

LOOKINGGLASSLABS

NEWS RELEASE

Looking Glass Labs Announces Financial Results for the First Fiscal Quarter of 2023

Vancouver, British Columbia – December 14, 2022 / Cision / – Looking Glass Labs Ltd. (“LGL” or the “Company”) (NEO: NFTX) (AQSE: NFTX) (OTC: LGSLF) (FRA: H1N), a leading Web3 platform specializing in immersive metaverse environments, play-to-earn tokenization and blockchain monetization strategies, announces that it has filed its unaudited financial results for the first quarterly period ending October 31, 2022 of the Company’s 2023 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 revenue for the period ended October 31, 2022 was CAD 137,166 as compared to CAD 6,496,863 for the same period of the prior year, which was due to an increase in design services income and a decrease in NFT sales and royalty income;
- Gross profit for the period ended October 31, 2022 was CAD 135,547, as compared to CAD 6,175,790 for the same period of the prior year, due to the aforementioned reasons;
- Net comprehensive loss for the period ended October 31, 2022 was CAD 2,348,191 as compared to net comprehensive income of CAD 5,770,700 reported for the same period of the prior year, primarily due to lower revenue with higher stock-based compensation, salaries and wages as well as professional fees;
- Net loss per share was CAD 0.02 on both a basic and diluted basis, as compared to net income per share of CAD 0.10 for the same period of the prior year; and
- Total assets for the period ended October 31, 2022 were CAD 8,912,131 as compared to CAD 17,949,671 for the same period of the prior year, which was mainly attributable to changes in the amounts of goodwill and cash.

Management Commentary

Dorian Banks, Chief Executive Officer of LGL said, “Launching the Alpha Release of our Pocket Dimension metaverse assets in November was a major milestone for LGL and, based on countless positive reviews received so far, the community agrees. Our team continues to innovate and to be dedicated to the end-user. That focus is propelling us toward our goal of delivering the most realistic and highest utility metaverse experience in the industry.” Mr. Banks added, “I would like to thank our staff, partners and clients for their hard work, cooperation and support, respectively, over the last fiscal quarter. Our management team is beginning to see a new set of opportunities emerging for the Company and the work done in the first fiscal quarter of 2023 is expected to help position LGL in order to best pursue them.”

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

- **Admitted to Trading on the AQSE Growth Market in London, UK (November 14, 2022)** – The Company announced that it had completed its admission to the Access segment of the AQSE Growth Market and trading will commence at 8:00 A.M. GMT on Monday, November 14, 2022 under the ticker "NFTX".
- **Alpha Release of Pocket Dimension Metaverse Assets Generated Positive User Reviews Ahead of Beta Release (December 5, 2022)** – The Company announced that it and its flagship studio, House of Kibaa ("HoK"), had received positive reviews regarding its November 2, 2022 release (the "Alpha Release") of its Pocket Dimension digital metaverse assets. Increased engagement on the Company's Twitter platform and positive reviews from users are a testament to the success of the Alpha Release for both LGL and HoK.
- **Set to Deploy Metaverse Experiences for Brand Activations via Corporate Clients and Creator Partners (December 9, 2022)** – The Company announced that its wholly owned subsidiary, House of Kibaa, had developed the technical platform and preliminary suite of tools to create tailored brand activations inside of its metaverse offering.

ABOUT LOOKING GLASS LABS

Headquartered in Vancouver, British Columbia, Looking Glass Labs ("LGL") is a leading Web3 innovation platform specializing in consumer engagement applications to leverage immersive metaverse environments, play-to-earn tokenization and blockchain monetization strategies. 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.

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 continued development of Pocket Dimension, development of immersive metaverse

environments, play-to-earn tokenization and blockchain monetization strategies; pursuing partnerships to monetize blockchain and Web3 opportunities; 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 distribute the Genesis Member airdrop.

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.