



SPARC AI Expands Overwatch Targeting Capability with Image Recognition and Successful 43km Target Acquisition Test

Vancouver, Canada – June 9, 2026 — SPARC AI Inc. (the “Company”) (CSE: SPAI) (OTCQB: SPAIF) (Frankfurt: 5OV0) a defence technology company building Overwatch, the GPS denied navigation and target acquisition software platform for drones and autonomous systems, today announced the successful completion of a 43km long-range target acquisition test conducted over open water in Port Phillip Bay, Victoria, Australia. The target recording was done at a drone height of 115m above ground level.

The 43km demonstrated span is comparable to, and in some measurements exceeds, the narrowest width of the **Strait of Hormuz**, one of the world’s most strategically significant maritime chokepoints. The comparison illustrates the scale of contested, GPS-denied maritime environments in which the capability is designed to operate.

SPARC AI is also pleased to announce it has integrated image recognition into the SPARC AI drone controller application, adding further capability to its targeting solution. Overwatch brings together targets recorded by multiple drones across different manufacturers and different locations onto a single operating map, where operators can classify and track targets, collaborate, and plan missions in one shared picture. With image recognition now overlaid onto that picture, operators gain richer intelligence and can respond more rapidly across teams.

Capabilities of this kind have historically been locked inside expensive, proprietary drone platforms. By delivering them as software across any manufacturer's hardware, the Company believes Overwatch meaningfully expands its addressable market and positions the platform as a premium software layer rather than a single-aircraft feature.

Looking ahead, the next phase of Overwatch's development will introduce the ability to deploy multiple drones directly from the platform. The company is developing teaming and swarm capability that it believes will be unique to Overwatch with the ability to deploy and coordinate drones from different manufacturers, operating from different locations, simultaneously and to do so in a GPS-denied environment.

SPARC AI intends to make these capabilities available to its partners in Dubai, Ukraine and the United States with the next software update.

About SPARC AI Inc.

SPARC AI Inc. develops next-generation, GPS-free target acquisition and intelligence software for defence drones and edge devices. Its zero-signature technology delivers real-time detection, tracking, and behavioural insights without reliance on radar, lidar, or heavy sensors. SPARC AI's flagship platform, Overwatch, provides defence operators and commanders with unmatched situational awareness across the connected fleet. The Company is committed to building a scalable software platform that defines the future of defence drone intelligence globally.

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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 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: the failure to complete the Offering; 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; the effectiveness of the Target Acquisition System; 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

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