ZUKI INC.

FINANCIAL STATEMENTS
(Unaudited and consolidated)
Quarter Ending March 31, 2022

Zuki Inc.
Balance sheets
(Unaudited and consolidated)

ASSETS		March 31, 2022		March 31, 2021
Current assets:				
Cash and cash equivalents	$	63,114	$	13,619
Accounts receivable		272,457		-
Other current assets		-		-
Total current assets		335,571		13,619
Long Term Assets:				
Digital/Intangible assets	$	4,183,997	$	-
Patent Licenses		1,175,000		-
Software		4,561,389		913,178
Other assets		104,645		-
Less: Accumulated depreciation/amortization		(231,578)		-
Investment in subsidiaries		-		-
Total long term assets		9,793,453		913,178
Total Assets	$	10,129,024	$	926,797

LIABILITIES AND STOCKHOLDERS' (DEFICIT)				
Current liabilities:				
Accounts payable and accrued expenses	$	86,770	$	9,412
Advance on stock purchase - options		2,500		50,000
Notes payable		942,086		-
Notes payable - related party		897,683		25,593
Total current liabilities		1,929,039		85,005
Long Term Liabilities:				
Notes Payable	$	381,760	$	-
Long term Note Payable - related party		-		663,083
Total long term liabilities		381,760		663,083
Total Liabilities	$	2,310,799	$	748,088
Stockholders' Equity/(deficit)				
Preferred stock; $.00001 par value, 25,000,000 shares authorized, 180,000 shares issued and outstanding as of December 31, 2021 and December 31, 2020		2		2
Common stock; $.00001 par value, 1,950,000,000 shares authorized; 62,544,576 and 26,476,096 shares issued and outstanding as of December 31, 2021 and December 31, 2020		626		265
Non Controlling Interest		2,494,395		-
Additional paid-in-capital		6,122,088		730,778
Accumulated deficit		(798,886)		(552,336)
Total stockholders' equity/(deficit)		7,818,225		178,709
Total Liabilities and Stockholders' Equity/(Deficit)	$	10,129,024	$	926,797

Zuki Inc.
Statements of operations
(Unaudited and consolidated)

	For the quarter ended March 31, 2022	For the quarter ended March 31, 2021
Revenues	$ 285,614	$ -
Operating expenses		
Cost of Goods Sold	61,573	-
General administrative	451,283	2,283
Total operating expenses	512,856	2,283
(Loss) from operations	(227,242)	(2,283)
Other income (expense)		
Gain on loan writeoff	-	-
Depreciation/Amortization	(13,683)	-
Interest expense	(38,668)	(28,993)
Total other income (expenses)	(52,351)	(28,993)
(Loss) before provision for income taxes	(279,592)	(31,276)
Non-controlling interest	(180,350)	-
Net Income / (Loss)	$ (99,242)	$ (31,276)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)
Basic and diluted weighted average common shares outstanding	54,440,282	26,476,096

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

Zuki Inc.
Statements of stockholders' equity (deficit)
(Unaudited and consolidated)

	Preferred stock		Common stock		Additional paid-in capital	Non Controlling Interest	Accumulated (deficit)	**Total Shareholders' equity/(deficit)**
	Shares	Amount	Shares	Amount				
Balance December 31, 2020	180,000	$ 2	26,476,096	$ 265	$ 730,778	$ -	$ (521,060)	$ 209,985
Net (loss) for the quarter ended March 31, 2021	-	-	-	-	-	-	(31,276)	(31,276)
Balance March 31, 2021	180,000	$ 2	26,476,096	$ 265	$ 730,778	$ -	$ (552,336)	$ 178,709
Balance December 31, 2021	180,000	$ 2	43,976,096	$ 573	$ 5,408,915	$ (67,073)	$ (699,644)	$ 4,642,773
Common shares issued (company acquisition)	-	-	10,000,000	$ 100	$ 2,249,900		-	**$ 2,250,000**
Common shares issued (company acquisition)	-	-	6,153,846	$ 62	$ 1,999,938	-	-	**$ 2,000,000**
Common shares issued (company acquisition)	-	-	2,414,634	$ 24	$ 1,261,514	-	-	**$ 1,261,538**
Subsidiary consolidation	-	-	-	$ (133)	$ (4,798,179)	2,561,468	-	**$ (2,236,844)**
Net (loss) for the quarter ended March 31, 2022	-	-	-	-	-	-	(99,242)	**(99,242)**
Balance March 31, 2022	180,000	$ 2	62,544,576	$ 626	$ 6,122,088	$ 2,494,395	$ (798,886)	$ 7,818,225

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

Zuki Inc.
Statements of cash flows
(Unaudited and consolidated)

	For the quarter ended March 31, 2022	For the quarter ended March 31, 2021
Operating activities:		
Net loss	$ (99,242)	$ (31,276)
Changes in operating assets and liabilities:		
Increase (Decrease) in accounts payable	70,582	2,250
Increase in accounts receivable	(244,889)	-
Net cash (used in) operating activities	(174,307)	2,250
Investing activities:		
Increase in other assets	(4,037,974)	-
Non-controlling Interest	2,561,468	
Investments	(5,511,538)	-
Net cash provided by investing activities	(6,988,045)	-
Financing activities:		
Increase in common stock	5,511,538	-
APIC upon consolidation	713,226	-
Advance for stock option exercise	-	-
Increase/(Decrease) in convertible debt	66,276	28,993
Increase in notes payable	1,023,091	-
Bank overdraft	-	-
Net cash provided by financing activities	7,314,132	28,993
Net change in cash	52,538	(33)
Cash, beginning of period	10,576	13,652
Cash, ending of period	$ 63,114	$ 13,619

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

NOTE 1 – NATURE OF OPERATIONS

Zuki Inc. (the "Company") formerly known as MMA Global Inc., was incorporated on August 17, 2010 under the laws of the state of Nevada. The Company is now developing technology projects in the software, mobile application, and crypto space that it anticipates to be feasible and profitable for shareholders, which would benefit startup and revenue generating companies to create jobs and future revenue. The Company knows the difficulty that startup companies have in procuring financing, hence the development of the public entity with the ability to capitalize on financing opportunities including sales of shares of stock. The Company owns a 25% ownership interest in Delivery Drop Ltd., a UK company; 22.5% ownership interest in GTR24H AsP, a Denmark company; 25% ownership interest in Lilakfortune, LDA, a Portuguese company; and 10% ownership interest in BillionGraves Holding Inc., a Utah corporation, all of which are considered variable interest consolidated entities ("VIE").

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation Management acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that (1) recorded transactions are valid; (2) all valid transactions are recorded and (3) transactions are recorded in the period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the company for the respective periods being presented. The Company's financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Use of Estimates

The preparation of financial statements in accounting principles generally accepted in the United States of America 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. A change in management's estimates or assumptions could have a material impact on the Company's financial condition and results of operations during the period in which such changes occurred.

Actual results could differ from those estimates. The Company's financial statements reflect all adjustments that management believes are necessary for the fair presentation of their financial condition and results of operations for the periods presented.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash equivalents include all highly liquid investments with original maturities of three months or less which are not securing any corporate obligations. The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Property and Equipment

As of March 31, 2022, the Company does not own any property and/or equipment, although the Company's VIEs hold some equipment on their books. Any purchases will be recorded at cost. Expenditures for maintenance and repairs will be charged against operations. Renewals and improvements that materially extend the life of the assets are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are written off, and any resulting gain or loss is reflected in income for the period. Depreciation will be computed for financial statement purposes on a straight-line basis over estimated useful lives of the related assets.

Software/Patents

In accordance with ASC 985-20, "Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed," the Company capitalizes certain costs related to the development of new software products or the enhancement of existing software products for use in our product offerings. These costs are capitalized from the point in time that technological feasibility has been established, as evidenced by a working model or detailed working program design to the point in time that the product is available for general release to customers. Software development costs include payments made to independent software developers under development agreements, as well as direct costs incurred for internally developed and managed products. Prior to a product's release, if and when we believe capitalized costs are not recoverable, we expense the amounts as part of "Research and Development." Amounts related to software development which are not capitalized are charged immediately to "Research and Development." Software development costs are amortized on a straight-line basis over the estimated remaining economic lives of the products, beginning when the software is placed into service.

We will evaluate the future recoverability of capitalized software and patent licenses on at least an annual basis. Recoverability is primarily assessed based on performance measures. For products that are scheduled to be released in the future, recoverability is evaluated based on the expected performance of the specific products to which the cost relates. We use a number of criteria in evaluating expected product performance, including historical performance of comparable products developed with comparable technology, market performance of comparable applications, general market conditions, and past performance. When we determine that the capitalized cost is unlikely to be recovered, an impairment of costs is taken and charged to Impairment of Capitalized Software or Patents in the period in which such determination is made.

Digital Assets

The Company accounts for blockchain assets and digital currency as an intangible asset with an indefinite life under GAAP at its cost basis, whether developed or acquired in the market. Due to the volatility of cryptocurrencies, the Company will report an unrealized loss impairment whenever the price dips below the cost basis at the end of any given reporting period. If the market price rises above the cost basis, the Company will report a gain only upon the realization of a sale.

Impairment of Long-lived Assets

The Company reviews long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable based on the undiscounted future cash flows of the asset. If the carrying amount of the asset is determined not to be recoverable, a write-down to fair value is recorded. Fair values are determined based on quoted market values, undiscounted cash flows, or external appraisals, as applicable. The Company reviews long-lived assets for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified

Revenue Recognition

The Company expects to derive revenue primarily from the three mobile platforms (iOS, Google Play and Amazon) on which it will market its technology, games and applications in the form of app store transactions and from various advertising networks in the form of branded advertising placements within its applications.

For revenue from product sales, the Company will recognize revenue in accordance with Financial Accounting Standards Board “FASB” Accounting Standards Codification “ASC” 606. A five-step analysis must be met as outlined in Topic 606: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations, and (v) recognize revenue when (or as) performance obligations are satisfied. 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. The Company will defer any revenue for which the product has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in period that includes the enactment date. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefits, or that future deductibility is uncertain.

The Company also follows the guidance related to accounting for income tax uncertainties. In accounting for uncertainty in income taxes, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. No liability for unrecognized tax benefits was recorded as of March 31, 2022.

Fair Value Measurements

The fair value of a financial instrument is the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets are marked to bid prices and financial liabilities are marked to offer prices. Fair value measurements do not include transaction costs. A fair value hierarchy is used to prioritize the quality and reliability of the information used to determine fair values. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is defined into the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market-based inputs or inputs that are corroborated by market data

Level 3: Unobservable inputs that are not corroborated by market data

The Company's financial instruments consist principally of cash, accounts payable and accrued liabilities, and amounts due to related parties. Pursuant to ASC 820, the fair value of the Company's cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The Company believes that the recorded values of all of the Company's other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

Stock-Based Compensation

The Company measures stock-based compensation at fair value as of the date of grant and recognizes the corresponding expense over the requisite service period (usually the vesting period), utilizing the Black-Scholes option-pricing model. The volatility component of the calculation is based on the historic volatility of the Company’s stock or the expected future volatility. The expected life assumption is primarily based on historical exercise patterns and employee post-vesting termination behavior. The risk-free interest rate for the expected term of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

Loss per Common Share

Basic earnings per share is calculated dividing income available to common stockholders by the weighted average number of common shares outstanding. Diluted earnings per share is calculated based on the assumption that all dilutive convertible shares, stock options and warrants were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, common share equivalents are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Common share equivalents are excluded from the diluted earnings per share calculation when the effect is anti-dilutive. There were no dilutive common share equivalents outstanding as of March 31, 2022 and March 31, 2021.

Year-end

The Company has a December 31st fiscal year-end.

NOTE 3 – GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the recoverability of assets and the satisfaction of liabilities in the normal course of business. Since its inception, the Company has been engaged substantially in financing activities, product research and development, and continued development of its business plan. As a result, the Company incurred accumulated net losses of $798,886 through the quarter ended March 31, 2022. In addition, the Company's development activities since inception have been financially sustained through the sale of capital stock, and loans from third parties and affiliates.

The ability of the Company to continue as a going concern is dependent upon its ability to raise additional capital from the sale of preferred or common stock, or through debt financing and, ultimately, the achievement of significant operating revenues. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might result from this uncertainty.

NOTE 4 – PROPERTY AND EQUIPMENT

As of March 31, 2022, the Company does not own any property and/or equipment.

NOTE 5 – SOFTWARE

Capitalized software acquisitions and development costs at March 31, 2022 and March 31, 2021 were $4,561,389 and $913,178 respectively. During the quarters ended March 31, 2022 and March 31, 2021, there were no amortization expenses related to capitalized software. There was no impairment of software development costs during the quarters ended March 31, 2022 and March 31, 2021.

NOTE 6 – NOTES PAYABLE

The Company had raised various notes over a period of time for working capital requirements and software acquisition and development. The notes payable consists of the following as of March 31, 2022.

Note payable from a related party bearing interest at eight percent (8%) per annum, dated February 9, 2018 and due on December 31, 2022, up to a total principal amount of $75,000. As of March 31, 2022, the outstanding principal balance is $72,004 and accrued interest is $7,700. The note is convertible at the election of holder into shares of the Company's Series AA preferred stock at $5.00 per share.

Note payable from a related party bearing interest at eighteen percent (18%) per annum, compounded quarterly, dated October 25, 2018 and due on December 31, 2022, in the amount of $433,077 related to the acquisition of software, technology and IP assets. As of March 31, 2022, the outstanding principal balance is $433,077 and accrued interest is $357,195. The note is convertible at the election of holder into shares of the Company's Series AA preferred stock at $5.00 per share.

The Company recorded interest expense of $38,668 and $28,993 for the quarters ended March 31, 2022 and March 31, 2021 respectively.

NOTE 7 – STOCKHOLDERS EQUITY

Common and Preferred Stock

At March 31, 2022 and March 31, 2021, the authorized capital of the Company consisted of 1,950,000,000 shares of common stock, par value $0.00001 per share, and 25,000,000 shares of Series AA preferred stock, par value $0.00001 per share. On March 31, 2022 there were 62,544,576 shares of common stock and 180,000 shares of Series AA preferred stock outstanding. On March 31, 2021 there were 26,476,096 shares of common stock and 180,000 shares of Series AA preferred stock outstanding.

On or about May 29, 2020, the four Directors of the Company exercised stock options by tendering an advance payment of $50,000 to the Company for the purchase of 2,500,000 shares of restricted common stock, at $0.02 per share. Each Director exercised 625,000 stock options, and the shares were issued on July 8, 2021.

On or about October 4, 2021 the Company issued to Shout TV Inc. ("Shout"), 5,500,000 warrants to purchase shares of restricted common stock, at $0.01 per share, pursuant to a software asset purchase agreement. The warrants are exercisable in cash or cashless commencing October 1, 2022 and ending April 1, 2023.

On or about October 4, 2021 the Company issued to Me Inc LLC ("ME"), 5,380,000 warrants to purchase shares of restricted common stock, at $0.01 per share, pursuant to a perpetual, royalty free software license (ZZ Tasks App). The warrants are exercisable in cash or cashless commencing October 1, 2022 and ending April 1, 2023.

On or about October 12, 2021 the Company issued to Americorp Investments LLC ("Americorp"), 2,500,000 shares of restricted common stock, at $0.235 per share, pursuant to patent license entered into by the Company for a portfolio of 41 patents that that the Company believes will secure key aspects of the intellectual property backbone of the blockchain, gaming and blockchain-gaming aspects of its business model. The Company also issued warrants to purchase 7,500,000 shares of common stock, exercisable at $.65 per share, commencing July 1, 2022 and ending March 30, 2023.

On or about October 12, 2021 the Company issued to MSAC Holding Inc. dba Arrow Gaming ("AG"), 2,500,000 shares of restricted common stock, at $0.235 per share, pursuant to patent license entered into by the Company for a portfolio of 86 patents and patents-pending, including U.S. and international patents, that the Company believes will secure key aspects of the intellectual property backbone of the blockchain and gaming aspects of its business model. The Company also issued warrants to purchase 7,500,000 shares of common stock, exercisable at $.65 per share, commencing July 1, 2022 and ending March 30, 2023.

On or about December 10, 2021 the Company issued to Delivery Drop Ltd. ("DD"), 10,000,000 shares of restricted common stock, at $0.25 per share, in exchange for a 25% interest in DD, plus contractual controls rendering Delivery Drop a variable interest entity of the Company.

On or about February 1, 2022 the Company issued to GTR24H AsP, 10,000,000 shares of restricted common stock, at $0.225 per share, in exchange for a 25% interest in GTR24H AsP, plus contractual controls rendering GTR24H AsP a variable interest entity of the Company.

On or about February 14, 2022 the Company issued to Lilakfortune, LDA (doing business as Moneyball), 6,153,846 shares of restricted common stock, at $0.325 per share, in exchange for a 25% interest in Lilakfortune, LDA, plus contractual controls rendering Lilakfortune, LDA a variable interest entity of the Company.

On or about March 1, 2022 the Company issued to BillionGraves Holding Inc., 2,414,634 shares of restricted common stock, at $0.205 per share, in exchange for a 10% interest in BillionGraves Holding, plus contractual controls rendering BillionGraves Holding a variable interest entity of the Company.

Options

In February 2018, the Company approved the 2018 Stock Option Plan (the "Plan"). The Plan provides for the grant of incentive stock options or non-qualified stock options (collectively, "Stock Awards"). The Plan provided the Company the ability to grant Stock Awards to its employees, directors and consultants of up to 10,000,000 shares of common stock.

The purchase price of each share covered by each Incentive Option shall not be less than one hundred percent (100%) of the Fair Market Value Per Share of the Common Stock on the date the Incentive Option is granted; provided, however, that if at the time an Incentive Option is granted the Optionee owns or would be considered to own more than ten percent (10%) of the total combined voting power of all classes of stock of the Company, the purchase price of the shares covered by such Incentive Option shall not be less than one hundred ten percent (110%) of the Fair Market Value Per Share of the Common Stock on the date the Incentive Option is granted.

As of March 31, 2022, the Company had issued a total of 2,600,000 stock options under the Plan, of which 2,525,000 have been exercised. 2,500,000 stock options were issued pursuant to a resolution of the Board of Directors on May 13, 2020 at a price of $0.02 per share, which was 194% of the Fair Market Value Per Share at the time of the grant. 625,000 stock options were granted to each of the Company's four directors and the all shares were issued on July 8, 2021. 100,000 stock options were issued pursuant to a resolution of the Board of Directors on August 18, 2020 at a price of $0.10 per share, which was 113% of the Fair Market Value Per Share at the time of the grant. One director exercised 25,000 options by tendering funds, but the shares have not been issued yet as of March 31, 2022.

NOTE 8 – COMMITMENTS and CONTINGENCIES

The Company subleases and occupies, on a month to month tenancy, approximately 500 square feet of office space at 3275 South Jones Boulevard, Suite 104, Las Vegas, Nevada 89146 at cost of $500 a month from an entity affiliated with a director of the Company.

NOTE 9 – RELATED PARTY TRANSACTIONS

The Company entered into a note payable from a related party for operating expenses bearing interest at eight percent (8%) per annum, dated February 9, 2018 and due on December 31, 2022, up to a total principal amount of $75,000 as further described in Note 6 above.

The Company entered into a note payable from a related party for software acquisition bearing interest at eighteen percent (18%) per annum, dated October 25, 2018 and due on December 31, 2022, in the principal amount of $433,077 as further described in Note 6 above.

The Company subleases its office space from a related party as further described in Note 8 above.

NOTE 10 – SUBSEQUENT EVENTS

In accordance with ASC 855 "Subsequent Events", the Company evaluated subsequent events after March 31, 2022 through the date these unaudited consolidated financial statements were issued and has no transactions or events requiring disclosure except as described below.

In April the following agreements were complete regarding a Merger and Acquisition transaction with Digital Life Health Group LLC ("D-LIFE"). The three parties of the transaction are Zuki Inc., Digital Life Health Group, LLC, and K2M, Inc (Emeteo, Inc). On April 14, 2022, a term sheet was agreed and signed between all the parties. On April 20, 2022 Zuki, Inc. and Digital Life Health Group agreed and signed a Variable Interest Entity (Memorandum of Understanding) MOU regarding the transaction with K2M, Inc. On April 22, 2022 Digital Life Health Group LLC and K2M, Inc/Emeteo signed a master global licensing agreement including to acquire all the IP as operations and revenue begins. On April 22, 2022 all the parties agreed to membership terms and percentage of the authorized and revised Operating Agreement of Digital Life Health Group LLC.

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