

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F/A
(Amendment No. 1)

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report 1

Commission file number: 001-39885

VERSUS SYSTEMS INC.
(Exact name of Registrant as Specified in Its Charter)

N/A
(Translation of Registrant's Name into English)

British Columbia
(Jurisdiction of Incorporation or Organization)

1558 West Hastings Street
Vancouver BC V6G 3J4 Canada
(Address of Principal Executive Offices)

Matthew Pierce
6701 Center Drive West, Suite 480
Los Angeles, CA 90045
pierce@versussystems.com
(310) 242-0228
(Name, Telephone, Email and/or Facsimile Number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	VS	The Nasdaq Capital Market
Unit A Warrants	VSSYW	The Nasdaq Capital Market

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report: At December 31, 2021, 15,554,255 common shares and were issued and outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No

Note-checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP <input type="checkbox"/>	International Financial Reporting Standards as issued by the International Accounting Standards Board <input checked="" type="checkbox"/>	Other <input type="checkbox"/>
------------------------------------	---	--------------------------------

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ☐ Item 17 ☐ Item 18

If this is an Annual Report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Auditor Name: Ramirez Jimenez International CPAs	Auditor Location: Irvine, CA	Auditor Firm ID: 820
---	-------------------------------------	-----------------------------

EXPLANATORY STATEMENT

This Amendment No. 1 on Form 20-F (this “Amendment”) to the Annual Report on Form 20-F of Versus Systems Inc. (the “Company,” “we,” “us,” or “our”) filed with the Securities and Exchange Commission on April 1, 2022 (“Form 20-F”) is being filed to address several comments from the Staff of the Securities and Exchange Commission (the “SEC”) relating to our discussion and analysis of our audited financial statements for the year ended December 31, 2021. Accordingly, pursuant to Rule 12b-15 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we are restating in their entirety the following sections of our Form 20-F: (i) Part I - Item 5 (Operating and Financial Review and Prospects); and (ii) Part III - Item 19 (Exhibits).

This Amendment does not reflect subsequent events occurring after the original filing date of the Form 20-F or modify or update in any way the financial statements, consents or any other items disclosures made in the Form 20-F in any way other than as required to reflect the amendments discussed above. Accordingly, this Amendment should be read in conjunction with the Form 20-F and our other filings with the SEC subsequent to the filing of the Form 20-F.

Pursuant to Rule 12b-15 under the Exchange Act, this Amendment also contains new certifications under the Sarbanes-Oxley Act of 2002, which are attached hereto.

PART I

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

A. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations for the years ended December 31, 2021, 2020 and 2019 in conjunction with our audited consolidated financial statements and the related notes included elsewhere in this Annual Report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this Annual Report.

Overview

We offer a business-to-business software platform that allows video game publishers and developers, as well as other interactive media content creators, to offer in-game prize and rewards, based on the completion of in-content challenges. The prizes available are specific to each player based on a variety of characteristics, including age, location, game played, and challenged played. Our platform facilitates several types of single player prize challenges that includes a wide range of prize types including, coupons, sweepstakes-style prizes, Consumer Packaged Goods (CPG), and Downloadable Content (DLC). We sell the opportunity to place in-game prizes to advertisers who wish to place product in-game, sharing a certain portion of the gross receipts with the content and game owners. Our current agreements range from 50% to 60% of revenue being shared with the publisher/developers, with the remaining 50% to 40% of gross receipts belonging to us.

We believe our platform is mutually-beneficial across three targets. Content providers gain increased interaction with their media experience. Brands see a prolonged increase of interests from players and consumers viewing their goods as a positive win rather than a distraction from content. Players and consumers want to interact with content that provides access to these wins, increasing the value of the content as a supplier of opportunities, of the brands as prizes, and of the experience itself as an interactive and desirable challenge.

Our platform allows consumers to become active ad participants seeking a claim to placed brands as victories won through interactions with a variety of media experiences. Users are no longer "just" winning a game or streaming their favorite film. These interactions now bestow bragging rights that extend past the media's original purpose, resulting in winning real world goods and gaining access to experiences.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with the IFRS as issued by the IASB, and Interpretations issued by the IFRIC. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We continually evaluate our estimates, including those related to the allowance for doubtful accounts, the useful life of property and equipment, assumptions used in assessing impairment of long-term assets, and valuation of deferred tax assets.

We base our estimates on historical experience and on various other assumptions that we believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Any future changes to these estimates and assumptions could cause a material change to our reported amounts of revenues, expenses, assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions.

Our consolidated financial statements are prepared in accordance with IFRS as issued by the IASB. Some of the accounting methods and policies used in preparing the financial statements under IFRS are based on complex and subjective assessments by our management or on estimates based on past experience and assumptions deemed realistic and reasonable based on the circumstances concerned. The actual value of our assets, liabilities and shareholders' equity and of our earnings could differ from the value derived from these estimates if conditions changed and these changes had an impact on the assumptions adopted.

Our significant accounting policies that we believe to be critical to the judgments and estimates used in the preparation of our financial statements are included in "note 2 — Basis of Presentation" and "note 3 — Significant Accounting Policies" to our consolidated financial statements included elsewhere in this Annual Report.

Significant Components of Our Results of Operations

Revenue. In general, we recognize revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to us, where there is evidence of an arrangement, when the selling price is fixed or determinable, and when specific criteria have been met or there are no significant remaining performance obligations for each of our activities as described below. Foreseeable losses, if any, are recognized in the year or period in which the loss is determined.

We earn revenue in two primary ways: 1) development and maintenance of custom-built software or other professional services, or 2) the sale of advertising.

We recognize revenues received from the development and maintenance of custom-built software and other professional services provided upon the satisfaction of our performance obligation in an amount that reflects the consideration to which we expect to be entitled in exchange for those services. Performance obligations can be satisfied either at a single point in time or over time. For those performance obligations that are satisfied at a single point in time, the revenue is recognized at that time. For each performance obligation satisfied over time, we recognize revenue by measuring the progress toward complete satisfaction of that performance obligation.

For revenues received from the sales of advertising, we are deemed the agent in our revenue agreements. We do not own or obtain control of the digital advertising inventory. We recognize revenues upon the achievement of agreed-upon performance criteria for the advertising inventory, such as a number of views, or clicks. As we are acting as an agent in the transaction, we recognize revenue from sales of advertising on a net basis, which excludes amounts payable to partners under our revenue sharing agreements.

Our contracts with customers may include multiple performance obligations. For these contracts, we account for individual performance obligations separately if they are capable of being distinct within the context of the contract. Determining which performance obligations are considered distinct may require significant judgment. Judgment is also required to determine the amount of revenue associated with each distinct performance obligation.

Operating Expenses. We classify our operating expense as sales and marketing, and general and administrative. Personnel costs are the primary component of each of these operating expense categories, which consist of cash-based personnel costs, such as salaries, benefits and bonuses. Additionally, we separate intangible amortization, amortization expense, interest expense, professional fees and share-based compensation into its own category.

Office and Miscellaneous Expenses. Our office and miscellaneous expenses primarily consist of non-labor overhead expenses, which include health benefits, utilities and other cost to run the back office operations of our company.

Salaries and Wages Expenses. Our salaries and wages are primarily made up of salaries paid directly to our engineers, which comprise most of the employee base within our company. This amount also includes the related payroll taxes and accrued bonuses.

Sales and Marketing Expenses. Sales and marketing expenses consist primarily of the costs of the advertisements and promotions we run in order to expand awareness of our product offerings.

Software and Delivery Costs. Software and delivery costs consist primarily of license fees we pay to access cloud based software or cloud computing power.

A. Operating Results

Comparison of Results of Operations for the Year Ended December 31, 2021 and 2020

The following table summarizes our results of operations for the year ended December 31, 2021 and 2020:

	For the Year Ended December 31,	
	2021	2020
Statement of Operations and Comprehensive Income (Loss) Data:		
Revenue	\$ 768,650	\$ 1,390,018
Amortization	304,904	240,820
Amortization of intangible assets	2,009,714	1,272,435
Consulting fees	582,998	465,252
Foreign exchange (gain) loss	1,087,110	24,719
Office and miscellaneous expenses	557,606	255,863
Interest expense	153,425	234,087
Professional fees	2,711,916	780,534
Salaries and wages	5,202,213	2,564,830
Sales and marketing	879,683	486,249
Software and delivery costs	615,117	257,924
Share-based compensation	2,145,928	1,049,135
Operating loss	(15,481,964)	(6,241,830)
Finance expense	(225,196)	(276,602)
Change in fair value of warrant liability	(2,024,580)	-
Loss on disposal of shares	(116,152)	(378,718)
Other expense	-	(13,890)
Net loss	\$ (17,847,892)	\$ (6,911,040)
Other comprehensive loss:		
Foreign currency transaction loss	-	(447,302)
Loss and comprehensive loss	\$ (17,847,892)	\$ (7,358,342)
Net loss per share (basic and diluted) attributed to Versus Systems Inc.	\$ (1.01)	\$ (0.59)

Revenue

Our revenues are derived from three primary sources: professional services, software licensing, and advertising. Revenue was \$768,650 for the year ended December 31, 2021, representing a decrease of \$621,368, or 45%, from \$1,390,018 for the year ended December 31, 2020. The decrease was primarily due to a lack of one time HP integration fees in 2021, offset by an increase in software licensing related to the Xcite acquisition.

Xcite Interactive's software licensing and production services revenue were impacted by COVID-19 in 2020 and to a lesser extent in 2021. Due to COVID-19 and the audience limitations and restrictions at event venues caused thereby, Xcite's production services revenue, which is included in our professional services revenue, declined steeply in 2020. As a result, we focused on software licensing and deprioritized production services post-acquisition in 2021. Xcite's software licensing revenue was \$1,588,744 in 2020 and \$1,143,195 in 2021, of which \$693,090 was recognized after our acquisition of Xcite in June 2021. Its production services revenue was \$426,972 in 2020 and \$72,724 in 2021, of which \$67,724 was recognized after our acquisition of Xcite in June 2021. The 83% decline in production services revenue is primarily due to a decrease in the number of production contracts.

Amortization of intangible assets

Our intangible assets are comprised of a business-to-business software platform that allows video game publishers and developers to offer prize-based matches of their games to their players. Amortization expense was \$2,009,714 for the year ended December 31, 2021, representing an increase of \$737,279, or 58%, from \$1,272,435 for the year ended December 31, 2020. The increase was primarily due to the addition of Xcite's intangible assets.

Consulting Fees

Consulting fees were \$582,998 for the year ended December 31, 2021, representing an increase of \$117,746 or 25%, from \$465,252 for the year ended December 31, 2020. The increase was primarily due to the addition of Xcite's contractors.

Foreign exchange

We have operated to date primarily in the United States and Canada. Foreign exchange loss was \$1,087,110 for the year ended December 31, 2021, representing an increase of \$1,062,391, or 4,298%, from a loss of \$24,719 for the year ended December 31, 2020. The increase in the loss was due to changes in the foreign exchange translation between the U.S. and Canadian dollar. While our revenue and expenses are primarily in the United States dollar, our equity is denominated in the Canadian dollar. As such, our equity is subject to exchange rate fluctuations as the equity must be translated to U.S. dollars each reporting period at historical cost.

Office and miscellaneous expenses

Office and miscellaneous expenses were \$557,606 for the year ended December 31, 2021, representing an increase of \$301,743, or 118%, from \$255,863 for the year ended December 31, 2020. The increase was primarily due to the addition of Xcite.

Professional Fees

Professional fee expense was \$2,711,916 for the year ended December 31, 2021, representing an increase of \$1,931,382, or 247%, from \$780,534 for the year ended December 30, 2020. The increase was primarily due to legal expenses related to the Xcite acquisition and expenses related to the initial public offering.

Salaries and wages

Salaries and wages was \$5,202,213 for the year ended December 31, 2021, representing an increase of \$2,637,383, or 103%, from \$2,564,830 for the year ended December 31, 2020. The increase was primarily due to hiring additional employees and the employees obtained through the Xcite acquisition.

Sales and marketing

Sales and marketing expense was \$879,683 for the year ended December 31, 2021, representing an increase of \$393,434, or 81%, from \$486,249 for the year ended December 31, 2020. The increase was primarily due to increased spending on market awareness advertising campaigns.

Software and delivery costs

Software and delivery costs expense was \$615,117 for the year ended December 31, 2021, representing an increase of \$357,193, or 138%, from \$257,924 for the year ended December 31, 2020. The increase was primarily due to the addition of Xcite's software costs.

Share-based compensation

Share-based compensation expense was \$2,145,928 for the year ended December 31, 2021, representing an increase of \$1,096,793, or 105%, from \$1,049,135 for the year ended December 31, 2020. The increase was primarily was due to the timing of options vesting and the increase in the fair value of options issued.

Loss from Operations

Loss from operations was \$15,481,964 for the year ended December 31, 2021, representing an increase of \$9,240,134, or 148%, from \$6,241,830 for the year ended December 31, 2020. The increase was primarily due to the change in fair value of the warrant liability, an increase in the foreign exchange loss, an increase in salaries and wages as well as one-time costs associated with the public offering and the Xcite acquisition.

Change in fair value of warrant liability

Change in fair value of the warrant liability was \$2,024,580 for the year ended December 31, 2021, representing an increase of \$2,024,580, from \$0 for the year ended December 31, 2020. The warrant liability is a result of having warrants in Canadian dollars and the change in functional currency to the United States dollar on February 1, 2021.

Loss on Disposal of Marketable Securities

Loss on disposal of marketable securities was \$0 for the year ended December 31, 2021, representing a decrease of \$378,718, or 100%, from \$378,718 for the year ended December 31, 2020. The decrease was due to our purchase and sale of shares of capital stock of Animoca Brands Corporation Ltd. ("Animoca Brands") during the year ended December 31, 2020.

Net Loss

Primarily for the reasons discussed above, we recorded net losses of \$17,847,892 and \$6,911,040 in the years ended December 31, 2021 and 2020, respectively. In the 2021 period, we recorded a \$9,743,659 warrant derivative loss in the consolidated statement of loss and comprehensive loss on February 1, 2021 when we changed our functional currency from the Canadian dollar (CAD) to the United States dollar (USD). The warrant liability declined throughout 2021 as Canadian dollar denominated warrants were exercised or expired and our stock price declined. The ending change in fair value of the warrant liability was \$2,024,580 for the year ended December 31, 2021.

Comparison of Results of Operations for the Years Ended December 31, 2020 and 2019

The following table summarizes our results of operations for the year ended December 31, 2020 and 2019:

	For the Year Ended December 31,	
	2020	2019
Statement of Operations and Comprehensive Income (Loss) Data:		
Revenue	\$ 1,390,018	\$ 501,152
Cost of Sales	-	-
Amortization (Note 6)	240,820	246,626
Amortization of intangible assets (Note 8)	1,272,435	1,907,306
Consulting fees (Note 12)	465,252	613,608
Foreign exchange (loss)	24,719	29,241
Office and miscellaneous expenses	255,863	320,318
Interest expense	173,975	169,834
Interest expense on lease obligations (Note 17)	60,112	78,674
Professional fees	780,534	335,851
Salaries and wages (Note 10 and 12)	2,564,830	2,451,627
Sales and marketing	486,249	593,462
Software and delivery costs	257,924	184,350
Share-based compensation (Note 11)	1,049,135	632,542
	<u>(6,241,830)</u>	<u>(7,062,287)</u>
Finance expense (Note 10)	(276,602)	(194,039)
Loss on disposal of marketable securities (Note 11)	(378,718)	-
Other income (expense)	(13,890)	-
Net Loss	<u><u>(6,911,040)</u></u>	<u><u>(7,256,326)</u></u>
Foreign currency transaction loss	<u>(447,302)</u>	<u>(266,408)</u>
Comprehensive loss	<u><u>(7,358,342)</u></u>	<u><u>(7,522,734)</u></u>
Net loss per share (basic and diluted) attributed to Versus Systems Inc.	<u><u>\$ (0.59)</u></u>	<u><u>\$ (0.74)</u></u>

Revenue

Revenue was \$1,390,018 for the year ended December 31, 2020, representing an increase of \$888,866, or 177%, from \$501,152 for the year ended December 31, 2019. The increase was primarily due to an increase in one time services provided to HP during 2020 as compared to services provided to HP during 2019.

Amortization of intangible assets

Amortization expense was \$1,272,435 for the year ended December 31, 2020, representing a decrease of \$634,871, or 33%, from \$1,907,306 for the year ended December 31, 2019. The decrease was primarily due to prior-year projects becoming fully amortized in 2020.

Consulting fees

Consulting fees expense was \$465,252 for the year ended December 31, 2020, representing a decrease of \$148,356, or 24%, from \$613,608 for the year ended December 31, 2019. The decrease was primarily due to a reduction in the amount of consulting services related to media and advertising.

Office and miscellaneous expenses

Office and miscellaneous expenses were \$255,863 for the year ended December 31, 2020, representing a decrease of \$64,455 or 20%, from \$320,318 for the year ended December 31, 2019. The decrease was primarily due to a decrease in non-labor expenses related to COVID-19 as all of our employees worked remotely for the majority of the year ended December 31, 2020.

Professional fees

Professional fee expense was \$780,534 for the year ended December 31, 2020, representing an increase of \$444,683, or 132%, from \$335,851 for the year ended December 31, 2019. The increase was primarily due to additional expenses incurred to support expansion of the business and the costs and expenses related to offering of common shares.

Salaries and wages

Salaries and wages were \$2,564,830 for the year ended December 31, 2020, representing an increase of \$113,203, or 5%, from \$2,451,627 for the year ended December 31, 2019. The increase was primarily due to additional employees being hired in order to support our operations along with higher wages being earned.

Sales and marketing

Sales and marketing expense was \$486,249 for the year ended December 31, 2020, representing a decrease of \$107,213, or 18%, from \$593,462 for the year ended December 31, 2019. The decrease was primarily due to reduced spending on market awareness advertising campaigns.

Software and delivery costs

Software and delivery costs expense was \$257,924 for the year ended December 31, 2020, representing an increase of \$73,574, or 40%, from \$184,350 for the year ended December 31, 2019. The increase was primarily due to an increased number of players and rewards provided on our software as well as an increase in the number of software tools and licenses used.

Share-based compensation

Share-based compensation expense was \$1,049,135 for the year ended December 31, 2020, representing an increase of \$416,593, or 66%, from \$632,542 for the year ended December 31, 2019. The increase is primarily due to the timing of options vesting and the increase in the fair value of options issued.

Loss from Operations

Loss from operations was \$6,241,830 for the year ended December 31, 2020, representing a decrease of \$820,457, or 12%, from \$7,062,287 for the year ended December 31, 2019. The decrease was primarily due to an increase in one-time HP revenue.

Loss on Disposal of Marketable Securities

Loss on disposal of marketable securities was \$378,718 for the year ended December 31, 2020, representing an increase of \$378,818, or 100%, from none for the year ended December 31, 2019. The increase was due to our purchase and sale of shares of capital stock of Animoca Brands Corporation Ltd. ("Animoca Brands") during the year ended December 31, 2020.

On July 25, 2019, we entered into a Mutual Investment Agreement with Animoca Brands, a Hong Kong-based leader in the field of digital entertainment, specializing in blockchain, gamification, and artificial intelligence technologies to develop and publish a broad portfolio of mobile gaming products such as *The Sandbox*, *Crazy Kings*, and *Crazy Defense Heroes*, as a step toward partnering with Animoca Brands to allow us to reach into a key growth market on a large scale.

The terms of the mutual investment agreement provided for a stock swap between Animoca Brands and our company in the amount of \$500,000 based upon, in the case of our common shares, the higher of (i) C\$0.23 per share, or (ii) the 21-day volume weighted average price per share of our common shares on the date the agreement was approved by our Board of Directors, and, in the case of the Animoca Brands shares, the higher of (i) AU\$0.18 per share, or (ii) the 21-day volume weighted average price per share of the Animoca Brands shares as of the date the agreement was approved by the Animoca Brands shareholders. The transaction was consummated on April 6, 2020.

On April 28, 2020, we sold our acquired block of Animoca Brands stock to a buyer for the price of \$0.05AU per share in order to provide immediate liquidity during the COVID-19 pandemic in advance of being approved for, or receiving, any funds from the Paycheck Protection Program for which we had applied. For financial accounting purposes, we had recorded the value of our Animoca Brands shares at \$0.1614 per share, based on the closing price of our common shares on the Canadian Securities Exchange on the April 6, 2020 closing date. As a result, we recorded a loss in connection with that transaction.

Inflation

The effect of inflation on our revenue and operating results was not significant.

B. Liquidity and Capital Resources

Our financial condition and liquidity is and will continue to be influenced by a variety of factors, including:

- our ability to generate cash flows from our operations;
- future indebtedness and the interest we are obligated to pay on this indebtedness;
- the availability of public and private debt and equity financing;
- changes in exchange rates which will impact our generation of cash flows from operations when measured in CAD; and
- our capital expenditure requirements.

Overview

Since inception, we have incurred significant operating losses. For the years ended December 31, 2021 and 2020, we incurred net losses of \$17.8 million and \$6.9 million, respectively. During such periods, we have financed our operations primarily through private placements of equity securities, the issuance of debt securities, and an initial public offering of our common shares in January 2021. We received gross proceeds of approximately \$11 million and net proceeds of approximately \$9.6 million (the "Public Offering"). Our cash and cash equivalents as of December 31, 2021 was \$1.7 million. In February 2022, we completed a public offering of our common shares in which we received gross proceeds of approximately \$7 million and net proceeds of approximately \$6.1 million. Our primary cash needs are for working capital requirements, capital expenditures and to fund our operations.

We are subject to the risks and uncertainties associated with a new business. We believe that our current resources, including the approximately \$6.1 million of net proceeds from the Public Offering in February 2022, and the expected proceeds from forecasted billings will be sufficient to fund our planned operations for the next 6 months. However, the report of our independent registered public accountants on our financial statements for the year ended December 31, 2021 states that the material uncertainties resulting from our failure to achieve positive cash flows from operations, our inability to finance our day-to-day activities from operations and our expectation that we will incur further losses in the development of our business raise substantial doubt about our ability to continue as a going concern.

We plan to increase our cash flow from our operations to address some of our liquidity concerns. However, to execute our business plan, service our existing indebtedness and implement our business strategy, we anticipate that we will need to obtain additional financing from time to time and may choose to raise additional funds through public or private equity or debt financings, a bank line of credit, borrowings from affiliates or other arrangements. We cannot be sure that any additional funding, if needed, will be available on terms favorable to us or at all. Furthermore, any additional capital raised through the sale of equity or equity-linked securities may dilute our current shareholders' ownership in us and could also result in a decrease in the market price of our common shares. The terms of those securities issued by us in future capital transactions may be more favorable to new investors and may include the issuance of warrants or other derivative securities, which may have a further dilutive effect. Furthermore, any debt financing, if available, may subject us to restrictive covenants and significant interest costs. There can be no assurance that we will be able to raise additional capital, when needed, to continue operations in their current form. If we cannot raise needed funds, we might be forced to make substantial reductions in our operating expenses, including reductions in our research and development expenses or headcount reductions, which could adversely affect our ability to implement our business plan and ultimately our viability as a company.

Cash Flows

The following summarizes the key components of our cash flows for the year ended December 31, 2021, 2020 and 2019:

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Net cash used in operating activities	\$ (12,893,217)	\$ (4,236,768)	\$ (4,131,671)
Net cash used in investing activities	(2,511,827)	(944,906)	(1,462,071)
Net cash provided by financing activities	14,799,938	7,388,562	5,645,194
Net increase (decrease) in cash	\$ (605,106)	\$ 2,206,888	\$ 51,542

Operating Activities

Net cash used in operating activities for the year ended December 31, 2021 was \$12,893,217 as compared to \$4,236,768 for the year ended December 31, 2020. The increase in cash used in operating activities was primarily attributable to an increase in the loss of \$10,936,850.

Net cash used in operating activities for the year ended December 31, 2020 was \$4,236,768 as compared to \$4,131,671 for the year ended December 31, 2019. The increase in net cash used in operating activities was primarily attributable to timing of non-cash working capital and the increase of the loss.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2021 was \$2,511,827 as compared to \$944,906 for the year ended December 31, 2020. The change in cash flow used in investing activities was primarily attributable to the timing of payments related to payroll capitalized for the development of intangible assets, which was partially offset by proceeds from the sale of investments.

Net cash used in investing activities for the year ended December 31, 2020 was \$944,906 as compared to \$1,462,071 for the year ended December 31, 2019. The change in cash flow used in investing activities was primarily attributable to the timing of payments related to payroll capitalized for the development of intangible assets.

Financing Activities

Net cash provided by financing activities was \$14,799,938 for the year ended December 31, 2021 as compared to \$7,388,562 for the year ended December 31, 2020. The change in cash flow provided by financing activities was mainly attributable to the proceeds we received from the issuance of shares of capital stock, exercise of warrants and the proceeds from notes payable which was offset in part by payments on notes payable.

Net cash provided by financing activities was \$7,388,562 for the year ended December 31, 2020 as compared to \$5,645,194 for the year ended December 31, 2019. The change in cash flow provided by financing activities was mainly attributable to proceeds from the issuance of share capital, exercise of warrants and proceeds from notes payable, which was offset by payments on notes payable.

Indebtedness

Government Note

In May 2020, we received loan proceeds in the aggregate amount of \$610,247 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the CARES Act within the United States in response to the COVID-19 pandemic, provides for loans to qualifying businesses. A portion of the loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries. No collateral or guarantees were provided in connection with the PPP loans.

The PPP loan was forgiven in July 2021. The Company used the proceeds for purposes consistent with the PPP. For the year ended December 31, 2020 the Company had incurred eligible payroll cost of \$610,247 which were fully offset against the loan balance. Of the total loan balance, \$170,160 was applied towards payroll cost capitalized as intangible assets during the year ended December 31, 2020.

Notes Payable

From 2017 to December 31, 2021, we issued \$4,750,818 aggregate principal amount of promissory notes primarily to Brian Tingle, one of our directors. The notes bear interest at the prime rate of the Bank of Canada, which has ranged from 2.45% to 3.95% per annum, compounded annually, that is payable quarterly, and had a maturity date of three years from the date of issuance. The interest rates of the notes were considered below our estimated market borrowing rate of 10% and as such, a contribution benefit was recorded in reserves at the time of issuance for each note. As of December 31, 2021, we had recorded \$38,301 in accrued interest that was included in accounts payable and accrued liabilities.

At the closing of the Initial Public Offering, outstanding notes in the principal amount of \$1,483,738, plus \$131,320 of accrued interest thereon, was exchanged for units that are comprised of the same securities as the initial public offering, namely a share of common stock, a unit “A” warrant and a unit “B” warrant, and are valued at an amount equal to the purchase price of, the units offered by us in the Public Offering, which was \$7.50 per unit.

C. Research and Development, Patents and Licenses, etc.

Our success and ability to compete depend substantially upon our core technology and intellectual property rights. We generally rely on patent, trademark and copyright laws, trade secret protection and confidentiality agreements to protect our intellectual property rights. In addition, we generally require employees and consultants to execute appropriate nondisclosure and proprietary rights agreements. These agreements acknowledge our exclusive ownership of intellectual property developed for us and require that all proprietary information remain confidential.

We maintain a program designed to identify technology that is appropriate for patent and trade secret protection, and we file patent applications in the United States and, when appropriate, certain other countries for inventions that we consider significant. Our patent claims, extending and expanding on claims filed in the United States in 2014 and internationally through the patent co-operation treaty in 2015, describe a system that seeks to match competitive game players and spectators with prizing from their favorite brands through a unique conditional prize matching system.

As of December 31, 2021, we had over 50 granted patent claims with the U.S. Patent and Trademark Office to expand upon our existing portfolio of prize, promotion and financial technologies that enable brands to reach the rapidly growing competitive gaming audience of players, spectators and broadcasters. As of December 31, 2021, we had been granted three patents.

We also continue to engage in licensing transactions to secure the right to use third-parties' patents. Although our business is not materially dependent upon any one patent, our patent rights and the products made and sold under our patents, taken as a whole, are a significant element of our business.

In March 2019, we were issued U.S. Patent No. 10,242,538, titled "Systems and Methods for Creating and Maintaining Real Money Tournaments for Video Games." This issued patent protects a number of proprietary systems and methods for awarding real money, physical goods, digital currencies, and downloadable content to players inside video games and other interactive media. We use these patented technologies within our prize platform, which allows players to play for real-world prizes inside their favorite games. This granted patent:

- protects the subject systems and methods until 2035;
- covers claims around player identification and verification;
- covers technologies to determine prize eligibility for matches, tournaments, and sweepstakes based on a player's age, location, and other characteristics; and
- describes how the system can award multiple prize types to players that meet a variety of win conditions or achievements in-game.

In addition to patents, we also possess other intellectual property, including trademarks, know-how, trade secrets, design rights and copyrights. We control access to and use of our software, technology and other proprietary information through internal and external controls, including contractual protections with employees, contractors, customers and partners. Our software is protected by U.S. and international copyright, patent and trade secret laws. Despite our efforts to protect our software, technology and other proprietary information, unauthorized parties may still copy or otherwise obtain and use our software, technology and other proprietary information. In addition, we have expanded our international operations, and effective patent, copyright, trademark and trade secret protection may not be available or may be limited in foreign countries.

Companies in the industry in which we operate frequently are sued or receive informal claims of patent infringement or infringement of other intellectual property rights. We may receive such claims from companies, including from competitors and customers, some of which have substantially more resources and have been developing relevant technology similar to ours. As and if we become more successful, we believe that competitors will be more likely to try to develop products that are similar to ours and that may infringe on our proprietary rights. It may also be more likely that competitors or other third parties will claim that our products infringe their proprietary rights. Successful claims of infringement by a third party, if any, could result in significant penalties or injunctions that could prevent us from selling some of our products in certain markets, result in settlements or judgments that require payment of significant royalties or damages or require us to expend time and money to develop non-infringing products. We cannot assure you that we do not currently infringe, or that we will not in the future infringe, upon any third-party patents or other proprietary rights, but will not and have never done so intentionally.

D. Trend information

Our Industry

According to a Newzoo 2020 Global Games Report, the video game industry is over a \$159.3 billion-dollar market, and has seen enormous change in the last ten years.

The way games are run has changed significantly in only ten years, from both an organizational and a business perspective, regardless of platform. When added to the ongoing global alignment of distribution channels, franchises and business models, it becomes clear that this is more than several individual trends happening simultaneously. Ultimately, the consumer has determined the pace of change. No other form of entertainment or media gives as much power to the consumer as games. Today, not only do games empower people to actively participate, but they also allow them to enjoy their passion for gaming in ways that suit any mood, interest, lifestyle, location and budget. Almost any new game includes competitive modes that could lead to a professional e-sports scene, including live events, pro-gamer heroes, and teams with millions of fans.

There are multiple games that have over one million daily active users, including several competitive multiplayer games that have developed their own professional electronic sports (“e-sports”) communities. These e-sports competitions regularly draw spectators, both in-person and online, in the millions. The 2015 world championships of Defense of the Ancients (“DOTA”), a multiplayer online battle arena modification for the video game “*Warcraft III*” and its expansions, were held at Madison Square Garden in New York, and more people watched the 2015 League of Legends world championship online than watched all of the 2015 Stanley Cup Finals combined. ESPN Inc. and its affiliates now carry news of major e-sports events.

On the other hand, since the introduction of ad-funded television in the middle of the 20th century and continuing through the present day, most advertising inventory has been transacted based on a rate card. Publishers, content owners and their agents set a price for their inventory, and buyers place an order to purchase that inventory. Similar to how the equities and commodities markets have transitioned from paper transactions on trading floors to electronic trading, media advertising is transitioning from manual to programmatic.

Several trends happening in parallel are revolutionizing the way that media advertising is bought and sold. The rise of the Internet has led to wholesale changes in the way media is consumed and monetized, as ads can be digitally delivered on a one-to-one basis. In traditional methods of advertising, such as broadcast TV, ads can target a specific network, program or geography, but not a single household or individual as digital ads can.

We believe some of the key industry trends that are relevant to our business and that may cause our reported financial information to not necessarily be indicative of future operating results or financial conditions are as follows:

Media is Becoming Digital. Media is increasingly becoming digital as a result of advances in technology and changes in consumer behavior. This shift has enabled unprecedented options for advertisers to target and measure their advertising campaigns across nearly every media channel and device. The digital advertising market is a significant and growing part of the total advertising market. According to Magna, a leading global provider of market intelligence, global advertising spend was approximately \$569 billion in 2020 and is expected to grow to \$730 billion in 2025, a compound annual growth rate of 5.1%. Also, according to Magna, the compound annual growth rates between the years 2022 and 2025 for digital-out-of-home (DOOH) will be 14%, mobile advertising will be 12% and video 11%. We believe the market is evolving and that advertisers will shift more spend to digital media. Since media is becoming increasingly digital, decisions based on consumer and behavioral data are more prevalent.

Fragmentation of Audience. As digital media grows, audience fragmentation is accelerating. A growing “long tail” of websites and content presents a challenge for advertisers trying to reach a large audience. Mirroring the fragmentation occurring in content, the number of devices used by individual consumers has increased. Both of these fragmentation trends are opportunities for technology companies that can consolidate and simplify media buying options for advertisers and their agencies.

Shift to Programmatic Advertising. We believe the advertising industry is in the early stages of a shift to programmatic advertising, which is the ability to buy and sell advertising inventory electronically. Initially available for digital display advertising and transacted through real-time bidding platforms, programmatic advertising has evolved and is increasingly being used to transact across a wide range of advertising inventory, including display, mobile, video and audio among other inventory types.

Increased Use of Data. Advances in software and hardware and the growing use of the Internet have made it possible to collect and rapidly process massive amounts of user data. Data vendors are able to collect user information across a wide range of Internet properties and connected devices, aggregate it and combine it with other data sources. This data is then made non-identifiable and available within seconds based on specific parameters and attributes. Advertisers can integrate this targeting data with their own or an agency's proprietary data relating to client attributes, the advertisers' own store locations and other related characteristics. Through the use of these data sources, together with real-time feedback on consumer reactions to the ads, programmatic advertising increases the value of impressions for advertisers, inventory owners and viewers who receive more relevant ads.

Driven by these industry trends, programmatic advertising is expected to grow from \$44 billion during 2019 to \$75 billion by 2023, according to Magna Global. We believe that programmatic advertising will continue to grow as more content providers, content distributors and advertisers are able to realize its benefits. In addition, we expect that programmatic advertising will help grow the overall advertising market by enabling more advertisers to deploy more spend across a broader range of inventory channels. We believe the enormous game industry and the industry trends in adversity present us excellent opportunities to further expand our platform, which smartly combines advertising into video games and other media sources.

E. Critical Accounting Estimates

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Estimate for excess credit losses

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected credit loss provision for all amounts receivable. Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due under the contract and the cash flows that the Company expects to receive. The expected cash flows reflect all available information, including the Company's historical experience, the past due status, the existence of third-party insurance and forward-looking macroeconomic factors.

Deferred financing costs

Deferred financing costs consist primarily of direct incremental costs related to the Company's public offering of its common stock completed in January 2021 and a subsequent public offering completed in February 2022. Upon completion of the Company's public offering and financing any deferred costs were offset against the proceeds.

Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment. All other repair and maintenance costs are recognized in the consolidated statements of operations and comprehensive loss. The initial cost of property and equipment comprises its purchase price or construction cost and any costs directly attributable to bringing it to a working condition for its intended use. The purchase price or construction cost is the aggregate amount of cash consideration paid and the fair value of any other consideration given to acquire the asset. Where an item of property and equipment is comprised of significant components with different useful lives, the components are accounted for as separate items of property and equipment. For all property and equipment, depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is calculated starting on the date that property and equipment is available for its intended use.

Intangible assets

Intangible assets acquired separately are measured upon initial recognition at cost, which comprises the purchase price plus any costs directly attributable to the preparation of the asset for its intended use. Intangible assets acquired through business combinations (Xcite Interactive) or asset acquisitions are initially recognized at fair value as at the date of acquisition. After initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment charges.

Warrant liability

These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of shares and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are assigned a value based on the residual value, if any, and included in reserves.

As of February 1, 2021, the warrants were considered a derivative liability since the obligation to issue shares was not fixed in the Company's functional currency. The derivative warrant liability was measured as fair value at issue with subsequent changes recognized in the statement of loss and comprehensive loss. A \$9,743,659 warrant derivative loss was recorded in the statement of loss and comprehensive loss beginning February 1, 2021 when the Company changed its functional currency. The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and derivative financial assets (e.g. investments in warrants). Option pricing models require the input of subjective assumptions including expected price volatility, interest rates, and forfeiture rates. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income tax provision

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. Judgment is required in determining whether deferred income tax assets and liabilities are recognized on the consolidated statement of financial position. Deferred income tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate future taxable income in order to utilize the deferred income tax assets. Estimates of future taxable income are based on forecasted cash flows from operations or other activities. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred income tax assets recorded on the reporting date could be impacted. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Determination of share-based payments

The estimation of share-based payments (including warrants and stock options) requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black-Scholes valuation model at the date of the grant. The Company makes estimates as to the volatility, the expected life, dividend yield and the time of exercise, as applicable. The expected volatility is based on the average volatility of share prices of similar companies over the period of the expected life of the applicable warrants and stock options. The expected life is based on historical data. These estimates may not necessarily be indicative of future actual patterns.

Deferred revenues and revenue recognition

Revenue recognition of sales is recorded on a monthly basis upon delivery or as the services are provided. Cash received in advance for services are recorded as deferred revenue based on the proportion of time remaining under the service arrangement as of the reporting date.

Functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the respective entity operates. Such determination involves certain judgements to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiaries if there is a change in events and/or conditions which determine the primary economic environment.

PART III

ITEM 19. EXHIBITS

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporation by Reference		
		Form	Filing Date	Exhibit Number
2.1	Description of Registered Securities	20-F	5/5/2021	2.1
3.1	Notice of Articles of Versus Systems Inc.	F-1	11/20/2020	3.1
3.2	Articles of Versus Systems Inc.	F-1	11/20/2020	3.1
4.1	Specimen Stock Certificate evidencing common shares.	F-1/A	1/11/2021	4.1
4.2	Warrant Agent Agreement dated January 20, 2021 between Versus System Inc. and Computershare, including forms of Unit A Warrants and Unit B Warrants.	6-K	1/21/2021	99.2
4.3	Representative Warrant Agreement dated January 20, 2021.	F-1/A	12/14/2020	4.3
10.1	Form of Loan Agreement, including form of promissory note, between Versus Systems Inc. and Brian Tingle.	F-1	11/20/2020	10.1
10.2	Form of Loan Agreement, including form of promissory note, between Versus Systems Inc. and The Sandoval Pierce Family Trust Established May 20, 2015.	F-1	11/20/2020	10.2
10.3	Employment Agreement dated as of June 30, 2016 among Versus Systems Inc. (formerly Opal Energy Corp.), Matthew D. Pierce and Versus LLC.	F-1	11/20/2020	10.3
10.4	Employment Agreement dated as of May 1, 2019 among Versus Systems Inc., Craig C. Finster and Versus LLC.	F-1	11/20/2020	10.4
10.5	Employment Agreement dated as of May 1, 2020 among Versus Systems Inc., Keyvan Peymani and Versus LLC.	F-1	11/20/2020	10.5
10.6	Form of Warrant of Versus Systems Inc.	F-1	11/20/2020	10.6
10.7	Versus Systems Inc. 2017 Stock Option Plan.	F-1	11/20/2020	10.7
10.8	Acquisition Agreement dated as of March 16, 2016 among Versus Systems Inc. (formerly Opal Energy Corp.), Versus Systems (Holdco) Corp. (formerly Opal Energy (Holdco) Corp.), Versus LLC and the selling members of Versus LLC	F-1	11/20/2020	10.8
10.9	Software License, Marketing and Linking Agreement dated as of March 6, 2019 between HP Inc. and Versus LLC.	F-1	11/20/2020	10.9
12.1	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		*	

12.2	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			*
13.1	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			*
13.2	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			*
14.1	Code of Conduct and Ethics.	F-1/A	1/11/2021	14.1
21.1	List of Subsidiaries of Versus Systems Inc.	F-1	11/20/2020	21.1
24.1	Power of Attorney (included on signature page).			
99.1	Charter of the Audit Committee.	F-1/A	1/11/2021	99.1
99.2	Charter of the Compensation Committee.	F-1/A	1/11/2021	99.2
99.3	Charter of the Nominating and Corporate Governance Committee.	F-1/A	1/11/2021	99.3
101.INS	Inline XBRL Instance Document.			
101.SCH	Inline XBRL Taxonomy Extension Schema Document.			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).			

* Filed herewith.

Portions of this exhibit have been redacted in compliance with Item 601(b)(10) of Regulation S-K. Schedules, exhibits and similar supporting attachments to this exhibit are omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant agrees to furnish a supplemental copy of any omitted schedule or similar attachment to the Securities and Exchange Commission upon request.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Versus Systems Inc.

By: /s/ Matthew Pierce

Name: Matthew Pierce

Title: *Chief Executive Officer*

Date: August 23, 2022

CERTIFICATION

I, Matthew Pierce, certify that:

1. I have reviewed this annual report on Form 20-F/A of Versus Systems Inc. (the "Company"); and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 23, 2022

/s/ Matthew Pierce

Matthew Pierce
Chief Executive Officer

CERTIFICATION

I, Craig Finster, certify that:

1. I have reviewed this annual report on Form 20-F/A of Versus Systems Inc. (the "Company"); and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: August 23, 2022

/s/ Craig Finster

Craig Finster
Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350 as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Versus Systems Inc. (the "Company") on Form 20-F/A for the year ended December 31, 2021 as filed with the Securities and Exchange Commission (the "Report"), I, Matthew Pierce, Chief Executive Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Date: August 23, 2022

/s/ Matthew Pierce

Matthew Pierce
Chief Executive Officer

**Certification Pursuant to 18 U.S.C. Section 1350 as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Versus Systems Inc. (the "Company") on Form 20-F/A for the year ended December 31, 2021 as filed with the Securities and Exchange Commission (the "Report"), I, Craig Finster, Chief Financial Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Date: August 23, 2022

/s/ Craig Finster

Craig Finster
Chief Financial Officer
