



Audited Financial Statements: March 31, 2022 Results

-FOR IMMEDIATE RELEASE-

Montréal, September 22, 2022 – ZeU Technologies, Inc. (CSE: ZEU) (OTC: ZEUCF) would like to inform its shareholders that it has posted its Audited Financials Statements for the 15 month period ended March 31, 2022 and the prior year ended December 31, 2020, and the corresponding Management Discussion & Analysis on SEDAR.

ZeU is also providing an update to its previously disclosed Management Cease Trade Order (“**MCTO**”), initially announced on August 2, 2022, in respect of the interim Financial Statements and corresponding Management’s Discussion and Analysis for the period ended June 30, 2022, including the related Chief Executive Officer and Chief Financial Officer certifications (collectively, the “**Financial Documents**”) that were not filed by the filing deadline of August 29, 2022.

The Corporation has applied to the applicable securities regulatory authorities and received a Management Cease Trade Order (“**MCTO**”) imposed against the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Corporation, precluding them from trading securities of the Corporation. The MCTO will be in effect until the Financial Documents are filed and requires that the Financial Documents be filed on or before September 30, 2022.

ZeU Management aims to release the Interim Financial Documents pertaining to the 1st Quarter of its 2022 financial year, covering the period of April 1, 2022 to June 30, 2022 by the end of this month.

ZeU as a going concern

Since the withdrawal of the proposed transaction with a Chinese entity in August 2018, Management has been forced to operate with limited capabilities. From having to define from scratch, finance and develop a new business model to the upcoming deployment of some of its products, the Company has been limited in its capacity to conclude acquisitions and see to its financing needs due to the existence of a significant debt related and inherited from the proposed founding transaction.

In order to mitigate that issue Management expects to restructure the Company’s debt and the business silos in the coming weeks. Debt renegotiations shall occur with the parties willing to collaborate on a more permanent solution and certain businesses are expected to be let go. This exercise will be done with the shareholders interests in mind and should allow the Company to grow without financial or legal threats to its existence.

More information should be available for disclosure in the coming weeks.

FINANCIAL RESULTS OVERVIEW

Summary of the Results of Operation

For the fifteen months period ended March 31, 2022, the Company recorded a net loss of \$14,274,215 (December 31, 2020 – \$9,504,212) and had accumulative a deficit of \$31,216,162 (December 31, 2020 - \$16,941,947). The Company had no source of operating revenues or any related operating expenditures.

Management has realised an impairment of 13,320,813 on the goodwill of ZeUPay (Prego) during the fifteen months period ended March 31, 2022

The following table provides a summary of the Company's financial operations for the prior two fiscal years.

	Fifteen months ended March 31, 2022	Year ended December 31, 2020
	\$	\$
Cash	24,281	1,944
Working capital (deficiency)	(5,872,304)	(5,166,513)
Total assets	584,824	16,944
Shareholders' equity (deficiency)	(12,096,035)	(9,419,731)
Revenue	-	354,860
Net loss and comprehensive loss for the period	(14,274,215)	(9,504,212)
Basic and diluted loss per share	(0.41)	(0.39)

Fifteen months ended March 31, 2022

The Company incurred a net loss of \$14,274,215 in the fifteen months. Operating expenses were \$5,790,195, and the Company recognized a loss of \$23,755 upon the sale of certain marketable securities. The Company also recorded a recognized gain of \$4,491,806 on the repayment of \$3,917,000 Kamari convertible debentures plus accrued interest by transferring 18,705,115 Kamari tokens to the debenture holder. The Company recognized a loss of \$13,320,813 on impairment of goodwill in a subsidiary.

Year ended December 31, 2020

The Company recorded development services revenue of \$354,860 for services provided to a subsidiary of St-Georges, a shareholder of the Company. The Company incurred a net loss of \$9,504,212 in 2020. Operating expenses were \$2,393,115, and the Company recorded an unrealized loss on digital assets of \$6,881,396 as the Kamari tokens were currently not trading. Therefore, a fair value could not be determined, resulting in a \$nil value assigned to them.

Summary of the Quarterly Results

The following table outlines selected unaudited financial information of the Company for the last eight quarters.

	<i>Mar.31,</i> <i>2022</i>	<i>Dec.31,</i> <i>2021</i>	<i>Sept.30,</i> <i>2021</i>	<i>Jun.30,</i> <i>2021</i>
Total assets	584,824	13,685,663	13,897,972	13,979,779
Working capital (deficiency)	(5,872,304)	(8,276,982)	(4,804,887)	(4,171,766)
Long term debt	(6,223,731)	(5,209,749)	(8,117,434)	(7,657,429)
Shareholders' equity (deficiency)	(12,096,035)	(1,674,434)	(1,106,428)	74,667
Revenue	-	-	-	-
Net income (loss)	(10,436,131)	(1,333,757)	(1,069,805)	(1,971,674)
Net income (loss) per share	(0.28)	(0.04)	(0.03)	(0.06)

	<i>Mar.31,</i> <i>2021</i>	<i>Dec.31,</i> <i>2020</i>	<i>Sept.30,</i> <i>2020</i>	<i>Jun.30,</i> <i>2020</i>
Total assets	14,516,214	16,944	6,434,989	6,566,875
Working capital (deficiency)	(3,422,589)	(5,166,513)	(71,490)	(623,007)
Long term debt	(7,105,381)	(3,904,516)	(4,289,359)	(3,986,915)
Shareholders' equity (deficiency)	1,098,542	(9,419,731)	(2,774,397)	(2,331,781)
Revenue	-	173,951	36,530	70,450
Net income (loss)	537,152	7,873,657	(628,452)	(15,703,409)
Net income (loss) per share	0.02	0.32	(0.03)	(0.64)

The main factors contributing to variances to the quarters up to March 31, 2022, were a gain on Kamari convertible debt settlement in March 2022 of \$3,391,988, a loss of \$13,320,813 on impairment of goodwill in March 2022, a loss of \$23,874 on sale of marketable securities in September 30, 2021, stock-based compensation of \$727,630 in June 30, 2021, a gain on Kamari convertible debt settlement in March 2021 of \$1,099,818, stock-based compensation of \$527,332 and an unrealized loss of \$6,881,396 on digital assets in December 2020, development services revenue of \$173,951 (December 2020), \$36,530 (September 2020), \$70,450 (June 2020) and \$73,929 (March 2020) with no corresponding amounts in 2021. Also, unrealized losses on digital assets of \$147,845 (September 2020) \$15,309,139 (June 2020), and other quarter in early 2020 of \$487,241 were offset by a gain of \$9,062,829 in the last quarter of 2020.

In 2020, the Company impaired the value of its Kamari tokens as there was no longer an objective market value for the tokens, except for the right to repay its Kamari debt at a mark to market price.

ON BEHALF OF THE BOARD OF DIRECTORS

"Frank Dumas"

Frank Dumas
President & CEO

About ZeU

ZeU is a forward-thinking Canadian technology company that has developed a state-of-the-art DLT protocol, providing the foundation for the next generation of encrypted and distributed networks. Thanks to its high level of sophistication, ZeU's technology maximizes transparency, security and scalability, as well as big data management. ZeU's strategy is to monetize DLT transactions in diverse sectors such as payment, gaming, data, and healthcare.

The Canadian Securities Exchange (CSE) has not reviewed and does not accept responsibility for the adequacy or the accuracy of the contents of this release.