

MUSTGROW BIOLOGICS CORP.

Condensed Interim Financial Statements

Three and nine months ended September 30, 2025 and 2024

(Unaudited)

Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of MustGrow Biologics Corp. for the three and nine months ended September 30, 2025 and 2024 have been prepared by, and are the responsibility of, management, and have been approved by the Audit Committee and the Board of Directors.

Under National Instrument 51-102, Part 4 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The Company's independent auditor has not performed a review of these financial statements.

MUSTGROW BIOLOGICS CORP.
Condensed interim statements of financial position
Unaudited
(Expressed in Canadian Dollars)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,280,419	\$ 2,997,530
Accounts receivable	182,891	102,776
Inventory (note 4)	1,938,165	1,430,223
Prepaid expenses and deposits	272,810	129,885
	5,674,285	4,660,414
Equipment (note 5)	162,418	180,264
Intangible assets (notes 6 and 13)	187,693	575,575
Right-of-use assets (note 7)	36,376	-
Total assets	\$ 6,060,772	\$ 5,416,253
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 11 and 14)	\$ 2,568,014	\$ 2,503,118
Current portion of lease liability (note 7)	14,462	-
Current portion of long-term debt (note 8)	417,991	393,459
	3,000,467	2,896,577
Non-current liabilities		
Earn-out payable (note 14)	-	225,575
Lease liability (note 7)	22,838	-
Long-term debt (note 8)	-	124,532
Convertible debentures (note 9)	128,436	-
Total liabilities	3,151,741	3,246,684
EQUITY		
Share capital (note 10)	28,268,748	25,333,011
Contributed surplus (note 10)	7,968,746	5,006,297
Deficit	(33,328,463)	(28,169,739)
	2,909,031	2,169,569
Total liabilities and equity	\$ 6,060,772	\$ 5,416,253

The accompanying notes are an integral part of these financial statements

MUSTGROW BIOLOGICS CORP.

Condensed interim statements of loss and comprehensive loss

Unaudited

(Expressed in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue				
Sales (note 12)	789,178	6,682	\$ 7,420,237	\$ 6,682
Cost of Sales	(608,623)	(3,741)	(6,103,744)	(3,741)
License revenue (note 12)	-	272,500	-	272,500
	\$ 180,555	\$ 275,441	\$ 1,316,493	\$ 275,441
Expenses				
Selling expenses	\$ 419,296	\$ -	\$ 1,472,446	\$ -
Marketing and promotion	124,367	85,340	494,065	350,034
Office and administration (note 11)	262,113	252,421	944,953	790,405
Research and development	154,520	93,533	358,044	523,013
Regulatory	97,800	45,570	265,743	246,823
Corporate communications	108,738	44,360	280,852	173,905
Transfer agent, filing and exchange	45,426	41,913	201,752	185,564
Patent expenses	48,757	83,301	98,703	157,617
Professional fees	69,186	48,846	460,782	258,367
Royalty expense (note 8)	39,600	-	247,529	-
Depreciation (note 5 and 7)	13,317	-	37,443	-
Stock-based compensation (note 11)	1,219,231	1,304,505	1,324,342	1,461,336
	\$ 2,602,351	\$ 1,999,789	\$ 6,186,654	\$ 4,147,064
Loss before the following	\$ (2,421,796)	\$ (1,724,348)	\$ (4,870,161)	\$ (3,871,623)
Interest income	2,805	46,230	20,982	177,381
Finance costs	(9,168)	-	(304,410)	-
Foreign exchange gain (loss)	(1,355)	(2,827)	(5,135)	18,562
Net loss	\$ (2,429,514)	\$ (1,680,945)	\$ (5,158,724)	\$ (3,675,680)
Total comprehensive loss	\$ (2,429,514)	\$ (1,680,945)	\$ (5,158,724)	\$ (3,675,680)
Net loss per share, basic and diluted	\$ (0.04)	\$ (0.03)	\$ (0.10)	\$ (0.07)
Weighted average number of shares outstanding, basic and diluted	54,707,128	51,640,610	52,838,165	51,581,168

The accompanying notes are an integral part of these financial statements

MUSTGROW BIOLOGICS CORP.
Condensed interim statements of changes in equity (deficiency)
Unaudited
(Expressed in Canadian Dollars)

	Number of common shares (note 10)	Share capital	Contributed surplus	Deficit	Total
Balance, December 31, 2023	51,463,575	\$ 25,060,377	\$ 3,804,916	\$ (23,281,017)	\$ 5,584,276
Exercise of share units and stock options	177,035	272,634	(272,634)	-	-
Stock-based compensation	-	-	1,461,336	-	1,461,336
Net loss and comprehensive loss	-	-	-	(3,675,680)	(3,675,680)
Balance, September 30, 2024	<u>51,640,610</u>	<u>\$ 25,333,011</u>	<u>\$ 4,993,618</u>	<u>\$ (26,956,697)</u>	<u>\$ 3,369,932</u>
Balance, December 31, 2024	51,640,610	\$ 25,333,011	\$ 5,006,297	\$ (28,169,739)	\$ 2,169,569
Stock-based compensation	-	-	1,324,342	-	1,324,342
Exercise of stock options	746,882	481,134	(349,687)	-	131,447
Issuance and conversion of Debenture Units	3,407,134	1,519,677	1,032,880	-	2,552,557
Issuance of 2025 Units	3,059,731	934,926	954,914	-	1,889,840
Net loss and comprehensive loss	-	-	-	(5,158,724)	(5,158,724)
Balance, September 30, 2025	<u>58,854,357</u>	<u>\$ 28,268,748</u>	<u>\$ 7,968,746</u>	<u>\$ (33,328,463)</u>	<u>\$ 2,909,031</u>

The accompanying notes are an integral part of these financial statements

MUSTGROW BIOLOGICS CORP.
Condensed interim statements of cash flows
Unaudited
(Expressed in Canadian Dollars)

	Nine months ended September 30,	
	2025	2024
Operating Activities		
Net loss	\$ (5,158,724)	\$ (3,675,680)
Items not affecting cash		
Stock-based compensation	1,324,342	1,461,336
Deferred revenue	-	(272,500)
Depreciation expense	37,443	-
Non-cash finance costs	110,111	-
Net changes in non-cash working capital items:		
Accounts receivable	(80,115)	(56,195)
Inventory	(507,942)	(408,316)
Prepaid expenses and deposits	(142,925)	(155,000)
Accounts payable and accrued liabilities	227,203	103,270
Cash used in operating activities	(4,190,607)	(3,003,085)
Investing Activities		
Purchase of equipment	(10,816)	-
Cash (used in) investing activities	(10,816)	-
Financing Activities		
Issuance of Debenture Units (note 9)	2,573,075	-
Issuance of 2025 Units (note 10)	1,889,840	-
Exercise of stock options	131,447	-
Repayment of long-term debt	(100,000)	(241,343)
Payment of lease liabilities (note 7)	(10,050)	-
Cash (used in) provided by financing activities	4,484,312	(241,343)
Net increase (decrease) in cash during the period	282,889	(3,244,428)
Cash, beginning of the year	2,997,530	6,817,169
Cash, end of the period	\$ 3,280,419	\$ 3,572,741

The accompanying notes are an integral part of these financial statements

1. Nature and continuance of operations

MustGrow Biologics Corp. (the "Company") was incorporated on December 2, 2014 as 1020673 BC Ltd. under the laws of the province of British Columbia, Canada.

The Company is a fully integrated provider of innovative biological and regenerative agriculture solutions designed to support sustainable farming. The Company's proprietary and third-party product lines offer eco-friendly alternatives to restricted or banned synthetic chemicals and fertilizers. In North America, MustGrow, through its sales and distribution division NexusBioAg (acquired December 31, 2024, see Note 13), offers a portfolio of third-party crop nutrition solutions, including micronutrients, nitrogen stabilizers, biostimulants, and foliar products. These products are synergistically distributed alongside MustGrow's wholly owned proprietary products and technologies that are derived from mustard and developed into organic biocontrol and biofertility products to help replace banned or restricted synthetic chemicals and fertilizers. Outside of North America, MustGrow is focused on collaborating with agriculture companies, such as Bayer AG in Europe, the Middle East and Africa, to commercialize MustGrow's wholly owned proprietary products and technologies. The head office, principal address, records office and registered address of the Company are located at 1005 – 201 1st Ave. S., Saskatoon, Saskatchewan, S7K 1J5, Canada. markets.

2. Basis of preparation

Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board, using accounting policies consistent with those used in the Company's annual financial statements for the year ended and as of December 31, 2024. They do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements.

The financial statements were authorized for issuance by the Company's Board of Directors on November 25, 2025.

3. Material accounting policy information

Accounting standards and amendments adopted

In August 2023, the IASB issued Lack of Exchangeability (Amendments to IAS 21). The amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. This amendment is effective for annual reporting periods beginning on or after January 1, 2025. The amendments had no impact on the Company's interim condensed financial statements.

MUSTGROW BIOLOGICS CORP.
Notes to the condensed interim financial statements
Unaudited
(Expressed in Canadian Dollars)
Three and nine months ended September 30, 2025 and 2024

4. Inventory

	September 30, 2025	December 31, 2024
Finished goods	\$ 1,704,828	\$ 1,196,886
Raw material	233,337	233,337
	<u>\$ 1,938,165</u>	<u>\$ 1,430,223</u>

The cost of inventories recognized as an expense and included in cost of sales during the three and nine months ended September 30, 2025 totaled \$608,623 and \$6,103,744, respectively (2024 – \$3,741).

5. Equipment

Equipment is stated at cost less accumulated depreciation. Depreciation is computed using the declining balance method over the estimated useful lives of the assets. The estimated useful lives of equipment generally range from 5 to 10 years, depending on the nature of the asset.

	September 30, 2025	December 31, 2024
Equipment	\$ 191,080	\$ 180,264
Accumulated depreciation	(28,662)	-
	<u>\$ 162,418</u>	<u>\$ 180,264</u>

6. Intangible assets

On December 31, 2024, the Company acquired certain Canadian Food Inspection Agency product registrations and trademarks. These product registrations are renewed every five years for a fee.

7. Right-of-use assets

On February 28, 2025, the Company entered into a 36 month, 8.99% lease contract for a vehicle used in its operations.

The carrying amounts of right-of-use assets are presented below.

	Vehicle	Accumulated Depreciation	Net Book Value
December 31, 2024	\$ -	\$ -	\$ -
Additions	45,157	-	45,157
Depreciation for the period	-	8,781	(8,781)
September 30, 2025	<u>\$ 45,157</u>	<u>\$ 8,781</u>	<u>\$ 36,376</u>

MUSTGROW BIOLOGICS CORP.
Notes to the condensed interim financial statements
Unaudited
(Expressed in Canadian Dollars)
Three and nine months ended September 30, 2025 and 2024

The carrying amounts of lease liabilities are presented below.

December 31, 2024	\$ -
Additions	45,157
Accretion of interest	2,193
Payments	<u>(10,050)</u>
September 30, 2025	\$ 37,300
Current portion	<u>14,462</u>
Long-term portion	<u>\$ 22,838</u>

The following are the amounts related to the lease recognized in the Statement of Loss.

	Nine months ended September 30,	
	<u>2025</u>	<u>2024</u>
Depreciation expense on right-of-use assets	\$ 8,781	\$ -
Interest expense on lease liabilities	<u>2,193</u>	
Total expense related to right-of-use assets	<u>\$ 10,974</u>	<u>\$ -</u>

Total cash outflow for the lease for the nine months ended September 30, 2025 was \$10,050 (2024 – nil).

Total undiscounted future cash outflows for the lease are presented below.

2025	\$ 4,308
2026	17,229
2027	17,229
2028	<u>2,872</u>
	<u>\$ 41,638</u>

8. Debt

	September 30 <u>2025</u>	December 31 <u>2024</u>
Ag-West Bio Inc. loan	\$ 40,928	\$ 140,928
Saskatchewan Minister of Agriculture loan	<u>377,063</u>	<u>377,063</u>
	417,991	517,991
Less current portion	<u>417,991</u>	<u>393,459</u>
	<u>\$ -</u>	<u>\$ 124,532</u>

Under the terms of the Ag-West Bio Inc. ("Ag-West") loan, the Company will pay Ag-West a royalty of 5% of all gross revenues received by the Company or an affiliate commencing on the date the Company or its affiliates have attained \$500,000 in cumulative revenues beginning May 5, 2017. Gross revenue received is defined to include all sources of revenue, including product sales, licensing revenue, sub-licensing revenue, and royalty revenue received, as well as proceeds derived from the sale of the assets or sales of the Company or an affiliate as part of a divestiture of the business or that would result in a change of control.

The maximum amount Ag-West may receive under this agreement is \$750,000, with the first \$382,271 payments to be applied to pay down the principal outstanding. Ag-West has retained a general security interest in all of the Company's assets. As at September 30, 2025, \$40,928 of the Ag-West loan remains outstanding and is classified as current (current portion, December 31, 2024 - \$16,396). For the three and nine months ended September 30, 2025, the 5% royalty on gross revenue resulted in accrued royalty expense of \$39,600 and \$247,529, respectively (2024 – nil).

Under the terms of the Saskatchewan Minister of Agriculture loan, the principal amount of \$377,063 was due on March 1, 2022. Interest accrues at prime rate plus 2% commencing on the day on which the Company earns cumulative revenue in excess of \$250,000 from the commercial sale of the products, provided such date is prior to March 1, 2022. Interest at a rate of 10% per annum will accrue and be payable on demand on any principal and interest in arrears. The terms of the Saskatchewan Minister of Agriculture loan were amended as of March 1, 2020, at which time a gain on extinguishment was recorded based on a fair value interest rate of 17%. Under the terms, from February 1, 2020 onward, interest accretion was recorded at an effective rate of 17% until the maturity date of March 1, 2022, and no interest has been accrued subsequent to this date. The Company is currently in discussions with the Saskatchewan Minister of Agriculture regarding settlement or extension of the loan and, accordingly, no interest has been accrued.

9. Convertible debentures

On January 16, 2025, the Company announced the closing of a non-brokered private placement of units (each, a "Debenture Unit") at a price per Unit of \$1,000 for aggregate gross proceeds to the Company of \$2,585,000 (the "Debenture Offering") on January 16, 2025 (the "Closing Date"). Each Debenture Unit was comprised of: (i) \$1,000 principal amount of unsecured convertible debentures (the "Debentures"); and (ii) 666 common share purchase warrants (the "Debenture Warrants"). Each Debenture may, at the option of the holder: (i) be converted into common shares in the capital of the Company at price of \$1.50 per common share at any time; or (ii) be paid in cash 60 months following the Closing Date (subject to certain acceleration rights). Each Debenture Warrant is exercisable by the holder thereof to acquire one common share at a price of \$1.90 per common share for a period of 60 months following the Closing Date. The Debentures accrue interest at a rate of 8% per annum, payable semi-annually in cash.

On August 28, 2025, holders of \$2,385,000 of Debentures converted their Debentures into common shares at \$0.70 per common share, resulting in the issuance of 3,407,134 common shares. Alongside the conversion, the exercise price of the Debenture Warrants associated with the converted Debentures was amended to be \$0.90.

Proceeds on issuance of the Debenture Units were allocated to debt, common shares and contributed surplus based on the relative values of the debt, conversion option and Debenture Warrants. The discount rate on the debt was assumed to be 21%, based on market rates for similar transactions. The values of the conversion option and Debenture Warrants were calculated using the Black-Scholes option pricing model utilizing the following assumptions: Expected annualized volatility of 30%; risk-free interest rate of 3%; expected dividend yield of 0%; expected life of five years. Total proceeds on issuance of the Debenture Units, net of issuance costs related to the conversion were \$2,573,075.

Following conversion, \$200,000 of the Debentures remain outstanding and have a discounted value of \$128,436. The discounted value will be accreted to the face value of \$200,000 over the five-year term of the Debentures.

10. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

	Number of common shares	Share capital
Balance, December 31, 2023	51,463,575	\$ 25,060,377
Exercise of Share Units	177,035	272,634
Balance, December 31, 2024	51,640,610	\$ 25,333,011
Conversion of Debentures	3,407,134	1,519,677
Issuance of 2025 Units	3,059,731	934,926
Exercise of Stock Options	746,882	481,134
Balance, September 30, 2025	58,854,357	\$ 28,268,748

On August 28, 2025, holders of \$2,385,000 of Debentures converted their Debentures into common shares at \$0.70 per common share, resulting in the issuance of 3,407,134 common shares. The discounted value of the Debentures at the conversion date was \$1,531,602. This amount, net of share issuance costs of \$11,925, was credited to share capital.

On August 28, 2025, the Company completed a private placement of 3,059,731 units (the "2025 Unit Offering") consisting of one common share and one warrant to purchase one common share at \$.90 per share for five years (the "2025 Unit Warrant" and the common shares and 2025 Unit Warrants together, the "2025 Unit"). Issue price was \$0.70 per 2025 Unit and gross proceeds were \$2,141,812. The issue price allocated to the share portion of the Unit was \$0.40 and \$0.30 was allocated to the warrant portion. Proceeds, net of cash issuance costs were \$1,889,840.

Proceeds of the 2025 Unit Offering, net of issuance costs, allocated to share capital was \$934,926.

Warrants

In connection with the Debenture Offering, the Company issued 1,721,610 Debenture Warrants, exercisable by the holder thereof to acquire one Common Share at a price of \$1.90 per Common Share for a period of five years following January 16, 2025. The fair value of the Unit Warrants was estimated using the Black-Scholes option pricing model at \$0.38 per warrant, based on the following assumptions: expected annualized volatility of 30%; risk-free interest rate of 3%; expected dividend yield of 0%; expected life of five years. This is accounted for as equity-settled share-based payments to non-employees under IFRS 2,

and \$650,916 was recorded in contributed surplus with the corresponding expense included in share issuance costs.

In connection with the Debenture Offering, the Company issued to certain finders an aggregate of 44,800 non-transferable finder's warrants (the "Debenture Finder Warrants"). Each Debenture Finder Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$1.90 per Common Share for a period of two years following January 16, 2025. The fair value of the Debenture Finder Warrants at the date of issuance was estimated using the Black-Scholes option pricing model at \$0.60 per warrant, based on the following assumptions: expected annualized volatility of 80%; risk-free interest rate of 2.95%; expected dividend yield of 0%; expected life of two years. This is accounted for as equity-settled share-based payments to non-employees under IFRS 2, and \$26,880 was recorded in contributed surplus with the corresponding expense included in finance costs.

On August 28, 2025, the Company issued 3,059,731 warrants pursuant to the 2025 Unit Offering. Each warrant entitles the holder to purchase one common share at \$0.90 per share for five years (the "2025 Unit Warrants"). The fair value of these warrants at the date of issuance was estimated using the Black-Scholes option pricing model at \$0.30 per warrant, based on the following assumptions: expected annualized volatility of 80%; risk-free interest rate of 2.69%; expected dividend yield of 0%; expected life of two years. The Company also issued 123,318 warrants to finders that placed a portion of the 2025 Unit Offering (the "2025 Unit Finder Warrants"). These warrants have an exercise price of \$0.90 per share and a five-year term. The fair value of these warrants at the date of issuance was estimated using the Black-Scholes option pricing model at \$0.30 per warrant based on the following assumptions: Expected annualized volatility of 80%; risk-free interest rate of 2.69%; expected dividend yield of 0%; expected life of two years. This is accounted for as equity-settled share-based payments to non-employees under IFRS 2, and \$36,995 was recorded in contributed surplus with the corresponding amount treated as a cost of issuance for common shares and warrants.

The following table summarizes the warrants that remain outstanding as at September 30, 2025:

	<u>Number</u>	<u>Exercise price</u>	<u>Expiry</u>
Debenture Warrants	1,588,410	\$ 0.90	January 2030
Debenture Warrants	133,200	\$ 1.90	January 2030
Debenture Finder Warrants	44,800	\$ 1.90	January 2027
2025 Unit Warrants	3,059,731	\$ 0.90	August, 2030
2025 Unit Finder Warrants	123,318	\$ 0.90	August, 2030
	<u>4,949,459</u>		

Omnibus Incentive Plan

The Company established an Omnibus Incentive Plan on June 29, 2022 (the "Omnibus Plan") for directors, officers and consultants of the Company. The Omnibus Plan replaces the Legacy Option Plan described below. The Omnibus Plan provides for the grant of stock options, performance share units ("PSU's"), restricted share units ("RSU's"), deferred share units ("DSU's") (RSU's and DSU's are collectively referred to as "Share Units"). The Company's Board of Directors has full authority to administer the Omnibus Plan, including authority to determine the eligibility of individuals to participate in the Omnibus Plan, the term, vesting period, vesting conditions, exercise price, and make any other determinations that the Board of

MUSTGROW BIOLOGICS CORP.
Notes to the condensed interim financial statements
Unaudited
(Expressed in Canadian Dollars)
Three and nine months ended September 30, 2025 and 2024

Directors deems necessary or desirable for the administration of the Omnibus Plan, subject to compliance with regulatory requirements.

The maximum number of common shares reserved for issuance under the Omnibus Plan shall not exceed 10% of the Company's issued and outstanding common shares from time to time on a non-diluted basis.

Upon redemption of Share Units, holders will receive, at the discretion of the Company: i) common shares equal to the number of Share Units granted; ii) a cash payment equal to the number of Share Units multiplied by the fair market value of a common share on the redemption date; or iii) a combination of common shares and cash.

The Company does not have a history of settling Share Units in cash and has sole discretion on the form of settlement. Accordingly, the Share Units are accounted for as equity settled share-based payments valued using the share price of the common shares on the grant date and are amortized over the vesting period.

A summary of the changes and status of Share Units follows.

	RSU's	PSU's	DSU's
Balance, December 31, 2023	177,035	-	951,459
Exercised	(177,035)	-	-
Issuance	-	-	1,575,398
Balance, December 31, 2024	-	-	2,526,857
Issuance	217,685	241,855	-
Issuance	10,225	-	1,650,090
Balance, September 30, 2025	<u>227,910</u>	<u>241,855</u>	<u>4,176,947</u>
Vested at September 30, 2025	<u>-</u>	<u>-</u>	<u>4,176,947</u>

In September, 2025, the Company issued 1,650,090 DSU's and 10,225 RSU's to directors, officers and consultants of the Company. The value of these DSU's was based on the fair value of the Company's common shares on the date of grant. Accordingly, the fair value was \$0.70 per Share Unit for a total value of \$1,162,221 and is recorded as stock-based compensation as the Share Units vest.

In January and February, 2025, the Company issued 217,685 RSU's and 241,855 PSU's to employees. The value of these RSU's and PSU's was based on the fair value of the Company's common shares on the dates of grant - \$1.47 and \$1.33. The value of the PSU's also considered the estimated outcome of the performance conditions attached to the PSU's. The value of the RSU's and the PSU's was calculated as \$312,857 and \$243,272, respectively, and is recorded as stock-based compensation as the Share Units vest.

In September, 2024, the Company issued 1,575,398 DSU's to directors, officers and consultants of the Company. The value of these DSU's was based on the fair value of the Company's common shares on the date of grant, September 3, 2024. Accordingly, the fair value was \$0.82 per Share Unit for a total value of \$1,291,826 and is recorded as stock-based compensation as the Share Units vest.

Stock-based compensation related to Share Units of \$1,219,231 and \$1,314,226 was recorded for the three and nine months ended September 30, 2025 (2024 – nil and \$116,477).

During the year ended December 31, 2024, 177,035 RSU's were settled through the issuance of 177,035 common shares, resulting in a transfer of \$272,634 from contributed surplus to share capital.

Legacy Option Plan

The Company established a stock option plan (the "Legacy Option Plan") for directors, officers and consultants of the Company. The Company's Board of Directors determined, among other things, the eligibility of individuals to participate in the Legacy Option Plan and the term, vesting period, and the exercise price of options granted to individuals under the Legacy Option Plan.

Each stock option issued under the Legacy Option Plan ("Stock Option") converts into one common share of the Company on exercise. No amounts were paid or payable by the individual on receipt of the Stock Option. Stock Options may be exercised at any time from the date of vesting to the date of their expiry.

The Company's Legacy Option Plan provided that the number of common shares reserved for issuance may not exceed 10% of the aggregate number of common shares that are outstanding.

On May 1, 2025, 100,000 Stock Options expired and 900,000 Stock Options were exercised resulting in the issuance of 746,882 shares and net proceeds of \$131,447.

No Stock Options were issued in the three and nine months ended September 30, 2025 or the year ended December 31, 2024.

Stock-based compensation related to Stock Options of \$nil and \$10,116 was recorded for the three and nine months ended September 30, 2025, respectively (2024 - \$12,679 and \$40,354).

A summary of the status of the Stock Options outstanding follows.

<u>Exercise price</u>	<u>Stock Options outstanding</u>	<u>Expiry date</u>	<u>Weighted average remaining contractual life (years)</u>	<u>Stock Options exercisable</u>
\$3.40	250,000	2027-03-14	1.45	250,000
2.10	50,000	2026-01-14	0.29	50,000
1.05	250,000	2025-12-14	0.21	250,000
	<u>550,000</u>			<u>550,000</u>

11. Related parties

During the three and nine months ended September 30, 2025, the Company incurred consulting fees and office rent of \$245,944 and \$748,607, respectively, (2024 - \$240,012 and \$698,001) to companies controlled by directors and officers of the Company. The fees paid to directors and officers of the Company considered to be related parties for financial reporting purposes are made on terms equivalent to those that prevail in arm's length transactions.

During the three and nine months ended September 30, 2025, stock-based compensation related to Stock Options and Share Units issued to directors and officers of the Company totaled \$1,115,064 and \$1,125,179 respectively (2024 – \$1,130,943 and \$1,197,805).

At September 30, 2025 there was \$31,749 accrued and payable to directors and officers of the Company or companies controlled by them (December 31, 2024 – \$248,462). Outstanding balances are unsecured and interest free. Settlement of these liabilities occurs in cash. There have been no guarantees provided for any related party payables.

12. Revenue

For the three and nine months ended September 30, 2025, sales revenue of \$nil and \$312,832 was sourced from the United States and the remainder was from Canada. In 2024, sales were sourced from the United States and license revenue was sourced from Belgium.

During the year ended December 31, 2024, the performance obligations related to deferred revenue were met and \$272,500 was recognized in revenue.

13. Acquisition of NexusBioAg assets

On January 2, 2025, the Company announced the execution and closing of an Asset Purchase Agreement (the “APA”) dated December 31, 2024 with Univar Solutions Canada Ltd. (“Univar Solutions”) for the acquisition of certain assets related to NexusBioAg. The consideration payable to Univar Solutions pursuant to the APA was (i) a deferred cash payment of approximately \$1,662,307, subject to adjustment in accordance with the terms of the APA; and (ii) earn-out payments equal to a specified percentage amount of gross margin on certain itemized products sold by the Company in 2025 and 2026. The estimated fair value of the earn-out payments was originally calculated to be \$225,575. The costs of the purchase were allocated to the identifiable assets on the basis of their values on the date of purchase.

Inventory	\$1,132,043
Fixed assets	180,264
Intangible assets (product registrations and trademark)	<u>575,575</u>
	<u>\$1,887,882</u>

The fair value measurement of the inventory and fixed assets was based on the arms-length agreement between Univar Solutions and the Company as well as reference to the market price of these assets on the date on which the transaction occurred. The fair value measurement of the product registrations was calculated to be \$258,349, based on replacement cost for similar registrations. The fair value measurement of the trademark was calculated to be \$317,226, based on a royalty calculation estimate. This calculation uses the following estimates:

- A discount rate of 17%
- A royalty rate of 0.5%

If the estimated discount rate used in the calculation had been 1% higher than management’s estimate, the fair value of the trademark name would have been \$11,250 lower. If the estimated royalty rate had been

0.25% higher than management's estimate, the fair value of the trademark name would have been \$169,450 higher.

In 2025, the terms of the APA were amended to adjust the consideration and eliminate the earn out payments. The amended costs of the purchase were allocated to the identifiable assets as follows.

Inventory	\$1,132,043
Fixed assets	180,264
Intangible assets (product registrations and trademark)	<u>187,693</u>
	<u>\$1,500,000</u>

14. Financial instruments

Interest rate risk

Interest rate risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to cash flow risk because there is no variable interest paid on debt outstanding. The Company is not currently exposed to fair value risk because the fair value of its cash deposits and debt do not vary with changes in interest rates.

Foreign currency risk

The Company conducts certain of its operations in United States dollars and has sales and purchases in US dollars which are recorded at the spot rate at the date of the transaction. As of September 30, 2025, the Company held US dollar cash of \$83,185 (December 31, 2024 – \$25,376).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The receivables consist primarily of tax receivables due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets. As at September 30, 2025 the allowance for credit losses was \$nil (December 31, 2024 - \$nil).

Financial instrument carrying values and fair values

For all current financial assets and financial liabilities, carrying amounts are assumed to approximate fair value due to the short-term maturities of these items.

The long-term debt at September 30, 2025 consists of the Debentures, valued at amortized cost, the Ag-West Bio Inc. loan and the Saskatchewan Minister of Agriculture loan, both valued using a discounted cash flow test taking into consideration the current market rate of interest with similar term to maturity and the Company's current credit quality. As at September 30, 2025, the fair value of the long-term debt is \$583,727 (December 31, 2024 - \$517,991) and is classified as level 3 in the fair value hierarchy.

15. Commitments

During the second quarter of 2025, the Company entered into a take-or-pay agreement for the purchase of fertilizer products, under which the Company is obligated to either take delivery of or pay for a minimum volume of product in 2025. The product purchase price will be based on market prices at the time of purchase and is estimated to be approximately \$8 million. No liability or asset is recognized on the balance sheet at initial recognition. Management revises forecast usage throughout the term and expects full utilization of the contracted minimum volumes, so no provision for onerous contract has been recognized.

16. Disputes

From time to time, the Company may become involved in various legal disputes. While it may not be possible to estimate the exact outcome of these disputes, management believes that there will be no significant adverse effects on the financial position of the Company when such matters are resolved.