



## **VICTORY SQUARE TECHNOLOGIES ANNOUNCES COMPLETION OF \$1.3 MILLION PRIVATE PLACEMENT BY V2 GAMES INC. AND \$2.4 MILLION CONVERTIBLE LOAN AGREEMENT**

**Vancouver, British Columbia, May 13, 2019** – Victory Square Technologies Inc. (CSE: VST, OTC: VSQTF, FWB: 6F6) ("**Victory Square**" or the "**Company**") is pleased to announce that its wholly-owned subsidiary, V2 Games Inc. ("**V2 Games**"), has completed a non-brokered private placement offering (the "**Private Placement**") of unsecured convertible debentures (each, a "**Debenture**") for gross proceeds of \$1,319,000.

"Victory Square's core strategy is to incubate and invest in new technology businesses and to develop them into market leaders," said Shafin Diamond Tejani, Chief Executive Officer of Victory Square. "This milestone for V2 Games is another successful example of this strategy at work. We identified an emerging space, found a solid team of thought leaders in that space, then added our strategic, operational and financial support to validate the business model. And now we've brought on a new base of strategic investors to enable V2 Games to achieve significant scale, profitability and a market leading position. This is another great victory for Victory Square and its shareholders."

V2 Games is a video and mobile game ventures firm focusing on royalty investments in high-value gaming projects featuring globally recognized intellectual properties. The company generates cash flow by streaming revenue share from world-class, recognizable gaming projects. V2 Games previously developed the hit mobile game PAC-MAN Bounce, which got over 20 million downloads.

Each Debenture issued pursuant to the Private Placement has an issue price of \$1,000, a term of two years from the date of issuance and will accrue interest at a rate of 8% per annum. The principal amount of the Debentures, plus accrued and unpaid interest, will be payable in cash on the maturity date, unless otherwise converted into common shares of V2 Games ("**V2 Games Shares**") prior to such date.

The principal amount of each Debenture and any accrued and unpaid interest is convertible into V2 Games Shares at a price of \$0.25 per share. Holders of Debentures may elect to convert their Debentures into V2 Games Shares at any time. All outstanding Debentures will automatically convert immediately prior to the completion of a "**Liquidity Event**" by V2 Games, being either (i) the listing of the V2 Games Shares on the TSX Venture Exchange ("**TSXV**"); or (ii) a transaction with a company that is a reporting issuer in at least one jurisdiction of Canada by way of plan of arrangement, amalgamation, reverse take-over, qualifying transaction, or any other business combination or other similar transaction pursuant to which the V2 Games Shares or the common shares of the resulting issuer ("**Resulting Issuer Shares**") are listed on the TSXV. The aggregate principal amount of the Debentures issued pursuant to the Private Placement, without taking into account interest that may accrue, is convertible into an aggregate of 5,276,000 V2 Games Shares. Accrued and unpaid interest is also convertible into V2 Games Shares at a price of \$0.25 per share.

In addition, upon completion of a Liquidity Event, fifty percent of the V2 Games Shares issued in connection with the conversion of the Debentures (or Resulting Issuer Shares, if applicable) will be subject to a four month pooling arrangement.

V2 Games intends to use the net proceeds of the Private Placement for capital expenditure requirements, investments in royalty generating gaming projects, general working capital purposes and for other corporate purposes.



"With this new investment into V2 Games, our company is poised to accelerate growth by connecting with a more diverse global group of brands to build exciting and engaging games for years to come." said Sam Chandola, founder of V2 Games.

In connection with the Private Placement, V2 Games paid finder's fees of \$36,420 and issued 72,840 non-transferable common share purchase warrants (the "**Finder Warrants**"). Each Finder Warrant is exercisable for a period of one year from the date of issuance thereof, for the purchase of one V2 Games Share, at a price of \$0.50 per V2 Games Share.

The Debentures, the Finder Warrants and the V2 Games Shares issuable on conversion of the Debentures and exercise of the Finder Warrants, are subject to an indefinite hold period pursuant to applicable securities laws, as a result of V2 Games not being a reporting issuer under Canadian securities laws at the time the Debentures were issued. This hold period will expire on the earlier of four months and one day after the later of the date of issuance of the Debentures or Finder Warrants, as applicable, and the date V2Games becomes a reporting issuer in any province or territory of Canada.

Concurrently with the completion of the Private Placement, the Company and V2 Games entered into a convertible loan agreement, amending the terms to the \$2,373,291.91 advanced by the Company to V2 Games, as well as any further amounts that may subsequently be advanced to V2 Games by the Company (the "**Agreement**"). Pursuant to the Agreement, the indebtedness owed by V2 Games will accrue interest at 8% per annum on the principal amount outstanding as at and from December 31, 2018, for amounts outstanding at such time, and from the date of advance, for any subsequent advance. The Agreement also provides that the principal amount, plus accrued and unpaid interest, is convertible into V2 Games Shares at a price of \$0.25 per V2 Games Share, at the option of the Company at any time prior to the maturity date, and such amount will automatically convert into V2 Games Shares at a price of \$0.25 per V2 Games Share immediately prior to the completion of a Liquidity Event, including a Liquidity Event pursuant to which the V2G Shares or Resulting Issuer Shares, as applicable, are first voluntarily listed by V2 Games on any Canadian stock exchange. The current aggregate principal amount loaned under the Agreement to V2 Games, without taking into account interest that has accrued or may accrue, is convertible into an aggregate of 9,493,168 V2 Games Shares. Accrued and unpaid interest is also convertible into V2 Games Shares at a price of \$0.25 per share.

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**ABOUT VICTORY SQUARE TECHNOLOGIES INC.**

Victory Square Technologies Inc. ("Victory Square" or "VST") builds and invests in emerging technology companies with proven business models and strong teams. VST portfolio companies are disrupting and fundamentally changing the business model in various sectors of the global economy including fintech, insurance, health, E-gaming and SaaS. Victory Square provides deep growth and operational support to its portfolio companies and helps them scale globally. Over time these companies are enabled to achieve significant growth and profitability. For more information, please visit [www.victorysquare.com](http://www.victorysquare.com).



## **ABOUT THE CANADIAN SECURITIES EXCHANGE (CSE)**

The Canadian Securities Exchange, or CSE, is operated by CNSX Markets Inc. Recognized as a stock exchange in 2004, the CSE began operations in 2003 to provide a modern and efficient alternative for companies looking to access the Canadian public capital markets.

## **FORWARD-LOOKING INFORMATION**

This news release contains “forward-looking information” within the meaning of applicable securities laws relating to the outlook of the business of Victory Square, including, without limitation, statements relating to V2 Games, the Private Placement, the conversion of the Debentures, the use of proceeds of the Private Placement, the Agreement, the conversion of amounts owing to Victory Square under the Agreement, a potential Liquidity Event by V2 Games and other factors beyond our control. Such forward-looking statements may, without limitation, be preceded by, followed by, or include words such as “believes”, “expects”, “anticipates”, “estimates”, “intends”, “plans”, “continues”, “project”, “potential”, “possible”, “contemplate”, “seek”, “goal”, or similar expressions, or may employ such future or conditional verbs as “may”, “might”, “will”, “could”, “should” or “would”, or may otherwise be indicated as forward-looking statements by grammatical construction, phrasing or context. All statements other than statements of historical fact contained in this news release are forward-looking statements. Forward-looking information is based on certain key expectations and assumptions made by the management of Victory Square. Although Victory Square believes that the expectations and assumptions on which such forward looking information is based are reasonable, undue reliance should not be placed on them because Victory Square can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements. The statements contained in this news release are made as of the date of this news release. Victory Square disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws. The Canadian Securities Exchange has neither approved nor disapproved the contents of this news release and accepts no responsibility for the adequacy or accuracy hereof.