



Meta Growth Announces Fiscal Third Quarter 2020 Financial and Operational Results

SIGNIFICANT IMPROVEMENT IN QUARTER OVER QUARTER GROSS PROFIT AND OPERATING LOSS

Highlights:

- **Divestiture of Non-Core Medicinal Cannabis Assets:** Results in META being a pure-play recreational cannabis retailer with a portfolio of greater than 30 operating stores across Canada.
- **Progress in Ontario Roll-Out:** Subsequent to the end of its third quarter, META completed the acquisition of a recreational cannabis retail store in Waterloo, and executed an asset purchase agreement to acquire a recreational cannabis retail store in Kitchener. The closing of the Kitchener store is subject to the Alcohol and Gaming Commission of Ontario approving the transaction.
- **Quarter over Quarter Gross Profit Increased by 24%:** META's gross margin from its recreational cannabis retail operations increased from 30% in Q2 2020, to 36% in Q3 2020. Coupled with a 2% quarter over quarter revenue increase, META's Q3 gross profit increased by 24% versus its Q2 gross profit.
- **Quarter over Quarter Loss from Operations reduced by 47%:** META reduced operating expenses by 15% in Q3 2020 vs Q2 2020, which contributed to quarter over quarter loss from operations reducing by 47%.
- **Creating Canada's Largest Recreational Cannabis Retail Network:** Subsequent to the end of its third quarter, META executed a definitive arrangement agreement with High Tide Inc. ("High Tide") pursuant to which High Tide will acquire all of the issued and outstanding shares of META. It is expected that the transaction will close in early November 2020.

TORONTO, Sept. 14, 2020 /CNW/ - Meta Growth Corp. (TSXV: META) ("Meta Growth", "META" or the "Company"), a leading Canadian recreational cannabis retailer, today announced its financial and operational results for the third quarter of fiscal 2020 ended May 31, 2020.

Selected Summary of Quarterly Financial Results

Recreational Retail Financial Results	Statement of Loss Highlights		
	Three Months Ended		
	Q3 May 31, 2020	Q2 Feb 29, 2020	% Change
Total Revenue	\$13,715,367	\$13,474,115	1.8%
Gross Profit	\$4,951,711	\$3,982,752	24.3%
Gross Margin	36.1%	29.6%	n/a
Operating Expenses	\$7,594,626	\$8,928,439	-14.9%
Loss from Operations	\$2,642,915	\$4,945,687	-46.6%

For a more comprehensive overview of the financial highlights presented in this press release, please refer to Meta Growth's Condensed Interim Consolidated Financial Statements for the three and nine months ended May 31, 2020 and May 31, 2019, and the Company's Interim MD&A – Quarterly Highlights for the three and nine month period ended May 31, 2020. Both of these documents are available on the Company's SEDAR profile at www.sedar.com.

Improvements Across the Business

"In Q3, we saw improvements in our revenue, gross margin, and operating expenses," said Mark

Goliger, CEO of Meta Growth. "These improvements resulted in quarter over quarter loss from operations from our recreational cannabis retail business reducing by 47%. Having now divested of all of our medicinal cannabis assets, our strategic focus is on recreational retail. In order to be successful in recreational retail, we need scale. After evaluating numerous strategies and alternatives, we determined that it was in our shareholders best interest if we achieved this scale via a merger with High Tide. The merger is expected to create Canada's largest cannabis retail network with greater than 60 operating stores, and the combined entity is expected to be adjusted EBITDA positive on a post-synergies basis."

About Meta Growth

Meta Growth is a leader in secure, safe and responsible access to legal recreational cannabis in Canada. Through its Canada-wide network of Meta Cannabis Co.™, Meta Cannabis Supply Co.™ and NewLeaf Cannabis™ recreational cannabis retail stores, Meta Growth enables the public to gain knowledgeable access to Canada's network of authorized Licensed Producers of cannabis. On August 21, 2020, Meta Growth announced that it entered into a definitive arrangement agreement with High Tide in connection with the Plan of Arrangement, whereby High Tide will acquire all of the issued and outstanding shares of Meta Growth. The Combined Entity will create Canada's largest cannabis retail network with 63 stores across Canada. It is expected that, subject to receipt of all regulatory, court, shareholder and other approvals, the Plan of Arrangement will be completed in the fourth quarter of 2020. Meta Growth is listed on the TSX Venture Exchange under the symbol (TSXV: META).


Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statements

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward looking statements or information. Forward-looking statements and information in this news release includes, but is not limited to, future cost savings and improved EBITDA margins resulting from operational efficiencies implemented by the Company, opening and operating cannabis retail stores in Ontario, and statements regarding the closing of the Plan of Arrangement, including the timing thereof and the satisfaction of applicable closing conditions, including receipt of all regulatory, court, shareholder and other approvals in connection with the Plan of Arrangement. Although the Company believes that the expectations and assumptions on which the forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results and developments may differ materially from those that are currently contemplated by these statements depending on, among other things, risks relating to receipt of Retail Store Authorizations for Ontario cannabis retail stores; the ability of the Company to submit additional store authorization applications and receipt of related Retail Store Authorizations; future legislative and regulatory developments; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; general business, economic, competitive, political, regulatory and social uncertainties; the delay or failure to receive regulatory approvals, including with respect to the Plan of Arrangement; the COVID-19 pandemic nationally and globally which could have a material adverse impact on the Company's business, operations and financial results, including disruptions in supply chains, as well as a deterioration of general economic conditions including national and/or global recessions and the response of governments to the COVID-19 pandemic in respect of the operation of retail stores; and the recreational cannabis industry in Canada generally. The Company cautions that the foregoing list

of risks and uncertainties is not exhaustive. The forward-looking statements and information contained in this news release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statement or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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