

Victory Square Technologies Reports 2023 Q1 Financial Results

- A diverse portfolio of 25 innovative companies from around the world (our founders come from: Ireland, Sri Lanka, Bulgaria, Australia, India, Brazil, the Middle East and North America)
- Sectors include: Digital Health, Artificial Intelligence (AI), Machine Learning (ML), Blockchain, Virtual & Augmented Reality (VR/AR), Gaming, Climate Tech
- Unaudited Net Asset Value (NAV) of approx. \$79,462,849 as at May 29, 2023
- Cash & liquid securities approx. \$5,990,918
- Owner-operated (15% Management Ownership)
- Victory Square subsidiary, Hydreight, achieved total top-line non-GAAP Adjusted Revenue for Q1 2023 reached \$4,167,670 representing a growth rate of 211% over the Company's Q1 2022 Adjusted Revenue of \$1,339,818
- Victory Square currently trades at an approx. 77% discount to its unaudited Net Asset Value (NAV)

VANCOUVER, British Columbia, May 31, 2023 (GLOBE NEWSWIRE) -- Victory Square Technologies Inc. ("Victory Square" or the "Company") (CSE:VST) (OTC:VSQTF) (FWB:6F6), a company that gives investor access to a portfolio of the best and brightest entrepreneurs and innovations from around the world in a single stock, announces it has filed its condensed interim consolidated financial statements and Interim Management Discussion and Analysis (MD&A) for the three months ended March 31, 2023.

"Although uncertainty abounds domestically and globally, opportunity also abounds for investors — the challenges ahead are plain to see and, in many respects, timeless: health and safety, the desire to communicate and play, the need to eat, work and thrive. Victory Square has built a portfolio full of phenomenal companies finding creative new ways to solve these timeless needs.

We've been very fortunate to have such a passionate, supportive and vocal shareholder base. Victory Square is in a stronger position now than at any time in its past. Our NAV has remained strong, and we've seen significant growth in our portfolio companies so far in 2023. We expect this momentum to continue for the rest of the year. We have a healthy balance sheet, significant assets and have built a pipeline of new opportunities in the digital health space." -Shafin Diamond Tejani, CEO of Victory Square Technologies

Company:

Victory Square is a Venture Builder focused on Investing in disruptive innovation.

We provide investors a liquid way to invest in early-stage technology companies without buying a venture fund that requires accredited investor status or multi-year commitments.

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VST is a good way to diversify into early-stage venture.

Business Model:

The Victory Square business model is to buy, build and invest in early stage tech companies. We spend upwards of 48 months with those companies until they're ready to spin-off or stand on their own. There are a couple of unique elements to our business model...

1. We have unparalleled access to startups through our internal incubator and International network with over 250+ founders, investors, tech accelerators and venture capital firms from more than 60 countries.

2. Second, our management team and advisors are actively involved in our investments from incubation through monetization, providing them with financial, operational, and strategic support to scale globally.
3. We drive value by monetizing investments and reinvesting the gains in new innovations. The strategy was to build a self-sustaining business.

Financial Highlights for the three months ending March 31, 2023:

- Revenue for the period ended March 31, 2023, was \$2,877,325 compared to \$1,017,097 for the comparative period. The increase in revenues is primarily related to substantial growth in Hydreight revenues and user base resulting in increasing subscription, pharmacy and net commission revenues.
- Cost of goods sold for the three months ended March 31, 2023, was \$1,370,139 compared to \$442,957 for the comparative period. The increase in cost of goods sold is related to the above-described changes in revenues, primarily due to the cost of pharmacy purchases associated with the increased pharmacy sales of Hydreight.
- The gross margin for the three months ended March 31, 2023, was \$1,507,186 compared to \$574,140 for the corresponding comparative period. The current period gross margin is driven primarily by the online pharmacy sales of Hydreight. Also, Hydreight revenue includes subscription revenue earned over time, which doesn't have a corresponding cost of expense as with pharmacy purchases.
- Cash & liquid securities approx. \$5,990,918
- Unaudited NAV of approximately \$79,462,849 as at May 29, 2023 (see Use of Non-GAAP Financial Measures)

“The KPIs that we track more closely for Victory Square that are a better indicator on performance are: Cash Invested, Net Asset Value (NAV), Return on Invested Cash, Share Price/Market Cap vs Index Benchmark, Operating costs as a % of NAV. Since 2017, we've evaluated over 1000 companies & startup ideas, of which 25 have made the cut. We've invested \$13M, and the

value of the portfolio sits at \$80M. It has grown from \$4M in 2017 to approximately \$80M today. And, our goal is to continue to grow our NAV going forward.” Shafin Diamond Tejani, CEO of Victory Square.

This update is made based on Victory Square’s established practice of releasing NAV as part of the Company’s ongoing response to shareholder interest in receiving periodic information. NAV is calculated based on the latest audited valuations, third party pricing agency valuations as well as unaudited management review valuations (based on comparables in the market) as at May 29th, 2023.

The Company’s consolidated financial statements for the quarter ending March 31st, 2022 along with its Management Discussion and Analysis (MD&A) are available under the Company’s profile on SEDAR (www.sedar.com).

The company trades at an approx. 77% discount to its current estimated NAV, well below comparable companies.

Notable Portfolio Highlights:

Hydreight - Hydreight is an on-demand home healthcare and wellness platform that makes it possible to book health and wellness services at home. Registered nurses and other licensed providers on the platform can be their own bosses and offer services independently with the oversight of a Hydreight medical director. The platform provides them with access to a digital pharmacy, as well as a full suite of HIPAA-compliant tools to manage their businesses.

Hydreight’s performance for the first quarter of 2023 has seen a significant increase across all revenue streams over the first quarter of 2022:

- Total top-line non-GAAP Adjusted Revenue for Q1 2023 increased 211% over Q1 2022, reaching C\$4,167,670 (see Use of Non-GAAP Financial Measures)
- Total revenue for Q1 2023 increased 329% over Q1 2022, reaching C\$2,631,817
- Contract revenue from business partners who provide services via the platform has increased by approximately 386%

- Commission revenue on services booked through the platform has increased by approximately 118%
- Pharmacy sales through the Company's digital pharmacy have increased by approximately 333%

Hydreight management believes the following Non-GAAP financial measures provide meaningful insight to aid in the understanding of Hydreight's performance and may assist in the evaluation of the Hydreight's business relative to that of its peers:

Q1 2023 Key Milestones

Hydreight completed several key improvements from January 1 to March 31, 2023, that played a pivotal role in the growth throughout 2023 thus far:

- The platform attracted 185 new business Partner account sign-ups in the first quarter of 2023, an over 250% increase over the first quarter of 2022
- The app received a significant update to enable service providers to take greater control of their service offering, and also access additional in-app training
- Hydreight commenced operations with its second Pharmacy Whitelabel
- Hydreight achieved record sales across all revenue streams in March 2023 and April 2023
- Hydreight entered into a co-marketing agreement with one of the largest Aesthetic manufacturers in the United States
- Hydreight Released a major enterprise level software upgrade to provide additional functionality for the company's expansion across a variety of areas.
- Major partnerships were secured with pharmaceutical partners including Empower, McKesson, Medline, and Olympia, to ensure consistent supply as well as preferred pricing on products and medications.
- *Numbers are approximate and provided by Hydreight Management

Victory Square Digital Health - Victory Square Digital Health provides a white label virtual care platform and nationwide clinician network to customers including other digital health startups, brick and mortar clinics, retailers and pharmacies as an alternative to the considerable time and money organizations might otherwise invest in creating their own virtual care service. (which can sometimes cost between \$250,000 - \$500,000)

A number of factors make virtual-first care a priority right now, including the pandemic, but there are other overarching reasons for why virtual care has become a necessity...ie. The shrinking pool of clinicians – many of whom are burned out or even leaving their profession – won't be able to scale with the growing demand for patient care. Virtual-first care models allow clinicians to be more efficient with their time by leaning on technology to easily triage patients and their care needs.

The future of healthcare is hybrid, and so the future of the clinician workforce is also hybrid. Victory Square Digital Health is enabling that journey and ensuring that the clinician is supported along the way.

The focus for Victory Square Digital Health in 2023 is to ramp up sales and marketing to provide their full-suite of mobile digital health solutions and telemedicine platform to surgery centers, skilled nurses, home care agencies and hospice care.

VS Health dba Safetest Comércio de Diagnósticos - VS Health is 360-degree health care offering smart, connected devices, at-home diagnostic tests, personalized digital guidance and monitoring, 24/7/365 access to health care professionals, and prescription delivery in Brazil.

- Safetest was selected to receive a federal grant in Brazil for a project using Artificial Intelligence in the diagnosis of neglected diseases, generating quantitative results and data processing to generate epidemiological information in real time. Safetest will receive approximately R\$1,000,000 in grants for investing in R&D payroll, inventory, software development and equipment for the development of smartphone based rapid tests.
- Safetest and Biominas partnered up on a project called Artificial Intelligence in a Point-of-Care Cervical Cancer test, which was selected for a state grant, being the second-best project among hundreds of companies that submitted for this grant. The project will receive

approximately R\$1,540,000 for investing in R&D payroll, inventory and lab services for the development of a smartphone based rapid test for the detection of Cervical Cancer.

- Safetest was selected for a national open innovation program called IBMP (Molecular Biology Institute of Paraná) Hunting. The goal of the program was to find projects that can add innovative solutions to IBMP's in vitro diagnostics and therapeutic biomolecules technological platforms. Safetest and IBMP are signing an NDA to develop a Rapid PCR Point-of-Care test, which has the potential to change the Point-of-Care Diagnostics sector.
- Safetest signed a contract with one of the largest Vet products companies in Latin America for the development and production of an unprecedented rapid test that has the potential to be a game changer in the Vet diagnostics sector.
- Safetest concluded the development of the HTLV 1 and 2 rapid test and is now going to perform the clinical validation for registering the test at ANVISA. There are currently no tests in the market that differentiate HTLV 1 from 2.
- The development of the Cervical Cancer Rapid Test is moving forward quickly with good results. The next step is to expand the number of samples and the clinical validation.
- Safetest has been granted ANVISA approval for their lab facility, which can produce approx. 2 million tests per month.

Draft Label Technologies - Draft Label subsidiary inks definitive agreement to complete business combination. Draft Label will become a wholly owned subsidiary of AcquisitionCo, which is launching microsites focused on Men's and Women's health (ie. Hormone testing, TRT, Perimenopause, PCOS, fertility, weight loss). Draft Label is preparing for a 2023 public listing.

GameOn (CSE:GET) - GET had a great finish to 2022. They closed 11 deals including Karate Combat, YOOM (formerly Tetavi), and Gaming Society (in collaboration with the WNBA). Partnered with Karate Combat to launch playable digital fighter NFTs and a fantasy game. The digital fighters are set to launch in Q2 2023 with GameOn keeping 80% of revenue. KC37 saw a league-record 10M total viewers. Karate Combat has global distribution in 100+ countries and is partnered with CBS, Globo, Eurosport, BeIN, & ESPN. GET is projected to exit 2022 with approx \$1M in revenue and the

management team is confident they will close out 2023 with approx \$3M in revenue.

XR Immersive (CSE:VRAR) - XR Immersive is projected to exit 2022 with approximately \$1M in revenue and is forecasted to exit 2023 with approximately \$2M in revenue with a profit margin between 18% - 20%.

XRI recently announced strategic partnerships with two development studios; Mighty Coconut Studios and Better Than Life. By strategically partnering with various developers, SynthesisVR aims to bring some of the most popular amazing games, and educational and enterprise training content in a frictionless manner to VR businesses all over the world. These games include Walkabout Mini Golf VR, Kayak VR, Escape Room VR and Zephyrus

Stardust Solar - We are very bullish on the clean tech space and we feel Stardust Solar is well positioned to take advantage of the solar wave. Revenues have been doubling year over year since inception. They exited 2021 with \$946k in revenue, and are expected to close out 2022 with north of \$2M with a total of 15 active franchise territories. Additionally, they recently became authorized as a TESLA distribution partner which is a huge milestone for Stardust as very few solar installers are able to achieve this certification level. We anticipate Stardust revenues to double in 2023. Stardust is preparing for a 2023 public listing.

Covalent CQT - Covalent announced a partnership with Coinbase (NASDAQ: COIN) to launch a blockchain network. This partnership allows Coinbase to look beyond currency exchange and towards decentralized finance, gaming, and social media.

Next Decentrum - [@NextDecentrum](#), the creative force behind [@CryptoPharaohs](#), has officially partnered with [@flovatar](#) [@Piggos_nft](#) [@The_Goobz_NFT](#) [@Bl0xNFT](#) to bring the best digital collectibles to [PopCon ME](#), the largest pop culture and gaming event in the Middle East

FansUnite (TSX:FANS) - Achieved total revenue in the range of \$26.0 million to \$27.3 million for the full year of Fiscal 2022, an increase of at least 364% year-over-year. FansUnite continued its growth by obtaining a gaming supplier license for Ohio (U.S.) and recently submitted a Supplier License

application to the Virginia Lottery Board in order to become a legal sports betting and iGaming supplier in the Commonwealth of Virginia.

Turnium Technology Group Inc (TSXV:TTGI) - Turnium generated \$5.2 million in revenue in 2022, a year-over-year increase of 31% compared to 2021. The year also saw substantial operating achievements and cost cutting initiatives combined with management and staffing changes, strengthening its financial foundation for Turnium and positioning the company for future growth. Turnium has a non-binding letter of intent with respect to a potential share purchase transaction with one of its publicly listed strategic partners, ActivePort Group Ltd. (ASX: ATV), an Australian software company. The parties are now in due diligence and the Special Committee will undergo a process of negotiation and consideration of a definitive and binding purchase agreement. If the potential transaction goes through, Turnium anticipates closing the transaction before the end of the third quarter of 2023.

CloudAdvisors - CloudAdvisors listed as 2022 New Innovators in Canadian Business and was named as a 5-Star Insurance Technology Provider in 2022 by [Insurance Business Canada Magazine](#)

Cassia dba CoPilot - CoPilot exited FY 2022 with \$520K MRR and are projected to achieve 40% revenue growth in 2023. In 2022, CoPilot raised 9M in non-dilutive funding.

Recent Investor Webinars:

Victory Square Technologies Portfolio Company [Hydreight Investor Q&A](#)

Victory Square Technologies Portfolio Company [Stardust Solar Investor Q&A](#)

Victory Square Technologies [Investor Q&A Webinar with CEO Shafin Tejani](#)

Victory Square Technologies [Investor Webinar February 2023](#)

“We have a solid portfolio, a strong team and a robust pipeline of catalysts to continue our growth trajectory. We are confident that this momentum will continue in the second half of 2023 and beyond. We’d like to thank our loyal shareholders and look forward to creating long-term value for Victory Square,

its network of companies and our shareholders.” - Shafin Diamond Tejani,
CEO Victory Square

Sign up to VST's official newsletter at www.VictorySquare.com/newsletter

On behalf of the Board of Directors

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***Use of Non-GAAP Financial Measures:**

This release contains references to NAV which is a non-GAAP financial measure. NAV is calculated as the value of total assets. The term NAV does not have any standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other companies. There is no comparable GAAP financial measure presented in Victory Square Technologies Inc. consolidated financial statements and thus no applicable quantitative reconciliation for such non-GAAP financial measure. The Company believes that the measure provides information useful to its shareholders in understanding the Company's performance, and may assist in the evaluation of the Company's business relative to that of its peers. This data is furnished to provide additional information and does not have any standardized meaning prescribed by GAAP. Accordingly, it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP, and is not necessarily indicative of other metrics presented in accordance with GAAP. Existing NAV of the Company is not necessarily predictive of the Company's future performance or the NAV of the Company as at any future date.

ABOUT VICTORY SQUARE TECHNOLOGIES INC.

Victory Square (VST) builds, acquires and invests in promising startups, then provides the senior leadership and resources needed for fast-track growth. VST's sweet spot is cutting-edge tech that's shaping the 4th Industrial Revolution. Our corporate portfolio consists of 25+ 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 your ordinary 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 a liquid way to invest in some of the world's most innovative early-stage technology companies without buying a venture fund that requires accredited investor status or multi-year commitments. It also can be purchased by non-accredited investors who are restricted from buying venture funds. Our portfolio provides a uniquely liquid, and transparent way for investors to get access to the latest technologies and emerging global trends. It is an excellent way to diversify into early-stage venture.

VST invests primarily in leading edge technology, such as artificial intelligence (AI), machine learning (ML), digital health, blockchain, gaming and climate tech, which provide the potential for high growth and returns

Victory Square 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 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.

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 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.

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 and its portfolio companies, 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 portfolio companies, including those items listed under the heading “Net Asset Value (“NAV”) Update”, “Notable Portfolio Highlights” 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”, “to be”, “anticipates”, “estimates”, “intends”, “plans”, “continues”, “project”, “potential”, “possible”, “contemplate”, “seek”, “goal”, “objectives”, “outlook” 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. Although Victory Square believes that the

expectations reflected in forward-looking statements in this press release are reasonable, such forward-looking statements has been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond the Victory Square's control, including, but not limited to, the risk factors discussed in the continuous disclosure materials of the Victory Square which are available under the Victory Square's profile on SEDAR at www.sedar.com. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement and are made as of the date hereof. 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.