



JANUARY 2025 NEWSLETTER

TrustBIX Vision

At TrustBIX, our vision is to create a world where we trust more, waste less, and reward sustainable practices through our Gate to Plate® solutions.

2024: A Year of Achievements and Challenges

Despite the difficulties faced in 2024, we have several achievements to celebrate and challenges to acknowledge.

Alberta Food Security (AFS) Subsidiary Update

From April to October 2024, AFS hosted over 100 tours of our indoor farming showcase facility at the Calgary Tower Center. We welcomed local, regional, and national grocery distributors and retailers, as well as representatives from all levels of government. These tours engaged key strategic stakeholders in Canada's food supply, positioning us for future opportunities.



From October to December 2024, AFS hosted over 100 people at our Edmonton office to promote our new Urban FarmShare program. This unique opportunity allows participants to explore indoor vertical farming with minimal risk while receiving a fixed rental income. For more information, visit www.AlbertaFoodSecurity.com.

We will be hosting more meetings at our Edmonton office this month. Contact us at info@AlbertaFoodSecurity.com or 780 456 2207 for the schedule.

Lighting Technology Comparison

Our proprietary lighting technology allows us to:

1. Grow 150+ varieties of vegetables, fruits, and herbs.
2. Reduce operating costs with low power and water consumption compared to other indoor farm systems.
3. Be installed in virtually any building, including commercial offices and barns.

We recently compared our lighting technology to a popular brand growing gailan (Chinese broccoli) with surprising results. Both samples used the same type of grow towers, seeds, and nutrition mix, and were grown under similar temperature conditions. Our lighting system resulted in:

- Complete growth within 40 days, while the other required an additional week.
- Superior flavor and texture – our gailan was crunchy and flavorful, whereas the other was bitter and tough.
- Restaurant-quality produce, unlike the other sample.



We plan to conduct more tests and comparisons throughout the 2025 year for comprehensive data and validation.

AFS Sales and Revenue

Between January and June 2024, AFS signed orders and received initial deposits for its indoor farming technology totaling ~\$650,000, with an expected gross margin of ~25%.

On September 11, 2024, we received a signed purchase order for \$5 million from an arm's length customer to build multiple indoor vertical farms in Ontario, Canada. The terms require a 50% deposit prior to delivery, with the remaining balance due within 30 days of delivery. We anticipate a gross margin of approximately 15% on this order. Additionally, an annual fee of approximately 5% of the purchase price will be applied for automation and monitoring services. Revenue from these orders will be recognized upon product delivery.

ViewTrak Technologies Subsidiary Update



In December 2023, we announced plans to discontinue support for our old COBOL-based Market Master (MM) and Dealer Master systems as of January 1, 2025. Since then, our Auction Master Pro (AMP) team has been busy helping customers convert from MM to AMP. Due to the volume of requests, we have decided to extend support for Market Master and Dealer Master for another year to reduce stress for both our customers and our team.

For more information or a quotation, please call us at 780-456-2207.

Challenges

1. **Supplier Delays:** Our supplier, Agriplay Ventures, has experienced significant delays in manufacturing, impacting our ability to deliver equipment to existing orders and affecting our income. We are working closely with Agriplay to resolve this issue within the first few months of 2025.
2. **Facility Relocation:** At the end of October 2024, the Calgary Tower facility was dismantled as the landlord is converting the building into residential condos. Most of the equipment has been moved to Edmonton, where we are building a new commercial farm. More details will follow soon.



3. **Postal Strike Impact:** The Canadian postal strike has created a cash flow issue, with over \$200,000 in receivables currently "in the mail." We hope the postal service will catch up on their backlog by mid-January. Due to the strike, we conducted a small private placement in December 2024.

4. **Staffing Needs:** The high volume of requests to convert to Auction Master Pro has created a bottleneck, necessitating the need to hire and train more staff to ensure quality service.

TrustBIX Q3 (Sept/23 to June/24) Financial Milestones

Highlights:

- **Positive Cash Flow:** For the first time, the Company reported positive cash flow from operating activities, totaling \$54,443.

- **Net Loss Improvement:** Net loss and comprehensive loss improved to -\$9,773, compared to -\$548,243 in the same period in 2023.
- **Operating Expense Control:** Operating expenses decreased by 55.3% during the nine months ended June 30, 2024, compared to the same period in 2023, demonstrating diligent and successful cost management.

The 2024 year-end financials are expected later this month. The third quarter, which ended on June 30, 2024, has been a strong period for TrustBIX, marked by significant milestones. Compared to 2023, the Company reported:

- **Revenue:** \$1,185,729, a decrease of \$344,564 or 22.5%.
- **Operating Expenses:** \$1,565,667, a reduction of \$1,939,170 or 55.3%.
- **Net Loss and Comprehensive Loss:** -\$471,708, an improvement from -\$1,865,301 in 2023.
- **Cash Used in Operating Activities:** -\$54,287, compared to -\$668,928 in 2023.

The Company's financial results for the third quarter ended June 30, 2024, and the related MD&A, have been filed and are available on the System for Electronic Document Analysis and Retrieval (SEDAR+) at www.sedarplus.ca.

For more information on all announcements and press releases, please refer to <https://www.trustbix.com/media>.

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