Sprout AI Inc.

(formerly 1262803 B.C. LTD.)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
AS AT AND FOR THE THREE MONTHS ENDED APRIL 30, 2025

(Expressed in United States Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Sprout AI Inc.
Interim Condensed Consolidated Statements of Financial Position (Unaudited)
(Expressed in US Dollars)

	notes	April 30, 2025	January 31, 2025
ASSETS			
Current			
Cash		**765**	1,151
Prepaid expenses	4	**937**	1,612
Inventory	5	**162,995**	163,870
Due to related parties	10	**306,003**	303,315
		470,700	469,948
Property, plant and equipment	7	**47,830**	51,584
Intangible assets	8	**679,230**	695,132
		727,060	**746,716**
Total Assets		**1,197,760**	1,216,664
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	**609,228**	589,477
Deferred revenue	14	**656,168**	656,168
Due to related parties	10	**3,091,747**	2,928,606
Current portion of loan payable	11	**99,228**	88,122
Related party loan payable	12	**1,694,800**	1,694,800
		6,151,171	5,957,173
Loan payable	11	**460,264**	463,062
Total liabilities		**6,611,435**	6,420,235
SHAREHOLDERS' EQUITY			
Share capital	16	**6,009,390**	6,009,390
Contributed surplus	17	**752,552**	752,552
Accumulated deficit		**(12,175,620)**	(11,965,513)
Total Equity		**(5,413,678)**	(5,203,571)
Total liabilities and equity		**1,197,760**	1,216,664

Nature and going concern (Note 1)

Contingencies and commitments (Note 15)

Subsequent events (Note 24)

Sprout AI Inc.
Interim Condensed Consolidated Statements of Comprehensive Loss (Unaudited)
(Expressed in US Dollars)

	Notes	**Three months Ended April 30, 2025**	Three months Ended April 30, 2024
Revenue			
Sale of product		**28**	79
		28	79
Cost of good sold		**0**	286
Gross Margin		**28**	(207)
Expenses			
Payroll expenses		**110,245**	164,910
Professional fess		**15,882**	37,024
General and office administration		**25,750**	28,434
Licensing fees		**1,014**	11,959
Financing costs and bank charges	**11**	**8,728**	7,896
Dues and subscription		**1,231**	1,934
Interest expense on lease liabilities	**13**	**0**	2,128
Advertising and Promotion		**0**	74
Insurance		**0**	525
Foreign exchange gains (loss)	**2**	**6,744**	(487)
Depreciation on right of use assets	**6**	**0**	46,727
Depreciation on property and equipment	**7**	**3,754**	17,434
Deprectiaion on intangible	**8**	**36,789**	37,089
		210,137	355,647
Net loss and comprehensive loss for the period		**(210,109)**	(355,854)
Per Share Information			
Net loss per share – basic and diluted		**(0.002)**	(0.004)
Weighted average number of common shares outstanding		**90,964,806**	90,964,806

Sprout AI Inc.
Consolidated Statement of Changes in Shareholders' Equity (Unaudited)
(Expressed in US Dollars)

	Note	Number of Shares (Note 16)	Share Capital (Note 16)	Capital Stock Reserve (Note 17)	Contributed Surplus (Note 17)	Deficit	Total
At January 31, 2024		90,964,806	6,009,390	752,552	0	(10,812,769)	(4,050,827)
Net loss and comprehensive loss		0	0	0	0	(355,854)	(355,854)
At April 30, 2024		90,964,806	6,009,390	752,552	0	(11,168,623)	(4,406,681)
At January 31, 2025		**90,964,806**	**6,009,390**	**(752,552)**	**752,552**	**(11,965,513)**	**(5,203,571)**
Net loss and comprehensive loss		**0**	**0**	**0**	**0**	**(210,109)**	**(210,109)**
At April 30, 2025		**90,964,806**	**6,009,390**	**0**	**752,552**	**(12,175,620)**	**(5,413,678)**

See accompanying notes to the interim condensed consolidated financial statements

Sprout AI Inc.
Consolidated Statement of Cashflows (Unaudited)
(Expressed in US Dollars)

	Thre month ended April 30, 2025	Thre month ended April 30, 2024
Cash flows from operating activities		
Net loss and comprehensive loss for the period	**(210,109)**	(355,854)
Adjustments for		
Depreciation on right-of-use assets	**0**	46,727
Depreciation on property and equipment	**3,754**	17,434
Depreciation on intangible assets	**36,789**	37,089
Interest expense on lease liabilities	**0**	2,128
Interest expense on loan payable	**8,309**	7,660
	(161,257)	(244,816)
Changes in non-cash working capital balances		
Decrease (increase) in inventory	**875**	0
Decrease in prepaid expenses	**675**	(21,911)
Increase in due from related parties	**(2,688)**	(16,423)
Increase (decrease) in accounts payable and accrued liabilities	**19,751**	6,716
Net change in non-cash working capital related to operations	**18,613**	(31,618)
Cash flows used in operating activities	**(142,644)**	(276,434)
Cash flows from investing activities		
Purchase of intangible assets	**(20,888)**	0
Cash flows from/(used in) investing activities	**(20,888)**	0
Cash flows from financing activities		
Principal payment of lease liabilities	**0**	(80,886)
Increase (decrease) in due to related parties	**163,145**	391,990
Repayment of loan payable	**0**	(4,000)
Cash flows from financing activities	**163,145**	307,104
Increase/(decrease) in cash and cash equivalents	**(386)**	30,670
Cash and cash equivalents, beginning of period	**1,151**	6,812
Cash and cash equivalents, end of period	**765**	37,482

(Expressed in US Dollars)

1. NATURE AND GOING CONCERN

Sprout AI Inc. (Formerly, 1262803 B.C. Ltd.) (the “Company”) was incorporated on August 25, 2020, under the Business
Sprout AI Inc. (Formerly, 1262803 B.C. Ltd.) (the “Company”) was incorporated on August 25, 2020, under the Business
Corporations Act in British Columbia. On June 1, 2021, the Company changed its name from “12682803 B.C. Ltd.” to Sprout AI Inc. On July 5, 2021, the shares of the Company began trading on the Canadian Securities Exchange (“CSE”) under the symbol of SPRT and subsequently changed to BYFM on November 5, 2021. On January 14, 2022, the shares of the Company began trading on the United States OTC stock market under the symbol BYFMF. The Company's head office is located at 4th Floor - 931 Fort Street, Victoria, BC, V8V 3K3. The Company is engaged in vertical farming technology and is in the business of planning, design, manufacturing and /or assembling sustainable and scalable AI-controlled vertical cultivation equipment (the “habitat”) for indoor vertical farming. Sprout AI Inc. is a subsidiary of TheraCann International Benchmark Corporation.

Sprout AI S.A. (“Sprout”) 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 at the Galley 7 in Panama Viejo Business Center, Parque Lefevre, Panama, Republic of Panama.

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

These interim condensed consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future.

Details of the deficit and working capital of the Company are 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 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 interim condensed 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.

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2. BASIS OF PREPARATION

Statement of Compliance

These interim condensed consolidated financial statements (the “Interim Financial Statements”) have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting.

The interim condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements of Sprout AI Inc. as at and for the period ended April 30, 2024, and the notes thereto (the “Annual Financial Statements”). The interim condensed consolidated financial statements have been prepared on a basis consistent with the accounting, estimation and valuation policies described in the Annual Financial Statements.

Unless otherwise noted, all amounts on the interim condensed consolidated financial statements are presented in United States dollars (“USD”), which is the functional currency of Sprout. The functional currencies of the Company and Sprout AI Australia PTY are Canadian Dollars ("CAD") and Australian Dollars ("AUD"), respectively. The presentation currency of these consolidated financial statements is USD. During the three-month ended on April 30, 2025 the loss of US$6,744 (2024 – gain of $487), for “Foreign exchange gains(loss)” value arose from payments and receipts in currencies other than USD, as well as from the update of the value in USD of the existing foreign currency balances as of the end of Q1.

The interim condensed consolidated financial statements were approved and authorized for issue by the Audit Committee of the Board of Directors on June 30, 2025

Basis of consolidation

These interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Sprout AI S.A., Sprout AI Australia PTY and Beyond Farming Panamá, S.A.

Subsidiary	Place of Incorporation	Functional Currency	Year End Date
Sprout AI S.A.	Panama	USD	January 31
Sprout AI Australia PTY	Australia	AUD	June 30
Beyond Farming Panama, S.A.	Panama	USD	December 31

A subsidiary is an entity controlled by the Company and is included in the interim condensed consolidated financial statements from the date that control commences until the date the control ceases. The accounting policies of a subsidiary are changed where necessary to align them with policies adopted by the Company.

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in the preparation of these interim condensed consolidated financial statements.

Presentation and functional currency

All amounts on the interim condensed consolidated financial statements are presented in United States dollars (“USD”), which is the functional currency of Sprout and BYFM. The functional currencies of the Company and Sprout AI Australia PTY are Canadian Dollars ("CAD") and Australian Dollars ("AUD"), respectively. The presentation currency of these interim condensed consolidated financial statements is USD.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Significant accounting judgments and estimates

The preparation of these interim condensed consolidated financial statements is in conformity with International Financial Reporting Standards (“IFRS”) and requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimates and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial period: expected life of tangible and intangible assets, valuation of financial assets, impairment of non-financial assets and share-based compensation.

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the annual financial statements. Judgement is also required in the determination of whether the Company will continue as a going concern.

(Expressed in US Dollars)

Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

3. MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies under IFRS are presented in Note 2 to the Annual Financial Statements. Certain information and disclosures normally required to be included in the notes to the Annual Financial Statements prepared in accordance with IFRS have been condensed or omitted in the Interim condensed consolidated Financial Statement.

Accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the Company's April 30, 2025 reporting period. Management does not expect these standards will have a significant impact on the measurement or presentation of balances or transactions as reported in these interim condensed consolidated financial statements. Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are as follows:

Effective date	**New accounting standards or amendments**
1 January 2025	*Lack of Exchangeability – Amendments to IAS 21*
1 January 2027	IFRS 18 *Presentation and Disclosure in Financial Statements*
Applicable to annual reporting periods beginning on or after 1 January 2027	IFRS 19 ***Subsidiaries without Public Accountability: Disclosures*** *IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.*
1 January 2026	Amendments to the Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7

4. PREPAID EXPENSES

	April 30, 2025	**January 31, 2025**
Deposits	937	1,612

5. INVENTORY

The Company's inventory consists of materials inventory. Materials consumed in production of the habitat units are transferred to work in progress and then to finished goods upon completion of production.

(Expressed in US Dollars)

The cost of inventory recognized as cost of goods sold during the period ended April 30, 2024 was $Nil (January 31, 2023 $Nil).

	April 30, 2025	**January 31, 2025**
Raw materials	44,416	45,290
Finished product	4,916	4,916
Inventory in transit	113,663	113,663
	162,995	**163,870**

6. RIGHT OF USE ASSETS

On January 31, 2024, management and lessor agreed not to exercise the extension option of the lease of the building and to terminate the lease effective April 30, 2024. Management considered the reduction in lease period as a modification of lease which resulted in a reduction of right-of-use assets in the amount of $505,706 and a reduction of lease liabilities in the amount of $673,389. The difference of $167,682 has been recorded as a gain on lease modification in the consolidated statement of loss and comprehensive loss.

On May 1, 2024, the Company moved to a new location in Panama Viejo Business Center leased by TIBC. In anticipation of the upcoming amalgamation, no lease or rental charges have been incurred by the Company. The premises 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 directly to the Panama Canal. The total building occupies 9,954 sq. ft (925 sq.m.).

Management regularly assesses the right-of-use asset for impairment indicators and has determined that no impairment is required for the period ended April 30, 2025 (January 31, 2025 -$Nil)

	Three month period ended April 30, 2025	**2025**	**Three month period ended April 30, 2024**	**2024**
	Building	**Equipment**	**Building**	**Equipment**
Balance, beginning of period	0	0	45,974	2,009
Depreciation	0	0	(45,974)	(754)
Balance, end of the period	**0**	**0**	**0**	**1,255**

7. PROPERTY AND EQUIPMENT

	Three month period ended April 30, 2025	**2025**	**Three month period ended April 30, 2024**	**2024**
	Equipment	**Leasehold Improvements**	**Equipment**	**Leasehold Improvements**
Balance, beginning of period	50,677	907	105,711	1,248
Depreciation	(3,669)	(85)	(17,350)	(84)
Balance, end of the period	**47,008**	**822**	**88,360**	**1,164**

Carrying amounts:	**Equipment**	**Leasehold improvements**	**Total**
Balance as at January 31, 2025	50,677	907	51,584
Balance as at April 30, 2025	**47,008**	**822**	**47,830**

Management regularly assesses the property and equipment for impairment indicators and has determined that no impairment is required for the period ended April 30, 2025 (January 31, 2025 - $Nil).

(Expressed in US Dollars)

8. INTANGIBLE ASSETS

	Three month period ended April 30, 2025	2025	2025	Three month period ended April 30, 2024	2024	2024
	Patent	**Trademark**	**Product Development**	**Patent**	**Trademark**	**Product Development**
Balance, January 31	58,993	77,624	558,515	41,123	77,624	698,998
Additions	0	0	20,888	0	0	0
Depreciation	0	0	(36,789)	0	0	(37,089)
Balance, April 30, 2025	**58,993**	**77,624**	**542,613**	**41,123**	**77,624**	**661,909**

Carrying amounts:	**Patent**	**Trademark**	**Product Development**	**Total**
Balance as at January 31, 2025	58,993	77,624	558,515	695,132
Balance as at April 30, 2025	**58,993**	**77,624**	**542,613**	**679,230**

Development costs consist of the costs of developing a prototype for its Sprout AI habitat. As at April 30, 2025, such intangible assets were available for use and during the period of three months ended on April 30, 2025 the amortization was $36,789 (2024 – 37,089).

Management regularly assesses the property, plant and equipment for impairment indicators and has determined that no impairment is required as at April 30, 2025 (January 31, 2025 - $Nil).

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2025	**January 31, 2025**
Trade accounts payable	**530,282**	418,744
Accrued liabilities	**75,756**	75,756
Government remittances payable	**3,190**	94,977
	609,228	589,477

10. RELATED PARTY TRANSACTIONS

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.

(Expressed in US Dollars)

11. LOAN PAYABLE

In March 2022, the Company entered into an unsecured loan agreement with Mr. S. Halter, whereby the Company borrowed $520,000 at a rate of 6% to be repaid over a three-year period. The Loan Agreement was amended in April 2023 and December 2023 to reflect updated terms for repayment. During the year ended January 31, 2025, an amended repayment schedule was approved by both parties. The loan will be repaid with progressive monthly instalments from $5,000 to $149,109. The loan will be extinguished in full in December 2026.

The Company has discounted the loan using the effective interest method at a discount rate of 6% per annum over a repayment period of three years. Upon recognition, $42,272 was recognized as the fair value adjustment on the loan payable. During the period ended April 30, 2025, $Nil (January 31, 2025- $971l) was recognized as a loan modification due to an amended repayment schedule.

Balance as at January 31, 2024	528,004
Repayment of loan balance	(9,000)
Interest expenses	31,209
Fair value adjustment	971
Balance as at January 31, 2025	551,184
Interest expenses	8,309
Balance as at January 31, 2025	**559,492**

	April 30, 2025	January 31, 2025
Current portion of long-term debt	**99,228**	88,122
Long-term portion of long-term debt	**460,264**	463,062
	559,492	551,184

As at April 30, 2025, the Company had the following outstanding long-term debt:

Principal payment are as follows:

2025	99,228
2026	311,154
2027	149,109
Total payments	**559,492**

12. RELATED PARTY LOAN PAYABLE

In February 2023, the Company entered into a loan agreement with TIBC, whereby the Company borrowed $1,000,000. The loan is non-interest bearing, unsecured and due on or before 36 months from the date of loan agreement. Management intends to settle the amount within 12 months.

In September 2023, the Company entered into a loan agreement with TIBC, whereby the Company borrowed $750,000. As of year ended January 31, 2025 $694,800 (2024 - $Nil) has been advanced. The loan is non-interest bearing, unsecured and due on demand. Management intends to settle the amount within 12 months.

13. LEASE LIABILITIES

On January 31, 2024, management and lessor agreed not to exercise the extension option of the lease of the building and to terminate the lease effective April 30, 2024. Management considered the reduction in lease period as a modification of lease which resulted in a reduction of right-of-use assets in the amount of $505,706 and a reduction of lease liabilities in the amount of $673,389. The difference of $167,682 has been recorded as a gain on lease modification in the consolidated statement of loss and comprehensive loss.

(Expressed in US Dollars)

On May 1, 2024 the Company moved to a new location in Panama Viejo Business Center leased by TIBC. In anticipation of the upcoming amalgamation, no lease or rental charges have been incurred by the Company. The premises 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 directly to the Panama Canal. The total building occupies 9,954 sq. ft (925 sq.m.).

The following table details the discounted cash flows and contractual maturities of the Company's lease obligations, as at April 30, 2025:

	Three month period ended April 30, 2025	**Three month period ended April 30, 2025**	**Three month period ended April 30, 2024**	**Three month period ended April 30, 2024**
	Building	**Equipment**	**Building**	**Equipment**
Balance, beginning of period	0	0	78,066	2,044
Interest	0	0	2,120	8
Lease payments	0	0	(80,186)	(700)
Balance, end of the period	**0**	**0**	**0**	**1,352**

14. DEFERRED REVENUE

Deferred revenue is comprised of costumer deposits which consist of funds paid by customers in advance for delivery of Sprout AI Habitats Systems based on the sales agreement. All deposits are non-refundable. There are no external restrictions on the use of these deposits.

	April 30, 2025	January 31, 2024
Balance - Beginning of period	**656,168**	656,168
Balance - End of period	**656,168**	656,168

15. CONTINGENCIES AND COMMITMENTS

On August 23, 2024, the Company settled the claims with respect to service billing by the previous payroll service provider in the amount of $81,343. As at April 30, 2025, the outstanding balance is $Nil (January 31, 2025 - $Nil).

16. SHARE CAPITAL

	Number of Shares	**Share Capital**
Balance, January 31, 2024, 2025 and April 30, 2025	90,964,806	6,009,390

17. CAPITAL STOCK RESERVE

On June 1, 2024, the PB Warrants reached the end of their 3 years expected life and expired. These warrants were issued on June 1, 2021 with an estimated fair value of $752,552 using the Black-Scholes option pricing model. The fair value of the contingent consideration was discounted to its present value reflecting the Company's expectation on meeting revenue targets.

The following assumptions were used to value the PB Warrants:

Risk-free interest rate	0.29%
Expected life	3 years
Annualized volatility	100%
Share price	$0.1412 USD ($0.17 CAD)
Discount rate	16%

During the year ended January 31, 2025, the reserve was reduced by the fair value on issuance of warrants upon the expiration.

18. REVENUE

Revenue from external customers is derived as product revenue earned from end users who purchase our goods through the Company's primary distributor, TheraCann International Benchmark Corporation (TIBC). Revenue may also be derived from storage of products on behalf of end users if the end user is not able to pay final balances prior to shipment. TIBC does not mark up the cost of the Company's goods. TIBC receives payment from end user to install, operate, and maintain the Company goods at the end user location. Freight costs of the Company goods are paid either by TIBC or the end user.

The Company recognizes product and storage on a gross basis.

Products are paid by non-refundable deposits. The percentage of deposit will vary depending on size of order, time to delivery order, and shipping constraints. Typically, orders are paid with a deposit to commence order, and the remaining balance due prior to shipment to the customer's chosen destination. Deferred revenue is recorded for the period of time between when the order is placed and when the order has been shipped to the customer's chosen destination. Storage is to be paid monthly and is due on receipt of invoice.

Other revenues are from management, consulting, and software development services and are recognized in accordance with their respective agreements.

Fair value adjustment on loan payable represents the difference between the loan proceeds received in March 2022 and the time value of money of the future repayments discounted at an inputted interest rate of 6% per annum.

19. SEGMENTED INFORMATION

The President and Chief Operating Officer regularly assess and make allocation decisions based on contracts and projects in progress in the geographic areas of operations. Based on the fact that operations are ramping up and in the early stages of the Company's existence, management has determined that it operates as a single operating division. For the year ended April 30, 2025, the Company derived Nil% (2024 - 100%) of revenue from related entities, which are controlled by an officer of the Company. As at April 30, 2025, 100% (2024 - 100%) of non-current assets (other than financial instruments) are located in Panama.

20. COMPREHENSIVE LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended April 30, 2025 was based on the loss of $210,109 (2024 - $355,854) and weighted average number of common shares outstanding of 90,964,806 (2024 - 90,964,806). All warrants were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

21. RELATED PARTY TRANSACTIONS AND BALANCES

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, the total compensation paid to executive management team and Board of Directors amounted to $9,087(2024 - $31,750). There is no indirect compensation paid to executive management team and Board of directors for the period ended April 30, 2025 and 2024.

b) Other related party transactions

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

During the period, the Company was charged $Nil (2024 - $80,186) by TIBC, an entity controlled by an officer of the Company, in connection with the Company's premises sublease

Included in accounts payable are $46,106 (2024 - $36,398) payable to an officer of the Company, received to facilitate the Company's operation.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, due from related parties, accounts payable and accrued liabilities, loan payable, related party loan payable 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 except as noted below.

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. As at April 30, 2025, Nil% (2024 - 100%) of the contracted revenues are from Nil (2024 - two) related companies.

As of April 30, 2025, the Company had $306,003 (2024- $305,905) of financial assets carried at amortized cost which were subject to expected credit loss assessment in accordance with IFRS 9. The Company has determined $Nil (2024 - $Nil) for the allowance for expected credit loss as the full balance is expected to be settled within 12 months . 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. The Company anticipates it will need additional capital in the future to finance ongoing operations, such capital to be derived from the exercise of outstanding warrants and/or the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to fund its operations, although the Company has been successful in the past in financing its activities through the sale of equity securities.

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and operational success. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

(Expressed in US Dollars)

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.

(Expressed in US Dollars)

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**
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, accounts payable and accrued liabilities, loan payable and due to/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.

CAPITAL MANAGEMENT

The Company manages share capital and capital stock reserve as capital. The 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. This is done primarily through equity financing. 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 since incorporation. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital for the development of its business and will need to raise additional capital by obtaining equity financing through private placements or debt financing. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

23. SUBSEQUENT EVENT

Annual General Meeting (AGM) of SAI

The 2024 Annual General Meeting (AGM) was held on May 30, 2025. At that meeting 5 directors, Chris Bolton, Chairman & Director, Directors Doug Connell, Directors, Kevin Delano, Johnny Aswani, Brian Nolan, and Calie-Anne Bolton, Corporate Secretary were elected with majority support. SAI's previous auditor Segal LLC, was re-appointed as Auditor."

Amalgamation with TheraCann International Benchmark Corporation ("TIBC")

- **Regulatory Status:** Amalgamation is before the Canadian Securities Exchange (CSE) for final approval. Approval is anticipated in July 2025.
- **Special Meeting Approval:** On August 30, 2024, 95% of Sprout AI Inc.'s minority shareholders voted in favour of the amalgamation with TheraCann International Benchmark Corp.
- **Structure and Terms:** This amalgamation is structured as a reverse takeover ("RTO"). The Company will consolidate its shares on a 3.333-to-1 basis, and TIBC shareholders will receive 5.296. Sprout AI Inc. shares for each TIBC share. Upon closing, TIBC shareholders will hold 70% of the resulting entity.