

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

ZEVOTEK, INC.

A Delaware Corporation
9850 S Maryland Parkway, Suite A5597
Las Vegas, Nevada, 89183
(702) 763-9990
www.zevotek.io
info@zevotek.io
SIC Code: 3641

Quarterly Report

For the Period Ending: March 31, 2021
(the "Reporting Period")

As of March 31, 2021, the number of shares outstanding of our Common Stock was:

170,435,527 Common Shares

As of December 31, 2020, the number of shares outstanding of our Common Stock was:

170,435,527 Common Shares

As of June 30, 2020, the number of shares outstanding of our Common Stock was:

75,235,527

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: No: ☒ X

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No: ☒ X

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes: No: ☒ X

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

The Diet Coffee Company, Inc. - December 19th, 2005 to March 1st, 2006 (On March 1st, 2006 Company changed their name to Diet Coffee, Inc.)

Diet Coffee, Inc. - March 1st, 2006 to June 25th, 2008 (On June 25th, 2008 Company changed their name to Zevotek, Inc.)

Zevotek, Inc. - June 25th, 2008 to Present

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Delaware

Active

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

9850 S Maryland Parkway, Suite A5597, Las Vegas, Nevada, 89183

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: X

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

2) Security Information

Trading Symbol: ZVTK
Exact title and class of securities outstanding: Common Shares
CUSIP: 98953B304
Par or Stated Value: 0.00001

Total shares authorized: 5,000,000,000 as of date: March 31, 2021
Total shares outstanding: 170,435,527 as of date: March 31, 2021
Number of shares in the Public Float¹: 42,407,678 as of date: March 31, 2021
Total number of shareholders of record: 70 as of date: March 31, 2021

Additional class of securities (if any):

Exact title and class of securities outstanding: Series A Preferred Shares
Par or Stated Value: 0.00001
Total shares authorized: 10,000,000 as of: March 31, 2021
Total shares outstanding: 50,000 as of: March 31, 2021

Exact title and class of securities outstanding: Series B Preferred Shares
Par or Stated Value: 0.00001
Total shares authorized: 1,000,000 as of: March 31, 2021
Total shares outstanding: 1,000,000 as of: March 31, 2021

Transfer Agent

Name: Transhare Securities Transfer and Registrar
Address 1: Bayside Centre 1, 17755 North US Highway 19, Suite 140
Address 2: Clearwater, FL
Address 3: 33764
Phone: (303) 662-1112
Fax: (727) 289-0069
Website: www.transhare.com

Is the Transfer Agent registered under the Exchange Act?² Yes: X No:

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date <u>December 31, 2018</u> Common: <u>6,335,527</u> Preferred: <u>A = 50,000</u> Preferred: <u>B = 1,000,000</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
Jan 15, 2019	Issuance	100,000	Common	.01 per share	No	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
Feb 1, 2019	Issuance	600,000	Common	.01 per share	No	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
April 8, 2019	Issuance	700,000	Common	.01 per share	No	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
April 22, 2019	Issuance	600,000	Common	.01 per share	No	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)

May 3, 2019	Issuance	750,000	Common	.01 per share	No	Ivano Stefano Angelastri	Debt Conversion	Unrestricted	4(a)(1)
May 7, 2019	Issuance	7,000,000	Common	.10 per share	No	Blankki Products, Inc Abdelkader Renane	Acquisition	Restricted	N/A
August 18, 2019	Issuance	1,100,000	Common	.0002 per share	Yes	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
August 21, 2019	Issuance	250,000	Common	.0002 per share	Yes	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
Oct 17, 2019	Issuance	1,600,000	Common	.0002 per share	Yes	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
Oct 18, 2019	Issuance	925,000	Common	.0002 per share	Yes	FFS Capital Ltd. Wang Choi	Debt Conversion	Unrestricted	4(a)(1)
Oct 22, 2019	Issuance	750,000	Common	.0002 per share	Yes	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
Nov 1, 2019	Issuance	900,000	Common	.0002 per share	Yes	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
Dec 3, 2019	Issuance	1,400,000	Common	.0002 per share	Yes	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
Dec 12, 2019	Issuance	1,425,000	Common	.0002 per share	Yes	FFS Capital Ltd. Wang Choi	Debt Conversion	Unrestricted	4(a)(1)
March 4, 2020	Issuance	1,900,000	Common	.0002 per share	Yes	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
March 12, 2020	Issuance	2,500,000	Common	.0002 per share	Yes	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
April 20, 2020	Issuance	2,200,000	Common	.0002 per share	Yes	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)

April 22, 2020	Issuance	3,000,000	Common	.0002 per share	Yes	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
June 2, 2020	Issuance	3,500,000	Common	.0002 per share	Yes	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
June 5, 2020	Issuance	4,000,000	Common	.0002 per share	Yes	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
June 15, 2020	Issuance	30,000,000	Common	0.05 per Share	Yes	Mec Consulting Corp. Peter Kastanas	Business development and Consulting Services	Restricted	N/A
June 26, 2020	Issuance	3,700,000	Common	.0002 per share	Yes	Serendipity Fund Pierre Philippe	Debt Conversion	Unrestricted	4(a)(1)
July 1, 2020	Issuance	3,700,000	Common	.0003 per share	Yes	7340341 Canada Inc. Kada Mesli	Debt Conversion	Unrestricted	4(a)(1)
July 10, 2020	Issuance	3,500,000	Common	.0003 per share	Yes	7340341 Canada Inc. Kada Mesli	Debt Conversion	Unrestricted	4(a)(1)
July 13, 2020	Issuance	3,000,000	Common	.0003 per share	Yes	Legion Financial Consultants, Ltd. David Morrow	Debt Conversion	Unrestricted	4(a)(1)
July 13, 2020	Issuance	5,000,000	Common	.0003 per share	Yes	Branalex Financial Group Inc. Stephen Taub	Debt Conversion	Unrestricted	4(a)(1)
Oct 28, 2020	Issuance	80,000,000	Common	.00025 per share	Yes	Abagail Holdings LLC. Toni Ammarito	Debt Conversion	Restricted	N/A
Shares Outstanding on Date of This Report:									
<u>Ending Balance</u>									
<u>Date: March 31, 2021</u>									
Common: <u>170,435,527</u>									
Preferred: <u>A = 50,000</u>									
Preferred: <u>B = 1,000,000</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended September 30, 2020, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2018 through September 30, 2020 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
August 6, 2010	192,430	192,430	0	August 6, 2012	conversion price of the Note is \$0.001 per share	Atlantic Consulting & Design LLC Ross Anello	Loan
May 10, 2011	945,565	945,565	0	May 10, 2012	conversion price of the Note is \$0.001 per share	Atlantic Consulting & Design LLC Ross Anello	Loan
May 15, 2012	30,000	30,000	0	May 15, 2014	conversion price of the Note is \$0.001 per share	Atlantic Consulting & Design LLC Ross Anello	Loan
May 18, 2012	10,000	10,000	0	May 18, 2014	conversion price of the Note is \$0.001 per share	Atlantic Consulting & Design LLC Ross Anello	Loan
July 18, 2012	20,000	20,000	0	July 18, 2014	conversion price of the Note is \$0.001 per share	Atlantic Consulting & Design LLC Ross Anello	Loan
August 13, 2012	9,100	10,000	0	August 13, 2014	conversion price of the Note is \$0.0003 per share	Legion Financial Consultants, Ltd. David Morrow	Loan
September 14, 2012	8,500	10,000	0	September 14, 2014	conversion price of the Note is \$0.0003 per share	Branalex Financial Group, Inc Stephen Taub	Loan
April 1, 2019	50,000	50,000	0	April 1, 2020	conversion price of the Note is \$0.001 per share	Legion Financial Consultants, Ltd. David Morrow	Loan
January 27, 2021	6,590	6,590	0	January 27, 2022	conversion price of the Note is \$0.001 per share	Branalex Financial Group, Inc Stephen Taub	Loan
March 3, 2021	1,800	1,800	0	March 3, 2022	conversion price of the Note is \$0.001 per share	Branalex Financial Group, Inc Stephen Taub	Loan

Use the space below to provide any additional details, including footnotes to the table above:

Note: The July 18, 2012, Note was incorrectly recorded for \$30,000 on the Dec 31, 2019 Disclosure Statement, the Original Note is for \$20,000.

The remaining Convertible Note(s) conversion price were also updated on January 15, 2018 to reflect the June 1, 2015 settlement agreement.

4) Financial Statements

A. The following financial statements were prepared in accordance with:

U.S. GAAP - X
IFRS

B. The financial statements for this reporting period were prepared by (name of individual)³:

Name: Jeffrey R. Carlson
Title: President
Relationship to Issuer: President and Sole Director of Zevotek, Inc.

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Financial notes; and
- G. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

On Dec 15th, 2017, Zevotek signed a consulting agreement with ITBros (d.b.a Dalos Tech, Inc.), to provide general business consulting services commencing on January 1st, 2018. The agreement is for 2 years.

Zevotek plans on investing in startups and provide funding, development, suppliers & vendor management, software development, marketing, management and research & development to our potential clients. We will catalyze the growth of Market Disruptive & Game Changing Business in the IOT, Business Automation, Data Processing, Business Analytics & Connected Healthcare sectors.

Zevotek, Inc., has postponed the marketing and sales of innovative personal and home care items with regards to the February 24, 2009, Exclusive License and Sales Agreement that provided the worldwide rights to manufacture, market, use, sell, distribute and advertise an air purifier that is contained in an energy saving compact fluorescent light bulb named the Ionic Bulb.

On November 9th, 2018, Zevotek acquired 30% of Dalos Tech for 5,000,000 restricted common shares. Dalos' flagship solution SWAP, provides integration with OEMs, distributors as well as asset management ERP/CRM systems to allow for a fully automated quote to cash workflow. As of the period ending December 31, 2020, Zevotek and Dalos divested from their November 9th, 2018 agreement, whereby, Dalos returned 5,000,000 restricted common shares to Zevotek scheduled for cancellation and Zevotek relinquished all interest in Dalos. The divestment of their agreement was mutually agreed upon by both parties and was not a result of any disagreements.

On May 7th, 2019, Zevotek acquired all of the assets of Blankki Products, Inc. The aggregate purchase price for the Purchased Assets shall be 7,000,000 restricted common shares valued at \$0.10 a share. BLANKKI Products was founded in 2017 by a team of Artist & Music Enthusiasts. The goal was to bring to market quality Earphones, Headphones and Accessories at prices that would appeal to the masses. For further information about Blankki please visit www.blankki.com.

During the quarter ending March 31, 2021, Zevotek relinquished all interest in Blankki Products, Inc., and will finalize the settlement before June 30, 2021.

On January 14, 2021, Zevotek signed a distribution agreement with QT Medical to become a distributor of their medical devices.

- B. Please list any subsidiaries, parents, or affiliated companies.

On Dec 15th, 2017, Zevotek signed a consulting agreement with ITBros (d.b.a Dalos Tech, Inc.), to provide general business consulting services commencing on January 1st, 2018. The agreement is for 2 years.

On November 9th, 2018, Zevotek acquired 30% of Dalos Tech for 5,000,000 restricted common shares. Dalos' flagship solution SWAP, provides integration with OEMs, distributors as well as asset management ERP/CRM systems to allow for a fully automated quote to cash workflow.

C. Describe the issuers' principal products or services.

Zevotek plans on investing in startups and provide funding, development, suppliers & vendor management, software development, marketing, management and research & development to our potential clients. We will catalyze the growth of Market Disruptive & Game Changing Business in the IOT, Business Automation, Data Processing, Business Analytics & Connected Healthcare sectors.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Zevotek has adopted Accounting Standards Codification 360 "Property, Plant and Equipment" ("ASC 360"). The Statement requires that long-lived assets and certain identifiable intangibles held and used by Zevotek be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses, or a forecasted inability to achieve break-even operating results over an extended period. Zevotek evaluates the recoverability of long-lived assets based upon forecasted undercounted cash flows. Should impairment in value be indicated, the carrying value of intangible assets will be adjusted, based on estimates of future discounted cash flows resulting from the use and ultimate disposition of the asset. ASC 360 also requires assets to be disposed of be reported at the lower of the carrying amount or the fair value less costs to sell.

On February 24, 2009, Zevotek entered into an Exclusive License and Sales Agreement whereby Zevotek has worldwide exclusive rights to manufacture, market use, sell, distribute and advertise a patented ionic bulb. In exchange for the exclusive license, Zevotek issued 500 shares of its common stock. The license was valued at the market price of the underlying security.

Zevotek plans on investing in startups and provide funding, development, suppliers & vendor management, software development, marketing, management and research & development to our potential clients. We will catalyze the growth of Market Disruptive & Game Changing Business in the IOT, Business Automation, Data Processing, Business Analytics & Connected Healthcare sectors. Zevotek has postponed the marketing and sales of the Ionic Bulb and terminated plans to sell the Gung H20.

7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/ Director and Control Person	Affiliation with Company (e.g. Officer/ Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/ class	Ownership Percentage of Class Outstanding	Note
Jeffrey R. Carlson	President, Secretary, Treasurer and Director	Las Vegas, NV	0	na	na	
Yang Li Song	Owner of more than 5%	Shenzhen, China	1,000,000	Preferred B	100%	Controls 99% of the Votes
Mec Consulting Corp Director - Peter Kastanas	Owner of more than 5%	Brampton, Ontario,	30,000,000	Common	18%	
Abigail Holdings LLC. Director Toni Ammarito	Owner of more than 5%	Casper, WY	80,000,000	Common	47%%	

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

No

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

No

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

No

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Stephen Mills
Attorney at Law
P.O Box 281077
Nashville, TN 37228
Phone: (615) 476-1151

Accountant or Auditor

None

Investor Relations Consultant

None

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

None

10) Issuer Certification

Principal Executive Officer: Jeffrey R. Carlson

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Jeffrey R. Carlson certify that:

1. I have reviewed this March 31, 2021 Quarterly Disclosure of Zevotek, Inc;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 28th, 2021



Jeffrey R. Carlson
CEO

Principal Financial Officer: Jeffrey R. Carlson

I, Jeffrey R. Carlson certify that:

1. I have reviewed this March 31, 2021 Quarterly Disclosure of Zevotek, Inc;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 28th, 2021


Jeffrey R. Carlson
CFO

ZEVOTEK, INC.

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UNAUDITED FINANCIAL STATEMENTS

Consolidated Balance Sheet as of March 31, 2021 and June 30, 2020 F-1

Consolidated Statement of Operations for the Three Months Ended March 31, 2021 and 2020 F-2

Consolidated Statement of Cash Flows for the Three Months Ended March 31, 2021 and 2020 F-3

Consolidated Statement of Stockholders' Deficit for the Quarter Ended March 31, 2021 F-4

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS F5-15

ZEVOTEK, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	<u>March 31, 2021</u>	<u>June 30, 2020</u>
ASSETS		
Cash and cash equivalents	649	235
Accounts Receivable	\$ 3,103	\$ 3,103
Equipment	560	560
Vehicle	50,000	50,000
Depreciation expense - vehicle	(48,555)	(44,820)
QT Medical - Distribution Agreement	\$ 250,000	\$ 750,000
TOTAL ASSETS	\$ 255,757	\$ 759,078
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 1,081,602	\$ 1,583,658
Advances payable	199,183	199,183
Convertible notes payable and demand notes (net of debt discount of -0- as of March 31, 2021 and June 30, 2020, respectively)	1,104,587	1,100,387
Total current liabilities	2,385,372	2,883,228
Long term portion on notes payable (net of debt discount of -0- and -0- as of March 31, 2021 and June 30, 2020, respectively)	111,637	111,637
Total Liabilities	2,497,009	2,994,865
Stockholders' deficit:		
Series A Preferred stock, \$0.00001 par value; 10,000,000 shares authorized; 50,000 shares issued and outstanding as of March 31, 2021 and June 30, 2020	1	1
Series B Preferred stock, \$0.00001 par value; 1,000,000 shares authorized; 1,000,000 shares issued and outstanding as of March 31, 2021 and June 30, 2020	10	10
Common stock, \$0.00001 par value, 5,000,000,000 shares authorized; 170,435,527 shares issued and outstanding March 31, 2021 and 75,235,527 on June 30, 2020	1,704	773,281
Treasury stock, 1 share outstanding March 31, 2021 and June 30, 2020	-	-
Additional paid in capital	5,767,406	5,767,406
Accumulated deficit	(8,989,798)	(8,983,381)
Adjustment to Capital Stock Valuation	772,529	
Accumulated other comprehensive income	206,896	206,896
Total stockholders' deficit	(2,241,252)	(2,235,787)
Total liabilities and stockholders' deficit	\$ 255,757	\$ 759,078

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

ZEVOTEK, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
REVENUES:		
Sales	3,000	3,000
Cost of Sales	-	-
Gross profit	3,000	3,000
OPERATING EXPENSES:		
Selling		
Salaries	9,000	6,000
General and Administrative	1,080	440
Transfer Agent	1,150	1,500
State Fees	487	
OTC Markets Fees	3,500	3,500
Legal Fees		
Rent	300	480
Phone	253	300
Total operating expense	15,770	12,220
Loss from operations	(12,770)	(9,220)
OTHER EXPENSES:		
Interest Expense		
Depreciation - vehicle	1,245	1,245
Total other expense	1,245	1,245
Net loss before provisions for income taxes	(11,525)	(7,975)
Income taxes	-	-
NET LOSS	(11,525)	(7,975)
Net loss per common share, basic and full diluted	(0.00)	(0.00)
Weighted average number of common shares outstanding, basic and fully diluted	170,435,527	28,835,527

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

ZEVOTEK, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
For the Quarter Ended March 31, 2021

	Common Stock		Preferred Stock				Treasury Stock		Additional Paid In Capital	Accumulated Deficit	Total
			Series A		Series B						
	Share	Amount	Share	Amount	Share	Amount	Share	Amount			
Balance, September 30, 2020	90,435,527	\$ 904	50,000	\$ 1	1,000,000	\$ 10	1	\$ 0	\$ 5,767,406	\$ (8,993,756)	\$ (3,018,539)
Conversion of debt, accrued interest for common stock and Issuance of Common Stock	80,000,000	\$ 800									\$ 800
Accumulated Adjustment from previous period											\$ (206,896)
Net Gain/(loss) for the period ending December 31, 2020										\$ 15,483	\$ 15,483
Balance, December 31, 2020	170,435,527	\$ 1,704	50,000	\$ 1	1,000,000	\$ 10	1	\$ 0	\$ 5,767,406	\$ (8,978,273)	\$ (3,209,152)
Net Gain/(loss) for the period ending March 31, 2021										\$ (11,525)	\$ (11,525)
Balance, March 31, 2021	170,435,527	\$ 1,704	50,000	\$ 1	1,000,000	\$ 10	1	\$ 0	\$ 5,767,406	\$ (8,989,798)	\$ (3,220,677)

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

ZEVOTEK, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	\$ (11,525)	\$ (7,975)
Adjustments to reconcile net loss to net cash used in operating activities:		
Common stock issued for services rendered		
Common stock issued for interest		
Amortization of beneficial conversion feature		
Changes in operating assets and liabilities:	(500,000)	
Accounts receivable		
Inventory		
Prepayments and other current assets		
Accounts payable and accrued expenses	(452,122)	
Net cash used in operating activities	(963,647)	(7,975)
CASH FLOWS FROM INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in advances payable; net and Note Payables	8,390	
Issuance of shares		880
Net cash provided by financing activities	8,390	880
Net (decrease) increase in cash and cash equivalents	(4,012)	140
Cash and cash equivalents, beginning of period	4,661	10
Cash and cash equivalents, end of period	649	150
SUPPLEMENTAL DISCLOSURE OF CASH FLOW:		
Interest paid	-	-
Taxes paid	-	-
NON CASH INVESTING AND FINANCING ACTIVITIES:		
Common stock issued for settlement of accrued liabilities	-	-
Common Stock issued for purchasing representative agreement	-	-
Debt discount due to beneficial conversion feature	-	-
Debt and accrued interest converted for shares of common stock	-	-

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

ZEVOTEK, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2021

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements follows.

Business and Basis of Presentation

ZEVOTEK, INC. ("Company" or "Registrant") was organized on December 19, 2005 under the state laws of Delaware with an original name of "The Diet Coffee Company." On March 1, 2006, we amended our Certificate of Incorporation and changed our name from "The Diet Coffee Company, Inc to Diet Coffee, Inc. On June 25, 2008, Zevotek changed its name to Zevotek, Inc.

Zevotek's wholly owned subsidiary is Ionic Bulb.com, Inc., a Delaware corporation formed on August 21, 2007, through which it had sold the Ionic Bulb, a patented air purifier that silently emits negative ions using a microchip placed inside a 10,000-hour energy saving compact fluorescent light bulb (CFL). The Ionic Bulb was an eco-easy maintenance-free inexpensive alternative that is designed to clean the air in a 100 square foot area of unpleasant odors and indoor air pollutants that you breathe. Zevotek sold the Ionic Bulb through specialty retail shops, TV commercials, Amazon.com and newionicbulb.com, and it marketed the Ionic Bulb to major U.S. retail stores. It had acquired exclusive worldwide sales and manufacturing rights to a U.S. patented new product named Gung H2O that reduces water use in the home. Zevotek has postponed the marketing and sales of the Ionic Bulb.

Zevotek has terminated plans to sell Gung H2O to major U.S. retail stores and directly to American consumers using TV ads and Internet marketing.

Zevotek plans on investing in startups and provide funding, development, suppliers & vendor management, software development, marketing, management as well as research & development. We will catalyze the growth of Market Disruptive & Game Changing Business in the IOT, Business Automation, Data Processing, Business Analytics & Connected Healthcare sectors.

On November 9th, 2018, Zevotek acquired 30% of Dalos Tech for 5,000,000 restricted common shares. Dalos' flagship solution SWAP, provides integration with OEMs, distributors as well as asset management ERP/CRM systems to allow for a fully automated quote to cash workflow. As of the period ending March 31, 2021, Zevotek and Dalos divested from their November 9th, 2018 agreement, whereby, Dalos returned 5,000,000 restricted common shares to Zevotek scheduled for cancellation and Zevotek relinquished all interest in Dalos. The divestment of their agreement was mutually agreed upon by both parties and was not a result of any disagreements.

On May 7th, 2019, Zevotek acquired all of the assets of Blankki Products, Inc. The aggregate purchase price for the Purchased Assets shall be 7,000,000 restricted common shares valued at \$0.10 a share. During the quarter ending March 31, 2021, Zevotek relinquished all interest in Blankki Products, Inc., and will finalize the settlement before June 30, 2021.

On January 14, 2021, Zevotek signed a distribution agreement with QT Medical to become a distributor of their medical devices.

Our President, Mr. Carlson, brings over sixteen years of experience in financial markets, corporate finance, securities trading, investor relations, and executive management.

General

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

The consolidated financial statements include the accounts of the Registrant and its wholly-owned subsidiary, Ionic Bulb.com, Inc. The Registrant formed its Ionic Bulb.com, Inc. subsidiary on August 21, 2007 and started its operations during the fiscal year ended June 30, 2008. All significant inter-company transactions and balances have been eliminated in consolidation.

Zevotek has adopted the fiscal year end of June 30.

Reverse Stock Split

On September 26, 2011, Zevotek filed a certificate of amendment to our Certificate of Incorporation with the Secretary of State of Delaware to effectuate a reverse stock split on a 1 to 5,000 basis. The Financial Industry Regulatory Authority (“FINRA”) effected the reverse stock split on October 27, 2011. Each holder of common stock received 1 share of Zevotek’s common stock in exchange for each 5,000 shares of Zevotek’s common stock they owned. Zevotek did not issue fractional shares in connection with the foregoing split. Fractional shares were rounded up to the nearest whole share. All per share numbers quoted herein are reflective of the 1:5,000 reverse split. All references in the accompanying consolidated financial statements and notes there to have been retroactively restated to reflect the stock split.

Revenue Recognition

For revenue from product sales, Zevotek recognizes revenue in accordance with Accounting Standards Codification 605, “Revenue Recognition SEC Staff Accounting Bulletin Topic 13” (“ASC 605”). ASC 605 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence that an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. Zevotek defers any revenue for which the product has not been delivered or is subject to refund until such time that Zevotek and the customer jointly determine that the product has been delivered or no refund will be required.

ASC 605 incorporates Accounting Standards Codification 605-25, “Revenue Recognition Multiple Element Arrangements”. ASC 605-25 addresses accounting for arrangements that may involve the delivery or performance of multiple products, services and/or rights to use assets. Zevotek does not have any multiple element arrangements.

Consideration Paid to Customers

Zevotek offers our customers certain incentives in the form of cooperative advertising arrangements, product markdown allowances, trade discounts, cash discounts, and slotting fees. Markdown allowances, trade discounts, cooperative advertising program participation and cash discounts are all recorded as reductions of net sales. No customer incentives are included in sales for the period ended March 31, 2021 and March 31, 2020.

Use of Estimates

The preparation of the financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the accompanying consolidated financial statements, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents. Zevotek had no cash equivalents as of March 31, 2021 and March 31, 2020, respectively.

Inventories / Cost of Goods Sold

Zevotek has adopted a policy to record inventory at the lower of cost or market determined by the first-in-first-out method. The elements of cost that comprise inventory and cost of goods sold are FOB shipping point costs, freight and

destination charges, customs and importation fees and taxes, customer broker fees (if any) and other related costs. Warehousing costs are charged to cost of goods in the period the costs are incurred. Zevotek provides inventory allowances based on estimates of obsolete inventories.

Inventories consist of finished products available for sale to distributors and customers. At March 31, 2021 and March 31, 2020, Zevotek had no inventory.

Allowance for doubtful accounts

Zevotek maintains an allowance for doubtful accounts to reduce amounts to their estimated realizable value, including reserves for customer and other receivable allowances and incentives. In estimating the provision for doubtful accounts, Zevotek considers a number of factors including age of the accounts receivable, trends and ratios involving the age of the accounts receivable and the customer mix of each aging categories. As of March 31, 2021 and March 31, 2020, the allowance for doubtful accounts was \$0.

Impairment of long lived assets

Zevotek has adopted Accounting Standards Codification 360 "Property, Plant and Equipment" ("ASC 360"). The Statement requires that long-lived assets and certain identifiable intangibles held and used by Zevotek be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses, or a forecasted inability to achieve break-even operating results over an extended period. Zevotek evaluates the recoverability of long-lived assets based upon forecasted undercounted cash flows. Should impairment in value be indicated, the carrying value of intangible assets will be adjusted, based on estimates of future discounted cash flows resulting from the use and ultimate disposition of the asset. ASC 360 also requires assets to be disposed of be reported at the lower of the carrying amount or the fair value less costs to sell.

Advertising

Zevotek charges the costs of advertising to expenses as incurred. Zevotek charged \$0 to operations for the quarter ended March 31, 2021 and 2020, respectively.

Income Taxes

Zevotek has adopted Accounting Standards Codification 740, "Income Taxes" ("ASC 740") which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and the tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Temporary differences between taxable income reported for financial reporting purposes and income tax purposes are insignificant, except basis difference related to certain debts.

Effective January 1, 2007 Zevotek adopted an amendment to the requirements of ASC 740. The amended standard prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

ASC 740-10-25-5 "Income Taxes—Overall—Recognition—Basis Recognition Threshold", ("Tax Position Topic") provides guidance to address uncertainty in tax positions and clarifies the accounting for income taxes by prescribing a minimum recognition threshold, i.e. "more-likely-than-not", that the income tax positions must achieve before being recognized in the financial statements. In addition, the Tax Position Topic requires expanded annual disclosures, including a roll forward of the beginning and ending aggregate unrecognized tax benefits as well as specific detail related to tax uncertainties for which it is reasonably possible the amount of unrecognized tax benefit will significantly increase or decrease within twelve months.

As a result of implementing ASC 740, there has been no adjustment to Zevotek's financial statements and the adoption of ASC 740 did not have a material effect on Zevotek's consolidated financial statements for the quarter ended March 31, 2021 and 2020.

Research and Development

Zevotek accounts for research and development costs in accordance with the Financial Accounting Standards Board's Accounting Standards Codification 730 "Research and Development" ("ASC 730"). Under ASC 730, all research and development costs must be charged to expense as incurred. Third-party research and development costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. Zevotek had no expenditures on research and product development for the quarter ended March 31, 2021 and 2020.

Stock Based Compensation

Effective January 1, 2006, Zevotek adopted the requirements of ASC 505 "Equity" and ASC 718-10 "Stock Compensation", under the modified prospective transition method. The standards require the measurement of compensation cost at the grant date, based upon the estimated fair value of the award, and requires amortization of the related expense over the employee's requisite service period.

Under ASC 718-10, stock based compensation cost will be recognized over the period during which an employee is required to provide service in exchange for the award. ASC 718-10 also requires an entity to calculate the pool of excess tax benefits available to absorb tax deficiencies recognized subsequent to adoption of ASC 718-10 (the "APIC pool"). Zevotek has evaluated its APIC pool and has determined that it was immaterial as of January 1, 2006. ASC 718-10 also amends ASC 230 "Cash Flows", to require that excess tax benefits that had been reflected as operating cash flows be reflected as financing cash flows.

Loss per Share

Zevotek has adopted Accounting Standards Codification subtopic 260-10, Earnings Per Share ("ASC 260-10") specifying the computation, presentation and disclosure requirements of earnings per share information. Basic loss per share has been calculated based upon the weighted average number of common shares outstanding. Potentially dilutive shares of common stock realizable from the conversion of our convertible debentures of 1,294,616,167 and 250,550,100 shares, respectively at March 31, 2021 and 2020, are excluded from the computation of diluted net loss per share as their inclusion would be anti-dilutive.

Concentration of Credit Risk

Financial instruments and related items, which potentially subject Zevotek to concentrations of credit risk, consist primarily of cash, cash equivalents and trade receivables. Zevotek places its cash and temporary cash investments with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit.

Recent Accounting Pronouncements

Zevotek has reviewed all recently issued, but not yet effective accounting pronouncements and does not believe the future adoption of any such pronouncements will have a material impact on its consolidated financial condition or the results of its operations.

NOTE B - GOING CONCERN MATTERS

The accompanying consolidated statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying consolidated financial statements for the quarter ended March 31, 2021 and 2020, Zevotek incurred gain of \$11,525 and loss of \$7,975 respectively. At March 31, 2021, Zevotek had a working capital deficit of \$2,421,252 and accumulated losses of \$8,989,798. Zevotek is in default of payment and interest on certain convertible notes payable.

Zevotek is actively pursuing additional convertible debt financing through discussions with its current lenders. Zevotek cannot predict whether the additional financing will be in the form of equity or debt, or be in

another form. Zevotek may not be able to obtain the necessary additional capital on a timely basis, on acceptable terms, or at all. In any of these events, Zevotek may be unable to implement its current plans for expansion, repay its debt obligations as they become due, or respond to competitive pressures, any of which circumstances would have a material adverse effect on its business, prospects, financial conditions and result of operations. These factors, among others, may indicate that Zevotek will be unable to continue as a going concern for a reasonable period of time.

Zevotek has discontinued sales of one its major products, the Ionic Bulb and has re-entered the Development Stage after the year ended June 30, 2012. Zevotek has chosen to no longer sell the fluorescent version of the Ionic Bulb and to develop a next generation bulb utilizing “LEDs” Light Emitting Diodes.

Zevotek's existence is dependent upon management's ability to develop profitable operations. Management anticipates Zevotek may attain profitable status and improve its liquidity through the continued developing, marketing and selling of its products and additional investment in Zevotek. The accompanying consolidated financial statements do not include any adjustments that might result should Zevotek be unable to continue as a going concern.

NOTE C – LICENSING AGREEMENT AND DISTRIBUTION AGREEMENT

On February 24, 2009, Zevotek entered into an Exclusive License and Sales Agreement whereby Zevotek has worldwide exclusive rights to manufacture, market use, sell, distribute and advertise a patented ionic bulb.

In exchange for the exclusive license, Zevotek issued 500 shares of its common stock. The license was valued at the market price of the underlying security.

On March 2, 2011, Zevotek and the Ionic Bulb patent holder entered into a non-exclusive Purchasing Representative Agreement whereby the patent holder shall introduce Zevotek to a new third party manufacturer that will produce a next generation version of the Ionic Bulb with new features and improved manufacturing cost. Additionally, the patent holder affirms his obligation to defend against patent infringement. Zevotek shall pay patent holder a fixed amount per Ionic Bulb ordered from the new manufacturer. Zevotek agreed to make an advance fee payment by issuance of 5,000 shares of Zevotek's restricted stock. The value of the restricted shares applied to payment of the fees is to be based upon the average closing price of Zevotek's common stock for the ten trading days proceeding the date on which the restrictive stock legend may be removed. The term of the agreement is three years with one-year automatic renewals that are subject to minimum fee payments to the patent holder for the first and second renewal term, respectively. The related shares were issued and expensed during fiscal 2012 for a value of \$35,000 based on the grant date fair value of the shares issued.

On December 10, 2010, Zevotek entered into an Exclusive License and Sales Agreement whereby Zevotek has worldwide exclusive rights to develop, manufacture, market, use, sell, distribute and advertise a U.S. patented new product named Gung H2O that reduces water use in the home. The license has a five-year initial term with automatic annual renewals and is not subject to minimum payments to the licensor.

NOTE D – ADVANCES PAYABLE

As of March 31, 2021 and June 30, 2020, Zevotek owed \$199,183 and \$199,183, respectively, to a note holder for cash advanced to Zevotek for operating purposes. The advances accrue interest at 10% per annum and are repayable on demand.

NOTE E - CONVERTIBLE NOTES PAYABLE AND DEMAND NOTES

	March 31, 2021	June 30, 2020
Notes Payable:		
Convertible term note (a)	7,200	7,200
Convertible term note (b)	192,430	192,430
Convertible term note (c)	945,565	945,565

Convertible term note (d)	30,000	30,000
Convertible term note (e)	10,000	10,000
Convertible term note (f)	20,000	20,000
Convertible term note (g)	10,000	10,000
Convertible term note (h)	10,000	10,000
Convertible term note (i)	10,000	10,000
Convertible term note (j)	50,000	50,000
Convertible term note (k)	6,590	
Convertible term note (l)	1,800	
Previous Debt discount	(28,466)	(28,466)
Conversion into Shares	(48,895)	(44,705)
	<u>1,216,224</u>	<u>1,212,024</u>
Less: current portion	1,104,587	1,100,387
Long term debt	<u>\$ 111,637</u>	<u>\$ 111,637</u>

- a) On January 1, 2008, Zevotek entered into a convertible term note for the principal amount of \$50,000 bearing interest at 7% per annum with a maturity date of June 30, 2008. This note is convertible into common stock at 90% of the common stock closing price at June 30, 2008, which is \$7,200. Zevotek is in default of payment of principal and interest on the note and Zevotek is in discussions with the note holder about amending the conversion terms to cure the default. On June 1, 2015, Zevotek and the note holder entered into an agreement and agreed that \$7,200 will be converted at a price of \$0.0002 per share and the interest rate will be reduced to 0% in lieu of the outstanding interest. Effective June 30, 2020, this Note has been converted in its entirety.
- b) On August 6, 2010, Zevotek converted \$192,430 of advances payable into a convertible term note bearing interest at 10% per annum with a maturity date of August 6, 2012. At any time at the option of the note holder, principal and interest payments may be paid in common stock at a conversion price of \$0.1 per share (see below). On June 1, 2015, Zevotek and the note holder entered into an agreement to amend the conversion price to \$0.01 per share and reduce the interest rate to 0% in lieu of the outstanding interest. On January 15, 2018 Zevotek and the note holder agreed to amended the conversion price to \$0.001 per the terms and conditions of the June 1, 2015 amended agreement.
- c) On May 10, 2011, Zevotek converted \$945,527 of advances payable into a convertible term note bearing interest at 10% per annum with a maturity date of May 10, 2012. At any time at the option of the note holder, principal and interest payments may be paid in common stock at a conversion price of \$0.1 per share (see below). Zevotek is in default of payment of principal and interest on the note and Zevotek is in discussions with the note holder about amending the conversion terms to cure the default. On June 1, 2015, Zevotek and the note holder entered into an agreement to amend the conversion price to \$0.01 per share and reduce the interest rate to 0% in lieu of the outstanding interest. On January 15, 2018 Zevotek and the note holder agreed to amended the conversion price to \$0.001 per the terms and conditions of the June 1, 2015 amended agreement.

- d) On May 15, 2012, Zevotek entered into a convertible term note bearing interest at 10% per annum with a maturity date of May 15, 2014. At any time at the option of the note holder, principal and interest payments may be paid in common stock at a conversion price of \$0.1 per share. Zevotek is in default of payment of principal and interest on the note and Zevotek is in discussions with the note holder about amending the conversion terms to cure the default. On June 1, 2015, Zevotek and the note holder entered into an agreement to amend the conversion price to \$0.01 per share and reduce the interest rate to 0% in lieu of the outstanding interest. On January 15, 2018 Zevotek and the note holder agreed to amended the conversion price to \$0.001 per the terms and conditions of the June 1, 2015 amended agreement.
- e) On May 18, 2012, Zevotek entered into a convertible term note bearing interest at 10% per annum with a maturity date of May 18, 2014. At any time at the option of the note holder, principal and interest payments may be paid in common stock at a conversion price of \$0.1 per share. Zevotek is in default of payment of principal and interest on the note and Zevotek is in discussions with the note holder about amending the conversion terms to cure the default. On June 1, 2015, Zevotek and the note holder entered into an agreement to amend the conversion price to \$0.01 per share and reduce the interest rate to 0% in lieu of the outstanding interest. On January 15, 2018 Zevotek and the note holder agreed to amended the conversion price to \$0.001 per the terms and conditions of the June 1, 2015 amended agreement.
- f) On July 18, 2012, Zevotek entered into a convertible term note bearing interest at 10% per annum with a maturity date of July 18, 2014. At any time at the option of the note holder, principal and interest payments may be paid in common stock at a conversion price of \$0.1 per share. Zevotek is in default of payment of principal and interest on the note and Zevotek is in discussions with the note holder about amending the conversion terms to cure the default. On June 1, 2015, Zevotek and the note holder entered into an agreement to amend the conversion price to \$0.01 per share and reduce the interest rate to 0% in lieu of the outstanding interest. On January 15, 2018 Zevotek and the note holder agreed to amended the conversion price to \$0.001 per the terms and conditions of the June 1, 2015 amended agreement.
- g) On August 8, 2012, Zevotek entered into a convertible term note bearing interest at 10% per annum with a maturity date of August 8, 2014. At any time at the option of the note holder, principal and interest payments may be paid in common stock at a conversion price of \$0.1 per share. Zevotek is in default of payment of principal and interest on the note and Zevotek is in discussions with the note holder about amending the conversion terms to cure the default. On June 1, 2015, Zevotek and the note holder entered into an agreement to amend the conversion price to \$0.01 per share and reduce the interest rate to 0% in lieu of the outstanding interest. Effective January 15, 2018, the conversion price of this Note is amended to \$0.0003 as a result of the Lender cancelling Notes (F)(G)(I) and (J).
- h) On August 13, 2012, Zevotek entered into a convertible term note bearing interest at 10% per annum with a maturity date of August 13, 2014. At any time at the option of the note holder, principal and interest payments may be paid in common stock at a conversion price of \$0.1 per share (see below). This note was fully discounted upon issuance due to a beneficial conversion feature. Zevotek is in default of payment of principal and interest on the note and Zevotek is in discussions with the note holder about amending the conversion terms to cure the default. On June 1, 2015, Zevotek and the note holder entered into an agreement to amend the conversion price to \$0.01 per share and reduce the interest rate to 0% in lieu of the outstanding interest. Effective January 15, 2018, the conversion price of this Note is amended to \$0.0003 as a result of the Lender cancelling Notes (D) and (E).

- i) On September 14, 2012, Zevotek entered into a convertible term note bearing interest at 10% per annum with a maturity date of September 14, 2014. At any time at the option of the note holder, principal and interest payments may be paid in common stock at a conversion price of \$0.1 per share. This note was fully discounted upon issuance due to a beneficial conversion feature. Zevotek is in default of payment of principal and interest on the note and Zevotek is in discussions with the note holder about amending the conversion terms to cure the default. On June 1, 2015, Zevotek and the note holder entered into an agreement to amend the conversion price to \$0.01 per share and reduce the interest rate to 0% in lieu of the outstanding interest. Effective January 15, 2018, the conversion price of this Note is amended to \$0.0003 as a result of the Lender cancelling Notes (A) and (B).
- j) On April 1, 2019, Zevotek entered into a convertible term note bearing interest at 10% per annum with a maturity date of April 1, 2020. At any time at the option of the note holder, principal and interest payments may be paid in common stock at a conversion price of \$0.001 per share. This note was fully discounted upon issuance due to a beneficial conversion feature.
- k) On January 27, 2021, Zevotek entered into a convertible term note bearing interest at 0% per annum with a maturity date of January 27, 2022. At any time at the option of the note holder, principal and interest payments may be paid in common stock at a conversion price of \$0.001 per share. This note was fully discounted upon issuance due to a beneficial conversion feature.
- l) On March 3, 2021, Zevotek entered into a convertible term note bearing interest at 0% per annum with a maturity date of March 3, 2022. At any time at the option of the note holder, principal and interest payments may be paid in common stock at a conversion price of \$0.001 per share. This note was fully discounted upon issuance due to a beneficial conversion feature.

In accordance with Accounting Standards Codification 470-20-65, “Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios (“ASC 470-20-65”), Zevotek recognized an imbedded beneficial conversion feature present in the notes. Zevotek allocated a portion of the proceeds equal to the intrinsic value of that feature to additional paid in capital. Zevotek recognized and measured an aggregate of \$0 of the proceeds, which was equal to the intrinsic value of the imbedded beneficial conversion feature at the time, to additional paid in capital and a debt discount against the Notes issued during the period ended March 31, 2021. The debt discount attributed to the beneficial conversion feature was originally amortized over the Notes maturity period (two years) as interest expense, adjusted for conversion of debt to common stock. Amortization was \$0 during the period ended March 31, 2021.

On August 6, 2010, Zevotek converted \$192,430 of advances payable into a convertible note. Zevotek recognized and measured an aggregate of \$192,430 of the advances payable, which is equal to the intrinsic value of the imbedded amended beneficial conversion feature, to additional paid in capital and a debt discount against the note issued, with the discount being amortized over the note’s two-year term.

On May 10, 2011, Zevotek converted \$945,565 of advances payable into a convertible note. Zevotek recognized and measured an aggregate of \$945,565 of the advances payable, which is equal to the intrinsic value of the imbedded amended beneficial conversion feature, to additional paid in capital and a debt discount against the note issued, with the discount being amortized over the note’s one-year term.

NOTE F – STOCKHOLDERS EQUITY

Preferred Stock

Zevotek has authorized 10,000,000 shares of Preferred Stock of which 50,000 shares have been designated as Series A Preferred Stock, par value \$0.00001, and 1,000,000 shares have been designated as Series B Preferred Stock, par value \$0.00001 within the limitations and restrictions stated in the Certificate of Incorporation of Zevotek.

Zevotek issued 50,000 shares of Series A Preferred Stock. Each share of the Series A Preferred Stock is entitled to 10,000 votes on all matters submitted to the stockholders of Zevotek. The holders of the Series A Preferred Stock are not granted any preference upon the liquidation, dissolution or winding up of the business of Zevotek. The Series A Preferred Stock is not convertible into Common Stock.

Zevotek designated and issued 1,000,000 shares of Series B Preferred Stock. On May 14, 2008, Zevotek and a third party note holder entered into an exchange agreement under which the third party note holder exchanged a \$21,026 promissory note for 1,000,000 shares of Series B Preferred Stock. Each share of Series B Preferred Stock is entitled to 5,000 votes on all matters submitted to the stockholders of Zevotek. Subsequently, the third party note holder, Anthony Intrieri, became Chairman of the Board of Directors. On September 12, 2011, the Estate of Anthony Intrieri ("Estate") sold 1,000,000 shares of Zevotek's Series B Preferred Stock to an unrelated third party, (Nikhil Kaila). The Estate obtained the shares following the passing of Mr. Intrieri, Zevotek's former Chairman of the Board of Directors and sole Series B Preferred stockholder. On October 12th, 2017, Martin Read purchased 1,000,000 Shares of Series B Preferred Stock from Nikhil Kaila. On January 25th, 2020, Yang Li Song purchased 1,000,000 Shares of Series B Preferred Stock from Martin Read.

Common Stock

On September 26, 2011, Zevotek filed a certificate of amendment to our Certificate of Incorporation with the Secretary of State of Delaware to effectuate a reverse stock split on a 1 to 5,000 basis. On October 27, 2011, Financial Industry Regulatory Authority ("FINRA") approved the Reverse Split and each holder of common stock received 1 share of Zevotek's common stock for each 5,000 shares of Zevotek's common stock they owned. Zevotek did not issue fractional shares in connection with the foregoing stock split. Fractional shares were rounded up to the nearest whole share. All per share numbers quoted herein are reflective of the Reverse Split.

Treasury Stock

As of March 31, 2021, and March 31, 2020, Zevotek had 1 share of common stock held in treasury, which carried at \$0 based on cost.

NOTE G - STOCK OPTIONS AND WARRANTS

During the quarter ended March 31, 2021, and 2020, Zevotek did not issue any stock warrants or options. As of March 31, 2021, there are no outstanding stock warrants or options.

NOTE H - COMMITMENTS AND CONTINGENCIES

U.S. Federal Trade Commission Settlement

On March 26, 2007, Zevotek received a letter from the U.S. Federal Trade Commission ("FTC") whereby former management was informed that the FTC was conducting an investigation into advertising claims made for weight loss product known as "Slim Coffee." The purpose of the investigation was to determine whether former management, in connection with its sales of Slim Coffee, engaged in unfair or deceptive acts or practices and false advertising. A negotiated settlement was reached with the FTC under which Zevotek, its former management did not admit any wrongdoing. On January 10, 2008, pursuant to a stipulated final judgment and order, the United States District Court, Southern District of New York, entered a final judgment and order against Zevotek in the amount of \$923,910. The full amount of the judgment, and payment of any portion of it is suspended and cannot be reinstated

so long as (a) Zevotek abides by the reporting and monitoring requirements of the judgment, (b) does not make false advertising claims in connection with any of its products in the future, and (c) its past financial disclosures to the FTC were materially accurate. Zevotek plans to comply with the terms of the stipulation and do not anticipate incurring a liability for the judgment, however there can be no assurance of compliance. Should Zevotek fail to comply with the FTC's final judgment, this could have a material adverse effect on Zevotek's business, financial condition and results of operations.

Licenses

On February 24, 2009, Zevotek entered into an Exclusive License and Sales Agreement whereby Zevotek obtained worldwide exclusive rights to manufacture, market use, sell, distribute and advertise certain licensed products. The license is on a year to year basis with automatic renewal and is subject to becoming non-exclusive should Zevotek fail to file all quarterly and annual reports by due dates, inclusive of allowable extensions. In exchange for the exclusive license, Zevotek issued 500 shares of its common stock.

On March 2, 2011, Zevotek and the Ionic Bulb patent holder entered into a non-exclusive Purchasing Representative Agreement whereby the patent holder shall introduce Zevotek to a new third party manufacturer that will produce a next generation version of the Ionic Bulb with new features and improved manufacturing cost. Additionally, the patent holder affirms his obligation to defend against patent infringement. Zevotek shall pay patent holder a fixed amount per Ionic Bulb ordered from the new manufacturer. Zevotek agreed to make an advance fee payment by issuance of 5,000 shares of Zevotek's restricted stock. The value of the restricted shares applied to payment of the fees is to be based upon the average closing price of Zevotek's common stock for the ten trading days preceding the date on which the restrictive stock legend may be removed. The term of the agreement is three years with one-year automatic renewals that are subject to minimum fee payments to the patent holder for the first and second renewal term, respectively.

Gung H2O License

On December 10, 2010, Zevotek entered into an Exclusive License and Sales Agreement whereby Zevotek has worldwide exclusive rights to develop, manufacture, market, use, sell, distribute and advertise a U.S. patented new product named Gung H2O that reduces water use in the home. The license has a five-year initial term with automatic annual renewals and is not subject to minimum payments to the licensor.

Payroll Taxes

At March 31, 2021, Zevotek is delinquent with filing and remitting payroll taxes of approximately \$93,000 including estimated penalties and interest related to payroll taxes withheld since April 2007. Zevotek has recorded the delinquent payroll taxes, which are included in accrued expenses on the balance sheet. Although Zevotek has not entered into any formal repayment agreements with the respective tax authorities, management plans to make payment as funds become available. Penalties and interest amounts are subject to increase based on a number of factors that can cause the estimated liability to increase further. Interest and penalties were accrued in an amount estimated to cover the ultimate liability.

Sales Taxes

At March 31, 2021, Zevotek is delinquent with remitting sales taxes of approximately \$47,840, including related estimated penalties and interest related to sales taxes withheld since 2006 in the state of New York. Zevotek has recorded the delinquent sales taxes, which are included in accrued expenses on the balance sheet. Although Zevotek has not entered into any formal repayment agreements with the respective tax authorities, management plans to make payment as funds become available. Penalties and interest amounts are subject to increase based on a number of factors that can cause the estimated liability to increase further. Interest and penalties were accrued in an amount estimated to cover the ultimate liability.

NOTE I - FAIR VALUE MEASUREMENT

Fair Value Measurements under GAAP clarifies the principle that fair value should be based on the assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. Under the standard, fair value measurements are separately

disclosed by level within the fair value hierarchy. It only applies to accounting pronouncements that already require or permit fair value measures, except for standards that relate to share-based payments.

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed and is determined based on the lowest level input that is significant to the fair value measurement.

The carrying value of Zevotek's cash, accounts receivable, prepayments, accounts payable, advances payable, convertible notes payable, and other current assets and liabilities approximate fair value because of their short-term maturity. All other significant financial assets, financial liabilities and equity instruments of Zevotek are either recognized or disclosed in the consolidated financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

As of March 31, 2021, there were no financial assets or liabilities that were measured at fair value on a recurring basis.