



## **AlphaGen Hits New Revenue High and Achieves Exceptional 4<sup>th</sup> Quarter Results: *Positive Earnings and 780% Revenue Surge***

Vancouver, British Columbia October 31, 2023 – AlphaGen Intelligence Inc. (CSE: [AIG](#)) (OTC Pink: [APETF](#)) (FSE: [W4V](#)) (“Alpha” or the “Company”) a technology company that focuses on emerging markets in metaverse and 3D production, gaming and generative artificial intelligence, is thrilled to announce its fourth quarter and full year-ended June 30, 2023 financial results.

Alpha has achieved record financial performance for the second consecutive quarter, surpassing \$949,000 in revenues for the three months ended June 30, 2023, reaching approximately \$2 million in revenue for the year ended June 30, 2023.

A significant contributor to the Company’s financial success has been a long-term contract to create and launch a large retail metaverse for a multi-billion-dollar international brand. In addition, the Company has expanded its offerings into additional verticals, including leveraging generative AI to create digital production efficiencies as well as continued focus on our gaming-as-a-service (“GaaS”) “Mana” platform. The Company’s GaaS platform, Mana, empowers business to access a powerful competitive gaming platform, enabling customers to enhance user engagement and monetization.

Brian Wilneff, CEO of Alpha, commented “I share immense pride with the management team in the achievements of this quarter and this fiscal year. It has been an intensely focused year, during which the company met and exceeded all of its revenue goals and objectives, with the bulk of new revenue coming from 3D content production services and venturing into new business verticals, such as the launch of our AI Center of Excellence.

Our strategic expansion into the use of AI, focused initially on cost savings and efficiency in creative and 3D asset production, has ushered in a wave of exciting possibilities for future growth and innovation. When added to prior innovations such as our Mana GaaS (gaming as service platform), these deliberate moves underscore our commitment to diversification and our keen awareness of the benefit of staying at the forefront of evolving market trends.

Continued Wilneff, “I am grateful to our exceptional team whose unwavering dedication has made these accomplishments possible. Together, we seek to set new standards of success as we shape what is expected of us. This exceptional quarter stands as a pivotal milestone in our ongoing journey, as we persistently strive for a prosperous future for our Company, our customers and stakeholders.”

All financial information contained in this news release is reported in CAD. We ask readers to please reference the June 30, 2023 audited financial statements and MD&A filed on SEDAR PLUS for further information regarding the Company’s financial results.



**Key financial metrics for the three months ended June 30, 2023:**

	For the Three Months Ended June 30, (unaudited)	
	2023	2022
Revenues	\$ 949,546	\$ 107,592
Gross Profits	\$ 606,675	\$ 54,475
Gross Margin %	64%	51%
Operating Expenses*	\$ (1,388,445)	\$ (6,255,939)
Net Income (Loss)	\$ (837,122)	\$ (6,142,519)
EBITDA (Non-IFRS Performance Measure)**	\$ 318,811	\$ (3,490,198)
EBITDA** (loss) per share, basic and diluted	\$ 0.00	\$ (0.04)
Weighted average shares outstanding	90,845,709	62,781,626

\*Operating expenses include \*\$1,100,581 in non-cash fair value measurement of equity incentive grants. Please refer to the EBITDA table below for reconciliation and adjustment to remove this and more to arrive at positive EBITDA.

\*\*Please refer to the Company's definition of EBITDA at the end of this press release.

**Key highlights in the above:**

- 780% increase in revenues with total revenues of \$949,5456;
- 1010% increase in gross profits;
- 78% reduction in operating costs;
- Positive EBITDA\* of \$318k for the fourth quarter after removing non-cash one-time transactions such as the share-based payment expense of \$1,100,581 (2022 – \$2,178,887);
- Increase in EBITDA of over \$3.8M.

**Key financial metrics for the year ended June 30, 2023:**

	For the Year Ended June 30,	
	2023	2022
Revenues	\$ 2,064,182	\$ 209,734
Gross Profits	\$ 1,275,415	\$ 102,580
Gross Margin %	62%	49%
Operating Expenses*	\$ (2,519,925)	\$ (6,867,564)
Net Income (Loss)	\$ (1,049,578)	\$ (8,833,294)
EBITDA (Non-IFRS Performance Measure)**	\$ (143,929)	\$ (4,183,958)
EBITDA** (loss) per share, basic and diluted	\$ (0.01)	\$ (0.13)
Weighted average shares outstanding	90,845,709	62,781,626

\*Operating expenses include \*\$1,100,581 in non-cash fair value measurement of equity incentive grants. Please refer to the EBITDA table below for reconciliation and adjustment to remove this and more to arrive at EBITDA.

\*\*Please refer to the Company's definition of EBITDA at the end of this press release.

**Key highlights in the above:**

- 880% increase in revenues with total revenues of over \$2M;
- 1143% increase in gross profits;
- 63% reduction in operating costs;
- Decrease in net loss of over \$7.8M;
- Increase in EBITDA\* of 97%.



## Operational highlights

- Establishment of a Center of Excellence for Artificial Intelligence (“AI”) in 3D and content production, with a focus on developing cutting-edge AI technologies to improve the efficiency and quality of 3D modeling, optimization and automated content production;
- Secured a contract with a multi-billion dollar, international, category-leading brand based on our expertise in content production within the metaverse to showcase its products and services in an immersive and interactive virtual environment;
- Achieved increases in revenues and reduction in costs and first ever positive net income;
- Successfully resolved certain outstanding debts, leading to a reduction of \$307,023 in current accounts payable;
- Completing the final acquisition payment owing in respect to the acquisition of Shape Immersive Entertainment of which \$400k was paid utilizing positive EBITDA generated by the Company; and
- Introduction of its GaaS through our customizable Mana platform, successfully landing our first licensing agreement with ClashTV;

## **EBITDA:**

Please note that EBITDA does not have any standardized meaning under IFRS and is not a measure of financial performance under IFRS, and therefore, may not be comparable to similar measures presented by other companies. Management believes this measure provides useful information as it is a commonly used measure in the capital markets and as it is a close proxy for repeatable cash generated by operations.

The Company calculates EBITDA as follows: Net income (loss), plus (minus) the add-backs or reversals of the following: unrealized foreign exchange (gains) losses, interest (income) expense, tax (recovery) expense, depreciation expense, share-based payments, gain on debt settlements/ extinguishments, and certain one-time non-operating expenses, as determined by management, reconciled as follows:

	For the Three Months Ended June 30, (unaudited)		For the Year Ended June 30,	
	2023	2022	2023	2022
<b>Net Income</b>	<b>\$ (837,122)</b>	<b>\$ (6,142,519)</b>	<b>\$ (1,049,578)</b>	<b>\$ (8,833,294)</b>
Depreciation	-	532,379	-	715,928
Share-based payments	1,100,581	2,178,887	1,100,581	1,886,451
Foreign exchange	(3,386)	13,542	(13,648)	16,327
Gain on debt extinguishments	49,070	(72,487)	(257,953)	-
Interest expense	11	-	4,310	-
Bad debt	9,657	-	72,359	-
Loss on disposal of assets	-	-	-	225,045
Impairment of intangible assets	-	-	-	1,403,024
Impairment of goodwill	-	-	-	402,561
<b>EBITDA (Loss)</b>	<b>\$ 318,811</b>	<b>\$ (3,490,198)</b>	<b>\$ (143,929)</b>	<b>\$ (3,486,405)</b>

Management believes this measure provides useful information to investors as it is a commonly used measure in the capital markets and as management believes that it is a close proxy for repeatable cash generated by operations. While management believes EBITDA is a useful measure, it has limitations as an analytical tool, and it should not be considered in isolation or as a substitute for analysis of other IFRS financial measures. Some of the limitations of EBITDA are that it does not reflect the dilution that results from share-based compensation, does not reflect the cost to replace amortized property and equipment and right-of-use assets and does not reflect income tax payments.



## **About Alpha:**

AlphaGen Intelligence Corp. (CSE: [AIC](#)) (OTC: [APETF](#)) (FRA: [W4V](#)) is a publicly traded company, holding a portfolio of assets in metaverse, gaming and generative AI. Operational units include: Shape Immersive, a full service metaverse studio building the future of web3 gaming and virtual retail experiences for Fortune 500 companies and beyond through 3D, NFT, XR and game production; MANA, a custom-built Gaming SaaS solution and innovation lab that empowers partner companies to level up their community engagement by launching their own competitive gaming platforms; GamerzArena, a gaming platform that provides an esports ecosystem for all gamers. The platform provides video game contests for top titles where gamers can compete for cash and prizes. Alpha clients and partners include RTFKT, Olympics, Star Atlas, Red Bull, Intel, TED and more. Learn more at: [alphagen.co](http://alphagen.co).

## **Contact:**

Investor Relations: [ir@alphametaverse.com](mailto:ir@alphametaverse.com) - 604 359 1256

Media and Public Relations: [media@alphametaverse.com](mailto:media@alphametaverse.com)

## **Forward-looking statement:**

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words “could”, “intend”, “expect”, “believe”, “will”, “projected”, “estimated” and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on Alpha’s current beliefs or assumptions as to the outcome and timing of such future events. In particular, this press release contains forward-looking information relating to, among other things, the capabilities of Mana to enable customers to enhance user engagement and monetization; the ability of the Company reshape the industry landscape and set new benchmarks for success; the focus of the Center of Excellence for AI in 3D and content production on developing cutting-edge AI technologies to improve the efficiency and quality of 3D modeling, optimization and automated content production; and management of the Company’s goal a prosperous future for our company and deliver value to our customers and stakeholders.

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information, including, in respect of the forward-looking information included in this press release, the assumption that: customers will be able to utilize Mana to enhance user engagement and monetization; that the Company will be able to continue to develop and grow in such a way as to allow it to reshape the industry landscape and to set new benchmarks for its success; that the Company’s Center of Excellence for AI will be successful in developing technologies to improve the efficiency and quality of 3D modeling, optimization and automated content production; and that management will be able to operate the Company so as to deliver value to customers and stakeholders. Although forward-looking information is based on the reasonable assumptions of the Company’s management, there can be no assurance that any forward-looking information will prove to be accurate. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include the risk that the Mana platform will not operate as intended or will not yield the expected benefits to users; the Company will not continue to develop and grow as anticipated or at all, including as a result of the Company failing to achieve similar financial or operational results in the future; the market for the Company’s products and services will experience downturns and that the growth and development of these markets may not proceed as expected, as a result of industry specific trends and events, global economic trends and events or otherwise;; that management of the Company may fail to deliver value to customers and stakeholders; that the Center of Excellence for AI will be unsuccessful in developing the desired technologies; and the other risks set forth in Alpha’s other continuous disclosure documents, filed on Alpha’s profile on SEDAR PLUS at [www.sedarplus.ca](http://www.sedarplus.ca). The forward-looking information contained in this release is made as of the date hereof, and Alpha is not obligated to update or revise any forward-looking information,



whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

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

