



Sprout AI Inc. Vertical Farming Aims to Provide Sustainable Solutions to Global Food Production

Begins Growth Initiatives After Completion of Go Public Transaction and Financing

Calgary, Alberta, July 29, 2021 – Sprout AI Inc. ("Sprout AI" or the "Company") (CSE: SPRT) is a technologically focused, sustainable vertical farming company that has developed scalable controlled aeroponic cultivation habitats. 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.

Sprout AI is committed to both environmental and social sustainability. With a lowered carbon footprint, Sprout AI provides solutions to many of the negative environmental impacts generated by conventional farming methods, including over fertilization, long transport distances and biodiversity disturbances. Social sustainability is enhanced through increased food security from a simplified supply chain, especially during Covid-19, higher density production in a world with declining arable land per capita, and a food supply less susceptible to drought, floods, wildfires, disease and overall climate change.

The Company's vision is to be a leader in sustainable vertical cultivation technology by ensuring each harvest is of high quality, high yield, and with minimal product variability. The adaptive AI monitored aeroponic system generates less waste and requires a fraction of the water needed for outdoor, aquaponic, or hydroponic farming. As growth statistics from across the globe are collected, the learning technology will continue to perfect the growing formula, reducing the growth cycle and increasing future output. Additionally, the self-contained habitats reduce cross-contamination and disease which reduces the risk of large crop failures.

The Sprout AI habitats are highly relevant in urban and remote areas alike, and can be assembled in any structure throughout the world that meets, or can meet, food grade requirements, mitigating the need for a purpose-built structure and allowing it to take advantage of virtually any vacant indoor space.

The Value of Sprout AI

- **Local Availability.** Achieve consistent, year-round local supply of indigenous and non-indigenous produce that is agnostic to seasons, climates, weather and geographies.
- **Environmentally Friendly.** Up to 95% water savings⁽¹⁾, significant reduction in fossil fuel required to plant, sow, fertilize and transport crops, and reduces land use and biodiversity disturbances.



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- **Risk Mitigation.** Mitigation against natural disasters such as hail and wildfires that can wipe out entire crops, droughts and infestations that can adversely impact yields, and supply chain impacts such as Covid-19.
- **Consistent Quality.** Controlled, repeatable growing conditions allow for consistent quality produce that can be rapidly delivered to local markets and reduces the number of perishables from long range shipping.
- **Meeting Organic Preferences.** Consumer preferences are evolving to more natural, organic products⁽²⁾. The controlled environment of vertical farming reduces the need for chemicals and pesticides.
- **Enhanced Food Safety.** Tracking and recall of local produce serving a local market is more manageable than produce grown in international jurisdictions and shipped to a broad network of international markets.
- **Feeding a Growing Population.** Up to 100x more productive than traditional methods⁽³⁾, providing a solution to feed a growing global population amid a decrease in arable land per capita⁽⁴⁾.

The Sprout AI Business Model and Growth Initiatives

Sprout AI is focused on a two-pronged approach to continue to commercialize its technology. Both paths are intended to provide ongoing, recurring revenue; (i) turnkey unit sales to third parties with ongoing support, and (ii) the construction of proprietary vertical farms owned 100% by Sprout AI or in a joint venture or partner format. These proprietary farms will utilize Sprout AI technology and be branded under Beyond Farms™, a trademark owned by Sprout AI.

Since completing the go public transaction and financing on July 5th, 2021, Sprout AI has aggressively expanded its resource base, and has begun to fulfill its first third party sales of Sprout AI units. Sprout AI has also begun discussions with potential partners for the construction of a sustainably operated Beyond Farms™ vertical farming facility in Canada, and potentially other jurisdictions around the world.

More information about the business of the Company can be found in the final long-form prospectus of Sprout AI dated May 31, 2021, and the listing statement dated June 30, 2021, both available on the Company's SEDAR profile at www.sedar.com.

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



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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 multi-level rolling rack technology increases the cubic cultivation area while mitigating the risk of outside and cross-contaminants.

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 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



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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.

- (1) Columbia University Earth Institute. "How Sustainable Is Vertical Farming? Students Try to Answer the Question"
- (2) Fortune Business Insights. "Organic Foods Market Size, Share & Industry Analysis, By Raw Material/Commodity (Fruits and Vegetables, Cereals and Grains, Others), By End-use (Bakery & Confectionery, Ready-to-eat food products, Breakfast Cereals, Processing Industry, Others), By Distribution Channel (Direct Market, Processing Industry) and Regional Forecast 2019-2026"
- (3) Plant Factory: An Indoor Vertical Farming System for Efficient Quality Food Production. Toyoki Kozai, Genhua Niu and Michiko Takagaki.
- (4) The World Bank