Victory Square Technologies Inc.

Condensed Consolidated Interim Financial Statements
Nine months ended September 30, 2024 and 2023

Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. The accompanying condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

VANCOUVER, BC
November 29, 2024

Victory Square Technologies Inc.
Condensed consolidated interim statements of financial position
(Expressed in Canadian dollars - unaudited)

	Notes		September 30, 2024		December 31, 2023
ASSETS			**Unaudited (Note 3)**		**Audited**
Current assets					
Cash and cash equivalents	4	$	1,314,870	$	2,202,377
Prepaids	5		78,636		177,301
Trade receivables			115,950		24,372
Government sales tax receivable			80,420		80,489
Loan receivable	6		40,000		-
Inventory	7		93,138		103,753
			1,723,014		2,588,292
Non-current assets					
Investments - fair value	8		9,056,920		5,383,217
Investments - equity accounted	9		139,366		794,303
Deposit			85,000		85,000
Due from related parties	19		1,474,128		277,079
Property and equipment	11		1,885		2,693
Intangible assets	12		1,260,708		1,013,394
Goodwill	13		1,640,653		1,640,653
TOTAL ASSETS		**$**	**15,381,674**	**$**	**11,784,631**
LIABILITIES					
Current liabilities					
Trade payables	19	$	1,632,993	$	1,771,902
Accrued liabilities			1,491,167		1,558,686
Current portion of contract liabilities	17		1,484,730		1,748,574
Related party loans	19		109,447		428,384
Current portion of loans payable	14		1,639,000		2,141,421
Income taxes payable			113,849		113,350
CEBA loan	15		-		40,000
Current portion of convertible debt	16		197,720		184,324
			6,668,906		7,986,641
Non-current liabilities					
Convertible debt	16		-		200,260
CEBA loans	15		62,096		106,637
Contract liabilities	17		12,089		27,475
Deferred tax liability			11,187		11,187
Loans payable	14		-		3,738,395
TOTAL LIABILITIES			**6,754,278**		**12,070,595**
EQUITY (DEFICIT)					
Share capital	18		43,916,621		43,916,621
Reserve	18		16,639,901		16,849,308
Equity portion of debt	18		511,620		563,391
Accumulated other comprehensive loss			(197,690)		(118,971)
Accumulated deficit			(48,644,504)		(57,254,854)
Equity attributable to owners of the Company			12,225,948		3,955,495
Non-controlling interest	26		(3,598,552)		(4,241,459)
EQUITY (DEFICIT)			**8,627,396**		**(285,964)**
TOTAL LIABILITIES AND EQUITY		**$**	**15,381,674**	**$**	**11,784,631**

Nature of operations and going concern – Note 1

See accompanying notes to the condensed consolidated interim financial statements

Victory Square Technologies Inc.
Condensed consolidated interim statements of loss and comprehensive loss
(Expressed in Canadian dollars - unaudited)

	Notes	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Revenue	23	$ 4,729,593	$ 3,213,031	$ 12,722,904	$ 8,729,248
Cost of goods sold	23	2,993,934	1,826,442	7,682,277	4,774,895
		1,735,659	1,386,589	5,040,627	3,954,353
Expenses					
Amortization and depreciation	11,12	60,042	658,564	616,226	2,040,999
Foreign exchange loss (gain)		7,939	11,404	(14,032)	17,361
General and administration		494,851	641,820	1,258,671	1,338,110
Insurance		28,100	46,764	84,188	142,606
Investor relations		19,663	100,954	80,745	128,169
Management fees (recovery)		-	(42,336)	12,500	31,500
Professional and consulting fees	19	243,673	1,018,706	1,804,112	2,692,242
Rent		51,917	55,133	172,037	194,071
Research and development		71,163	234,005	119,253	411,618
Sales and marketing		83,410	87,326	282,890	419,414
Share based payments	18	90,534	217,353	531,011	384,079
Transfer agent and regulatory fees		45,361	55,960	152,239	188,329
Wages		649,143	528,119	1,801,278	1,294,192
Equity loss on investments - equity accounted	9	244,229	60,634	654,937	242,043
Fair value gain on investments	3,8	(3,566,504)	(223,811)	(3,143,767)	(1,599,344)
Loss on divestment of investee		-	305,529	-	305,529
Accretion, Interest and amortization of debt	3,14,15,16	323,852	251,354	872,444	776,646
Loss on settlement of debt		51,134	-	51,134	-
Interest and other income		(3,090)	(16,088)	(13,343)	(34,372)
		1,104,583	(3,991,390)	(5,322,523)	(8,973,192)
Other gains	25	123,897	-	662,305	8,543
Deferred tax recovery		-	28,120	-	83,442
Net income (loss) after income taxes for the period		2,964,139	(2,576,681)	380,409	(4,926,854)
Gain on deconsolidation of subsidiaries	3	7,697,135	-	7,697,135	-
Net income (loss) for the period		10,661,274	(2,576,681)	8,077,544	(4,926,854)
Other comprehensive income (loss)					
Currency translation adjustment		(1,698)	(222,702)	(78,719)	1,654
Comprehensive income (loss) for the period		10,659,576	(2,799,383)	7,998,825	(4,925,200)
Net income (loss) attributable to:					
Shareholders of the parent company		10,877,695	(1,971,647)	8,610,350	(3,885,185)
Non-controlling interest	26	(216,421)	(605,034)	(532,806)	(1,041,669)
		$ 10,661,274	$ (2,576,681)	$ 8,077,544	$ (4,926,854)
Basic and diluted income (loss) per share attributable to the shareholders of the parent company		**$ 0.11**	**$ (0.02)**	**$ 0.09**	**$ (0.04)**
Weighted average number of common shares outstanding for the period - basic and diluted		**99,564,971**	**99,564,971**	**99,564,971**	**99,564,971**

See accompanying notes to the condensed consolidated interim financial statements

Victory Square Technologies Inc.
Condensed consolidated interim statements of changes in equity (deficit)
(Expressed in Canadian dollars - unaudited)

		Share Capital									
	Notes	**Number of shares**	**Amount**	**Accumulated other comprehensive income (loss)**	**Reserve**	**Obligation to issue shares**	**Equity portion of debt**	**Broker's warrants**	**Income (deficit)**	**Non-controlling interest**	**Total**
Balance at January 1, 2023		**99,564,971**	**$ 43,916,621**	**$ (81,822)**	**$ 12,419,613**	**$ 300,000**	**$ 511,620**	**$ 427,165**	**$ (43,527,088)**	**$ (720,272)**	**$ 13,245,837**
Adjustment to opening deficit - subsdiary		-	-	-	(12,115)	-	-	-	(54,050)	-	(66,165)
Shares issued - Hydreight earn out		-	-	-	166,667	(300,000)	-	-	-	133,333	-
Share exchange of subsidiary		-	-	-	1,111,794	-	-	-	-	678,468	1,790,262
Share-based payments		-	-	-	384,079	-	-	-	-	-	384,079
Subsidiary company shares transferred		-	-	-	-	-	-	-	-	489,446	489,446
Shares issued and distributed - subsidiary		-	-	-	-	-	-	-	-	26,250	26,250
Currency translation adjustment		-	-	(1,654)	-	-	-	-	-	-	(1,654)
Net loss for the period		-	-	-	-	-	-	-	(3,885,185)	(1,041,669)	(4,926,854)
Balance at September 30, 2023		**99,564,971**	**$ 43,916,621**	**$ (83,476)**	**$ 14,070,038**	**$ -**	**$ 511,620**	**$ 427,165**	**$ (47,466,323)**	**$ (434,444)**	**$ 10,941,201**
Balance at January 1, 2024		**99,564,971**	**$ 43,916,621**	**$ (118,971)**	**$ 16,849,308**	**$ -**	**$ 563,391**	**$ -**	**$ (57,254,854)**	**$ (4,241,459)**	**$ (285,964)**
Share-based payments - subsidiaries	18	-	-	-	531,011	-	-	-	-	-	531,011
Reclassification to reserve - subsidiary	16	-	-	-	51,771	-	(51,771)	-	-	-	-
Shares issued and distributed - subsidiary	14, 18, 26	-	-	-	979,273	-	-	-	-	99,726	1,078,999
Shares issued - subsidiary	26	-	-	-	(366,066)	-	-	-	-	617,776	251,710
Deconsolidation of subsdiary	3	-	-	-	(1,405,396)	-	-	-	-	458,211	(947,185)
Currency translation adjustment		-	-	(78,719)	-	-	-	-	-	-	(78,719)
Net income for the period		-	-	-	-	-	-	-	8,610,350	(532,806)	8,077,544
Balance at September 30, 2024		**99,564,971**	**$ 43,916,621**	**$ (197,690)**	**$ 16,639,901**	**$ -**	**$ 511,620**	**$ -**	**$ (48,644,504)**	**$ (3,598,552)**	**$ 8,627,396**

See accompanying notes to the condensed consolidated interim financial statements

(Expressed in Canadian dollars - unaudited)

		Nine months ended September 30, 2024	2023
Operating activities			
Net income (loss) for the period		$ 8,077,544	$ (4,926,854)
Adjustments for non-cash items:			
Amortization and depreciation		616,226	2,040,999
Accretion, interest and amortization of debt		872,444	776,646
Deferred tax recovery		-	(83,442)
Foreign exchange loss		-	17,361
Share based payments		531,011	384,079
Gain on deconsolidation of subsidiary		(7,697,135)	-
Equity loss on investments		654,937	242,043
Fair value gain on investments		(3,143,767)	(1,599,344)
Loss on divestment of investee		-	305,529
(Gain) loss on disposal of assets		(22,149)	12,500
Gain on settlement of debt		-	(21,043)
Changes in non-cash working capital items:			
Trade receivables		(130,155)	(131,174)
Government sales tax recoverable		795	(43,107)
Prepaid expenses		(151,335)	89,145
Trade payables		355,434	635,893
Accrued liabilities		(47,922)	(287,070)
Inventories		10,615	55,739
Deferred revenue		(279,231)	138,228
Net cash flows used in operating activities		(352,688)	(2,393,872)
Investing activities			
Cash derecognized on deconsolidation of subsidiary		(6,912)	-
Cash used for purchase of equipment		-	(2,857)
Cash used for additions to intangible assets		(837,516)	-
Cash and cash equivalents acquired on share exchange transaction		-	1,757,878
Loans to arm's length parties		(40,000)	-
Proceeds received from sale of investment		641,775	62,500
Proceeds received from divestment in investee		-	300,000
Net cash flows (used in) from investing activities		(242,653)	2,117,521
Financing activities			
Cash used for lease payments		-	(83,682)
Cash paid to related parties		(18,936)	(106,927)
Cash used to repay CEBA loan and interest		(41,328)	-
Repayment of loan principal		(400,000)	-
Proceeds from promissory note, net of costs		248,662	-
Repayment of portfolio companies loans		72,508	-
Cash advanced to portfolio companies		(69,731)	(86,733)
Net cash flows used in financing activities		(208,825)	(277,342)
Effect of foreign exchange on cash		(83,341)	16,006
Change in cash and cash equivalents		(887,507)	(537,687)
Cash and cash equivalents, beginning		2,202,377	3,836,815
Cash and cash equivalents, ending		**$ 1,314,870**	**$ 3,299,128**
Supplemental non-cash activities:	**Note**		
Intangible assets included in trade payables	12	$ 40,929	$ -
Issuance of shares for vested RSUs - subsidiary	18	$ 559,000	$ -
Issuance of shares to settle bonus obligation - subsidiary	26	$ -	$ 133,334
Transfer of subsidiary shares to settle accrued interest	14,26	$ 520,000	$ -

See accompanying notes to the condensed consolidated interim financial statements

1. Nature of Operations and Going Concern

Victory Square Technologies Inc. ("Victory Square Technologies", "VST", or the "Company") was incorporated under the Business Corporation Act (British Columbia) on February 10, 2015. The condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries Futura Health and Wellness Inc. ("Futura"), Draft Label Technologies Inc. ("Draft Label"), PDL USA Inc. ("PDL USA"), VS Blockchain Assembly ("VS Blockchain"), Hydreight Technologies Inc. ("HTI"), Hydreight Canada Holdings Inc ("HCH")., IV Hydreight Inc. ("Hydreight"), Healthcare Prosoft LLC ("Prosoft"), Victory Square Digital Health Inc. ("VS Digital Health"), Victory Square Digital Health Inc. ("VS Digital Health USA"). The Company reports Non-Controlling Interest ("NCI") on HTI and its subsidiaries HCH, Hydreight, and Prosoft, of which the Company holds 64.33% (December 31, 2023 – 69.83%), and Futura and its subsidiaries Draft Label and PDL USA, of which the Company holds 58.46% (December 31, 2023 – 58.46%) as of September 30, 2024. The Company was determined to have lost control of the previously consolidated subsidiaries Insu Therapeutics Inc. ("Insu", formerly Victory Entertainment Inc., "VEI") on December 13, 2023, BlockX Capital Corp. ("BlockX Capital", "BlockX") on August 2, 2024, and XR Immersive Tech Inc. ("XRI") and XRI's subsidiary Synthesis VR Inc. ("SVR") on September 30, 2024 ("Dates of Deconsolidation") (Note 3).

Victory Square Technologies has numerous investments in emerging technologies such as artificial intelligence (AI), augmented and virtual reality (AR/VR), blockchain and digital health. Victory Square Technologies supports these companies as they grow by providing comprehensive functional expertise in commercialization, product market-fit and through access to proprietary technology solutions and to an extensive ecosystem of global partnerships.

The Company's registered office is at Suite 401, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7. The Company's shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "VST" and the Frankfurt Stock Exchange under the symbol "6F6". The Company is also quoted on the OTCQX Best Markets in the United States under the symbol of "VSQTF".

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2024, the Company had a working capital deficit of $4,945,892 (December 31, 2023 – $5,398,349) and an accumulated deficit of $48,644,504 (December 31, 2023 – $57,254,854) and is overall in a net liability position. The continued operations of the Company are dependent upon its ability to generate future cash flows and/or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due; however, they may not be at terms that are favourable to the Company. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Material Accounting Policies

These condensed consolidated interim financial statements were authorized for issue on November 29, 2024, by the directors of the Company.

a) Statement of Compliance

These condensed consolidated interim unaudited financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim unaudited financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended December 31, 2023.

The condensed consolidated interim unaudited financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended December 31, 2023.

b) Principles of Consolidation

The condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries Futura, Draft Label, VS Blockchain, HTI, HCH, Hydreight, Prosoft, VS Digital Health, and VS Digital Health USA. The condensed consolidated interim statement of income (loss) and comprehensive income (loss) exclude the results of operations and cash flows of Futura prior to the share exchange transaction and Insu, BlockX, XRI, and SVR subsequent to the loss of control dates for each former subsidiary.

Intercompany transactions, balances, income and expenses, and gains or losses on transactions are eliminated on consolidation.

All of the Company's subsidiaries have a December 31 year end. The Company's subsidiary VS Blockchain Assembly is inactive. Former subsidiary BlockX was inactive prior to the loss of control.

c) Basis of Preparation

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain assets measured at fair value, and are presented in Canadian dollars. Under IFRS, the Canadian dollar is the functional currency of the Company, Futura, Draft Label, XRI, BlockX Capital, VS Blockchain, and VS Digital Health. The functional currency of PDL USA, Hydreight, and SVR is the US dollar.

Certain comparative figures in the statement of loss and comprehensive loss have been reclassified to conform to the current year's presentation. These include reclassification of expense line items sales and marketing, investor relations, professional fees and consulting, and wages expense. Other gain from liquidation of tokens have been reclassified from revenue to other gain. The reclassification has no impact to net income.

(Expressed in Canadian dollars - unaudited)

3. Deconsolidation of Subsidiaries

a) XRI

Prior to September 27, 2024, the Company held 8,286,157 shares in XRI, which represented a 54.10% interest and control of XRI and, as a result, presented the assets, liabilities, certain reserves, and results of operations of XRI in its consolidated financial statements. On September 27, 2024, XRI issued 3,562,374 shares to extinguish promissory notes payable, reducing the Company's ownership to 43.89%. On September 30, 2024, the Company's CEO also resigned as director of XRI on September 30, 2024, resulting in VST no longer having representation on the board of XRI. Accordingly, the Company determined that it no longer had control over XRI and deconsolidated XRI effective September 30, 2024, resulting in a gain on deconsolidation of $7,697,135. After this deconsolidation date, the investment in XRI is recorded as an investment measured at fair value under IFRS 9 (Note 8).

For the nine month period ending September 30, 2024 and 2023, the net loss from XRI is as follows:

	January 1, 2024 to September 30, 2024	January 1, 2023 to September 30, 2023
Revenue	$ 718,767	$ 543,091
Cost of goods sold	2,441	9,435
	716,326	533,656
Expenses		
Amortization and depreciation	-	167,341
Consulting fees	144,777	131,332
Foreign exchange gain	25,311	972
General and administration	166,079	296,951
Interest and accretion	535,078	438,704
Professional and consulting fees	133,804	310,176
Research and development	-	700
Salaries and wages	108,267	126,370
Sales and marketing (recovery)	43,306	(17,071)
Share based compensation	4,023	174,757
Total expenses	(1,160,645)	(1,630,232)
Loss before other items	(444,319)	(1,096,576)
Other items		
Loss on settlement of promissory note	(51,132)	-
Interest and other income	101,954	20,219
Fair value loss on investment	(38,500)	14,875
	12,322	35,094
Loss on deconsolidation of subsidiary	(275,987)	-
Net loss for the period	$ (707,984)	$ (1,061,482)

(Expressed in Canadian dollars - unaudited)

3. Deconsolidation of Subsidiaries (continued)

The following table provides details of the cash flow from operating and financing activities of XRI:

		January 1, 2024 to September 30, 2024		January 1, 2023 to September 30, 2023
Net cash flows provided by (used in) operating activities	$	12,277	$	(33,400)
Net cash flows used in investing activities	$	(332,598)	$	-
Net cash flows provided by financing activities	$	150,114	$	-

The major classes of assets and liabilities of XRI are as follows:

		September 30, 2024		December 31, 2024
Assets				
Cash	$	6,912	$	196,319
Prepaids and other receivable		287,850		438
Government sales tax receivable		4,447		28,659
Investment (Note 8)		10,500		49,000
Total Assets	**$**	**309,709**	**$**	**274,416**
Liabilities				
Trade and other payables	$	535,271	$	527,894
Accrued liabilities		158,453		334,134
Due to related parties (Note 19)		-		300,000
Loans payable (Note 14)		4,279,480		3,630,063
Licensing agreement liability		234,257		-
CEBA loan (Note 15)		60,750		59,604
Due to parent		1,092,194		1,161,913
Convertible debentures (Note 16)		-		200,260
Total Liabilities	**$**	**6,360,405**	**$**	**6,213,868**

a) BlockX Capital

On September 25, 2024, pursuant to a merger agreement dated August 2, 2024 (the “Merger Agreement”), BlockX, Edge Total Intelligence Inc. (“EdgeTI”) and 1494029 B.C. Ltd. (“AcquisitionCo”), a wholly owned subsidiary of the EdgeTI. Pursuant to the Merger Agreement, the EdgeTI acquired all of the issued and outstanding shares in the capital of BlockX (the “acquisition”), being 4,250,000 common shares, in exchange for an equivalent number of subordinate voting shares of the EdgeTI (each, a “SVS”) by way of a three-cornered amalgamation under the Business Corporations Act (British Columbia) (the “Amalgamation”), being 4,250,000 SVSs. EdgeTI now holds all of the issued and outstanding shares in the capital of the corporation that resulted from the Amalgamation, being EdgeAI Technologies Inc. (“EdgeAI”). These SVS shares were issued as part of the Amalgamation to VST, the sole shareholder of BlockX.

(Expressed in Canadian dollars - unaudited)

3. Deconsolidation of Subsidiaries (continued)

The Company's investment in EdgeTI is measured at fair value under IFRS 9, with a total fair value gain of $3,867,500 recognized in the condensed consolidated interim statement of income (loss) and comprehensive income (loss) based on the fair market value of Edge as at September 30, 2024.

Prior to the Transaction, BlockX was a shell company with no operations and was deemed to own several pieces of intangible assets related to blockchain technology acquired in a VST transaction that occurred in 2021 (Note 12). The carrying value of these intangible assets was $Nil at the time of the Transaction after three years of amortization. The consideration of $1,700,000 ascribed to the merger was based on replacement cost of the developed technology.

4. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash held on deposit and balances held with merchant processing platforms.

5. Prepaids

Prepaids consist of the following:

	September 30, 2024	December 31, 2023
Marketing events and fees	$ 23,248	$ 26,479
Insurance	4,069	54,992
Exchange fees	15,136	57,416
Consulting and legal	16,039	21,323
Rental deposits and other	20,144	17,091
	$ 78,636	$ 177,301

6. Loan Receivable

The Company advanced a $40,000 loan to an arm's length party. The loan is unsecured, does not bear interest and has no terms of repayment.

7. Inventory

In a previous year, Hydreight entered into a purchase commitment with a pharmacy vendor for the production of a specific number of customized branded kits and packaging, which were sold and delivered in the normal course of operations. On December 20, 2021, a final purchase commitment settlement agreement was executed with the vendor whereby Hydreight agreed to purchase and take possession of the remaining unsold units. Inventory consists of customized kits and itemized component products ordered and warehoused in advance of shipment to new and existing business partners. Hydreight contracts with a third party to accept and warehouse the kits. Pharmacy sales,

(Expressed in Canadian dollars - unaudited)

7. Inventory (continued)

including these inventory items, are reflected in cost of goods sold on the condensed consolidated interim statement of income (loss) and comprehensive income (loss).

	Pharmacy Supplies
Balance, January 1, 2024	$ 103,753
Additions	13,652
Expensed to cost of sales	(26,507)
Foreign currency translation	2,240
Balance September 30, 2024	$ 93,138

No impairment on inventory was recognized in the period ended September 30, 2024.

8. Investments Measured at Fair Value

The Company's investments measured at fair value consist of the following:

	September 30, 2024		December 31, 2023	
	Fair Value	**% holding**	**Fair Value**	**% holding**
FansUnite (1) (5)	$ -	0.00%	$ 486,849	2.47%
Victory Square Health (2)	1,500,000	20.00%	1,500,000	20.00%
Turnium (1)(3)	187,297	2.80%	164,165	2.97%
Cloud Benefit, dba Cloud Advisors (2)	309,000	5.43%	309,000	5.43%
XRI (1) (6)	1,160,062	43.89%	-	0.00%
EdgeTI (1) (7)	3,867,500	7.20%	-	0.00%
Anonymous Intelligence (1)	23,688	2.25%	27,868	2.57%
GameOn (1)	627,722	19.57%	1,464,684	19.75%
Stardust Solar (2)	1,320,000	10.97%	1,320,000	10.97%
Other (1) (4) (6)	61,651		110,651	
	$ 9,056,920		$ 5,383,217	

A summary of investment transactions recorded in the condensed consolidated interim statement of income (loss) and comprehensive income (loss) for the period ended September 30, 2024, is as follows:

(Expressed in Canadian dollars - unaudited)

8. Investments Measured at Fair Value (continued)

	Fair Value - Opening	Deconsolidation of Subsidiary	Unrealized (losses) gains	Proceeds of disposal (Cash)	Realized losses	Fair Value - Ending
FansUnite (1) (5)	$ 486,849	-	$ 132,777	$ (641,775)	$ 22,149	$ -
Victory Square Health (2)	1,500,000	-	-	-	-	1,500,000
Turnium (1)(3)	164,165	-	23,132	-	-	187,297
XRI (1) (6)	-	1,160,062	-	-	-	1,160,062
EdgeTI (1) (7)	-	-	3,867,500	-	-	3,867,500
Cloud Benefit, dba Cloud Advisors (2)	309,000	-	-	-	-	309,000
Anonymous Intelligence (1)	27,868	-	(4,180)	-	-	23,688
GameOn (1)	1,464,684	-	(836,962)	-	-	627,722
Stardust Solar (2)	1,320,000	-	-	-	-	1,320,000
Other (1) (4) (6)	110,651	(10,500)	(38,500)	-	-	61,651
	$ 5,383,217	$ 1,149,562	$ 3,143,767	$ (641,775)	$ 22,149	$ 9,056,920

A summary of investment transactions recorded in the condensed consolidated interim statement of income (loss) and comprehensive income (loss) for the period ended September 30, 2023, is as follows:

(1) Denotes Level 1 investments (listed) subject to certain trading and hold restrictions and have been discounted for a lack of marketability factor. Hold restrictions on FansUnite and Cloud Nine expired during the year ended December 31, 2023.
(2) Denotes Level 3 investments.
(3) On June 22, 2022, Turnium underwent a going public transaction whereby its shares began trading on the TSX Venture Exchange under the ticker symbol TTGI.V.
(4) The Company has minor investments in several other publicly traded equities and several private companies including its remaining interest in Insu. One investment was held in XRI and was derecognized on deconsolidation of XRI.
(5) On August 15, 2024, FansUnite was sold. In connection with the closing, FansUnite was delisted from the Toronto Stock Exchange ("TSX"). The net proceeds of the sale were distributed to shareholders as a return of capital.
(6) On September 30, 2024, the Company was determined to have lost control of XRI and as a result, derecognized the assets and liabilities of the former subsidiary (Note 3), which included an investment in a publicly traded entity classified within the Other group. The Company recognized the shares held in XRI at the fair value on the date of loss of control.
(7) On September 25, 2024, BlockX entered into a merger agreement with EdgeTI whereby the Company received 4,250,000 subordinate voting shares of Edge. The Company recognized the investment in Edge at the fair value of Edge shares on initial recognition and revalued as at September 30, 2024.

9. Investments Accounted for Using Equity Method

Cassia, dba CoPilot
During the year ended December 31, 2018, the Company entered into an agreement to purchase a 23.1% interest in the issued and outstanding common shares of CoPilot for cash of $1,000,000 and 187,266 common shares of the Company with a fair value of $514,982 for total consideration of $1,514,982. As at September 30, 2024, the Company holds an interest of 24.60% in Cassia (2023 – 24.60%). The Company reports its investment in Cassia under IAS 28, Investments in Associates and Joint Ventures and is presented separately on the consolidated statement of financial position as investment – equity accounted.

During the period ended September 30, 2024, the Company reported an equity loss of $654,937 (September 30, 2023 – equity loss of $242,043).

As at September 30, 2024, the value of the Company's investment in Cassia is $139,366 (December 31, 2023 - $794,303).

10. Futura Reverse Takeover Transaction

On July 12, 2023, the Company and Draft Label executed a Share Exchange Agreement (the "Agreement") with 1288273 B.C. Ltd. ("1288273"), a company incorporated under the laws of British Columbia. Pursuant to the Agreement, the Company exchanged all of its issued and outstanding common shares of Draft Label to 1288273 in exchange for 45,000,000 common shares and 15,000,000 preferred shares of 1288273. Upon completion of the Agreement, Draft Label and its subsidiary PDL USA became wholly owned legal subsidiaries of 1288273. On August 14, 2023, 1288273 changed its name to Futura Health & Wellness Inc. ("Futura"). Also, effective August 14, 2023, a director resolution was executed appointing the CFO of VST as a director of Futura and the resignation of the sole former director. As at September 30, 2024, VST owned 58.46% of the common shares and 100% of the preferred shares of Futura.

The substance of the share exchange transaction was a reverse acquisition of a non-operating company. For accounting purposes, the share exchange transaction does not constitute a business combination under IFRS 3, since Futura, the predecessor entity, is a private company and did not meet the accounting definition of a business. As a result, the share exchange transaction has been accounted for as an asset acquisition, with the consideration paid being determined as an equity-settled share-based payment transaction under IFRS 2, with Draft Label being identified as the accounting acquirer as a result of Futura becoming a wholly owned accounting subsidiary of DLT. As DLT was deemed to be the acquirer for accounting purposes, all of DLT and Futura assets, liabilities, and operations since incorporation are consolidated at their historical carrying values. The total consideration in excess of the net identifiable assets of Futura acquired is charged as a transaction expense in contemplation of a go-public transaction in the consolidated statement of loss and comprehensive loss.

The fair value of consideration shares deemed issued by DLT is $2,272,425, calculated based on the share price of the most recent issuance per share of $0.10 multiplied by the deemed exchange ratio.

(Expressed in Canadian dollars - unaudited)

10. Futura Reverse Takeover Transaction (continued)

The acquisition was recorded as follows:

		Futura Asset Acquisition
Number of Draft Label shares issued:		22,724,253
Price per share		$0.10
Fair value of consideration	$	2,272,425
Less: Pre-existing relationship		(157,000)
		2,115,425
Less: Fair value of 1288273 net assets		(1,580,747)
Add: Legal fees attributable to transaction		62,228
Total transaction expense on acquisition of Futura	$	596,906

As the Company retained control of Draft Label following the transaction, it continues to consolidate Draft Label indirectly through control over Futura. As a result, the reduction in ownership in Draft Label is treated as an equity transaction. Based on the net assets acquired, a decrease of $351,393 was recognized in NCI during the year ended December 31, 2023.

11. Property and Equipment

Property and equipment at September 30, 2024 consist of the following:

		Computer Equipment
Cost		
Balance, September 30, 2024 and January 1, 2024	$	8,502
Accumulated depreciation		
Balance, January 1, 2024	$	5,809
Depreciation		808
Balance, September 30, 2024	$	6,617
Net book value, January 1, 2024	$	2,693
Net book value, September 30, 2024	$	1,885

(Expressed in Canadian dollars - unaudited)

12. Intangible Assets

Intangible assets at September 30, 2024 consist of the following:

		Blockchain Technology		DiscreetCare Website		Hydreight - Platforms		Hydreight App		Total
Cost										
Balance, January 1, 2024	$	5,536,298	$	18,900	$	757,010	$	1,593,739	$	7,905,947
Addition		-		-		878,445		-		878,445
Foreign currency translation		-		-		4,450		-		4,450
Balance, September 30, 2024	$	5,536,298	$	18,900	$	1,639,905	$	1,593,739	$	8,788,842
Accumulated depreciation										
Balance, January 1, 2024	$	(5,136,874)	$	-	$	(221,615)	$	(1,534,064)	$	(6,892,553)
Adjustment		-		(18,900)		-		-		(18,900)
Depreciation		(399,424)		-		(156,319)		(59,675)		(615,418)
Foreign currency translation		-		-		(1,263)		-		(1,263)
Balance, September 30, 2024	$	(5,536,298)	$	(18,900)	$	(379,197)	$	(1,593,739)	$	(7,528,134)
Net book value, January 1, 2024	$	399,424	$	18,900	$	535,395	$	59,675	$	1,013,394
Net book value, September 30, 2024	$	-	$	-	$	1,260,708	$	-	$	1,260,708

Blockchain Technology

On March 5, 2021, the Company acquired certain intangible assets related to blockchain technology for 4,600,048 common shares of the Company with a fair value of $3,542,037 as well as forgiveness of outstanding debts of $1,587,001 and other debts totalling $407,260. After acquisition, the Company incurred costs to bring these assets to saleable state, resulting in additional costs of $29,357, which were expensed. The intangible assets, based on a value determined using a replacement cost approach, were included in the BlockX Merger Agreement (Note 3b).

Hydreight Platforms

Throughout 2021 and the first quarter of the 2022 fiscal year, Hydreight incurred costs to develop a White Label product built off its core technology. The technology was primarily financed by VST. The capitalized costs of the internally generated software consisted of the directly attributable costs of external labor and an allocation of Hydreight employee and contractor labour. In the year ended December 31, 2023, and through September 30, 2024, additional improvements and features on the White Label Platform and a Direct-to-Consumer Platform technology were capitalized on a consistent basis with directly attributable development costs and allocation of labour. Included in trade payables is $40,929 in capitalized development fees.

Hydreight App

On February 10, 2021, the Company acquired Hydreight through a share purchase agreement. The purchase price allocation of this acquisition was finalized during the year ended December 31, 2021, and $1,593,739 was allocated to intangible assets as a result. The intangible asset is being amortized on a straight-line basis over three years, commencing on acquisition.

13. Goodwill

Goodwill was recognized in the acquisition of Hydreight and represents the expected synergies from combining the operations of the acquired companies with those of the acquiring Company, revenue growth, future market development and customer relations. These benefits are not recognized separately from goodwill since the resulting economic impact cannot be measured reliably. Goodwill is non-deductible for tax purposes. For the purpose of annual impairment testing, goodwill is allocated to the operating segments, or cash-generating units ("CGU"), expected to benefit from the synergies of the business combinations in which the goodwill arises as set out below, and is compared to its recoverable value. The Company has identified Hydreight as a CGU for the purposes of goodwill impairment testing.

The Company tests CGUs with goodwill annually for impairment, or more frequently if there is an indication that a CGU to which goodwill has been allocated may be impaired. The recoverable amount of a CGU is the higher of the CGU's fair value less cost of disposal ("FVLCD") and its value-in-use. FVLCD is determined based on an implied enterprise value calculation using a market capitalization approach. Value-in-use is calculated using a discounted cash flow analysis based on detailed forecasts provided by management to estimate enterprise value.

14. Loans Payable

VST secured loan

On August 26, 2022, the Company entered into a secured loan agreement with an arm's length individual for $2,000,000. The loan bears interest at 13% per annum payable in advance in cash or marketable securities held by VST calculated and compounded monthly based on a 365-day year basis and matures on the two-year anniversary of the closing date of the Loan or such later date as is agreed to in writing. The loan is secured against certain shares of publicly traded companies currently held by VST. In connection with the Loan as an inducement to the lender, VST also granted the lender the right to acquire up to 1,222,222 shares of HTI held by VST at the going public price of $0.63 at any time after 4 months following the completion of the going public transaction subject to certain additional conditions. As at September 30, 2024, the lender has not acquired any HTI shares pursuant to this right. VST use of the proceeds from the loan is for strategic opportunities and general working capital purposes.

The fair value of the debt component of the loan payable was determined at inception using the Company's incremental borrowing rate of 17%. A total of $154,770, representing the difference between the discounted value of $1,845,230 and the proceeds received of $2,000,000, was allocated to the equity component. The Company paid a finder's fee to an arm's length party in the amount of $100,000 and incurred legal fees of $23,087, allocated to the debt and equity component in the amount of $113,561 and $9,525 respectively. The resulting carrying value of the debt at inception was $1,731,668. In the period ended September 30, 2024, the Company repaid in cash $400,000 towards the principal of the loan and $520,000 of accrued interest by way of a transfer of 825,396 shares of HTI valued as agreed with the lender at the going public price of $0.63 per share resulting in an increase to reserve and NCI of $483,010 and $36,989 (Note 26). Furthermore, the maturity date of the loan was extended to October 28, 2024. For the period ended September 30, 2024, included in interest expense on the condensed consolidated interim statement of income (loss) and comprehensive income (loss) is interest and accretion costs totalling $309,247 (period ended September 30, 2023 - $431,163), resulting in an ending carrying value of $1,639,000 (December 31, 2023 - $2,141,421), which includes accrued interest of $39,000 (December 31, 2023 - $368,333).

14. Loans Payable (continued)

XRI

On December 17, 2021, XRI entered into a loan agreement for a principal amount of $3,000,000, maturing on the earliest of 180 days from the closing date and either a financing or business combination transaction. The loan bears interest at a rate of 12% per annum and is, payable monthly, on the first business day of each month. As an inducement to the lender, 333,333 lender warrants were issued at an exercise price of $3.12 for a period of 4 years.

Further, the loan is secured by a General Security Agreement over all of XRI's assets and property. XRI paid costs including a finder's fee of $150,000 and $16,000 in legal costs. XRI also issued 161,055 finder warrants at an exercise price of $3.12 for a period of 4 years. The costs and fair value of the finder warrants of $238,216 was allocated to the issuance cost of the loan payable.

The agreement was identified as a compound financial instrument based on the substance of the contractual arrangement requiring the valuation on initial recognition of the liability and equity components. The fair value of the debt component of the loan payable was determined at inception using XRI's incremental borrowing rate of 20%. A total of $89,944, representing the difference between the discounted value of $2,910,056 and the proceeds received of $3,000,000, was allocated to the equity component.

On August 31, 2022, the loan agreement was amended to extend the maturity date to August 31, 2024. The Company paid $72,986 in monthly interest through May 2022, but defaulted on the June, July, and August payments. The interest rate effective June 1, 2022, was increased to 15% from 12%, with interest accruing and payable on August 31, 2023. From September 1, 2023, until the maturity date, interest is payable monthly on the first business day of the month.

In addition, the amended agreement amended the exercise price of the 333,333 lender warrants from $3.12 per common share to $0.48 per common share. As an additional inducement for the lender to close the loan amendment agreement, XRI agreed to issue 500,000 RSUs, with 25% vesting on December 13, 2022, and the remainder vesting at 25% every 12 months. The RSUs are recorded in share-based payments expense on the date of issuance based on the fair value of XRI shares multiplied by the number of RSUs issued.

On April 29, 2024, XRI issued a promissory note payable to the lender upon receipt of an additional $250,000 which bears interest at 12% per annum payable semi-annually and matures 24 months from the date of issuance. The promissory note payable is secured by a General Security Agreement over all of the XRI's assets and property. The fair value of the $250,000 loan was determined using XRI's incremental borrowing rate of 23%. A total of $38,122, representing the difference between the discounted value of $210,540 and the proceeds received of $250,000, was allocated to the equity component of the promissory note payable. Directly attributable costs of issuance of $1,338 were deducted from the proceeds.

On July 1, 2024, XRI issued $250,000 of promissory notes payable in consideration for prepaid marketing fees paid to a third-party on behalf of XRI. The fair value of the note was $200,772 and the $49,228 equity component being allocated to contributed surplus. The fair value of these promissory notes payable was determined using the XRI's incremental borrowing rate of 23%.

In September 2024, $250,000 of convertible debentures, with a carrying value of $243,165 (Note 16), were converted into promissory notes payable.

(Expressed in Canadian dollars - unaudited)

14. Loans Payable (continued)

On September 27, 2024, XRI executed debt settlement and subscription agreements, whereby XRI issued 3,562,374 Units to settle $500,000 of promissory notes payable. Each Unit was comprised of one common share and one share purchase warrant exercisable at $0.15 per share until September 27, 2027. XRI calculated a fair value of $251,709 for common shares and $248,291 for warrants based on the relative fair value method. The promissory notes

payable had a carrying value of $414,512 plus $34,356 interest payable, resulting in a $51,132 loss on settlement of promissory notes payable. The $25,886 fair value of the previously issued 989,237 convertible debenture warrants was transferred from warrant reserves to contributed surplus.

A total of $438,877 of interest and accretion were recognized on promissory notes payable during the period ended September 30, 2024 (September 30, 2023 - $431,163). Accrued coupon interest payable as at September 30, 2024, is $1,062,123 (December 31, 2023 - $712,500).

	VST secured loan	XRI	Total
Balance, January 1, 2024	$ 2,249,753	$ 3,630,063	$ 5,879,816
Principal repaid	(400,000)	-	(400,000)
Proceeds of loan, net of costs	-	248,662	248,662
Proceeds of loan - equity allocation	-	(38,122)	(38,122)
Accrued interest settled with subsidiary shares (Note 26)	(520,000)	-	(520,000)
Amortization of transaction costs, accretion, and interest	309,247	438,877	748,124
Deconsolidation of subsidiary (Note 3)	-	(4,279,480)	(4,279,480)
Balance September 30, 2024	1,639,000	-	1,639,000
Less: Current portion	1,639,000	-	1,639,000
Non-current: Balance, September 30, 2024	$ -	$ -	$ -

15. CEBA loans

The Canada Emergency Business Account (CEBA) loan originally launched on April 9, 2020, and is intended to support businesses during the COVID-19 pandemic. The value of the government loan received at below market rate of interest is treated as a government grant. Four of the Company's subsidiaries applied for and received the first $40,000 in funds, and the same four entities applied the additional $20,000. Only three entities received this additional amount in the year ended December 31, 2020. The full value of the grant was spent in the course of business operations. The loans were recognized at fair value using the Company's incremental borrowing rate of 20%.

The outstanding balances as of January 18, 2024, convert to a non-amortizing term loan with full principal repayment due on December 31, 2026. Commencing January 19, 2024, the loan accrues interest of 5% per annum. The Company repaid its CEBA loan prior to January 18, 2024, with the $20,000 balance of the loan forgiven.

	VST	Draft Label	XRI	Total
Balance, January 1, 2024	$ 40,000	$ 47,032	$ 59,605	$ 146,637
Repayment	(40,000)	-	-	(40,000)
Interest and accretion	-	15,064	1,145	16,209
Derecognized on deconsolidation of XRI (Note 3)	-	-	(60,750)	(60,750)
Balance September 30, 2024	-	62,096	-	62,096

16. Convertible Debt and Promissory Notes Payable

Draft Label

On August 21, 2022, Draft Label issued a $200,000 convertible debenture to an arm's length investor. The convertible note is non-interest bearing, unsecured, and upon a Liquidity Event, becomes convertible at the option of the holder into common shares of Draft Label at a conversion price of $0.15 per common share. The convertible debenture will mature two years after the closing date if no Liquidity Event occurs. Liquidity Event for the convertible debenture is defined as:

- the acquisition of Draft Label by another entity by means of any transaction or series of related transactions to which Draft Label is party (including, without limitation, any stock acquisition, reorganization, merger, amalgamation, arrangement, consolidation or other transaction but excluding any bona fide sale of stock for capital raising purposes);
- the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by Draft Label or any subsidiary Draft Label of all or substantially all the assets of Draft Label and its subsidiaries taken as a whole, or (2) the sale or disposition (whether by merger, amalgamation, arrangement, consolidation or otherwise and whether in a single transaction or a series of related transactions) of one or more subsidiaries of Draft Label if substantially all of the assets of Daft Label and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where the sale, lease, transfer, exclusive license or other disposition is to a wholly-owned subsidiary of Draft Label; or
- the closing of the transfer (whether by merger, amalgamation, arrangement, consolidation or otherwise), in a single transaction or series of related transactions, to a "person" or "group", of the Shares if, after such closing, such person or group would become the "beneficial owner" of more than 50% of the outstanding voting securities of Daft Label (or the surviving or acquiring entity).

The share exchange transaction with Futura would meet the definition of a Liquidity Event. As at the financial statement date, the convertibility option has not been triggered.

The arm's length convertible debt has been assessed to be a compound instrument with a fixed conversion rate, and therefore the conversion feature is determined to be an equity component. The fair value of the arm's length convertible debt has had its debt host liability fair valued at inception using a market rate of interest of 13.99%, with $153,921 being allocated to the debt host and $46,079 being allocated to equity using the residual method.

XRI

XRI issued up to a maximum of $500,000 convertible debenture units to a group of subscribers, each consisting of one unsecured, non-redeemable debenture and one common share purchase warrant exercisable for common shares. The debenture units were offered at an issue price of the 10-day value weighted average price ("VWAP") of XRI's common shares for the 10 trading days immediately preceding the date of draw down. The debentures bore interest at 12% per annum from issue date payable semi-annually in arrears on June 30 and December 31 of each year. The debentures were to mature 36 months from the closing date, with the option to extend or prepay upon agreement by both parties. The debentures were convertible at the holder's option into common shares of XRI at a conversion price of $0.15 with accrued and unpaid interest up to conversion date payable in cash or additional common shares. Each warrant was exercisable to acquire one common share at an exercise price of $0.15 per share for a period of 36 months from the closing date.

(Expressed in Canadian dollars - unaudited)

16. Convertible Debt and Promissory Notes Payable (continued)

On November 2, 2023, the XRI drew on $250,000 in debentures at a VWAP price equivalent to 989,237 debenture units. The debenture was financed by way of a transfer of $190,000 in cash and the balance as repayment of amount due to VST. The fair value of the debt component of the debenture was determined at inception using the XRI's incremental borrowing rate of 23%. A total of $51,771, representing the difference between the discounted value of $198,229 and the proceeds received of $250,000, was allocated to the equity component. The amount allocated to equity was split between contributed surplus and warrant reserve based on the relative fair value of the warrants and conversion feature as determined using the Black-Scholes Option Pricing Model using expected volatility of 186%, dividend yield of 0%, life of 3 years, and risk-free interest rate of 4.15%. On September 27, 2024, the $250,000 debentures were converted into promissory notes payable with a discounted value of $210,828 plus $27,123 coupon interest payable.

For the period ended September 30, 2024, included in accretion and interest expense on the condensed consolidated interim statement of income (loss) and comprehensive income (loss) is interest and accretion costs totalling $13,396 (period ended September 30, 2023 - $16,115), resulting in an ending carrying value of $197,720 (December 31, 2023 - $184,324).

	Draft Label	XRI	Total
Balance, January 1, 2024 (Note 3)	$ 184,324	$ 200,260	$ 384,584
Interest and accretion	13,396	42,905	56,301
Converted to promissory note payable (Note 14)	-	(243,165)	(243,165)
Balance, September 30, 2024 (Note 3)	$ 197,720	$ -	$ 197,720

17. Contract Liabilities

The following table is a summary of contract liabilities from contracts with customers and the change in those balances during the nine months ended September 30, 2024, and 2023. As at September 30, 2024, $190,126 (December 31, 2023 - $315,291) of contract liabilities relates to goods and services transferred at a point in time, with the remaining $1,306,693 (December 31, 2023 - $1,404,016) relating to its services transferred over time.

	September 30, 2024	December 31, 2023
Balance, opening	$ 1,776,049	$ 1,721,866
Revenue deferred in prior periods and recognized as revenue in current period	(1,650,676)	(1,741,238)
New additions from contracts with customers during the current period	1,371,446	1,795,421
Balance, ending	$ 1,496,819	$ 1,776,049
Current portion	1,484,730	1,748,574
Long-term portion	12,089	27,475
	$ 1,496,819	$ 1,776,049

(Expressed in Canadian dollars - unaudited)

18. Share Capital

Authorized Share Capital
Unlimited common shares without par value.

Issued Share Capital
As at September 30, 2024, there were 99,564,971 common shares outstanding (December 31, 2023 - 99,564,971).

Reserve
The Company has a stock option plan whereby share purchase options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's shares on the date of the grant and, unless otherwise stated, vest on the grant date and with a term not to exceed ten years.

Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the share purchase option grant.

The Company did not grant any stock options during the period ended September 30, 2024. Share-based payments for the period ended September 30, 2024, relating to the vesting of the VST options was $Nil (nine months ended September 30, 2023 - $15,041) and is recorded in the condensed consolidated interim statement of income (loss) and comprehensive income (loss). The Company has estimated a 0% forfeiture rate in 2024 and 2023.

Options outstanding as at September 30, 2024, are as follows:

Exercise Price	Number of Shares Issuable	Exercisable	Weighted Average Remaining Contractual Life (Years)	Expiry Date
$0.15	4,137,500	4,137,500	0.46	March 17, 2025
$0.43	300,000	300,000	0.46	March 17, 2025
	4,437,500	4,437,500		

Stock options continuity for the period ended September 30, 2024, is as follows:

	Number of options	WAV option price
Balance, December 31, 2023	7,432,500	$0.34
Cancelled	(2,995,000)	$0.59
Balance, September 30, 2024	4,437,500	$0.17

Warrants

There were no warrants issued during the nine months ended September 30, 2024.

Non-Controlling Interest

Share-based payments of subsidiary company

During the period ended September 30, 2024, XRI recorded $4,023 (September 30, 2023 - $174,757) in share-based compensation expense.

(Expressed in Canadian dollars - unaudited)

18. Share Capital (continued)

During the period ended September 30, 2024, HTI recorded $526,988 (September 30, 2023 - $194,281) in share-based compensation expense.

Shares issued of subsidiary company

During the period ended September 30, 2024, HTI issued 1,996,428 shares on conversion of RSUs resulting in an increase in reserve and NCI of $496,263 and $62,737 respectively.

Share purchase rights agreement

The $2,000,000 loan agreement (Note 14) contains a share purchase rights clause whereby the lender has the right to acquire up to 1,222,222 of HTI shares from VST at the going public price of HTI over the term of the loan any time after 4 months following the completion of the Transaction. The lender has not exercised any share purchase rights as of the date of these consolidated financial statements.

19. Related Parties

Related Party Transactions

During the period ended September 30, 2024, and 2023, the Company entered into the following transactions with related parties:

		September 30, 2024		September 30,2023
Professional and consulting fees	$	239,640	$	206,751
Executive compensation		839,808		692,250
Share-based compensation - subsdiaries		187,028		112,697

Key Management Compensation

The Company's key management personnel, including subsidiaries' management, have authority and responsibility for overseeing, planning, directing, and controlling the activities of the Company and consist of the Company's Board of Directors and the Company's executive leadership team. Such compensation was comprised of:

- $839,808 (September 30, 2023 - $692,250) in executive compensation to the CEO and Chief Growth Officer ("CGO") of HTI and executive officers of XRI and Hydreight.
- $239,640 (September 30, 2023 - $206,751) in professional fees to a company controlled by the CFO, for controller, bookkeeping, corporate secretarial and CFO services.
- $187,028 (September 30, 2023 - $112,697) in share-based compensation related to HTI RSUs granted to CEO, CGO of HTI and CFO of XRI.

(Expressed in Canadian dollars - unaudited)

19. Related Parties (continued)

Due from Related Parties

		September 30, 2024		December 31,2023
Due from a Director	$	250	$	250
Due from Subsidiary Management		79,595		81,920
Due from CEO		24,670		-
Due from GameOn Entertainment		218,364		151,878
Due from IV Hydreight Inc related parties		8,099		7,936
Due from XRI		1,108,055		-
Due from Victory Square Health		33,000		33,000
Due from Cassia, dba CoPilot		2,095		2,095
	$	1,474,128	$	277,079

The amount due from CoPilot relates to payment of supplier invoices on behalf of the entity. The balance does not have a fixed repayment date and is non-interest bearing.

As at September 30, 2024, the Company has $24,670 (December 31, 2023 – $Nil) in related party loans due from the CEO. This related party loan is unsecured, due on demand, and bears interest at 3%.

Amounts, other than above, are unsecured, non-interest bearing, and due on demand.

Due to Related Parties

		September 30, 2024		December 31,2023
Due to Insu	$	109,447	$	113,311
Due to former owners of SVR (Note 3)		-		300,000
Due to CEO		-		15,073
	$	109,447	$	428,384

These related party loans are unsecured, due on demand, and non-interest bearing.

The amount due to former owners of SVR is owed by XRI to the former shareholders of SVR, being the balance of the initial purchase price to be settled in cash.

As at September 30, 2024, the Company has $Nil (December 31, 2023 – $15,073) in related party loans due to the CEO. This related party loan is unsecured, due on demand, and bears interest at 3%.

Related Party Balances

As at September 30, 2024, the Company has $112,975 (December 31, 2023 - $366,149) due to related parties included in trade payables and accrued liabilities. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

(Expressed in Canadian dollars - unaudited)

20. Operating Segments

The Company operates in several segments, broken down by entity as follows:

Legal Entities	Segment
Draft Label	Health Tech
PDL USA	Health Tech
Futura Health and Wellness Inc.	Health Tech
XRI [2]	Immersive Services
SVR	Immersive Services
Victory Square Technologies [1]	Investments
BlockX Capital [2]	Investments
VS Blockchain	Investments
VS Digital Health	Health
VS Digital Health (Delaware)	Health
Hydreight Technologies Inc.	Health
Hydreight Canada Holdings Inc.	Health
IV Hydreight Inc.	Health
Prosoft	Health

[1] Parent corporation
[2] Deconsolidated September 30, 2024 (XRI); August 2, 2024 (BlockX Capital)

Segmented operations were as follows as at September 30, 2024:

	Investments	Health Tech	Health	Intercompany Eliminations	Total
Current assets	$ 123,865	$ 50,257	$ 1,548,892	$ -	$ 1,723,014
Non-current assets	12,406,559	-	1,252,101	-	13,658,660
	$ 15,686,649	$ 50,257	$ 2,800,993	$ -	$ 15,381,674
Current liabilities	$ 2,677,056	$ 227,500	$ 3,764,350	$ -	$ 6,668,906
Non-current liabilities	-	259,816	812,434	(986,878)	85,372
	$ 2,677,056	$ 487,316	$ 4,576,784	$ (986,878)	$ 6,754,278

	Investments	Health Tech	Immersive Services	Health	Intercompany Eliminations	Total
Revenue	$ 122,406	$ -	$ 718,767	$ 12,004,137	$ (122,406)	$ 12,722,904
Cost of goods sold	-	-	(2,441)	(7,679,836)	-	(7,682,277)
Gross margin	122,406	-	716,326	4,324,301	(122,406)	5,040,627
Expenses	(912,266)	(134,711)	(1,250,069)	(4,750,048)	1,724,571	(5,322,523)
Gain (loss) of deconsolidation of subsidiary	7,973,122	-	(275,987)	-	-	7,697,135
Other gains	560,558	-	101,747	-	-	662,305
Net loss	7,743,820	(134,711)	(707,983)	(425,747)	1,602,165	8,077,544
Non-controlling interest	-	55,960	324,964	151,882	-	532,806
Other Comprehensive Loss	(8,035)	-	(24,568)	(46,116)	-	(78,719)
Net loss attributable to parent	$ 7,735,785	$ (78,751)	$ (407,587)	$ (319,981)	$ 1,602,165	$ 8,610,350

(Expressed in Canadian dollars - unaudited)

21. Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The cash is deposited in bank accounts in Canada and the USA. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a bank that is a high credit quality financial institution as determined by rating agencies. Credit risk on cash is assessed as low. The Company's receivables consist of trade receivables, government sales tax receivable, and due from related parties. Based on the evaluation of receivables, both current and past due as at September 30, 2024, the Company believes that its receivables are collectable, and management has determined credit risk to be low.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and cash reserves. Historically, the Company's main source of funding has been the issuance of equity securities through private placements and loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Contractual Obligations **As at September 30, 2024**	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**After 5 years**
Trade payables and accrued liabilities	$ 3,124,160	$ 3,124,160	$ -	$ -	$ -
Related party loans	109,447	109,447	-	-	-
Convertible debt	200,000	200,000	-	-	-
Loans payable	1,639,000	1,639,000	-	-	-
CEBA Loans	62,096	-	62,096	-	-
Total Contractual Obligations	$ 5,134,703	$ 5,072,607	$ 62,096	$ -	$ -

d) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company's subsidiaries, Hydreight and SVR, have a functional currency of the USD and therefore the Company bears the risk of fluctuations in the exchange rate between the USD and CAD with respect to Hydreight and SVR's results of operations and financial position.

21. Financial Risk Management (continued)

e) Fair value risk

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. However, considerable judgment is required to develop certain of these estimates. Accordingly, these estimated values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of each class of financial instruments are discussed below.
The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Quoted market prices for an identical asset or liability represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models.

When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the use of significant unobservable inputs are considered Level 3.

Private company investments and contingent consideration derivative liabilities are considered Level 3.

For investments that are not publicly traded, subsequent to initial recognition, the fair value of these investments is determined by the Company using the most appropriate valuation methodology in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio.

Investments are valued at cost for a limited period after the date of acquisition, if the purchase price remains representative of the fair value at the reporting date; otherwise, investments are valued using one of the other methodologies detailed below.

Investments in which there has been a recent or in-progress funding round involving significant financing from external investors are valued at the price of the recent funding, whereby the various shareholder categories rights are taken into account in the valuation. The price is adjusted, where appropriate.

Investments in which there has been a recent private secondary market trade of meaningful volume and the transaction is undertaken by a sophisticated, arm’s-length investor are valued at the price of the recent trade.

Investments in established companies for which there has not been any recent independent funding or secondary private market transaction are valued using revenue or earnings multiples. When valued on a multiple basis, the maintainable revenue or earnings of a portfolio company are multiplied by an appropriate multiple. The multiple is derived from the market capitalization of a peer group. Companies are selected for the peer group that are comparable with the portfolio company to be valued as to their business model and size. If the portfolio company to be valued differs in certain aspects compared with features of companies in the peer group, discounts or premiums are applied to the relevant multiple or resulting valuation.

21. Financial Risk Management (continued)

Investments in early-stage companies not generating sustainable revenue or earnings and for which there has not been any recent independent funding are valued using alternative methodologies. The Company considers investee company performance relative to plan, going concern risk, continued funding availability, comparable peer group valuations, exit market conditions and general sector conditions and calibrates its valuation of each investment as appropriate.

The Company may apply a further illiquidity discount to the fair value of an investment if conditions exist that could make it challenging to monetize the investment in the near term at a price indicated by the valuation models. The amount of illiquidity discount applied requires considerable judgment and is based on the facts and circumstances of each investment.

The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties, and the resulting values may differ significantly from values that would have been used had a ready market existed for the investments. These differences could be material to the fair value of investments in the portfolio.

The table below presents the valuation techniques, and the nature of significant inputs used to determine the fair

values of the Level 3 investments as at September 30, 2024. During the period there has been no movement of investments from Level 3 to Level 1 or Level 2.

The Company's investments include publicly listed entities that are listed on a Canadian and United States stock exchange. Changes in the fair value of investments designated as FVTPL are reported in the statement of income and comprehensive income.

The Company's financial instruments consist of cash and cash equivalents, trade receivables, marketable securities, certain investments, amounts due from related parties, trade payables, loans payable, other payables, convertible debt, and related party loans. The carrying value of financial instruments approximates the fair value at September 30, 2024.

22. Capital Management

The Company manages its cash and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to pursue the development of its business and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. The Company will require capital resources to carry its plans and operations through its current operating period. The Company currently is not subject to externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the period.

(Expressed in Canadian dollars - unaudited)

23. Revenue and Cost of Goods Sold

Revenue

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Immersive experiences	$ 203,273	$ 186,950	$ 718,767	$ 543,092
Health	4,526,320	3,088,217	12,004,137	8,136,302
Health tech	-	-	-	25,854
Management fees (adjustment)	-	(54,136)	-	-
Sublease (adjustment)	-	(8,000)	-	24,000
	$ 4,729,593	$ 3,213,031	$ 12,722,904	$ 8,729,248

Cost of Goods Sold

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Immersive experiences (adjustment)	$ 785	$ (8,864)	$ 2,441	$ -
Health	2,993,149	1,849,072	7,679,836	4,774,895
Software (adjustment)	-	(13,766)	-	-
	$ 2,993,934	$ 1,826,442	$ 7,682,277	$ 4,774,895

24. Interest and Other Income

Interest and other income include interest earned on cash balances and other items not classified as revenue or other gains.

25. Other Gains

Other gains in the current and prior periods consists of proceeds from digital assets dispositions whereby the initial cost of the digital asset tokens was not recognized at the time of receipt due to the inability of the Company to demonstrate future economic benefits of the tokens and uncertainly of measurement basis.

26. Non-Controlling Interest

HTI

On closing of the reverse takeover transaction, 37,842,827 shares of HTI are issued and outstanding on a non-diluted basis, of which approximately 27,896,825 shares are held by VST representing a 73.72% interest, with the balance of 26.28% reported initially in NCI.

During the year ended December 31, 2023, HTI settled a $300,000 obligation recognized in the prior year to issue shares of HTI to the CEO of HTI in recognition of a going public bonus. The shares were issued at the going public price of $0.63 per share or 476,190 shares in total.

During the period ended September 30, 2024, HTI issued 1,996,428 shares on conversion of vested RSUs. The Company also transferred 825,396 shares of HTI to a lender as consideration for interest accrued (Note 14).

As of September 30, 2024, the NCI interest in HTI is 35.67% (December 31, 2023 - 30.17%).

XRI

The Company derecognized the NCI in XRI on deconsolidation (Note 3). Immediately prior to deconsolidation, XRI issued 3,562,374 shares to extinguish a series of promissory notes payable, resulting in a decrease to surplus of $366,066 and a increase in NCI of $617,776.

FUTURA

As per Note 10, on the share exchange transaction with Futura, as at September 30, 2024 and December 31, 2023, Company owns 58.46% of Futura and records the balance of 41.54% in NCI.