

TruTrace Technologies Inc.

07:00 17 Apr 2020

TruTrace's blockchain-secured cannabis tracking technology sees strong adoption

- The firm's blockchain platform StrainSecure tracks intellectual property in the cannabis industry
- TruTrace has a medical cannabis pilot program with pharmacy chain Shoppers Drug Mart
- It is working with more than 10 major producers on the path to meaningful technology adoption

What TruTrace Technologies does:

If imitation is the highest form of flattery, counterfeiting should be quite the compliment. But in the cannabis industry, counterfeiting damages a licensed producer's bottom line, hurts their intellectual property, and poses a risk to medical cannabis users.

Fortunately for the legitimate cannabis industry, help is at hand. TruTrace Technologies Inc (CSE:TTT) (OTCMKTS:BKKSF) has developed the first blockchain-secured platform to track intellectual property for cannabis.

The company's StrainSecure track and trace platform provides mandatory testing, DNA-based product validation, and helps with intellectual property protection and product guarantees for patients and customers.

The Vancouver-based firm channels the power of blockchain to fix the grim realities of corrupted supply chains in the medical cannabis industry. It combines the power of big data with the security of blockchain to provide strain identification, registration and verification for cannabis at scale.

The firm's immutable, cryptographically secure technology is the brainchild of co-founder and chief technology officer Tommy Stephenson, who developed enterprise software platforms over two decades for companies such as Microsoft and Mercedes Benz. The company's Seattle development center has "a Disney feel" to it with the engineers exuding an "if we can dream it, we can build it" philosophy.

The Seattle team's goal has been to build a framework to help licensed cannabis producers and micro-cultivators easily and inexpensively move their products through the mandatory testing process. TruTrace places that test data on the blockchain for its own protection and that of the company's intellectual property.

In this way, the StrainSecure platform establishes an accurate, single source, validated, and permanent account for cannabis strains from seed source to market. A cannabis strain's genetics are stored into an immutable ledger and information is added during each processing stage.

In short, TruTrace's seed-to-sale tracking platform tackles two pain points in the cannabis industry: it modernizes the inventory tracking system and provides customers with details about a product's lab test results and cultivar.

How is it doing:

Price: 0.045

Market Cap: \$4.95 m

1 Year Share Price Graph



Share Information

Code: TTT

Listing: CSE

52 week High Low
0.13 0.025

Sector: Cannabis

Website: trutrace.co

Company Synopsis:

TruTrace is a full-service software company that builds technology to move and track products around the world. With the launch of its premiere product, StrainSecure, TruTrace has developed the first integrated blockchain platform, that registers and tracks cannabis intellectual property from genome to sale.

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In March, the cannabis-focused blockchain group attracted seasoned investor Cesare Fazari as a director, burnishing the credentials of TruTrace's board.

Fazari has CEO experience and has completed turnkey projects for Shoppers Drug Mart, Marshalls, Trade Secrets and Public Mobil. He has also been the seed venture capital investor in successful public companies such as Hydropothacary Corp., Ianthus, and Drone Delivery Services.

Meanwhile, a remarkable innovation renaissance is underway. Cannabis companies are being swept up in TruTrace and Canadian pharmacy giant Shoppers Drug Mart's medical cannabis pilot program. The retail-focused program uses TruTrace's StrainSecure technology as "a central hub" for identity management, asset tracking, validation, and product authentication.

Since last June, TruTrace has completed Phases 1 and 2 of the Shoppers Drug Mart pilot program. WeedMD Inc (CVE:WMD) (OCTMKTS:WDDMF) and Harvest One Cannabis (CVE:HVT) (OTCMKTS:HRVOF) are strong believers in the technology. WeedMD just saw 40 of its cannabis strains undergo validation as part of the pilot program.

Other firms participating in the TruTrace and Shoppers Drug Mart medical cannabis verification pilot program include Aphria Inc (TSE:APHA), Aurora Cannabis Inc (TSE:ACB), The Flowr Corp, Tilray Canada Ltd (NASDAQ:TLRY), United Greeneries, and Zenabis Global.

In tandem, TruTrace applied StrainSecure technology by fixing QR codes on just-launched AKESO hemp-derived CBD fitness water. A customer can now scan the QR code to learn instantly about the fitness water's test results. AKESO water consistently delivers around 12 milligrams of broad-spectrum CBD per bottle. NXT Water, the makers of Akeso water, wanted to communicate this to consumers so the company turned to TruTrace's StrainSecure platform.

On a separate note, TruTrace has 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.

In December 2019, TruTrace completed several non-brokered private placement financings of shares and convertible debentures, raising total net proceeds of \$967,000.

TruTrace reported an increase in revenue for its fiscal second quarter of 2020. In a statement released in December, the company said it generated revenue of \$303,520 in the second quarter, compared to nothing in the same period a year earlier, and \$48,000 in the first quarter.

Revenue growth for the quarter that ended October 31 was primarily driven by implementation fees associated with the use of StrainSecure technology.

TruTrace also said it saw a much smaller net loss of \$914,652 in the fiscal second quarter, compared to a loss of \$2.3 million in the same period a year earlier.

Inflection points:

- Massive upside potential seen from TruTrace's medical cannabis pilot program with Shoppers Drug Mart
- Already working with 10 major producers and finalizing contracts with several new clients as meaningful technology adoption accelerates
- Major gains expected as TruTrace executes on key deliverables in the coming months and the pilot advances towards full implementation
- TruTrace has focused on Canada, but is already seeing notable gains in South America and the United States
- On a long-term basis, Deloitte and TruTrace's alliance to deliver blockchain product-traceability solutions to the cannabis industry, is likely to spark new business opportunities

- StrainSecure could be a game-changer for the nascent industry by tracking cannabis from seed-to-sale, and providing quality assurance and real-time testing data

What the boss says:

In an interview with Proactive, TruTrace Technologies Inc CEO Robert Galarza said: "The hallmark for an innovative technology company is adoption at various levels of industry. A great idea without customers unfortunately will remain nothing more than an idea that never panned out."

He added: "We believe TruTrace has achieved this in its young history. From Shoppers Drug Mart and Deloitte, to WeedMD and NXT Water, we've found great adoption at many levels. We believe that sets us up for long-term success."

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