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Victory Square's Subsidiary, IV Hydreight Announces Potential Qualifying Transaction With Perihelion Capital Ltd.

for a deemed transaction value of \$22,575,000, of which approximately 78% is attributed to Hydreight and approximately 22% is attributed to PCL.

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VANCOUVER, British Columbia, May 03, 2022 (GLOBE NEWSWIRE) -- Victory Square Technologies Inc. (CSE:VST) (OTC:VSQTF) (FWB:6F6) ("**Victory Square**" or the "**Company**") is pleased to announce that the Company and its wholly-owned Nevada subsidiary, IV Hydreight Inc. ("**Hydreight**"), have entered into a non-binding letter of intent dated May 2, 2022 (the "**LOI**"), with Perihelion Capital Ltd. ("**PCL**") (TSXV:PCL.P), a capital pool company listed on the TSX Venture Exchange (the "**TSXV**"). The LOI outlines the terms and conditions pursuant to which Hydreight and PCL will complete a three cornered amalgamation, whereby a wholly-owned subsidiary of PCL will amalgamate with a subsidiary of the Company ("**VST SubCo**") under the *Business Corporations Act* (British Columbia) (the "**Proposed Transaction**").

Prior to the closing of the Proposed Transaction, 100% of the equity interests in Hydreight will be transferred into VST SubCo so that, upon completion of the Transaction, Hydreight will be a wholly-owned subsidiary of PCL (together, the "**Resulting Issuer**"). The Proposed Transaction, if completed, will constitute PCL's "Qualifying Transaction" (as such term is defined in Policy 2.4 – *Capital Pool Companies* ("**Policy 2.4**") of the TSXV). Upon completion of the Proposed Transaction, the Resulting Issuer will carry on the businesses of Hydreight, and intends to list as a tier 2 technology issuer on the TSXV. In August 2021 and April 2022, PCL completed non-brokered private placements to raise aggregate gross proceeds of \$3,081,158.88.

In connection with the Proposed Transaction and after the completion of the amalgamation, it is anticipated that PCL will complete a consolidation of the issued and outstanding common shares of PCL (the "**PCL Shares**").

In exchange for the common shares of VST SubCo (the "**VST SubCo Shares**" and those VST SubCo Shares sold pursuant to the Concurrent Financing (as defined herein), the "**Financing Shares**"), PCL will issue to the shareholders of VST SubCo, other than the holders of Financing Shares (the "**Financing Shareholders**"), on a prospectus and registration exempt basis, such number of PCL Shares as is equal to a fraction, the numerator of which is \$22,575,000.00 and the denominator of which shall be such price per Common Share as may be agreed to between VST SubCo and PCL (the "**Resulting Issuer List Price**"). In exchange for the Financing Shares, PCL will issue to the Financing Shareholders one PCL Share for every Financing Share held by such Financing Shareholder.

In connection with the Proposed Transaction, the parties to the LOI have agreed to use commercially reasonable efforts to complete a private placement financing (the "**Concurrent Financing**") of Financing Shares at a price per Financing Share equal to the Resulting Issuer List Price to raise gross proceeds of approximately \$500,000.

In connection with the Proposed Transaction, PCL has provided Hydreight with a refundable, unsecured, non-interest bearing loan of \$25,000 concurrently with the signing of the LOI, which Hydreight intends to use for working capital purposes. Subject to compliance with applicable laws and the policies of the TSXV, including approval of the TSXV, PCL expects to provide a refundable secured, non-interest bearing advance to Hydreight in the amount of \$200,000, which Hydreight will use for working capital purposes.

On completion of the Proposed Transaction, the securityholders of VST SubCo will own a majority of the issued and outstanding common shares of the Resulting Issuer (the "**Resulting Issuer Shares**"). Without taking into account the Concurrent Financing and the issuance of any Financing Shares, the Company is expected to hold approximately 78% of the Resulting Issuer and PCL is expected to hold approximately 22% of the Resulting Issuer on completion of the Proposed Transaction.

Mr. Shafin Tejani, a director of PCL, is a director of the Company, an Insider (as such term is defined in Policy 2.4) of Hydreight. As such, Mr. Tejani is: (i) a Non-Arm's Length Party and Insider of PCL, (ii) an Insider of Hydreight, and (iii) a Non-Arm's Length Party and Insider of the Company. The Company does not consider the Proposed Transaction to be a "Non-Arm's Length Qualifying Transaction" (as such term is defined in Policy 2.4). The Proposed Transaction may be considered a "related party" transaction in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Should the Proposed Transaction be determined to be a "related party" transaction, further information regarding the disclosure requirements under MI 61-101 will be provided in a subsequent news release.

Pursuant to the terms of the LOI, until the earlier of (i) the date of the closing of the Proposed Transaction and (ii) 150 days following the date of the LOI, subject to extension by mutual written agreement, PCL and Hydreight agree to refrain from, directly or indirectly, soliciting, initiating or encouraging any expression of interest, proposal or offer from, or negotiation with, or providing information to or facilitating discussions with, any person relating to any competing offer from a third party to acquire the shares of Hydreight or initiate any other discussions or negotiations that could reasonably be expected to be inconsistent with or limit the likelihood of the successful implementation of the Proposed Transaction.

The management teams of the Company and Hydreight are working diligently towards the closing of the Proposed Transaction, including the preparation and audit of the financial statements of Hydreight.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to (i) the negotiation of a definitive agreement between PCL, the Company, VST SubCo and Hydreight (the "**Definitive Agreement**"); (ii) the receipt of disinterested shareholder approval for the Proposed Transaction to the extent as required by applicable law and policies of the TSXV; (iii) the filing with the applicable securities regulatory authorities of a filing statement or information circular regarding the Proposed Transaction, (iv) the receipt of conditional approval from the TSXV for the Proposed Transaction and the listing of the Resulting Issuer Shares upon completion of the Proposed Transaction; and (v) the completion of the Concurrent Financing. There can be no assurance that the Proposed Transaction will be completed on the terms proposed above or at all.

Trading in the PCL Shares has been halted at PCL's request and the halt is expected to continue pending the negotiation of the Definitive Agreement and the TSXV's review and acceptance of materials for the Proposed Transaction.

Sponsorship of a Qualifying Transaction (as such term is defined in Policy 2.4) is required by the TSXV unless a waiver from the sponsorship requirement is obtained. PCL intends to apply for a waiver from sponsorship for the Proposed Transaction. There is no assurance that a waiver from this requirement will be obtained.

On behalf of the board,
Shafin Diamond Tejani
Chief Executive Officer and Director

IV Hydreight Inc.

Hydreight is a revolutionary approach to accessible health and wellness with operations located in the United States. With mobile medical compliance and technology at its core, Hydreight provides a business model for health professionals, including nurses, and allow such professionals the perks of working for themselves and running their own business.

Hydreight has created a platform for many new medical doctors and healthcare professionals including naturopaths, pharmacists, private nurses, and emergency medical technicians, which enables these professionals to provide services through a centralized booking system. This platform provides the medical professional with access to clients and marketing capabilities for their services, while enabling the professional to forgo certain operating expense.

Hydreight was acquired by Victory Square on February 10, 2021. For more information, [please see Victory Square's news release dated February 4, 2021.](#)

Perihelion Capital Ltd.

PCL was incorporated under the *Business Corporations Act* (British Columbia) on April 13, 2018, and is a Capital Pool Company (as such term is defined in Policy 2.4) listed on the TSXV. PCL has no commercial operations and no assets other than cash.

Victory Square Technologies Inc.

Victory Square 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.

Victory Square's sweet spot is the cutting-edge tech that's shaping the fourth 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

Victory Square 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

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.

Environmental, Social and Corporate Governance ("ESG")

Victory Square integrates a strong ESG component throughout its operations. Our portfolio highlights minority entrepreneurs, often overlooked by traditional investors, including many from developing countries. We are also dedicated to giving back to the communities in which we serve and operate. The Company's mandate is to assist organizations through its time, talent and treasure. The Company is committed to organizations that provide services in the youth, mental health, special needs, sport, tech, education, marginalized groups, First Nations, and accessibility sectors.

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

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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.

This press release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to TSXV acceptance and, if applicable pursuant to the TSXV requirements, majority of the minority shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon.

Neither the TSXV nor Canadian Securities Exchange has in any way passed upon the merits of the Proposed Transaction and has not approved or disapproved of the contents of this news release.

Cautionary Note Regarding Forward-Looking Information

This press release contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to future business activities and operating performance. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe",

"estimate", "expect" or similar expressions and includes information regarding: expectations regarding whether the Proposed Transaction will be consummated, whether the Concurrent Financing will be completed, including whether conditions to the consummation of the Proposed Transaction and completion of the Concurrent Financing will be satisfied, or the timing for completing the Proposed Transaction and Concurrent Financing.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company's management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability to consummate the Proposed Transaction and/or Concurrent Financing; the ability to obtain requisite regulatory and other approvals and the satisfaction of other conditions to the consummation of the Proposed Transaction and/or Concurrent Financing on the proposed terms and schedule; the potential impact of the announcement or consummation of the Proposed Transaction and/or Concurrent Financing on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the diversion of management time on the Proposed Transaction and/or Concurrent Financing. This forward-looking information may be affected by risks and uncertainties in the business of the Company, PCL and Hydreight and market conditions.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.