



TruTrace Technologies Reports Financial Results for Year Ended April 30, 2020

Toronto, Canada – October 13, 2020 - TruTrace Technologies Inc. (CSE: TTT; OTCQB: TTTSF) ("TruTrace" or the "Company"), www.trustrace.co, creator of a fully integrated software platform, secured on a blockchain infrastructure that gives clients the ability to store, manage, share and immediately access quality assurance and testing details, as well as motion and movement intelligence on inventory, announces its financial results for the quarter ended January 31, 2020 and for the year ended April 30, 2020 (the "Annual Filings"). All figures are stated in Canadian dollars.

Management would like to address the recent Cease Trade Order which was a result of a misunderstanding that arose regarding the relief granted by the 45-day extension which was provided by Canadian Securities Administrators and Ontario Instrument 51-502: Temporary Exemption for Certain Corporate Finance Requirements (the "Temporary Relief"). On August 28, 2020, the Company announced that it was relying on the Temporary Relief from periodic filings normally required to be made by issuers due to the challenges posed by the COVID-19 pandemic, thereby effectively giving the Company until October 12, 2020 to complete its Annual Filings. Unfortunately, the Temporary Relief did not provide any relief from the September 29, 2020 deadline to file financial results for the three months ending July 31, 2021 (the "Quarterly Filings"). By relying on the Temporary Relief, management was unable to file the Quarterly Filings in a timely fashion as they could not be filed prior to the Annual Filings. Notwithstanding, management assures that it has prepared and will submit its Q1-2020 filings by the end of the day.

"We are extremely proud of what our team has endured and accomplished in our second full year of operations", said TruTrace Technologies CEO Robert Galarza. "Our development of a comprehensive platform for tracking the quality of medical cannabis and the functional implementation into the traceability initiative of Medical Cannabis by Shoppers Drug Mart illustrates that our technology will serve as a cornerstone for verified, transparent and collaborative products within the cannabis sector. It has been a pleasure collaborating with some of the top Licensed Producers and analytical laboratories in Canada, as well as industry leaders like Deloitte Canada and we are excited about what the future has in store for TruTrace."

Financial Highlights

- The Company generated revenue of \$402,679 in fiscal 2020, compared to \$10,000 in fiscal 2019.

- Comprehensive loss was \$4.59 million for the year, compared to \$14.8 million in the prior period. Significant fiscal 2020 operating expenses included \$2.07 million of product development costs, \$814,485 in salaries, subcontractors and benefits and \$762,554 of corporate development costs.
- Net comprehensive loss was \$4.5 million in fiscal 2020, compared to \$14.8 million in the prior period. The variance as compared to the prior period was due to a reduction in operational expenses and development costs and a significant increase in revenue.
- Funds used in operations totaled \$4 million for the year, compared to \$9 million in the prior period.

Fiscal 2020 Operating Highlights

- In June 2019, Canada's largest pharmacy chain, Shoppers Drug Mart ("Shoppers") announced the development and implementation of a Pilot Program with TruTrace which would utilize the Company's proprietary StrainSecure™ platform in order to provide detailed inventory data to Shoppers as a part of their Medical Cannabis initiative thereby bringing a greater level of transparency and trust to medical practitioners throughout Canada. Thereafter, the Company successfully completed Phase 1 and Phase 2, and began Phase 3 of the Pilot Program with Shoppers.
- In September 2019, TruTrace and global leader Deloitte announced a strategic alliance to deliver blockchain product traceability solutions to the cannabis industry. Deloitte has been a leading voice in cannabis intelligence and research and has advised and consulted clients at every level of the cannabis supply chain. TruTrace and Deloitte are actively working on several exciting initiatives.
- The Company began working with several analytical testing laboratories, including: Anandia Laboratories, A&L Canada Laboratories, Inc., Molecular Science Corp. and Sigma Analytical with the goal of delivering greater transparency and visibility regarding the quality of products offered in the legal cannabis industry.
- In conjunction with the Shoppers Drug Mart Pilot Program, the Company entered into agreements with several Licensed Cultivators of medical and recreational cannabis who agreed to employ the StrainSecure™ platform in order to collect, register, manage, track and publish verified testing data of their products, including: Aphria, Inc., Tilray Canada, Inc., WeedMD Inc. and Aurora Cannabis.
- Internationally, the Company entered into an agreement with Columbia-based Clever Leaves, a leading vertically integrated global company and fully licensed producer of pharmaceutical-grade medical cannabis and hemp extracts with an aim to explore ways to employ the StrainSecure™ platform throughout Clever Leaves' international operations.
- The Company added key talent to its advisory board with the addition of regulatory and industry expert Deepak Anand, as well as the addition of experienced entrepreneur Cesare Fazari to its Board of Directors.

Subsequent Events

- In June 2020, the Company successfully negotiated a debt settlement with its primary development vendor in exchange for common shares of TruTrace thereby ensuring valuable intellectual property rights to the StrainSecure™ platform and securing its lead technology partner for future development.

- In July 2020, the Company entered into a software license agreement with OrionOne Global, Inc., a global supply chain technology solution, which would not only ensure the long-term functionality of the StrainSecure™ and TruTrace Enterprise™ systems but should also open up several market opportunities for TruTrace in other key industries.
- In July, 2020, University Health Network (UHN), a leading health research organization announced the launch of a first-of-its-kind Real-World Evidence study led by Dr. Hance Clarke, Director of Pain Services, Toronto General Hospital, and a recognized leader in educating Canadians about chronic pain management and the risk factors of continued opioid use. The study is in collaboration with Medical Cannabis by Shoppers and supported by the Company's StrainSecure™ platform. By utilizing TruTrace, the study will be able to tie batch/lot specific product data to individual patient use.
- The Company announced the inclusion of several additional Licensed Producers within the Real-World Evidence study in alignment with UHN and Shoppers including: MediPharm Labs Inc., Organigram Holdings, Inc., and Avicanna, Inc. amongst others.
- In August 2020, the Company began showcasing its capabilities well beyond the cannabis sector by announcing implementation of the Company's proprietary software by Riviera and West One Logistics regarding the delivery of quality sanitization products, as well as Safe Company in their mission to ensure the quality of medical and protective consumables, hospital supplies and air purification solutions.

Outlook

"The role of TruTrace in a ground-breaking medical cannabis study and its use and implementation by a top tier client base has begun to prove our value to the entire medical community," said Robert Galarza. "It is now time to evolve our platform not only into an industry benchmark in the medical cannabis sector, but as a benchmark for quality in several other key markets."

The Company's goal is to build a framework for licensed producers and manufacturers, helping them to easily and inexpensively track their products throughout the testing process. TruTrace then places verified testing data on the blockchain for immutability and intellectual property protection and feeds that information through the ecosystem for full visibility throughout 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 audited financial statements and management's discussion and analysis for the period ended April 30, 2020, both of which can be found on SEDAR at www.sedar.com.

About TruTrace Technologies www.trutrace.co:

TruTrace Technologies is the developer of a fully integrated software platform, secured on the blockchain, offering clients the ability to store, manage, share and immediately access quality assurance and testing details, COAs, as well as motion and movement intelligence on inventory. The platform was specifically designed to power the traceability of testing standards within the

legal cannabis, nutraceutical, food and pharmaceutical space with a focus on the authentication of source materials or ingredients used in formulation.

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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 current economic climate and its effect on the Company's client base business; that the Company's technology will serve as a cornerstone for verified, transparent and collaborative products within the cannabis sector; that the software license agreement with OrionOne Global, Inc. should also open up several market opportunities for TruTrace in other key industries; the Company's ability to successfully acquire new customers; the Company's ability to successfully implement its technology, specifically the StrainSecure™ and TruTrace Enterprise™ Software as a Service (SaaS) solutions; management's assumptions regarding the sustainability of recurring revenue streams; that our technology will play an instrumental role in empowering manufacturers, licensed producers, medical practitioners, regulators and consumers with information regarding the quality of products in their respective market; the Pilot Program is intended to increase transparency, interoperability and product identification within the medical cannabis industry; the Pilot Program will use the Company'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; other LPs are expected to be announced as participants in the Pilot Program; that a number of prospective partners are expected to contribute to the successful implementation of the Company's technology; the Company's expectation that the Pilot Program will enable it to demonstrate the value of its technology platform to a broad cross-section of the industry; and the Company's expected profitability. 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.