

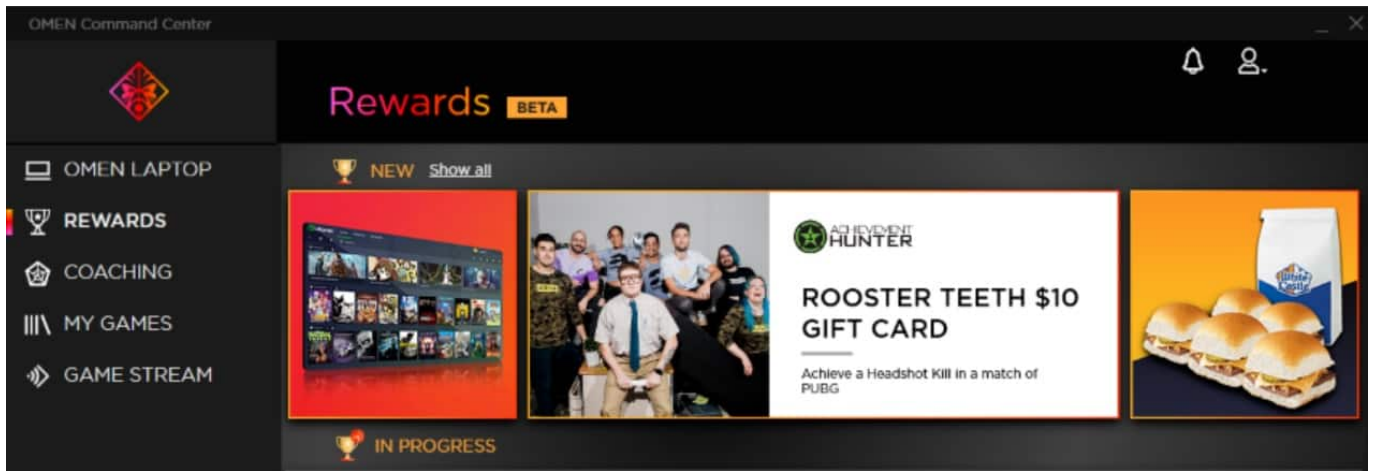
Profiting from a reward system to play at home, Advertisers win through Versus Systems

We all know that the online industries are having unprecedented popularity, in part due to the COVID-19 pandemic that has left people with more spare time to play games, engage in Esports and stream videos. Well one company is profiting from this via their in-app advertising that rewards consumers. The fun part here is by rewarding users to view the ads both the consumers and the advertisers are winners.

Versus Systems Inc. (CSE: VS | OTCQB: VRSSF) is a company that provides in-game prizing and promotions (essentially rewards). The Company's proprietary in-game rewards engine engages the online gaming community through rewards, which benefits users, developers and brands. And it's not just video games; the in-app tool also works on streaming services and any interactive media, anywhere in the world.

Just think about it for a minute. Most people never click on regular ads while doing an activity. Why? Because there is no reward. But what if you could get a 10% discount voucher for McDonald's or a 20% discount on a new gaming console? Suddenly consumers are interested to engage because there is a reward for them to do so. The advertiser also gets rewarded by the engagement and hopefully a visit soon from the consumer to redeem the reward. A win-win for both parties. This is the brilliance of Versus Systems' in-app advertising platform.

Versus Systems – An in-app platform that encourages users to engage by giving rewards



Source: Versus Systems company presentation

Versus Systems is expanding globally with key partner HP

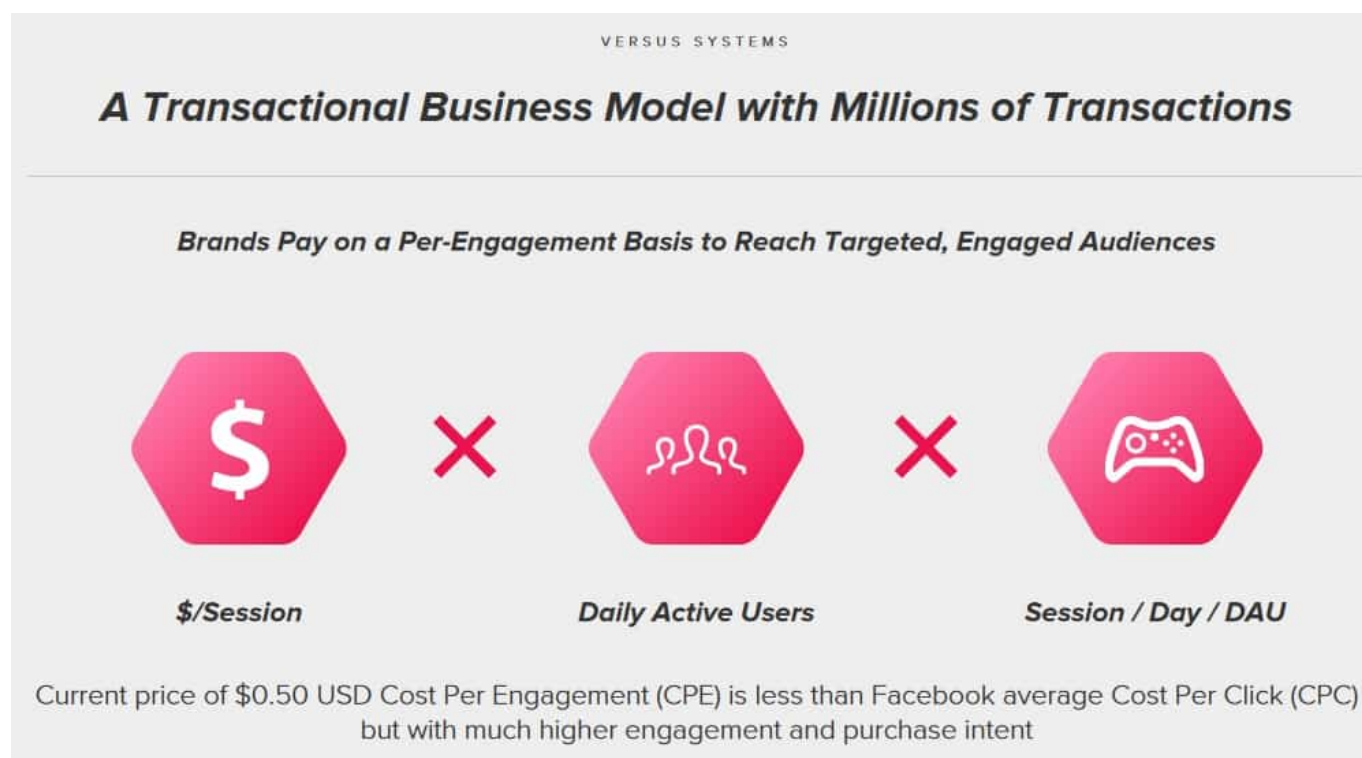
After a successful launch of their OMEN series computers in 2019, HP is expanding their rewards program, powered by Versus. Versus will also be adding streaming video as a vertical through Kast, a mobile game developer in Animoca, and growing the HP relationship.

Starting this summer of 2020, Versus' in-app advertising tool will come pre-installed in OMEN and Pavilion Gaming desktops, gaining exposure to tens of millions of machines worldwide. Additionally, HP and Versus will be developing a version of OMEN Rewards to be launched in China this summer. Asia Pacific is home to a \$72 billion gaming market according to Newzoo's 2019 Global Gaming Report.

Versus Systems says that their "current price of US\$0.50 Cost Per Engagement (CPE) is less than Facebook average Cost Per Click (CPC) but with much higher engagement and purchase intent."

Versus Systems has proven it to be successful with 36% of rewards winners going into physical locations to redeem rewards. Advertisers achieved a 3.5x return on ad spend. That is way better results than leading advertising companies such as Facebook and Google.

Versus Systems' in-app advertising is cheaper than Facebook click



Source: Versus Systems company presentation

Closing remarks

Versus Systems is making all the right moves using their brilliant in-app advertising tool to reward and engage users and win advertisers, especially in the enormous gaming and streaming communities. A simple cost per engagement revenue model follows the Software as a Service model, which we all know once scaled leads to very high margins and profits.

Versus Systems Inc. is growing fast and about to burst onto the global scene. Risk is there due to the early stage, but the potential upside is really exciting. At the current market cap of just C\$37 million investors better not wait too long as this can really move up fast if it takes off.