



TruTrace Technologies Announces Third Quarter 2020 Financial Results and Provides Corporate Update

TORONTO, March 27, 2020 – TruTrace Technologies Inc. (CSE: TTT; OTCQB: TTTSF) ("TruTrace" or the "Company"), creator of a 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 nine months ended January 31, 2020. The Company also announced changes to its executive team and provided an update on the impact of the COVID-19 situation. All figures are stated in Canadian dollars.

"We have continued to demonstrate validation of our mission to register, secure, track and trace verified medical cannabis through the successful roll-out of our StrainSecure platform in a large-scale pilot, and the establishment of partnerships with leading players in the cannabis sector," said TruTrace Technologies CEO Robert Galarza. "At the same time, like every business in the world we are also dealing with unprecedented challenges in the macro environment. Our priority is to adapt quickly to market conditions while keeping our sights on our vision to become an indispensable part of the cannabis ecosystem."

COVID-19 Update

TruTrace is closely monitoring the ongoing impact of the COVID-19 pandemic and adjusting its operations and priorities as necessary. As a technology company, TruTrace is well suited to adopting remote working arrangements while maintaining its high standards of client service. The Company will continue to place the highest priority on the health and safety of its employees and other stakeholders and remain in full compliance with guidelines from public health authorities. The Company is also exploring ways to adapt its technology to help support an ecosystem of solution providers offering assistance in our current or future global crises.

TruTrace's business is currently focused on the Canadian medical cannabis sector, which continues to service patients and is generally considered to be an essential service. Full-scale implementation continues on the Shoppers Drug Mart ("**Shoppers**") medical cannabis verification pilot program (the "**Pilot Program**"), built around TruTrace's StrainSecure™ traceability platform. The Company anticipates that some cannabis industry participants may, however, opt to delay their plans for adoption of the Company's technology as part of their own cost-reduction efforts in response to the overall economic slowdown. While the Company does not foresee a decrease in long-term demand for its technology, the potential delay of certain near-term initiatives may affect operating results in the coming quarters.

Management Change

The Company announces that Swapan Kakumanu has resigned as its Chief Financial Officer in order to pursue other opportunities. The Company thanks Mr. Kakumanu for his contributions.

The Company's CEO Robert Galarza has also been appointed Chief Financial Officer of the Company on an interim basis, effective immediately.

Third Quarter 2020 Financial Highlights

- The Company generated revenue of \$300,000 in the third quarter of fiscal 2020, compared to nil in Q3 2019 and \$303,520 in Q2 2020. Revenue growth was primarily driven by implementation fees associated with the use of TruTrace technology.
- Net loss and comprehensive loss was \$1,180,421 in the third quarter of 2020, compared to \$1,597,593 in Q3 2019. The Company reported reduced corporate development, general & administrative, product development and salaries & benefits expense due to efficiency initiatives, partially offset by increased operating costs.
- Loss per share was \$0.01 in Q3 2020, compared to a loss of \$0.02 in Q3 2019.
- Funds used in operations totaled \$847,326 in the quarter, compared to approximately \$3 million in Q3 2019.
- Cash on hand was \$12,176 as at January 31, 2020, compared to approximately \$1.2 million at April 30, 2019.

Operating Highlights

- Continued to work towards full implementation of the Shoppers 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.
- 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.
- In November 2019, TruTrace closed a second tranche of a non-brokered private placement financing of secured convertible debentures in the aggregate principal amount of \$75,000.
- In January 2020, the Company outlined its strategic priorities for the year, with a focus on establishing an increased revenue stream through full implementation of the StrainSecure platform in Canada, and expanding its addressable market into new geographic regions and new industry verticals.

Subsequent Events

- In February 2020, the Company announced plans to establish a joint venture with medical cannabis data and analytics leader Strainprint Technologies Ltd., with the goal of developing new tools and systems designed to improve the overall experience of cannabis patients and consumers by connecting validated product data with authenticated patient data.
- In March 2020, the Company announced the addition of experienced entrepreneur, venture capital investor and corporate director Cesare Fazari to its Board of Directors, and the resignation of Swapan Kakumanu from the Board.

Outlook

“Our team has demonstrated an ability to adjust the scale our operations, and we will continue to take appropriate actions as may be necessary to withstand current challenges,” said CEO Robert Galarza. “I am encouraged by a number of factors working in our favour. We are a lean company, with a unique technology platform which has met or exceeded all expectations, and which can play a vital role in improving patient outcomes in a rapidly growing medical sector. In addition, we have forged strong relationships with leading participants in the industry who have a strategic interest in seeing us succeed.”

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 feeds 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 January 31, 2020, both of which can be found on SEDAR at www.sedar.com.

About TruTrace Technologies:

TruTrace Technologies has developed an 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 full production and implementation of TruTrace's StrainSecure platform are proceeding; that the Company will continue to place the highest priority on the health and safety of its employees and other stakeholders and remain in

full compliance with guidelines from public health authorities; the Company anticipates that some cannabis industry participants may, however, opt to delay their plans for adoption of the Company's technology as part of their own cost-reduction efforts in response to the overall economic slowdown; that while the Company does not foresee a decrease in long-term demand for its technology, the potential delay of certain near-term initiatives may affect operating results in the coming quarters; the Company's unique technology platform can play a vital role in improving patient outcomes in a rapidly growing medical sector; the Company's plans to establish a joint venture with medical cannabis data and analytics leader Strainprint Technologies Ltd.; and its strategic priorities for the year.

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; material adverse consequences of the COVID-19 pandemic; 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.