

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Victory Square Technologies Inc.** (the "Issuer").

Trading Symbol: **VST**

Number of Outstanding Listed Securities: **97,492,700**

Date: **October 6, 2021**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Victory Square Technologies Inc. builds and invests in emerging technology companies with proven business models and strong teams. Our companies are disrupting and fundamentally changing the business model in various sectors of the global economy including fintech, insurance, health, and

gaming. The Issuer has 20+ portfolio companies (10 of them are selected companies, that are in final stages of our process) in emerging technologies such as AI, AR/VR and Blockchain. The Issuer supports these companies as they grow, by providing comprehensive functional expertise in commercialization, product market-fit; and further through access to proprietary technology solutions and to our extensive ecosystem of global partnerships. The unique combination of financial, business development, technology, and operational support and services provides competitive advantages to our portfolio companies and more importantly increases their probability of success.

The Issuer's leadership team, advisors and partners are industry leaders and experts that provide the full range guidance and value on the technologies and best practices needed to scale, including main areas such as product, engineering, customer acquisition, talent management and internationalization. This enables our portfolio companies to become leading players in their markets in a shorter period of time. The Issuer is headquartered in Vancouver, Canada, and listed on the Canadian Securities Exchange (VST), Frankfurt Exchange (6F6) and the OTCQX (VSQTF).

During the month of September 2021, the Issuer continued with general and corporate operations.

2. Provide a general overview and discussion of the activities of management.

On September 7, 2021, the Issuer announced that its portfolio company, Fantasy 360 Technologies Inc. d/b/a Immersive Tech ("Immersive Tech") (CSE:VRAR) has received final approval for listing from the Canadian Securities Exchange (the "CSE"). The common shares of Immersive Tech will commence trading on the CSE under the symbol "VRAR" on September 8, 2021. The team behind Immersive Tech is a blend of accomplished individuals coming together under the CEO, Tim Bieber (BroadbandTV, CBS Interactive), Director of Franchise Development, Steven Dooner (The VOID, Walt Disney Imagineering, Universal Studios Japan), Adrian Duke, Jeffrey Jang (co-founders of Immersive Tech, BCBusiness Top 30 Under 30s), Vahid Shababi, Shafin Diamond Tejani (Victory Square Technologies), Kevin Williams (Walt Disney Imagineering, Spider Entertainment, LBE Subject-matter Expert), Dan Bugar (VRAR Association Chapter President, Shape Immersive), Lance Priebe (co-founder Club Penguin, Disney Interactive, HyperHippo Entertainment) as well as its Directors Alvin Wang Graylin (HTC China President, Virtual Reality Venture Capital Alliance President) and Cathy Hackl (CEO of Futures Intelligence Group, Metaverse Strategist, & Tech Futurist).

On September 20, 2021, the Issuer announced that its portfolio company, Fantasy 360 Technologies Inc. d/b/a Immersive Tech ("Immersive Tech" or "Fantasy 360") (CSE:VRAR) has signed a binding letter of intent (the "LOI") dated September 17, 2021 in respect of the acquisition (the "Acquisition") of all of the shares of Synthesis VR Inc. ("Synthesis VR"), a leading Location based Virtual Reality ("VR")content store & technology engine empowering

nearly 300 out-of-home entertainment locations worldwide. Synthesis VR serves more than the Location-based entertainment industry with its first to market and industry leading technology but also operates a broader sandbox platform serving the education and enterprise sectors as well. As one of the largest and most active location-based VR communities globally, Synthesis VR has seen a large uptick in client operator growth and player engagement across its network. So far in 2021 alone the Synthesis VR global community has already logged over 10,000,000 minutes of game play with over 600,000 booking reservations across its global network of 300+ operator centers and 130,000+ active users. This is a sharp rise in player engagement and bookings over 2019 & 2020 which continued to see strong growth even through a global pandemic. Their catalogue of games and other experiences also continues to grow, to over 325, as the VR entertainment industry as a whole has seen large spikes in audience and game developers creating more VR games to answer the consumer demand as a result of the global pandemic. VR and augmented reality (“AR”) is rapidly transforming every aspect of people’s lives and businesses including paradigm shifts in entertainment, retail, manufacturing, healthcare, training and education industries. In a recent study published by PwC it was predicted that the VR/AR industry would grow from \$148.5B in 2021 to contributing an estimated \$1.5 Trillion to the global economy by 2030. And Out-of-Home entertainment is playing a major part in this growth. Fantasy 360 has rapidly moved to scale up its team and product offerings to answer the increasing demand and interest in multiplayer hyper-immersive VR experiences. Fantasy 360 has previously focused on its Family Entertainment Center (FEC) clients and the general Out-of-home Entertainment customers and is poised for rapid growth in this sector. Fantasy 360 has set its sights on the future with the creation of its UNCONTAINED Immersive Entertainment Platform and some heavy weight industry veterans are joining to help. Recently adding to its board of directors industry veterans Alvin Graylin (HTC China President, Virtual Reality Venture Capital Alliance President) and Cathy Hackl (CEO of Futures Intelligence Group, Metaverse Strategist, & Tech Futurist), to accelerate its plans in the out of home entertainment sector. Fantasy 360 has positioned its UNCONTAINED turnkey attractions as the base for its strategic plan, creating an Immersive Entertainment Platform which goes far beyond conventional attraction manufacturing and unit sales, to a sophisticated platform encompassing hardware (attractions), technology (software to power an interconnected network) and content (app store, SDK and in-house studio) with an end game goal of being the physical portal to the Metaverse. The Synthesis technology stack, Content store, VR arcades & family entertainment center clients worldwide, and most importantly the team, make a perfect fit to Fantasy 360’s strategic positioning in the creation of a next-gen Immersive Entertainment Platform. Offering a broader out-of-home entertainment market and the core technology behind Fantasy 360’s interconnected network of UNCONTAINED Attraction units. The combined team will continue to invest to improve the current Synthesis VR technology engine, providing many new features to its

existing operator base around the globe. Fantasy 360 plans to not only adopt the Synthesis VR industry leading technology into its UNCONTAINED Immersive Entertainment Platform but to also market the standalone product offering to all its existing out-of-home entertainment clients and prospects in order to dramatically increase the user base utilizing the industry leading Synthesis VR software to power their VR gaming operations. The Synthesis package as offered currently to operators around the globe will continue to provide the existing level of superior technology, service and support including all the crowd favourite games, plus the addition of many new games that will start to be released across the platform. The acquisition will see the Synthesis VR team continue in their roles and the development roadmap that Fantasy 360 had created prior to this acquisition will be accelerated with an additional investment into the Synthesis VR core platform. Many new features and capabilities will be added to the Synthesis platform, continuing to grow, and providing added revenue opportunities to the Issuer's growing family of customers.

Terms of the Acquisition

Subject to applicable laws and the policies of the CSE, in consideration of the Acquisition, Fantasy 360 will pay an aggregate purchase price of \$4,800,000 (the "Purchase Price") as follows:

(i) \$500,000 in cash with \$150,000 payable upon closing, \$50,000 payable on January 1, 2022, and a further \$300,000 payable upon the completion of certain milestones; and (ii) common shares of Fantasy 360 ("Fantasy 360 Shares") with an aggregate value of \$4,300,000 at a deemed price per Fantasy 360 Share equal to the market price of the Fantasy 360 Shares minus permitted discounts per policies of the CSE with a minimum price per Fantasy 360 Share of \$0.35, which such shares shall be subject to contractual escrow with tranches release over a period of 20 months. In addition, subject to applicable laws and the policies of the CSE, Fantasy 360 may issue additional Fantasy 360 Shares with an aggregate value of up to \$5,000,000 upon the achievement of certain mutually agreed upon performance milestones.

The Issuer also announces that it has retained GRIT Capital CORP, an arm's-length party to the Issuer to provide social media marketing services, content creation, and distribution. The Issuer agrees to pay the service provider USD\$50,000 for six-month service.

Further, during the month of September 2021, the Issuer purchased 25,000 of its common shares under the Share Buy-Back Program announced on January 13, 2021.

The aforementioned news releases can be viewed under the Issuer's profile on SEDAR (www.sedar.com) and on the Issuer's Disclosure Page on the Canadian Securities Exchange's website (www.thecse.ca).

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production

programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None to report during the month of September 2021.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None to report during the month of September 2021.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

During the month of September 2021, the Issuer retained GRIT Capital CORP, an arm's-length party to the Issuer to provide social media marketing services, content creation, and distribution. The Issuer agrees to pay the service provider USD\$50,000 for six-month service.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None to report during the month of September 2021.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None to report during the month of September 2021.

8. Describe the acquisition of new customers or loss of customers

None to report during the month of September 2021.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None to report during the month of September 2021.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None to report during the month of September 2021.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None to report during the month of September 2021.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None to report during the month of September 2021.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None to report during the month of September 2021.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
During the month of September 2021, there were no securities issued, options or warrants granted.			

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

None to report during the month of September 2021.

16. Provide details of any changes in directors, officers or committee members.

None to report during the month of September 2021.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Trends and risks, which may impact the Issuer, are detailed in the Final Long Form Prospectus filed April 29, 2016 and in the Management Discussion and Analysis for the six months ended June 30, 2021 and 2020, dated August 30, 2021, available for viewing under the Issuer's profile on the SEDAR (www.sedar.com) and on the Issuer's Disclosure Page on the Canadian Securities Exchange's website (www.thecse.ca).

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Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there was no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated October 6, 2021.

Shafin Diamond Tejani
Name of Director or Senior
Officer

/s/ "Shafin Diamond Tejani"
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer Victory Square Technologies Inc.	For Month End September 2021	Date of Report YY/MM/D 21/10/6
Issuer Address Suite 1080, 789 West Pender Street		
City/Province/Postal Code Vancouver / BC / V6C 1H2	Issuer Fax No. Not applicable	Issuer Telephone No. (604) 283-9166
Contact Name Shafin Diamond Tejani	Contact Position CEO, Director	Contact Telephone No. (604) 283-9166
Contact Email Address shafin@victorysquare.com	Web Site Address www.victorysquare.com	