

SPARQ Announces Brokered Private Placement

Toronto, Ontario--(Newsfile Corp. - May 6, 2024) - SPARQ Systems Inc. (TSXV: SPRQ) (OTCQB: SPRQF) ("**SPARQ**" or the "**Company**") announces that it intends to sell, on a brokered private placement basis, in one or more tranches, common shares in the capital of the Company (the "**Common Shares**") at a price of \$0.40 per Common Share for aggregate gross proceeds of up to \$5,000,000 (the "**Offering**"). The Company has engaged Pollitt & Co. Inc. (the "**Agent**") to offer the Common Shares for sale on a best efforts agency basis.

Subject to the approval of the TSX Venture Exchange, the Offering is expected to close on or about May 17, 2024 (the "**Closing Date**"). The net proceeds of the Offering are intended to be used for working capital and general corporate purposes.

Pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the Offering may constitute a "related party transaction" as insiders of the Company are expected to subscribe in the Offering. The Company is intending to rely on exemptions from the formal valuation and minority approval requirements of MI 61-101. The Company did not file a material change report more than 21 days before the expected closing of the Offering as the details of the related parties' participation in the Offering have not been settled.

The maximum size of the Offering may be increased at the discretion of the Company after consultation with the Agent. The closing of the Offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange. The securities issued in connection with the Offering will be subject to a statutory hold period of four months and one day from the date of issuance in accordance with applicable securities legislation.

The securities referred to in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

ABOUT SPARQ

SPARQ designs and manufactures next generation single-phase microinverters for residential and commercial solar electric applications. SPARQ has developed a proprietary PV solution called the Quad; the Quad inverter optimizes four PV modules with a single microinverter, simplifying design and installation, and lowering cost for solar power installations when compared to existing market offerings.

SPARQ's head office is located at 945 Princess Street, Kingston, Ontario, K7L 0E9.

Cautionary Note

Certain statements contained in this press release constitute "forward-looking statements." All statements other than statements of historical fact contained in this press release, including, without limitation, the anticipated Closing Date, the Company's anticipated use of proceeds, the participation by insiders and the Company's ability to obtain the necessary approvals and complete the Offering, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These

statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to the risk factors discussed in the Company's management's discussion and analysis for the financial year ended December 31, 2023. Management provides forward-looking statements because it believes they provide useful information to investors when considering their investment objectives and cautions investors not to place undue reliance on forward-looking information. Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this press release and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

Neither the TSXV nor its regulation services provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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