

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Sprout AI Inc. Inc. (the “Issuer”, “Sprout”, or the “Company”).

Trading Symbol: SPRT

Number of Outstanding Listed Securities: 90,264,806

Date: September 8, 2021

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are “material information” as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Sprout AI is a 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 adaptive technology produces an environment with improved growing parameters and early detection of adverse conditions resulting in consistent and repeatable crops, with shorter cultivation cycles independent of geographic climates. The self-contained multi-level rolling rack technology increases the cubic cultivation area while mitigating the risk of outside and cross-contaminants.

2. Provide a general overview and discussion of the activities of management.

On August 11, 2021, Sprout announced that it has processed an initial purchase order (the "Order") of 140 units in connection with the Company's proprietary cultivation habitats (the "Units") from TheraCann International Benchmark Corporation ("TheraCann"). The Order represents gross revenue of approximately US\$2.1M or net revenue of approximately US\$210,000 (US\$15,000 per Unit or net revenue of approximately, US\$1,500 per Unit) and forms part of a TheraCann project with an arm's length party (the "Project"). The Project may require up to total of 660 Units to be delivered by the Company over a period of the next 12 months, which would represent in aggregate gross revenue of up to US\$9.9M (or approximately US\$990,000 in net revenue). As and when any subsequent shipments of the Orders are made to TheraCann under the Project, the Company will provide further updates. There can be no assurance that any subsequent orders will be required and fulfilled as all orders will be subject to the project site readiness, availability of inventory, volatility in the supply chain of critical components for the Units and other risk factors inherent in the agricultural business. Under the terms of the Order, an initial payment of 20% for the 140 Units was received at the time of the Order. An additional payment of 30% of the Order was received on August 20, 2021, which in aggregate represents 50% of the Order that was required to process this Order and commence assembly of the Order. The remaining 50% of the Order is due at the time of shipping. All payments are non-refundable. Shipment of the Order is expected in the fourth quarter of 2021.

The Order was made pursuant to the terms of a distribution agreement between the Company and TheraCann dated September 1, 2020 (the "Agreement") pursuant to which TheraCann was appointed non-exclusive distributor for the purpose of marketing, selling, and providing training and

support for the Units. TheraCann is a major shareholder of the Company and considered a “related party” under applicable Canadian securities law.

On August 24, 2021, Sprout announced that it had appointed Jon Olsen as interim chief financial officer of the Company. Mr. Olsen brings over 16 years of financial leadership experience across a wide variety of industries, including technology and professional services in the public and private sectors. Prior to joining Sprout AI Inc., his previous experience has included roles such as finance analyst for General Electric (GE) and Raytheon, finance manager for GE Oil & Gas, and corporate controller for Victory Rig Equipment and Volker Stevin. Olsen’s combined education and work experience provide expertise in finance, taxation, business strategy, auditing, management and business leadership. He is a CFA, CPA and CGA, with a Bachelor of Commerce from the University of Calgary and a certified general accountant designation in Alberta, Canada.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

N/A

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

N/A

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

See #2 above.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

N/A

7. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

N/A

8. Describe the acquisition of new customers or loss of customers.

See #2 above.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

N/A

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Sprout AI hired one new resource in August, namely Jon Olsen, CFO who replaced the former CFO Joshua Lebovic, and did not make any terminations.

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

N/A

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

N/A

14. Provide details of any securities issued and options or warrants granted.

N/A

15. Provide details of any loans to or by Related Persons.

N/A

16. Provide details of any changes in directors, officers or committee members.

See #2 above.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

N/A

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof, there was no new material information concerning the Issuer which had not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated September 8, 2021

Leanne E. Likness Swanson, Corporate Secretary

“Leanne E. Likness Swanson”

<i>Issuer Details</i>	For Month End	Date of Report
Sprout AI Inc.	August 2021	September 8, 2021
Issuer Address		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
International Business Park Unit 5B, Building 3860 Panama, Pacifico	N/A	403 771 4918
Contact Name	Contact Position	Contact Telephone No.
Leanne Likness Swanson	Corporate Secretary	(403) 771 4918
Contact Email Address	Web Site Address	
likness@sproutai.solutions	https://sproutai.solutions/	