

# MANSFIELD LETTER REPORT

March 23, 2020

COMPANY NAME	SYMBOL	CURRENT PRICE	SHARES O/S	MKT CAP	ENTERPRISE VALUE
Versus Systems Inc	VS	.26	132.8M	34.5M	30.1M

TARGET	\$ .65
RISK FACTOR	HIGH
VALUE	5
GROWTH	2
MOMENTUM	3



Assets '000's	2018	2019
Cash	34	689
Rec	4	31
Inventory	n/a	n/a
Current Assets	101	741
Equip/Intang	3430	3747
Total Assets	3679	4633
LIABILITIES	1036	1185
Ttl Current lease	3479	4378
Note payable	4515	6448
Total Liabilities	(836)	(1815)
NFT		

Industry: Technology Software

Income Stmt	2018	2019
Rev	2	654
Cost of Goods	n/a	n/a
Gross profit	n/a	n/a
Ttl operating exp	8732	7652
Operating Income	n/a	n/a
Net Income	(8730)	(6998)

Valuation Metrics	2018	2019
Entrp Value/EBITDA		
Price/Earnings		
Price/Sales		
Price/Book		
Operating Margins		

**Overview:** Versus Systems Inc. operates a business-to-business software platform that allows video game publishers and developers to offer prize-based matches of their games to their players. Its Winfinite platform, an in-game prizing and promotions engine that allows video game publishers and developers to offer in-game prizing to their players through mobile, console, PC games, and streaming media. The company has operations in Canada, the United States, and the Asia-Pacific. The company is headquartered in Vancouver, Canada.

**Catalysts –**

**HP Partnership Drives Growth.** The Company's Winfinite platform now powers HP's OMEN Rewards, a prize platform that is built into the OMEN

**HP Partnership Validates Winfinite:** We view the HP partnership as a transformative announcement from Versus that has the potential to significantly increase the current user base and drive revenue

**Platform Validation Propels Inbound Sales.** We believe that the HP partnership validates the Winfinite platform for other content companies and as such should lead to additional partnership announcements in the coming year.

**IP Portfolio of Prizing, Promotion & FinTech:** The Company currently has over 40 patents protecting numerous proprietary systems and methods for awarding real money, physical goods & digital currencies.

**Valuation:**

Our target price of \$0.65/sh is derived from a 12.0x multiple on our F2020 Adjusted EBITDA estimate. In our view, this valuation could prove conservative given that the blended average of large capitalized advertising, marketing and application software companies are currently trading at an average of 25.7x EV/EBITDA on 2020 consensus estimates.

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