



2019 Financial Results

-FOR IMMEDIATE RELEASE-

Montréal, June 4, 2020 – ZeU Crypto Networks Inc. (CSE: ZEU) would like to inform its shareholders that it has posted its 2019 Audited Financials Statements and corresponding Management Discussion & Analysis on SEDAR.

As previously announced by way of a press release on April 27, 2020, the Corporation has elected to rely on the exemption provided in British Columbia Instrument 51-515 *Temporary Exemption from Certain Corporate Finance Requirements* (and similar exemptions provided by other Canadian securities regulators) to postpone the filing of these documents.

Until the Corporation has filed the Documents, members of the Corporation's management and other insiders are subject to a trading blackout reflecting the principles contained in section 9 of National Policy 11-207 *Failure to File Cease Trade Orders and Revocations in Multiple Jurisdictions* such that they are in a blackout period until the end of the second trading day after the Documents have been disclosed by way of a news release.

At this time, the Corporation has also elected to use the Instrument in regards to its Interim Financial Statements for the First Quarter of 2020. Management expects to disclose these documents within the next few days allowing for all restrictions in regards to National Policy 11-207 to be lifted.

Recent global events pertaining to COVID-19 have impacted the Corporation, its employees, and its ability to rely on timely information in relation to its financial reporting obligations. The Corporation continues to pursue the best available paths to manage operational risk and preserve capital during this challenging time, which includes but is not limited to the suspension of all compensation to management and directors.

2019 FINANCIAL RESULTS OVERVIEW

Results of Operation

For the year ended December 31, 2019, the Company recorded a net loss of \$4,947,453 (2018 – \$4,412,060) and had accumulative a deficit of \$9,359,513 (2018 - \$ 4,412,060). The Company had no source of operating revenues or any related operating expenditures.

Subsequent operating revenues booked in the first quarter of 2020 are generated by an agreement with a related entity, Borealis Derivative Dex EHF, a subsidiary of St-Georges Eco-Mining Corporation, currently the largest shareholder of ZeU.

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

For the year ended December 31	2019	2018
	\$	\$
Cash	62,673	541,795
Digital assets	9,690,414	705,390
Working capital	5,445,679	684,368
Total assets	22,417,196	1,247,185
Shareholders' equity (deficiency)	14,399,386	(3,494,957)
Net loss and comprehensive loss for the year	(4,947,453)	(4,412,060)
Basic and diluted loss per share	(0.25)	(0.22)

Year ended December 31, 2019:

The Company had no revenue. The Company incurred a net loss of 4,947,453 in 2019. Operating expenses were \$3,331,791. The Company recorded an unrealized loss on digital assets of \$1,528,913 due to the general change in digital assets in the market, loss on the sale of marketable digital assets of \$72,124, gain on payment with marketable digital assets of \$6,010, and loss on fair market value change in derivative liability of \$20,635.

Year ended December 31, 2018:

The Company had no revenues. The Company incurred net losses of \$4,412,060 in 2018. Operating expenses were \$1,408,758, and the Company recorded an unrealized loss on digital assets of \$3,003,302 due to the general decline in digital assets in the market.

Summary of the Quarterly Results

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

	<i>Dec.31,</i>	<i>Sept.30,</i>	<i>Jun.30,</i>	<i>Mar. 31,</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>	<i>2019</i>
Total assets	22,417,196	868,853	2,005,603	1,421,384
Working capital (deficiency)	5,445,679	(5,405,785)	496,294	236,059
Shareholders' equity (deficiency)	14,399,386	(5,185,785)	(4,134,507)	(4,303,185)
Revenue	-	-	-	-
Net income (loss)	(3,692,093)	(1,051,278)	183,238	(387,320)
Net income (loss) per share	(0.18)	(0.05)	0.01	(0.02)

	<i>Dec. 31,</i>	<i>Sept.30,</i>	<i>Jun.30,</i>	<i>Mar. 31,</i>
	<i>2018</i>	<i>2018</i>	<i>2018</i>	<i>2018</i>
Total assets	1,247,185	2,103,417	161,027	300,000
Working capital (deficiency)	684,368	1,514,491	(263,537)	(141,100)
Shareholders' equity (deficiency)	(3,494,957)	(3,269,201)	(263,537)	(141,100)
Revenue	-	-	-	-
Net income (loss)	(1,152,655)	(2,999,569)	(118,736)	(141,100)
Net income (loss) per share	(0.01)	(0.15)	(0.00)	(0.01)

The main factors contributing to variances to the quarters up to December 31, 2019, were unrealized losses on digital assets of \$1,923,214 recorded in the quarter ended December 31, 2019, a gain of \$70,168 on the sale of Ether coins and a gain of \$44,957 on payments with Ether coins in the quarter ended June 30, 2019. The Company recorded a loss of \$130,959 on sale of certain Ether coins, a loss of \$37,484 on payments with Ether coins and unrealized loss on digital assets of \$228,762 in the quarter ended September 30, 2019,

unrealized loss on digital assets of \$3,003,302, and research and development expenses of \$517,960 in the quarter ended December 31, 2018.

Total assets and working capital increased largely in the period ended December 31, 2019, as a result of a financing of convertible debentures for \$7,834,000 in November 2019, and in the period ended September 30, 2018, as a result of a completion of convertible debentures for \$4,783,692 in July 2018. The Company sold certain Ether coins for proceeds totalling \$745,046 in the year ended December 31, 2019.

ON BEHALF OF THE BOARD OF DIRECTORS

“Mark Billings”

Mark Billings
Director & CFO

About ZeU

ZeU is a forward-thinking Canadian technology company that has developed a state-of-the-art blockchain 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 blockchain 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.