SPARC AI OPTION GRANT

VANCOUVER, British Columbia — August 24, 2026 — SPARC AI Inc. (CSE: SPAI; OTCQB: SPAIF; Frankfurt: 5OV0) ("**SPARC AI**" or the "**Company**") announces the granting of incentive stock options to directors and CEO of the company pursuant to the company's stock option plan.

The proposed equity incentive grants are the first awards of their kind made to the Company's CEO and directors in more than three years. During this period, the CEO and directors have not received stock options, restricted share units or any other form of equity-based incentive compensation. Directors Anthony Haberfield and Don Hilton have each been granted 200,000 stock options, exercisable at $3.10 per share for a period of three years. Anoosh Manzoori, Chief Executive Officer, has been granted 200,000 stock options on the same terms, together with 300,000 restricted share units as a long-term incentive, which will vest after four years. The Board believes these grants provide an appropriate balance between rewarding continued contribution and maintaining a strong long-term focus on the Company's growth, execution of its strategy and creation of sustainable shareholder value.

About SPARC AI Inc.

SPARC AI is a defense technology company solving navigation in GNSS-denied environments. Its flagship product, Overwatch, is a platform that ingests telemetry from drones and other moving platforms and returns absolute latitude and longitude — no onboard software, no edge hardware, and no reliance on GPS. Delivered as a stateless service, Overwatch gives commercial and defense operators dependable positioning wherever satellite signals are jammed, spoofed, or unavailable.

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on the current expectations, estimates, beliefs and assumptions of management as of the date hereof. Such statements are subject to several known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, risks related to the use of proceeds, market conditions, competition, development activities, pricing, and general economic conditions. Although the Company believes that the assumptions and expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are made as of the date hereof, and the Company undertakes no obligation to update or revise any forward-looking statements, except as required by applicable law.

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