

## Victory Square Technologies Provides Update on Portfolio Company Hydreight's Significant Growth and Milestones

Vancouver, British Columbia – October 16, 2024 –Victory Square Technologies Inc. (CSE: VST) (OTCQX: VSQTF) (“Victory Square” or “VST”), a leader in developing and supporting next-generation companies across diverse sectors, is excited to announce that its portfolio company, Hydreight Technologies Inc. (“Hydreight”), has recently reported record-breaking growth and strategic advancements. Hydreight, a fast-growing mobile clinical network and medical platform, has significantly expanded its operations, driving both topline revenue and adjusted EBITDA growth.

Hydreight reported **topline revenue of \$10.46 million** in the first six months of 2024, reflecting a year-over-year increase of 29%. The company also achieved **GAAP revenue of \$4.10 million** in Q2 2024, representing a **52% increase** compared to Q2 2023. Most notably, the company reported a positive **adjusted EBITDA of \$218,000** for Q2 2024, compared to a loss of (\$456,000) in the same quarter last year, highlighting its move toward profitability

### Key Business Milestones and Growth Initiatives:

- **Launch of Telemedicine and e-Commerce Solution (VSDHOne, Read as VSDH-One):** Hydreight, in partnership with two other companies, introduced its VSDHOne telemedicine and e-commerce platform, enabling businesses to launch direct-to-consumer healthcare brands across all 50 states. The solution simplifies market entry by offering a turnkey package, including compliance, doctor networks, and telemedicine infrastructure. In the first 90 days of launch, VSDHOne successfully sold over 200 licenses nationwide.
- **Expansion of National Med Spa Partnerships:** Hydreight secured strategic partnerships with leading medical spa brands, collectively selling nearly 700 locations across the United States, with 186 locations already operational. Hydreight's proprietary platform allows these businesses to seamlessly offer compliant mobile healthcare services alongside their brick-and-mortar operations.
- **Platform and Technology Growth:** Hydreight's technology continues to advance, providing an all-in-one healthcare solution that bridges the gap between providers and patients. The platform empowers independent nurses, medical professionals, and spa operators to deliver at-home or mobile healthcare services, with full compliance across state regulations. The platform also facilitates pharmacy orders and provides a network of licensed healthcare professionals.

**Strategic Focus and Market Outlook:** Shane Madden, CEO of Hydreight, commented on the company's progress: “We are incredibly proud of the growth we've achieved in 2024. Our focus on technology investments and operational infrastructure has allowed us to become the go-to platform for mobile healthcare services. With the success of our VSDHOne platform and key

partnerships, we're excited about the future, especially the significant cash flow and expansion opportunities on the horizon."

[With the U.S. home healthcare market projected to reach \\$340 billion by 2027](#), Hydreight is well-positioned to continue capitalizing on this sector. Its comprehensive technology platform, designed for both healthcare professionals and businesses, ensures regulatory compliance while offering patients greater convenience and personalized care.

As Hydreight continues to expand its offerings, the company is focused on growth opportunities, profitability, and strategic partnerships. Hydreight's platform will enable further penetration into the healthcare market, enhancing its reputation as a leader in mobile medical services across the United States.

#### **Additional Corporate Highlights:**

- Hydreight launched a Normal Course Issuer Bid in August 2024, reflecting its commitment to enhancing shareholder value.
- The company's total processed services and pharmacy orders have grown by 23% and 72% respectively, compared to the same period last year, underscoring its strong market demand and operational growth.
- Hydreight has successfully maintained compliance across the complex healthcare regulatory landscape in all 50 states, ensuring its platform adheres to state-specific regulations and Corporate Practice of Medicine (CPOM) laws.

With its growing network of over 2,500 nurses and more than 100 doctors, Hydreight continues to lead the charge in offering innovative, flexible healthcare solutions that prioritize patient convenience and provider flexibility. The company's white-label solutions and partnerships further solidify its presence as a key player in the evolving home healthcare and medical spa sectors.

**Shafin Diamond Tejani, CEO of Victory Square Technologies, commented:** "We are incredibly proud of Hydreight's tremendous progress over the past year. Their ability to consistently innovate and meet the growing demand for flexible healthcare services is a testament to their leadership and the strength of their platform. Victory Square remains committed to supporting Hydreight as they continue scaling and evolving in the rapidly growing home healthcare industry."

For more detailed financial information, please refer to Hydreight's full financial statements and MD&A available on SEDAR+.

#### **About Victory Square Technologies Inc.**

Victory Square Technologies builds, acquires, and invests in promising startups across various industries, including AI, gaming, blockchain, clean technology, and digital health. Through its dynamic ecosystem, Victory Square nurtures and scales innovative companies, creating long-term value for shareholders.

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On behalf of the Board of Directors

"Shafin Diamond Tejani"

Director and Chief Executive Officer

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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", "Approximately" or similar expressions \*Numbers of franchise sold units and pharmacies are based on the partner's management teams.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflects the Company's management's expectations, estimates or predictions 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 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 obtain requisite regulatory and other approvals with respect to the business operated by the Company and/or the potential impact of the listing of the Company's shares on the TSXV 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 as a result of being a publicly listed entity. This forward-looking information may be affected by risks and uncertainties in the business of the Company 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.

Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

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

This release contains references to non-GAAP financial measures Adjusted Revenue, Adjusted Gross Margin, and Adjusted EBITDA. The Company defines Adjusted Revenue as gross cash income before adjustment for the deferred portion of business partner contract revenue and gross receipts from Hydreight 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 defines Adjusted EBITDA as net income (loss) before interest, taxes, depreciation and amortization and before (i) transaction, restructuring, and integration costs and share-based payments expense, and (iii) gains/losses that are not reflective of ongoing operating performance. 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 for funding working capital requirements, service future interest and principal debt repayments and fund future growth initiatives. These non-GAAP measures 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.