

Victory Square Technologies Reports a Record First Half 2020

Net income for the six-month period ending June 30 increased to \$4,726,867 and earnings per share increased to \$0.07

VANCOUVER, British Columbia, September 01, 2020 (GLOBE NEWSWIRE) -- Victory Square Technologies Inc. ("Victory Square" or the "Company") (CSE:VST) (OTC:VSQTF) (FWB:6F6), a company that builds and invests in cutting-edge technology that is shaping the 4th Industrial Revolution, announces it has filed its condensed interim consolidated financial statements and Interim Management Discussion and Analysis (MD&A) for the three months ended June 30, 2020.

Highlights for the six-month period ending June 30:

- Net income increased to \$4,726,867 from \$(2,751,933) during the same period last year.
- Earnings per share increased to \$0.07 from \$(0.03) during the same period last year.
- 20+ portfolio companies that represent pillars of the future economy: digital health and diagnostics, artificial intelligence (AI), machine learning (ML), augmented and virtual reality (AR and VR), internet of things (IOT), cyber security, blockchain and more.
- Portfolio company, Victory Square Health gets FDA Permission to Manufacture and Market Safetest Covid-19 Antibody Test in the United States and is the first to be approved by the São Paulo State Government Covid-19 Innovation Programme.
- Portfolio company, FansUnite Entertainment Inc., raised \$8,141,764 and listed on the Canadian Securities Exchange ("CSE").
- VST ended the quarter with a strong balance sheet with \$1,683,991 in cash and cash equivalents. The Company also has access to a \$10,000,000 convertible note for operational and growth capital.

The Company's condensed interim consolidated financial statements and Interim MD&A for the three months ended June 30, 2020 are available under the Company's profile on SEDAR (www.sedar.com).

A Note from the CEO of VST: A Record-Setting First Half 2020 and Look Ahead

Dear Fellow Shareholders,

I am excited to connect with all of you after another exceptional quarter for Victory Square Technologies (VST) and in the wake of important news. Last month, our portfolio company Victory Square Health, makers of a Covid-19 antibody test was granted permission by the FDA to commence marketing, sales and distribution. Test kits will be available to labs across the United States in the next several weeks. The Company was also approved in Brazil by the São Paulo State Government as part of its Covid-19 Innovation Program.

I'm extremely proud that we'll be able to play a part in the fight against the pandemic and help accelerate testing to get people back to work and school. Importantly, this is not an overnight success. VST first identified Safetest's potential in 2017 through a partnership in Brazil and worked hard to bring its technology to Canada.

An overnight success, 20-plus years in the making

Indeed, Victory Square Health is just one illustration of a strategy that's led to broad success for VST and its portfolio companies.

It starts with a philosophy that is built from our teams' two decades of experience getting in early on successive waves: from Internet 1.0 to mobile to IoT. The fundamental needs of people — to work, play and communicate — don't change. The most promising startups just address those timeless needs in new and better ways. Today, that means we're focused on 4th Industrial Revolution technologies: personalized and digital health, artificial intelligence, augmented and virtual reality, blockchain, cybersecurity and more.

Equally important is identifying promising entrepreneurial talent early and in overlooked places. To find our proverbial needle in a haystack, we use a magnet. VST partners with a global network of incubators and accelerators to source top startups from North and South America, the Middle East, India, throughout Africa and beyond. From thousands of candidates, we've assembled our current portfolio of 20-plus companies.

These companies are brought to Canada and paired with an accomplished leadership team for rapid scale-up and commercialization. Our [venture-build approach](#) matches founders with [established investors and entrepreneurs](#) with a track record of success, including Canadian Angel Investors of the Year, EY Technology Entrepreneurs of the Year, Forbes 30 under 30 and more. These advisors provide tactical and logistical expertise, while also securing access to a rich network of partnerships and clients, ranging from Intel, Ebay, Bayer, Allegiant Air and Capital One to [Canada's Digital Technology Supercluster](#) and the renowned Waterloo [Artificial Intelligence Institute](#).

Finally, VST integrates a strong ESG (environmental, social and corporate governance) component throughout its operations. Our portfolio highlights minority entrepreneurs, often overlooked by traditional investors, including many from developing countries. We also have an explicit philanthropic mandate to support vulnerable youth in securing access to education, healthcare housing and nutritious food. Over the years, VST has donated more than 10,000 volunteer hours and helped raise more than \$88 million in support of these causes.

The VST flywheel in action

Together, all of these components have helped to build the VST flywheel. As Jim Collins [keenly points out](#), flywheels — those massive metal disks used in industrial processes — are slow to get moving. But with each push, you gain more and more momentum: "Each turn of the flywheel builds upon work done earlier, compounding your investment of effort."

The VST flywheel has been gaining momentum for more than 20 years, the result of getting in early on emerging trends, patiently building and finding synergies between existing businesses. We've seen this flywheel approach yield exceptional results this quarter, as disruptions wrought by the pandemic fast-forward existing tech trends:

- Launched in 2016 to accelerate personalized health diagnostics, Victory Square Health (VSH) is now applying cutting-edge tech to the Covid-19 crisis. With [FDA permission](#) for its flagship product, Safetest, the company is poised for continued growth.
- Esports and online gaming have surged as the pandemic has limited social interaction and live sports. To serve that audience, our portfolio company FansUnite has just completed [a series of key acquisitions](#) to become a leading technology platform for the B2B and B2C market.
- Online learning has emerged as a critical resource, and [Next Decentrum](#) is building the infrastructure that makes this possible.
- As digital networking replaces in-person prospecting, [CoPilot Advisor](#)'s tools for automating social connections are experiencing surging demand.
- Augmented and virtual reality are more important than ever during social distancing. Our portfolio companies, [Immersive Tech](#) and [Shape Immersive](#) are at the forefront of bringing real-life experiences to homes and offices.
- From growing demand for decentralized finance technology ([Covalent](#)) to increased use of cloud services ([Taloflow](#)) to extra needs for secure data ([Bluzelle](#)), we've seen the crisis accelerate so many of the core sectors of VST.

Looking forward

What lies ahead for VST is at once familiar and radically new. To borrow from Jeff Bezos, we're still in a Day One mentality — thinking and acting with speed and dexterity of a startup, because the alternative is stasis and irrelevance. In this respect, the Covid-19 crisis has both validated our existing investment philosophy and opened up new pathways for growth.

While first-order effects of the pandemic have created huge demand for necessities like accurate virus testing, second- and third-order effects promise to be equally consequential. [Voice technologies](#), already surging, have become even more dominant as the pandemic raises safety concerns around touchscreens and keypads, and VST will be investing accordingly. Deeper still, the economic fallout from the crisis has accelerated a larger movement around digital entrepreneurship. For mompreneurs, student entrepreneurs, minority entrepreneurs and others, “side hustles” — from YouTube channels and self-help blogs to Shopify stores and Masterclasses — have become critical income sources. As digital entrepreneurship surges, VST is planning to launch a major investment fund to support emerging entrepreneurs on a national scale and identify the brightest stars.

Ultimately, however, the North Star of VST remains unchanged. We were founded to give investors ground-floor access to the next generation of unicorn technology companies, before they're unicorns. This is as much a priority today as it was 20 years ago. As big tech has surged during the pandemic, so many investors have been left on the sidelines, lamenting the inability to get in earlier on Amazon, Facebook, Alphabet and other tech giants. Our mission remains to democratize this kind of access to tech's next big thing.

As our own history and long-term plays have shown, success here is not an overnight process — far from it. To quote Berkshire Hathaway's Charlie Munger: “The big money is not in the buying and selling but in the waiting.”

This kind of patience built the VST flywheel. Our legacy investors have seen that bear fruit this quarter. This very same philosophy will continue to guide us in the months and years ahead, as we work to democratize access to tomorrow's tech darlings, today.

Check out VictorySquare.com and sign up to official newsletter of Victory Square at www.VictorySquare.com/newsletter.

On behalf of the board,

Shafin Diamond Tejani
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ABOUT VICTORY SQUARE TECHNOLOGIES INC.

Victory Square (VST) builds, acquires and invests in promising startups, then provides the senior leadership and resources needed to fast-track growth. The result: rapid scale-up and monetization, with a solid track record of public and private exits.

VST's sweet spot is the cutting-edge tech that's shaping the 4th Industrial Revolution. Our portfolio consists of 20 global companies using AI, VR/AR and blockchain to disrupt sectors as diverse as fintech, insurance, health and gaming.

What we do differently for startups

VST isn't just another investor. With real skin in the game, we're committed to ensuring each company in our portfolio succeeds. Our secret sauce starts with selecting startups that have real solutions, not just ideas. We pair you with senior talent in product, engineering, customer acquisition and more. Then we let you do what you do best — build, innovate and disrupt. In 24-36 months, you'll scale and be ready to monetize.

What we do differently for investors

VST is a publicly-traded company headquartered in Vancouver, Canada, and listed on the Canadian Securities Exchange (VST), Frankfurt Exchange (6F6) and the OTCQX (VSQTF).

For investors, we offer early-stage access to the next unicorns before they're unicorns. Our portfolio represents a uniquely liquid and secure way for investors to get access to the latest cutting-edge technologies. Because we focus on market-ready solutions that scale quickly, we're able to provide strong and stable returns while also tapping into emerging global trends with big upsides. For more information, please visit 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.

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.

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 future performance, execution of business strategy, future growth, business prospects and opportunities of Victory Square and its related subsidiaries 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 facts 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.