

EquineX North America and Victory Capital Corp. Announce Proposed Transaction

NOT FOR DISSEMINATION IN THE UNITED STATES OR THROUGH US NEWSWIRE SERVICES

TORONTO, June 21, 2019 – Victory Capital Corp. (“Victory” or the “Corporation”) (TSXV: VIC.P) is pleased to announce that it has entered into a letter of intent (the “Letter of Intent”) dated June 18, 2019 with 1788938 Ontario Ltd., operating as EquineX North America (“Equinex NA”), to complete a proposed arm’s length transaction (the “Proposed Transaction”) pursuant to which Victory would acquire all of the issued and outstanding common shares (the “Equinex NA Shares”) in the capital of EquineX NA by way of an arrangement, amalgamation, share exchange or similar transaction and continue the business of EquineX NA. The Proposed Transaction is expected to constitute Victory’s “Qualifying Transaction” under the policies of the TSX Venture Exchange (the “TSXV”). Equinex NA, after completion of the Proposed Transaction, is referred to in this news release as the “Resulting Issuer”

Trading in the common shares of Victory (the “Victory Shares”) has been halted. It is unlikely that the Victory Shares will resume trading until the Proposed Transaction is completed.

ABOUT EQUINEX NA

EquineX NA is a private company incorporated under the laws of Ontario on January 20, 2009. Other than EquineX Limited, a privately held Bermuda company, which holds 58.6% of the outstanding Equinex NA Shares, no other shareholder of EquineX NA holds more than 10% of the outstanding Equinex NA Shares.

EquineX NA is a technology company that intends to revolutionize the Equine Industry by offering an industry-wide solution that brings together state-of-the-art software, hardware, and performance assessment technologies, and combines it with computational intelligence (artificial intelligence and machine learning), to address the most pressing issues faced by horse owners and service providers in their pursuit to protect the health and welfare of their horses. The Company’s patent pending technology, collects and cross-correlates a horse’s on-going health, well-being and performance data, giving horse owners and service providers clear indications of cause and effect, and data-based approaches to optimize a horse’s performance, while protecting its well being.

INFORMATION REGARDING THE PROPOSED TRANSACTION

Under the terms of the Proposed Transaction, Victory will acquire all of the outstanding Equinex NA Shares in exchange for Victory Shares at an exchange ratio to be determined. For the purposes of the Proposed Transaction, Victory will be valued at CDN \$0.45 per share, based on 5,088,750 Victory Shares being issued and outstanding upon the completion of the Proposed Transaction, and EquineX NA will be valued at US \$30,000,000 on a pre-financing basis. In connection with the Proposed Transaction, EquineX NA intends to complete a private placement financing of subscription receipts for aggregate gross proceeds of not less than US \$2,500,000 (the “Financing”).

Pursuant to the Letter of Intent, the parties intend to enter into a definitive agreement (the “Definitive Agreement”) in respect of the Proposed Transaction on or before on or before July 31, 2019. The terms

of the Definitive Agreement will include the basic understandings set out in the Letter of Intent and other terms and conditions customary for transaction of the nature contemplated therein.

Completion of the Proposed Transaction is subject to a number of conditions including, but not limited to: completion of satisfactory due diligence; completion of the Financing resulting in sufficient gross proceeds such that the Resulting Issuer shall satisfy the working capital requirements of the TSXV; execution of a definitive agreement in respect of the Proposed Transaction; receipt of regulatory approvals; acceptance of the Proposed Transaction as Victory's Qualifying Transaction by the TSXV; receipt of approval for the listing of the common shares of the Resulting Issuer; shareholders of EquineX approving the Proposed Transaction and such other matters necessary to complete the Proposed Transaction; shareholders of Victory approving certain matters ancillary to the Proposed Transaction subject to the completion of the Proposed Transaction. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

A comprehensive press release with further particulars relating to the Proposed Transaction, including the Financing, financial information and the Resulting Issuer will follow in a subsequent news release, in accordance with the policies of the TSXV.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in securities of a capital pool company should be considered highly speculative.

The TSXV has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.

THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION, NOR SHALL THERE BE ANY OFFER, SALE, OR SOLICITATION OF SECURITIES IN ANY STATE IN THE UNITED STATES IN WHICH SUCH OFFER, SALE, OR SOLICITATION WOULD BE UNLAWFUL.

ANY SECURITIES REFERRED TO HEREIN WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "1933 ACT") AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO A U.S. PERSON IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT.

Notice on forward-looking statements:

This release includes forward-looking information within the meaning of Canadian securities laws regarding Victory, EquineX and their respective subsidiaries and businesses, which may include, but are not limited to, statements with respect to the completion of the Proposed Transaction and the Financing,

the terms on which the Proposed Transaction and Financing are intended to be completed, the ability to obtain regulatory and shareholder approvals and other factors. Such statements are based on the current expectations and views of future events of the management of each entity, and are based on assumptions and subject to risks and uncertainties. Although the management of each entity believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. The forward-looking events and circumstances discussed in this release, including completion of the Proposed Transaction and Financing (and the proposed terms upon which the Proposed Transaction and Financing are proposed to be completed), may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the companies, including market conditions, economic factors, management's ability to manage and to operate the business of the Resulting Issuer and the equity markets generally.

Although Victory and EquineX have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on any forward-looking statements or information. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and neither Victory nor EquineX undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

SOURCE Victory Capital Corp.

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