

July 24, 2020

Fellow Shareholders,

Q1 2020 marked the beginning of a transformative period for META. We became a publicly traded company via an RTO combination with **Continental Precious Minerals Inc.** and commenced trading March 9th on the **Canadian Securities Exchange** under the ticker symbol **MMAT**. The RTO and related private placement of common shares, warrants, and unsecured convertible debentures, along with an additional \$5MM convertible debenture financing via **BDC Capital**, have broadened our shareholder base, strengthened our balance sheet, and should help provide us better access to capital markets.

Since quarter end, we have added experienced executives to our team with the appointments of **Mr. Keith Abriel** as Interim CFO and **Mr. Mark Gosine**, QC as Corporate Secretary. A new partnership with **ADI Technologies, Inc.** will help us access defence markets in the U.S., the U.K, Europe, and Israel. A strategic partnership with **Crossover Solutions, Inc.** will help our entry in automotive markets. We launched a new web site and rebranded the company. META™ is from the Greek word, meaning to “go beyond.” We are mastering light and driving innovation. We look forward to providing shareholders with timely and detailed updates as we make progress on an expanding number of opportunities.

Our Mission: META develops technologies that **enable breakthrough performance** for a wide range of applications for our world class OEM partners via large scale production of nanostructured materials. We supply key materials and components based on **three core technologies:** holography, lithography, and wireless sensing.

Application Examples:

- **Holography:** Optical Filters. In 2019, we launched **metaAIR®**, laser glare protection eyewear, which protects the wearer against laser strikes without interfering with visual perception.
- **Lithography:** **NanoWeb®** is a sub-micron metal mesh, produced by Rolling Mask Lithography (**RML®**), with many potential uses including transparent antennas for 5G communications.
- **Wireless Sensing:** **metaSURFACE™** enhances MRI imaging, decreasing cost by reduced scanning time, and increasing diagnostic efficiency via an up to 40x improvement in Signal-to-Noise Ratio.

Intellectual Property: In 2020 to date, META has been granted **10 new patents** in multiple European countries. The new patents are in two patent families and cover cutting edge design processes in holographic filters and solar panels, dramatically increasing efficiency, and functionality. The newly granted patents represent a **20% increase** in the Company’s issued patent portfolio. META has a total of **51 granted and 38 pending patent applications**, including 26 in the United States and 63 in 18 countries around the world. META’s portfolio comprises 28 patent families, 19 of which are granted.

Route to Market: The breakthrough applications we are enabling require multi-year development cycles and long-term integration with the product plans of our customers. We help support our **27-person application development team**, which includes **13 Ph.D. scientists**, through a combination of development revenue from our corporate partners, along with government and other third-party funded programs. Our corporate partners, some of whom have also invested in META, include world-class companies, such as **Airbus**, **Lockheed Martin**, and **Samsung**. We have received **non-dilutive research funding** from the **Atlantic Canada Opportunities Agency** (ACOA - a Canadian Government agency responsible for promoting economic growth in the Atlantic Provinces), **Sustainable Development Technology Canada** (SDTC), an arm’s length foundation to “demonstrate new technologies to promote sustainable development,” and **Innovate UK** (part of UK Research and Innovation), a non-departmental public body funded by a grant-in-aid from the UK government. These

arrangements are typically structured over periods of six months to five years, with revenue recognized upon delivery of associated milestones and deliverables.

Key Performance Indicators (KPIs): Since inception, META has been awarded **more than 25 funded R&D projects** with **15 corporate partners**. In 2020 YTD, we have:

- **12 active programs**, of which six are in holography and six in lithography.
- In all of 2019, we **delivered on 14 projects**, one in holography and 13 in lithography.
- We are working on **four government and other third-party R&D programs** compared to four in 2019. Application areas include medical wireless sensing, solar energy, and advanced materials for aerospace applications.
- We have engaged with a strong pipeline of customer opportunities, totaling **more than 3x** the number of our 2020 YTD active corporate partner programs. Our pipeline is split about equally between holography and lithography. Of these potential programs, approximately **90% are with new customers**. We are also pursuing new government funded programs.

Manufacturing Scale-Up: We are creating a **new category** of large-area, **nanostructured materials**, for which outsourced manufacturing is not available. The volume/cost needs of our customers require new methods of large format, continuous, roll-to-roll production. Existing, wafer-scale, batch processes are inadequate. We are in the process of **finalizing a lease for a large industrial facility**, which will host holography and lithography R&D labs and the next phase of META's **volume manufacturing scale-up**. META expects to open the facility before the end of 2020, following leasehold improvements, and subject to potential delays related to COVID-19. We already have **more than \$3M of proprietary equipment in storage**, ready to move in once site preparations are completed.

Financial Results: META is an early growth stage, platform company, moving toward volume production of products and components for applications in multiple end markets. **In Q1:20, development revenue was approximately \$0.6MM, compared to about \$0.2MM in Q1:19 and \$1.2MM in full-year 2019.** Over the next 12-18 months, we expect development programs to account for the majority of our revenue. We target continued growth in the number of corporate development programs as a precursor to future product sales. Some of the design wins we are pursuing would require such large product volumes that we would need to raise additional funds for capital expenditures and working capital.

The Q1:20 net loss of approximately \$5.4MM, compared to \$2.1MM in Q1:19, included \$3.3MM of non-cash, listing and exchange fees related to a fair-value adjustment for CPM assets received via the RTO. **Please visit the Investors section of our website for our complete interim statements and MD&A.**

Conclusion: We have been building our company since December 2010. A major motivation for the founders was to explore and discover **how metamaterial science could fundamentally improve medical diagnostics and help save lives**, e.g. by early detection and treatment of cancer and other illnesses and management of diabetes. Today, META is developing products across aerospace, automotive, healthcare, and consumer electronics. The **wide range of applications** we are pursuing is being **driven and funded by customer requests**. We very much appreciate your continued support.

Sincerely,



George Palikaras, Ph.D.,
President & CEO / Founder

