

Victory Square Technologies Reports 2023 Q2 Financial Results

- A diverse portfolio of 25+ innovative companies from around the world (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
- Revenue for the six-month period ended June 30, 2023 was \$5,516,217 compared to \$2,231,880 for the same period last year
- Cash & liquid securities approx. \$4,937,216.84
- Unaudited NAV of approximately \$78,681,041 as at June 30, 2023 (see Use of Non-GAAP Financial Measures)

VANCOUVER, British Columbia, August 30, 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 25+ innovative companies 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- and six-month period ended June 30, 2023.

Company:

Victory Square is a Venture Builder that provides 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.

- A diverse portfolio of 25+ innovative companies from around the world (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
- Owner-operated (approx. 15% Management Ownership)

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- and six-month period ended June 30, 2023:

Revenue

Revenue for the three- and six-month period ended June 30, 2023, was \$2,638,892 and \$5,516,217 compared to \$1,214,783 and \$2,231,880 for the comparative periods.

Cost of Goods Sold

Cost of goods sold for the three and six months ended June 30, 2023, was \$1,578,314 and \$2,948,453 compared to \$577,921 and \$1,020,878 for the comparative periods.

Gross Margin

The gross margin for the three and six months ended June 30, 2023, was \$1,060,578 and \$2,567,764 compared to \$636,862 and \$1,211,002 for the corresponding comparative periods.

Cash & liquid securities approx. \$4,937,216.84

Unaudited NAV of approximately \$78,681,041 as at June 30, 2023

(see Use of Non-GAAP Financial Measures)

“The KPIs that we track more closely for Victory Square 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 \$79M. It has grown from \$4M in 2017 to approximately \$79M today. And, our goal is to continue to grow our NAV going forward,” Shafin Diamond Tejani, CEO of Victory Square.

The company trades at an approx. 82% discount to its current estimated NAV.

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 June 30th, 2023.

The Company’s consolidated financial statements for the three- and six-month period ended June 30, 2023 along with its Management Discussion and Analysis (MD&A) are available under the Company’s profile on SEDAR (www.sedar.com).

Notable Portfolio Highlight: Hydreight Technologies Inc.

VST ownership in Hydreight Technologies approx. 72% as at June 30, 2023.

Hydreight (TSXV: NURS)(FSE: SO6)(OTCQB: HYDTF) is a telehealth platform that enables flexible home healthcare, bridging the gap between providers and patients when it comes to compliance and patient convenience. Our platform also empowers nurses, med spa technicians, and other licensed healthcare professionals to deliver services independently, on their own terms and with a flexible schedule, while also having the option to add mobile services to existing location-based operations. Through the app, individuals can schedule services with healthcare professionals to their home, office, hotel, or other places. Hydreight facilitates medical director oversight, liability insurance, competitively priced prescriptions via a 503B licensed pharmacy, and more. The platform is easy to use and includes a built-in suite

of fully integrated tools for accounting, documentation, sales, inventory, booking, managing patient data, and more, which makes it possible to deliver mobile medicine across 50 US states.

Hydreight is Positioned for Growth: Through its app, Hydreight has created an infrastructure that enables nurses to provide services outside of a hospital and other brick-and-mortar facilities. Through Hydreight's affiliated medical practices, nurses who are also existing app users will gain exclusive access to benefits that they typically would be unable to obtain independently in many jurisdictions throughout the United States (a qualified medical director and physicians who are licensed to practice medicine in every state, pharmacy procurement, and professional liability insurance). Nurses or other healthcare providers can use the Hydreight platform to provide at-home offerings to patients.

Hydreight's performance for the second quarter of 2023 has seen a significant increase across all revenue streams compared to the same period in the prior year:

- Total top-line non-GAAP Adjusted Revenue for Q2 2023 increased 130% over Q2 2022, reaching C\$4,416,103¹
- Total revenue of C\$2,699,668 for Q2 2023 increased 225% over Q2 2022
- Total top-line non-GAAP Adjusted Revenue for the six months ended June 30, 2023 increased 148% over the six months ended June 30, 2022, reaching C\$8,083,524¹
- Total revenue of C\$5,048,084 for the six months ended June 30, 2023, increased 250% over the six months ended June 30, 2022

Hydreight believes the following Non-GAAP¹ financial measures provide meaningful insight to aid in the understanding of the Company's performance and may assist in the evaluation of the Company's business relative to that of its peers:

	Three months ended June 30,			Six months ended June 30,		
	2023	2022	% change	2023	2022	% change
Adjusted Revenue	\$ 4,416,103	\$ 1,922,339	130%	\$ 8,083,524	\$ 3,262,157	148%
Deduct – deferred business partner contract revenue	190,934	465,421		171,886	539,963	
Deduct – business partner payouts on app service gross revenue	1,525,501	626,849		2,863,554	1,278,391	
GAAP Revenue	\$ 2,699,668	\$ 830,069	225%	\$ 5,048,084	\$ 1,443,803	250%
Adjusted Gross Margin	\$ 1,270,762	\$ 884,797	44%	\$ 2,294,147	\$ 1,215,517	89%
Deduct – deferred business partner contract revenue	190,934	465,421		171,886	539,963	

Deduct – inventory impairment	–	–	–	–		
GAAP Gross Margin	\$ 1,079,828	\$ 419,376	157%	\$ 2,122,261	\$ 675,554	214%

Hydreight achieved revenue of C\$2,699,668 and C\$5,048,084 for the three and six months ended June 30, 2023, and recognized a net loss of C\$471,890 and C\$594,194 over the same periods. Included in total operating expenses of C\$2,614,934 over the first half of 2023 are significant expenditures in professional, legal, and technical consulting fees invested to position the Company to compete with the largest companies, private and public, in the heavily regulated healthcare industry in the United States.

Hydreight completed several key improvements from January 1 to June 30, 2023, that played a pivotal role in the growth throughout 2023 thus far:

- The platform attracted 185 new sign ups from service providers in Quarter 1, 2023.
- Expanded their offering networks to 437 new cities from Jan 1st, 2022, to March 31st, 2023.
- The Hydreight App received a significant update to empower providers on the platform to take greater control of their service offering, while also offering better in-app training, performance, usability, reporting, and more.
- Secured major partnerships with pharmaceutical partners including Medline, McKesson, Empower, Anazao, Olympia, Merz, Galderma, among others as well as various national lab partners, to ensure consistent supply as well as preferred pricing on products and medications.

Numbers are approximate and provided by Hydreight Management

Recent Investor Webinars:

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

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 built a portfolio full of phenomenal companies, we have a strong team and a robust pipeline of catalysts to continue our growth trajectory. We are confident that this momentum will continue for the rest of the year. 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

“Shafin Diamond Tejani”
Director and Chief Executive Officer
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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.

Use of Non-GAAP Financial Measures:

This release contains references to non-GAAP financial measures Adjusted Revenue and Adjusted Gross Margin. The Company defines Adjusted Revenue as gross cash income before adjustment for the deferred portion of business partner contract revenue and gross receipts from Hydright App service sales. The Company defines Adjusted Gross Margin as GAAP gross margin plus inventory impairment plus the deferred portion of business partner contract revenue. The Company believes that the measures provide information useful to its shareholders and investors in understanding the Company's operating cash flow growth, user growth, and cash generating potential and may assist in the evaluation of the Company's business relative to that of its peers more accurately than GAAP financial measures alone. 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.

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.