



BLOCKStrain Technology Announces Third Quarter 2019 Financial Results

VANCOUVER, March 25, 2019 /CNW/ - BLOCKStrain Technology Corp. (TSX:V: DNAX.V) (OTC: BKKSF) ("**BLOCKStrain**" or the "**Company**"), creator of the first blockchain-secured, fully-integrated IP tracking platform for the cannabis industry, announced its third quarter results for the three and nine months ended January 31, 2019. Prior to completion of its reverse takeover transaction on May 17, 2018, BLOCKStrain had only been incorporated since November 22, 2017 and therefore has comparative figures only for the three months ended January 31, 2019.

"We achieved a number of value driving milestones during and subsequent to the quarter's end that not only show the momentum our software suite is gaining in the market, but that we expect will also drive future growth," said Robert Galarza, Chief Executive Officer of BLOCKStrain. "We believe we will continue to gain even greater traction as companies of all shapes and sizes, from Licensed Producers to craft growers and makers of CBD and THC infused products, recognize the inherent value in being able to provide consumers with levelled assurance that their products are as labelled. In an industry rife with both quality control issues and competition for market share, the ability to ensure this level of integrity can create brand goodwill and also greatly reduce the opportunity for brand damage, which we believe will continue to drive market adoption of BLOCKStrain technology.

Financial and Operational Highlights:

- The Company's comprehensive loss was \$1.6 million and \$12.9 million, respectively, for the three and nine months ended January 31, 2019. \$2.3 million of non-recurring listing charges related to the reverse takeover were incurred in Q1.
- For the three and nine months ended January 31, 2019, adjusted EBITDA was negative \$1.6 million and negative \$7.4 million, respectively.
- Funds used in operations were \$1.4 million and \$7.6 million for the three and nine months ended January 31, 2019, and mainly covered marketing campaigns and product development. The variance as compared to the prior year was due to having a full three months and nine months of expenses in 2019 compared to having only startup product development costs and travel costs in 2018.
- Cash on hand as of January 31, 2019 was \$2.5 million, compared to \$4.0 million at the beginning of Q3.
- In Q3, the Company announced a letter of intent with NXT Water to launch AKESO Functional Fitness Water, a hemp-derived CBD beverage.

Subsequent Events:

- BLOCKStrain signed an agreement with Licensed Producer, Harvest One Cannabis Inc., to employ BLOCKStrain's proprietary genome tracking software to collect and register its cannabis plant DNA and strains.
- BLOCKStrain announced that its shares received Depository Trust Company (DTC) full-service eligibility in the United States. DTC eligibility is expected to simplify the process of trading and enhance liquidity of the Company's common shares in the United States.
- BLOCKStrain announced a letter of intent to acquire Spark Digital Technologies to further bolster BLOCKStrain's technology with its intelligent tracking, inventory and facility management capabilities.
- BLOCKStrain announced the appointment of Dr. James LaValle as Chief Medical Manager to provide leadership and direction with respect to scientific and medical aspects of the Company's

core software, as well as areas of additional product and business development.

BLOCKStrain was incorporated on November 22, 2017, and, as a result, the Company's operations did not start until the third quarter of 2018. The Company did not have any activities prior to its date of incorporation and, therefore, does not have comparative figures prior to the third quarter of 2018.

	Three months ended January 31, 2019	Three months ended January 31, 2018	Nine months ended January 31, 2019	Nine months ended January 31, 2018
Adjusted EBITDA ⁽¹⁾	(1,572,311)	(304,370)	(7,354,087)	(304,370)
EBITDA (1)	(1,601,002)	(304,370)	(12,899,763)	(304,370)
Net Loss	(1,597,593)	(304,370)	(12,891,198)	(304,370)
Comprehensive Loss	(1,597,593)	(304,370)	(12,891,198)	(304,370)

(1) Adjusted EBITDA is not a measure of financial performance under IFRS. The definition for Adjusted EBITDA can be found in the Company's management's discussion and analysis for the period ended January 31, 2019, which is available at www.sedar.com

More detailed financial information and analysis with respect to BLOCKStrain's results of operations are available in its unaudited interim financial statements and MD&A for the period ended January 31, 2019, both of which can be found on SEDAR at www.sedar.com

About BLOCKStrain:

BLOCKStrain has developed the first integrated blockchain platform to register and track intellectual property in the cannabis industry. BLOCKStrain's technology allows cannabis growers and breeders to identify and secure rights to their intellectual property and also streamlines the administrative process and reduces the costs of genetic and mandatory quality-control testing for legal cannabis. BLOCKStrain's technology is proprietary, immutable and cryptographically secure, thereby establishing a single-source, accurate, validated and permanent account for cannabis strains from ownership to market.

Neither 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.

Disclaimer for Forward-Looking Information

Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding the Company's future business plans. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Forward looking statements in this news release include statements relating to: the expected benefits of, and impact on, the cannabis industry as a result of BLOCKStrain's technology; that recent business developments will drive future growth; the Company's anticipation of gaining greater traction in the market; and future transactions the Company proposes to undertake. Such statements are based on management's current assumptions with respect to the regulatory environment for cannabis, the expected applications of its technology, and other factors, and are subject to various risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including that: BLOCKStrain's platform may not operate as expected; the cannabis industry may not adopt the BLOCKStrain platform to the level expected; legislative changes may occur that negatively impact BLOCKStrain's business; BLOCKStrain's platform may not adequately protect users' intellectual property; the proposed transactions with NXT Water and Spark Digital Technologies may not be completed on the terms expected or at all; and other factors beyond the Company's control. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. Readers are urged to consider these factors carefully in evaluating the forward-looking statements contained in this news release and are cautioned not to place undue reliance on such forward-

looking statements, which are qualified in their entirety by these cautionary statements. These forward-looking statements are made as of the date hereof and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

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