

Versus System launches in-game rewards platform in China and enters the health sector with ePlay and PredictMedix

Versus Systems Inc. (CSE: VS | OTCQB: VRSSF) has made its name in the gaming world with their proprietary patented in-game prizing and promotions engine. In 2020, the Company has made great progress expanding within streaming, within gaming and also within the wellness sector. A key to the Company's success to date has been to reward users who view ads, thereby achieving much greater interest from potential customers.

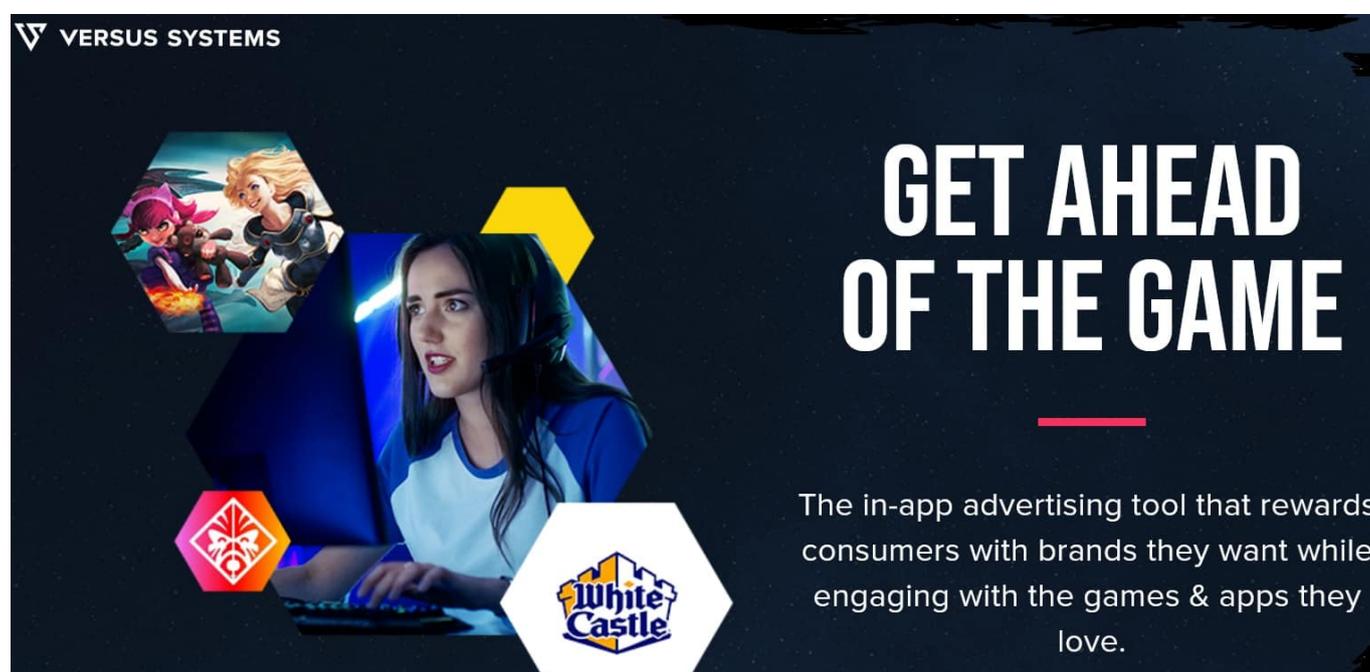
Versus Systems platform allows game publishers and developers to offer in-game and in-app prizing across mobile, console, PC games, and streaming media. Brands pay to place products in-game and gamers compete for those prizes.

Versus Systems enters the wellness market

In August of this year Versus Systems announced their first move into the health and wellness sector with ePlay Digital Inc. ePlay Digital is a mobile game creator and publisher specializing in sports, esports and entertainment augmented reality titles; but they also operate health and wellness applications and platforms. The announcement states that "ePlay's catalog of health, wellness and personal improvement applications further diversifies Versus' content offerings for reward partners in video content platforms and lifestyle mobile applications." The global wellness market is valued at over \$4 trillion which certainly gives both ePlay Digital and Versus Systems plenty of revenue potential.

Craig Finster, President and CFO of Versus Systems, commented: “When considering health and wellness platforms, with fitness apps in particular, we are looking at a market size that’s expected to reach approximately \$15 billion in the next five years. We examined that growth potential and the opportunities that would bring and realized that scaling our platform into the wellness category is a no-brainer.”

In a further health theme, PredictMedix (CSE: PMED | OTCQB: PMEDF) has agreed to use Versus Systems technology to help reward, motivate, and retain patients in clinical trials. This may include rewarding patients for joining certain trials, as well as to promote compliance in testing medical therapies. A win-win for both companies. These products, for use primarily by Contract Research Organizations (CROs), academic medical centers and those in the clinical trials markets, will enter a market that Fortune Business Insights estimates at US\$40 billion annually.



VERSUS SYSTEMS

GET AHEAD OF THE GAME

The in-app advertising tool that rewards consumers with brands they want while engaging with the games & apps they love.

The advertisement features a woman with long dark hair wearing a blue and white t-shirt, sitting at a desk and playing a video game. The background is dark with several hexagonal icons: a yellow one, a pink one with a white logo, and a white one with the White Castle logo. In the top left corner, there is a logo for Versus Systems and a small inset image of two anime-style characters.

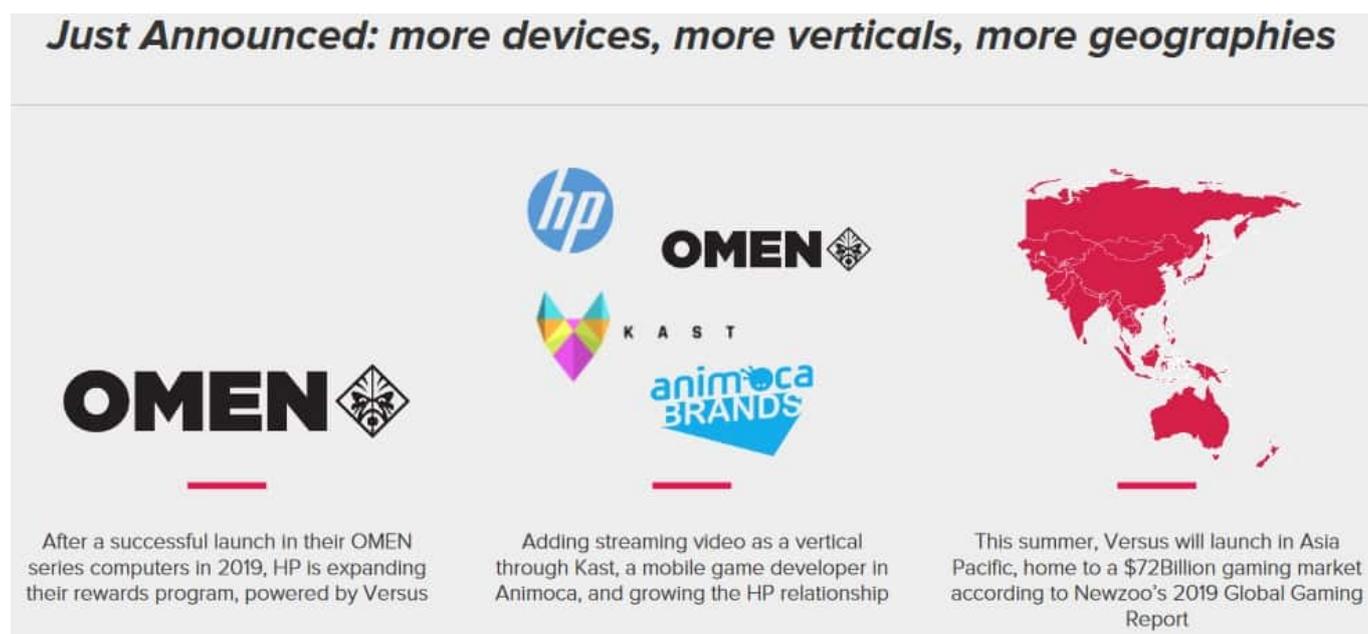
Source

Versus Systems launches OMEN Rewards with HP into the \$78 billion revenue Asia Pacific gaming market

In September of this year Versus Systems announced the launch of its patented in-game rewards platform, OMEN Rewards, in China. The platform is pre-installed inside HP's OMEN Command Center and Pavilion laptops and desktops and is also available in the Windows App Store. This is a massive step for Versus Systems in terms of gaining enormous exposure in a rapid period of time. Looking at the stock price it appears the commercialization is yet to be factored in. Should the OMEN Rewards platform prove popular then the potential revenues for Versus Systems would be very significant. The Asia-Pacific's gaming market has approximately 1.4 billion gamers that are forecast to generate \$78.4 billion in gaming revenues in 2020.

Versus Systems is expanding rapidly as they partner to commercialize their technology globally

Just Announced: more devices, more verticals, more geographies



OMEN

After a successful launch in their OMEN series computers in 2019, HP is expanding their rewards program, powered by Versus

hp **OMEN**

KAST **animoca BRANDS**

Adding streaming video as a vertical through Kast, a mobile game developer in Animoca, and growing the HP relationship

This summer, Versus will launch in Asia Pacific, home to a \$72 Billion gaming market according to Newzoo's 2019 Global Gaming Report

Source

Closing remarks

Versus Systems is having a very strong 2020 as they move rapidly to commercialize their technology. Their base business of providing fun rewards for players looks set to take off following 2020 deals with Kast streaming and HP (OMEN Rewards). Added to this, Versus Systems is now moving into the

very lucrative wellness sector. One example being fitness apps with ePlay Digital where Versus can offer users rewards/prizes for viewing ads as they already do in other segments.

Versus Systems core concept remains that a viewer is far more likely to view an ad if there is a chance at a prize or reward. Their research shows that 97% of Versus users agree that adding rewards and prizes makes games more fun. Their expansion from the gaming and streaming worlds and into the wellness sector just further expands the potential revenue opportunity.

Versus Systems currently has a market cap of C\$40.5M.

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

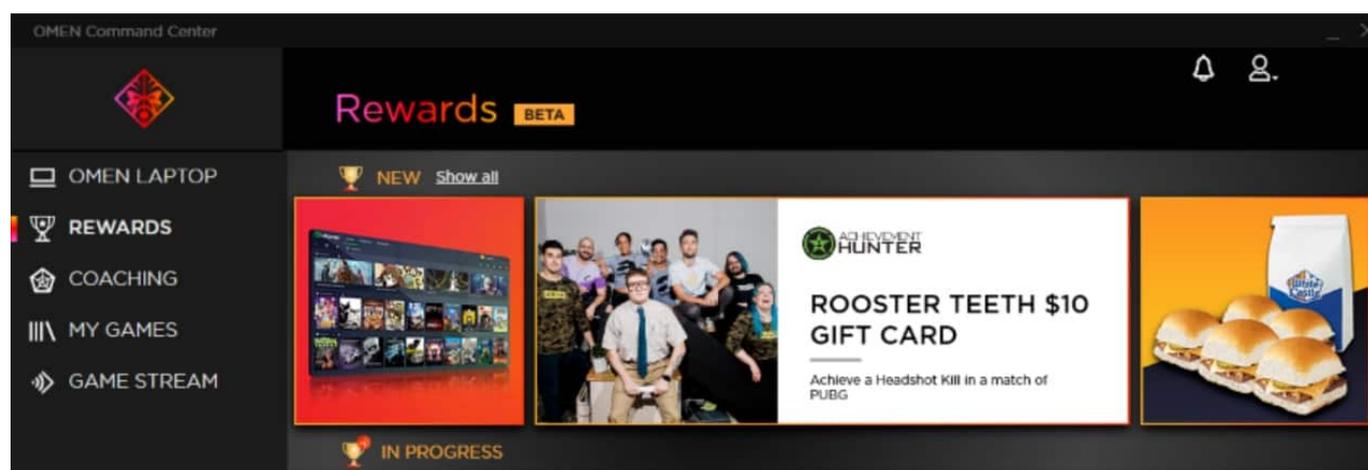
We all know that the online industries are having unprecedented popularity, in part due to the COVID-19 pandemic that has left people with more spare time to play games, engage in Esports and stream videos. Well one company is profiting from this via their in-app advertising that rewards consumers. The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

VERSUS SYSTEMS

A Transactional Business Model with Millions of Transactions

Brands Pay on a Per-Engagement Basis to Reach Targeted, Engaged Audiences

The diagram illustrates the transactional business model with three components: a dollar sign icon representing cost per session, a group of people icon representing daily active users, and a game controller icon representing sessions per day. Each component is enclosed in a pink hexagon, and they are connected by red 'X' symbols representing multiplication.

\$/Session Daily Active Users Session / Day / DAU

Current price of \$0.50 USD Cost Per Engagement (CPE) is less than Facebook average Cost Per Click (CPC) but with much higher engagement and purchase intent

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.