

Liquid Avatar Technologies Receives Offer to Sell Metaverse and Proof of Humanity Programs

Liquid Avatar Technologies provides shareholder update

Toronto, Ontario and Bridgetown, Barbados--(Newsfile Corp. - August 21, 2023) - [Liquid Avatar Technologies Inc.](#) (CSE: LQID) (OTC Pink: LQAVF) (FSE: 4T5) ("Liquid Avatar" or the "Company") is pleased to announce that it has received a non-binding offer for its controlled subsidiary, Aftermath Islands Metaverse Limited ("Aftermath Islands") and its Liquid Avatar Mobile App from a private Swiss based Metaverse and virtual experience organization. Contingent on financing in an amount to be agreed, final agreements and financial terms being agreed, and all necessary approvals, the transaction, should it come to fruition, is expected to provide Liquid Avatar Technologies with cash, primarily for debt reduction, and an expected significant amount of equity in the new parent company.

Management and the Board of Directors believe that this opportunity provides long term optimal value for shareholders and is working with all parties to complete due diligence. The teams have undertaken to begin working on definitive agreements. Completion of the transaction will require all necessary corporate, shareholder and any regulatory approvals. Additional information will be provided on this potential transaction upon definitive agreements being executed. During this period, the Company will remain focused on completing this opportunity as it does not have the resources to finalize its outstanding financial statements in order to seek a revocation of the existing cease trade order.

Aftermath Islands Metaverse may continue to pursue its own, non-dilutive financing efforts in the short term. As announced in April 2023, Aftermath Islands received an executed share purchase agreement from a Family Office in the UK and EU but has yet to receive any funding. As a result of these unfulfilled obligations on the part of the Family Office, Aftermath Islands Metaverse Limited is in the process of terminating that agreement and may seek other financing opportunities.

As part of its ongoing marketing and business efforts, Aftermath Islands Metaverse Limited has achieved almost \$3 Million USD in gross retail and commercial sales since the start of the program in November 2021, which have been recorded as Deferred Revenue in accordance with IFRS, with approximately 8,000 purchases made through the Shopify store, and the Company is continuing to execute its business plan to the best of its abilities under the current circumstances, including meeting a number of key technology milestones. Lost Kingdom of TSara users have generated, since late October 2022, almost 8 million Resource Pack NFTs for use inside of Aftermath Islands.

Aftermath Islands is currently developing an Artificial Intelligence powered creator program, allowing users to perform Karaoke songs through their Avatars. Users can sing into a phone or web cam and the platform will take their facial gestures and head movement and using AI, map that to their Avatar, which can sing any one of over 10,000 licensed Karaoke songs. This program is expected to debut later this year and has already received interest from a number of major platforms.

The Company continues to expand its program opportunities with the Liquid Avatar Mobile App and is pursuing additional opportunities outside of Aftermath Islands to integrate its technology for Proof of Humanity into other platforms.

"This has been a difficult time for many micro-cap public companies, including our own. Management and the team members continue to work diligently to create long term value. We are excited by this opportunity to consolidate our programs and believe that this will potentially provide the best solution for shareholders given the current economic environment," said David Lucatch, CEO Liquid Avatar Technologies Inc.

Aftermath Islands' early-stage experience is currently available, through a mobile, tablet or computer browser, with no downloads, at play.aftermathislands.com and it is continuing to add new and exciting experiences to its open world.

To find out more about Aftermath Islands, please visit www.aftermathislands.com.

For more information on Liquid Avatar Technologies Inc., please sign up for our newsletter and email list at: <https://hello.liquidavatar.com/liquid-avatar-updates>

About Liquid Avatar Technologies Inc. - www.liquidavatartechnologies.com

Liquid Avatar Technologies Inc. focuses on the verification, management and monetization of Self Sovereign Identity, empowering users to control and benefit from the use of their online identity.

The Liquid Avatar Mobile App, available in the Apple App Store and Google Play, is a verified Self Sovereign Identity platform that empowers users to create high quality digital icons representing their online personas. These icons will allow users to manage and control their digital identity and Verifiable Access and Identity Credentials, and to use Liquid Avatars to share public and permission based private data when they want and with whom they want.

The Liquid Avatar Verifiable Credentials Ecosystem (LAVCE) has been developed to support all participants in a digital credential ecosystem, including the Holder, Issuer and Verifier, using state-of-the-art blockchain and open standards technologies initially as a node on the Indicio Network. The Company is a voting and steering committee member of the Trust over IP Foundation, founding and steering committee member of Cardea, a Linux Foundation Public Health project, member of the Good Health Pass collaborative, DIACC and the Covid Credentials Initiative ("CCI").

The Meta Park Pass is a W3C verifiable credential designed for interoperability. The Meta Park Pass contains a verified phone number with country code and an AI reviewed self-attested age and can be expanded to include other unique credentials. Users will be able to login into multiple supported Metaverses with little friction and the platform knows they are a real and unique user. Additional credentials can grant access as each Metaverse matures and provides additional services and experiences.

The Company has a suite of early-stage programs that support the Liquid Avatar Mobile App program, including Liquid Shopz, a cash back and reward program that has over 600 leading online merchants, which is in the pre-launch phase, and is working to release its own branded network payment card in the United States, the LQID Card, with the world's first Metaverse Rewards program which remains in development.

The Company's subsidiary, [Oasis Digital Studios](https://www.oasisdigitalstudios.com), is a creative and development agency that is focused on providing digital goods and services expertise to its clients.

If you have not already joined our mailing list and would like to receive updates on Liquid Avatar Technologies Inc., please visit <https://hello.liquidavatar.com/liquid-avatar-updates>.

For more information, please visit www.liquidavatartechnologies.com.

About Aftermath Islands Metaverse Limited - www.aftermathislands.com

Aftermath Islands Metaverse Limited is a Barbados corporation, which is 50% owned and is controlled by Oasis Digital Studios Limited, a wholly owned subsidiary of Liquid Avatar Technologies Inc.

Aftermath Islands Metaverse is an open-world, realistic graphic virtual world where users can buy, develop, trade, and sell Virtual Land (VL), property and items, like buildings, crafted items, transport, and other items all through in-game collectible NFTs, a non-fungible token that represents the ownership of virtual and other items. Built on cutting-edge blockchain technologies and using GPU cloud servers, pixel

streaming, and the high-fidelity graphics of Unreal Engine 5.2, Aftermath Islands delivers rich, no download, browser-based experiences for users on desktops, mobile devices, and tablets.

From play-to-earn games, including *Lost Kingdom of T'Sara*, to online experiences, collaboration, immersive entertainment, and more, Aftermath Islands brings live streaming, high-definition graphics, exemplary interactivity, real-world mechanics, and countless new services and experiences to players all around the world. The platform is built on the philosophy of decentralization and economic inclusivity and promises to provide captivating experiences that allow people around the world to earn their way into virtual land ownership.

For more information about Aftermath Islands, please visit www.aftermathislands.com

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David Lucatch
Chief Executive Officer

Forward-Looking Information and Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved".

The forward-looking information and forward-looking statements contained herein include, but is not limited to, statements regarding the potential sale of Aftermath Islands and the Liquid Avatar Mobile App and the impact on the Company, statements regarding financing into Aftermath Islands, statements regarding CSE, the adoption of the metaverse, the Lost Kingdom of T'Sara and the extent of future reach of services across countries, statements regarding the timing of or the success of the launch of a full Metaverse platform, statements with respect to adding AI to the Aftermath Islands Metaverse and the timing of the launch of the AI powered Karaoke program, or if the Proof of Humanity will contribute any economic benefit for the Company. The assumption made by the Company in making these statements is that the Metaverse will be a viable and growing opportunity that the Company can capitalize on through the deployment of its products to drive an economic benefit.

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such information and statements. In particular, if Liquid Avatar Technologies Inc. or Aftermath Islands fails to fund its operations or execute on its business plan, new credentials that are developed or the opportunities with the metaverse will not have any benefit for the Company.

Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results

and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws.



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