

TruTrace Technologies Inc.

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TruTrace Technologies protects intellectual property to send counterfeiters packing

Instagram is a hotbed for selling knockoff fashion and cannabis, from fake Chanel bags to phony Gucci slides to counterfeit vapes, cannabis oils and edibles.

Loudpack Farms spent US\$2.5 million on new packaging and hardware just to distinguish its award-winning Kingpen cannabis vapes from fakes. After Kingpen won 13 prizes, the company said knockoffs began proliferating at unlicensed dispensaries across California.

In a particularly brazen move, a counterfeiter went to cannabis cultivator THC Designs' website, downloaded data that showed how its marijuana had fared on state certification tests, then stuck the lab results on the side of fake products to assert authenticity.

READ: TruTrace welcomes Tilray to Phase 2 of its Shoppers Drug Mart cannabis verification program

Fortunately for the legitimate cannabis industry, help is finally at hand. TruTrace Technologies (CSE:TTT) has developed the first blockchain-secured platform to track intellectual property for cannabis. The company provides DNA-based cannabis product validation and helps with intellectual property protection and product guarantees for patients and customers.

"It's a combination of science, enterprise software, and blockchain technology," says TruTrace Chief Executive Officer Robert Galarza. "By focusing on granular genetic, chemical and contaminant data, as well as motion and movement information and then merging that into a blockchain we are able to provide real-time data on each product being purchased."

Galarza comes across as a veritable Renaissance man compared to most pinstriped CEOs. His background spans roles as a corporate attorney, movie producer, advertising executive, and entertainment lawyer. He's even managed professional fighters and co-founded the enterprise technology company Spark Digital Technologies.

Channeling the power of blockchain

With TruTrace, Galarza now channels the power of blockchain to enhance trust and fix the grim realities of corrupted supply chains in the medical cannabis industry.

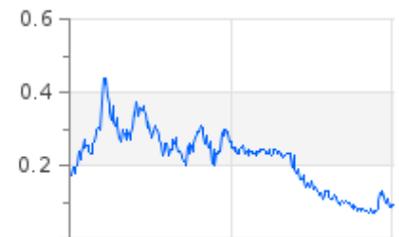
In a nutshell, TruTrace combines the power of big data with the security of blockchain to provide strain identification, registration and verification for cannabis at scale.

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.

Price: 0.085

Market Cap: \$7.06 m

1 Year Share Price Graph



January 2019 July 2019 January 2020

Share Information

Code: TTT

Listing: CSE

52 week High Low
0.495 0.06

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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Galarza says his favourite part of the job is traveling to Seattle to visit the development centre, which has "a Disney feel" to it. The engineers exude an "if we can dream it, we can build it" philosophy, he says.

The dream team in Seattle

"Tommy's passion and genius percolates into the team. At our core, we are data nerds who love cannabis and understand the issues around moving this product around the world. When blockchain came on our radar, we knew it could be a powerful tool in data management," says Galarza.

"Combining this with the immutable recording nature of blockchain also made it attractive as a protection method for intellectual property and creating a permanent lineage for cannabis strains."

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, TruTrace's StrainSecure cannabis tracking 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.

TruTrace's seed-to-sale tracking technology

In short, TruTrace's seed-to-sale tracking 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.

It's been a busy year for TruTrace, which listed on the Canadian Securities Exchange in June. The company expects momentum to continue into the second half of 2019 driven by its medical cannabis pilot program with national Canadian pharmacy chain Shoppers Drug Mart.

"Our biggest inflection point has been the relationship with Shoppers Drug Mart and Loblaws. I'm not sure everyone fully grasps how much it means to have a company of their size, history, and reputation in the medical cannabis industry," says Galarza.

Pilot program with Shoppers Drug Market

"Working alongside Shoppers changes the conversation about what our technology could mean for the industry because we are focusing on building a bridge between medical cannabis and the traditional medical industry - that's a bigger divide than people like to admit. If we can help make cannabis a customary part of medical treatment, it could impact the trajectory of the industry in a positive way."

In June, TruTrace announced a milestone deal with Shoppers Drug Mart for a pilot program to use its StrainSecure technology as a central hub for identity management, asset tracking, validation, and product authentication.

Licensed producers are also using TruTrace, in part to assure stakeholders that the medical cannabis industry is serious about offering a verified, standardized cannabis treatment option.

Harvest One Cannabis joined TruTrace's master genome strain and clone registration program in February to verify its United Greeneries cannabis strains, becoming one of StrainSecure's early adopters. The company said it turned to the platform so patients could enjoy an increased level of confidence in the consumption of its Satipharm branded cannabis sold through Shoppers.

Similarly, well-known medical cannabis producer WeedMD is a big believer. The Ontario-based company saw 40 of its cannabis strains undergo validation as part of the first phase of its pilot program with TruTrace.

Working with about 10 major producers

"We are working with about 10 major producers, with several others getting finalized at the moment. Although our focus has been in Canada throughout year one, we're seeing some exciting momentum in South America and the US as

well," says Galarza.

In another recent move, TruTrace applied StrainSecure technology to cannabis water company NXT Water by fixing QR codes on its just-launched AKESO hemp-derived fitness water. A customer can now scan the QR code to learn instantly about the fitness water's test results.

"This relationship was born out of a blind test they performed on several leading CBD water products in the US market. They found most of the products fell well below the advertised amount of CBD, with some having none at all," says Galarza.

"Alternatively, the AKESO product was consistently testing out at around 12 milligrams of broad-spectrum CBD per bottle and NXT wanted to find a way to communicate this to their customers. They turned to TruTrace and started using the StrainSecure platform."

Strong technology adoption

TruTrace has spent a lot of time, effort, and money perfecting its software. Now that the technology comprehensively solves a very real problem, long-time supporters are experiencing the moment they knew eventually had to come.

"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," points out Galarza.

"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."

As adoption grows with each new user, TruTrace further stakes its claim as a technology game-changer for the cannabis industry.

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