

Sprout AI Inc. Announces Initial Sales Order

Order achieves commercialization milestone and provides significant upside potential

VANCOUVER, British Columbia, Sept. 21, 2021 (GLOBE NEWSWIRE) -- **via InvestorWire — 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 a sustainable global food production and supply chain. The Company is pleased to announce that it has been selected as the cultivation technology of choice for the purpose of cultivating controlled substances for JT Medical LLC (“**JT Medical**”) based in Pennsylvania, USA.

JT Medical, having completed its first site visit with the Drug Enforcement Administration (DEA), is moving forward with the next steps required to obtain its license to cultivate, process and distribute a multitude of controlled plants to be used for medical research and development (the “**License**”). Plants under the license will include psilocybin mushroom, cannabis, and peyote and their derivatives. Under the license, the primary cultivation technology to be used is the Sprout AI’s proprietary cultivation habitats (the “**Units**”). The installation, set-up and management of the Units will be provided by TheraCann International Benchmark Corporation (“**TheraCann**”) which has an existing managed services agreement with JT Medical.

According to Scott Noerr, JT Medical co-founder and CFO: “Our team needed to secure a partner to provide the cultivation services and tracing technology required to create International Organization for Standardization (ISO) level manufacturing processes. We vetted nearly a dozen companies before selecting TheraCann. We chose them due to the vast array of managed services they offer, but more importantly, the development they have provided internationally. With TheraCann, researchers can secure small-batch, customizable, repeatable and traceable results. With the eventuality of our final site inspection expected to complete shortly, hospitals, prescribers and insurance companies will be able to count on our team to provide a national and international supply capacity. Behind all of that is the technology developed under TheraCann’s guidance of which we were grateful to secure their partnership.”

This order forms part of a larger TheraCann project (the “**Project**”) with an arm’s length party and confirms the Company’s ability to meet and exceed DEA Licensing requirements to ensure repeatability and the highest quality of plant-derived medicines. The total number of units to be delivered by the Company over the next 12 months will be based on JT Medical securing their cultivation request for domestic and/or international research and development projects. On Sept. 2, 2021, the DEA proposed a substantial increase in the amount of marijuana and psilocybin that can be legally produced for research. The DEA stated these are “necessary steps toward potential Food and Drug Administration (FDA) approval of new drug products.”

According to Mr. Noerr: “The research potential provided by the DEA could give incredible value to the medicinal market, not just for cannabis, but for plant-based medicine as a whole. The world has forgotten its history of plant use; opening the gates to more accessible research is a long time coming. We are optimistic that the DEA & NIDA (National Institute on Drug Abuse) can work together with us to help bring a plant-based healing revolution.”

TheraCann will provide further updates and place orders simultaneously to the company as the project expands. Assurance that subsequent orders will be required or fulfilled is unsecured 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 50% is required at the time of the Order to commence assembly. The remaining 50% of the Order is due at the time of shipping. All payments are non-refundable. Shipment of the Order is expected in the fourth quarter of 2021.

Sprout AI CEO Chris Bolton commented: “Sprout AI’s selection by JT Medical as their choice indoor vertical cultivation technology represents an additional key milestone for the Company. Utilizing Sprout AI for this DEA medical research license Project further demonstrates Sprout AI’s highest level of plant crop flexibility, quality and repeatability. We are excited that our inclusion in this Project is yet another step in further establishing Sprout AI as a leading global provider of sustainable vertical farming solutions for the cultivation of plant-based medicinal research and development grade products. JT Medical’s ability to import and export controlled plant-based substances, utilizing Sprout AI technology, cannot be underestimated. In addition, the possible associated follow-on order provides the Company 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**”) in which TheraCann was appointed non-exclusive distributor for 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 multi-level rolling rack technology increases the cubic cultivation area while mitigating the risk of outside and cross-contaminants.

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.

About JT Medical

JT Medical's goal is to bring repeatable and verifiable results to an industry that has been underserved and Insufficiently researched for decades. Having qualified in Pennsylvania to file for a DEA medical cannabis license in 2017, and then seeing the opportunity to extend that license to other plants including psilocybin mushroom and peyote, JT Medical is poised for rapid growth.

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.

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