



SPROUTLY ANNOUNCES FINANCIAL RESULTS FOR THE FISCAL YEAR 2021

NOT FOR DISSEMINATION IN THE US OR THROUGH US NEWSWIRE SERVICES

VANCOUVER, B.C., July 19, 2021 – Sproutly Canada, Inc. (CSE: SPR) (FRA: 38G) (OTCQB: SRUTF) (“**Sproutly**” or the “**Company**”) today announced the Company’s financial results for the fiscal year ended February 28, 2021.

"Fiscal 2021 was a transitional year for Sproutly. With the onset of the COVID-19 pandemic, we created and began to implement our business transformation plan. This resulted in a significant decrease in our operating expenses and a substantial change to the business strategy to focus on the proprietary APP Technology for Cannabis 2.0 product opportunities and away from the capital-intensive cannabis cultivation business." said Dr. Arup Sen, Chief Executive Officer and Director of Sproutly. "Following the receipt of the Cannabis 2.0 license, we converted our licensed facility and signed agreements with partners to focus on the production, marketing, and sales of innovative cannabis 2.0 products."

Highlights for the Fourth Quarter Ended February 28, 2021

- The Company executed a Letter of Intent to enter into a commercial relationship with Cannabis Manufacturer’s Guild Ltd. (“CMG”).
- The Company executed a Letter of Intent to enter into a commercial relationship with CannaHive Inc. (“CannaHive”). The agreement will allow the Company to cost effectively manufacture certain cannabis 2.0 edible products.

Subsequent Events

- The Company issued 26,966,037 units at \$0.05 per unit for a total of \$1,348,302, with each Unit consisting of one common share and one non-transferable common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at an exercise price of \$0.07 for a period of two years from the date of issue.
- The Company announced it executed a definitive agreement with CannaHive. This agreement finalizes the commercial arrangement with CannaHive to produce Cannabis 2.0 products at THR’s licensed facility. This agreement allows Sproutly to utilize CannaHive’s proprietary manufacturing and packaging equipment and related intellectual property to manufacture cannabis infused edibles, such as gummies and candies, at the THR facility.
- The Company completed the formulation of its initial edible gummy and beverage products and filed with Health Canada its NNCP notification required to sell these products in Canada.

- The Company executed a Definitive Agreement with CMG. The Agreement allows Sproutly to utilize brands developed by CMG and its affiliates and expand its innovative product portfolio (the “Acquired Products”) that will be produced and sold by THR. The Agreement will allow Sproutly to facilitate potential business-to-business sales of proprietary whole plant extracts to CMG’s network of Guild members.

Consolidated Financial Statements and Management's Discussion and Analysis

The Company’s unaudited consolidated interim financial statements and accompanying notes at and for the year ended February 28, 2021, and the Company's Management's Discussion and Analysis for the year ended February 28, 2021, are available under the Company's profile on SEDAR at 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 Infuz₂O 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.

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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.