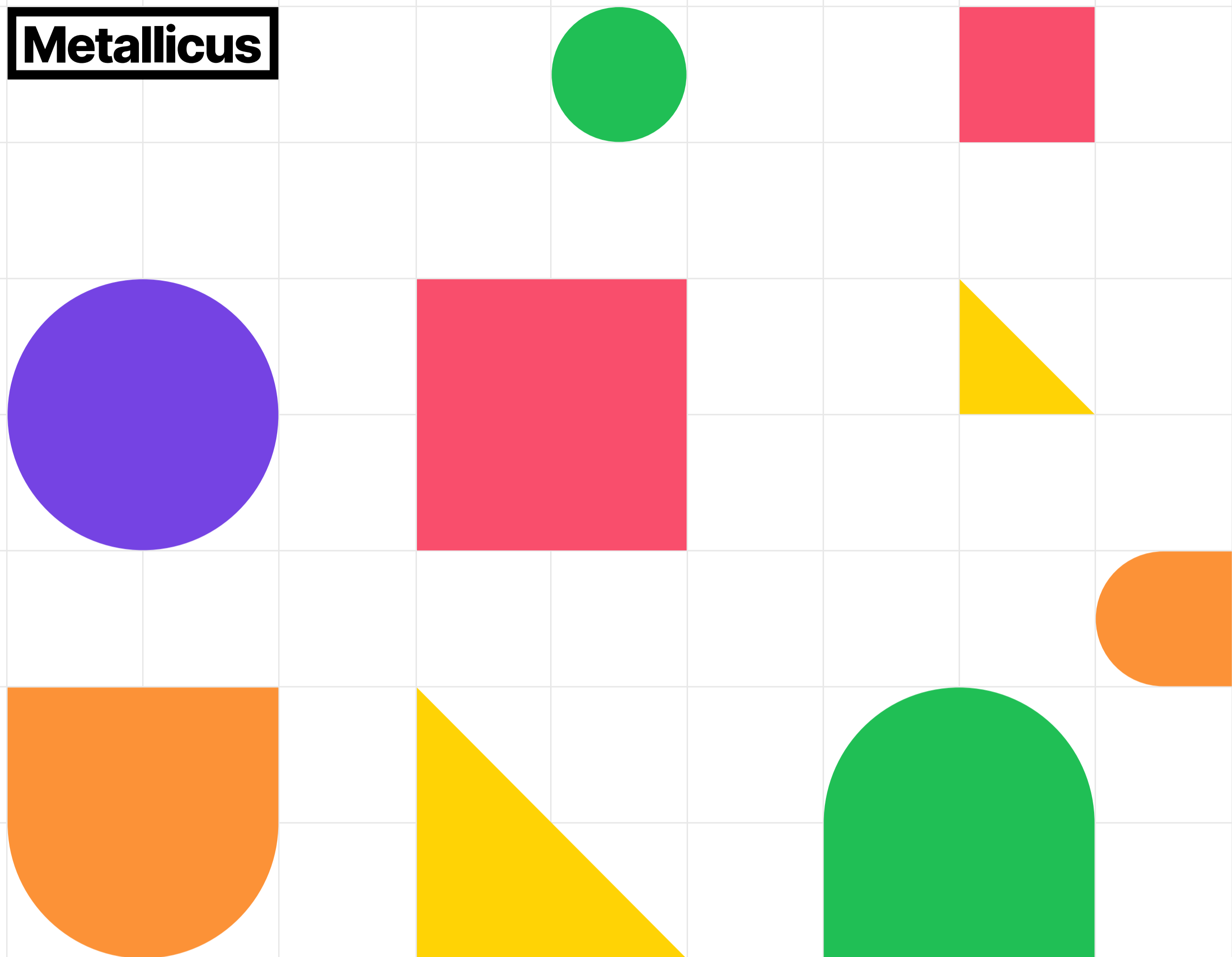


Metallicus



Investor Update

Second Quarter

2023

Introduction

Welcome to the Q2 Metallicus Investor Report. Our CEO, Marshall Hayner, will first provide an overview of the past quarter, setting the stage for the strides we have made. Following his insight, you'll find updates on our key products and initiatives including Metal Pay, WebAuth, the XPR Network, Metal Blockchain, as well as insights from our Marketing and Compliance teams.

Once again, we extend our heartfelt gratitude for your unwavering support as we continue to build the world's most customer-centric digital asset banking network using blockchain technology.

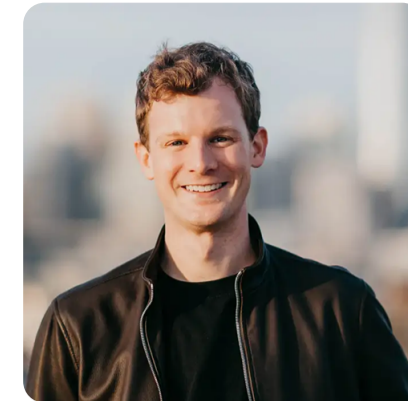
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Thank you for your unwavering support,

We Are Metallicus.

Marshall Hayner

CEO



Dear Investors and Friends,

As we reflect on the advancements of Q2 2023, the momentum at Metallicus continues to build, mirroring the greater need in the industry for decentralized digital asset trading platforms. Our commitment to aligning with the market shift away from centralized exchanges is reflected in the comprehensive development across our product range, including Metal Pay, Metal Blockchain, and Metal X, our decentralized exchange platform.

The launch of Metal Pay 3.0 represents a significant step forward, expanding our reach with new features on the horizon, including business accounts and a closer alignment between all our core products. We're also making headway globally, with our compliance team making progress in regions like Australia, New Zealand, and Canada.

We have successfully initiated the streamlining of our tech stack, bringing synergy across Metal Pay, the decentralized exchange, and Metal Blockchain. This interconnected ecosystem forms the backbone of our ambition to bridge the gap between traditional and digital finance spheres, focusing on the needs of not only consumers but also businesses.

Collaborations and engagement with financial institutions through our Blockchain R&D program underline our commitment to the business development sector. We also proudly marked our presence at events like Money 20/20 in Amsterdam, achieving significant engagement both physically and digitally.

Our marketing initiatives, including the integration of automated marketing platforms and the launch of Metal Pay's paid advertising, have translated into tangible growth. The ongoing success in PR, spanning from Blockworks to Fox News, continues to solidify our presence in the media landscape.

Metallicus remains at the forefront of an industry in flux, championing user protection, compliance with banking regulations, decentralized trading, and integration with leading fintech and banking institutions. The landscape's regulatory direction aligns with our vision, and our collaborative efforts with government entities reflect this alignment.

With our teams focused on engineering, product, and expanding marketing efforts, we are primed for an exciting second half of the year, with anticipation for the launch of business accounts and further network upgrades. The ongoing support of our investors and community propels us forward, and together, we will continue to shape a financial future that prioritizes innovation, security, and user empowerment.

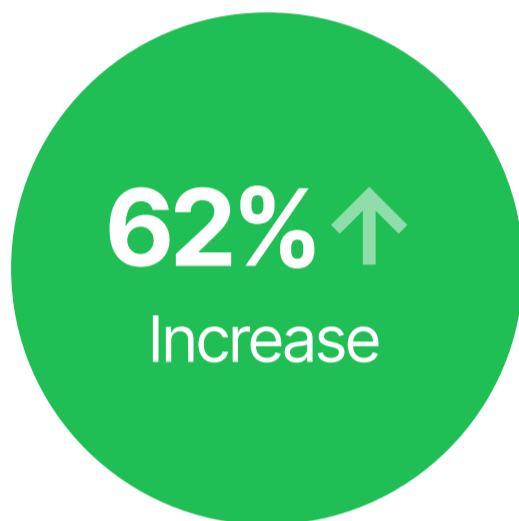
Warm Regards,

Marshall Hayner
CEO, Metallicus

Company Metrics

We are pleased to report positive growth in key company metrics for Q2 compared to Q1, driven by enhanced marketing strategies. The recent launch of Metal Pay 3.0 has fueled new customer acquisition, positioning us for continued success. We remain committed to maintaining one of the industry's only compliant cryptocurrency offerings. With increasing fee revenue on Metal Pay and the Exchange, and strategic marketing to attract new traders, we anticipate this encouraging trend to persist into the second half of the year.

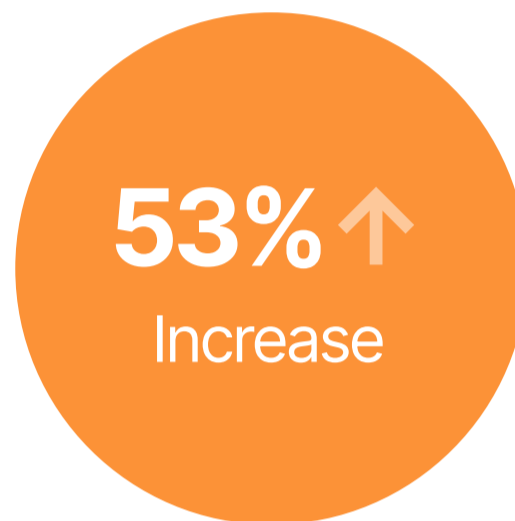
Total Revenue



Metallicus

Revenue is derived from trading fees on Metal Pay, DEX fees, and fiat onramp fees. Excluded is revenues from block producer rewards, consortium pay and liquidity provider activities performed by Metallicus.

Fee Revenue



Metal Pay

Metal Pay's revenue is primarily generated from customer trading fees associated with its platform.

Fee Revenue



Exchange

The Exchange revenue is generated from trading that takes place on the DEX.

Verified Users



Metal Pay

Total number of customers that have fully verified their identity in Metal Pay.

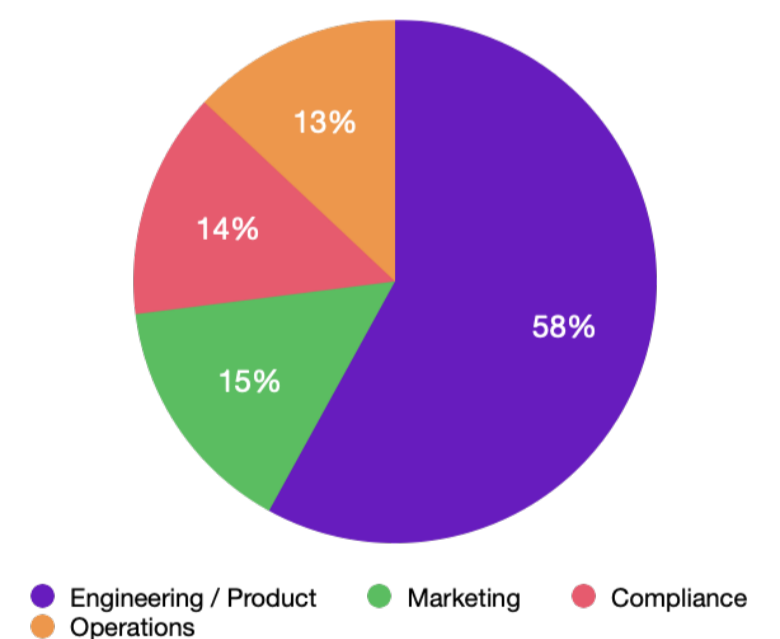
Verified Users



WebAuth

Total number of customers that have fully verified their identity on the Proton Blockchain.

Team Head Count



Metal Pay

Metal Pay 3.0 is live, introducing a fully redesigned app with an improved trading experience.

Enhanced User Interface & Performance

A complete redesign, with React Native upgrade, increased responsiveness, and added Dark Mode.

Integration with Proton DEX

Metal Pay now leverages the DEX for trading and provides more accurate pricing and lowers the costs of each transaction.

Expanded Payment Options

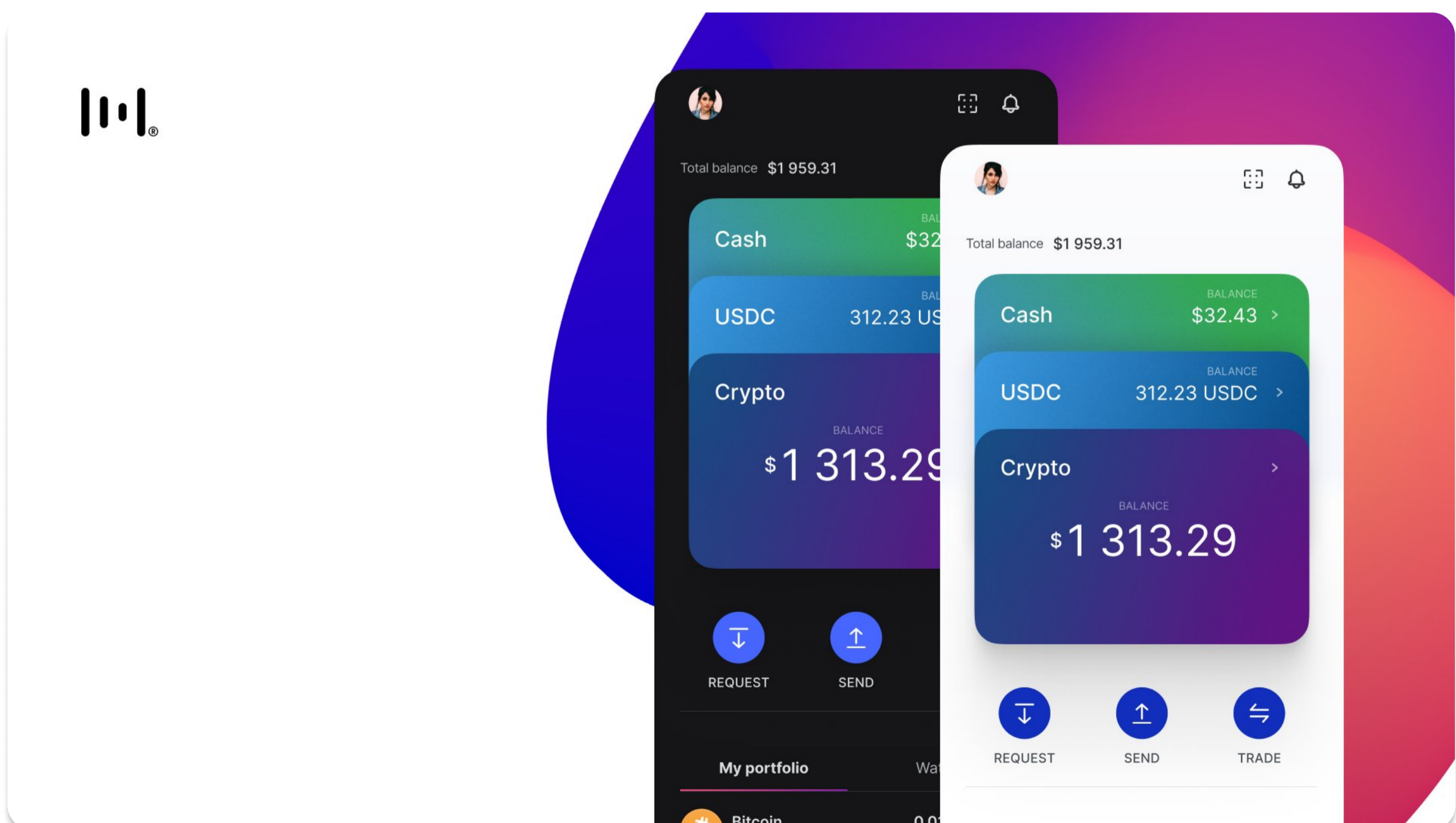
Metal Pay customers can now purchase digital assets with debit & credit cards through our partnership with Checkout.com.

Trading Tools and Notifications

Improved charts for more informed decisions, real-time updates, and push notifications.

Automated Marketing Integration

A new marketing automation platform has been implemented, laying the groundwork for future initiatives.



WebAuth Wallet

The WebAuth Wallet has grown with multi-blockchain support, integrating Metal Blockchain for native staking, and the launch of community-driven development projects.

Multi-Blockchain Support

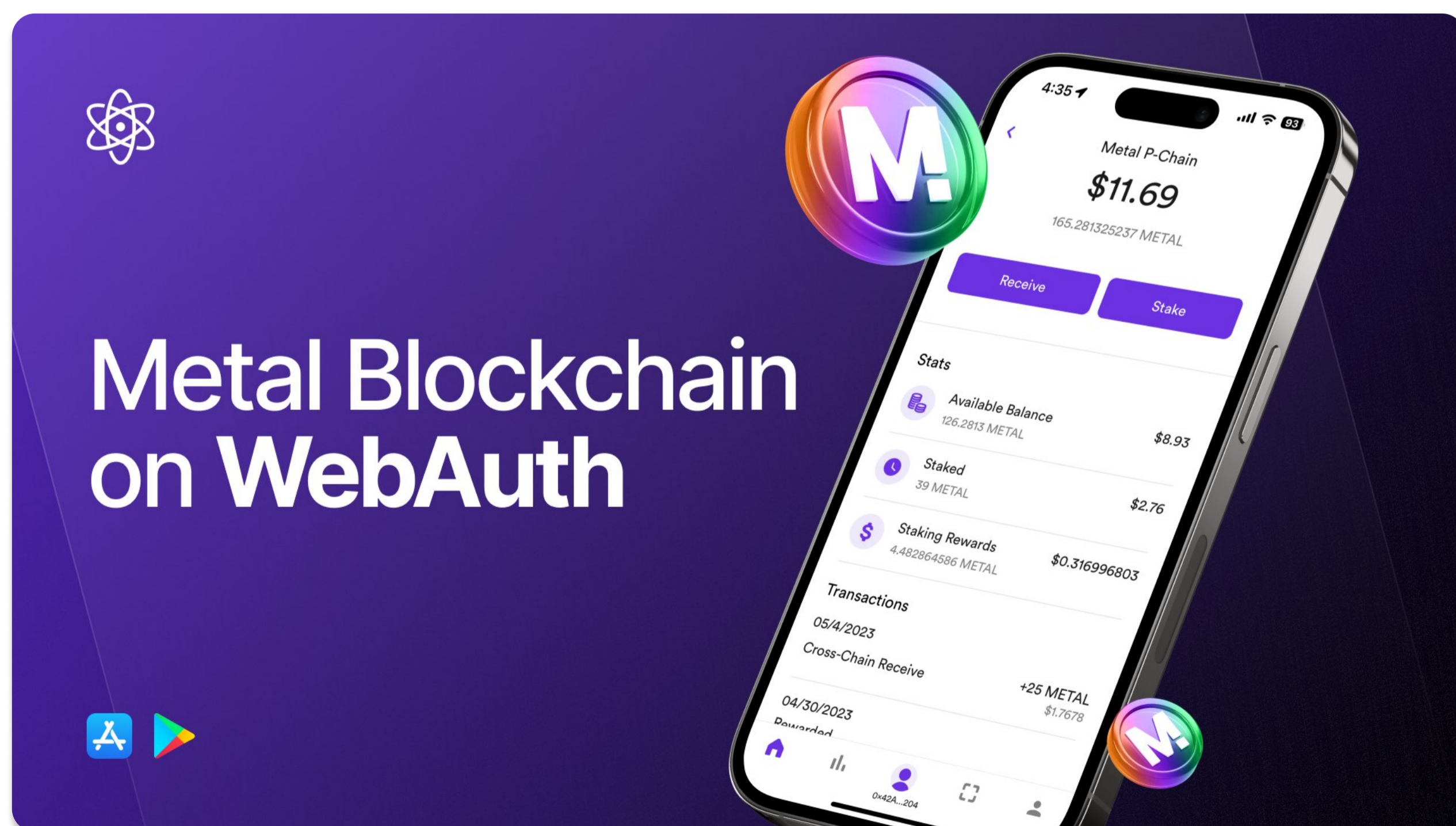
Users can now natively stake METAL coin and select validators directly within the wallet, thanks to the integration with Metal Blockchain.

Community Development & Integrations

A successful Discourse bounty was released and built by the community, while further integrations, such as Wordpress WooCommerce, are in active development.

New User Interface

The design team have successfully finished the redesign of the WebAuth Wallet, complete with charts and push notifications for transactions, and handed off to developers for launch in the second half of this year.



XPR Network

Governance Dashboard

The XPR Governance Dashboard was introduced in July, garnering significant developer and community engagement, positively contributing to blockchain growth.

Developer Bounties

Our new bounty program aims to forge real-world integrations with platforms like WooCommerce, WordPress, and Discourse, positioning the XPR Blockchain as an industry leader, with more integrations on the roadmap.

CCXT Integration for Proton DEX

Our commitment to growing and ensuring interoperability is evident with the successful launch of CCXT for Proton DEX.

Payment Streaming

Allowing payments by time interval without gas fees, we've launched an innovative payment streaming service, opening up new use cases.

DEX Trading Program

With the launch of the Pro-Trader program, an arbitrage bot for professional trading, and a Rebate program offering rebates up to \$2000, we're intensifying marketing efforts to draw attention to the Proton DEX.



Metal Blockchain

Fiserv & Clover Collaboration

We're excited to share that we've recently announced the integration of Credit Card and ACH Processing Capabilities with payments technology from global leader Fiserv (Read Release). This integration is set to provide partners with a comprehensive platform that merges the advantages of blockchain technology with diverse traditional payment acceptance methods. Phase I development is currently in progress and is on track for launch in Q4 2023.

Expanding Business Opportunities

Our active engagements include ongoing discussions with multiple financial institutions, banking core providers, and merchant service companies, exploring avenues to integrate Metal Blockchain technology. Additionally, we're in the code-review phase with a prominent banking core provider, considering the incorporation of Metal Blockchain as a deployable solution for their banks. We anticipate the Phase I launch for this project in Q3 2023.

Website and Whitepaper Refresh

A fully updated website and whitepaper have been launched, reflecting our vision and technology. This includes an improved Block Explorer for Metal Blockchain, enhancing user experience and providing valuable analytics.

Network Upgrades

The Metal Blockchain Cortina upgrade was successfully released on August 17th, marking an important step in our technological evolution.

Antelope Virtual Machine

The engineering team is making significant progress on the Antelope Virtual Machine, with development work now approximately 85% complete. The completion of this project will be a landmark achievement for Metal Blockchain.



Cortina Upgrade

Marketing Update

Digital Marketing Integrations

The successful integration of an automated marketing platform has allowed us to initiate our paid acquisition campaigns. Initially focusing on Metal Pay, we have already seen an increase in users, and we plan to scale this accordingly.

Money 20/20 Amsterdam

The team attended Money 20/20 in Amsterdam, marking the first year of the company's presence with an exhibit. Collaboration with LunarCrush drove great engagement digitally, and we are excited to attend Money 20/20 USA in October.

Content Marketing

The appointment of a dedicated videographer from the community has driven exponential growth in our video metrics. Presence on TikTok and YouTube shorts continues to drive growth on different social platforms. The quality of content, specifically with the launch of The Marshall Show, has showcased our ability to drive growth organically as well as through paid channels.

PR Features

Multiple media inclusions were achieved, ranging from partnership announcements to full editorial features. We have continued to solidify our relationships with key titles such as [Blockworks](#), [Nasdaq](#), Yahoo, Fox News, and we continue to nurture these relationships as we look to secure more frequent coverage.

The screenshot shows a news article on the Blockworks website. The article title is "Crypto's problems were 'avoidable,' Metallicus founder says". The author is Michael Bodley, dated June 26, 2023. The main image is a close-up of an orange "DETOUR" sign with a black arrow pointing right. The Blockworks logo is visible in the bottom left corner of the image. Below the image is a "SHARE" button and a quote: "There's not much that surprises Marshall Hayner when it comes to crypto." The right sidebar contains a "Blockworks Daily" newsletter subscription form, "UPCOMING EVENTS" for "Permissionless II Hackathon" (Sept 9-10, 2023) and "Digital Asset Summit 2024 | Washington, D.C." (March 18-20, 2024).

Compliance and Finance Update

Annual Independent AML/CTF Review

Our company has successfully completed its Annual Independent AML/CTF Review with a qualified third party. This underscores our dedication to regulatory compliance and the protection of our investors' interests, bolstering our stand against financial crimes and ensuring a secure and transparent business environment.

Annual Financial Statement Audit.

We have completed our annual financial statement audit with a certified public accounting firm in the US. This underscores our ability to maintain proper accounting records and remain in compliance with regulatory requirements of our US regulators.

Obtained MTL in Ohio

This new license reflects our commitment to meet the regulatory standards of various jurisdictions, further solidifying our position in the financial industry.

Completion of Limited Financial Audit in Estonia

The completion of this audit represents another milestone in our continuous effort to adhere to global financial standards.

End-to-End Penetration Testing of Metal Pay App

Completed by a third party, this testing, along with a contingency tabletop exercise, aligns with regulatory requirements and industry best practices, including SOC2, NIST cybersecurity framework, and ISO. We also earned a certificate for passing PCI DSS compliance.

Core Infrastructure Update

We have completed a significant update of our core infrastructure, increasing security, enhancing monitoring and alerting, and strengthening disaster recovery capabilities. This also increases the efficiency of the development pipeline. The new systems are more maintainable and will allow our engineering teams to be more agile.

What's Coming?

An ambitious and achievable roadmap lies ahead for the remainder of the year. Our core focus remains on growth marketing, rapid user base expansion with Metal Pay, and continued engagement with partner banks and financial services through our R&D program.

Metal Pay

The updated build introduces new fiat account functionalities and paves the way for the highly-anticipated launch of business accounts. Future integration with WebAuth and the DEX will position Metal Pay as the primary fiat gateway for the DEX, strengthening our offering. Meanwhile, our global expansion continues to gain traction, with diligent compliance efforts advancing in Australia, New Zealand, and Canada.

Development & Integrations

We continue to increase synergy within the Metallicus portfolio, including Metal Pay's direct integration into the exchange. The WebAuth Wallet redesign is fully underway, with the integration of new features like dynamic charts, a refined referral system, and other performance upgrades. We have also completed the ISO 20022 demo, and will be releasing in the coming weeks.

Metal Blockchain

The engineering team has initiated work on the Bitcoin Virtual Machine and continues to focus on network upgrades and the development of a user-friendly Ethereum bridge.

Business Development

We've successfully launched our Blockchain R&D program and are in direct talks with banks and financial institutions to explore differentiating blockchain use cases.

Marketing

A back-end marketing integration now allows for targeted Metal Pay advertising on a state-by-state basis. Our PR roadmap is filled with upcoming op-eds in leading publications in the financial and tech sectors. We've also appointed a new social media manager with experience in the digital asset space, and significant improvements to the exchange user interface, website enhancements, and an SEO overhaul project are due in the coming weeks.

You Are Metallicus.

As we progress into the second half of the year, our gratitude for your unwavering support is immense, and we're eager to deepen our collaboration with you.

Here's how you can become more involved:

For Metal Blockchain Development

If you're connected to financial institutions or large fintechs intrigued by blockchain technology, especially in constructing their own blockchain, we welcome introductions. We provide a nurturing development setting, accompanied by research initiatives, grants, and resources to foster exploration.

For DEX Business Expansion

Should you be aware of projects or tokens mirroring our mission and principles or know leadership teams seeking decentralized and compliant trading answers, kindly introduce them to us. Reach out at bizdev@metallicus.com for further details and resources.

Social Engagement

Your voice on social platforms like LinkedIn and Twitter has far-reaching impacts, aiding us in broadening our community. Your engagement with our upcoming video content and updates is much appreciated.

Connect with Us

If proximity allows, we're thrilled to meet face-to-face to delve into Metallicus's evolution and prospective ventures. Don't hesitate to reach out.

Contribute Your Voice

Your insights and unique viewpoints are invited on Metallicus.com. If you possess knowledge or a distinct perspective concerning our field, your guest articles can be instrumental in enlightening our community and propelling our mission forward.

We Are Metallicus

 [Website](#)

 [Twitter](#)

 [LinkedIn](#)

 [Discord](#)