



## **SPROUTLY ANNOUNCES FINANCIAL RESULTS FOR THE THIRD QUARTER OF 2021**

***NOT FOR DISSEMINATION IN THE US OR THROUGH US NEWSWIRE SERVICES***

**VANCOUVER, B.C., January 29, 2021** – Sproutly Canada, Inc. (CSE: SPR) (FRA: 38G) (OTCQB: SRUTF) (“**Sproutly**” or the “**Company**”) today announced the Company’s financial results for the third quarter ended November 30, 2020.

"This was a significant quarter for us in that we received our Cannabis 2.0 sales license which then subsequently allowed us to sign two LOI’s as we further transition into a 2.0 product focused company." said Dr. Arup Sen, Chief Executive Officer of Sproutly. "With the 2.0 license and these partnerships, we are ideally positioned to leverage our THR facility to produce differentiated cannabis and hemp products that use the natural water soluble and oil ingredients with our APP technology in Canada."

### **Highlights for the Third Quarter Ended November 30, 2020**

- The Company’s wholly-owned subsidiary, Toronto Herbal Remedies Inc., (“THR”), a licensed producer and processor under the Cannabis Act, received its cannabis extract sales license from Health Canada. THR is authorized to manufacture and sell Cannabis 2.0 products directly to provincial distributors and other authorized Canadian retail supply channels. THR’s ability to sell Cannabis 2.0 products allows it to utilize its licensed APP technology and offer the Company’s strain specific cannabis extracts, edible and beverage products in Canada through its existing provincial sales relationships.
- THR entered into a cannabis supply agreement with the province of Ontario through the OCS. Ontario will be the 6th province in Canada to carry the Company’s CALIBER branded products, following Saskatchewan, Manitoba, and British Columbia earlier this year as well as Alberta and New Brunswick in 2019.
- The Company amended the maturity date of its previously issued convertible debentures from October 24, 2020 to April 24, 2021 and reduced the conversion price from \$0.105 to \$0.06 per share.
- The Company and Infusion Biosciences Inc. (“Infusion”) extended the maturity dates of both the \$1 million private loan issued by Infusion to the Company on January 28, 2020, and the \$855,000 private loan issued by Infusion to the Company on August 27, 2020, by six months to April 24, 2021.
- The Company settled an aggregate of \$182,340 of payroll indebtedness owed to certain current and former employees for past services rendered through the issuance of 2,604,867 common shares at a deemed issuance price of \$0.07 per share.
- The Company settled an aggregate of approximately \$69,300 of indebtedness owed to one arms-

length creditor for past services rendered through the issuance of 1,386,000 common shares at a deemed issuance price of \$0.05 per share.

### **Subsequent Events**

- The Company executed a Letter of Intent to enter into a commercial relationship with Cannabis Manufacturer's Guild Ltd. ("CMG"). The agreement will allow Sproutly to expand and diversify its flower and Cannabis 2.0 product offerings utilizing brands developed by CMG and its affiliates (the "Acquired Products"), through THR. The agreement allows Sproutly to sell the Acquired Products and facilitate potential business-to-business sales of Sproutly's proprietary whole plant extracts to CMG's network of Guild members.
- The Company executed a Letter of Intent to enter into a commercial relationship with CannaHive Inc. The agreement will allow the Company to further expand its Cannabis 2.0 product offerings at THR. Sproutly will leverage CannaHive's proprietary manufacturing and packaging equipment and intellectual property to produce cannabis dissolvable powder at THR's licensed facility. These relationships will provide synergies for the branding, commercialization, and distribution of a portfolio of cannabis products through THR's existing agreements with multiple provinces in Canada.

### **Consolidated Financial Statements and Management's Discussion and Analysis**

The Company's unaudited consolidated interim financial statements and accompanying notes at and for the period ended November 30, 2020, and the Company's Management's Discussion and Analysis for the period ended November 30, 2020 are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **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 water-soluble Infuz<sub>2</sub>O and BioNatural Oils will deliver unique 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 the benefits of the APP technology with speed and efficiency worldwide.

For more information on Sproutly, please visit [www.sproutly.ca](http://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 beliefs regarding future events of management of Sproutly Canada. 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, the date of trading of the Sproutly Shares on the CSE and final regulatory approvals. 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 state of the economy in general and capital markets in particular, and other factors, many of which are beyond the control of Sproutly Canada. 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 out-look that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.