

Sprout AI Inc. Announces Initial Sales Order

Order marks commercialization milestone and provides significant upside potential

CALGARY, Alberta, Aug. 11, 2021 (GLOBE NEWSWIRE) -- **via InvestorWire -- Sprout AI Inc. ("Sprout AI" or the "Company") (CSE: SPRT)**, a technologically focused, sustainable vertical farming company that has developed scalable controlled aeroponic cultivation habitats, is pleased to announce that it has processed an initial purchase order (the "**Order**") of 140 units in connection with the Company's proprietary cultivation habitats (the "**Units**") from TheraCann International Benchmark Corporation ("**TheraCann**") in August 2021.

The Order represents gross revenue of approximately US\$2.1 million or net revenue of approximately US\$210,000 (US\$15,000 per Unit or net revenue of approximately US\$1,500 per Unit) and forms part of a TheraCann project with an arm's length party (the "**Project**"). The Project may require up to a total of 660 Units to be delivered by the Company over a period of the next 12 months, which would represent an aggregate gross revenue of up to US\$9.9 million (or approximately US\$990,000 in net revenue).

As and when any subsequent shipments of the Orders are made to TheraCann under the Project, the Company will provide further updates. There can be no assurance that any subsequent orders will be required and fulfilled, as all orders will be subject to the project site readiness, availability of inventory, volatility in the supply chain of critical components for the Units and other risk factors inherent in the agricultural business.

Under the terms of the Order, an initial payment of 20% for the 140 Units was received at the time of the Order. An additional payment of 30% of the Order will be received on or about Aug. 20, 2021, which, in aggregate, would represent 50% of the Order that was required to process this Order and commence assembly of the Order. The remaining 50% of the Order is due at the time of shipping. All payments are nonrefundable. Shipment of the Order is expected in the fourth quarter of 2021.

Chris Bolton, CEO, commented, "This initial Order represents a key milestone for the Company in commercializing its vertical farming technology. We are excited, as this order is the first step in establishing Sprout AI as a leading global provider of sustainable vertical farming solutions. In addition, the possible associated follow-on order provides the Company with significant shareholder value potential."

The Order was made pursuant to the terms of a distribution agreement between the Company and TheraCann dated Sept. 1, 2020 (the "**Agreement**"), pursuant to which TheraCann was appointed nonexclusive distributor for the purpose of marketing, selling and providing training and support for the Units. As disclosed in the Prospectus (as defined below), TheraCann is a major shareholder of the Company and considered a "related party" under applicable Canadian securities law.

Additional details in connection with the Agreement can be found on the Company's filings on www.sedar.com and, specifically, in its final prospectus dated May 31, 2021 (the "**Prospectus**").

About Sprout AI

Sprout AI is a vertical farming technology company in the business of planning, designing, manufacturing and/or assembling sustainable and scalable AI-controlled vertical cultivation equipment for indoor vertical farming. The adaptive technology produces an environment with improved growing parameters and early detection of adverse conditions resulting in consistent and repeatable crops, with shorter cultivation cycles independent of geographic climates.

The self-contained multilevel rolling rack technology increases the cubic cultivation area while mitigating the risk of outside and cross-contaminants.

Sprout AI's technology will provide solutions to the ever-increasing complexities surrounding the current and future supply of sustainable global food production and supply chain.

About TheraCann International

TheraCann International is the leading global supplier of full turn-key solutions for essential infrastructure and ongoing management within the urban food sector. TheraCann has achieved this position through further development and stabilization within the global supply chain.

For more information about Sprout AI, please visit <http://sproutai.solutions>.

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Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation, with respect to the Company. The forward-looking information included in this news release is not based on historical facts but, rather, on the expectations of the Company's management regarding the future growth of the Company, its results of operations, performance, business prospects and opportunities. This news release uses words such as "will," "expects," "anticipates," "intends," "plans," "believes," "estimates" or similar expressions to identify forward-looking information. Such forward-looking information reflects the current beliefs of the Company's management, based on information currently available to them.

This forward-looking information includes, among other things, statements relating to: the Order; the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company; and anticipated developments in operations of the Company. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions, and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and there can be no assurance that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, prospective investors should not place undue reliance on these forward-looking statements. Whether actual results, performance, or achievements will conform to the expectations and predictions of the Company is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including: global or national health concerns, including the outbreak of pandemic or contagious diseases, such as COVID-19 and including the evolution of new variants of COVID-19, the duration and effect thereof and delays relating to vaccine development, procurement and distribution; risks relating to the effective management of the Company's growth; liabilities and risks, including environmental liabilities and risks associated with the Company's operations; the Company's ability to attract and retain customers; the competitive nature of the industries in which the Company operates; and the other risk factors described in the Company's final long form prospectus dated May 31, 2021.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in the forward-looking statements. Information contained in forward-looking statements in this news release is provided as of the date of this news release, and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information or future events or results, except to the extent required by applicable Canadian securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements or the information contained in those statements.

All of the forward-looking information contained in this news release is expressly qualified by the foregoing cautionary statements.

Corporate Communications

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