

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

- Item 1 Name and Address of Company**  
ZeU Technologies, Inc. (the “**Company**”)  
1000 Sherbrooke Street West, Suite 2700  
Montreal, Québec H3A3G4
- Item 2 Date of Material Change**  
March 1<sup>st</sup>, 2021
- Item 3 News Release**  
The news releases attached as Schedule “A” was disseminated via Canada Newswire on September 28, 2020 and March 2<sup>nd</sup>, 2021 announcing the material change. A copy of the news releases were filed on the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).
- Item 4 Summary of Material Change**  
The Company completed the acquisition of Prego International Group AS (“**Prego**”), which provides digital and physical payment services and payment card services to customers globally.
- Item 5 Full Description of Material Change**  
The material change is fully described in the news release attached hereto.
- Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**  
Confidentiality is not requested.
- Item 7 Omitted Information**  
Not applicable.
- Item 8 Executive Officer**  
Frank Dumas  
President and Chief Executive Officer  
Tel: 514 996-6342
- Item 9 Date of Report**  
March 3<sup>rd</sup>, 2021



## **ZeU to Acquire Financial Services Provider Prego International Group**

-FOR IMMEDIATE RELEASE-

**Montréal, September 28 – ZeU Crypto Networks Inc. (CSE: ZEU)** is pleased to announce that on September 27, 2020, it entered into an arm's length binding letter of intent with Prego International Group AS, a Norway-based global payment solution provider which develops and operates a range of payment services for partners and clients worldwide, and its majority shareholder, to acquire all of Prego's outstanding securities.

*"(...) A core strategic objective for ZeU is generating recurring revenues with high gross margins", says Frank Dumas, CEO of ZeU. "(...) We anticipate that this strategic acquisition will deliver the type of operational synergies we are focused on. Prego's network and already operating licenced platforms should serve as a multiplier for the deployment of our services. We expect ZeU's digital wallet to be integrated with all distributed debit and credit cards that will reach subscribers starting in the first part of next year. Meanwhile, we are proposing to acquire a profitable financial service provider that can be leveraged to accelerate the growth of the resulting aggregated entity (...)"*

*"The transaction we are announcing between Prego and ZEU completes the ambition between both parties to synergize strategic opportunities for future payment concepts. Furthermore, by joining forces, we are strengthening our company and our shareholders' interests in general" commented Ronald Eriksen, Chairman, Prego International Group AS.*

### **Purchase Price**

The Agreement provides that ZeU will acquire 100% of the issued and outstanding securities of Prego, through a wholly-owned subsidiary ("**ZeU Sub**") for consideration of \$8,125,000 paid as \$7,500,000 in the form of unsecured convertible debentures (the "**Convertible Debentures**") of ZeU Sub, \$625,000 through the issuance of 2,500,000 ZeU common shares (each a "**ZeU Share**") at a deemed price of \$0.25 per share, and the issuance of 7,500,000 non-transferable ZeU Share purchase warrants (the "**ZeU Warrants**") of ZeU, each entitling the holder to acquire one (1) ZeU Share at a price of \$0.60 for a period of 24 months from the closing of the Transaction (the "**Closing Date**"). Other than normal course operational credit, Prego is currently debt-free and has posted a profit in its last 8 quarters.

The principal amount of the Convertible Debentures will bear 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.

The principal amount of the Convertible Debentures together with the accrued interests will automatically convert in common shares of ZeU Sub 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) the last financing price of ZeU Sub.

The Convertible Debentures holders 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 principal amount together with accrued interest into ZeU Shares at a price equal to the higher of: (a) \$1.00; and (b) the 5 days vwap of the ZeU Shares.

The ZeU Shares issued pursuant to the Transaction, and upon any conversion triggered by the Convertible Debentures holders, will be subject to a voluntary resale restriction of 1 year from the Closing Date, or the date of conversion, respectively.

### **Conditions**

The Transaction completion is conditional on several provisions, including completion of a definitive agreement, final due diligence, Prego minority shareholders' approval and other regulatory review.

### **Finder's Fee**

A finder's fee in connection to this transaction may be paid.

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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.

### **About Prego**

Prego International Group AS, currently a private limited company incorporated in Norway, operates as a global payment solution provider operating internationally from its HQ in Oslo, Norway and other key operational hub-offices in Kuala Lumpur, Malaysia; London, UK; and Singapore. Prego develops and operates payment programs through worldwide payment networks as MasterCard and VISA International, built on prepaid payment card programs globally.

Prego operates in the fast-growing global payment market, currently one of the most highly rated sectors within financial technology, driven by NEO challenger banks, global remittance networks, and many other businesses, challenging the traditional banking sector.

Prego has developed Pay2Go™, a licensed World-Class payroll payment program with prepaid debit cards, bank account and online mobile banking access designed for underserved users as foreign labor,

migrants and refugees. Our programs are distributed through agent networks primarily in South East Asia, the Middle East and the EU and will also be offered in other parts of the world.

### **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.*

*Completion of the Transaction is subject to a number of conditions, including but not limited to, execution of a definitive agreement relating to the Transaction, CSE acceptance, and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a ZeU should be considered highly speculative.*

*The CSE has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.*



## **Prego Acquisition Completed, New Board Member & Shares for Debt**

**-FOR IMMEDIATE RELEASE-**

**MONTRÉAL, QUÉBEC, March 2, 2021 – ZeU Technologies Inc. (CSE: ZEU)** is pleased to announce that further to its press release dated February 8, 2021, it has closed its acquisition, through its wholly-owned subsidiary ZeUPay Inc., of 100% of the issued and outstanding shares of Prego International Group AS, pursuant to the terms of the share exchange agreement entered into between the Company, ZeUPay and Roxer NUF, the sole shareholder of Prego, dated February 5, 2021. Both Roxer NUF and Prego are an arm's length private corporation incorporated under the laws of Norway.

### **Terms of the Acquisition**

Pursuant to the Definitive Agreement, the aggregate purchase price of the Acquisition was \$8,125,000, paid through: (i) the issuance of 2,500,000 common shares of the Company (the "**Consideration Shares**") at a deemed price of \$0.25 for an aggregate price of \$625,000; (ii) the issuance of \$7,500,000 aggregate principal amount of convertible debentures of ZeUPay (the "**ZeUPay Debentures**"); and (iii) the issuance of 7,500,000 non-transferable common share purchase warrants of the Company (the "**Warrants**"). Each Warrant is exercisable into one common share of the Company (a "**Common Share**") at a price of: (i) \$0.90 for a period of 12 months from the closing date of the Acquisition (the "**Closing Date**") or (ii) \$1.50 for a period of 12 months from the date that is 12 months from the Closing Date.

The ZeUPay Debentures bear interest at the rate of 6.00% per annum from and including the issuance date until the earlier of: (i) their date of conversion or (ii) the date that is 48 months from the Closing Date (the "**Maturity Date**"), and are redeemable at any time until the Maturity Date. The interest on the ZeUPay Debentures may, at the sole discretion of ZeUPay, be paid (i) in cash or (ii) by the issue of the equivalent value in common shares of ZeUPay at a price per share equal to the greater of (a) \$1.00 and (b) the last financing price of ZeUPay.

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) the occurrence of a liquidity event, at a conversion price equal to the higher of: (a) \$1.00 and (b) the last financing price of ZeUPay.

Holder of the ZeUPay Debentures have a right to convert all of the outstanding principal amount of the ZeUPay Debentures, together with the interest accrued thereon, into common shares of the Company at a price equal to the higher of: (i) \$1.00 and (ii) the 5-day volume-weighted average price of the Common Shares on the CSE, at any time prior to the earlier of: (i) the Maturity Date and (ii) the occurrence of a liquidity event.

An aggregate of 2,100,000 Consideration Shares and the Common Shares issuable upon conversion of the ZeUPay Debentures are subject to a voluntary resale restriction of one year from the Closing Date or the date of conversion, as applicable.

No finder's fee was paid in connection with the Acquisition.

*"(...) we are beyond impressed with the depth of the custodial and banking network that Prego brings to the table. These are many of the same organizations that have been on ZeU's 'wish list' for the past year. The value created in these ready-made relationships will accelerate development on Mula and other ZeU products. We consider this strategic acquisition to be one of the eight foundation stones for the juggernaut in the making that is ZeU (...)"* said Frank Dumas, President and CEO of the Company, with respect to the closing of the Acquisition.

### **About Prego International Group AS**

Prego provides digital and physical payment services and payment card services for its customers globally. Prego brings a highly complementary product portfolio and customer base to ZeU's business. With sales projected to reach accumulated revenues in excess of the Company'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 portfolio, which includes payroll solutions, business-client payment solutions, global remittance, and payment concepts for employers of foreign labor, government organizations and humanitarian organizations, significantly adds to ZeU's offerings. On closing, Prego will become a wholly-owned subsidiary of ZeUPay.

### **Appointment of Ronald Eriksen as Director**

In connection with and on closing of the Acquisition, Ronald Eriksen was appointed to the Company's Board of Directors. Mr. Eriksen is the founder and conceptual developer of Prego's business concept and has 20 years of previous sales and marketing experience within leading global IT companies, mobile telecommunications, and internet service providers. He developed Prego's business concept with financial inclusion operations, cross-border payment channels, and general fintech market development.

### **Debt Settlement**

In addition, the Corporation also announces that it has settled an aggregate of \$219,000 of indebtedness owed to certain arm's length and non-arm's length creditors through the issuance of 317,391 Shares at a deemed price of \$0.69 per Share (the "**SFD**").

An insider of the Corporation subscribed for a total of 217,391 Shares under the SFD, which is a "related party transaction" within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The issuance to the insider is exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) as the Corporation's shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(a) of MI 61-101 in that the fair market value of the consideration of the securities issued to the related party did not exceed 25% of the Corporation's market capitalization. The Corporation did not file a material change report more than 21 days before the expected closing of the SFD as the details of the SFD, and the participation therein by related parties of the

Corporation were not settled until shortly prior to closing, and the Corporation wished to close on an expedited basis for sound business reasons.

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ON BEHALF OF THE BOARD OF DIRECTORS

**"Frank Dumas"**

Frank Dumas  
President & CEO

**About ZeU Technologies, Inc.**

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.

**NONE OF THE SECURITIES ISSUED OR TO BE ISSUED PURSUANT TO THE ACQUISITION HAVE BEEN OR WILL BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND ANY SECURITIES ISSUED PURSUANT TO THE ACQUISITION ARE ANTICIPATED TO BE ISSUED IN RELIANCE UPON AVAILABLE EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS. THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES.**

*Neither the Canadian Securities Exchange nor its Regulation Services Provider have reviewed or accept responsibility for the adequacy or accuracy of this release.*

**Forward-Looking Statements**

*Statements contained in this press release regarding ZeU's business that are not historical facts are "forward-looking statements" within the meaning of applicable securities law. In particular, forward-looking information in this press release includes, but is not limited to, the growth of the payment services industry, the continued development of encrypted and distributed networks, the general adoption of blockchain technology, and the integration of Prego's business with ZeU's current businesses. Since forward-looking statements address future events and conditions, they involve inherent risks and uncertainties by their very nature. Actual results in each case could differ materially from those currently anticipated in such statements. In connection with the forward-looking information contained in this news release, the Company has made numerous assumptions regarding, among other things, the growth of the blockchain industry, the ability of the Company to integrate Prego's business into its current business successfully, and management's ability to execute its strategy successfully. While the Company considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies.*

*Additionally, there are known and unknown risk factors that could cause the Company's and Prego's actual results, performance, or achievements to be materially different from any future results, performance, or*

*achievements expressed or implied by the forward-looking information contained herein. Risk factors include but are not limited to: business disruption risks relating to the COVID-19 pandemic; regulatory risks, including those related to payment services, blockchain technology and privacy and data security; and integration risks relating to the acquired business on a post-closing basis. All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to announce publicly the result of any revisions to any of the forward-looking information contained herein to reflect future results, events, or developments, except as required by law.*