SPARC AI Signs MOU for European Fixed-Wing UAV Integration and advances Commercial Strategy in the Middle East

VANCOUVER, British Columbia — October 26, 2026 — SPARC AI Inc. (CSE: SPAI; OTCQB: SPAIF; Frankfurt: 5OV0) ("**SPARC AI**" or the "**Company**") a defense technology company, today announced that it has entered into a Memorandum of Understanding ("MOU") with a major drone original equipment manufacturer ("OEM") and supplier in Europe.

Highlights:

- **Signed MOU with Drone OEM in Europe**
- **Expansion of Overwatch into Fixed-Wing platforms**
- **Integration of Overwatch Intelligence, a consolidated view of connected aircraft**
- **New Opportunities Beyond Defense**
- **Field proven in Ukraine and the Middle East by operators on their own aircraft**

Under the MOU the manufacturer will integrate and evaluate Overwatch, the Company's positioning network for GPS-denied environments, on two new fixed-wing unmanned aerial vehicles ("UAVs"), with a defined path to commercial deployment once testing has been validated. Due to the highly security-sensitive nature of the agreement, the identity of the manufacturer and the jurisdiction, which is in Europe, are not being disclosed. The MOU is one of several engagements the Company has under way with drone manufacturers and end-user operators in the region, which range from evaluation of Overwatch on their platforms through to commercial discussions, and the Company expects to provide further updates as these progress.

The fixed-wing manufacturer will conduct independent testing and validation with SPARC AI providing engineering, training and standby support during the testing program. The MOU is structured so that integration and evaluation lead directly to commercial deployment.

The program represents the first integration of Overwatch on these two fixed-wing UAV platforms. Fixed-wing aircraft typically operate over greater distances and for longer durations than multirotor drones, increasing the importance of reliable positioning when GPS signals are unavailable denied or downgraded

Fleet-Wide Positioning Intelligence

The integration also incorporates Overwatch Intelligence, the Company's platform for consolidating positioning data from multiple connected drones and UAVs into a unified operational picture

Overwatch Intelligence is designed to provide mission commanders with a consolidated view of connected aircraft, including their positions, observation data and movement history on a single map delivering fleet-wide intelligence in GPS denied environments.

This capability is intended to support coordinated operations in which maintaining situational awareness across multiple aircraft is critical.

Field Proven by Operators on Their Own Aircraft

The MOU follows independently verified live trials of Overwatch under GPS jamming in Ukraine and GPS spoofing in the Middle East. These were run by the operators themselves, on their own aircraft and at their own locations, rather than by SPARC AI on a demonstration airframe.

Opportunities Beyond Defense/ Advancing Commercial Engagements

Overwatch is a dual-use product with applications across defense, commercial and emergency response markets.

The same network that positions a drone under jamming also serves operators who need reliable positioning where GPS is unavailable or unreliable including inside and around critical infrastructure, in urban canyons and during disaster response. The Company is receiving interest in Overwatch for commercial use cases alongside its defense engagements and intends to pursue these opportunities.

Following a successful validation of Overwatch, SPARC AI has also entered into an agreement with a regional advisory firm to support and advance both defense and commercial activities in the Middle East.

As described above, a government ministry flew Overwatch on its own government-owned drones under GPS spoofing conditions, obtaining the position of the aircraft and then the coordinates of a target. The advisory firm will support SPARC AI in converting that validation into commercial engagements with government and defense customers in the region.

About SPARC AI Inc.

SPARC AI is a defense technology company solving for assured positioning in GNSS-denied environments. Its flagship product, Overwatch, is a platform that ingests telemetry from drones and other systems and 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 enabling navigation and geospatial intelligence wherever satellite signals are jammed, spoofed, or unavailable.

For further information contact:

SPARC AI Inc.

E-mail: investors@sparcai.com

Web: www.sparcai.com

Tel: (213) 459-3994

Cautionary Statement Regarding Forward-Looking Statements

This news release contains "forward-looking information" within the meaning of applicable Canadian securities laws and may also constitute "forward-looking statements" within the meaning of United States securities laws (collectively, "forward-looking statements"). Forward-looking statements in this release include, but are not limited to, statements regarding the use of proceeds from the completed financing, the Company's future, R&D programs, development activities, and the potential of its technology. Forward-looking statements are based 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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.