

# FORM 7

## MONTHLY PROGRESS REPORT

Name of CNSX Issuer: SponsorsOne Brands Inc. (the "Issuer").

Trading Symbol: SPO

Number of Outstanding Listed Securities: 1,993,742,722

Date: February 9, 2024 – Reporting on December, 2023

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer ("SponsorsOne" or "SPO") has two main strategies: 1. To decentralize sales and marketing through social media using it's proprietary platform called SponsorCoin. 2. Build and launch it's own brands direct to

consumer and, 3. Eventually open the SponsorCoin platform to allow other brands to build decentralized sales and marketing teams for their brand(s).

1. SponsorCoin Platform: Initially conceived in 2012 to act as a rewards platform for social media users who generate authentic content to promote a Brand within social media. The Platform starting with the idea to enable mega influencers to monetize their social networks. Then in 2016, we transitioned the platform focus to micro influencers as the smaller players got into the business of influence. Microinfluencers we paid small amount of cash up front before such content was created. And the third wave now is to move from passive influence to active selling we call decentralized sales. As marketing dollars have greatly reduced, and sales is the focus of most companies, social networks are turned into bank account based on influence used to create sales. The SponsorCoin platform tracks original content created and used through the social network to influence the sale. Brands offer a cash commission to be paid up to two levels closest to the person that was influenced to purchase the Brands product online. Sales commissions range from 10% to 30% of the sale to the consumer and is usually split 60/40%. The influencer that directly influenced the sales received 60% of the commission. The influencer that recruited the sales influencer receives 40% of the cash commission. This structure incents individuals to build their own sales network to receive significant cash commissions by simple managing their network of sales influencers.
2. Build our own Brand: In 2020 SponsorsOne acquired Premier Beverage Consortium LLC ( "PBC") in Southern California to enter the adult spirits business in the USA. PBC developed a Ready to Drink Product, called Doc Wylders using real lemonade and infused it with craft Vodka, Bourbon, Tequila. We also launched a mixed berry drink infused with craft vodka. Subsequently we launched a line of premium craft spirits and branded them as Smithville Bourbon, Smithville Rye, 4 Corners Vodka and Riverview Gin. All was to be sold through regional and national distributors which are sold into retail locations such as Costco and Ralph's. We also launched a direct-to-consumer strategy to sell direct within 32 state during the pandemic in 2021 and into 2022. The company currently has significant finished good inventory with Smithville Bourbon and is ready to launch a direct-to-consumer strategy in 32 states to sell this inventory and generate the necessary working capital to launch a new version of Doc Wylders.
3. SponsorCoin Platform 3.0 is in development. The focus is to turn influencers into a commission paid salesforce. While the prototype was developed and tested on the 2.0 platform, the production version will be ported over to a new decentralized platform in order to increase its cybersecurity capability and to leverage the blockchain's decentralized architecture. Cash commissions will be paid through integrations with Stripe and Paypal. The investment to rebuild SponsorCoin 3.0 is

significant and while the development plan is in place, the company does not have the capital to execute this rebuild. The plan is to fund the development through the online sales of Smithville.

SponsorsOne has been restructuring the company starting in 2022 and into 2023 and has obtained certain approvals and registrations to affect such a change as follows:

February 27, 2023: Obtained a continuance into the Province of British Columbia with approval from the Province of Ontario and the Ontario Securities Commission.

March 2, 2023: Obtained board approval to consolidate the shares of SponsorsOne Inc., at a ratio of 30:1

March 9, 2023: Name changed and registered in the Province of British Columbia as SponsorsOne Brands Inc. All necessary Board approvals were obtained within SponsorsOne.

March 15, 2023: Corporate name changed and planned share consolidation was announced to shareholders.

April 14, 2023: The Company announce it was unable to make the filing deadline for the annual report.

May 2, 2023: The Company received notice from the Ontario Securities Commission on failure to file the Audited Financial Statements, Management Discussion and Analysis and Officer Certification of such filings.

May 5, 2023: The Company received a Cease Trade Order from the Ontario Securities Commission on failure to file its annual reports and documents.

The Company has subsequently failed to file its Q1, Q2 financial reports.

The Company has prepared the audit files and is ready to proceed to perform the audit once it has the financial resources to do so.

2. Provide a general overview and discussion of the activities of management.

SponsorsOne Management continues the restructuring of the Company with the focus shifting back to its technology roots. Focus on direct-to-consumer (“DTC”) sales with its SponsorCoin platform to provide the sales and marketing support for the internal Brands SponsorsOne has created.

Capital is a major issue effecting the launch of the DTC strategy with its Smithville line of Whisky’s. The management will continue the efforts to raise capital in the form of debt capital secured against the inventory.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Under the new strategy, the primary focus will be Direct to Consumer sales and marketing, with the wholesale/distributor market placed on hold for now.

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

The Company has moved its warehouse facilities to San Diego from Los Angeles to get closer the Direct-to-Consumer fulfilment centre.

6. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from, or the disposition was to a Related Person of the Issuer, and provide details of the relationship.

None.

7. Describe the acquisition of new customers or loss of customers.

None.

8. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.  
None.
9. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.  
None.
10. Report on any labour disputes and resolutions of those disputes if applicable.  
None.
11. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.  
None.
12. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.  
Promissory Note, \$12,000 CAD issued to Bass Research Services Ltd. accruing at 15% per annum with a maturity date of February 14, 2023.
13. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.  
None.
14. Provide details of any securities issued and options or warrants granted.  
None.
15. Provide details of any loans to or by Related Persons.  
None.
16. Provide details of any changes in directors, officers or committee members.  
None.
17. Discuss any trends, which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The economic downturn and the constant increase in interest rates has caused an inflationary effect on the already challenged supply chain. While we purchased and funded our inventory build-up in 2021 and this inventory remains in our warehouse, we will benefit from increased sales prices occurring in the market today. When we need to replenish the inventory, supply issues and increased costs will effect margins. Moving to the DTC market has a large increase in margin eliminating the distribution and wholesale costs. The Company therefore will build and focus on the DTC

market as a way to optimize future margins. Supply for glass and corks remains an issue.

## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated February 9, 2024.

Gary Bartholomew  
Name of Director or Senior Officer

signed "Gary Bartholomew"  
Signature

Chairman  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer	For Month End	Date of Report YEAR/MM/DD
SponsorsOne Inc.	December, 2023	2024/02/09
Issuer Address 2 Campbell Drive, Suite 820, Uxbridge, ON L9P 1H6		
City/Province/Postal Code Toronto/Ontario/M5H 2V1	Issuer Fax No. (647) 444-9977	Issuer Telephone No. (647) 444-9977
Contact Name Gary Bartholomew	Position Chairman	Contact Telephone No. (647) 400-6927
Contact Email Address gbartholomew@sponsorsone.com	Web Site Address <a href="http://www.sponsorsone.com">www.sponsorsone.com</a>	