Sprout AI Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED APRIL 30, 2025

(Expressed in United States Dollars)

INTRODUCTION

This management's discussion and analysis ("MD&A") of the financial position and results of operations for Sprout AI Inc. (the "Company") is prepared by management as at June 30, 2025.

The information herein should be read in conjunction with the interim condensed consolidated financial statements for the three months ended April 30, 2025, and the related notes contained therein, which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

This MD&A was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on June 30, 2025.

The information contained herein is not a substitute for detailed investigation or analysis on any particular issue of the Company. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in United State dollars, the reporting currency of the Company, unless specifically noted.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target" or the negative of these terms or other comparable terminology. Forward-looking statements in this MD&A include but are not limited to: volatility of stock price and market conditions, regulatory risks, difficulty in forecasting, key personnel, limited operating history, competition, investment capital and market share, market uncertainty, additional capital requirements, management of growth, pricing policies, litigation, no dividend history. The risk factors described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company's forward-looking statements. In addition, any forward-looking statements represent the Company's estimates only as of the date of this MD&A and should not be relied upon as representing the Company's estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in the MD&A include: (a) execution of the Company's existing plan to become a global leader and distributor of its products and related product lines. (b) ability to secure distribution partners (c) demand for the Company's products. Forward looking statements are based on a number of assumptions that may prove to be incorrect including but not limited to assumptions about: the impact of competition; the ability to obtain new financing on acceptable terms; the ability to retain skilled management and staff; currency, exchange and interest rates; the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest. The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to the Company. Readers should not place undue reliance on the Company's forward-looking statements, as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that such forward-looking statements will materialize. Unless required by applicable securities laws the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, see "Risk Factors".

While the Company considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "Risk Factors".

COMPANY BACKGROUND

Sprout AI Inc. (the "Company" or "Sprout AI") was incorporated on August 25, 2020, under the Business Corporations Act in British Columbia. On June 1, 2021, the Company changed its name from 1262803 B.C. Ltd. to Sprout AI Inc. upon closing of its acquisition of Sprout AI S.A. ("Sprout SA"), a fully owned subsidiary of TheraCann International Benchmark Corp (TIBC). The Company is an urban indoor vertical farming technology company in the business of planning, designing, manufacturing and/or assembling sustainable and scalable AI-controlled vertical cultivation equipment for indoor vertical farming. The Company's habitats utilize vertical automated fogponic technology and are designed to operate within high density urban settings with access to limited power and water. The Company trades on the Canadian Stock Exchange under the symbol BYFM.

Sprout AI S.A. ("Sprout"), the Company's Panama subsidiary, is a limited liability company incorporated on November 19, 2018, in the Republic of Panama through Public Deed No. 30280. The registered office of Sprout is located in Panama Viejo Business Center, office G7. "Sprout" was registered in the Panama Pacifico Special Economic Area according to the Administrative Resolution No. 339-19 on October 7, 2019. On May 29, 2024, through Administrative Resolution No. 166-2024, was canceled the registration 472 for the Panama Pacifico area, granted under Resolution 339-19, thereby confirming the exit from the Panama Pacifico free zone regime.

Beyond Farming Panama, S.A. ("BYFMSA") is a limited liability company incorporated on May 20, 2024, in the Republic of Panama through Public Deed No. 3642. The registered office of "BYFMSA" is located at The Panama Viejo Business Center Galey 7, Parque Lefevre, Republic of Panama

Sprout AI Australia PTY LTD. ("SAPTY") is a limited liability company incorporated on September 6, 2021, in Australia through the corporation Act 2001, ACN 653 452 905. The office of "SAPTY" is located at Suite 46-47, Level 3 Building 2, 1 Ricketts Road Mount Waverley VIC 314.

COMPANY'S OPERATIONS AND OUTLOOK

"Sprout" operations are located in Panama, Central America where it's manufacturing facilities are located in Panama Viejo Business Center. Production is conducted at the Company's Centre of Excellence ("COE"). The COE is comprised of both a two-level open office concept as well as a warehouse designed for large-scale manufacturer, quality assurance, packaging, and shipping of Sprout AI habitats. The total building occupies 924.76 mt2.

Sprout AI Inc. is committed to both environmental and social sustainability. Its vision is to be a leader in urban vertical cultivation by ensuring each harvest is of high quality, producing high yield, and is consistent with the last batch to reduce product variability. To accomplish this vision its mission is to develop an innovative and adaptable solution to the regulatory demands relating to quality, traceability, and audit of crop production.

Sprout AI's business model is to plan, design, implement, and support vertical automated fogponic grow habitats designed to operate within high-density urban settings with access to limited power and water.

At the time of the acquisition, the Company provided "Sprout" with bridge financing to fund operations. On the closing of the transaction on June 1, 2021, the Company changed its name to Sprout AI Inc. and the bridge funding was consolidated.

Over the past three years, the Company has completed a number of key initiatives and transactions that have affected the operations of the Company. The key events are as follows:

➢ Amalgamation with TheraCann International approval:

- On May 29, 2023, Sprout AI Inc. entered into an Amalgamation Agreement with TIBC. Under the terms of the Agreement, TIBC will acquire the Company in a reverse takeover structure, whereby the companies operations will be combined. The entities have agreed to Sprout AI well complete a 3.333 to 1 share consolidation prior to the share conversion with TIBC at a ratio of 5.296 Sprout AI shares for 1 TIBC share. This will results in TIBC shareholders owning approximately 70% of the common equity post completion. The arrangement is subject to the regulatory authorities' approval and the Company's shareholder approval.

- **Special Meeting Approval**: On August 30, 2024, 95% of Sprout AI's minority shareholders voted in favor of the amalgamation with TheraCann International Benchmark Corp.

Structure and Terms: This amalgamation is structured as a reverse takeover (RTO). Sprout AI will consolidate its shares on a 3.333-to-1 basis, and TheraCann shareholders will receive 5.296 Sprout AI shares for each TIBC share. Upon closing, TheraCann shareholders will hold 70% of the resulting entity.

- **Expected Outcomes**:

- Immediate resumption of Sprout AI share trading under the new Beyond Farming (BYFM) entity.
- Increased market visibility and investor engagement post-listing.

➢ **Financing Commitments**

- **GEM Share Subscription Facility**: In October 2024, Global Emerging Markets (GEM) signed a non-binding term sheet to provide BYFM with a USD $50M financing facility. The facility will become available post-amalgamation and will remain open for three years.

- **Emirate Development Bank (EDB)**: In November 2024, EDB agreed to finance up to 80% of BYFM's UAE projects, under favorable long-term debt terms (1% + SPFR, 10-year term, one-year grace). BYFM is now reviewing three UAE projects for execution.

➢ **Strategic Land-for-Equity and Facility Development**

- **Capira, Panama**: On July 19, 2024, The subsidiary TheraCann International Benchmark Corp. secured 5 hectares near Panama City via a US$2.65M share swap., Construction of a 7,665 m² facility, capable of producing 294,000 kg annually, is expected by 2026. The project targets $11M revenue, $5M profit, 62% EBITDA.

➢ **Product Development**

- **Mushroom Integration**: In February 2025, Sprout AI successfully validated production of five mushroom varieties grown in shared racks with vegetables and berries—proving safety, efficiency, and non-contamination.

- **Habitat Versioning and show room**: Sprout AI Habitat v3 reduced build costs from $11,900 to $8,017. The company targets $5,000 per unit to shorten ROI to under two years depending on crop type. As part of its commercialization strategy, the Company expects to have 68 Habitat V3 units installed in the showroom by Q3 2025.

Financial statement readers should note that the above statements may contain forward looking information and/or assumptions and actual results may vary from the forward-looking information presented. In order to deliver on the contracts mentioned, the Company will face several risk factors such as obtaining supplies and financing to complete the order and standard manufacturing completion risks all of which may cause actual results to differ materially from the forward-looking information. This is also the case with any press releases issued by the Corporation on operations.

Expressed in US Dollars

FINANCIAL PERFORMANCE

SELECTED FINANCIAL INFORMATION

	Three months Ended April 30,	
	2025	2024
Total Revenue	**28**	79
Net income/(loss) for the period	**(210,109)**	(355,854)
Net income/(loss) per share	**(0.00)**	(0.00)
Capital expenditures net of dispositions	**(20,888)**	nil

	Three months Ended April 30	
	2025	2024
Total assets	**1,197,760**	1,434,343
Total long term financial liabilities	**460,264**	417,50
Total Liabilities	**6,611,435**	5,841,024
Working Capital	**(5,680,471)**	(4,860,667)

RESULTS OF OPERATIONS

The following paragraphs provide information about the results of the Company's on-going operations for the three months ended April 30, 2025.

Revenue

For the three months ended April 30, 2025, the Company generated revenue of $28 as compared to $79 same period of 2024.

Revenue is primarily generated from the sale of products in habitat manufacturing and management and consulting services from related parties. This small amount of revenue was from a test trial of Strawberries and is considered immaterial but is still recorded.

Net Loss for the period-end

For the three months ended April 30, 2025, the Company recorded a net loss of $210,109 as compared to a loss of $355,854 in the corresponding period of 2024.

The losses were primarily as a result of payroll expenses, professional fees and general and office administration costs.

Depreciation expense

Depreciation expense on capital assets for the three months ended April 30, 2025, was $40,543 respectively as compared to $101,250 in the corresponding period of 2024.

The Company's depreciation relates to the equipment owned at the manufacturing facility in Panama as well as the depreciation of the Company's right of use assets.

Capital expenditures

The following table shows the Company's capital additions for the period ended April 30, 2025.

	Capital expenditures
Product development	20,888
Total intangible assets additions	**20,888**

Expressed in US Dollars

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the operation results for the past quarters since incorporation:

Quarter Ended	Total Assets	Working Capital	Shareholders' Equity (Deficiency)	Revenue	Net (Loss) Income	Loss per Share
April 30, 2025	1,197,760	(5,680,471)	(5,413,678)	28	(210,109)	(0.002)
January 31, 2025	1,216,664	(5,487,225)	(5,203,571)	0	(222,463)	(0.002)
October 31, 2024	1,278,293	(5,269,614)	(4,981,110)	0	(329,129)	(0.002)
July 31, 2024	1,349,989	(5,036,506)	(4,651,981)	0	(245,298)	(0.003)
April 30, 2024	1,434,343	(4,860,667)	(4,406,681)	79	(355,854)	(0.004)
January 31, 2024	1,466,592	(4,518,114)	(4,050,826)	60,287	(194,467)	(0.002)
October 31, 2023	2,028,925	(4,509,797)	(3,856,360)	60,159	(323,344)	(0.004)
July 31, 2023	2,073,219	(4,230,863)	(3,593,049)	60,206	(318,685)	(0.004)

During the quarters presented above and subsequent to the initial round of funding by the Corporation, Sprout was building its manufacturing facilities, developing its technology and constructing habitats for its own use as floor models and for its initial contract in Zimbabwe. As a result, the Company had minimal revenue during these periods and losses created from the growth activities and listing expenses for the RTO and CSE listing. In addition, it received capital injections from its related company, TheraCann International Benchmark Corp, which has been recorded through inter-company transfers and as a result generated negative working capital.

LIQUIDITY AND CAPITAL RESOURCES

Capital management

The Company considers its capital to be the main component of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. The Company will finance its future activities with debt, equity, hybrid securities and funds from operations.

Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

Cash and Working Capital

The Company's working capital position as at the end of the period was as follows:

	April 30, 2025	January 31, 2025
Deficit	**(12,175,620)**	(11,965,513)
Working capital	**(5,680,471)**	(5,487,225)
Cash	**765**	1,151

The Company anticipates that future periods may continue to reflect some operational losses as we progress through our growth phase. However, recent successes in securing additional capital and advancing new revenue-generating projects provide a stronger foundation for achieving our corporate objectives. While additional financing through debt, equity issuances, or other means may be required to support ongoing and future initiatives, the management is confident in our ability to explore these options on favorable terms. While no assurances can be provided regarding the availability of future financing, the Company remains committed to pursuing the most advantageous solutions to ensure sustainable growth and financial stability"

Operating Activities

Net cash used in operating activities for the three-month period ended April 30, 2025, was $142,644 compared to $276,434 in the same period of 2024. The Company is focusing on ramping up operations during the period and incurred operating expenses as discussed above.

Expressed in US Dollars

Investing Activities

Net cash used in investing activities for the three-month period ended April 30, 2025, was $20,888 as compared to $0 in the same period of last year used for investments in equipment and product development.

Financing Activities

Net cash from financing activities during the three-month period ended April 30, 2025 was $163,145 compared to $307,104 in the same period of last year, mostly amounts received from related parties.

OUTSTANDING SHARE DATA

The common shares of the Company were put on a trading halt on April 6, 2022 as a result of missed filing dates and the revocation of the CTO was made on December 22, 2022. The Company shares are listed on the CSE under the symbol "BYFM" and US OTC stock market under the symbol "BYFMF"
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As at April 30, 2025 the Company had 90,964,806 shares issued and outstanding (January 31, 2025 – 90,964,806).

The following is a summary of the share transactions:

	Number of common shares	Amounts
At January 31, 2024 and 2025	**90,964,806**	**6,009,390**
At April 30, 2025	**90,964,806**	**6,009,390**

RELATED PARTY TRANSACTIONS

a) Transactions with key management personnel

Transactions with key management personnel of the Company include certain members of the Company's executive management team and the Board of Directors which have the responsibilities for strategic planning, oversight and control of the Company. During the period ended April 30, 2025, the total compensation paid to executive management team and Board of Directors mounted to $9,087 (2024 - $31,750).

b) Other related party transactions

During the periods of three months ended April 30, 2025, the Company received Nil$ (2024 - $Nil) revenue from TheraCann International Benchmark Corp., an entity controlled by an officer of the Company.

During the periods of three months ended April 30, 2025, the Company received other revenue from One System One Solution, S.A., an entity controlled by an officer of the Company, for software development services in the amount of $Nil (2024 - $Nil).

During the periods of nine months and three months ended April 30, 2025 the Company was charged a software licensing fee by One System One Solution, S.A., an entity controlled by an officer of the Company in the amount of $Nil (2024 -$10,497).

During the periods of three months ended April 30, 2025, the Company was charged by TheraCann International Benchmark Corp., an entity controlled by an officer of the Company, in connection with the Company's premises sublease in the amount of $Nil (2024 - $80,186).

On May 1, 2024, TheraCann International Benchmark Corporation granted the Company the use of office and warehouse space at no cost for a period of five years. This arrangement qualifies as a related party transaction. Rather than involving direct rental payments, it represents a resource contribution from TheraCann International Benchmark Corporation to Sprout AI in support of its operations.

Included in accounts payable are $46,106 (January 31, 2025 - $44,886) payable to an officer of the Company, received to facilitate the Company's operation

Expressed in US Dollars

The following shows the amounts due from and due to related parties:

Due from related parties	**April 30, 2025**	January 31, 2025
Theracann Canada Benchmark Ltd.	**57,929**	55,242
ETCH BioTrace, S.A.	**45,296**	45,296
One System One Solution, S.A.	**202,215**	202,215
TheraCann Africa Benchmark Corporation	**562**	562
	306,001	303,315

Due to related parties	**April 30, 2025**	January 31, 2025
Theracann International Benchmark Corporation	**2,961,828**	2,803,568
Theracann Australia Benchmark Pty Ltd.	**128,973**	124,292
Theracann Canada Inc.	**945**	746
	3,091,747	2,928,606

The amounts due from/to related parties are from companies that are owned or controlled by the majority shareholder. The amounts due from/to related parties are unsecured, non-interest bearing and due within 12 months.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The amendments to existing accounting standards that became effective April 30, 2025, are either not applicable or are not expected to have a significant impact on the Company's financial statements.

The preparation of financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained and are subject to change. The Company's accounting policies and estimates used in the preparation of the financial statements are considered appropriate in the circumstances but are subject to judgments and uncertainties inherent in the financial reporting process. In preparing these MD&A, management has made significant assumptions regarding the circumstances and timing of the transactions contemplated therein, which could result in a material adjustment to the carrying amount of certain assets and liabilities if changes to the assumptions are made.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The company´s financial instruments consist of cash, accounts receivable and other, due from related parties, accounts payable and accrued liabilities and due to related parties. Unless otherwise noted, it is management´s opinion that the Company is not exposed to credit, liquidity or market risks arising from these financial instruments.

Credit risk and economic dependence

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk on the accounts receivable from its customers and due from related parties. In order to reduce its credit risk, the Company has adopted credit policies which include the analysis of the financial position of its customers and regular review of their credit limits. For the three months periods ended on April 30, 2025 the Company earned $Nil (2024 – $Nil) from related companies.

As at April 30, 2025, the Company had $306,768 (January 31, 2025 - $304,466) of financial assets carried at amortized cost which were subject to expected credit loss assessment in accordance with IFRS 9. The Company had determined $Nil (January 31, 2025, $Nil) for the allowance for expected credit loss. There is no history of default for those debtors

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms.

Expressed in US Dollars

The Company anticipates that future periods may continue to reflect some operational losses as we progress through our growth phase. However, recent successes in securing additional capital and advancing new revenue-generating projects provide a stronger foundation for achieving our corporate objectives. While additional financing through debt, equity issuances, or other means may be required to support ongoing and future initiatives, the management is confident in our ability to explore these options on favourable terms. While no assurances can be provided regarding the availability of future financing, the Company remains committed to pursuing the most advantageous solutions to ensure sustainable growth and financial stability. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and liabilities that might be necessary should circumstances change.

While the Company has been successful in securing parent company loans in the past, there is no assurance that it will be able to do so in the future. All the Company's liabilities, with the exception of the lease liabilities and non-current portion of the long-term debt, are due within the next 12 months.

April 30, 2025	**0 - 12 months**	**1 - 3 years**	**3 - 5 years**	**Beyond 5 years**	**Indefinite maturity**	**Total**
Financial assets						
Financial assets at FVTPL	**765**	**0**	**0**	**0**	**0**	**765**
Financial assets at amortized cost	**306,003**	**0**	**0**	**0**	**0**	**306,003**
Total	**306,768**	**0**	**0**	**0**	**0**	**306,768**
Financial liabilities						
Other financial liabilities	**5,491,813**	**460,264**	**0**	**0**	**0**	**5,952,077**

January 31, 2025	0 - 12 months	1 - 3 years	3 - 5 years	Beyond 5 years	Indefinite maturity	Total
Financial assets						
Financial assets at FVTPL	1,151	0	0	0	0	1,151
Financial assets at amortized cost	303,315	0	0	0	0	303,315
Total	304,466	0	0	0	0	304,466
Financial liabilities						
Other financial liabilities	5,206,028	463,062	0	0	0	5,669,090

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

Foreign currency risk is the risk is the risk to the Company's earnings that arises from volatility in foreign exchange rates. The Company may have contracts with clients to receive fees in currencies other than its measurement currency. This may have an adverse effect on the value of future revenues and assets dominated in currencies other than the United States Dollars, absent any Company specific event.

Included in the undernoted accounts are the following Canadian dollar balances:

	April 30, 2025	January 31, 2025
Cash	**323**	313
Due from related parties	**74,078**	74,078
Account payable	**427,131**	456,037

Interest rate risk

The Company has deposits in financial institutions. The Company is exposed to reductions in interest rates, which could impact expected current and future returns. As at April 30, 2025, the amount of $765 (January 31, 2025 - $1,151) was held in deposits with financial institutions.

April 30, 2025	**Floating Rate Financial Instruments**	**Fixed Rate Financial Instruments**	**Non-interest bearing**	**Total**
Financial assets				
Financial assets at FVTPL	**765**	**0**	**0**	**765**
Financial assets at amortized cost	**0**	**0**	**306,003**	**306,003**
	765	**0**	**306,003**	**306,768**

Expressed in US Dollars

Financial liabilities				
Other financial liabilities	**0**	**559,492**	**3,697,785**	**4,257,277**

January 31, 2025	Floating Rate Financial Instruments	Fixed Rate Financial Instruments	Non-interest bearing	Total
Financial assets				
Financial assets at FVTPL	1,151	0	0	1,151
Financial assets at amortized cost	0	0	303,315	303,315
	1,151	0	303,315	304,466
Financial liabilities				
Other financial liabilities	0	551,184	5,117,906	5,669,090

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest risk or currency risk. The Company is not exposed to any other price risk.

Fair value measurements of financial assets

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, and due from related parties approximate their carrying value due to their short term in nature. The Company's cash is measured at fair value using Level 1 inputs.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RISKS AND UNCERTAINTIES

The following are certain factors relating to the Company's business which prospective investors should carefully consider before deciding whether to purchase common shares in the Company's authorized capital. These risks and uncertainties are not the only ones we are facing. Additional risk and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our operations. If any such risks actually occur, the business, financial condition, liquidity and results of our operations could be materially adversely affected.

Risk Factors

We may need to raise further capital

Our business strategy is based in part on the scalability of our operations. In order to expand our operations, we will need to raise additional funds in the future, and such funds may not be available on commercially reasonable terms, if at all. If we cannot raise enough funds on acceptable terms, we may not be able to fully implement our business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements. This could seriously harm our business, financial condition and results of operations.

Related Party

TheraCann owns approximately 53% of the outstanding common shares, giving legal control of the Company. TheraCann will be able to exert control on all matters requiring shareholders' approval and strategic operations of the Company.

Key Personnel Risk

Our success will depend on our directors and officers to develop our business and manage our operations, and on our ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on our business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that we will be able to attract or retain key personnel in the future, which may adversely impact our operations.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents. No securities commission or regulatory authority has reviewed the accuracy of the information presented herein.