



Alpha Metaverse Technologies Enters Amending Agreement with Shape Immersive Entertainment

VANCOUVER, British Columbia, January 5, 2023 -- Alpha Metaverse Technologies Inc. (“**Alpha**” or the “**Company**”) a technology company that focuses on emerging markets in gaming, NFTs, blockchain gaming, esports, ecommerce, and other high growth opportunities, is pleased to announce that it has entered into an amending agreement (the “**Amending Agreement**”) with Shape Immersive Entertainment Inc. (“**Shape**”) and the former shareholders of Shape (the “**Former Holders**”) to amend the share purchase agreement among Alpha, Shape and the Former Holders dated April 12, 2022 (the “**SPA**”) to provide for a deferred payment schedule for the \$500,000 remaining payable by Alpha to the Former Holders under the SPA (the “**Remaining Consideration**”). Pursuant to the Amending Agreement, Alpha paid \$100,000 of the Remaining Consideration on the date of the Amending Agreement, and has agreed to pay the remaining \$400,000 through either the financial performance of Shape or a financing in Alpha no later than September 28, 2023.

Brian Wilneff, Chief Executive Officer of Alpha, commented “restructuring the Remaining Consideration payment to the Former Holders allows Alpha additional operating flexibility while honouring our financial commitments to the Former Holders. The Amending Agreement better aligns its financial obligations with current and future performance objectives of Shape and or any future financings of the Company. Simultaneously, this also ensures the Former Holders benefit from positive financial developments at Alpha and Shape.”

Further details regarding the Amending Agreement are included below in this press release. The following summary of the Amending Agreement is qualified in its entirety by the full text of the Amending Agreement. Readers are urged to consult the Amending Agreement, which will be publicly filed by Alpha under its profile at www.sedar.com, for further details regarding the amendments made to the SPA by the Amending Agreement.

Details of the Amending Agreement

Pursuant to the Amending Agreement, Alpha has agreed to pay the Remaining Consideration to the Former Holders as follows:

- \$100,000 of the Remaining Consideration was paid by Alpha on the date of the Amending Agreement; and
- The remaining \$400,000 of the Remaining Consideration will be repaid on or before September 28, 2023 (the period from the date of the Amending Agreement to such date being referred to herein as the “**Post-Amendment Period**”), provided that:
 - In the event that Shape’s earnings before interest expense, tax expense and non-cash items (“**EBITDA**”) for any calendar month during the Post-Amendment Period is greater than \$0, Alpha shall pay the lesser of (x) the amount of positive EBITDA generated by Shape in such calendar month and (y) the amount of cash and cash equivalents in Shape’s



bank accounts on the date payment is required, to the Former Holders in partial or complete satisfaction of Alpha's obligation to pay the Remaining Consideration;

- In the event that Alpha closes a debt or equity financing during the Post-Amendment Period pursuant to which Alpha raises gross proceeds of:
 - \$500,000 to \$1,000,000, Alpha shall pay all or the maximum possible portion of the Remaining Consideration to the Former Holders to the extent that, after accounting for such payment, Alpha's available cash balances measured at the closing date of any such financing (including the net proceeds of such financing) remain greater than \$750,000; or
 - Greater than \$1,000,000, Alpha shall pay the Remaining Consideration required to be paid by Alpha to the Former Holders; and
- In the event that any share purchase warrant of Alpha outstanding on the date of the Amending Agreement is exercised during the Post-Amendment Period, the exercise price of any such warrant shall be paid by Alpha to the Former Holders in partial or complete satisfaction of Alpha's obligation to pay the Remaining Consideration.

Pursuant to the Amending Agreement, any amounts paid by Alpha to the Former Holders during the Post-Amendment Period shall reduce the amount of the Remaining Consideration required to be paid by Alpha prior to the expiry of the Post-Amendment Period. In the event that Alpha fully pays the Remaining Consideration to the Former Holders prior to the expiry of the Post-Amendment Period, the requirement for Alpha to make payment to the Former Holders upon the occurrence of the events discussed above will be of no further force or effect.

In addition, pursuant to the Amending Agreement, Alpha shall not be required to deliver the additional 6,678,000 common shares of Alpha required to be delivered to the Former Holders under the SPA in the event of non-payment of the Remaining Consideration in accordance with the SPA, unless and until Alpha fails to repay the Remaining Consideration prior to the expiry of the Post-Amendment Period.

Pursuant to the provisions of the SPA, all common shares of Alpha previously issued to the Former Holders will be released from the contractual escrow provisions of the SPA by January 6, 2023.

About Alpha Metaverse Technologies Inc.

Alpha Metaverse Technologies Inc. is a technology company that focuses on emerging industries in Esports, mobile, console and web-based gaming, ecommerce, and other high growth opportunities such as augmented reality / virtual reality Web3 and Blockchain-based businesses. Through a strong portfolio of technology assets and products such as GamerzArena and HeavyChips, Alpha brings a unique mass-appeal focus to modern gaming platforms. Learn more at: www.alphametaverse.com

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On Behalf of The Board of Directors
Brian Wilneff
Chief Executive Officer

Forward-Looking Statement

This news release contains “forward-looking information” within the meaning of applicable securities laws relating to statements regarding the Company's business and plans, including with respect to undertaking further acquisitions, incorporation of Shape's abilities into the Company's portfolio of gaming solutions, cross-selling across business units, development of further gaming intellectual property and metaverse gaming experiences, future value of the metaverse industry and the Company's ability to position itself to capitalize on the metaverse industry. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking information. Such forward-looking statements are subject to risks and uncertainties that may cause actual results, performance and developments to differ materially from those contemplated by these statements depending on, among other things, the risks that the Company does not complete any further acquisitions; that the Company is unable to incorporate Shape's abilities into its portfolio of gaming solution; the Company's inability to cross-sell across business units; the risk that the Company is unable to develop further gaming intellectual property and metaverse gaming experiences; the risk the future value of the metaverse industry does not materialize; the risk the Company is unable to position itself to capitalize on the metaverse industry; and that the Company may not be able to carry out its business plans as expected. Except as required by law, the Company expressly disclaims any obligation and does not intend to update any forward-looking statements or forward-looking information in this news release. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct and makes no reference to profitability based on sales reported. The statements in this news release are made as of the date of this release.

The CSE has not reviewed, approved, or disapproved the content of this press release

