

GTEC Extends Agreement to Facilitate Acquisition of Cannabis Genetics and Provides Updates on Other Corporate Matters

Kelowna, BC – December 24, 2019 – GTEC Holdings Ltd. (TSX-V:GTEC) (OTC:GGTTF) (FRA:1BUP) (“**GTEC**” or the “**Company**”) is pleased to announce that it has extended and revised its agreement with an Okanagan-based cannabis consulting firm (the “**Consultant**”) to facilitate acquisition and cultivation of cannabis genetics (“**cultivars**”), via its wholly owned subsidiary, Tumbleweed Farms Corp.

As previously announced, the parties originally signed an agreement dated October 19, 2018 and amendments dated October 19, 2018 and January 8, 2019, and revised terms (the “**Amendment**”) to: i) replace former royalty payments; ii) extend exclusivity commitments with respect to a broader array of cultivars supplied under the agreement; iii) grant to GTEC a limited right of first refusal on future cultivars developed by the Consultant, and (iv) limit the term of the agreement to June 30, 2023 (the “**Term**”).

On or about July 8, 2019, a GTEC licenced subsidiary received a number of unique cultivars, utilizing services provided by the Consultant (the “**Delivery**”). Further to execution of the Amendment, the Company has agreed to issue 1,900,000 common shares of GTEC (the “**Common Shares**”) to the Consultant as compensation for the Delivery. 271,429 Common Shares will be issued and released immediately, and the remainder will be held in escrow pending achievement of GTEC sales volumes of flower derived from specified cultivars, as set out below (collectively, the “**Targets**”):

- Target 1 271,429 shares issued upon signing of the consulting agreement
- Target 2 271,429 shares released from escrow upon achieving 1,000 KG in flower sales
- Target 3 271,429 shares released from escrow upon achieving 5,000 KG in flower sales
- Target 4 271,429 shares released from escrow upon achieving 10,000 KG in flower sales
- Target 5 271,429 shares released from escrow upon achieving 15,000 KG in flower sales
- Target 6 271,429 shares released from escrow upon achieving 20,000 KG in flower sales
- Target 7 271,429 shares released from escrow upon achieving 25,000 KG in flower sales

This Amendment and issuance of Common Shares thereunder are subject to final approval of the TSX Venture Exchange (“**TSXV**”). The Common Shares will be issued at a deemed value of \$0.21 per share and subject to a statutory hold period of four months and one day from the date of issuance thereof. Targets not achieved by the end of the Term will cause escrowed shares to be returned to GTEC for cancellation. The terms of escrow release act as a warranty for the cultivars provided by the Consultant and as security that the Consultant will comply with the exclusivity and right of first refusal provisions set out in the agreement.

Debt Repayment - Update

As reported in the Company's [Third Fiscal Quarter 2019 Results](#), GTEC had entered into an agreement to make an early payment of \$800,000 to its \$5 million senior secured convertible debenture holder. The payment was completed on December 11, 2019, and the principal balance of the loan has been reduced to \$4.2 million.

Recreational Cannabis Sales - Update

As announced on [December 2, 2019](#), the Company had debuted its recreational cannabis brands; BLK MKT and Tenzo in Provincial Sales Channels, with a subsequent follow-on purchase order received from the BCLDB. The Company had fulfilled its second purchase order from the BCLDB during the week of December 2, 2019 which was made available for purchase to wholesale distribution and public consumers on December 6, 2019 and promptly sold out within days. The Company has now received its third purchase order from the BCLDB and a follow-on order from its wholesale distributor in Saskatchewan. Both purchase orders are currently being fulfilled and are expected to be delivered in the coming weeks.

Sale of Interest in Saskatchewan Retail Application

The Company wishes to announce that as part of its strategy to focus on the cultivation of premium indoor flower, it has divested its 75% interest in the joint applicant entity, GreenTec Retail SK Inc., to its partner which held the other 25% interest. The sale was made further to a purchase and sale agreement dated November 29, 2019, for a total consideration of \$365,000.

Extending Investor Relations Services

GTEC has extended its engagement of MariCom Inc. ("**MariCom**"), a firm based out of Montreal, Quebec that specializes in providing fully bilingual investor relations services, and entered into a consulting agreement dated December 9, 2019 (the "**Agreement**"). MariCom will work with GTEC to further develop and deploy the Company's comprehensive capital markets strategy and campaign (the "**Services**") in accordance with TSXV policies and applicable securities laws and regulations.

Pursuant to the Agreement, MariCom will continue to provide the Services to the Company for 12 months. In consideration for the Services, the Company will issue to MariCom 200,000 options ("**Options**") to purchase common shares in the capital of the Company. The Options are exercisable at a price of \$0.30 per share for a term of two years and will vest in equal installments quarterly. MariCom currently holds 200,000 Options and 100,000 common shares of the Company. MariCom reserves the right to acquire any additional securities of the Company. The Agreement is subject to approval of the TSXV.

About GTEC

GTEC Holdings Ltd. is a specialized cannabis company which produces and distributes highly sought-after ultra-premium cannabis products in Canada. The Company has four licensed and operational assets and is currently distributing cannabis through medical and recreational sales channels. GTEC's products are currently achieving amongst the highest gross margins and retail pricing within its sector in Canada ^(A).

GTEC's exclusive cultivar collection includes rare and unique cultivars, which are not currently available from other Licenced Producers. GTEC's premium and ultra-premium product portfolio includes; *BLK MKT, Tenzo, GreenTec, Cognōscente and Treehugger*.

The Company wholly owns operations in BC, Alberta and Ontario, and is licensed by Health Canada for the following: sales into recreational supply chains, direct sales to medical patients, extraction, and analytical testing.

GTEC is a publicly traded corporation, listed on the TSX Venture Exchange (GTEC), OTCQB Venture Market (GGTTF) and Frankfurt Stock Exchange (1BUP). The Company's headquarters is based out of Kelowna, British Columbia. To learn more about the company or to request our most recent corporate presentation, please visit our website at www.gtec.co

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties, delay or failure to receive board, shareholder or regulatory approvals, where applicable, and the state of the capital markets. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. For instance, there can be no assurance that the Targets will be achieved, that the Company will fulfil all debt obligations, that there will be no further equity dilution or need to renegotiate debenture conversion price and terms, that purchase order deliveries will occur as expected or that current gross margins or retail pricing are sustainable. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Note (A): This analysis is based on the most recently available Financial Statements on SEDAR from publicly listed Licenced Producers (including GTEC), as of November 19, 2019. Companies included, were those listed on New Cannabis Ventures [Canadian Cannabis LP Index](#), that currently produce in a; greenhouse, indoor operation, or a combination of both, with quarterly

sales greater than \$1 million. Those with outdoor operations were excluded from the analysis. Based on the analysis GTEC had the third highest gross margin in the sector, and the no.1 highest based on those solely with indoor operations.