

# SponsorsOne Operational CEO Update to Shareholders

#### For Immediate Release

Waterloo, Ontario, March 14, 2019: SponsorsOne Inc., (CSE: SPO) (Frankfurt: 5SO) is pleased to provide an operational update for Q1 2019:

The company that makes small brands BIG through large, engaged, authentic communities of micro-influencers that buy and support the brands they love.

#### Dear SponsorsOne Shareholders:

SponsorsOne has been working through the market launch with several Brands and have completed multiple, end to end transactions. Completion of a sale means everyone who was involved in the consumer purchase, gets paid. This includes the brand, the influencer and SponsorsOne. We are currently working with three brands and have made significant systems design improvements that will facilitate rapid adoption managing millions of pro and micro-influencers.

#### Highlights for Q1, 2019:

- Influencer market spend by Brands is projected to be \$10B by 2020 as stated by MediaKix.com
  <a href="http://mediakix.com/2018/03/influencer-marketing-industry-ad-spend-chart/#gs.0q3ytz">http://mediakix.com/2018/03/influencer-marketing-industry-ad-spend-chart/#gs.0q3ytz</a>
- BlueWater Ventures (Jewelry) went live in December 2018 with over 70,000 views on SponsorsOne generated content, resulting in influencer generated sales for the brand.
- Shoenbyyu (Fashion) and Native State Foods (Specialty Food) are in various stages of development and getting ready to launch
- Entry into the CDB Direct to Consumer market, launched Feb 12, 2019
- Five brands in discussion for the Brand Development Agreement
- One Brand in consideration for a three-year Brand Management Agreement
- Addition of significant enhancements to the SponsorCoin platform with a beta release in Q2 2019

#### Each highlight is discussed below:

Influencer marketing, specifically, micro-influencer (less than 100,000 followers) has become a major focus in 2019. Many Brands are finding that micro-influencers generate the highest level of authentic engagement and return per marketing dollar.



The Influencer market has grown from \$2B in 2017 and projected to grow to \$10B in 2020. The Influencer market represents only 3% of the global digital advertising spend by Brands, so there is plenty of room for growth in the future.

SponsorsOne went live with Bluewater Ventures as our initial brand and the content we produced created over 70,000 views to date, resulting in our first sale in early January. These sales allowed SponsorsOne to execute a complete end to end transaction as its first Brand transaction using influencer marketing on our alpha testing platform.

SponsorsOne and Shoenbyyu are preparing to launch an initial campaign with many pro-influencers under the Brand Development Agreement. Discussions regarding strategy and messaging and the possibility of content produced in collaboration with the influencer are under consideration. No definitive launch date has been set.

Native State Foods is launching a new healthy snackable power food appealing to athletes and active individuals. Native State Foods has just opened a new Shopify store launching their new product, which is being sold exclusively online. Together, SponsorsOne and Native State Foods have been interviewing pro-influencers with the involvement of Athletes Hub. Influencer involvement for the first campaign will be announced soon. The financial tracking and settlement systems for fee payout has been built and will be implemented with the Native State Food's launch scheduled for Q2.

The direct to consumer space in the USA market has prompted a launch into the CBD Wellness market. SponsorsOne has taken advantage of an opportunity to open discussions with five companies for Brand Development Agreements with one company looking for a long term, three-year Brand Management Agreement. We expect to be live with at least one CBD processor in Q2 2019.

The Brand Development Agreement with Mato Creation Corporation (PetCell) was terminated by SPO.

As a result of working closely with brands and their influencers we have added some additional capabilities to the SponsorCoin platform which should accelerate microinfluencer adoption as follows:

- Added cash commission capability, as defined by the brand, to all levels within the system. The micro-influencer can now earn their discount, their SponsorCoin and a cash commission for the direct influence of a brand sale. The brand decides the amount of cash commission to be paid.
- Added capability for a brand to advance a micro-influencer to a cash commission level, automatically, by meeting a specifically defined action, such as a product purchase. This will incentivize the micro-influencer to purchase the product right away, driving immediate sales for the brand.
- Added an Influencer Agency Dashboard. Influencer agencies representing many pro-influencers can now connect their influencers to SponsorsOne



brands using the SponsorCoin platform. Payment and settlement systems handle the distribution of every sale to everyone involved, including the Agency, moving the Agency and their influencers from a onetime fee, to a recurring payment model, as long as the brand is on the SponsorsOne platform.

 Added a complete tracking and financial settlement systems to pay the pro and micro influencer commission from each sale they influence. This settlement system works directly with Stripe and PayPal.

While SponsorsOne focused on completing the SponsorCoin platform to support the numerous brands, cash remains tightly managed, and the company's monthly burn rate was reduced. SponsorsOne is exploring additional financing strategies to ensure sufficient operating capital until achieving positive cash flow, being mindful of shareholder dilution. Our focus is to be cash flow positive with as few brands as possible then scale the business from the generated cash flow.

The experience gathered by launching our first Brands has been invaluable. Tracking and financial settlement, "Pay for Performance", have increased complexity and will be a major differentiator in the market along with the SponsorCoin reward systems for authentic word of mouth marketing. The beta development and test period are targeted for Q2 2019.

Best regards,

Myles Bartholomew CEO

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## About SponsorsOne:

SponsorsOne is the leader in the next evolution of digital marketing through storytelling and digital-commerce with the SponsorCoin platform and its highly scalable – smart contract based digital-currency. Combined, this allows brands to build and manage exclusive and highly engaged communities of micro-influencers within the social realm. The SponsorCoin platform provides for data-driven marketing campaigns that will change the way brands connect with their customers. SponsorCoin is a tool for brands to inspire real movements around their products and services in which their most valuable customers become their best salespeople, producing far higher ROI than current social media advertising methods.



### ON BEHALF OF THE BOARD

Gary Bartholomew, Executive Chairman

To learn more, please visit www.sponsorsone.com

The Canadian Securities Exchange ("CSE") has neither approved nor disapproved the contents of this Press Release.

## Forward-Looking Statements

This news release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this news release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology, are intended to identify forward-looking statements and information. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks:

- risks associated with marketing and sale of securities
- the need for additional financing requirements and access to capital, reliance on key personnel
- the potential for conflicts of interest among certain officers or directors with certain other projects
- the volatility of the volume and price of the Common Shares, the failure of the business strategy, the integrity of the Company's patents and proprietary intellectual property and competition.

The Company cautions that the foregoing list of risk factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors, and other uncertainties and potential events,



including the risk factors, set out in the Company's Listing Statement. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to above will not cause such forward-looking statements and information to differ materially from actual results or events.

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