



## TruTrace Technologies Announces Second Quarter 2020 Financial and Operating Results

**TORONTO, December 20, 2019 – 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 financial and operating results for the three and six months ended October 31, 2019. All figures are stated in Canadian dollars.

"In the second quarter, we continued to execute on our most important priorities, highlighted by the ongoing implementation of the Shoppers Drug Mart Pilot Program and strategic alliance with Deloitte Canada, as well as the implementation of our platform with several licensed producers in the tracking of their intellectual property in their distribution of medical cannabis," said TruTrace Technologies CEO Robert Galarza. "We are very excited to become the first traceability platform in this sector to achieve these milestones with such strong partners."

### Second Quarter 2020 Financial Highlights

- The Company generated revenue of \$303,520 in the second quarter of fiscal 2020, compared to nil in Q2 2019 and \$48,000 in Q1 2020. Revenue growth was primarily driven by implementation fees associated with the use of TruTrace technology.
- Net loss and comprehensive loss was \$914,652 in the second quarter of 2020, compared to approximately \$2.3 million in Q2 2019. The Company reported significantly reduced corporate development, general & administrative, salaries & benefits, and stock-based compensation expense due to efficiency initiatives and the impact of listing expenses related to the Company's reverse take-over in the prior-year period.
- Loss per share was \$0.01 in Q2 2020, compared to a loss of \$0.03 in Q2 2019.
- Funds used in operations totaled \$707,665 in the quarter, compared to approximately \$1.6 million in Q2 2019.
- Cash on hand was approximately \$121,000 as at October 31, 2019, compared to approximately \$1.2 million at April 30, 2019.

### Operating Highlights

- Completed Phases 1 and 2 of the Shoppers Drug Mart ("**Shoppers**") medical cannabis verification pilot program (the "**Pilot Program**"), which is intended to increase 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.

- Licensed producers (LPs) participating in the Pilot Program include: 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 added several partners to the StrainSecure ecosystem to contribute to the successful implementation of the platform, including cannabis testing lab Anandia, agricultural technology company Segra International Corp., testing and analytical services company Sigma Analytical, and clinical research and telemedicine platform AdvancedCare.
- 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.
- During the second quarter, the Company completed several non-brokered private placement financings of common shares and convertibles debentures, raising total net proceeds of approximately \$967,000.

### **Subsequent Events**

- TruTrace and other Pilot Program participants continue to work towards full production and implementation of the Company's StrainSecure platform, and advancing the Pilot Program beyond its initial scope.
- In November 2019, TruTrace announced that Colombia-based multinational cannabis producer Clever Leaves has joined the StrainSecure platform in order to bring standardization and product validation into its international distribution strategy.

### **Outlook**

“The Shoppers Pilot Program has provided a unique opportunity to validate the effectiveness of our StrainSecure platform, with the support of cornerstone clients and partners,” said Robert Galarza. “Demonstrating the functionality and benefits of a new technology under real-world conditions is a vital step on the way to more widespread adoption. We expect to continue to execute on key deliverables in the coming months as the Pilot Program progresses towards full implementation.”

With the launch of its StrainSecure™ 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 October 31, 2019, both of which can be found on SEDAR at [www.sedar.com](http://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.

## **For More Information:**

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## **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 intention that the Pilot Program will increase transparency, interoperability, and product identification within the medical cannabis industry; that the addition of several partners to the StrainSecure ecosystem is expected to contribute to the successful implementation of its platform; that full production and implementation of TruTrace's StrainSecure platform are proceeding; the expectation that the strategic alliance with Deloitte to lead to additional business development opportunities; and the expectation that demonstrating the functionality and benefits of StrainSecure under real-world conditions will lead to more widespread adoption.

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.