



NEWS RELEASE

SPARC AI ANNOUNCES CLOSING OF PRIVATE PLACEMENT

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Vancouver, Canada – March 25, 2026 — SPARC AI Inc. (the “**Company**”) (CSE: SPAI) (OTCQB: SPAIF) (Frankfurt: 5OV0) is pleased to announce that it has closed its upsized non-brokered private placement (the “**Offering**”) of 1,714,286 units (each, a “**Unit**”), at a price of \$1.40 per Unit, for gross proceeds of \$2,400,000. No finder’s fee is payable for this private placement.

Each Unit consists of one common share of the Company and one common share purchase warrant (each, a “**Warrant**”). Each Warrant entitles the holder to purchase one common share of the Company at a price of \$1.80 at any time on or before the date which is twenty-four months after the closing date of the Offering. If the closing price of the common shares of the Company on the Canadian Securities Exchange exceeds \$3.00 for a period of ten consecutive trading days, the Company may elect to accelerate the expiry date of the Warrants.

The net proceeds raised from the Offering will be used to advance development of the Company’s Overwatch platform, commercialization activities, and for working capital and general corporate purposes.

The Units issued under the Offering were offered for sale pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 – *Prospectus Exemptions*, as amended by CSA Coordinated Blanket Order 45-935 – *Exemptions from Certain Conditions of the Listed Issuer Financing Exemption* (collectively, the “**Listed Issuer Financing Exemption**”), in all provinces of Canada, except Quebec, and other qualifying jurisdictions, including the United States. The Units offered under the Listed Issuer Financing Exemption will be immediately “free-trading” under applicable Canadian securities laws.

Insiders of the Company acquired an aggregate of 156,858 Units in the Offering, corresponding to an aggregate subscription price of \$219,601.20, which participation constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). However, such participation is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively, as neither the fair market value of the Units acquired by the insiders of the Company, nor the consideration for the Units paid by such insiders, exceed 25% of the Company’s market capitalization for the purposes of MI 61-101. The Company expects to file a material change report including details with respect to such related party transaction less than 21 days prior to the closing of the Offering, which the Company deems reasonable in the circumstances so as to be able to avail itself of available financing opportunities and complete the Offering in an expeditious manner.

This press release is not an offer to sell or the solicitation of an offer to buy the securities in the United States or in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to qualification or registration under the securities laws of such jurisdiction. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and such securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from U.S. registration requirements and applicable U.S. state securities laws.

About SPARC AI Inc.

SPARC AI is a defence technology company solving one of the most critical challenges in modern autonomous systems: accurate navigation and targeting when GPS is unavailable. The company's AI-powered platform transforms the low-cost inertial sensors already inside commercial drones into precision instruments without additional hardware, external signals, or complex integration. SPARC AI's software-only approach makes GPS-denied capability for target acquisition and navigation accessible at the price point and scale that modern drone operations demand, from single platforms to fleets of thousands.

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Cautionary Statement Regarding Forward-Looking Statements

This news release contains “forward-looking statements” or “forward-looking information” (collectively, “forward-looking statements”) within the meaning of applicable securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as of the date of this news release. Forward-looking statements include, but are not limited to, statements regarding the intended use of proceeds from the Offering.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by forward-looking statements contained herein. 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. Certain important factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements are highlighted in the “Risks and Uncertainties” in the Company’s management discussion and analysis.

Forward-looking statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company’s actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation: reliance on key management and other personnel; potential downturns in economic conditions; competition from others; market factors, including future demand products developed by the Company; the policies and actions of foreign governments, which could impact the ability of the Company to successfully market its products; the Company’s

expectations in connection with the development of the Target Acquisition System and the Overwatch platform; the effectiveness of the Target Acquisition System and the Overwatch platform; changes in national and local government legislation, taxation, controls or regulations and/or changes in the administration or laws, policies and practices; the impact of general business and economic conditions; currency exchange rates; and the impact of inflation.

The forward-looking statements contained in this news release are expressly qualified by this cautionary statement. Any forward-looking statements and the assumptions made with respect thereto are made as of the date of this news release and, accordingly, are subject to change after such date. The Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. 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. Accordingly, readers should not place undue reliance on forward-looking statements.

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