



ZeUPay Completes Acquisition of Prego International Group AS

-FOR IMMEDIATE RELEASE-

Montréal, February 8, 2021 – ZeU Technologies, Inc. (CSE: ZEU) announced today, further to its news release dated September 28, 2020, that it has executed the definitive agreement to acquire all of the issued and outstanding shares of Prego International Group AS, through ZeUPay Corp., a wholly-owned subsidiary of ZeU Technologies, Inc, for a total consideration of CDN \$8,125,000.

Prego brings a highly complementary product portfolio and customer base to ZeU’s business. With sales projected to reach accumulated revenues in excess of ZeU’s current market capitalization over the coming 36 months. Prego also brings immediate revenues to facilitate the integration and pursuit of opportunities in the next-generation of encrypted and distributed networks, which are among the fastest growing segments in global payment solutions.

Prego’s product range will significantly add to ZeU’s offerings. Prego’s products financially support workers, refugees, and migrants globally. The portfolio includes payroll solutions, business-client payment solutions, global remittance, and payment concepts for employers of foreign labor, government organizations, and humanitarian organizations.

“This acquisition enhances our synergies, providing significant opportunities to advance innovation, improve outcomes, and reach more users,” said Frank Dumas, President and Chief Executive Officer, ZeU Technologies, Inc. “Prego has built a successful business model, and we look forward to welcoming their team to the ZeU family.”

“We believe this transaction will provide truly unique opportunities and will create significant value for our shareholders, customers, and employees,” said Ronald Eriksen, President & Chairman of Prego International Group. “By merging our complementary strengths and collective resources, we will be able to advance our joint technologies with a team that shares our vision of delivering breakthrough and innovative payment solutions to improve outcomes to the estimated 1.7 billion people worldwide who lack access to formal financial and banking services.”

Under the terms of the agreement, the consideration of CDN\$8,125,000, which shall be paid and satisfied as follows:

- (i) 2,500,000 common shares of ZeU (the “**Consideration Shares**”) at a deemed price of CDN\$0.25, which will be subject to a voluntary resale restriction of one year from the closing date, and subject to a voting pool agreement in favor of the board of directors of ZeU;
- (ii) CDN\$7,500,000 aggregate principal number of convertible debentures (the “**ZeUPay Debentures**”) of ZeUPay, bearing interest at a rate of 6% per annum from and including their date of issue until the earlier of their date of conversion and the date which is 48 months from the Closing Date (the “**Maturity Date**”) and will be redeemable at any time until the Maturity Date; and

- (iii) 7,500,000 non-transferable common share purchase warrants of ZeU (the “**Consideration Warrants**”), with each Consideration Warrant entitling the holder thereof to acquire one common share of ZeU at a price of (i) CDN\$0.90 for a period of 12 months following the closing date, or (ii) CDN\$1.50 for a period of 12 months following the date that is 12 months from the closing date.

The principal amount of the ZeUPay Debentures, together with the interest accrued thereon, will automatically convert into common shares of ZeUPay on the earlier of: (i) the Maturity Date; and (ii) a liquidity event, at a conversion price equal to the higher of: (a) \$1.00; and (b) last financing price of ZeUPay.

Holder of the ZeUPay Debentures will also have the option at any time after the closing date and prior to the earlier of: (i) the Maturity Date, and (ii) a liquidity event, to convert all of the outstanding principal amount of the ZeUPay Debentures, together with the interest accrued thereon, into common shares of the Buyer at a price equal to the higher of: (a) \$1.00; and (b) the 5-day volume-weighted average price of the common shares of ZeU on the CSE.

If, within two (2) years, no debentures are repaid to debenture holders by ZeU and ZeUPay, and if no significant amount of debentures are converted into ZeU Technologies Inc. common shares, then ZeUPay could cease to be a subsidiary of ZeU Technologies Inc. after the conversion of all debentures into ZeUPay at the maturity date. ZeU Technologies Inc. would then only own a controlling interest in the company.

The Consideration Shares and common shares of the Buyer issuable upon conversion of the ZeUPay Debentures will be subject to a voluntary resale restriction of one year from the Closing Date or the date of conversion, respectively.

The closing of the Transaction is subject to receipt of applicable regulatory approvals, the adoption of certain board resolutions relating to the Transaction and other customary closing conditions. The acquisition of Prego is expected to be regulatory closed on or before February 17, 2021. Upon closing, Prego will be wholly owned by ZeUPay.

All securities issued in respect of the Transaction will be subject to a hold period of four (4) months and a day from the closing of the Transaction in accordance with securities laws.

A finder’s fee representing a total of \$531,250 will be paid in a mix of shares and cash in relation to this acquisition.

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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.

Forward-Looking Information

Statements in this press release regarding ZeU's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties, such as terms and completion of the proposed transaction. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements.

Trading in the securities of a ZeU should be considered highly speculative.

The CSE has neither approved nor disapproved the contents of this press release.