MUSTGROW BIOLOGICS CORP.

Condensed Interim Financial Statements

Three and Six Months Ended June 30, 2026 and 2025

(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 six months ended June 30, 2026 and 2025 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)

	June 30, 2026	December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 4,374,012	$ 918,767
Accounts receivable	1,437,406	69,278
Inventory (note 4)	566,825	1,998,989
Prepaid expenses and deposits	386,013	73,501
Assets held for sale (note 10)	398,453	-
	7,162,709	**3,060,535**
Right of use assets	-	32,613
Total assets	**$ 7,162,709**	**$ 3,093,148**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	$ 1,435,025	$ 1,641,915
Current portion of lease liability	-	14,790
Current portion of long-term debt (note 5)	377,063	417,991
Liabilities related to assets held for sale	162,648	-
	1,974,736	**2,074,696**
Non-current liabilities		
Lease liability	-	19,015
Convertible debentures (note 6)	138,511	132,337
Total liabilities	**2,113,247**	**2,226,048**
EQUITY		
Share capital (note 7)	32,669,047	28,697,110
Contributed surplus (note 7)	8,845,870	7,597,395
Deficit	(36,465,455)	(35,427,405)
	5,049,462	867,100
Total liabilities and equity	**$ 7,162,709**	**$ 3,093,148**

The accompanying notes are an integral part of these financial statements

MUSTGROW BIOLOGICS CORP.
Condensed interim statements of profit or loss and comprehensive profit or loss
Unaudited
(Expressed in Canadian Dollars)

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
		(restated) (note 10)		(restated) (note 10)
Sales (note 9)	$ 74,789	312,833	$ 172,971	$ 312,833
Cost of sales	(76,489)	(236,790)	(151,470)	(236,790)
	$ (1,700)	$ 76,043	$ 21,501	$ 76,043
License revenue	1,363,410	-	1,363,410	-
	$ 1,361,710	$ 76,043	$ 1,384,911	$ 76,043
Expenses				
Marketing and promotion	$ 92,366	87,899	$ 187,278	$ 183,927
Office and administration (note 8)	307,242	292,032	598,803	612,345
Research and development	88,134	81,222	211,940	203,523
Regulatory	3,858	14,692	12,463	167,943
Corporate communications	143,519	47,335	272,446	172,114
Transfer agent, filing and exchange	65,687	86,571	119,264	156,326
Patent expenses	123,439	34,798	166,678	49,947
Professional fees	107,603	115,829	166,914	340,532
Royalty expense	-	142,690	76,231	207,929
Stock-based compensation (note 7)	-	-	-	10,116
	$ 931,848	$ 903,068	$ 1,812,017	$ 2,104,702
Profit or loss before the following	$ 429,862	$ (827,025)	$ (427,106)	$ (2,028,659)
Interest income	953	4,480	2,697	18,177
Finance costs	(20,922)	(110,527)	(34,752)	(295,243)
Foreign exchange gain (loss)	3,139	(9,788)	747	(3,781)
Profit or loss from continuing operations	$ 413,032	$ (942,860)	$ (458,414)	$ (2,309,506)
Discontinued operations (note 10)	(128,337)	(146,044)	(579,635)	(419,705)
Net profit or loss	**$ 284,695**	**$ (1,088,904)**	**$ (1,038,050)**	**$ (2,729,211)**
Total comprehensive profit or loss	**$ 284,695**	**$ (1,088,904)**	**$ (1,038,050)**	**$ (2,729,211)**
Net profit or loss per share, basic and diluted	$ 0.00	$ (0.02)	$ (0.02)	$ (0.05)
Weighted average number of shares outstanding, basic and diluted	63,864,180	52,127,707	62,904,420	51,888,195

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 7)	Share capital	Contributed surplus	Deficit	Total
Balance, December 31, 2024	51,640,610	$ 25,333,011	$ 5,006,297	$ (28,169,739)	$ 2,169,569
Stock-based compensation	-	-	105,111	-	105,111
Exercise of stock options	746,882	481,134	(349,687)	-	131,447
Amortization of Unit Warrants	-	-	105,808	-	105,808
Issuance of Finders Warrants	-	-	26,880	-	26,880
Net loss and comprehensive loss	-	-	-	(2,729,211)	(2,729,211)
Balance, June 30, 2025	52,387,492	$ 25,814,145	$ 4,894,409	$ (30,898,950)	$ (190,396)
Balance, December 31, 2025	58,854,357	$ 28,697,110	$ 7,597,395	$ (35,427,405)	$ 867,100
Discontinued operations stock-based compensation	-	-	25,737	-	25,737
Settlement of RSU's	105,461	144,774	(144,774)	-	-
Issuance of 2026 01 Units	4,000,000	1,269,578	513,500	-	1,783,078
Issuance of 2026 06 Units	7,481,541	2,557,585	854,012	-	3,411,597
Net loss and comprehensive loss	-	-	-	(1,038,050)	(1,038,050)
Balance, June 30, 2026	70,441,359	$ 32,669,047	$ 8,845,870	$ (36,465,455)	$ 5,049,462

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

	Six months ended June 30, 2026	2025 (restated) (note 10)
Operating Activities		
Net loss	$ (1,038,050)	$ (2,729,211)
Items not affecting cash		
Stock-based compensation	-	10,116
Discontinued operations stock-based compensation	25,737	94,995
Non-cash finance costs	6,175	133,992
Net changes in non-cash working capital items:		
Accounts receivable	(1,391,823)	(175,822)
Inventory	(312,112)	62,389
Prepaid expenses and deposits	(312,512)	(131,955)
Accounts payable and accrued liabilities	607,544	(125,387)
Discontinued operations (note 10)	750,344	(1,015,581)
Cash used in operating activities	**(1,664,697)**	**(3,876,464)**
Investing Activities		
Discontinued operations (note 10)	-	(10,816)
Cash (used in) investing activities	**-**	**(10,816)**
Financing Activities		
Issuance of 2026 01 Units	1,783,078	-
Issuance of 2026 06 Units	3,411,597	-
Exercise of stock options	-	131,447
Discontinued operations (note 10)	(33,805)	(5,743)
Repayment of long-term debt	(40,928)	
Issuance of convertible debentures (note 6)	-	2,585,000
Cash provided by financing activities	**5,119,942**	**2,710,704**
Net increase (decease) in cash during the period	**3,455,245**	**(1,176,576)**
Cash, beginning of the year	918,767	2,997,530
Cash, end of the period	**$ 4,374,012**	**$ 1,820,954**

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 provider of innovative biological and regenerative agriculture solutions designed to support sustainable farming. The Company's products and technologies offer eco-friendly alternatives to restricted or banned synthetic chemicals and fertilizers. These products and technologies are derived from mustard seed and developed into organic biocontrol and biofertility products to help replace banned or restricted synthetic chemicals and fertilizers. In North America, MustGrow owns and is working on product registrations and sales. The Company's first registered product, TerraSante™, a biofertility product, launched in 2024 and is currently registered in key U.S. states and initial sales ramp-up is ongoing. Outside of North America, MustGrow is focused on collaborating with agriculture companies, such as Bayer 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.

In 2025, most of the Company's sales were third-party products related to NexusBioAg. The Company discontinued those sales in April 2026. See note 10. Notwithstanding this loss of sales, Management believes the Company has sufficient resources to continue as a going concern.

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, 2025. 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 August 27, 2026.

3. Material accounting policy information

Discontinued operations

A discontinued operation is a component of the Company that either has been disposed of or is classified as held for sale. On March 31, 2026, the Company decided to discontinue sales of third-party products related to NexusBioAg effective April 15, 2026. Accordingly, operations related to NexusBioAg are presented as discontinued operations.

The results of discontinued operations are presented separately in the consolidated statements of income and comprehensive income for all periods presented. Depreciation and amortization cease once assets are classified as held for sale.

(Expressed in Canadian Dollars)

4. Inventory

	June 30, 2026	December 31, 2025
Finished goods	$ 14,276	$ 2,767
Raw material	552,549	251,946
	$ 566,825	$ 254,713

The cost of inventories recognized as an expense and included in cost of sales during the three and six months ended June 30, 2026 totaled $76,489 and $151,470, respectively (2025 – $236,790 and $236,790).

5. Debt

	June 30 2026	December 31 2025
Ag-West Bio Inc. loan	$ -	$ 40,928
Saskatchewan Minister of Agriculture loan	377,063	377,063
	377,063	417,991
Less current portion	377,063	417,991
	$ -	$ -

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 June 30, 2026, the loan portion of the Ag-West obligation is nil and accrued royalties included in accounts payable and accrued liabilities total $308,657 (December 31, 2025 - $40,928 and $291,498). For the three and six months ended June 30, 2026, the 5% royalty on gross revenue resulted in royalty expense of nil and $76,231, respectively (2025 - $142,690 and $207,929).

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.

6. 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 Debenture 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 a 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 $138,511. The discounted value will be accreted to the face value of $200,000 over the five-year term of the Debentures.

(Expressed in Canadian Dollars)

7. 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, 2024	51,640,610	$ 25,333,011
Conversion of Debentures	3,407,134	1,519,677
Issuance of 2025 Units	3,059,731	1,363,288
Exercise of Stock Options	746,882	481,134
Balance, December 31, 2025	58,854,357	$ 28,697,110
Issuance of 2026 01 Units	4,000,000	1,269,578
Issuance of 2026 06 Units	7,481,541	2,557,585
Settlement of RSU's	105,461	144,774
Balance, June 30, 2026	70,441,359	$ 32,669,047

On June 19, 2026, the Company completed a private placement of 7,481,541 units (the “2026 06 Unit Offering”) consisting of one common share and one warrant to purchase one common share at $0.70 per share for five years (the “2026 06 Unit Warrant” and the common shares and 2026 06 Unit Warrants together, the ”2026 06 Unit”). Issue price was $0.50 per 2026 06 Unit and gross proceeds were $3,740,771. The issue price allocated to the share portion of the 2026 06 Unit was $0.39 and $0.11 was allocated to the warrant portion. Proceeds, net of cash issuance costs were $3,411,597. Proceeds of the 2026 06 Unit Offering, net of issuance costs, allocated to share capital were $2,557,585.

On January 22, 2026, the Company completed a private placement of 4,000,000 units (the “2026 01 Unit Offering”) consisting of one common share and one warrant to purchase one common share at $0.70 per share for five years (the “2026 01 Unit Warrant” and the common shares and 2026 01 Unit Warrants together, the ”2026 01 Unit”). Issue price was $0.50 per 2026 01 Unit and gross proceeds were $2,000,000. The issue price allocated to the share portion of the Unit was $0.39 and $0.11 was allocated to the warrant portion. Proceeds, net of cash issuance costs were $1,783,078. Proceeds of the 2026 01 Unit Offering, net of issuance costs, allocated to share capital were $1,269,578.

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 $0.90 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 2025 Unit was $0.54 and $0.16 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 were $1,363,288.

Warrants

On June 19, 2026, the Company issued 7,481,541 2026 06 Unit Warrants pursuant to the 2026 06 Unit Offering. Each 2026 06 Unit Warrant entitles the holder to purchase one common share at $0.70 per share for five years. The fair value of these warrants at the date of issuance was estimated using the Black-Scholes option pricing model at $0.11 per warrant, based on the following assumptions: expected annualized volatility of 80%; risk-free interest rate of 2.78%; expected dividend yield of 0%; expected life of two years.

The Company also issued 221,730 warrants to finders that placed a portion of the 2026 06 Unit Offering (the "2026 06 Unit Finder Warrants"). The 2026 06 Unit Finder Warrants have an exercise price of $0.70 per share and a five-year term. The fair value of the 2026 06 Unit Finder Warrants at the date of issuance was estimated using the Black-Scholes option pricing model at $0.14 per warrant based on the following assumptions: Expected annualized volatility of 80%; risk-free interest rate of 2.78%; 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 $31,042 was recorded in contributed surplus with the corresponding amount treated as a cost of issuance for common shares and warrants.

On January 22, 2026, the Company issued 4,000,000 2026 01 Unit Warrants pursuant to the 2026 01 Unit Offering. Each 2026 01 Unit Warrant entitles the holder to purchase one common share at $0.70 per share for five years. The fair value of these warrants at the date of issuance was estimated using the Black-Scholes option pricing model at $0.11 per warrant, based on the following assumptions: expected annualized volatility of 80%; risk-free interest rate of 2.56%; expected dividend yield of 0%; expected life of two years.

The Company also issued 210,000 warrants to finders that placed a portion of the 2026 01 Unit Offering (the "2026 01 Unit Finder Warrants"). The 2026 01 Unit Finder Warrants have an exercise price of $0.70 per share and a five-year term. The fair value of the 2026 01 Unit Finder Warrants at the date of issuance was estimated using the Black-Scholes option pricing model at $0.35 per warrant based on the following assumptions: Expected annualized volatility of 80%; risk-free interest rate of 2.56%; 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 $73,500 was recorded in contributed surplus with the corresponding amount treated as a cost of issuance for common shares and warrants.

On August 28, 2025, the Company issued 3,059,731 2025 Unit 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 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.

(Expressed in Canadian Dollars)

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 Debenture Warrants was estimated using the Black-Scholes option pricing model at $0.32 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 $549,000 was recorded in contributed surplus with the corresponding expense included in share issuance costs. On August 28, 2025, the exercise price of 1,588,410 Debenture Warrants was amended to $0.90 per common share.

In connection with the Debenture Offering, the Company issued to certain finders an aggregate of 44,800 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.

The following table summarizes the continuity of warrants for 2025 and 2026.

	Warrants	Weighted Average Exercise price
Balance, December 31, 2024	-	
Issuance	1,588,410	$ 0.90
Issuance	133,200	$ 1.90
Issuance	44,800	$ 1.90
Issuance	3,059,731	$ 0.90
Issuance	123,318	$ 0.90
Balance, December 31, 2025	4,949,459	$ 0.94
Issuance	4,000,000	$ 0.70
Issuance	210,000	$ 0.70
Issuance	7,481,541	$ 0.70
Issuance	221,730	$ 0.70
Balance, June 30, 2026	16,862,730	$ 0.77

The following table summarizes the warrants that remain outstanding as at June 30, 2026.

(Expressed in Canadian Dollars)

	Number	Exercise price	Expiry
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
2026 01 Unit Warrants	4,000,000	$ 0.70	January, 2031
2026 01 Unit Finder Warrants	210,000	$ 0.70	January, 2031
2026 06 Unit Warrants	7,481,541	$ 0.70	June, 2031
2026 06 Unit Finder Warrants	221,730	$ 0.70	June, 2031
	16,862,730		

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 (“PSUs”), restricted share units (“RSUs”) and deferred share units (“DSUs”) (RSUs and DSUs 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 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.

(Expressed in Canadian Dollars)

	RSUs	PSUs	DSUs
Balance, December 31, 2024	-	-	2,526,857
Issuance	217,685	241,855	-
Issuance	10,225	-	1,650,090
Expired	-	(241,855)	-
Balance, December 31, 2025	227,910	-	4,176,947
Settled	(105,461)	-	-
Expired	(122,449)		
Balance, June 30, 2026	-	-	4,176,947
Vested at June 30, 2026	-	-	4,176,947

In February, 2026, 105,461 RSUs were settled through the issuance of 105,461 common shares. On March 31, 2026, 122,449 RSUs expired.

In September, 2025, the Company issued 1,650,090 DSUs and 10,225 RSUs to directors, officers and consultants of the Company. The value of these DSUs 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 RSUs and 241,855 PSUs to employees. The value of these RSUs and PSUs was based on the fair value of the Company's common shares on the dates of grant – $1.47 and $1.33, respectively. The value of the PSUs also considered the estimated outcome of the performance conditions attached to the PSUs. The value of the RSUs and the PSUs was calculated as $312,857 and $243,272, respectively, and is recorded as stock-based compensation as the Share Units vest. The performance criteria attached to the PSUs were not met and the PSUs expired as of December 31, 2025. These RSUs and PSUs related to NexusBioAg discontinued operations.

Stock-based compensation related to Share Units of $25,737 was recorded for the three and six months ended June 30, 2026 (2025 - $94,995). All of these amounts were related to discontinued operations.

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 2026 or 2025.

(Expressed in Canadian Dollars)

Stock-based compensation related to Stock Options of $nil was recorded for the three and six months ended June 30, 2026 (2025 - $10,116).

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

Exercise price	Stock Options outstanding	Expiry date	Weighted average remaining contractual life (years)	Stock Options exercisable
$3.40	250,000	2027-03-14	0.95	250,000

8. Related parties

During the three and six months ended June 30, 2026, the Company incurred consulting fees and office rent of $256,535 and $501,319 respectively (2025 – $238,486 and $490,562) 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 six months ended June 30, 2026, stock-based compensation related to Stock Options and Share Units issued to directors and officers of the Company was $nil (2025 – $10,116).

At June 30, 2026 there was $298,799 accrued and payable to directors and officers of the Company or companies controlled by them (December 31, 2025 – $137,450). 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.

9. Revenue

For the three and six months ended June 30, 2026, sales revenue of $74,789 and $172,971 respectively, was sourced from the United States.

10. Discontinued operations

On March 31, 2026, the Company decided to discontinue sales of third-party products related to NexusBioAg effective April 15, 2026. In view of this, the Company recognized impairment losses for the inventory, equipment and intangible assets related to NexusBioAg as of December 31, 2025. The impairment of the inventory was $386,165, the impairment of the equipment was $152,864 and the impairment of the intangibles was $187,693.

As of March 31, 2026, operations related to NexusBioAg are presented as discontinued operations. Assets and liabilities related to the discontinued operations will be liquidated over the next number of months.

Results of discontinued operations for the three and six months ended June 30, 2026 and 2025 were as follows.

(Expressed in Canadian Dollars)

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Sales	$ 839,629	$ 2,536,491	$ 2,504,665	$ 6,318,227
Cost of sales	(679,443)	(2,017,816)	(2,034,829)	$ (5,258,331)
Expenses	(288,523)	(664,719)	(1,049,471)	$ (1,479,601)
Loss from discontinued operations	$ (128,337)	$ (146,044)	$ (579,635)	$ (419,705)
Loss from discontinued operations per share, basic and diluted	$ (0.002)	$ (0.003)	$ (0.009)	$ (0.008)

Assets and liabilities of the discontinued operations at June 30, 2026 were as follows.

Assets	
Accounts receivable	$ 204,358
Inventory	194,095
Deposits	-
Right of use assets	-
	$ 398,453
Liabilities	
Accounts payable	$ 162,648
Lease liability	-
	$ 162,648

Cash flows related to discontinued operations for the six months ended June 30, 2026 and 2025 were as follows.

	2026	2025
Loss from discontinued operations	$ (579,635)	$ (419,705)
Stock-based compensation	25,737	94,995
Net changes in non-cash working capital items	750,345	(1,015,581)
Operating	$ 170,710	$ (1,435,286)
Investing	-	(10,816)
Financing	(33,805)	(5,743)
Cash provided by/(used in) discontinued operations	$ 136,905	$ (1,451,845)

11. 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 interest rate risk because its debt bears fixed rates of interest. While changes in market interest rates may affect the fair value of the Company's fixed-rate debt, the related exposure is not considered significant. The Company's debt is measured at amortized cost using the effective interest rate method.

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 June 30, 2026, the Company held US dollar cash of $82,416 (December 31, 2025 – $294,911).

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 amounts owing from sales to financially reliable customers and 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 June 30, 2026 the allowance for credit losses was $nil (2025 - $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 June 30, 2026 consists of the Ag-West 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 June 30, 2026, the fair value of the long-term debt is $377,063 (December 31, 2025 - $417,991) and is classified as level 3 in the fair value hierarchy.

12. 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.

The Company was a defendant in a legal action initiated by Phospholutions, Inc. (“Phospholutions”), who filed a statement of claim on November 24, 2025 in Pennsylvania, USA. The claim alleged breach of contract and unjust enrichment and seeks damages of approximately US$5,000,000.

On July 13, 2026 the Company and Phospholutions executed a Settlement Agreement and General Release (the “Settlement Agreement”). Under the terms of the Settlement Agreement, the Company paid to Phospholutions, Inc. US$750,000 in full satisfaction of any and all damages and obligations that

Phospholutions has asserted, now asserts or at any time in the future may attempt to assert for amounts allegedly due and owing by MustGrow related to the legal action or the Product Supply Agreement between the Company and Phospholutions. Further, pursuant to the Settlement Agreement, both the Company and Phospholutions irrevocably release and forever discharge the other from all claims, known and unknown, related to their prior business relationship.