



TruTrace Technologies Announces First Quarter 2020 Financial and Operating Results

TORONTO, Sept. 24, 2019 /CNW/ - **TruTrace Technologies Inc. (CSE: TTT) (OTCQB: TTTSF)** ("TruTrace" or the "**Company**"), creator of the first fully-integrated blockchain platform that registers and tracks intellectual property for the cannabis industry, today announced its first quarter financial and operating results for the three months ended July 31, 2019. All figures are stated in Canadian dollars.

"The launch of the Shoppers Drug Mart Pilot Program for medical cannabis verification was a very significant milestone for us in the first quarter," said TruTrace Technologies CEO Robert Galarza. "This has provided us with a unique opportunity to demonstrate the effectiveness of our technology to several of Canada's leading licensed producers and other key industry participants. We intend on becoming an indispensable part of the solution to bring the highest standards of transparency and accountability to the cannabis sector."

First Quarter 2020 Financial Highlights

- The Company generated revenue of \$48,000 in the first quarter of fiscal 2020, compared to nil in Q1 2019. Revenue was primarily driven by service fees associated with the use of TruTrace technology.
- Net loss and comprehensive loss was \$1.7 million in the first quarter of 2020, compared to \$9.0 million in Q1 2019. The Company reported significantly lower corporate development costs and stock-based compensation this period as compared to Q1 2019, which included the impact of listing expenses related to the Company's reverse take-over.
- Loss per share was \$(0.02) in Q1 2020, compared to \$(0.12) in Q1 2019.
- Funds used in operations totaled \$1.3 million in the quarter, compared to \$4.6 million in Q1 2019.
- Cash on hand was approximately \$98,000 as at July 31, 2019, compared to \$1.2 million at April 30, 2019.

Operating Highlights

- In June 2019, Shoppers Drug Mart ("**Shoppers**") announced a medical cannabis verification pilot program (the "**Pilot Program**") with the intention of increasing transparency, interoperability and product identification within the medical cannabis industry. The Pilot Program uses TruTrace's StrainSecure™ technology as a central hub for identity management, asset tracking, validation, and product authentication. StrainSecure will also serve as a master registry for standardized testing, product verification, and quality assurance.
- A number of licensed producers (LPs) are now participating in the Pilot Program, including: Aphria Inc., Aurora Cannabis Inc., The Flowr Corporation, Tilray Canada Ltd., United Greeneries (a subsidiary of Harvest One Cannabis Inc.), WeedMD Inc. and Zenabis Global, Inc.
- The Company has signed agreements with a number of prospective partners expected to contribute to the successful implementation of its technology, including demand-side cannabis data and analytics company Strainprint Technologies Ltd., analytical testing provider Molecular Science Corp., genomics technology company Shivom Ventures Limited, cannabis consultancy and technology firm TheraCann International Benchmark Corporation, analytical services

company A&L Canada Laboratories, cannabis testing lab Anandia, and agricultural technology company Segra International Corp.

- In June 2019, the Company delisted from trading on the TSX Venture Exchange and began trading on the Canadian Securities Exchange in order to pursue development opportunities outside of Canada. In July 2019, the Company commenced trading on the OTCQB® Venture Market under the symbol TTTSF, and expects that this listing will provide TruTrace with increased visibility with prospective global investors, improved liquidity and a more diversified shareholder base.

Subsequent Events

- In August 2019, Shoppers and TruTrace announced the completion of Phase 1 of the Pilot Program. Shoppers confirmed the Company's continuing involvement in Phase 2 of the Pilot Program, and announced the engagement of Deloitte Canada LLP ("**Deloitte**") for Phase 2 in a project management and advisory capacity. Full production and implementation of TruTrace's StrainSecure platform are targeted for late November 2019.
- In August and September 2019, the Company announced the closing of the first two tranches of a non-brokered private placement financing raising total gross proceeds of approximately \$720,000.
- In September 2019, Deloitte and TruTrace announced a strategic alliance to deliver blockchain product-traceability solutions to the cannabis industry. The Company expects the strategic alliance to lead to additional business development opportunities.

Outlook

"We expect that the relationships we are establishing through the implementation of the StrainSecure™ platform in the Pilot Program will form the cornerstone of our continued growth," said Robert Galarza. "Our technology is being validated through a large-scale proof of concept. This enables us both to demonstrate the value of our offering to industry participants, and to advance our technology in response to their input. Prospective customers in Canada and internationally have been tracking our progress and are showing strong interest for our company."

With the launch of its platform, TruTrace offers an easily-integrated blockchain solution that tracks cannabis from Genome to Sale™ through the supply chain and provides actionable quality assurance and real-time testing data to the cannabis industry.

The Company's goal is to build a framework for licensed producers as well as micro cultivators that are entering the newly legalized ecosystem, helping them to easily and inexpensively move their products through testing procedures. TruTrace then places that testing data on the blockchain for immutability and intellectual property protection, and feed that information through the ecosystem for full visibility into the supply chain. The resulting outcome is a trustworthy source of product and inventory data that can be used to support anything from clinical trials to medical efficacy studies, as well as providing regulators, medical practitioners, patients and even retail consumers a much-desired level of actionable intelligence. With TruTrace, all parties can see whether a product is clean, safe, pesticide-free and truly is what it claims to be.

More detailed financial information and analysis with respect to TruTrace's results of operations are available in its unaudited financial statements and management's discussion and analysis for the period ended July 31, 2019, both of which can be found on SEDAR at www.sedar.com.

About TruTrace Technologies:

TruTrace Technologies has developed the first integrated blockchain platform to register and track intellectual property in the cannabis industry. TruTrace's technology allows cannabis growers and breeders to identify and secure rights to their intellectual property. It also streamlines the

administrative process and reduces the costs of genetic and mandatory quality-control testing for legal cannabis. TruTrace's technology is proprietary, immutable and cryptographically secure, thereby establishing an accurate and permanent account for cannabis strains from ownership to market.

Disclaimer for Forward-Looking Information

This news release includes forward-looking information within the meaning of Canadian securities legislation, concerning the business of TruTrace, including statements regarding: the Company's intention on becoming an indispensable part of the solution to bring the highest standards of transparency and accountability to the cannabis sector; that the Company has signed agreements with a number of prospective partners expected to contribute to the successful implementation of its technology; the Company commenced trading on the OTCQB® Venture Market under the symbol TTTSF, and expects that this listing will provide TruTrace with increased visibility with prospective global investors, improved liquidity and a more diversified shareholder base; that full production and implementation of TruTrace's StrainSecure platform are targeted for late November 2019; the Company expects the strategic alliance with Deloitte to lead to additional business development opportunities; and the expectation that the relationships we are establishing through the implementation of the StrainSecure™ platform in the Pilot Program will form the cornerstone of the Company's continued growth.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that it will prove to be correct and actual results and future events could differ materially from those anticipated in such information. Forward-looking information necessarily involves known and unknown risks, including, without limitation, risks associated with: general economic conditions; adverse industry events; loss of markets; future legislative and regulatory developments in Canada, the United States, and elsewhere; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; and other risks beyond the Company's control. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company. Readers are cautioned not to place undue reliance on any forward-looking information contained in this news release. Forward-looking information contained in this news release is provided as of the date of this news release. The Company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

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