

**Form 1**  
***Start-Up Crowdfunding – Offering Document***

**Item 1: RISKS OF INVESTING**

**No securities regulatory authority or regulator has assessed, reviewed or approved the merits of these securities or reviewed this offering document. Any representation to the contrary is an offence. This is a risky investment.**

**Item 2: THE ISSUER**

**1. Issuer Information**

Company name: ZenaPay, Inc. ("ZenaPay" or the "Issuer")  
Company address: Suite 600 – 777 Hornby Street, Vancouver, B.C. V6Z 1S4  
Company phone: (604) 359-9756  
Company email: [investors@zenapay.com](mailto:investors@zenapay.com)  
Fax: 1  
Website: <http://www.zenapay.com/>

**2. Contact Person Information**

Name: Shaun Passley  
Position: President and CEO  
Address: Suite 600 – 777 Hornby Street, Vancouver, B.C. V6Z 1S4  
Phone: (604) 359-9756  
Fax: 1  
Email: [shaun@zenapay.com](mailto:shaun@zenapay.com)

**Item 3: BUSINESS OVERVIEW**

**3.1 Business Description of the Company**

ZenaPay is an enterprise software company, with multiple applications that it offers directly and through its subsidiaries.

ZenaPay's main focus is developing enterprise cannabis software, enterprise cloud software, and blockchain solution provider. ZenaPay specializes in payment solutions, plant tracker software, cannabis business management software, supply-chain blockchain management, compliance management, and government auditing software.

Its wholly owned subsidiary, PacePlus Inc. provides medical record software, video surveillance software, energy management software and scada software. In addition, PacePlus Inc. has two subsidiaries, SystemView Inc. and ZigVoice Inc.

**A more detailed description of the issuer's business is provided below or at ZenaPay's**

website at <http://www.zenapay.com/aboutus>

## Item 4: MANAGEMENT

### 1. Promoters, Directors, Officers and Control Persons of the Company

Full legal name municipality of residence and position at issuer	Principal occupation for the last five years	Expertise, education, and experience that is relevant to the issuer's business	Number and type of securities of the issuer owned	Date securities were acquired and price paid for the securities	Percentage of the issuer's securities held as of the date of this offering document
<b>Shaun Passley.</b> <ul style="list-style-type: none"> <li>Chicago, IL USA</li> <li>Chairman and CEO and Promoter</li> </ul>	Businessperson and Software Designer, CEO for Epazz, Inc.	Involvement in software industry for over 20 years. PhD in Business, Software company management for over 30 years.	25,991,441 Common Shares Voting	November 30, 2018 February 19, 2019 April 1, 2019 (\$0.05 per share)	Total Common Shares Voting 37%
<b>James A Sherman</b> <ul style="list-style-type: none"> <li>Aurora, IL USA</li> <li>Director, CFO</li> </ul>	CPA, James A Sherman and Associates, Inc. over 10 years	Over 30 years' experience as a Certified Public Accountant	500,000 Class B Non-Voting Common Shares	November 30, 2018, March 6, 2019, April 1, 2019 (\$0.05 per share)	Total Common Shares Voting 2%
<b>Craig Passley</b> <ul style="list-style-type: none"> <li>Vernon Hills, IL USA</li> <li>Director</li> </ul>	Engineer, Tropic Construction Company over 5 years	Over 20 years' experience as a Project Engineer, MBA	5,000 Class B Non-Voting Common Shares	November 30, 2018, March 6, 2019, April 1, 2019 (\$0.05 per share)	Total Common Shares Voting <1%
<b>Paul J Piekos</b> <ul style="list-style-type: none"> <li>Naperville, IL USA</li> <li>Director</li> </ul>	Financial Appraiser, Piekos Appraiser, Inc. for over 30 years	Over 30 experience as a financial appraiser	92,593 Class B Non-Voting Common Shares	November 30, 2018, March 6, 2019, April 1, 2019 (\$0.05 per share)	Total Common Shares Voting <1%
<b>Thomas W Burns</b> <ul style="list-style-type: none"> <li>Lombard, IL USA</li> <li>Director</li> </ul>	CPA, Controller for Consilio, over 3 years	Over 30 years' experience as a Certified Public Accountant	500,000 Class B Non-Voting Common Shares	November 30, 2018, March 6, 2019, April 1, 2019 (\$0.05 per share)	Total Common Shares Voting <1%

[Note: more detailed description in the second column above]

2. No person listed in item 4.1 or ZenaPay, as the case may be:
- (a) has ever, pled guilty to or been found guilty of:
    - (i) a summary conviction or indictable offence under the *Criminal Code* (R.S.C., 1985, c. C-46) of Canada,
    - (ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction,
    - (iii) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein, or
    - (iv) an offence under the criminal legislation of any other foreign jurisdiction,
  - (b) is or has been the subject of an order (cease trade or otherwise), judgment, decree, sanction, or administrative penalty imposed by a government agency, administrative agency, self-regulatory organization, civil court, or administrative court of Canada or a foreign jurisdiction in the last ten years related to his or her involvement in any type of business, securities, insurance or banking activity,
  - (c) is or has been the subject of a bankruptcy or insolvency proceeding, except for our CFO, who filed for personal bankruptcy due to medical bills, and was discharged from bankruptcy on October 26, 2016.
  - (d) is a director or executive officer of an issuer that is or has been subject to a proceeding described in paragraphs 4.2 (a), (b) or (c) above.

## **Item 5: START-UP CROWDFUNDING DISTRIBUTION**

### **1. Name of Funding Portal**

Liquid Crowd is to conduct this start-up crowdfunding distribution ("Liquid Crowd").

### **2. Participating jurisdictions where this offering is available**

The issuer intends to raise funds and make this offering document available in British Columbia, Manitoba, Quebec and New Brunswick.

### **3. Offering Period**

With respect to the start-up crowdfunding distribution, the date before which the issuer must have raised the minimum offering amount for the closing of the distribution, is no later than 90 days after the date this offering document is made available on the funding portal.

### **4. Securities Offered**

The securities of ZenaPay being offered are Subscription Receipts.

### **5. Rights attached to the Securities Offered**

The securities being offered provide the following rights: (Choose all that apply):

- Voting rights,
- Dividends or interests (describe any right to receive dividends or interest),

- Rights on dissolution (*but secondary to preferred shareholders and to secured lenders*),
- Conversion rights (describe what each security is convertible

Treasury offering ("Offering") of non-transferrable subscription receipts ("Subscription Receipts") at a price of \$0.15 per Subscription Receipt, exchangeable for one unit of the Issuer (a "Unit") at the Escrow Release Time (defined below) for no additional consideration. Each Unit shall consist of one common share of the Issuer (a "Share") and one common share purchase warrant of the Issuer (the "Issuer Warrant"). Each Issuer Warrant shall entitle the holder thereof to acquire one common share of the Issuer (an "Issuer Share") at a price of \$0.35 for a period of 24 months following the date, if any, that the Shares are listed on a recognized stock exchange.

- Other (describe the rights).

## **6. Material restrictions or conditions attached to the Securities**

Every person participating in this offering will have to enter into the ZenaPay subscription agreement ("SBAG")

## 7. Offering Amount and Price per Security

	Total amount (\$)	Total number of eligible securities issuable
<b>Minimum offering amount</b>	\$11,250	22,500
<b>Maximum offering amount<sup>1</sup></b>	\$250,000	1,666,666
<b>Price per eligible security</b>	\$0.15	

<sup>1</sup>The Issuer will utilize exemptions other than the Start-up Crowdfunding exemption available to it throughout the Offering. As such, it may raise [an additional amount of up to] \$5,000,000 in the calendar year.

## 8. Minimum Investment amount per purchaser

The minimum investment amount per purchaser is \$75.

## 9. Minimum Offering

**The minimum offering amount stated in this Offering Document may be satisfied with funds that are unconditionally available to ZenaPay that are raised by concurrent distributions using other prospectus exemptions without having to amend this Offering Document.**

## Item 6: ISSUER'S BUSINESS

### 1. Business of the Company

ZenaPay was formed on August 31, 2017, to capitalize on the research and development of cannabis software solutions for businesses and governments. ZenaPay first launched its software apps, ZenaPay Merchant and ZenaPay Wallet on December 31, 2017. The initial products provided ZenaPay a better understanding of the blockchain technology and how it can assist in developing other cannabis software solutions. ZenaPay is currently developing a robust series of software applications all related to the cannabis industry. The new ZenaPay Merchant (soon to be renamed "Store Manager") software product will have new features such as point-of-sale, e-commerce, marketing, reward cards (mobile app), inventory control, seed-to-store tracking, employee time cards, and live video. The Issuer signed an industry exclusive software license with Epazz Inc. to utilize its point-of-sale, compliance, and blockchain supply chain software products. ZenaPay is in the process of modifying the existing source code of the licensed software products to adopt the code into the cannabis industry.

Through its subsidiary PacePlus, Inc., ZenaPay provides medical record software, scada software, video surveillance software, and call center software. The Issuer will be utilizing the software in PacePlus, Inc. to provide a robust software package to the cannabis industry.

### History of ZenaPay, Inc.

Period from January 2017 to April 2019

Epazz Inc. understood that the cannabis market in the United States would have many challenges when it came to the payment for cannabis products. Epazz began the process of researching a solution to this problem.

In May 2017, Epazz developed the initial payment solution prototype and called the product ZenaPay. ZenaPay's operations focused on concept development, product design, software development, and research on the cannabis industry.

In August 2017, ZenaPay was incorporated in Illinois to focus on developing software for the cannabis industry. ZenaPay designed and developed a payment solution that allows customers to purchase cannabis products using a mobile app. The merchant would download the ZenaPay Merchant app onto an iPad or Android Tablets and the consumer would download the Zenapay Wallet app to their iPhone . The consumer using the ZenaPay Wallet app can then transfers funds to the merchant. ZenaPay signed a management service agreement with the former parent company. Under the agreement Zenapay would receive the benefits of a software development team, office space, project management and hosting services. Epazz Inc. would be paid 45% above cost. The parties amended the agreement to change the markup from 45% to 20% starting January 31, 2019.

On October 31, 2017, ZenaPay's Merchant and Wallet apps launched its first product on the Apple App Store.

On December 31, 2017, ZenaPay's Merchant and Wallet apps launched on the Google Play store.

In February 2018, ZenaPay Wallet had over 10,000 downloads.

On July, 1, 2018, ZenaPay Inc. understood the opportunity it would have once Canada legalized recreational marijuana. It began the process of determining how to best position the company to use its technology and skilled personnel to provide the software that the new market would need.

On November 15, 2018, the former parent company believed that shareholders would best benefit if ZenaPay was spun off as its own company, due to US federal regulations regarding cannabis.

On November 18, 2018, ZenaPay signed a spin-off agreement and industry-exclusive software licensing agreement with its former parent company. The former parent company received 25,000,000 preferred shares, which converted into 15 million Common Stock post stock-split, for entering into the spin-off agreement in exchange for transferring the software rights to the ZenaPay products. In addition, ZenaPay Inc. and Epazz Inc. entered into the software license agreement which provided ZenaPay Inc. with an industry exclusive for two products of the former parent company which are Enterprise Quality Management (EQM) and Point of Sale store manager. EQM and Point of Sale are proven software products used by governments and businesses for over 10 years and have generating revenues and profits for Epazz Inc.. ZenaPay will be able to sell the license for its modified version of EQM and Point of Sale Store manager to the cannabis industry. ZenaPay will also own the software rights to any modules and enhancements its makes to EQM and Point of Sale Store manager. ZenaPay has hired a consultant that have relationships with Cannabis growers in order to sign up our first beta customers. Once we have completed the beta test, the issuer will hire a full time sales force.

On November 30, 2018, ZenaPay Inc. was spun off from its former parent company, Epazz Inc.

On December 14, 2018, ZenaPay Inc. was domiciled in British Columbia.

On February 11, 2019, ZenaPay Inc. acquired PacePlus, Inc. through a stock purchase agreement between ZenaPay Inc. and Epazz, Inc. (its former parent company).

#### **History of PacePlus, Inc. (a subsidiary of ZenaPay Inc.)**

Period from August 2016 to April 2019

Epazz Inc. acquired the software rights of a medical record keeping software called PacePlus. The former parent company was going to change the name of PacePlus to CAI Health. It formed the entity as CAI Health, Inc. however, the former parent company was able to purchase the domain name paceplus.com. Therefore, it changed the name of the entity to PacePlus, Inc.

On December 29, 2014, the former parent company acquired the software rights of PacePlus from a third party. As part of the acquisition, the former parent company was assigned customer contracts.

On September, 3, 2015, the former parent company started the development of PacePlus version 5.

On August 26, 2016, the former parent company form CAI Health, Inc. as an Illinois corporation.

On August 31, 2016, CAI Health, Inc.'s legal name was changed to PacePlus, Inc.

On September 30, 2016, PacePlus release new ICD medical billing codes.

On January 1, 2017, internal transactions with Epazz Inc. transfered ZigVoice, Inc. and SystemView, Inc. to PacePlus, Inc. through stock purchase agreements.

On August 31, 2017, PacePlus started alpha tested of PacePlus version 5.

On August 2018, PacePlus started beta testing of PacePlus version 5.

On February 2019, PacePlus released PacePlus version 5.

#### **History of SystemView, Inc. (a subsidiary of PacePlus Inc.)**

Period from August 2016 to April 2019

On August 26, 2016, Epazz Inc. incorporated SystemView for the development of its new Scada software. The former

parent company assigned its customer support contracts to SystemView, Inc., to continue the supporting the pervious Scada software version until it launched the new software program.

On August 31, 2016, Epazz Inc. transfered its video surveillance software and customer contracts to SystemView.

On March 2017, SystemView begin designing the new version of the Scada software.

On November 2018, SystemView released a new update on its pervious Scada software for Windows 10.

On March 2019, SystemView and Epazz Inc. agreed to an exclusive licensing agreement for its plant recognition software technology from its filing of a provisional patent. Epazz Inc. agreed to pay for the patent cost.

**History of ZigVoice, Inc.** (a subsidiary of PacePlus Inc.)

Period from August 2016 to April 2019

On August 29, 2016, Epazz Inc. incorporated ZigVoice Inc. for the development of its new Call contact software, and assigned its customer support contracts to ZigVoice, Inc., to continue the supporting the previous Call contact software version until it was launched the new software program.

On August, 2018, the former parent company transfered its help desk software, Zinergy and customer contracts to ZigVoice Inc..

On November 2018, ZigVoice started the development of the new Zinergy help desk software.

On March 2019, ZigVoice started Alpha testing of the new Zinergy help desk software.

## NARRATIVE DESCRIPTION OF THE BUSINESS

### Overview

ZenaPay Inc. is an enterprise software company, with multiple applications that it offers directly and through its subsidiaries.

ZenaPay Inc.'s main focus is developing enterprise cannabis software, enterprise cloud software, and blockchain solution provider. The Company specializes in payment solutions, plant tracker software, cannabis business management software, supply-chain blockchain management, compliance management, and government auditing software.

Its wholly owned subsidiary, PacePlus Inc. provides medical record software, video surveillance software, energy management software and scada software. In addition, PacePlus Inc. has two subsidiaries, SystemView Inc. and ZigVoice Inc.

The combined entity will develop a robust offering of software products for the cannabis industry. We are developing software targeted for dispensaries, manufacturers, cultivators, government inspectors, health clinics, water and waste water facilities and data centers. We are using perpetual EQM and Point of sale software licenses from the former parent company in our software products.

We currently have approximately 80 paying corporate clients, spread out between our subsidiaries and product offerings. They break out as follows: 10 paying corporate clients for Medical Healthcare record software through PacePlus, Inc.; approximately 40 paying corporate clients for our Scada Software and energy management software and video surveillance through SystemView, Inc.; and approximately 30 paying corporate clients through ZigVoice, for our call contact software. We do not have any paying customers for our cannabis enterprise software products.

The current stage of the cannabis enterprise software products are developing the software and releasing free beta versions of our software. We receive some support questions from users, but the company has not enquired who the users of our software are in the past, however has learned some retail stores are testing the software. Our support is asking the users how they are using the and if they have any feedback for us about how to improve the software. Our initial cannabis software products provide simple solutions for tracking the plant growth cycle and processing payments. We integrate our point-of-sale solutions with our compliance software to provide cannabis businesses with solutions that follow their trajectory from a new business to a larger enterprise through enhanced analytic and mobile app support. Our solutions will also assist government agencies with provincial/state to federal managed regulations and the auditing processes they create, to ensure dispensaries and manufacturers are in compliance with all rules and regulations.

The Product Table below shows the current products of ZenaPay, Inc. and its subsidiaries with the product's current status.

Product Name	Status	Company
ZenaPay Plant Tracker	Release	ZenaPay, Inc.
ZenaPay Merchant	Testing	ZenaPay, Inc.
ZenaPay Compliance Software	Testing	ZenaPay, Inc.
ZenaPay Government Audit Management Software	Testing	ZenaPay, Inc.

ZenaPay Supply Chain Blockchain Smart Contract Software	Under development	ZenaPay, Inc.
Plant Recognition Technology	Under development	SystemView, Inc.
EHR Software	Release	PacePlus, Inc.
Medical Billing Software	Release	PacePlus, Inc.
SystemView Scada HMI Software	Release	SystemView, Inc.
MaintenanceView	Release	SystemView, Inc.
ReportView	Release	SystemView, Inc.
EnergyView	Release	SystemView, Inc.
Strand Video Surveillance Software	Release	SystemView, Inc.
Multiplatform Contact Center Suite (MCCS)	Release	ZigVoice, Inc.
Traffic Calculator	Release	ZigVoice, Inc.
Zinergy Help Desk Software	Release	ZigVoice, Inc.

### **ZenaPay Plant Tracker**

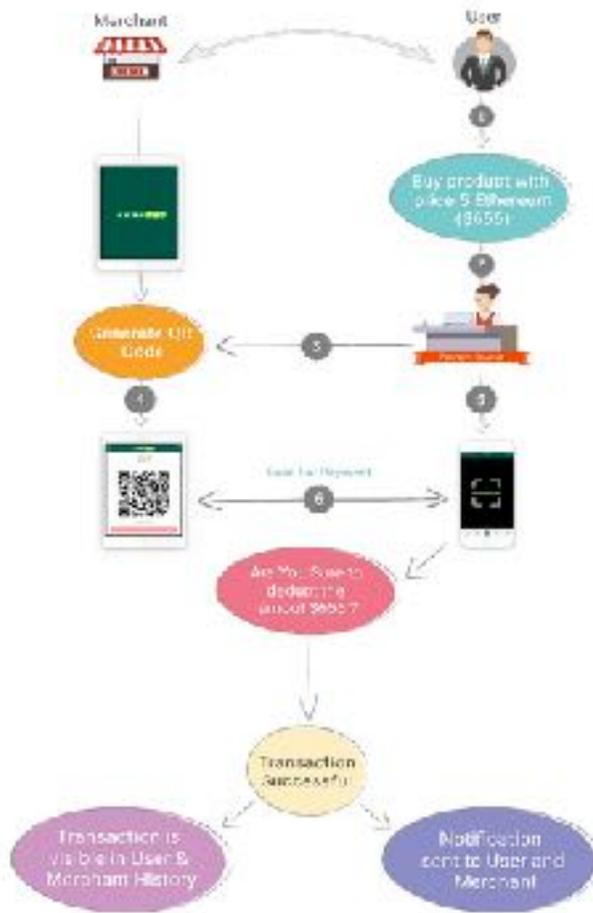
The ZenaPay Plant Tracker Canada app records data about growing plants. Recorded data helps to monitor plant' growing conditions and also gives useful findings on optimal growing conditions. This app also helps to identify potential issues during the plant growing process.

The ZenaPay Plant Tracker tracks plants from seed to harvest. Plant Tracker is available on the Google Play store and soon will be available on the Apple App store. The first version provides an easy way for growers to monitor the different varieties of plants they harvest for their businesses. ZenaPay Plant Tracker has no paying growers as customers. ZenaPay Plant Tracker has been downloaded, however ZenaPay does not have information about who has downloaded the software. Currently, no cannabis producers are using the ZenaPay Plant Tracker software. The Issuer met with an organization from Latin America who was interested in using the Plant Tracker software and Plant recognition technology for monitor grapes and oranges. The Issuer is working on next steps with the organization from Latin America in order for them to become a beta customer. The ZenaPay Plant Tracker software and Plant recognition technology can work with most plants. The technology is not limited to cannabis.

### **ZenaPay Merchant**

ZenaPay Merchant app (and its corresponding Wallet app) are being developed to solve a major problem in high-risk industries: getting paid. Traditional banking systems do not allow high-risk industries to access their payment systems. ZenaPay Merchant offers a cutting-edge payment solution that gives consumers a way to buy items online or in stores using Bitcoin and Ethereum. The new payment software will allow consumers to use digital currency to make online or in-store purchases with ease. This process will also be anonymous because all transaction details are encrypted through blockchain, which will enable stores to accept digital currency instead of only cash. ZenaPay Merchant and ZenaPay Wallet are available on the Apple App Store and the Google Play Store. The target markets are dispensaries, sport bars, tattoo artists and financial services. The company is working with our consultants who has relationships with companies looking for dispensary management software for their plan dispensary in the Canadian Market. The company is working with our consultant in order to setup a meeting to discuss how we can work together. ZenaPay Merchant has been downloaded, however ZenaPay does not have information about who has downloaded the software.

The diagram below shows the workflow of the ZenaPay's Merchant and Wallet apps.



### ZenaPay Compliance Software

ZenaPay Compliance Software is being developed to provide enterprise-level risk management software for the cannabis industry, allowing mid to large cannabis operations to identify, monitor, and remedy the regulatory, harvesting, growing, technological, and reputation risks; financial problems; and operational difficulties that may threaten the achievement of their organizational objectives. It is also intended to provide a centralized information system that helps identify risks, assess the likelihood of occurrence and impact thereof, mitigate the risks, and trace each solution. The product is being developed from our licensed EQM application software, a proven and tested software application currently used by the US State of Maryland counties governments and businesses to manage compliance over the past 20 years. US State of Maryland counties governments and businesses are paying customers of Epazz Inc. EQM is a web-based solution that has mobile tools to enable administration bodies to manage compliance electronically, conduct audits and inspections, fulfill work orders, monitor licensing, certifications and permits, and check compliance enforcement. EQM is a successful software solution used around the world. The first version, released in 1990, managed auditing and corrective actions.

It is also being developed as a tool for building a repository of risks associated with business objectives, metrics, and events. An outcome will be that it will be easier for you to identify risks in your business; manage remediation processes; implement your own risk model; and automate, measure, and report every step of the process.

Finally, It is being developed as a tool for evaluating client expectations against actual experience, which is often critical to the success and continued growth of any organization. With our simple user interface, which is able to integrate compliance and regulatory processes, you will be able to improve operational efficiency, enhance risk management, and keep up with the increasing number of fluctuating regulatory demands while maintaining profitability. There are no paying customers or users at this time.

#### Characteristics

- Enables the logging, controlling, managing, and monitoring of remediation tasks for different findings and incidents

- Calendarize tasks automatically, such as periodic assessments, scans, and notifications, allowing for continuous improvement in the implementation of different strategies
- Builds models for evaluating qualitative and quantitative risks
- Customizes models and risk assessment metrics that can be imported and/or built within ZenaPay, allowing users to measure operational risks and financial, technological, and legal problems through their own metrics
- Integrates and correlates IT information security through risk controls and compliance

#### Benefits

- Reduces time and costs by concentrating manual processes in an integrated and automated risk management system
- Improves the use of organizational, financial, technological, and human resources
- Provides a complete picture of the company from multiple angles
- Aligns your own methodologies with the ability to model and assess risk in a way that makes sense to your particular organization
- Identifies the risks that may impact the corporate strategy\*

#### Reasons for choosing ZenaPay Compliance Software

- It provides access to a database of solutions that have been applied in different sectors to reduce the risks associated with different jobs.
- It selects the most appropriate module for your particular company.
- It offers detailed and easy-to-interpret reports that are customizable. In addition, modules can be incorporated for more complex analysis.
- Sets the calculation criteria of ISO standards.
- The network installation allows people to use it anytime, anywhere.
- Each year, ZenaPay will release a new version that improves the software performance with new functionalities.

#### **ZenaPay Government Audit Management Software**

The ZenaPay Government Auditing Software assists regulators in the management and processing of cannabis license businesses. Users can replace spreadsheets and paper-based systems with our auditing feature. We offer the ability to customise nearly every aspect of the audit process. The large database of interactive logic makes the easy-to-use forms your own. Not only will ZenaPay's audit solution help government agencies improve overall performance by monitoring trend lines and tracking performance but it will also save money, ensure compliance, and reduce overall risk. The product is derived from EQM, a proven and tested software application currently used by governments and businesses to manage audits and inspections.

Record all auditing data on location with a tablet using ZenaPay's user-friendly interface that gives your auditors an adaptable experience. Our dashboard lets you visualise the entirety of your audit operations, which means more accountability. Users can generate forecasts for preventative actions to be taken, trigger alerts, schedule audit reviews automatically, customize task management and audit workflow configurations, and more. Audit management has become challenging, given the growing complexity of businesses and the number and types of audits that need to be conducted. Companies have quickly realized that spreadsheet-based solutions are no longer the best method for managing internal audit programs.

The ZenaPay Government Audit Management Software addresses the following issues: managing plans, equipment compliance, business processes, audit reports, and collaboration. ZenaPay's audit management software provides complete control of the entire audit cycle. It improves the governance and management of all the activities, information, and process-related reviews without the limitations established by a manual process. ZenaPay enables a full review of its audit program including plans, schedules, evaluations, and the prioritization of risk management, audit processes, and monitoring tasks remediation. Through this solution, you can transform your manual audit processes to a dynamic program that will increase efficiency and decrease time within the full cycle. There are no

paying customers or users at this time. There have not been any discussions with any potential customers.

#### Characteristics

- The ZenaPay audit software provides full support for documentation performance actions related to managing risk assessments within the entire audit universe to determine the approach the department should take; these configurable assessments show the risk associated with each entity audit.
- The ZenaPay audit software summarizes the results of testing environments. The configurable audit work also allows users to include attachments and notes as a backup for each revision, so generating audit results becomes easier and more efficient.
- ZenaPay manages the deficiencies resulting from any failure in the audit process, allowing companies to respond quickly while monitoring the remediation process.
- Using reports and dashboards allows executives to export all audit information so that they can deliver professional reports to senior management.

#### Benefits

- It provides centralization of all information, documentation, and audit processes; correlation with the evidence; and observations and notes of audit staff, all in one single repository.
- It also allows the business to share information between departments, update audit processes, automate workflows, and use historical information for other review processes.

#### Under Development

##### **ZenaPay Supply Chain Blockchain Smart Contract Software**

ZenaPay Inc. is developing a robust supply chain cannabis software solution using blockchain smart contracts, which can track a product's trajectory (seed purchase from the seed supplier, seed planting, cannabis harvest, shipping to the wholesale market, sale of cannabis in retail store or online business), while automatically reporting all activities required by Canadian and other foreign regulators. This product is derived from EQM, a proven and tested software application currently used by governments and businesses to monitor supply chains.

Cannabis companies are looking for ways to better manage their logistics processes, transportation, inventory management, and quality assurance. Having a response-based business model is the practice of keeping low inventory to respond to changes in the marketplace. It helps in shelving the latest cannabis products and services while reducing product returns and spoiled goods, employing the latest technology, and providing the freshest cannabis goods. This model reduces dwell time (time that finished goods are idle and provide no value).

To effectively manage this responsive supply chain, companies must monitor their suppliers and share information internally and externally. The faster critical information is shared with the supply chain network, the faster problems can be resolved and prevented. The global supply chain requires a global payment solution that is fully integrated into the supply chain risk monitoring solution.

The ZenaPay Supply chain software is an enterprise supply chain risk monitoring and payment tracking solution that uses blockchain smart contracts to manage suppliers and finished goods. ZenaPay technology keeps distributed ledgers to create articles to insert into smart contracts so supply chain manufacturers, suppliers, vendors, logistics companies, and customers can track goods and services from the raw materials to the finished product using QR codes and digital signatures.

##### **PacePlus, Inc. Software Products**

##### **Electronic Health Records Software**

PACE+ is an integrated, cloud-based Electronic Health Records ("EHR") and Database Management System designed for behavioral healthcare and human services. PACE+ offers a comprehensive set of tools for managing a practice.

PACE+ integrates EHR with Practice Management. The patient portal and secure web-based platform personalizes care delivery, increases patient safety and minimizes costs for medical practices of all sizes. Healthcare providers are faced with many challenges such as improving care quality, managing disease, monitoring patient safety, reducing costs, complying with the latest regulations and meeting performance benchmarks. Our web-based EHR solution addresses all these challenges by connecting the healthcare continuum, as well as driving outcomes and subsidy payments. PACE+ server based secure cloud platform allows you to access your information easily.

A practice can maintain a complete electronic client record, including data collection of care visits, service providers and locations across multiple programs. PACE+ helps eliminate redundant record keeping. The scheduler tracks client, staff, and group appointments. It is easy to use, and it interfaces seamlessly with service authorization tracking, service history and billing. This product integrates financial reporting for an efficient and comprehensive accounting

system, including electronic claims and remittance, third-party insurance, and client, municipality and grantor billing.

### **Medical Billing Software**

PACE+ uses the practice management program for billing, processing claims and reporting services. It keeps track of billable services from the start of the claim to reporting. Being able to track, query, correct and resubmit claims is essential for a healthcare provider. Claim status reports can interface with most accounting software systems. PACE+ eliminates the need for data entry staff because the program automatically creates claims and service encounters from progress notes. Practice Management is designed to process claims based on the requirements of different insurances providers and funding sources. PACE+ medical billing software is HIPAA compliant. The cloud-based software is designed for use in mental healthcare practices and medical billing services. PACE+, allows you to bill for the services you have provided in a secure and easy to use way.

PACE+ simplifies tedious and repetitive clinical documentation and provides quick access to assessments, treatment plans, progress notes, outcome studies and other tasks. Its design encourages and demonstrates HIPAA Compliance, facilitating accreditation and re-accreditation by organizations such as COA, CARF and JCAHO.

PACE+ includes reports that are easily customized, thus users can create new reports as needed to meet the demands of grantors, government entities, and payers. Users can output the report results in a variety of formats such as graphs, spreadsheets, etc.

### **SystemView, Inc. Software Products**

SystemView is a SCADA & HMI Software System designed specifically to improve efficiency and increase the value of manufacturing equipment. The SystemView improves your bottom line by making sure your equipment stays agile throughout the production process.

Access and communicate with every part of your production process instead of using isolated interface systems with limited functionality. Choose a more innovative SCADA system with centralized management, which combines and accurately displays your facility's processes. SystemView functions as a Human-Machine Machine Interface (“HMI”), Operator Interface (“OI”) and dashboard development system.

Our Integrated Plant Management & Control (“IPMC”) Suite offers the full-featured SystemView (SCADA Software) application, which offers a set of rapid application development tools. With the SystemView application, you can create realistic graphical displays, virtual control panels, trend views, alarm views and hierarchical menu systems quickly and easily.

### **Video Surveillance Software**

SystemView’s Strand surveillance management system is a “lean client,” which designates the server for a majority of the data processing. This setup ensures stability in the surveillance system and allows users to control their system from any location in the world without having to download client software from a CD. Protecting the soundness of operations in a surveillance system can often be a difficult endeavor in itself. With Strand’s web-enabled reporting tools and support diagnostics, and with customized camera labels, keeping track of your surveillance operations is simplified, and enabled from anywhere in the world, at any time.

### **Plant Recognition Technology**

SystemView is using modified facial recognition technology to recognize individual plants during the growing process. The technology, which is in the early stages of development, will identify many abnormalities which can affect the growth and health of the plant. The technology will use facial recognition to identify the plant, then use machine learning to understand if there are issues with the health of the plant. Currently the plant recognition technology is able to track changes in the plant and alert the user of the changes. Later phases of the project will have the cameras mounted in the green houses in order to monitor batches of plants and alert the growers of any issues. The final phase of the project is to use drones to scan fields and alert growers. The former parent company filed a provisional patent with the United States Patent and Trademark office in March of 2019. SystemView and the former parent signed an exclusive technology agreement in which the former parent agreed to pay for the patent and SystemView will have exclusive rights to develop and market the technology. The former parent will receive a royalty of 7% on all sales. The license term is perpetual.

### **EnergyView Software and Hardware Solution**

EnergyView by SystemView is a software and hardware solution to make your energy use more efficient. It is specifically designed for the water and wastewater industries.

Smart technology uses the newest innovations to measure energy use reliably and efficiently. Having more information about your energy use and how to keep it running efficiently helps control your facility's power consumption. Older, traditional energy meters cannot provide the same support. EnergyView Metering Solution offers all the latest technology needed to monitor energy consumption for the water and wastewater industry.

Smart energy meters have large benefits for industrial facilities. Knowing your current energy use and how to best manage it allows for increased efficiencies. Power meters report past energy usage and track future usage as well as

notifying you of outages and equipment failure. Industries who use power meters are better able to run efficiently and proactively find energy solutions.

### **ZigVoice, Inc. Products**

#### **Multiplatform Contact Center Suite (“MCCS”) – Historical**

MCCS, ACD software, has brought Avaya, Cisco and Nortel real-time and historical information to the web, allowing access from anywhere. This feature makes MCCS ideal for increased accessibility, including connecting with multiple sites or at home agents. Personalized, easy-to-use data includes the option for ad-hoc reporting and scheduled reporting through email. It is easy to export to Excel and PDF format. ZigVoice are currently being using in call centers.

#### **Traffic Calculator (Call Center Software)**

Our Traffic Trunking and What If Calculators are designed for call center supervisors and managers. Using these calculators, managers are able to project upcoming staffing needs with increased accuracy. Customers using ZigVoice Products MCCS are able to pull their actual call center data into the calculator automatically. This enables a supervisor to quickly highlight key situations, such as when they are over or under staffed, when too many calls are being abandoned, or when customer service quality may be deteriorating.

#### **Zinergy Service Desk Software**

Zinergy is a leading web based service desk software that gives you the ability to provide quality customer support and help desk services. Zinergy service desk software is easy to setup, easy to use and can be flexibly integrate with other business applications. Zinergy's clear and organized user interface gives you the power to perform any service desk task quickly.

Zinergy’s web based customer support and help desk software is more than a single solution. It is several web-based support products offered in one package, combining convenience and functionality. Zinergy’s help desk system is designed to give your help desk a way to solve problems quickly while keeping track of customers and call center issues. The easily accessible dashboard, ticketing management feature, asset tracking system, knowledge base and reporting functionality gives you all the features of a quality help desk software at a comfortable price.

### **Market and Competitive Conditions**

#### **Cannabis Regulation in Canada**

ZenaPay Inc. is developing its enterprise cannabis software initially for the Canadian cannabis industry. ZenaPay believes, with a fully legalized federal market, the company can fully leverage its talents and skill to provide enterprise-level compliance software for a new market in which the regulatory body will be issuing new rules and processes. These new rules and processes, and the rapidly growing market, will require changes in workflows through the industry, which are best handled by software that integrates with businesses and governments.

The Cannabis Act was passed into law on June 21, 2018 and became effective on October 17, 2018. It allows for national use by individuals 18 and over, with possession of up to 30 grams of cannabis for recreational purposes. The Cannabis Act allows the federal government to regulate commercial production, but provinces and territories will have authority to regulate certain aspects such as distribution, retail, and a range of other matters—as they do for tobacco and liquor. For example, provinces and territories will determine how and where cannabis can be sold and where it can be consumed in their jurisdictions. Provinces and territories, acting on their own authorities, would also have the ability to increase but not lower the minimum age, lower the possession limit, and impose additional requirements on personal cultivation.

The Cannabis Act is going to require compliance software that is adaptable, robust, and reliable. The industry-exclusive software license ZenaPay has, allows the Company to use a proven and reliable compliance software for Canada’s cannabis industry. ZenaPay Compliance software is ready for beta testing. The Issuer is focusing on signing up beta customers through its consultant.

#### *Prohibitive Regulatory Conditions with respect to the Federal Government of the United States of America*

ZenaPay Inc. moved its domicile to British Columbia to initiate development and market to the fully legalized cannabis market. ZenaPay does not presently have any intention of carrying on business in the United States due to the continued prohibition of the use, sale, and possession of cannabis under US federal law, and the January 4, 2018, rescission by the US attorney general of the Cole Memorandum, a directive to federal prosecutors to refrain from targeting state-legal marijuana operations, except where such operations pose a threat to the public welfare.

ZenaPay intends to monitor the market and develop its software with the goal of one day expanding into the United States if and when there is a clear indication that it may change federal legislative or administrative policies. Over 30 US states have legalized cannabis in some form or another, which could allow ZenaPay to bring its products to those states. Before making plans to enter these markets, ZenaPay would first engage with a legal firm that has expertise at the federal and state level to determine if its software products violate any federal cannabis laws.

#### *U.S. Marijuana Industry*

ZenaPay does not have any marijuana-related activities as defined in CSA Staff Notice 51-352, as a provider of cannabis software solutions for Canadian businesses that could be directly involved in the U.S. Marijuana Industry. Therefore, ZenaPay is indirectly involved with the U.S. Marijuana businesses in cultivation or distribution. If we have a contract with a Canada business which also has U.S. operations or if we expand into the U.S. market, our software solutions will be used to assist with their operations.

These types of relationships may put us at risk with U.S. federal and state law enforcement if these businesses who may be using our software are in violation with U.S. federal or state laws. The U.S. federal or state law enforcement may subpoena us for their records. ZenaPay has offices in Chicago, IL where some accounting, customer support and software personal are located. Our U.S. legal counsel has confirmed that their activities on behalf of ZenaPay do not contravene any municipal, state or federal U.S. laws. Over 30 U.S. states which have legalized cannabis in some form or another does not require a software company to have a license to sell its software to U.S. based cannabis businesses. ZenaPay's software solutions will be developed to assist cannabis businesses to be in compliance with federal and state laws.

#### **Distribution Methods**

ZenaPay is in the process of implementing its enterprise solutions on Amazon Web Services in Canadian data centers as a software as a service business model ("SaaS"). The company will complete the implementation by the end of June. The software is ready for testing with a grower. The company currently is working on arranging meetings with growers in order to demo our software to them. Once we have sign up a beta customer, we will need to gather their feedback make changes to the workflow of the software. The software has a built-in tool which allows a technician to make modifications to the workflow onsite. The company plans to travel to a green house facility with our software developers and technicians and make modifications at the side of our beta customers in order to speed up our launch to market. Under the SaaS business model, ZenaPay will provide users with a monthly or annual subscription to access the software via their web browser or mobile apps. ZenaPay currently has apps available for download on the Google Play Store and the Apple App Store. ZenaPay products will be launched on the Google Play Store and the Apple App store.

#### **Revenue**

ZenaPay's first product was launched on October 30, 2017. The product was free to download given ZenaPay's aim to create a community of users. As the community scales, ZenaPay will offer pay versions of its products. Currently, ZenaPay does not have any paying customers using its cannabis software products. Therefore, ZenaPay has not earned any revenue with its cannabis software products since inception.

ZenaPay, Inc. acquired PacePlus, Inc. which generates revenue. See Schedule B.

#### **Intangible Properties – ZenaPay Software Products**

The former parent company transferred all rights of ZenaPay software products on August 31, 2017; therefore, ZenaPay owns the software it is developing for the cannabis market. ZenaPay issued the former parent company 25 million preferred shares as part of the spin off agreement. On February 19, 2019, as part of a share restructure, Epazz, Inc. converted 100% of the preferred shares into 15 million Common Stock post stock split. On March 8, 2019, the Board of Directors eliminated Super Voting and Preferred shares. ZenaPay entered into a software license agreement with the former parent company in order to develop new modules based on the EQM software product. ZenaPay will own the rights to any modules created based on the EQM software. ZenaPay would pay the former parent company 15% of sales related to the EQM software for a perpetual term.

ZenaPay, Inc. acquired 100% of PacePlus, Inc. shares. Therefore, it owns all of the software rights of PacePlus, Inc. and its subsidiaries SystemView, Inc. and ZigVoice, Inc.

#### **Intellectual Property**

ZenaPay asserts common law copyright and trademark rights over its intellectual property assets. ZenaPay intends on relying on trade secrets, copyright, and trademarks.

#### **Competitive Conditions**

There are a number of other established and development-stage companies in the cannabis software development space, medical record keeping software, scada software and call center software. Some of these companies have developed or are developing solutions such as compliance, inventory, point-of-sale, seed-to-store tracking, and e-commerce delivery. Some of the companies focus on just the Canadian cannabis market, and others focus on both the Canadian and US markets.

There are a few development stage companies (Alternate Health Corp, Glance Technologies, and Global Cannabis Applications) that emerge when looking for peers to ZenaPay in the software for the cannabis industry sector.

Alternate Health Corp

Alternate Health Corp., (ticker AHG). AHG's goal is to be the global authority on scientific and clinical support for cannabis in regulated markets. ZenaPay's software agreement license from Epazz with respect to an established Enterprise Quality Management software for compliance and government audit allows ZenaPay to enter into this market using funds to modify existing software to tailor it to the cannabis industry. The benefit of the Epazz license is

that it allows ZenaPay to focus for the first year on tweaking existing software, and acquiring commercial customers. The company is able to develop new modules faster and would be extremely cost effective in getting those modules into the market every 30-90 days. This is because ZenaPay Inc. is adopting agile software development processes which use the best practices for short development of software releases. The shorter software development cycle means that sales people are able to talk with potential customers, understand their business and submit requests for new features which are in-demand and be able to demonstrate the new features within months. Based on public information, we estimated that our competitor will require a longer time to develop their system.

Glance Technologies, Inc.

The second comparable company is Glance Technologies, Inc., (ticker GET), with their Glance Pay offering. They have entered into significant licensing agreements to access the cannabis, fitness, wellness, foreign student, and tourist markets through Cannapay Financial, Inc.; Active Pay Distribution, Inc.; and Euro Asia Pay Holdings, Inc. Glance Pay is currently developing a rewards-based cryptocurrency for integration into its platform. ZenaPay, through the software license agreement which also provides a point of sale software application, already has comparable features in its Store Manager to the Glance Pay platform. Furthermore, our solutions have been used by 1,000 businesses for more than 20 years and upgraded to the latest Microsoft .Net technologies demonstrating that our solution has the highest level of reliability. Without spending millions for additional software development, ZenaPay can utilize funds more efficiently and achieve positive cash flow sooner than Glance. A shorter timeline to develop new features will give ZenaPay a competitive edge to grab initial market share and retain customers. Furthermore, ZenaPay's experienced software development team can immediately expand our technology to the next level and enter into the market with a more advanced solution.

Global Cannabis Applications

The third comparable company is Global Cannabis Applications Corp. (ticker APP). APP is a global leader in the design, development, marketing, and acquisition of innovative mobile applications. Used in over twenty-five countries, the Global Cannabis Applications Corp. apps facilitate the evolution of conversation by like-minded people in a digital environment.

Zenapay's competitors are building unproven software platforms at huge expense and will need time and capital to fully flesh out their software systems. ZenaPay will have a significant head start and will be able to acquire new customers and use the know-how of its team to obtain customers, create new websites, case studies, and other marketing materials to enter into new vertical markets. These trade secrets, on how to build a proven scalable enterprise level solution, have a value based on the time it took to create them. It has been established that it took over ten years to develop and share the core knowledge that is used to create the trade secrets.

### **Established Competitors**

#### **Bio Track**

The first established competitor that is comparable is Helix TCS, Inc. (ticker HLIX). The company has won government contracts within US States and US Territories. The company has over 2,000 locations using its commercial software and processes over \$10 billion in sales. The company states that it's a pioneer of seed to sale tracking for both business management and government oversight software.

Bio Track uses a private network in order to provide traceability for detailed analytics for regulatory agencies to track cannabis transportation. ZenaPay's believes its competitive advantage will be using blockchain distribution ledger technology in order to provide the information publicly allowing for greater transparency for government regulatory and law enforcement. The major concern is if systems are hacked. Law enforcement agencies need reliable information in order to enforce the law.

#### **MJ Freeway**

The second established competitor that is comparable is MJ Freeway which is a venture capital backed private company. MJ Freeway developed an Enterprise Resource Planner ("ERP") for the cannabis industry. They also provide data and technology consulting services. The company has been around for seven years and processed sales over \$10 billion and over 2,000 customers. Their software provides point of sale software and seed to sale software. ZenaPay's believes its competitive advantage will be using blockchain smart contracts; tracking the supply chain of the seed to store. MJ Freeway does tracing using a private server. If the private server is hacked all of the information may be lost. ZenaPay will using a distributed ledger, the information is stored in multiple computing devices allowing for additional security.

#### **PacePlus, Inc. Competitors**

There are a few companies (AdvanceMD, DrChrono, and NextGen) that emerge when comparing PacePlus to other companies developing software for the medical records software industry.

AdvanceMD

AdvanceMD is an integrated medical software suite for independent practices. Their features include practice management, electronic health records, patient engagement, telemedicine, rooming, reputation management, and business reporting. PacePlus's competitive advantage is the ability to customize our solution based on our customers'

policies and procedures. PacePlus will be using blockchain technology to create a patient archive portal, which will allow the patient to access their medical records via the blockchain.

#### **DrChrono EHR**

DrChrono EHR is an iPad EHR and medical billing platform that allows users to manage patient intake, clinical charting, billing, and revenue cycle management. It includes customizable medical forms, e-prescribing, scheduling tools, real-time patient eligibility checks, and a patient portal. PacePlus's competitive advantage is the ability to customize our solution based on our customers' policies and procedures. PacePlus will be using blockchain technology to create a patient archive portal, which will allow the patient to access their medical records via the blockchain.

#### **NextGen**

NextGen offers solutions for electronic health records (EHR), practice management and ambulatory practices. PacePlus's competitive advantage is the ability to customize our solution based on our customers' policies and procedures. PacePlus will be using blockchain technology to create a patient archive portal, which will allow the patient to access their medical records via the blockchain.

#### **Cycles**

ZenaPay software products are available year-round.

#### **Changes to Contracts**

ZenaPay does not expect any changes to any of the material contracts it has for the current fiscal year. None of ZenaPay's material contracts are up for renegotiation in the next two fiscal years.

#### **Dependence on Certain Agreements**

ZenaPay relies on certain related-party arrangements to satisfy certain labour and technology requirements.

On August 31, 2017, ZenaPay entered into a management service agreement with Epazz, Inc. (its former parent company). Pursuant to that agreement, ZenaPay agrees to pay a 45 percent markup on all expenses it occurs in its labour, office space, hosting, travel, banking, and business development. The parties amended the agreement to change the markup from 45% to 20% starting January 31, 2019.

On November 18, 2018, ZenaPay entered into an industry-exclusive software licensing agreement with Epazz, Inc. (its former parent). Pursuant to that agreement, ZenaPay will be able to develop, market, and sell software modules exclusive to the cannabis industry worldwide using Epazz, Inc.'s compliance, supply chain, auditing, and point-of-sale software. Epazz, Inc. will receive 15 percent on any sales of the license software.

On February 11, 2019, ZenaPay, Inc. acquired PacePlus, Inc. via a stock purchase agreement, in which ZenaPay, Inc. acquired 100% of PacePlus, Inc. Common Stock from Epazz, Inc. for one million seven hundred fifty thousand (\$1,750,000) in a form of a 10-year promissory note for one million seven hundred fifty thousand (\$1,750,000) at 6% interest rate. The promissory note shall provide for one hundred twenty (120) equal monthly payments commencing one hundred twenty (120) days after February 11, 2019. The note provides ZenaPay, Inc. an option to defer payment for up to 36 months. On March 1, 2019, ZenaPay used this option to defer payment for 15 months of the 36 months. ZenaPay used this option to deferred payment for 15 months (or 15 payments) of 36 months (36 payments). The first payment on this note is due on September 11, 2020. The interest rate on the deferred payments is 10%. The deferred payments and interest will be added to the principal balance. The issuer will make equal payments on the principal balance over the course of the remaining months on the promissory note. The independent valuation from Stanton Park Advisors stated that the fair market value of PacePlus as of April 28, 2019 is \$1,816,000 US (rounded) on a 100% equity value basis.

On March 31, 2019, SystemView entered into an exclusive technology licensing agreement with Epazz, Inc. (its former parent). Pursuant to that agreement, SystemView will have the exclusive license to develop, market and sell plant recognition software. Epazz agreed to pay for the cost of the patent. If the patent is issued, SystemView will be the exclusive licensee of the patent. Epazz will receive a 7% royalty on all sales. The license term is perpetual.

#### **Employees**

ZenaPay currently has seven (7) contractors on staff with an average of 3 years of experience in developing payments, compliance and point of sale software. The contractors are pay from the revenues of PacePlus, Inc. Our CEO has over 20 years of experience developing payment, compliance and point of sale software solutions for retail stores, kennels, restaurants, and developing compliance solutions for certification bodies and government departments. The Issuer will expand that number as required by the demands of its business. Other work is performed for ZenaPay by contractors and consultants. The contractors are working out of the offices of the former parent company in Chicago, IL. and the Vancouver, BC address is used for general offices, meetings and receiving mail.

The Issuer intends to build an expanded management team, which will include a strong development team that will oversee the business development activities of the Issuer and perform all core functions of the business.

#### **Development Activities**

ZenaPay achieved the following development milestones as of March 21, 2019:

- Launched ZenaPay Merchant and ZenaPay Wallet on the Apple App Store in October 2017

- Launched ZenaPay Merchant and ZenaPay Wallet on the Google Play Store in December 2017
- Launched the second version of ZenaPay Merchant and ZenaPay Wallet in April 2018
- Designed ZenaPay Compliance in July 2018
- Started software development on ZenaPay Compliance in August 2018
- Designed the ZenaPay Merchant in September 2018
- Started the software development of the ZenaPay Store Manager in October 2018
- Launched the ZenaPay Plant Tracker in October 2018
- Acquired PacePlus, Inc. in February 2019

From December 2018 to June 2019, ZenaPay intends on completing and launching the ZenaPay Compliance Software and ZenaPay Store Manager for the Canadian cannabis market.

ZenaPay cannabis software products currently have no customers. ZenaPay is presenting the solution to interested parties in order to attract beta customers. ZenaPay will need to sign up beta customers in order to launch its software. After the launch of the ZenaPay Compliance Software and Store Manager, ZenaPay will support its beta customers and new customers. ZenaPay will receive feedback from its customers on the effectiveness of the software with their businesses. Based on the feedback, ZenaPay will enhance the software. ZenaPay's goal is to provide quarterly updates to its software products.

ZenaPay is using a consultant to arrange meetings with growers to sign up beta customers. Once the beta test is completed, ZenaPay will use an inbound marketing program to attract new customers to its software products. An inbound marketing program includes search engine optimization, pay-per-click, content marketing, and social media marketing. Our sales force will the potential customers to schedule live demos our software products. The sales force will also using outbound marketing program to contact a targeted list of potential customers based on their industry, revenue size and location.

#### **Summary of Development Targets**

ZenaPay's projected development targets for the next twelve months are summarized as follows:

- Complete modifications of the ZenaPay Compliance Software for the cannabis industry – June 2019
- Complete modifications of the ZenaPay Store Manager point-of-sale software for the cannabis industry – June 2019
- Integrate ZenaPay Plant Tracker Mobile app with the Store Manager and Compliance Software – June 2019
- Start testing, with beta customers, of the Compliance Software and Store Manager – June 2019
- Launch the ZenaPay Compliance Software and Store Manager – July 2019
- Complete modifications of the Supply Chain Software using smart contracts – July 2019
- Develop an automated reporting process and software for reporting analytics data– August to September 2019
- Test the automated reporting software– October 2019
- Launch the automated reporting software– November to December 2019

#### **Trends**

The Issuer's financial performance is dependent upon many external factors. Circumstances and events beyond its control could materially affect the financial performance of the Issuer. Apart from this risk, and the risk factors noted under the heading "Risk Factors," the Issuer is not aware of any other trends, commitments, events, or uncertainties that are reasonably likely to have a material adverse effect on the Issuer's business, financial conditions, or results of operations.

#### **Anticipated Changes in the Current Financial Year**

The Issuer intends to release new versions of its existing products and new products.

## 2. Legal Structure of the Company

ZenaPay was incorporated by Articles of Incorporation in the State of Illinois, United States, on August 31, 2017, as a wholly owned subsidiary of Epazz, Inc., until it was spun off on November 30, 2018, as a stock dividend. On December 14, 2018, the Issuer was domiciled in British Columbia through Articles of Continuance pursuant to the provisions of the *Business Corporations Act* (British Columbia).

## 3. Availability of corporate documents

ZenaPay's articles of incorporation, shareholder agreement, the accession agreement and the voting trust agreement are available to potential investors for review.

These documents will be made available electronically for review.

## 4. Operations of the Company

Indicate which statement(s) best describe the issuer's operations (select all that apply):

- Has never conducted operations,
- Is in the development stage,
- Is currently conducting operations,
- Has shown profit in the last financial year.

## 5. Financial Statements are available upon request.

**Information for purchasers: If you receive financial statements from an issuer conducting a start-up crowdfunding distribution, you should know that those financial statements have not been provided to or reviewed by a securities regulatory authority or regulator. They are not part of this offering document. You should ask the issuer which accounting standards were used to prepare the financial statements and whether the financial statements have been audited. You should also consider seeking advice of an accountant or an independent financial adviser about the information in the financial statements.**

## Item 7: USE OF FUNDS

### 1. Funds Previously Raised

The issuer has not previously raised funds under the Start-up Crowdfunding exemption

On December 5, 2018, the Issuer entered into a financing agreement and issued a non-convertible promissory note in the amount of USD \$200,000. The principal amount of this loan shall be due and payable on December 31, 2022 (the "Maturity Date"). Interest on the unpaid balance of this loan shall bear interest at the rate of ten percent (10%) per annum, which interest shall accrue from the effective date until the Maturity Date, unless prepaid prior to such Maturity Date. On March 6, 2019, the entire note, including interests, was converted into 5,505,890 Common Stock. On January 6, 2019, the Issuer entered into a financing agreement and issued a non-convertible promissory note in the amount of \$100,000. The principal amount of this loan shall be due and payable on December 31, 2022 (the "Maturity Date"). Interest on the unpaid balance of this loan shall bear interest at the rate of ten percent (10%) per annum, which interest shall accrue from the effective date until the Maturity Date, unless prepaid prior to such Maturity Date. This financing will provide sufficient cash resources to fund the Issuer's business objectives and day-to-day operating

needs for at least twelve months. There can be no assurance that equity financing will continue to be available to the Company in the future which can be obtained on terms satisfactory to the Company. The Issuer has not entered into any off-balance sheet arrangements.

## 2. Use of Funds for this Offering

The following table provides a breakdown of how ZenaPay will use the available funds of this Offering in the 12 months ensuing from the date of this Offering Document:

Description of intended use of available funds listed in order of priority	Assuming minimum Offering	Assuming maximum Offering
Software Development <sup>(1)</sup>	0	\$90,000
Marketing and Sales <sup>(1)</sup>	0	\$75,000
Working Capital	0	\$37,000
Microsoft Software Partnerships	0	\$3,500
Recruiting	0	\$2,000
General Corporate Purposes	0	\$2,000
Listing	0	\$11,000
Liquid Crowd Fees	\$11,250	\$30,000
Total:	\$11,250	\$250,000

Note

1. Operation expenses which will be pay under the management services with former parent company.

### Item 8: PREVIOUS START-UP CROWDFUNDING DISTRIBUTIONS

The issuer has not raised funds pursuant to the Start-Up Crowdfunding exemption.

### Item 9: COMPENSATION PAID TO FUNDING PORTAL

#### Set-Up Fee

Within five business days of the signature of this Agreement, the Issuer shall pay to the Portal the following fee:

- (a) a set-up fee in the amount of \$10,000; and
- (b) 198,192 warrants, each warrant shall be exercisable for one (1) common share of the share capital of the Issuer for a period of three (3) years from the closing of the Offering at a strike price equal to the price of the securities issued in the Offering.

## 1.2 Success Fee

Within five business days of the completion of the Offering, the Issuer shall pay to the Portal the following success fee:

- 25 investors: \$5000 and 198,192 warrants;
- 50 investors: \$5000 and 198,192 warrants;
- 75 investors: \$5000 and 198,192 warrants;
- 100 investors: \$5000 and 198,192 warrants;
- 125 investors: \$5000 and 198,192 warrants;
- 150 investors or \$250,000 raised: \$5000 and 198,192 warrants.

For greater certainty, achieving each of those milestones will trigger the success fee and issuance of warrants outlined in this Section 1.2, with each of the warrant having the same attributes as the one issued pursuant to Section 1.1 above.

## Item 10: RISK FACTORS

### 10.1

The purchase of Subscription Receipts pursuant to this Offering should only be made after consulting with independent and qualified sources of investment and tax advice. Investment in the Subscription Receipts at this time is highly speculative. ZenaPay's business involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Purchasers of Subscription Receipts must rely on the ability, expertise, judgement, discretion, integrity and good faith of the management of ZenaPay. This Offering is suitable for investors who are willing to rely solely upon the management of ZenaPay and who could afford a total loss of their investment.

The securities of ZenaPay should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in this Offering Document prior to making an investment in ZenaPay. In addition to the other information presented in this Offering Document, the following risk factors should be given special consideration when evaluating an investment in ZenaPay's securities.

#### *Risk Factors Related to the Common Shares*

#### **There is currently no public trading market for the Common Shares**

Currently there is no public market for the Common Shares of the Issuer, and there can be no assurance that the Issuer will achieve listing of its Shares on a Canadian exchange nor that an active market for the Common Shares will develop or be sustained upon any such listing.

#### **Volatility of Shares Price and Market Conditions**

The market price of the Common Shares may be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may adversely affect the market price of the Common Shares, even if the Issuer is successful in maintaining revenues, cash flows or earnings. The purchase of the Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities of the Issuer should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Issuer should not constitute a major portion of an investor's portfolio.

## **Capital Risk Management**

### Issuance of certain shares

The Issuer has the contingent obligation to issue additional shares of Common Shares in the future. The issuance of such additional shares of common and preferred stock may depress the price of the Issuer's Common Shares and cause dilution to existing shareholders.

### Non-convertible debt

Subject to such necessary regulatory approvals as are necessary, the Issuer may exchange non-convertible debt for convertible debt without shareholder consent which may cause immediate and substantial dilution. The board of directors has authority, without action or vote of the shareholders, to exchange non-convertible debts for convertible debts with agreement by the lenders, subject to regulatory approvals. As of December 31, 2018, the Issuer had a total of \$240,242, of non-convertible debts on its balance sheet. Any conversion of the Convertible Notes and sale of shares of Common Shares issuable in connection with the conversion thereof will likely cause the value of Common Shares, if any, to decline in value.

### Convertible Notes

The Convertible Notes are convertible into shares of the Issuer's Common Shares discounted to market. Convertible Notes and sale of shares of Common Shares issuable in connection with conversion will likely cause the value of the Issuer's Common Shares to decline.

The issuance of Common Shares upon conversion of the Convertible Notes will cause immediate and substantial dilution since Convertible Note holders may ultimately receive and sell the full amount of shares issuable in connection with the conversion of such Notes. The adjustable conversion price of the Issuer's Convertible Notes could require the Issuer to issue a substantially greater number of shares, which could adversely impact the Issuer's market price of its Common Shares.

## ***Risk Factors Associated with ZenaPay's Business***

### **Limited Operating History**

ZenaPay has limited operating history. The Issuer and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by software, technology companies in the early stages of their development, particularly companies in new and rapidly evolving markets such as the cannabis, cryptocurrency and blockchain markets. There is no certainty that the Issuer will operate profitably in future.

### **No Profits to Date**

ZenaPay has not made profits since its incorporation and it is expected that it will not be profitable for the foreseeable future. Its future profitability will, in particular, depend upon its success in developing and managing a significant number of cryptocurrency internet platforms, cannabis software products and to the extent to which any of these platforms themselves are able to generate significant revenues. Because of the limited operating history, the changes in the software, technology business and the uncertainties regarding the development of the cannabis software, cryptocurrency market and blockchain technology, management does not believe that the operating results to date should be regarded as indicators for ZenaPay's future performance.

### **Additional Requirements for Capital**

Substantial additional financing may be required if the Issuer is to be successful in developing its businesses. No assurances can be given that the Issuer will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be

available on terms acceptable to the Issuer, if at all. If the Issuer is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

## **Product Risk**

As the software and bitcoin industry requires the ability to develop new products, the Issuer's failure to successfully introduce new or enhanced products to the market may adversely affect the Issuer. The Issuer may not be successful in achieving market acceptance of its products, in spite of the creation of new products. Any failure or delay in diversifying the Issuer's existing product offerings could harm its business, result of operations and financial condition.

The Issuer must continue to modify and enhance its products to keep pace with changing technology. The Issuer may not be successful in developing modifications and enhancements or bringing them to market in a timely manner. Uncertainties about timing and the nature of new technologies and platforms could increase research and development expenses. Any failure of the Issuer's products to operate effectively with future network platforms and technologies could reduce the demand for the Issuer's products and result in customer dissatisfaction. In addition to the potential need for increased research costs, short product life cycles often found in the software industry requires high level expenditure that could adversely affect the Issuer's operating results.

## **Product Liability Risk**

While the Issuer's license agreements with customers contain provisions designed to limit exposure to potential product liability, the Issuer may face product liability claims which could lead to additional costs and losses to the Issuer. It is also possible that limitation of liability provisions contained in license agreements may not be effective under the laws of other jurisdictions. A successful product liability claim brought against the Issuer could result in the payment of substantial damages, undue harm to the Issuer and adverse financial conditions.

## **Software Risk**

Defects or errors in the Issuer's software could adversely affect the Issuer's reputation and result in significant loss. Defects and errors will also impair the Issuer's ability to sell software in the future. After the release of its software, while the Issuer makes every effort to guarantee accurate, error-free software, such errors may be identified from time to time by customers and staff.

Certain Issuer functions, such as software development, may be provided through off-shore contract providers. Any material disruption or slowdown in service resulting from telephone or internet failures, power or service outages, natural disasters, labor disputes, or other events could make it difficult to obtain adequate off-shore services. The Issuer may be unable to attract and retain an adequate number of competent software developers, which is essential in the software market. As the Issuer's outsourced software development is located in India, the Issuer may experience difficulties in training or monitoring the level of support provided. If the Issuer is unable to continually provide trained staffing for software development operations, sales could decline. The Issuer cannot provide assurances that its needs will not exceed its capacities. If this occurs, the Issuer could experience delays in developing software and addressing customer concerns. As the Issuer's success depends in large part on keeping future customers satisfied, any failure to provide satisfactory levels of software development would likely impair the Issuer's reputation and business.

## **Growth Risk**

Given the variable number of services its subsidiaries offer, the Issuer may not be able to effectively manage its growth, which may harm its profitability. The Issuer envisions strategic expansion of its business. If the Issuer fails to effectively manage its growth, its financial results could be adversely affected. Growth may place a strain on management systems and resources. As the Issuer grows, it must continue to hire, train, supervise and manage new employees. The Issuer cannot ensure that it will be able to meet capital needs, expand systems effectively, allocate human resources efficiently, identify and engage with qualified personnel and consultants, or incorporate the

components of any business that the Issuer acquires in its efforts to achieve growth. If the Issuer is unable to manage growth, its financial condition and results of operations may be materially and adversely affected.

### **Negative Operating Cash Flow**

The Issuer hasn't generated operating revenue and has a negative cash flow from operating activities. It is anticipated that the Issuer will continue to have negative cash flow in the foreseeable future. Continued losses may have the following consequences:

- (a) increasing the Issuer's vulnerability to general adverse economic and industry conditions;
- (b) limiting the Issuer's ability to obtain additional financing to fund future working capital, capital expenditures, operating costs and other general corporate requirements; and
- (c) limiting the Issuer's flexibility in planning for, or reacting to, changes in its business and industry.

### **Expenses May Not Align With Revenues**

Unexpected events may materially harm ZenaPay's ability to align incurred expenses with recognized revenues. ZenaPay incurs operating expenses based upon anticipated revenue trends. Since a high percentage of these expenses may be relatively fixed, a delay in receiving revenues from transactions related to these expenses (delays may be due to the factors described elsewhere in this risk factor section or may be due to other factors) could cause significant variations in operating results from quarter to quarter, and such delays could materially reduce operating income. If these expenses are not subsequently matched by revenues, ZenaPay's business, financial condition, or results of operations could be materially and adversely affected.

### **Development of Cryptocurrencies**

Cryptocurrency and blockchain technology is a young and rapidly growing business area. Although it is predicted that cryptocurrency could become a leading means of digital payment, it cannot be assured that this will in fact occur. Currently, blockchain software is dependent on the acceptance of cryptocurrency as a means of payment within the digital economy. For a number of reasons, including, for example, the lack of recognized security technologies, inefficient processing of payment transactions, problems in the handling of warranty claims, limited user-friendliness, inconsistent quality, lack of availability of cost-efficient high-speed services and lack of clear universally applicable regulation as well as uncertainties regarding proprietary rights and other legal issues, it can't be ruled out that such cryptocurrency activities may prove in the long run to be an unprofitable means for businesses.

In particular, the factors affecting the further development of the cryptocurrency industry include:

- (a) Adoption and usage of cryptocurrencies;
- (b) Regulations by governments and/or by organizations directing governmental regulations (such as the European Union) regarding the use and operation of and access to cryptocurrencies;
- (c) Changes in consumer demographics and public behavior, tastes and preferences;
- (d) Redirection and liberalization of using fiat currencies as well as the development of other forms of publicly acceptable means of buying and selling goods and services; and
- (e) General economic conditions and the regulatory environment relating to cryptocurrencies.

### **Market Acceptance**

If ZenaPay's blockchain apps do not gain market acceptance, its operating results may be negatively affected. If the markets for ZenaPay's software products and services fail to develop, develop more slowly than expected or become subject to increased competition, its business may suffer. As a result, ZenaPay may be unable to: (i) successfully market its Blockchain apps; (ii) develop new Blockchain apps; or (iii) complete software products and services currently under development. If ZenaPay's Blockchain apps are not accepted by its customers or by other businesses in the marketplace, ZenaPay's business, operating results and financial condition will be materially affected.

### **Global Financial Developments**

Stress in the global financial system may adversely affect ZenaPay's finances and operations in ways that may be hard to predict or to defend against. Financial developments seemingly unrelated to ZenaPay or to its industry may adversely affect ZenaPay over the course of time. For example, material increases in any applicable interest rate benchmarks may increase the debt payment costs for ZenaPay's credit facilities. Credit contraction in financial markets may hurt its ability to access credit in the event that ZenaPay identifies an acquisition opportunity or require significant access to credit for other reasons. A reduction in credit, combined with reduced economic activity, may adversely affect business. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on ZenaPay's business, operating results, and financial condition.

### **Regulatory Risks**

Changes in or more aggressive enforcement of laws and regulations could adversely impact the Issuer's business. Failure or delays in obtaining necessary approvals could have a materially adverse effect on the Issuer's financial condition and results of operations. Furthermore, changes in government, regulations and policies and practices could have an adverse impact on the Issuer's future cash flows, earnings, results of operations and financial condition.

Regulatory agencies could shut down or restrict the use of platforms or exchanges using virtual currencies or blockchain based technologies. This could lead to a loss of any investment made in the Issuer and may trigger regulatory action by the BCSC or other securities regulators.

The legal status of cryptocurrency varies substantially from country to country and is still undefined and changing in many of them. While some countries have explicitly allowed its use and trade, others have banned or restricted it. Likewise, various government agencies, departments, and courts have classified cryptocurrencies differently.

### **Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change**

Success as a developer of cryptocurrency-based, blockchain platforms will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. Cryptocurrency has experienced, and is expected to continue to experience significant growth in the number of users, amount of content and bandwidth availability. It cannot be assured that the cryptocurrency infrastructure will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. It is further not assured that the infrastructure or complementary products or services necessary to make cryptocurrency a viable medium for digital payments will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs in order to adapt the Issuer's services to changing technologies.

### **Risks Specifically Related to the United States Regulatory System**

The Issuer's investments operate in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements. The Issuer's investments incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Issuer's investments and, therefore, on the Issuer's prospective returns. Further, the Issuer may be subject to a variety of claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect our ability to conduct our business. The litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. A material adverse impact on our financial statements also could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable. The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Issuer's investments and which cannot be predicted,

such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Issuer's investments' earnings and could make future capital investments or the Issuer's investments' operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

The Issuer is expected to derive a portion of its projected future revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law. While the Issuer's business activities are compliant with applicable state and local law, such activities remain illegal under United States federal law. ZenaPay is not yet involved in the cannabis industry in the United States, but may be in the future. ZenaPay intends to only be involved in the cannabis industry where local and state laws permit such activities or provide limited defenses to criminal prosecutions. Currently, the Issuer is a software company thereby is not indirectly and directly engaged in the manufacture and possession of cannabis in the medical and recreational cannabis marketplace in the United States. Currently, the Issuer is focussed on marketing its software products in the Canadian market where medical and recreational cannabis is legal.

### **Risk of Security Weaknesses in the ZenaPay Network Core Infrastructure Software**

The ZenaPay network software consists of open source software that is itself based on open source software. There is a risk that the developers of ZenaPay, or other third parties may intentionally or unintentionally introduce weaknesses or bugs into the core infrastructural elements of the ZenaPay network software interfering with the use of or causing the loss of tokens or other data.

### **Risk of Theft and Hacking**

Hackers or other groups or organizations may attempt to interfere with the ZenaPay network software or the availability of it any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks.

### **Intellectual Property Rights**

The only significant intellectual property rights are certain domain names which ZenaPay owns. The Issuer does not believe that it is dependent on any of these intellectual property rights; however, the loss of several of them at any one time could harm its business, results of operations and its financial condition. Although the Issuer is not aware of violating commercial and other proprietary rights of third parties, there can be no assurance that its products do not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Although no legal disputes in this respect or perceptible detrimental effects on ZenaPay's business have arisen to date, any such claims and disputes arising may result in liability for substantial damages which in turn could harm the Issuer's business, results of operations and financial condition.

When Blockchain apps are released, the intellectual property of the software becomes open source and available to anyone. However, technology/programming in development remains the intellectual property of the developing company. ZenaPay does take steps to protect ownership of the in-development software through staff employment agreements, staff contracts and agreements with third party service providers.

### **U.S. Federal regulation and enforcement may adversely affect the implementation of medical marijuana laws and regulations may negatively impact our revenues and profits.**

Currently, there are 30 states plus the District of Columbia that have laws and/or regulation that recognize in one form or another legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment. Many other states are considering similar legislation. Conversely, under the Controlled Substances Act (the "CSA"), the policy and regulations of the Federal government and its agencies is that cannabis has no medical benefit and a range of activities including cultivation and use of cannabis for personal use is prohibited. Until Congress amends the CSA with respect to medical marijuana, there is a risk that federal authorities may enforce current federal law, and we may be deemed to be facilitating the selling or distribution of drug paraphernalia in violation of federal law. Active enforcement of the current federal regulatory position on cannabis may thus indirectly and adversely affect revenues

and profits of the Issuer. The risk of strict enforcement of the CSA in light of congressional activity, judicial holdings and stated federal policy remains uncertain.

**The Issuer may provide services to and potentially handle monies for businesses in the legal cannabis industry.**

Selling or distributing medical or retail cannabis is deemed to be illegal under the U.S. Federal Controlled Substances Act even though such activities may be permissible under state law. A risk exists that our services could be deemed to be facilitating the selling or distribution of cannabis in violation of the federal Controlled Substances Act, or to constitute aiding or abetting, or being an accessory to, a violation of that Act. Such a finding, claim, or accusation would likely severely limit the Issuer's ability to continue with its operations in this field.

**The legal cannabis industry faces an uncertain legal environment on U.S., state, federal, and local levels.**

Although we try to monitor the most recent legal developments affecting the cannabis industry, the legal environment could shift in a manner not currently contemplated by the Issuer. For example, while we think there will always be a place for compliance-related services, broader state and federal legalization could render the compliance landscape significantly less technical, which would render our suite of compliance services less valuable and marketable. Lending money to legal cannabis participants could also be subject to legal challenge if the federal government or another jurisdiction decides to more actively enforce applicable laws. These unknown legal developments could directly and indirectly harm our business and results of operations.

**Volatilities in Cryptocurrency Prices**

The markets for cryptocurrencies have experienced much larger fluctuations than other security markets. There can be no assurances that cryptocurrency price might show erratic swings in the future, which could be related not only to improper payment activities involving cryptocurrency but also regulations by law makers in various countries. Furthermore, cryptocurrencies have not been widely adopted as a means of payments for goods and services by the majority of retail and commercial outlets. On the other hand, a significant portion of the demands for cryptocurrency is generated by investors and speculators focusing on generating profits by buying and holding cryptocurrency which might create limitations on the availability of cryptocurrencies to pay for goods and services resulting in increased volatility of cryptocurrency which could adversely impact an investment in the Issuer.

**Several factors may affect the price and the volatility of cryptocurrency, including, but not limited to:**

- (a) Global cryptocurrency demand depending on the acceptance of cryptocurrency by retail merchants and commercial businesses, the perception that the use and holding of cryptocurrency is safe and secure as well as the lack of regulatory restrictions;
- (b) Investor's expectations with respect to the rate of inflation;
- (c) Interest rates;
- (d) Currency exchange rates, including exchange rates between cryptocurrency and fiat currency;
- (e) Fiat currency withdrawal and deposit policies on cryptocurrency exchanges and liquidity on such cryptocurrency exchanges
- (f) Interruption of services or failures of major cryptocurrency exchanges;
- (g) Large investment and trading activities in cryptocurrency
- (h) Monetary policies of governments, trade restrictions, currency de- and revaluations;
- (i) Regulatory measures restricting the use of cryptocurrency as a form of payment or the purchase of cryptocurrency;
- (j) Global or regional political, economic or financial events and situations, including increased threat of terrorist activities; and/or
- (k) Self-fulfilling expectations of changes in the cryptocurrency market.

**Stability of Cryptocurrency Exchanges**

The price of cryptocurrency is established by public exchanges that have, by nature of their business, a limited operating history. So far, even the largest cryptocurrency exchanges have been subject to operational interruptions or even collapse (Mt. Gox). The interruption and the collapse of cryptocurrency exchanges may limit the liquidity of cryptocurrencies resulting in volatile prices and a reduction in confidence in the cryptocurrency network and the cryptocurrency exchange market. The deposit or withdrawal of fiat currency into or from the cryptocurrency exchanges may also affect the price of cryptocurrency. Operational limits regarding the settlement with fiat currencies may also reduce the demand to use cryptocurrency exchanges which would adversely affect an investment in the Issuer. Cryptocurrency exchanges are relatively new and largely unregulated, and may, therefore, be more exposed to fraud and failure than other, more established currency and commodity exchanges. While smaller cryptocurrency exchanges are lacking infrastructure and capitalization the larger cryptocurrency exchanges are more likely to become targets of hackers and malware. Also, Arbitrating activities between cryptocurrency exchanges may destabilize some of the smaller cryptocurrency exchanges. A lack of stability in the cryptocurrency exchange market may reduce the confidence in the cryptocurrency network affecting adversely an investment in the Issuer.

### **Changes in the Cryptocurrency Network Protocol**

The cryptocurrency network is based on a protocol governing the peer-to-peer interactions between computers that are connected to each other within the cryptocurrency network. The governing code regulating such math-based protocol is informally managed by a development team. This development team, though, might propose and implement amendments to the cryptocurrency network's source code through software upgrades altering the original protocol, including fundamental ideas such as the irreversibility of transactions and limitations on the validation of blockchain software distributed ledgers. Such changes of the original protocol and software may adversely affect an investment in the Issuer.

### **Acceptance of Virtual Currencies**

Although the Issuer believes that the usage of cryptocurrencies will be focused on the technology to transmit and clear fiat currencies their usage as virtual currency will be an important factor as well. Hence, in the event that companies or individuals will be increasingly reluctant to accept virtual currencies, such limited usage of cryptocurrencies could adversely affect an investment in the Issuer.

### **Misuse of Cryptocurrencies**

Since the earliest existence of cryptocurrencies, there have been attempts to use them for speculation purposes, as well as manipulations by hackers to use cryptocurrencies for malicious purposes. Although law makers increasingly regulate the use and applications of cryptocurrencies, and software is being developed to curtail hacker activities as well as its misuses by speculators. No assurances can be given that those measures will sufficiently deter those illegal activities in the future.

In particular, misuses could occur if a malicious actor or botnet (i.e. a series of computers controlled by a networked software coordinating the actions of the computers) obtains a majority of the processing power controlling the cryptocurrency validating activities and altering the blockchain which cryptocurrency transactions rely upon.

Moreover, if the award for solving transaction blocks declines and transaction fees are not sufficiently high, the incentive to continue validating blockchain transactions would decrease and could lead to a stoppage of validation activities. The collective processing power of the blockchain network would be reduced, which would adversely affect the confirmation process for transactions by decreasing the speed of the adaption and adjustment in the difficulty for transaction block solutions. Such slower adjustments would make the blockchain network more vulnerable to malicious actors or botnets obtaining control of the blockchain network processing power.

### **Recording of Transactions**

It is feasible that blockchain validators will cease to record transactions in solved transaction blocks. In particular, transactions that do not include the payment of transaction fees will not be recorded on the blockchain until a transaction block is solved by validators who are not required to pay such transaction fees. Any widespread delays in the recording of transactions could result in a loss of confidence in the blockchain network which could adversely affect an investment in the Issuer. The Issuer's software may record transactions on the private Amazon Blockchain Network or Pubic Ethereum Blockchain network.

## Competition

The market for blockchain technology and Blockchain apps may become highly competitive on both a local and a national level. The Issuer believes that the primary competitive factors in this market are:

- product features, functionality and ease of use
- ongoing product enhancements
- pricing
- quality service and support
- reputation and stability of the vendor

The ZenaPay programming industry is at a very early stage. There is currently more demand for blockchain products than there are providers to create all of the blockchain products in demand. However, there are no assurances that established competitors, which may have greater financial, technical, and marketing resources than ZenaPay does, may choose to directly compete with ZenaPay Blockchain apps. The Issuer's competitors may also have a larger installed base of users, longer operating histories or greater name recognition than the Issuer will.

There can be no assurance that the Issuer will successfully differentiate its Blockchain apps from the products of its competitors, or that the marketplace will consider the Issuer's Blockchain apps to be superior to competing products.

## Trends, risks and uncertainties

The Issuer has sought to identify what it believes to be the most significant risks to its business, but it cannot predict whether, or to what extent, any of such risks may be realized nor can the Issuer guarantee that it has identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to the Issuer's Common Shares.

## Dependence on Third Party Relationships

The Issuer is highly dependent on a number of third party relationships to conduct its business and implement expansion plans. It cannot be assured that all of these partnerships will turn out to be as advantageous as currently anticipated or that other partnerships would not have proven to be more advantageous. In addition, it is impossible to assure that all associated partners will perform their obligations as agreed or that any strategy agreement will be specifically enforceable by the Issuer.

## Key Personnel

The future success of the Issuer will depend, in large part, upon its ability to retain its key management personnel and to attract and retain additional qualified marketing, sales and operational personnel to form part of its technical and customer services support center. The Issuer may not be able to enlist, train, retain, motivate and manage the required personnel. Competition for these types of personnel is intense. Failure to attract and retain personnel, particularly marketing, sales and operational personnel as well as consultants, could make it difficult for the Issuer to manage its business and meet its objectives. Failure to manage growth successfully may adversely impact the Issuer's operating results. The growth of the Issuer's operations places a strain on managerial, financial and human resources. The Issuer's ability to manage future growth will depend in large part upon a number of factors, including the ability to rapidly:

- (a) build and train development, sales and marketing staff to create an expanding presence in the evolving marketplace for the Issuer's products;
- (b) attract and retain qualified technical personnel in order to administer technical support required for customers located in Canada, the United States and other countries around the world;
- (c) develop customer support capacity as sales increase, so that customer support can be provided without diverting resources from product sales efforts; and
- (d) expand internal management and financial controls significantly, so that control can be maintained over operations as the number of personnel and size of the Issuer increases.

Inability to achieve any of these objectives could harm the business and operating results of the Issuer.

## **Management of Growth**

The Issuer may be subject to growth-related risks including pressure on its internal systems and controls. The Issuer's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems. The inability of the Issuer to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Issuer may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Issuer's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Issuer will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate and manage its employees. There can be no assurance that the Issuer will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Issuer's operations or that the Issuer will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

## **Litigation**

ZenaPay may become involved in litigation that may materially adversely affect it. From time to time in the ordinary course of ZenaPay's business, it may become involved in various legal proceedings. Such matters can be time-consuming, divert management's attention and resources and cause ZenaPay to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on ZenaPay's business, operating results or financial condition.

## **Conflicts of interest**

The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests, which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA.

To the best of the Issuer's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest between the Issuer and its directors and officers except that certain of the directors and officers may serve as directors and/or officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Issuer and their duties as a director or officer of such other companies.

## **Currency Risk**

To the extent that the Issuer expands its business into the United States and Europe, the Issuer will be exposed to foreign currency fluctuations to the extent that certain operations are located in the United States and Europe and therefore certain expenditures and obligations are denominated in US dollars and Euros, yet the Issuer is headquartered in Canada, has applied to list its Common Shares on a Canadian stock exchange and typically raises funds in Canadian dollars. As such, the Issuer's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Issuer.

## **No dividend history**

No dividends have been paid by the Issuer or ZenaPay to date. The Issuer anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Issuer's financial condition and current and anticipated cash needs.

## **Risks Related to the Offering**

### ***Subscription Price not an Indication of Value***

The subscription price is \$0.25 per Subscription Receipt. Such subscription price was determined by ZenaPay and does not necessarily bear any relationship to the book value of ZenaPay's assets, past operations, cash flows, losses, financial condition or any other established criteria for value. Holders of Subscription Receipts should not consider such subscription price as an indication of ZenaPay's value. After the date of this Offering Document, the Shares underlying the Subscription Receipts may trade at prices above or below such price.

***Decline in the Trading Price May Occur***

The trading price of the Shares in the future may decline below the underlying subscription price of the Shares. The future prices of the Shares may adjust positively or negatively depending on various factors including ZenaPay's future revenues, ZenaPay's operations, speculation in the trade or business press about ZenaPay's operations, and overall conditions affecting ZenaPay's businesses, economic trends and the securities markets.

***Loss of Entire Investment***

An investment in Subscription Receipts is highly speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in ZenaPay.

**Item 11: REPORTING OBLIGATIONS**

The Issuer is not a "reporting issuer" in any jurisdiction in Canada. All investors shall become ZenaPay shareholders. As a corporation continued under the *Business Corporations Act* (British Columbia), all shareholders shall receive information on a timely basis, including but not limited to, comparative financial statements and any further information respecting to the financial position of the Issuer and the results of its operations at the annual general meeting.

**Item 12: RESALE RESTRICTIONS**

**The securities you are purchasing are subject to a resale restriction. You may never be able to resell the securities.**

**Item 13: PURCHASERS' RIGHTS**

**If you purchase these securities, your rights may be limited, and you will not have the same rights that are attached to a prospectus under applicable securities legislation. For information about your rights you should consult a lawyer.**

**You can cancel your agreement to purchase these securities. To do so, you must send a notice to the funding portal within 48 hours of your subscription. If there is an amendment to this offering document, you can cancel your agreement to purchase these securities by sending a notice to the funding portal within 48 hours of receiving notice of the amendment.**

**The offering of securities described in this offering document is made pursuant to a start-up crowdfunding registration and prospectus exemptions order issued by the securities regulatory authority or regulator in each participating jurisdiction exempting the issuer from the prospectus requirement and the funding portal from the registration requirement.**

**Item 14: DATE AND CERTIFICATE**

**14.1 Certification**

**On behalf of the issuer, I certify that the statements made in this offering document are true.**

Dated as of: 05/22/2019

Signature: /s/Shawn Passley

Name: Shawn Passley

Position: Chairman and CEO

Company: ZenaPay, Inc.

**I acknowledge that I am signing this offering document electronically and agree that this is the legal equivalent of my handwritten signature. I will not at any time in the future claim that my electronic signature is not legally binding.**