

LOOKINGGLASSLABS

NEWS RELEASE

Looking Glass Labs Announces Second Quarter 2022 Financial Results

The Company Has Recorded Over CAD 6.8 Million of Total Revenue for the Six-Month Period Ended January 31, 2022, With Over CAD 5.8 Million of Cash on Hand at the end of the Period

Vancouver, British Columbia – March 18, 2022 / Cision / – Looking Glass Labs Ltd. (“LGL” or the “Company”) (NEO: NFTX) (FRA: HIN), a leading Web3 platform specializing in non-fungible token (“NFT”) architecture, immersive metaverse environments, play-to-earn tokenization and virtual asset royalty streams, is pleased to announce that it has filed its unaudited financial results for the second quarterly period ending January 31, 2022 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 or its profile page on SEDAR at www.sedar.com.

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

- Total revenues for the period ended January 31, 2022 reached CAD 311,825, as compared to CAD nil for the same period of the prior year, which was primarily due from the receipt of royalty income and miscellaneous income generated by providing consulting services to third parties;
- Gross profit for the period ended January 31, 2022 was CAD 287,124, as compared to CAD nil for the same period of the prior year, due to the aforementioned reasons;
- Total comprehensive loss for the period ended January 31, 2022 was CAD 3,500,385, as compared to total comprehensive loss of CAD 15,505 reported for the same period of the prior year, primarily due to significant development costs, marketing expenses and consulting fees, as well as a loss of CAD 835,766 from the change in fair value of contingent liability;
- Net loss per share was CAD 0.03 on both a basic and diluted basis, as compared to CAD nil for the same period of the prior year; and
- Total assets for the period ended January 31, 2022 increased to CAD 14,661,433 from CAD 2,442 for the audited period ending July 31, 2021, which was mainly attributable to NFT sales and royalty income.

Management Commentary

Dorian Banks, Chief Executive Officer of LGL said, “I am proud to summarize that during the six-month period of fiscal 2022 to date, LGL has generated over CAD 6.8 million in total revenues and over CAD 2.27 million of total comprehensive income. The second fiscal quarter of 2022 also contained our most significant milestone to date, as we became a public issuer listed on the NEO Exchange on February 3, 2022. On behalf of the officers and directors of the Company, I would like to thank our employees,

consultants, advisors and the NFT community for their contributions to our strong first half of the fiscal year.” Mr. Banks added, “LGL and its flagship studio, House of Kibaa, continues to be focused on leading the NFT, metaverse and play-to-earn spaces as the only pure-play public company of its kind. We are working hard to make HoK’s metaverse, Project Origin, a reality beginning with a land sale anticipated for the near future, while expanding on our GenZeroes NFT franchise in multiple ways, helping clients develop and launch their own NFT collections as well as closing the previously announced acquisition of LACA’s Development Division and integrating those APAC resources into the Company’s North American operations.”

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

- **House of Kibaa Joined DigiBC to Advance NFT and Metaverse Opportunities in British Columbia (January 4, 2022)** – House of Kibaa became a Video Game/IDM Company member of The Creative Technology Association of British Columbia, which is a non-profit industry group for the creative tech sector in British Columbia, where LGL recently established its global corporate headquarters.
- **Media Production Division to Screen the First Live-Action NFT Series During San Diego Comic-Con International (January 10, 2022)** – The Company announced the launch of GenZeroes Productions Inc. (“GZP”), which is a wholly owned subsidiary of LGL specializing in the production of original media involving NFTs. The Company has procured an executive and creative team for GZP consisting of accomplished screenwriters who are recipients of the Leo Award in addition to the co-star of Zero Contact – the 2021 film that was the world’s first released as an NFT.
- **GenX NFT Collection by House of Kibaa “Verified” on the LooksRare NFT Marketplace (January 25, 2022)** – The Company announced that the GenX NFT collection issued by its flagship studio, House of Kibaa, was authenticated by the LooksRare NFT marketplace, thereby making it one of the first NFT collections to receive “Verified” status.
- **Commenced Trading on the NEO Exchange on February 3, 2022 (February 1, 2022)** – The Company announced that its common shares would commence trading on the NEO Exchange Inc. under the symbol "NFTX" at the start of trading on February 3, 2022. To coincide with its listing, LGL updated its website with new information about the Company and its flagship studio, House of Kibaa.
- **Provided Commercial Guidance for First Half of 2022 and Recaps Recent Accomplishments (February 3, 2022)** – The Company announced that it was continuing to execute on its growth initiatives, revenue milestones as well as utility NFT and metaverse development pipeline. Accordingly, the Company provided a summary of its most significant developments as well as commercial guidance for the first half of 2022.
- **3D Modelling Technology Provides Genesis for the Development of the HAPEBEAST NFT Collection (February 8, 2022)** – The Company announced that the technology for the 3D modelling of NFT infrastructure of its flagship studio, House of Kibaa, was core to the development of the HAPEBEAST NFT collection by Digital Studio. HAPEBEAST is an ape-themed collection, and each avatar is unique based on its combination of stylized clothing and accessories, which are all aligned with modern streetwear trends.
- **Venly to Integrate MetaRing NFT into the House of Kibaa Metaverse (February 17, 2022)** – The Company announced that it entered into an arrangement with Venly, the prominent blockchain technology innovator, to pursue integration opportunities with LGL’s flagship studio, House of Kibaa, including potential integrations within its hyper-realistic metaverse that is expected to be launched in the second half of 2022.
- **LOI to Acquire Development Division of LACA Solutions and Establishes APAC Web3 Office (February 24, 2022)** – The Company announced that it had entered into a letter of intent to acquire the Development Division of LACA Solutions Corporation. The Development Division contains certain proprietary technologies and intellectual property, as well as the employment contracts of 13 talented

individuals equipped with over 140 years of combined experience in gaming, programming and Web3 applications.

- **House of Kibaa Partnered with Polygon Studios on NFTs, Scaling and Other Infrastructure Solutions (March 3, 2022)** – The Company announced that its flagship studio, House of Kibaa, had entered into a collaborative arrangement with Polygon Studios, the NFT, gaming and metaverse arm of Polygon (MATIC). The Polygon blockchain has developed an assortment of fin-tech solutions for traditional finance as well as cryptocurrency and the blockchain.
- **Engaged with YellowBlocks as a Leading B2B Technology Gateway in the APAC Region (March 9, 2022)** – The Company announced that it had entered into a collaborative arrangement with YellowBlocks, a leading business-to-business gateway for emerging technology ecosystems in the Asia-Pacific Region that is based in Ho Chi Minh City, Vietnam.
- **Appointment of Ben Yu to Advisory Board (March 17, 2022)** – The Company announced the appointment of Ben Yu as a new member of its strategic advisory board. Mr. Yu is a recipient of the Thiel Fellowship that has become successful as a business content creator.

ABOUT LOOKING GLASS LABS

Headquartered in Vancouver, British Columbia, Looking Glass Labs is a digital platform specializing in non-fungible token (“NFT”) 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

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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: as a result of the collaboration with YellowBlocks, the Company's expectations to be matched with advisors, collaborators and potential new clients in various Asian markets and to be positioned to become a potential gateway for existing metaverse and NFT players in Southeast Asia to enter the North American market; YellowBlocks' ability to recruit talented individuals in the Ho Chi Minh City area to help grow the Company's operations in Asia; the Company's goal to become the leading digital studio specializing in NFT architecture, immersive metaverse design and virtual asset display monetization streams; the Company's ability to offer more metaverse related products in the future, including without limitation, the

sale of virtual land; the Company's ability to advance plans for its GenZeroes Franchise; 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; the ability to compete with other businesses in the NFT, metaverse development, content creation and collectibles market; 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.

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.