



Restructuring of Debt, Placement & Corporate Update

-FOR IMMEDIATE RELEASE-

Montréal, July 30, 2020 – **ZeU Crypto Networks Inc. (CSE: ZEU)** is pleased to announce it has reached agreements to restructure certain debts of the Company, agreed to shares for debt transactions, and would like to issue an update on its financial situation.

Debentures Restructuring

ZeU has entered into amending agreements with debenture holders to amend the terms of **\$474,979** of the **\$3,157,524** principal amount of debt and the accumulated interest is of \$677,572.84 owed by the Company that came due and was payable on July 5, 2020, pursuant to the July 5, 2018, 10% unsecured convertible debentures (the “**Original Debentures**”) offering for an aggregate principal amount of \$5,063,692 originally closed in 2018 prior to the Company receiving a termination notice in regard to a previously executed agreement with a Chinese entity, which resulted in listing delays and extensive damages for ZeU.

These Original Debentures have a floor conversion price of \$1.00 (the “**Conversation Price**”), the interest is capitalized and payable at maturity in shares or cash at the discretion of the Company at the Conversion Price.

Today’s announcement covers all but one of the Canadian debenture holders. Based on the on-going discussions with the last remaining Canadian entity, Management expects to have the agreement formalized within the coming days. Management is also in communication with the Chinese debenture holders. As of today, none of these investors have entered into the new agreement, and \$614,510 could be converted into shares of ZeU via a board resolution. The Company is confident that the remainder of the capital, representing \$2,763,774, should be settled in cash over the next few years based on its internal revenue projections.

New Debentures Terms

Under the terms of the amended debentures (the “**Amended Debentures**”), the maturity date has been extended two years from July 5, 2020, to July 5, 2022, and in exchange:

- (i) the floor conversion price of the principal amount of the Debentures has been reduced from \$1.00 to \$0.25 per common share;
- (ii) the interest has been raised from 10% to 12%;
- (iii) the Amended Debentures now rank in priority of all unsecured debts; and
- (iv) the Company issued 2 years, \$0.30 common share purchase warrants of ZeU for every tranche of \$0.25 of Original Debenture principal amount amended. The proceeds of the warrants will be used to buy back the debentures if it has not been repaid or converted at the time of the warrants exercise.

The Company is also agreed to assign 30% of all net private placement proceeds, minus the insiders' subscriptions, and 60% of its future profits to repay the debentures in priority until the debt is settled in full.

The amendments are subject to approval by the CSE.

Frank Dumas, ZeU's CEO, stated: "(...) Prior to reaching these agreements to restructure ZeU's debt, the Company was facing three important challenges: limited financial resources, a significant debt in **the debentures that came to maturity on July 5, 2020**, and the effects of the Covid-19 pandemic delaying the deployment of certain aspects of its partners' commercial propositions. (...) Although the Company still hopes it will obtain the support of the balance of the original debenture holders and needs to finalize the development of some of its projects to unlock the value and release the escrow on the digital assets it owns, the action being undertaken will bring the Company closer to self-sufficiency (...)"

Equity Financing

Management has determined that a bridge financing is needed as the Company is still months away from profitability. In the coming week, the Company will offer an equity financing for a minimum of 1,000,000 units up to 3,000,000 units at a price of \$0.25 per unit. Each unit will be comprised of a common share (each "**Share**") in the capital of the Company and of one Share purchase warrants for 2 years at a price of \$0.30 for the first year and \$0.50 for the second year. The proceeds will be used for development, licenses, and patents, and 30% of the net, minus insiders' subscriptions, will be used to repay part of the debentures.

Debt Settlement, Shares for Debt

The company plans to offer certain creditors the opportunity to be paid in shares and plans to issue shares for debt for up to \$200,000 at a \$0.25 price.

St-Georges Eco-Mining Debt

A secured note of \$346,506.64 has been issued to St-Georges Eco-Mining Ltd., a related entity. St-Georges Eco-Mining Corp. was also issued 1,386,016 common shares warrants of ZeU. The warrants have a \$0.30 execution price and expire on July 30, 2022.

Annual and Special Meeting of Shareholders: New Date August 28

The easing of the governmental restrictions in regard to the Covid-19 pandemic is now allowing the Company to conduct its Annual Meeting in a more traditional venue. However, due to the interest from shareholders to attend virtually, the Company will provide an economical alternative to attend to the meeting via the Cisco WebEx platform. **The meeting will be held at 1000 Sherbrooke Street West, Suite 2700, Montreal, Quebec H3A 3G4, on Friday, August 28, 2020, at 11:00 a.m. (Eastern Daylight Time).**

Teleconference access set forth hereinbelow, for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the financial year ended December 31, 2019, and the reports of the auditor thereon;
2. to set the number of directors of the Corporation at six (6) for the ensuing year;
3. to elect the Board of Directors of the Corporation for the ensuing year;
4. to appoint the auditor of the Corporation for the ensuing year and to authorize the Board of Directors to fix the auditor's remuneration;

5. to consider and, if deemed advisable, to pass, with or without variation, a special resolution, approving a change of name of the Corporation to “ZeU Technologies, Inc.”, or such other name acceptable to the Board of Directors of the Corporation;
6. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

Teleconference access:

Canada Toll: **+1-416-915-8942**

Canada Toll Free: **+1-855-244-8680**

Attendee access code: **863 410 05**

Having trouble dialing in? Try these backup numbers:

US Toll free: **+1-855-797-9485**

US Toll: **+1-415-655-0002**

Global call-in numbers:

<https://mcmillanllp.webex.com/mcmillanllp/globalcallin.php?MTID=m0baffba864cda22811b141026f0da7ee>

Toll-free dialing restrictions: https://www.webex.com/pdf/tollfree_restrictions.pdf

IN LIGHT OF THE RAPIDLY EVOLVING PUBLIC HEALTH GUIDELINES RELATED TO COVID-19, THE CORPORATION ENCOURAGES THAT ALL SHAREHOLDERS VOTE THEIR SHARES BY PROXY AND ATTEND THE MEETING VIA TELECONFERENCE AND NOT IN PERSON.

A Q&A period open to the public will follow the meeting on Reddit and Agoracom platform.

ON BEHALF OF THE BOARD OF DIRECTORS

“Frank Dumas”

Frank Dumas
President & CEO

About ZeU

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

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