



Sproutly Acquires Assets of CannaHive Inc.

Vancouver, BC, August 16 , 2021 – Sproutly Canada, Inc. (CSE: SPR) (OTCQB: SRUTF) (FSE: 38G) ("**Sproutly**" or the "**Company**"), is pleased to announce it has acquired the primary assets of CannaHive Inc. (the "**Acquisition**"). The Acquisition supercedes the definitive agreement between the companies announced in April of this year.

The Acquisition provides Sproutly with fully automated, pharmaceutical grade manufacturing equipment to produce high quality cannabis confectionaries, such as gummies and chocolates, at a lower cost and at a larger scale to meet the projected demands for the Canadian market.

"The equipment produces edibles at large scale directly into blister packs without exposure to airborne contaminations, a common challenge for many traditional manufacturing processes. This acquisition offers superior economics compared to the prior agreement. We now have the in-house capability and control over large scale production of unique gummies incorporating proprietary cannabis ingredients produced by our APP technology, enabling us to offer a premium whole-plant product at a competitive price point." said Dr. Arup Sen, Chief Executive Officer and Director of Sproutly. "We will adjust our product commercialization plans accordingly with a clear path to the national launch of current and future formulations of our true-to-strain, whole-plant gummies that we are filing with Health Canada." added Dr. Sen.

About Sproutly Canada, Inc.

Sproutly's core objective is to become the leading supplier of unique ingredients and customized formulations to the cannabis beverage and edibles market. Our natural water-soluble Infuz₂O and BioNatural Oils will deliver revolutionary brands to international markets that are striving to produce a diverse portfolio of differentiated consumer products. Sproutly's business focus is to execute on partnerships with local and globally established consumer brands to leverage their existing customer bases, further expand brand loyalty, assist with marketing, and support distribution networks to deliver this scientific breakthrough with speed and efficiency worldwide.

For more information on Sproutly, please visit: www.sproutly.ca.

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Forward-Looking Statements

Cautionary Note Regarding Forward-Looking Statements: This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws or forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to future events or future performance and reflect the expectations or believes regarding future events of management of Sproutly. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as "intends" or "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would" or "occur". This information and these statements, referred to herein as "forward-looking statements", are not historical facts, are made as of the date of this news release and include without limitation, statements regarding discussions of future plans, estimates and forecasts and statements as to management's expectations and intentions with respect to, among other things, timing relating to the Company's ability to launch additional products.

These forward-looking statements involve numerous risks and uncertainties and actual results might differ materially from results suggested in any forward-looking statements. These assumptions, risks and

uncertainties include, among other things, the Company's inability to launch or supply its products in Canada; the Company's inability to launch additional products; potential negative consumer, investor or public perception of the additional product lines; changes in consumer preferences and product trends; and political, legal and regulatory uncertainty relating to cannabis products generally. In making the forward looking statements in this news release, the Company has applied several material assumptions, including without limitation, that the Company will launch its products in Canada; that the Company's products will be positively received by consumers in Canada; and that the Company will continue to develop and launch its Cannabis 2.0 products. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statement, forward-looking information or financial outlook that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.