



NEWS RELEASE

## Looking Glass Labs Completes Sale of GenZeroes Productions Inc. and GenX Smart Contract

**The Company Received a Secured Convertible Promissory Note and a 50% Royalty on all Net Proceeds From GenZeroes Productions Inc.**

Vancouver, British Columbia – March 30, 2023 / Globe Newswire / – 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, further to its announcement on March 20, 2023, the Company has completed the sale (the “Transaction”) of its subsidiary, GenZeroes Productions Inc. (“GenZeroes”), the GenX smart contract (“GenX”) and all associated intellectual property (the “Related IP”) (collectively, the “Assets”), to GZU Entertainment Inc.<sup>1</sup> (the “Purchaser”).

The Purchaser’s team is led by Aleks Paunovic, an actor and producer as well as a cast member of GenZeroes; Rick Dugdale, a director and producer, and founder of Enderby Entertainment; and Neil Stevenson-Moore, the Chief Product Officer of LGL. Concurrent with the closing of the proposed sale of the Assets, Neil Stevenson-Moore has resigned from the Company to focus on developing GenZeroes as a member of the Purchaser’s team.

GenZeroes is the owner and producer of a live-action series consisting of live-action episodes and comics in the science fiction genre, with lore that includes references to the GenX collection (a collection of robot characters created by artists). The live-action series may be viewed at the following link: <https://genzeroes.com/>. The GenX smart contract stores the data representing the approximately 10,000 robot character avatars.

As the new owner of the Assets, the Purchaser intends to leverage the experience of its leadership team to further develop GenZeroes and also explore opportunities to monetize the other Assets in the film and entertainment industries. Based on the Purchaser’s strong relationships within the aforementioned sectors, it is viewed by LGL management as being well positioned to maximize the value of GenZeroes and GenX for the mutual benefit of the Purchaser, the Company as well as the respective GenZeroes and GenX communities.

As consideration for the Assets the Company received a promissory note (the “Note”) for CA\$800,000 bearing an interest rate of prime rate plus 1% and a five-year term to maturity, with the option by the Purchaser to extend the term for an additional five years. The Company shall also retain a 50% royalty in perpetuity on all net proceeds from the content owned by the entity GenZeroes Productions Inc., which relates to the already completed first season of the GenZeroes series. The Note shall be secured against the shares of GenZeroes Productions Inc. and the Related IP. As a condition of closing the Transaction, the Purchaser has also granted to the Company a non-exclusive and royalty-free license (the “IP License”) to

use the GenX collection's intellectual property for its metaverse product branded as Pocket Dimension and video game branded as Overlords. The term of the IP License is for a period from the closing date until the Note is fully paid.

### **Related Party Transaction**

Due to Neil Stevenson-Moore's position as an officer of the Company and position as shareholder of the Purchaser, the Board determined that the purchase of the Assets by the Purchaser and the Transactions may constitute a "related party transaction" under Multilateral Instrument 61-10 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101, specifically: (i) the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(a), as the fair market value of the Transactions does not exceed 25% of the Company's market capitalization (as determined under MI 61-101), and (ii) the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61-101, as the fair market value of the Transactions does not exceed 25% of the Company's market capitalization (as determined under MI 61-101).

### **ABOUT LOOKING GLASS LABS**

Headquartered in Vancouver, British Columbia, 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.

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"

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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 Transaction, the sale of the Assets to the Purchaser and expected results of the Transaction, the expected benefits of the Transaction to the GenZeroes and GenX communities, 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; and the market acceptance for its products.*

*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](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.**

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<sup>i</sup> The Purchaser's name was incorrectly referred to as GenZeroes Universe Inc. in the March 20, 2023 news release.