



## **SPROUTLY ANNOUNCES FINANCIAL RESULTS FOR THE SECOND QUARTER OF FISCAL 2022**

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

**VANCOUVER, B.C., October 29, 2021** – Sproutly Canada, Inc. (CSE: SPR) (FRA: 38G) (OTCQB: SRUTF) (“**Sproutly**” or the “**Company**”) today announced the Company’s financial results for the second quarter ended August 31, 2021.

"We continued to make progress in the development of our 2.0 products through the first half of fiscal 2022, as well as establishing the necessary groundwork with the partnership with Kingston Cannabis Inc. (“KCI”)" said Dr. Arup Sen, Chief Executive Officer and Director of Sproutly. "We are focused on long term sustainability in order to deliver 2.0 and in time, 3.0 products, to the Canadian market and believe that partnerships like the one with KCI are an important next step."

### **Highlights for the Second Quarter Ended August 31, 2021**

- Pursuant to a convertible debenture indenture dated October 24, 2018 between the Company and TSX Trust Company, as trustee, the Company converted a principal amount of \$250,000 under the Indenture. Pursuant to the terms of the Indenture, all accrued and unpaid interest on the converted Principal also becomes due and payable and the Company settled \$8,222.22 in interest through the issuance of 91,358 common shares in the capital of the Company at a price of \$0.09 per share.
- Pursuant to a convertible debenture indenture dated October 24, 2018 between the Company and TSX Trust Company, as trustee, the Company settled accrued and unpaid interest under the Indenture in the amount of \$70,000 through the issuance of 1,166,666 common shares in the capital of the Company at a price of \$0.06 per share.
- The Company acquired of the primary assets of CannaHive Inc. (the “Acquisition”). The Acquisition supercedes the definitive agreement between the companies announced in April of this year.

### **Subsequent Events**

- The Company settled outstanding current debt of the Company and the Company’s subsidiary, Toronto Herbal Remedies Inc., in the aggregate amount of \$145,448.44, pursuant to the terms of debt settlement agreements with two arm’s length creditors. In settlement of the Debt, the Company has issued an aggregate of 2,908,968 common shares in the capital of the Company at a price of \$0.05 per share.

- The Company signed a Letter of Intent for the formation of a commercial relationship with Kingston Cannabis Inc. (“KCI”), to produce its cannabis-infused beverages through a co-packing arrangement with KCI. KCI’s affiliate, Kingston Aluminum Technologies Inc. (“KAT”) will provide custom designed aluminum packaging for Sproutly’s products. In addition, KCI and Sproutly will collaborate on the consumer evaluation of Sproutly’s formulations that are made using ingredients produced by the proprietary APP cannabis processing technology.

### **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 August 31, 2021, and the Company's Management's Discussion and Analysis for the period ended August 31, 2021, 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 outlook that are incorporated by reference herein, except in accordance with applicable securities laws. We seek safe harbor.