

# LOOKINGGLASSLABS

## NEWS RELEASE

### Looking Glass Labs Announces Strong Financial Results for the First Fiscal Quarter of 2022

#### **\$5.7 Million of Total Comprehensive Income was Generated by the Company on Revenues of \$6.5 Million for the Period Ended October 31, 2021**

Vancouver, British Columbia – December 15, 2021 / Cision / – Looking Glass Labs Ltd. (“LGL” or the “Company”), a digital platform specializing in non-fungible tokens (“NFTs”), utility NFT (“uNFT”) architecture, immersive extended reality (“XR”) metaverse design, and virtual asset royalty streams, is pleased to announce that it has filed its unaudited financial results for the first quarterly period ending October 31, 2021 of the Company’s 2022 fiscal year, the highlights of which are included in this news release. The full set of Consolidated Financial Statements and Management Discussion and Analysis can be viewed by visiting the Company’s website at [www.lgl.io](http://www.lgl.io) or its profile page on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Financial Highlights (all amounts expressed in Canadian Dollars unless otherwise noted)**

- Total revenues for the period ended October 31, 2021 reached \$6,496,863, as compared to \$nil for the same period of the prior year, which was primarily due to strong NFT sales as well as from the receipt of royalty income and miscellaneous income;
- Gross profit for the period ended October 31, 2021 was \$6,175,790, as compared to \$nil for the same period of the prior year, due to the aforementioned reasons;
- Total comprehensive income for the period ended October 31, 2021 was \$5,770,700, as compared to total comprehensive loss of \$12,419 reported for the same period of the prior year, primarily due to strong NFT sales and royalty income from the resale of NFTs in the secondary market;
- Net income per share was \$0.10 on both a basic and diluted basis, as compared to \$nil for the same period of the prior year; and
- Total assets for the period ended October 31, 2021 increased by 7,349% to \$17,949,671 from \$7,292 for the same period of the prior year, which was mainly attributable to NFT sales and royalty income.

#### **Management Commentary**

Dorian Banks, Chief Executive Officer of LGL commented, “It is a privilege to report such strong financial results for the first quarter of 2022. The House of Kibaa (“HoK”) community continues to grow at a rapid pace, which drove sales of NFT collections like *GenZeroes* in addition to secondary market resales from which LGL earns royalties in perpetuity. Our team believes that this community’s growing interest has generated a desirable level of momentum for HoK, which we will work to sustain and build upon with the launch of HoK’s metaverse that is set to take place in the 2022 calendar year.” Mr. Banks added, “As many of the world’s most prominent brands begin to embrace NFT and metaverse technologies, we are excited

to continue establishing our market position as an innovative digital platform that can efficiently and consistently generate long-term value.”

#### **Subsequent Highlighted Events** (all amounts expressed in Canadian Dollars unless otherwise noted)

- **LGL Reports Equivalent of Over \$240,000 in NFT Royalty Revenue (November 2, 2021)** – The Company announced over CAD 280,000 of revenue realized through royalty streams earned from the resale of its NFT collections in the secondary market during the month of October 2021. LGL earns royalties on the resale of GenZeroes and the House of Kibaa Genesis Membership NFTs.
- **LGL Closes \$2.5 Million Non-Brokered Private Placement, Appoints New Chief Product Officer (November 10, 2021)** – The Company announced that it closed a non-brokered private placement of 5,000,000 units of the Company (the “Units”) issued at a price of CAD 0.50 per Unit for gross proceeds of CAD 2,500,000. Each Unit is comprised of one common share (a “Share”) and one share purchase warrant (each, a “Warrant”). Each Warrant entitles the holder to purchase one additional Share for a period of 60 months at an exercise price of CAD 1.25 per Share. The Company also announced that Neil Stevenson-Moore has been appointed as its Chief Product Officer.
- **All 10,000 of HoK’s GenX NFTs Listed on Rarity Ranking Database (November 17, 2021)** – The Company announced that its flagship studio, House of Kibaa, has listed all 10,000 of its GenX NFTs on Rarity.Tools (“Rarity”), which is the leading global index of NFTs. Rarity is a website dedicated to ranking generative art and collectible NFTs by rarity, as determined by a proprietary algorithm.
- **LGL Creating Metaverse-Ready 3D Assets for Gutter Cat Gang and Bored Ape Yacht Club Collections (December 1, 2021)** – The Company announced that its flagship studio, House of Kibaa (“HoK”), is currently creating metaverse-ready three-dimensional (“3D”) assets in collaboration with the well known NFT collections of Gutter Cat Gang and Bored Ape Yacht Club, in addition to the ongoing development of HoK’s proprietary NFT collections. The Company also announced that it is spearheading the architecture and design of Gutter Cat Gang’s Mansion, which is planned to be a virtual metaverse-based clubhouse for holders of Gutter Cat Gang NFTs.
- **LGL Establishes Global Headquarters in Vancouver, Canada (December 7, 2021)** – The Company announced that it has taken possession of its global corporate headquarters located in Vancouver, Canada, from which LGL and its flagship studio, House of Kibaa, among other future entities, will carry out operations. In accordance with the Company’s rapid growth, it is hiring new employees in technical, creative, administrative, and executive roles in the Vancouver area.
- **HoK Airdrops 3D NFT Galleries to Genesis Membership Holders in the Month of November 2021 (December 13, 2021)** – The Company announced that all 809 holders of the Genesis Membership from its flagship studio, House of Kibaa (“HoK”), received a selection of three NFT galleries through an airdrop-based method of distribution, which HoK has offered on a monthly basis to date as a form of added value to Genesis Membership holders. Each three-dimensional gallery allows its holder to display NFTs from linked wallets including NFTs by HoK, as well as third-party studios and other creators, in a hyper-realistic and interactive setting.

#### **ABOUT LOOKING GLASS LABS**

Headquartered in Vancouver, British Columbia, Looking Glass Labs is a digital platform specializing in non-fungible tokens (“NFTs”), utility NFT (“uNFT”) architecture, immersive extended reality (“XR”) metaverse design, and virtual asset royalty streams. Its leading brand, House of Kibaa (“HoK”), designs and curates a next generation metaverse for 3D assets, which allows functional art and collectibles to exist simultaneously across different NFT blockchain environments. HoK has successfully released digital assets to include *GenZeroes*, which completely sold out in just 37 minutes for total proceeds to LGL of \$6.2

million, in addition to a perpetual 5% royalty stream on secondary market sales. HoK plans to launch a hyper-realistic metaverse built on the *Unreal 5* engine in 2022.

On behalf of **LOOKING GLASS LABS LTD.**

“Dorian Banks”

Dorian Banks, Chief Executive Officer

Twitter: [@dorianbanks](https://twitter.com/dorianbanks)

For further information, please contact:

Dorian Banks

Toll-Free: +1 833 LGL-NFTX (833-545-6389)

Email: [info@lgl.io](mailto:info@lgl.io)

Twitter: [@LGL\\_io](https://twitter.com/LGL_io)

### ***Forward-Looking Information***

*This news release contains “forward-looking statements.” Statements in this news release that are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations, or intentions regarding the future. Such forward-looking statements include, among other things: the Company's goal to become the leading digital studio specializing in NFT architecture, immersive metaverse design and virtual asset display monetization streams; and to build out a portfolio of perpetual NFT royalty streams through collaborations, accretive acquisitions and other arrangements, to potentially result in consistent, de-risked and passive revenue.*

*The material assumptions supporting these forward-looking statements include, among others, that: the Company could mitigate the risks associated with the blockchain and NFT industry; and the ability to compete with other businesses in the NFT market.*

*Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. These forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: the continued growth and adoption of NFT and metaverse offerings by consumers; the cost of developing and designing NFTs and metaverses is economically viable; the Company being able to attract and retain a sufficient workforce with desired skillsets to develop the Company's NFT and metaverse offerings; the availability of offerings provided by third-parties in the NFT, metaverse development and online gaming market to identify potential transactions; the increasing adoption of NFTs as a solution for various online gaming, entertainment and collectible uses; the Company having the ability to mitigate the risks associated with the blockchain and NFT industry; and the ability to compete with other businesses in the NFT, metaverse development, content creation and collectibles market.*

*Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. These forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: the risk that the Company's offerings are not accepted by the consumer, the risk that other competitors may offer similar digital offerings; the risk that there may be negative changes in general economic and business conditions; the risk that the Company may have negative operating cash flow and not enough capital to complete the development of any of its technologies; the risk that the Company may not be able to obtain additional financing as necessary; the risk that there may be increases in capital and operating costs; the risk that the NFT technology may be subject to fraud and other failures; the risk that there may be technological changes and developments in the blockchain that make the NFT solutions obsolete; risks relating to regulatory*

*changes or actions which may impede the development or operation of the blockchain solutions; the risk that other competitors may release similar blockchain offerings; the potential future unviability of the NFT market in general; the volatile cost of the amount of computational effort required to execute specific operations on the blockchain, and other general risks involved in the blockchain solutions.*

*Risks and uncertainties about the Company's business are more fully discussed in the Company's disclosure materials, including its reports filed with the Canadian securities regulators and which can be obtained from [www.sedar.com](http://www.sedar.com).*

*Any of these risks may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Further, although the Company has attempted to identify factors that could cause actual results, levels of activity, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause results, levels of activity, performance or achievements not to be as anticipated, estimated or intended. These forward-looking statements are made as of the date of this news release, and the Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by applicable law, including the securities laws of the United States and Canada. Although the Company believes that any beliefs, plans, expectations and intentions contained in this news release are reasonable, there can be no assurance that any such beliefs, plans, expectations or intentions will prove to be accurate. The Company does not assume any liability for disclosure relating to any other company mentioned herein.*

**SOURCE: Looking Glass Labs Ltd.**