

LOOKINGGLASSLABS

NEWS RELEASE

Looking Glass Labs Announces 2022 Annual Financial Results

Vancouver, British Columbia – October 31, 2022 / Cision / – Looking Glass Labs Ltd. (“LGL” or the “Company”) (NEO: NFTX) (OTC: LGSLF) (FRA: H1N), 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 audited financial results for the year ended July 31, 2022, 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)

- Revenues for the year ended July 31, 2022 was CAD 7,005,238 as compared to CAD nil for the same period of the prior year, which was attributable to the receipt of proceeds from NFT sales, royalty income and design services income;
- Net comprehensive loss for the year ended July 31, 2022 was CAD 11,932,265, as compared to net comprehensive loss of CAD 52,508 reported for the same period of the prior year, primarily due to stock-based compensation of CAD 5,970,048, impairment of goodwill of CAD 3,193,072, marketing costs of CAD 2,743,816 and development costs of CAD 1,855,368;
- Net loss per share for the year ended July 31, 2022 was CAD 0.12 on a basic shares outstanding basis, as compared to CAD nil for the same period of the prior year; and
- Total assets for the period ended July 31, 2022 increased to CAD 7,600,964 from CAD 2,442 for the same period of the prior year, which was mainly attributable to changes in goodwill, intangible assets, right-of-use asset, deferred contract costs, digital assets and cash and cash equivalents.

Management Commentary

Dorian Banks, Chief Executive Officer of LGL said, “Our first foundational year as a reporting issuer for LGL is complete and I am happy to report the Company’s audited financial results for the 2022 fiscal period. Exceeding seven million dollars in revenues is a great achievement and I am grateful to our team for their passion and hard work.” Mr. Banks added, “We continue to position the Company for new and valuable opportunities in the NFT and metaverse spheres. Our leadership team is excited for what lies ahead in the 2023 fiscal year. As digital assets become more robust and blockchain-based technologies attract more sophisticated parties, we feel that we are strongly positioned to both produce proprietary assets and assist others with their digital endeavours.”

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

- **CEO Invited to Participate in Exclusive Web3 Summit (August 9, 2022)** – The Company announced that Dorian Banks, Chief Executive Officer of the Company, was invited to attend the Frontier Summit in Vancouver, British Columbia occurring from August 9-10, 2022. The Summit was an exclusive event featuring discussions about frontier technologies, the metaverse and Web3 development, as well as the future of the world's economy.
- **Entered Definitive Agreement to Acquire 100% of Web 3.0 Holdings Corp. (August 9, 2022)** – The Company announced that it is to acquire 100% of Web 3.0 Holdings Corp. ("Web 3.0 Holdings"), a technology company that is addressing Business-to-Consumer and Business-to-Business infrastructure challenges within Web3 environments. Web 3.0 Holdings has aggregated a portfolio of retail-focused engagement and optimization assets, including crossover digital identity code scripts and digital distribution product frameworks.
- **SVP Marketing for House of Kibaa to Appear on Venly Expert Series Podcast (August 17, 2022)** – The Company announced that Ryan Lassi, Senior Vice President of Marketing for its flagship studio, House of Kibaa, was to appear on the Venly Expert Talk Series podcast (the "VET Podcast") on September 1, 2022. The VET Podcast addresses the challenges of building a blockchain or NFT project. Also, the Company announced that Dorian Banks, Chief Executive Officer of the Company, recently appeared on an episode of "The Real Conversations by Nokia" podcast.
- **Appointment of Ryan Lange as Director of Partnerships for HoK and Closing of Web 3.0 Holdings Acquisition (September 8, 2022)** – The Company announced that announces the appointment of Ryan Lange as the Director of Partnership for its wholly owned subsidiary, House of Kibaa. As the Director of Partnerships, Mr. Lange is responsible for identifying and seeking out strategic partners across existing HoK products and brands to further grow its ecosystem; and attracting new business for the Web3 Studio Team to further drive revenue for the organization. Further, the Company announced that it had completed the previously announced acquisition of 100% of Web 3.0 Holdings.
- **DaVinci International Film Festival Invitation to Screen First Four Episodes of GenZeroes Series (September 23, 2022)** – The Company announced that HoK had been invited to screen (the "Screening") the first four episodes of its GenZeroes live-action series at the DaVinci International Film Festival. The Screening took place at The Grove in Los Angeles at 4:45 PM PST on Saturday, September 24, 2022.
- **Genesis Members and GenX NFT Holders Gifted with GenX Bar Metaverse Asset (September 28, 2022)** – The Company announced that HoK was providing each of its Genesis Members and all members of the GenX NFT community with a GenX Bar as a part of its recurring drop program (the "Drop"). The Drop was in celebration of the first birthday of its GenX collection.
- **Launch Date for Alpha Release of Pocket Dimension Metaverse Assets (October 20, 2022)** – The Company announced that HoK had set the launch date for the next step in the Alpha Release of its Pocket Dimension metaverse assets for November 1, 2022. The Company's metaverse is being designed to provide the highest resolution and most realistic experience technically possible today.

ABOUT LOOKING GLASS LABS

Headquartered in Vancouver, British Columbia, Looking Glass Labs ("LGL") is a Web3 platform specializing in non-fungible token ("NFT") architecture, immersive metaverse environments, play-to-earn tokenization 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 sold out in just 37 minutes for total proceeds to LGL of CAD 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 latest version of Unreal Engine in 2022.

To view LGL’s current investor presentation, please visit <https://www.lgl.io/investors>.
To join LGL’s mailing list, please subscribe via the following link: <https://www.lgl.io/contact-us>.

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: the development of Pocket Dimension, the Company's goal to become the leading digital studio specializing in NFT architecture, immersive metaverse design and virtual asset display monetization streams; intention 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; and the near-term projects and future projects.

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; the ability to compete with other businesses in the NFT market; the availability of sufficient funding to carry out the Company's business development plans; favourable market conditions; the ability of HoK to sell all or substantially all of its product offerings; the market acceptance for its products; and the ability to complete the development of Pocket Dimension in a timely manner.

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 the consumer market; 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.

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.