilities and Equity	<u>\$ 42886.00</u>

Income Statement Information

Total Revenues	<u>\$ 24208.00</u>
Total Interest Income	<u>\$ -</u>
Costs and Expenses Applicable to Revenues	<u>\$ 0.00</u>
Total Interest Expenses	<u>\$ -</u>
Depreciation and Amortization	<u>\$ 8333.00</u>
Net Income	<u>\$ -126668.00</u>
Earnings Per Share - Basic	<u>\$ 0.00</u>
Earnings Per Share - Diluted	<u>\$ 0.00</u>
Name of Auditor (if any)	<u>MaloneBailey, LLP</u>

Outstanding Securities

Common Equity

Name of Class (if any) Common Equity	<u>common</u>
Common Equity Units Outstanding	<u>61370000</u>
Common Equity CUSIP (if any):	<u>000000000</u>
Common Equity Units Name of Trading Center or Quotation Medium (if any)	<u>0 -</u>

Preferred Equity

Preferred Equity Name of Class (if any)	<u>Preferred</u>
Preferred Equity Units Outstanding	<u>0 -</u>
Preferred Equity CUSIP (if any)	<u>000000000</u>
Preferred Equity Name of Trading Center or Quotation Medium (if any)	<u>0 -</u>

Debt Securities

Debt Securities Name of Class (if any)	<u>Debt</u>
Debt Securities Units Outstanding	<u>0</u>
Debt Securities CUSIP (if any):	<u>000000000</u>
Debt Securities Name of Trading Center or Quotation Medium (if any)	<u>0</u>

1-A: Item 2. Issuer Eligibility

Issuer Eligibility

Check this box to certify that all of the following statements are true for the issuer(s)

- ☒
- Organized under the laws of the United States or Canada, or any State, Province, Territory or possession thereof, or the District of Columbia.
 - Principal place of business is in the United States or Canada.
 - Not subject to section 13 or 15(d) of the Securities Exchange Act of 1934.
 - Not a development stage company that either (a) has no specific business plan or purpose, or (b) has indicated that its business plan is to merge with an unidentified company or companies.
 - Not an investment company registered or required to be registered under the Investment Company Act of 1940.
 - Not issuing fractional undivided interests in oil or gas rights, or a similar interest in other mineral rights.
 - Not issuing asset-backed securities as defined in Item 1101 (c) of Regulation AB.
 - Not, and has not been, subject to any order of the Commission entered pursuant to Section 12(j) of the Exchange Act (15 U.S.C. 78l(j)) within five years before the filing of this offering statement.
 - Has filed with the Commission all the reports it was required to file, if any, pursuant to Rule 257 during the two years immediately before the filing of the offering statement (or for such shorter period that the issuer was required to file such reports).

1-A: Item 3. Application of Rule 262

Application Rule 262

Check this box to certify that, as of the time of this filing, each person described in Rule 262 of Regulation A is either not disqualified under that rule or is disqualified but has received a waiver of such disqualification.

- ☒
- Check this box if "bad actor" disclosure under Rule 262(d) is provided in Part II of the offering statement.
- ☐

1-A: Item 4. Summary Information Regarding the Offering and Other Current or Proposed Offerings

Summary Infomation

Check the appropriate box to indicate whether you are conducting a Tier 1 or Tier 2 offering	<input type="checkbox"/> Tier1 <input checked="" type="checkbox"/> Tier2
Check the appropriate box to indicate whether the financial statements have been audited	<input type="checkbox"/> Unaudited <input checked="" type="checkbox"/> Audited
Types of Securities Offered in this Offering Statement (select all that apply)	
<input checked="" type="checkbox"/> Equity (common or preferred stock)	
Does the issuer intend to offer the securities on a delayed or continuous basis pursuant to Rule 251(d)(3)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the issuer intend this offering to last more than one year?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the issuer intend to price this offering after qualification pursuant to Rule 253(b)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the issuer be conducting a best efforts offering?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has the issuer used solicitation of interest communications in connection with the proposed offering?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the proposed offering involve the resale of securities by affiliates of the issuer?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Number of securities offered	<u>100000000</u>
Number of securities of that class outstanding	<u>61370000</u>

The information called for by this item below may be omitted if undetermined at the time of filing or submission, except that if a price range has been included in the offering statement, the midpoint of that range must be used to respond. Please refer to Rule 251(a) for the definition of "aggregate offering price" or "aggregate sales" as used in this item. Please leave the field blank if undetermined at this time and include a zero if a particular item is not applicable to the offering.

Price per security	<u>\$ 0.0100</u>
The portion of the aggregate offering price attributable to securities being offered on behalf of the issuer	<u>\$ 0.00</u>
The portion of the aggregate offering price attributable to securities being offered on behalf of selling	<u>\$ 0.00</u>

securityholders		
The portion of the aggregate offering price attributable to all the securities of the issuer sold pursuant to a qualified offering statement within the 12 months before the qualification of this offering statement	<u>\$ 0.00</u>	
The estimated portion of aggregate sales attributable to securities that may be sold pursuant to any other qualified offering statement concurrently with securities being sold under this offering statement	<u>\$ 0.00</u>	
Total (the sum of the aggregate offering price and aggregate sales in the four preceding paragraphs)	<u>\$ 0.00</u>	
Anticipated fees in connection with this offering and names of service providers		
Underwriters - Name of Service Provider		Underwriters - Fees
<u>\$</u>		
Sales Commissions - Name of Service Provider	(1)	Sales Commissions - Fee
<u>\$ 0.00</u>		
Finders' Fees - Name of Service Provider		Finders' Fees - Fees
<u>\$</u>		
Audit - Name of Service Provider	MaloneBailey, LLP (2)	Audit - Fees
<u>\$ 0.00</u>		
Legal - Name of Service Provider	BrannellyLaw, PLLC (2)	Legal - Fees
<u>\$ 0.00</u>		
Promoters - Name of Service Provider		Promoters - Fees
<u>\$</u>		
Blue Sky Compliance - Name of Service Provider		Blue Sky Compliance - Fees
<u>\$</u>		
CRD Number of any broker or dealer listed:		
Estimated net proceeds to the issuer	<u>\$</u>	
Clarification of responses (if necessary)	(1) The company may use registered broker-dealers to sell shares in the offering. As of the date hereof, the Company has not entered into sales agreements with any broker-dealers. (2) To be provided by amendment.	

1-A: Item 5. Jurisdictions in Which Securities are to be Offered

Jurisdictions in Which Securities are to be Offered

Using the list below, select the jurisdictions in which the issuer intends to offer the securities

Selected States and Jurisdictions	ALABAMA
	ALASKA
	ARIZONA
	ARKANSAS
	CALIFORNIA
	COLORADO
	CONNECTICUT
	DELAWARE
	FLORIDA
	GEORGIA
	HAWAII
	IDAHO
	ILLINOIS
	INDIANA
	IOWA
	KANSAS
	KENTUCKY
	LOUISIANA
	MAINE
	MARYLAND
	MASSACHUSETTS
	MICHIGAN
	MINNESOTA
	MISSISSIPPI
	MISSOURI

MONTANA
NEBRASKA
NEVADA
NEW HAMPSHIRE
NEW JERSEY
NEW MEXICO
NEW YORK
NORTH CAROLINA
NORTH DAKOTA
OHIO
OKLAHOMA
OREGON
PENNSYLVANIA
RHODE ISLAND
SOUTH CAROLINA
SOUTH DAKOTA
TENNESSEE
TEXAS
UTAH
VERMONT
VIRGINIA
WASHINGTON
WEST VIRGINIA
WISCONSIN
WYOMING
DISTRICT OF COLUMBIA
PUERTO RICO
ALBERTA, CANADA
BRITISH COLUMBIA, CANADA
MANITOBA, CANADA
NEW BRUNSWICK, CANADA
NEWFOUNDLAND, CANADA
NOVA SCOTIA, CANADA
ONTARIO, CANADA
PRINCE EDWARD ISLAND, CANADA
QUEBEC, CANADA
SASKATCHEWAN, CANADA
YUKON, CANADA
CANADA (FEDERAL LEVEL)

Using the list below, select the jurisdictions in which the securities are to be offered by underwriters, dealers or sales persons or check the appropriate box

None
Same as the jurisdictions in which the issuer intends to offer the securities
Selected States and Jurisdictions

☐☒

ALABAMA
ALASKA
ARIZONA
ARKANSAS
CALIFORNIA
COLORADO
CONNECTICUT
DELAWARE
FLORIDA
GEORGIA
HAWAII
IDAHO
ILLINOIS
INDIANA
IOWA
KANSAS
KENTUCKY
LOUISIANA
MAINE

MARYLAND
MASSACHUSETTS
MICHIGAN
MINNESOTA
MISSISSIPPI
MISSOURI
MONTANA
NEBRASKA
NEVADA
NEW HAMPSHIRE
NEW JERSEY
NEW MEXICO
NEW YORK
NORTH CAROLINA
NORTH DAKOTA
OHIO
OKLAHOMA
OREGON
PENNSYLVANIA
RHODE ISLAND
SOUTH CAROLINA
SOUTH DAKOTA
TENNESSEE
TEXAS
UTAH
VERMONT
VIRGINIA
WASHINGTON
WEST VIRGINIA
WISCONSIN
WYOMING
DISTRICT OF COLUMBIA
PUERTO RICO
ALBERTA, CANADA
BRITISH COLUMBIA, CANADA
MANITOBA, CANADA
NEW BRUNSWICK, CANADA
NEWFOUNDLAND, CANADA
NOVA SCOTIA, CANADA
ONTARIO, CANADA
PRINCE EDWARD ISLAND, CANADA
QUEBEC, CANADA
SASKATCHEWAN, CANADA
YUKON, CANADA
CANADA (FEDERAL LEVEL)

1-A: Item 6. Unregistered Securities Issued or Sold Within One Year

Unregistered Securities Issued or Sold Within One Year

None ☐

Unregistered Securities Issued

As to any unregistered securities issued by the issuer of any of its predecessors or affiliated issuers within one year before the filing of this Form 1-A, state:

(a)Name of such issuer	APPLIQATE INC
(b)(1) Title of securities issued	Common Stock
(2) Total Amount of such securities issued	60000000
(3) Amount of such securities sold by or for the account of any person who at the time was a director, officer, promoter or principal securityholder of the issuer of such securities, or was an underwriter of any securities of such issuer.	0
(c)(1) Aggregate consideration for which the securities were issued and basis for computing the amount thereof.	Shares issued to founders for past and ongoing services services rendered.

(2) Aggregate consideration for which the securities listed in (b)(3) of this item (if any) were issued and the basis for computing the amount thereof (if different from the basis described in (c)(1)).

Unregistered Securities Act

(e) Indicate the section of the Securities Act or Commission rule or regulation relied upon for exemption from the registration requirements of such Act and state briefly the facts relied upon for such exemption

[JOBS Act, Rule 506](#)

PART II
OFFERING CIRCULAR
Appliqate Inc

Dated: July 26, 2018

This Post-Qualification Offering Circular Amendment No. 02 (this "Offering Circular Amendment No. 01") amends the offering circular of Appliqate Inc, dated April 1, 2016, as qualified on May 17, 2016, and as may be amended and supplemented from time to time (the "Offering Circular"), to add, update and/or replace information contained in the Offering Circular. Unless otherwise defined below, capitalized terms used herein shall have the same meanings as set forth in the Offering Circular. See "Incorporation by Reference of Offering Circular" below.

NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED, OR RECOMMENDED THIS OFFERING. YOU SHOULD MAKE AN INDEPENDENT DECISION WHETHER THIS OFFERING MEETS YOUR INVESTMENT OBJECTIVES AND FINANCIAL RISK TOLERANCE LEVEL. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS ILLEGAL.

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF OR GIVE ITS APPROVAL TO ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SOLICITATION MATERIALS. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION; HOWEVER, THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREUNDER ARE EXEMPT FROM REGISTRATION.

Incorporation by Reference of Offering Circular

The Offering Circular, including this Offering Circular Amendment No. 02, is part of an offering statement (File No. 024-10540) that we filed with the Securities and Exchange Commission (the "Commission"). We hereby incorporate by reference into this Offering Circular Amendment No. 02 all of the information contained in Part II of the Offering Circular. Note that any statement that we make in this Offering Circular Amendment No. 02 (or have made in the Offering Circular) will be modified or superseded by any inconsistent statement made by us in a subsequent offering circular supplement or post-qualification amendment.

The Offering Circular is amended as follows:

The Offering Circular's original offer period of one year is extended for an additional year until May of 2019. There are no other amendments at this time.

SIGNATURES

Pursuant to the requirements of Regulation A, the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form 1-A and has duly caused this amendment to Offering Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Draper, State of Utah on July 26, 2018.

APPLIQATE INC

By: /s/ David Anderson
David Anderson
President and Chief Executive Officer

This offering statement has been signed below by the following persons in the capacities and on the dates indicated:

<u>SIGNATURE</u>	<u>TITLE</u>	<u>DATE</u>
<u>/s/ DAVID ANDERSON</u> David Anderson	President and Chief Executive Officer	July 26, 2018
<u>/s/ JORDAN HEMMING</u> Jordan Hemming	Director and Executive Vice President	July 26, 2018

Index to Financial Statements

	<u>Page(s)</u>
Report of Independent Registered Public Accounting Firm	2
Balance Sheets	3
Statements of Operations	4
Statements of Shareholders' Deficit	5
Statements of Cash Flows	6
Notes to Financial Statements	7

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Appliqate, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Appliqate, Inc. (the “Company”) as of January 31, 2018 and 2017, and the related statements of operations, stockholders’ deficit, and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of January 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 5 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raises substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 5. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ MaloneBailey, LLP
www.malonebailey.com

We have served as the Company’s auditor since 2016.
Houston, Texas
July 20, 2018

FINANCIAL STATEMENTS

APPLIQATE, INC.
BALANCE SHEETS
(Audited)

	January 31,	
	2018	2017
ASSETS		
Current asset:		
Cash	\$ 1,219	\$ 303
Total current asset	<u>1,219</u>	<u>303</u>
Net Fixed Assets	<u>41,667</u>	<u>50,000</u>
Total assets	<u><u>42,886</u></u>	<u><u>50,503</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued liabilities	10,734	2,533
Total current liabilities	<u>10,734</u>	<u>2,533</u>
Long-Term liabilities:		
Notes payable	65,000	65,000
Total long-term liabilities	<u>65,000</u>	<u>65,000</u>
Total liabilities	<u>75,734</u>	<u>67,533</u>
Stockholders' deficit:		
Preferred stock A; \$0.001 par value, 1,000,000 shares authorized and no shares issued and outstanding	-	-
Common stock; \$0.001 par value, 1,000,000,000 shares authorized and 61,370,000 and 60,988,000 shares issued and outstanding, respectively	61,370	60,988
Additional paid-in capital	222,605	111,937
Accumulated deficit	<u>(316,823)</u>	<u>(190,155)</u>
Total stockholders' deficit	<u>(32,848)</u>	<u>(17,230)</u>
Total liabilities and stockholders' deficit	<u><u>\$ 42,886</u></u>	<u><u>\$ 50,503</u></u>

The accompanying notes are an integral part of these financial statements.

APPLIQATE, INC.
STATEMENTS OF OPERATIONS
(Audited)

	For the Years Ended January 31,	
	2018	2017
Revenues	\$ 17,655	\$ 24,208
Cost of revenues	-	6,404
Gross profit	17,655	17,804
Operating expenses:		
General and administrative	16,198	3,600
Compensation expense	120,000	120,000
Total operating expenses	136,198	123,600
Loss before other expenses	(118,543)	(105,796)
Other expense		
Interest expense	8,125	2,394
Total other expense	8,125	2,394
Loss before income taxes	(126,668)	(108,190)
Provision for income taxes	-	-
Net loss	\$ (126,668)	\$ (108,190)
Basic loss per common share	\$ (0.00)	\$ (0.00)
Basic weighted average common shares outstanding	61,370,000	60,041,175

The accompanying notes are an integral part of these financial statements.

APPLIQATE, INC.
STATEMENTS OF STOCKHOLDERS' DEFICT
(Audited)

	Preferred Stock A		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance, January 31, 2016	-	-	60,000,000	60,000	10,400	(81,965)	(11,565)
Common stock issued for cash	-	-	987,500	988	8,887	-	9,875
Contribution of wages and rent					92,650		92,650
Net loss for the year ended January 31, 2017						(108,190)	(108,190)
Balance, January 31, 2017	-	-	60,987,500	60,988	111,937	(190,155)	(17,230)
Cash received for common stock	-	-	382,500	382	2,843	-	3,225
Contribution of wages, rent, consulting and professional fees to capital					107,825		107,825
Net loss for the year ended January 31, 2018						(126,668)	(126,668)
Balance, January 31, 2018	-	\$ -	61,370,000	\$ 61,370	\$ 222,605	\$ (316,823)	\$ (32,848)

The accompanying notes are an integral part of these financial statements.

APPLIQATE, INC.
STATEMENTS OF CASH FLOWS
(Audited)

	For the Years Ended January 31,	
	2018	2017
Cash flows from operating activities:		
Net loss	\$ (126,668)	\$ (108,190)
Adjustments to reconcile net loss to net cash (used) provided by operating activities:		
Amortization	8,333	-
Contribution of wages, rent, consulting and professional fees to capital	107,825	92,650
Changes in operating assets and liabilities:		
Increase in accounts payable and accrued expenses	8,201	2,394
Net cash used in operating activities	(2,309)	(13,146)
Cash flows from financing activities:		
Proceeds from stock issued for cash	3,225	9,875
Net cash provided by financing activities	3,225	9,875
Net change in cash	916	(3,271)
Cash, beginning of period	303	3,574
Cash, end of period	\$ 1,219	\$ 303
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -
NON-CASH INVESTING AND FINANCING ACTIVITY:		
Software purchased with note payable	\$ -	\$ 50,000

The accompanying notes are an integral part of these financial statements.

APPLIQATE, INC.
Notes to Financial Statements
January 31, 2018
(Audited)

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The financial statements presented are those of Appliqate, Inc. (“Appliqate”, or the “Company”). Appliqate was incorporated on April 29, 2015, under the laws of the State of Wyoming.

Appliqate is a marketing and technology company focusing on text message marketing and loyalty rewards through text marketing. Appliqate campaign management business has a SMS expert that assists in the implementation of their marketing campaign, allowing business owners to focus on their business and have an experienced SMS expert run their text marketing campaign.

a. Accounting Methods

Appliqate’s financial statements are prepared using the accrual method of accounting. Appliqate has elected a January 31 year-end.

b. Cash Equivalents

Appliqate considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

c. Use of Estimates

The preparation of financial statements 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

d. Revenue Recognition Policy

The Company recognizes revenue when persuasive evidence of an arrangement exists, goods have been delivered and title has transferred, the sales price is fixed or determinable, and collectability is reasonably assured. The Company has recognized \$17,655 and \$24,208 in revenue for the years ended January 31, 2018 and 2017, respectively.

e. Stock-Based Compensation

Appliqate records stock-based compensation using the fair value method. Equity instruments issued to employees and the cost of the services received as consideration are accounted for in accordance with ASC 718 “Stock Compensation” and are measured and recognized based on the fair value of the equity instruments issued. All transactions with non-employees in which goods or services are the consideration received for the issuance of equity instruments are accounted for in accordance with ASC 515 “Equity-Based Payments to Non-Employees”, based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

f. Fair Value of Financial Instruments

The carrying amounts reflected in the balance sheets for prepaid expenses accrued expenses approximate the respective fair values due to the short maturities of these items.

g. New Accounting Pronouncements

Appliqate has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

APPLIQATE, INC.
Notes to Financial Statements
January 31, 2018
(Audited)

In May 2014, the FASB issued Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP upon its effective date. The original effective date January 1, 2017 was deferred by ASU No. 2015-14. The deferral resulted in the new revenue standard being effective as of January 1, 2018. The changes were not adopted by financial reporting of Appliqate for the year ended January 31, 2018. In the future it is expected the company will report ASC606 using modified retrospective which means it will not recast past revenue and can speed up implementation. This is not expected to have a material effect on the future financial statements of the company.

h. Long Lived Assets

Periodically the Company assesses potential impairment of its long-lived assets, which include property, equipment and acquired intangible assets, in accordance with the provisions of ASC Topic 360, “Property, Plant and Equipment.” The Company recognizes impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets’ carrying values. An impairment loss would be recognized in the amount by which the recorded value of the asset exceeds the fair value of the asset, measured by the quoted market price of an asset or an estimate based on the best information available in the circumstances. There were no such losses recognized since inception.

During the year ended January 31, 2018, the software with a value of \$50,000 was ready to be placed in service on February 1, 2017, began amortizing over a three-year term. During the year ended January 31, 2018, the Company recognized \$8,333 in amortization expense.

i. Basic and Diluted Loss Per Share

Appliqate presents both basic and diluted earnings per share (EPS) on the face of the Statements of Operations. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including convertible debt, stock options, and warrants, using the treasury stock method, and convertible securities, using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. Appliqate has not issued potentially dilutive instruments.

j. Income Taxes

Appliqate files income tax returns in the U.S. federal jurisdiction, and the state of Wyoming. Appliqate’s policy is to recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The new tax rate reform has effected a change from the previous 35% to 21%.

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. 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. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

APPLIQATE, INC.
Notes to Financial Statements
January 31, 2018
(Audited)

Net deferred tax assets consist of the following components as of January 31, 2018 and 2017:

	2018	2017
Deferred tax assets:		
Net operating loss carry forward	\$ 9,144	\$ 8,600
Valuation allowance	(9,144)	(8,600)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

The federal income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate of 21% to pretax income from continuing operations for the years ended January 31, 2018 and 2017 due to the following:

	2018	2017
Pre-tax book income (loss)	\$ (43,067)	\$ (37,867)
Expenses contributed capital	39,425	32,428
Net operating loss carry forward	(13,940)	(3,999)
Accrued expenses	2,762	838
Changes to valuation allowance due to change in tax rate	5,676	
Valuation allowance	9,144	8,600
Federal Income Tax	<u>\$ -</u>	<u>\$ -</u>

Appliqate had net operating losses of approximately \$16,439 that expire in years through 2028. Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carryforwards may be limited as to use in future years.

NOTE 2 - RELATED PARTY TRANSACTIONS

During the years ended January 31, 2018 and 2017, Appliqate paid a total of \$19,200 and \$27,500 of wages in cash and accrued an additional \$100,800 and \$90,250 for two officers, respectively. The two officers agreed to contribute all accrued wages to capital as of January 31, 2018 and 2017.

During the year ended January 31, 2018 and 2017, Appliqate accrued \$2,400 and \$2,400 for unpaid rent on use of office space to an officer of the Company, respectively. The officer elected to contribute the accrued rent to capital at January 31, 2018 and 2017.

During the year ended January 31, 2018, an officer of the Company paid \$4,625 in expenses on behalf of the Company. The officer elected to contribute the amounts to capital at January 31, 2018.

NOTE 3 - STOCKHOLDERS' DEFICIT

Between September 2016 and January 2017, Appliqate sold a total of 987,500 shares of its common stock for cash of \$9,875, or \$0.01 per share.

Officers and directors of the Company elected to contribute \$90,250 in accrued wages to capital at January 31, 2017.

An officer of the Company elected to contribute \$2,400 in accrued rent to capital at January 31, 2017.

During 2018, the Company settled its round of sales of stock for cash and received an additional \$3,225 in cash and issued 322,500 shares.

Officers and directors of the Company elected to contribute \$100,800 in accrued wages to capital at January 31, 2018.

An officer of the Company elected to contribute \$2,400 in accrued rent to capital at January 31, 2018.

APPLIQATE, INC.
Notes to Financial Statements
January 31, 2018
(Audited)

An officer of the Company paid \$4,625 in expenses on behalf of the Company and elected to contribute the amounts to capital at January 31, 2018.

NOTE 4 - NOTES PAYABLE

On January 4, 2016, Appliqate issued a note payable in the amount of \$15,000 for cash. The note accrues interest at 12.5%, is unsecured and due January 4, 2026. At January 31, 2018 and 2017, the balance of the note was \$15,000. Accrued interest on the notes payable at January 31, 2018 and 2017 totaled \$3,894 and \$2,018, respectively.

On January 1, 2017, Appliqate issued a note payable in the amount of \$50,000 for developed software. The note accrues interest at 12.5%, is unsecured and due January 1, 2027. At January 31, 2018 and 2017, the balance of the note was \$50,000. Accrued interest on the notes payable at January 31, 2018 and 2017 totaled \$6,764 and \$514, respectively.

NOTE 5 - GOING CONCERN

Appliqate's financial statements are prepared using Generally Accepted Accounting Principles applicable to a going concern that contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, Appliqate has recently accumulated losses since its inception and has negative cash flows from operations, which raise substantial doubt about its ability to continue as a going concern. Management's plans with respect to alleviating the adverse financial conditions that caused management to express substantial doubt about the Appliqate's ability to continue as a going concern are as follows:

Appliqate is currently seeking funding for the start-up of operations during fiscal year 2019 and plans to enter into several financing transactions. The continuation of Appliqate as a going concern is dependent upon its ability to generating profitable operations that produce positive cash flows. If Appliqate is not successful, it may be forced to raise additional debt or equity financing.

There can be no assurance that Appliqate will be able to achieve its business plans, raise any more required capital or secure the financing necessary to achieve its current operating plan. The ability of Appliqate to continue as a going concern is dependent upon its ability to successfully accomplish the plan described in the preceding paragraph and eventually attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

ESCROW AGREEMENT

(Subscription Proceeds)

This ESCROW AGREEMENT ("Agreement") is dated as of , 20 , by and between Appliqate Inc, a Wyoming corporation ("Issuer") and Escrow Specialists Inc as escrow agent ("Escrow Agent").

R E C I T A L S:

A. The Issuer intends to offer and sell ("Offering") up to 100,000,000 shares of common stock in Issuer ("Shares"). The offering will remain open until May 15, 2017 (the "Termination Date"). The minimum offering amount of 1,000,000 shares (the "Minimum Offering Amount") is being offered on an "all-or-nothing minimum" basis. Until the Minimum Offering Amount has been accepted by the Issuer, subscribers to the Offering shall deposit the funds for their respective subscriptions in the Subscription Proceeds Escrow (as defined below).

B. The terms of the Offering are set forth in that certain Appliqate Inc Offering Statement dated May 3, 2016, as may be supplemented or amended from time to time (the "Offering Statement").

C. The Shares will be sold pursuant to the Subscription Agreement (the "Subscription Agreement"), the form of which is attached to the Offering Statement, which will be (i) executed by investors and, (ii) if deemed appropriate by Issuer's management, accepted by the Issuer, along with the full amount of an investors subscription payable by check or wire transfer in immediately available funds in U.S. dollars.

D. In accordance with and subject to the terms and conditions of this Agreement, the Escrow Agent has agreed to accept and hold all subscription proceeds received directly or indirectly from investors pursuant to all Subscription Agreements that are received by Issuer from time to time prior to the Termination Date.

NOW, THEREFORE, the parties hereto agree as follows:

1. Appointment of Escrow Agent. The Issuer hereby appoints Escrow Agent, and Escrow Agent accepts such appointment, to act as Escrow Agent in accordance with this Agreement. All monies deposited in the Escrow Account are hereinafter referred to as the ("Escrowed Funds"). Upon receipt of the subscription proceeds, the duties and obligations of each of the parties to this Agreement will commence.

2. Subscription Proceeds to be Placed in Escrow.

(a) There is hereby created and ordered to be established in the custody of the Escrow Agent a special subscription proceeds escrow ("Subscription Proceeds Escrow"). The Subscription Proceeds Escrow account will be a segregated account and will be held in trust for each investor's benefit pending (i) release to the Issuer for investment or (ii) return to the investor in accordance with the terms hereof.

(b) All subscription proceeds received by the Issuer shall be delivered to the Escrow Agent (clearly identified as such to the Escrow Agent) as promptly as practicable, but in no event later than the end of the next business day. Each deposit of subscription proceeds with the Escrow Agent shall be accompanied by a copy of the executed Subscription Agreement with respect to each investor for whom subscription proceeds are being deposited. All subscription proceeds received by the Escrow Agent shall be deposited into the Subscription Proceeds Escrow.

(c) The subscription proceeds held in the Subscription Proceeds Escrow shall remain un-invested.

(d) The Escrowed Funds shall be held by the Escrow Agent in the Subscription Proceeds Escrow until distributed as provided in this Agreement.

(e) Based solely upon the information set forth in the Subscription Agreements delivered to Escrow Agent, the Escrow Agent shall keep and maintain a record of (i) the subscription proceeds deposited by or on behalf of each investor into the Subscription Proceeds Escrow from time to time and (ii) the total amounts of subscription proceeds held in the Subscription Proceeds Escrow for each investor until the distributions under paragraph 4 below are made. The registration books maintained by the Escrow Agent shall be the official record of the total amounts of subscription proceeds held in the Subscription Proceeds Escrow and each investor's share of such amounts.

(f) By the fifteenth day of each month during the term hereof, or upon request by the Issuer, the Escrow Agent shall provide to the Issuer a report that details the deposits and disbursements from the Subscription Proceeds Escrow during the preceding calendar month.

3. Identity of investors, Ownership of Proceeds. The Issuer shall furnish to the Escrow Agent, with each delivery of subscription proceeds as provided in paragraph 2, above, a copy of each Subscription Agreement (which shall set forth, among other things, the name and address of the investor and the amount subscribed) tendered by the investors and accepted by Issuer. The Escrow Agent shall not be required to accept any subscription proceeds that are not accompanied by said Subscription Agreement. Until released to the Issuer pursuant to the terms hereof, all subscription proceeds shall be and remain the property of the respective investors and shall not be subject to any liens or charges by the Issuer or against the Issuer, or to judgments or creditors' claims against the Issuer.

4. Disbursements from the Subscription Proceeds Escrow. Escrowed Funds in the Subscription Proceeds Escrow will be held and disbursed in accordance with the following:

(a) The Issuer will accept or reject subscriptions within thirty (30) days after the Issuer receives them. If an investor's Subscription Agreement is rejected, the Issuer will notify the Escrow Agent in writing and such investor's funds will be returned within ten business days after the receipt by the Escrow Agent of the written notice of such rejection and the necessary documentation of the Escrow Agent.

(b) If an investor's subscription is accepted, the Issuer will notify the Escrow Agent in writing and the amount delivered with such subscription will continue to be held in the Subscription Proceeds Escrow until the earlier to occur of the following: (i) the Issuer has received and accepted subscriptions for the Minimum Offering Amount or (ii) the Termination Date.

(c) Each investor's escrowed funds remaining in the Subscription Proceeds Escrow at the Termination Date will be returned to the investor within ten days after the Termination Date. No further deposits to the Subscription Proceeds Escrow will be accepted after the Termination Date.

(d) If subscriptions for the Minimum Offering Amount have been accepted by the Issuer on or before the Termination Date, Issuer shall notify the Escrow Agent of such fact in writing on the form set forth on Exhibit C hereto and the escrowed funds in the Subscription Proceeds Escrow will be disbursed to the Issuer within one business day of the Escrow Agent's receipt of such notification.

5. Term. This Agreement shall terminate upon the disbursement of all of the subscription proceeds and the final performance of all of the Escrow Agent's other duties hereunder.

6. Duties and Responsibilities of Escrow Agent.

(a) Escrow Agent, by signing this Agreement, agrees to accept, hold and dispose of the subscription proceeds in accordance with the terms hereof. The duties and responsibilities of Escrow Agent shall be limited to those expressly set forth in this Agreement, and no implied covenants or duties shall be read into this Agreement against the Escrow Agent, and the Escrow Agent shall not be subject to, nor obligated to comply with or to recognize, any other agreement between, or any direction or instruction of, any or all of the other parties thereto even though reference thereto may be made herein; provided, however, with the written consent of Escrow Agent, this Agreement may be amended at any time or times by an instrument in writing signed by the Issuer and the Escrow Agent.

(b) Escrow Agent is authorized, in its sole discretion, to disregard any and all notices or instructions given by any person, firm or corporation, except such notices and instructions as are herein specifically provided for and orders or process of any court duly entered. If any property subject hereto is at any time attached, garnished or levied upon under any court order or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, writ, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then and in any of such events, Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel of its own choosing is binding upon it; and if Escrow Agent complies in good faith with any such order, writ, judgment or decree it shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated. Escrow Agent shall notify Issuer in the event Escrow Agent takes any action pursuant to this Section 6(b).

(c) Escrow Agent shall not be liable for any act taken or omitted hereunder if taken or omitted by Escrow Agent in good faith and in the exercise of its own reasonable judgment, and Escrow Agent shall not be liable under this Agreement except for its gross negligence, willful misconduct or breach of its obligations under this Agreement. Escrow Agent also shall be fully protected in relying upon any written notice (including specifically those provided for in paragraphs 4(a), 4(b) and 4(d), demand, certificate, waiver, opinion of counsel or other document which it in good faith reasonably believes to be genuine or what it purports to be.

(d) Escrow Agent acts hereunder as a depository only and shall not be responsible for the sufficiency or accuracy or the form, execution, validity or genuineness of this Agreement (except as to its own execution hereof and obligations hereunder, if this Agreement is otherwise valid) or of documents or securities now or hereafter deposited hereunder or of any endorsement thereon, or for lack of endorsement thereon, or for any description therein, or for the adequacy of the subscription proceeds for their intended purposes, nor shall it be responsible or liable in any respect on the account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any such document, security or endorsement under this Agreement.

(e) Escrow Agent may consult with legal counsel (which may be counsel to the Issuer) in the event of any dispute or question as to the construction of any of the provisions hereof or its duties hereunder, and, to the extent it acts in good faith without gross negligence or willful misconduct it shall incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of such counsel.

(f) The Issuer agrees to indemnify and save Escrow Agent harmless from all losses, costs, liabilities, actual damages (which shall not include consequential, special or punitive damages), fees and expenses (including, but not limited to, reasonable attorney's fees and expenses) suffered or incurred by Escrow Agent arising from the performance of its obligations under this Agreement ("Acts"), except such Acts as arise from or attributable to the grossly negligent, willful misconduct or fraudulent acts or omissions of Escrow Agent or a breach otherwise by Escrow Agent of this Agreement. Notwithstanding the above, the Escrow Agent will have no right to withhold subscriber's funds deposited in the Subscription Escrow Account to pay Issuer obligations under this Section 6(f).

(g) In the event of any disagreement between the parties hereto (or any other persons) resulting in adverse claims and demands being made in connection with or for any portion of the subscription proceeds, Escrow Agent shall be entitled to refuse to comply with any demand or claim, as long as such disagreement shall continue, and in so refusing to make any delivery or other disposition of any portion of the subscription proceeds, Escrow Agent shall not be or become liable to any party hereto or to any other person for its refusal to comply with such conflicting or adverse demands, and Escrow Agent shall be entitled to refuse and refrain to act until:

(i) The rights of the adverse claimants shall have been fully and finally adjudicated in a court assuming and having jurisdiction in respect of the portion of the persons and the portion of the subscription proceeds involved; or

(ii) All differences shall have been resolved by agreement and Escrow Agent shall have been notified of such agreement in a writing signed by all the interested parties.

(h) Escrow Agent may resign at any time from its obligations under this Agreement by providing written notice to the Issuer. Such resignation shall be effective not less than thirty (30) days after such written notice has been delivered. Escrow Agent shall have no responsibility for the appointment of a successor escrow agent. Upon the effective date of such resignation or removal all cash and other payments and all other property then held by the Escrow Agent hereunder shall be delivered by it to such successor Escrow Agent as may be designated in writing by the Issuer, whereupon the Escrow Agent's obligations hereunder shall cease and terminate.

(i) In the event of resignation of Escrow Agent, a successor escrow agent shall be appointed as soon as practicable by the Issuer. Should such successor not be appointed within thirty (30) days after Escrow Agent shall have delivered notice of its resignation, the resigning Escrow Agent shall be entitled to petition a court of proper jurisdiction to appoint a successor.

7. Miscellaneous.

(a) Entire Agreement. This Agreement sets forth the entire understanding of the parties hereto and supersedes all prior agreements or understandings, whether written or oral, with respect to the subject matter hereof. No amendments or modifications to this Agreement shall be binding unless made in writing and signed by the Issuer and the Escrow Agent.

(b) Notices. Any notices to be given hereunder by any party to any other party shall be in writing and shall be made either by personal delivery, certified, or registered mail (postage prepaid and return receipt requested) or private overnight courier service. Each notice shall be effective only upon receipt, and shall be addressed as follows:

To the Issuer:

Appliqate Inc
12465 South Fort Street, Suite240
Draper, UT 84020

To Escrow Agent:

Escrow Specialists Inc.
555 E 5300 S #3
Ogden, UT 84405

Any party may change its address for notice by giving notice in accordance with the terms of this paragraph 7.

(c) Fees. All Escrow Agent's fees and charges hereunder shall be as set forth in Exhibit "A" hereto and shall be promptly paid, along with the reasonable expenses of Escrow Agent (including, without limitation, reasonable attorney's fees and expenses), by the Issuer; provided, however, that Escrow Agent is not entitled to withhold or deduct any unpaid fees and expenses prior to the final disbursement of the subscription proceeds under paragraph 4. The fees and charges agreed to be paid are intended as full compensation for Escrow Agent's services as contemplated by this Agreement.

(d) Waiver. The waiver by any party hereto of a breach of any term or provision of this Agreement shall not operate or be construed as a waiver of (a) a subsequent breach of the same provision by any party or (b) the breach of any other term or provision of this Agreement.

(e) Binding Effect. This Agreement shall extend to and be binding upon and inure to the benefit of the parties hereto, their respective heirs, representatives, successors and assigns. This Agreement may not be assigned.

(f) No Third Party Beneficiaries. Except for the investors, this Agreement does not create, and shall not be construed as creating, any rights enforceable by any person not a party to this Agreement.

(g) Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added as a part of this Agreement a legal, valid, and enforceable provision, such as is approved by Issuer and Escrow Agent, as similar in terms to such illegal, invalid or unenforceable provision.

(h) Headings. The headings in this Agreement are solely for convenience of reference and shall be given no effect in construction or interpretation of this Agreement.

(i) Counterparts: Governing Law. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah without regard to its rules of conflicts of laws.

(j) Cooperation. No party shall unreasonably withhold or delay its consent, approval or signature when required to fulfill the purposes of this Agreement.

(k) Patriot Act Compliance. The Issuer agrees to provide the Escrow Agent completed Forms W-9 (or Forms W-8, in the case of non-U.S. Persons) and other forms and documents that the Escrow Agent may reasonably request at the time of execution of this Agreement, and any information reasonably requested by the Escrow Agent to comply with the USA Patriot Act of 2001, as amended from time to time.

8. Multiple Counterparts; Electronic Transaction. This Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument. In addition, the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ISSUER:	ESCROW AGENT:
Appliqate Inc, a Wyoming corporation	ESCROW SPECIALISTS INC, solely as Escrow Agent
By: _____	By: _____
David Anderson, CEO	Name: _____
	Title: _____

EXHIBIT "A"

Escrow Agent's Fee Schedule

Account Set Up and Maintenance Fee	\$525.00
------------------------------------	----------

Account Set Up and Maintenance Fee will be payable at the initiation of the escrow.

Fees specified are for the regular, routine services contemplated by the Agreement, and any additional or extraordinary services, including, but not limited to disbursements involving a dispute or arbitration, or administration while a dispute, controversy or adverse claim is in existence, will be charged based upon time required at the then standard hourly rate. In addition to the specified fees, all reasonable expenses related to the administration of the Agreement (other than normal overhead expenses of the regular staff) such as, but not limited to, travel, telephone, facsimile, supplies, legal fees, accounting fees, etc., will be reimbursable.

Exhibit B

Escrow Account Signing Authority

Authorized Representatives of the Issuer

The undersigned certifies that he/she is an authorized representative of the Issuers with respect to any instruction or other action to be taken in connection with the Escrow Agreement and Escrow Specialists Inc shall be entitled to rely on such list until a new list is furnished to Escrow Specialists Inc

Signature: _____
Print:
Title:
Phone:
Fax:
Email:

Signature: _____
Print:
Title:
Phone:
Fax:
Email:

The undersigned further certifies that he or she is duly authorized to sign this Escrow Account Signing Authority.

Signature: _____**
Name:
Its:
Date:

** To be signed by corporate secretary/assistant secretary. When the secretary is among those authorized above, the president must sign in the additional signature space provided below. For entities other than corporations, an authorized signatory not signing above should sign this Escrow Account Signing Authority.

(Additional signature, if required)

Signature: _____
Print:
Title:
Phone:
Fax:
Email:

[, 20]

Escrow Specialists Inc
Attention: Corporate Trust Department
420 Montgomery Street
San Francisco, CA 941045

CLOSING LETTER

Ladies and Gentlemen:

We refer you to that certain agreement dated as of [], 20[], between Appliqate Inc, a Wyoming corporation (“Company”) and Wells Fargo Bank, National Association (“WF”) (the “Agreement”), a photocopy of which is attached hereto. Capitalized terms used but not defined in this letter shall have the meanings given them in the Agreement.

We hereby notify you, in accordance with the terms and provisions of Section 4(d) of the Agreement, that the Minimum Offering Amount has been raised and the Escrowed Funds should be released to the Company.

Very truly yours,

COMPANY:

Appliqate Inc, a Wyoming corporation

By:

Name:

Title:
