

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

**1. Name and address of Company**

Victory Square Technologies Inc. (the "**Company**")  
Suite 1080 - 789 West Pender Street  
Vancouver, BC V6C 1H2

**2. Date of Material Change**

November 9, 2020

**3. News Release**

A news release announcing the material change was issued on November 9, 2020 and disseminated through the facilities of a recognized newswire service. A copy of the press release was also filed on SEDAR at [www.sedar.com](http://www.sedar.com).

**4. Summary of Material Change**

The Company closed the previously announced upsized and oversubscribed private placement of special warrants ("**Special Warrants**") of the Company (the "**Offering**"). The Company issued a total of 11,713,053 Special Warrants, including an aggregate of 1,136,129 Special Warrants issued as a result of the exercise of the agent's over-allotment option at \$0.52 per Special Warrant. The Offering was conducted by Gravitas Securities Inc., as lead agent and sole bookrunner.

Each Special Warrant will entitle the holder to receive one unit of the Company (a "**Unit**"), with each Unit being comprised of one common share and one-half of one common share purchase warrant of the Company, (each a "**Warrant**"). Each Warrant will entitle the holder to purchase an additional common share of the Company at a price of \$0.78 per share for a period of 36 months from the date of closing ("**Initial Closing Date**").

The Company has agreed to prepare and file a short form prospectus (the "**Prospectus**") qualifying the distribution of the Shares and the Warrants in British Columbia, Alberta, Manitoba and Ontario. In the event a receipt for the preliminary Prospectus has not been issued within 60 days of the Initial Closing Date, each Special Warrant will, upon the earlier of (i) four months and one day following the Initial Closing Date (or such subsequent closing date as may be applicable) and (ii) the date of the issuance of the receipt for the final Prospectus, entitle the holder of the Special Warrant to receive, at no additional cost, 1.10 Units, provided that the Company shall not be required to issue fractional Units, Shares or Warrants and any fractions shall be rounded down to the nearest whole number.

Until a receipt is issued for the final Prospectus, securities issued in connection with the Offering will be subject to a 4-month hold period from the date of issue.

**5.1 Full Description of Material Change**

See the attached news release.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**7 Omitted Information**

Not applicable.

**8 Executive Officer**

Sheri Rempel, Chief Financial Officer  
Telephone: 604-283-9166

**9 Date of Report:**

November 13, 2020



## **Victory Square Technologies Announces Closing of Upsized and Oversubscribed \$6.1 Million Private Placement of Special Warrants Led by Gravitas Securities**

VANCOUVER, November 9, 2020 (GLOBE NEWSWIRE) – Victory Square Technologies Inc. (“**Victory Square**” or the “**Company**”) (CSE: VST) (OTC: VSQTF) (FWB: 6F6) is pleased to announce that it has completed its previously announced upsized and oversubscribed private placement of special warrants of the Company (“**Special Warrants**”) for aggregate gross proceeds of approximately \$6.1M (the “**Offering**”). A total of 11,713,053 Special Warrants, including an aggregate of 1,136,129 Special Warrants issued as a result of the exercise of the agent’s over-allotment option pursuant to the Offering, were sold pursuant to the Offering at a price per Special Warrant of \$0.52 (the “**Offering Price**”). The Offering was conducted by Gravitas Securities Inc., as lead agent and sole bookrunner (the “**Agent**”). The subscribers to the Offering included a group of investors led by the CEO of Victory Square, Shafin Diamond Tejani, and 2-time Stanley Cup Winner Dave Bolland, who subscribed for Special Warrants equal to a total investment of approximately \$2.0M or 33% of the gross proceeds of the Offering.

Shafin Diamond Tejani, Chairman and CEO of Victory Square, commented, “We are pleased to have completed this offering and now have additional resources to ramp up our sales and growth strategy for our digital health and diagnostic assets. We wish to thank our shareholders and Gravitas for their tremendous support.”

Each Special Warrant will entitle the holder thereof to receive one unit of Victory Square (a “**Unit**”), without payment of additional consideration, with each Unit being comprised of one common share of the Company (a “**Share**”) and one-half of one common share purchase warrant of the Company (each whole such warrant, a “**Warrant**”). Each Warrant will entitle the holder thereof to purchase an additional common share of the Company at a price of \$0.78 per share for a period of 36 months from the initial closing date of the Offering (the “**Initial Closing Date**”).

The Special Warrants and the Warrants will be governed by the terms of a Special Warrant Indenture and a Warrant Indenture respectively between the Company and Computershare Trust Company of Canada, as indenture trustee, in each case and will be transferable pursuant to the terms of such indentures.

The Company has agreed to prepare and file a short form prospectus (the “**Prospectus**”) qualifying the distribution of the Shares and the Warrants in British Columbia, Alberta, Manitoba and Ontario. In the event a receipt for the preliminary Prospectus has not been issued within 60 days of the Initial Closing Date, each Special Warrant will, upon the earlier of (i) four months and one day following the Initial Closing Date (or such subsequent closing date as may be applicable) and (ii) the date of the issuance of the receipt for the final Prospectus, entitle the holder of the Special Warrant to receive, at no additional cost, 1.10 Units, provided that the Company shall not be required to issue fractional Units, Shares or Warrants and any fractions shall be rounded down to the nearest whole number.

Until a receipt is issued for the final Prospectus, securities issued in connection with the Offering will be subject to a 4-month hold period from the date of issue.

The net proceeds of the Offering are expected to be used for future acquisitions, organic growth investments, including in healthcare assets operated by subsidiaries and/or portfolio companies, working capital, repayment of related party debt in the aggregate amount of \$500,000, and general corporate purposes.

The Agents received a cash commission equal to 8.0% of the gross proceeds from the sale of Special Warrant pursuant to the Offering, which commission was reduced to 6.0% in respect of certain president’s list purchasers. In addition, the Company also granted the Agents that number of non-transferable broker warrants as is equal to 8.0% of the number of Special Warrants sold pursuant to the Offering, which number of broker warrants was reduced to 6.0% in respect of certain president’s list purchasers, each exercisable to acquire an Agent’s Unit (as defined below) for a period of 36 months from the date of issuance thereof at the Offering Price.

## **Multilateral Instrument 61-101**

Certain directors and management of the Company (“**Insiders**”) purchased an aggregate of 961,538 Special Warrants pursuant to the Offering. Participation by each Insider in the Offering constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the participation by the Insiders in the Offering in reliance on sections 5.5(a) and 5.7(1)(a) of MI 61-101. A material change report with respect to the closing of the Offering and the participation of Insiders in the Offering will be filed shortly, which is less than 21 days in advance of the closing of the Offering; the Company deemed this abbreviated period reasonable in the circumstances so as to be able to complete the Offering in an expeditious manner.

## **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 Company’s sweet spot is the cutting-edge tech that’s shaping the 4th Industrial Revolution. Our portfolio consists of 23 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 while also tapping into emerging global trends with big upsides. For more information, please visit [www.victorysquare.com](http://www.victorysquare.com).

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the “**U.S. Securities Act**”) or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

On behalf of the board,

Shafin Diamond Tejani  
Chief Executive Officer and Director  
Victory Square Technologies Inc.  
[www.victorysquare.com](http://www.victorysquare.com)

For further information about the Company, please contact:

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### **Forward Looking Statement**

Certain statements in this news release related to the Company are forward-looking statements and are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as “may”, “should”, “could”, “intend”, “estimate”, “plan”, “anticipate”, “expect”, “believe” or “continue”, or the negative thereof or similar variations. Forward-looking statements in this news release include statements regarding the closing of the Offering, the intended use of proceeds of the Offering, the filing of the Prospectus and the obtaining of receipts for the Prospectus. There are numerous risks and uncertainties that could cause actual results and the Company’s plans and objectives to differ materially from those expressed in the forward-looking information, including: (i) adverse market conditions; (ii) risks inherent in the Company’s business in general; (iii) that the proceeds of the Offering may need to be used for purposes other than as set out in this news release and other factors beyond the control of the Company. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by applicable law, the Company does not intend to update these forward-looking statements.

*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.*