

MUSTGROW BIOLOGICS CORP.

Management's Discussion and Analysis

For the Three and Six Months Ended June 30, 2026 and 2025

General

This management's discussion and analysis of financial position and results of operations ("**MD&A**") is prepared as at August 27, 2026 and should be read in conjunction with the interim condensed financial statements for the three and six months ended June 30, 2026 and related notes of MustGrow Biologics Corp. ("**MustGrow**" or the "**Company**"). The interim condensed financial statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and interpretations of the IFRS Interpretations Committee.

Management is responsible for the preparation and integrity of the Company's financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and MD&A, is complete and reliable. All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate, and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR+ at www.sedarplus.ca.

Caution Regarding Forward-Looking Statements

This MD&A contains forward-looking information and statements (collectively, "**forward-looking statements**") within the meaning of applicable Canadian securities laws, including financial and operational expectations and projections. These statements, other than statements of historical fact, are based on management's current expectations and are subject to a number of risks, uncertainties, and assumptions, including market and economic conditions, business prospects or opportunities, future plans and strategies, projections, technological developments, anticipated events and trends and regulatory changes that affect the Company, its customers and industry. Although the Company and management believe the expectations reflected in such forward-looking statements are appropriate and are based on reasonable assumptions and estimates as of the date hereof, there can be no assurance that these assumptions or estimates are accurate or that any of these expectations will prove accurate. Forward-looking statements are inherently subject to significant business, regulatory, economic and competitive risks, uncertainties and contingencies that could cause actual events to differ materially from those expressed or implied in such statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "would", "should", "believe", "objective", "ongoing", "imply" or the negative of these words or other variations or synonyms of these words or comparable terminology and similar expressions.

By their nature forward-looking statements are subject to known and unknown risks, uncertainties, and other factors which may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such

factors include, among other things, the Company's stage of development, long-term capital requirements and future ability to fund operations, future developments in the Company's markets and the markets in which it expects to compete, risks associated with its strategic alliances, the impact of entering new markets on the Company's operations, and risks associated with new or proposed regulations. Each factor should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements. See the section, "Risk Factors and Uncertainties", below noting that these factors are not intended to represent a complete list of the factors that could affect the Company. Shareholders and investors should not place undue reliance on forward-looking statements as the plans, assumptions, intentions or expectations upon which they are based might not occur. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Unless otherwise indicated by the Company, forward-looking statements in this MD&A describe the Company's expectations as of August 27, 2026, and, accordingly, are subject to change after such date. The Company does not undertake to update or revise any forward-looking statements, except in accordance with applicable securities laws.

Overview and Overall Performance

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 or reduce the use of banned or restricted synthetic chemicals and fertilizers, and protect soil health and the soil microbiome, support plant health, and contribute to global food security through more sustainable agricultural practices. 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 Company is dedicated to driving shareholder value through the commercialization and expansion of its intellectual property portfolio of 110 patents that are currently issued and pending.

NexusBioAg

On December 31, 2024, the Company acquired certain assets that represented NexusBioAg and commenced sales of agricultural products in Canada. These products, which were acquired from third parties and sold to multiple customers in Canada, included biostimulants, micronutrients, nitrogen stabilizers and foliars. Biostimulants promote and improve plant growth, preserve and increase yield potential and reduce the impact of environmental stress conditions, such as drought, heat, cold and salinity. Micronutrients include copper, zinc, boron and manganese which are essential for plant growth and yield maximization. Nitrogen stabilizers protect soil nitrogen from volatilization, denitrification and leaching. Foliars are micronutrients applied in liquid form to plant surfaces to enhance yield. The NexusBioAg business did not meet expectations and on March 31, 2026, the Company announced the closure of the NexusBioAg operations. As of June 30, 2026, financial results related to NexusBioAg are presented as discontinued operations in the statements of profit or loss and statements of cash flows. Assets and liabilities related to NexusBioAg are presented as assets held for sale and liabilities related to assets held for sale in the statement of financial position.

Biocontrol

In the Biocontrol market, the Company has designed and owns a United States ("U.S.") Environmental Protection Agency ("EPA") approved preplant soil biofumigant or biopesticide that uses the mustard seed's natural defense mechanism to protect plants from soil-borne microbial diseases and pests. Approximately 150 independent tests have been completed, validating the Company's safe and effective technology. This technology, in granule format, is EPA-approved across all key fruit & vegetable growing U.S. states (excluding California) as a biopesticide and was designated by Health Canada's Pest Management Regulatory Agency ("PMRA") as a biopesticide. The Company has now developed a new concentrated format for Biocontrol, branded as TerraMG™, as a preplant soil biofumigant to be applied through injection, standard drip or spray equipment, designed to improve functionality and performance features. Discussion with the EPA and PMRA for regulatory approval for TerraMG™ is on-going.

In Biocontrol, the MustGrow technology is a platform technology with multiple potential applications (collectively, "**Biocontrol**" applications), including:

- **Preplant Soil Biofumigation** – to treat soil-borne diseases and pests for multiple crops, including fruit, vegetables, and potentially others (TerraMG™);
- **Bioherbicide** – to treat unwanted plant growth using a unique mode of action, for potential use in organic agriculture and home and garden markets, as well as agriculture markets in jurisdictions where glyphosate is out of favor or has been banned; and
- **Postharvest Food Preservation** – to suppress sprouting and treat disease and pathogens, for potential use in storage and food preservation markets (fruit and vegetables, bulk grain, shipping containers and food borne pathogens).

Soil Amendment and Biofertility

The Company has developed an organic soil amendment and biofertility product, under the brand name TerraSante™, (the "**Soil Amendment**" and "**Biofertility**" applications and technologies). TerraSante™ is registered for use and has organic certification in a number of U.S. States. First sales and on farm testing commenced in 2024 and continued through 2025 and 2026.

TerraSante™, a wettable powder, contains nutritious plant proteins and carbohydrates that feed soil microbes, potentially improving beneficial microbial activity and ensuring long-term sustainable soil health. These targeted micro-communities are shown to work to improve nutrient availability, which can potentially increase plant vigor and yields, while also reducing plant stress. TerraSante™ has the potential to improve crop nutrient uptake and, hence, overall crop performance.

Operations

MustGrow is developing and commercializing natural biological products and technologies from mustard seed for the Biocontrol and Soil Amendment and Biofertility markets for sustainable agriculture. The objective of these biological products and technologies is to provide a natural, sustainable alternative to banned and/or restricted synthetic chemicals and fertilizers, for use in organic production, and to help improve overall soil health.

The research, development and regulatory pathway for Biocontrol pesticides and herbicides typically begins with laboratory work that verifies that the active ingredient and formulation will have the desired neutralizing effect on the pest of interest in a controlled environment, at small scale. This laboratory phase may take one to two years and cost up to approximately \$100,000. If these results are positive, the trial

work can proceed to a greenhouse environment where the scale is larger, but conditions remain controlled in the confines of the greenhouse. Validation in the greenhouse phase may take one to two years and cost approximately \$100,000 to \$500,000. If these results are positive, the next step would be to test the technology in "real world" conditions in field trials. These trials are conducted on the crops and pests of interest in typical, commercial growing environments. These are larger scale and more expensive trials that will typically span a growing season or longer and test different application methods and rates. In order to achieve regulatory approval for commercial use of a new biological pesticide/technology, additional safety and efficacy trials will be required as determined by the pertinent regulatory agency (for example, the EPA in the U.S. and the PMRA in Canada). This phase of product development may cost approximately \$1 million to \$5 million or more and take two to three years to complete. In addition, registration in other foreign jurisdictions may cost approximately \$10 million to \$15 million and take three to seven years to complete.

While the research and development costs and timelines for Soil Amendment and Biofertility applications mirror that for Biocontrol pesticides and herbicides, the time and cost for regulatory trials and approvals is anticipated to be much less.

Outside of North America, the Company's product development model emphasizes collaboration with industry participants who have resources and experience in pesticide technology commercialization. Typically, industry partners will conduct trials at their own expense. Therefore, it is unlikely that the Company would bear the entire cost associated with product development on its own and would be able to access the know-how, research, development and regulatory expertise of industry participants.

Operational Developments

On December 11, 2023, the Company announced the signing of a License and Collaboration Agreement with Bayer AG ("**Bayer**") covering soil applications of MustGrow's mustard-based biocontrol technologies in Europe, Middle East and Africa, excluding home and garden, turf and ornamental applications. Under the terms of the Agreement, MustGrow received an initial upfront payment as well as potential future payments linked to the achievement of certain business milestones. Upon the commencement of commercial sales, MustGrow will also be entitled to fees from royalties and manufacturing sales. Pursuant to the Agreement, Bayer will be responsible for the regulatory and market development work in the respective field of use necessary to commercialize MustGrow's mustard-based biocontrol technologies.

In 2024 through 2026, the Company announced receipt of registrations for TerraSante™ in California, Oregon, Washington, Idaho, Arizona, Florida, Georgia, Texas, Utah, Nevada, Michigan and Montana. The Company is authorized to sell TerraSante™ in these states. Initial sales commenced in September, 2024 and continued through 2025 and 2026.

On January 2, 2025, the Company announced the closing of an Asset Purchase Agreement (the "**APA**") with Univar Solutions for the acquisition of certain assets that represented NexusBioAg (the "**Nexus Acquisition**"). The consideration payable to Univar Solutions pursuant to the APA was initially to be : (i) a deferred cash payment of approximately \$1,662,000, 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 consideration was subsequently renegotiated to be a single deferred cash payment of approximately \$1,500,000.

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 on January 16, 2025. Each Unit was comprised of: (i) \$1,000 principal amount of unsecured

convertible debentures (the "**Debentures**"); and (ii) 666 common share purchase warrants (each, a "**Debenture Warrant**"). Each Debenture may, at the option of the holder: (i) be converted into Common Shares at price of \$1.50 per Common Share at any time; or (ii) paid in cash 60 months following January 16, 2025 (subject to certain acceleration rights). Each Debenture Warrant was 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 January 16, 2025. The Debentures accrue interest at a rate of 8% per annum, payable semi-annually in cash.

On February 11, 2025, the Company announced a five-year exclusive distribution agreement with Adjuvants Plus Inc. ("**Adjuvants**"), under which it will distribute their product line across Canada through its NexusBioAg division. MustGrow received a right of first refusal for distribution of Adjuvants' product line the U.S. market.

On April 1, 2025, the Company announced the addition of three cutting-edge biological solutions to MustGrow's existing Canadian product lines through its recently acquired Canadian sales and distribution division, NexusBioAg. Featuring EZ-Gro Max, EZ-Gro Cyto, and Rootella® mycorrhizal inoculants, these products provide farmers with science-backed tools designed to enhance crop health, boost yield potential, and improve environmental resilience.

On June 10, 2025, the Company announced the addition of Phospholutions Inc.'s RhizoSorb phosphorus efficiency product to the NexusBioAg product line for distribution in Canada.

On July 30, 2025, the Company announced a non-brokered LIFE offering of units for proceeds up to \$3 million (the "**2025 Unit Offering**"). Each unit consisted of (i) one common share of the Company; and (ii) one common share purchase warrant (a "**2025 Unit Warrant**"). Each 2025 Unit Warrant is exercisable for a period of 60 months from the closing date and entitles the holder thereof to purchase one additional common share at an exercise price of \$0.90 per common share. Concurrently, the Company also announced the proposed repricing of outstanding Debenture Warrants that were issued pursuant to the January 16, 2025 private placement, and intentions to offer shares for debt settlement to all holders of the Debentures pursuant to the January 16, 2025 private placement.

On August 29, 2025, the Company announced the following, effective August 28, 2025: (i) the closing of the 2025 Unit Offering of 3,059,731 units of the Company (each, a "**2025 Unit**") at a price of \$0.70 per 2025 Unit for gross proceeds of approximately \$2,141,812; (ii) the repricing of outstanding Debenture Warrants from \$1.90 per common share to \$0.90 per common share; and (iii) the settlement of a shares for debt agreement to certain holders of Debentures - \$2,385,000 of the total \$2,585,000 Debentures were converted to common shares at \$0.70 per share.

On September 10, 2025, the Company announced that it secured \$2.0 million line of credit with Canadian Imperial Bank of Commerce, which was guaranteed by Canada's Export Development Canada.

On December 10, 2025, the Company announced positive performance metrics on its organic TerraSante™ biofertility product applied to potato farming acres in Washington State and Idaho, based on customer performance data.

On January 22, 2026, the Company completed the closing of a non-brokered LIFE offering private placement of 4,000,000 units priced at \$0.50 per unit for gross proceeds of \$2 million (the "**2026 Unit Offering**"). Each unit consists of: (i) one common share of the Company; and (ii) one common share purchase warrant exercisable for 60 months from the closing date and will entitle the holder thereof to

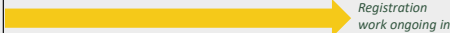
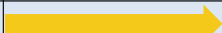
purchase one additional common share at an exercise price of \$0.70 per share (the **"2026 01 Unit Warrant"** and the common shares and 2026 01 Unit Warrants together, the **"2026 01 Unit"**).

On March 31, 2026, the Company announced that it would close its wholly-owned Canadian marketing and distribution business NexusBioAg effective April 15, 2026. NexusBioAg had been re-selling and distributing third party products to Canadian farmers, a lower-margin and price competitive business. Remaining inventory will be sold in subsequent months through existing distribution channels.

On June 19, 2026, the Company completed the closing of a non-brokered LIFE offering private placement of 7,481,541 units priced at \$0.50 per unit for gross proceeds of \$3,740,771 (the **"2026 Unit Offering"**). Each unit consists of: (i) one common share of the Company; and (ii) one common share purchase warrant exercisable for 60 months from the closing date and will entitle the holder thereof to purchase one additional common share at an exercise price of \$0.70 per share (the **"2026 06 Unit Warrant"** and the common shares and 2026 Unit Warrants together, the **"2026 06 Unit"**).

Technology Pipeline

The Company's proprietary products and technology pipeline is presented below and describes, for each application, the stage of development and the steps to reach regulatory approval, which will facilitate commercial sales. Please refer to the discussion under the "Technology Pipeline and Market Opportunities" section of the Company's Annual Information Form ("**AIF**") dated April 29, 2026 available under the Company's Issuer Profile on SEDAR+ at www.sedarplus.ca.

APPLICATIONS		TARGET	ESTIMATED MARKET SIZE / LOSS	PROOF OF CONCEPT	EARLY R&D	ADVANCED R&D	REGISTRATION	Registrations / Partners
				Laboratory	Greenhouse	Field Trials	Pre-Launch	
Soil Applied	Biofertility							
	TerraSante™	Preplant Biofertility for healthier soil and soil microbiome	US\$3.5 Billion Estimated Global Market Size	 TerraSante™ Received US – OMRI & OIM Program certification and key state registrations including California				
	Soil Biocontrol							
	TerraMG™	Nematodes, and soil borne diseases such as; Fusarium, Botrytis, Verticillium, Rhizoctonia, Pythium, Phytophthora, Sclerotinia, Aphanomyces, Clubroot Disease, etc.	US\$1.3 Billion Estimated Global Market Size in Fruit & Vegetable	 TerraMG™ Registration work ongoing in multiple countries 				
	Bioherbicide	Natural Herbicide	US\$35 Billion Estimated Global Market Size	 Formulation work on new extract				
Non-soil Applied	Postharvest Biocontrol & Food Preservation							
	Storage: Potato, Fruit & Vegetable	Sprouting, diseases and pests	US\$1.5 Billion Estimated Global Market					
	Storage: Bulk Grain*	Mycotoxins and pests	US\$15 Billion Estimated Global Loss					
	Storage: Shipping Containers*	Diseases and pests	US\$2 Billion Estimated Global Market Size					
	Human & Animal Health			  Agriculture and Agri-Food Canada				

* Literature shows AITC has application in these areas.

Source: Globenewswire, Statista, Fortune Business, Polaris Market Research, 3rd Party Ag Market Researcher, MustGrow estimates.

Financing Activities

On June 19, 2026, the Company completed the 2026 06 Unit Offering. Proceeds, net of cash issuance costs were \$3,411,597. In connection with the 2026 06 Unit Offering, certain finders received: (i) an aggregate cash fee equal to \$110,865, being 6.0% of the gross proceeds of the 2026 Unit Offering from investors introduced to the Company by such finders; and (ii) 221,730 common share purchase warrants (the **“2026 06 Unit Finder’s Warrants”**) representing 6.0% of the aggregate number of common shares forming part of the Units issued to investors introduced to the Company by the finders. Each 2026 06 Unit Finder’s Warrant will entitle its holder to purchase one common share at a price of \$0.70 per share for a 60-month period.

On January 22, 2026, the Company completed the 2026 01 Unit Offering. Proceeds, net of cash issuance costs were \$1,783,078. In connection with the 2026 01 Unit Offering, certain finders received: (i) an aggregate cash fee equal to \$105,000, being 6.0% of the gross proceeds of the 2026 01 Unit Offering from investors introduced to the Company by such finders; and (ii) 210,000 common share purchase warrants (the **“2026 01 Unit Finder’s Warrants”**) representing 6.0% of the aggregate number of common shares forming part of the Units issued to investors introduced to the Company by the finders. Each 2026 01 Unit Finder’s Warrant entitles its holder to purchase one common share at a price of \$0.70 per share for a 60-month period.

On August 28, 2025, the Company completed the 2025 Unit Offering. Proceeds, net of cash issuance costs were \$1,889,840. In connection with the 2025 Unit Offering, certain finders received: (i) an aggregate cash fee equal to \$86,333, being 6.0% of the gross proceeds of the 2025 Unit Offering from investors introduced to the Company by such finders; and (ii) 123,318 common share purchase warrants (the **“2025 Unit Finder’s Warrants”**) representing 6.0% of the aggregate number of common shares forming part of the 2025 Units issued to investors introduced to the Company by the finders. Each 2025 Unit Finder’s Warrant entitles its holder to purchase one common share at a price of \$0.90 per share for a 60-month period.

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

On January 16, 2025, the Company announced the closing of the Debenture Offering raising gross proceeds of \$2,585,000. In connection with the Debenture Offering, certain finders received an aggregate cash fee of \$67,200. In addition, 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 share for a period of 24 months following the Closing Date. 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.

Results of Operations

For the three and six months ended June 30, 2026 and 2025, the Company incurred income/(losses) of \$284,695, and \$(1,038,050) in 2026, compared to \$(1,088,904) and \$(2,729,211) in 2025, respectively. Revenues and expenses related to NexusBioAg are presented as discontinued operations.

The Company realized TerraSante™ sales of \$74,789 and 172,971 for the three and six months ended June 30, 2026 (2025 - \$312,833 and \$312,833). While customer demand for TerraSante™ remained strong, contract manufacturers were unable to deliver TerraSante™ as expected to date in 2026. In 2026, the Company realized technology license revenue of \$1,363,410.

A comparative analysis of expenses follows.

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Expenses				
Marketing and promotion	\$ 92,366	\$ 87,899	\$ 187,278	\$ 183,927
Office and administration	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	-	-	-	10,116
	<u>\$ 931,848</u>	<u>\$ 903,068</u>	<u>\$1,812,017</u>	<u>\$2,104,702</u>

Marketing and promotion expenses include trade shows, travel, content and materials development and dissemination and consulting fees paid to market development representatives.

The components of office and administration expenses are as follows.

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Management compensation	\$ 244,479	\$ 238,486	\$ 477,208	\$ 488,729
Rent and office expenses	62,763	53,546	121,595	123,616
	<u>\$ 307,242</u>	<u>\$ 292,032</u>	<u>\$ 598,803</u>	<u>\$ 612,345</u>

Research and development expenses include:

- Costs related to identification and extraction of Biocontrol, Soil Amendment and Biofertility compounds from mustard seed, and formulation of these compounds into biological technologies and products ("**Process Development**");
- Testing of these technologies, assessing soil health and impact on various microbial diseases, pests and weeds in laboratory, greenhouse and field settings ("**Trials**"); and
- Fees paid to technical experts assisting with management of Process Development and Trials.

The components of research and development expenses are presented below:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Process development	\$ 28,420	\$ 38,265	\$ 88,528	\$ 42,370
Trials	23,954	1,899	45,602	58,794
Management	35,760	41,058	77,810	102,359
	\$ 88,134	\$ 81,222	\$ 211,940	\$ 203,523

Regulatory expenses include renewal fees for existing product registrations and fees paid to expert consultants working with regulatory bodies to achieve registration of the Company's technologies. Regulatory activity related to TerraMG™ and TerraSante™ regulatory approval efforts are declining in 2026 as these tasks approach completion and the company focuses capital toward generating TerraSante™ sales.

Corporate communications expenses consist of fees paid to consultants to provide, amongst other services, the following:

- Educating investors and the general public about the Company's products and technology; and
- Communications with shareholders and financial market participants relating to the Company's products and technology trials.

Corporate communications expenses increased in 2026 due to the 2026 01 Unit Offering and 2026 06 Unit Offering.

Patent expenses increased in 2026 due primarily to the timing of payment of renewal fees, as well as increased examination and review activity.

Professional fees include legal, audit and tax services. Fees were higher in 2025 due to the Debenture Financing.

Royalty expense is payable to Ag-West Bio Inc. ("**Ag-West**") and began to accrue in 2025 as sales exceeded the threshold at which royalties became payable, pursuant to the agreement with Ag-West. See note 5 to the financial statements.

Stock-based compensation is a non-cash expense and relates to issuance of share units to management, board of directors and consultants of the Company.

Discontinued operations relate to NexusBioAg. The details of discontinued operations for the three and six months ended June 30, 2026 and 2025 are presented below.

	Three months ended June 30,		Six months ended June 30,	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
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	<u>\$ (128,337)</u>	<u>\$ (146,044)</u>	<u>\$ (579,635)</u>	<u>\$ (419,705)</u>
Loss from discontinued operations per share, basic and diluted	<u>\$ (0.002)</u>	<u>\$ (0.003)</u>	<u>\$ (0.009)</u>	<u>\$ (0.008)</u>

Cash Flows and Financial Position

Cash used in operating activities for the six months ended June 30, 2026 and 2025 was \$1,664,697 and \$3,876,464, respectively. Cash outflows in 2025 were higher primarily due to NexusBioAg discontinued operations.

Proceeds, net of expenses, of the 2026 01 Unit Offering and 2026 06 Unit Offering were \$1,783,078 and \$3,411,597, respectively. Proceeds of the Debenture Offering in 2025 were \$2,585,000.

Cash flows related to discontinued operations for the three and six months ended June 30, 2026 and 2025 are presented below:

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

Total assets increased to \$7,162,709 at June 30, 2026 from \$3,093,148 at December 31, 2025, primarily due to higher cash and cash equivalents and accounts receivable attributable to the 2026 01 Unit Offering and 2026 06 Unit Offering proceeds and technology license fees receivable. This includes \$398,453 related to NexusBioAg discontinued operations.

Total liabilities decreased to \$2,113,247 at June 30, 2026 from \$2,226,048 at December 31, 2025, primarily due to a reduction in accounts payable. This includes \$162,648 related to NexusBioAg discontinued operations.

Assets and liabilities related to discontinued operations at June 30, 2026 are presented below.

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

Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements.

Quarter Ended	Continuing Operations			Discontinued Operations		
	Revenue	Income (loss) for the period	Income (loss) per share (basic & diluted)	Revenue	Income (loss) for the period	Income (loss) per share (basic & diluted)
	\$	\$	\$	\$	\$	\$
30-Jun-26	1,438,199	413,032	0.01	839,629	(128,337)	(0.00)
31-Mar-26	98,182	(871,446)	(0.01)	1,665,035	(451,299)	(0.01)
31-Dec-25	286,096	(905,989)	(0.02)	580,207	(1,192,952)	(0.02)
30-Sep-25	-	(2,085,392)	(0.03)	789,178	(344,122)	(0.01)
30-Jun-25	312,833	(942,860)	(0.02)	2,536,491	(146,044)	(0.00)
31-Mar-25	-	(1,366,646)	(0.02)	3,781,736	(273,661)	(0.01)
31-Dec-24	122,577	(1,213,042)	(0.02)	-	-	-
30-Sep-24	275,441	(1,680,945)	(0.03)	-	-	-
30-Jun-24	-	(960,209)	(0.02)	-	-	-

NexusBioAg financial results are presented as discontinued operations in 2025 and 2026.

Revenue for continuing operations in September 2024 included license fees of \$272,500. All other revenue from continuing operations relates to sales of TerraSante™.

September 2025 and 2024 losses are higher due to non-cash stock-based compensation of \$1,162,220 and \$1,304,505, respectively, related primarily to the issuance of share units.

The Company was not subject to seasonality fluctuations until the Nexus Acquisition at December 31, 2024. The NexusBioAg business was seasonally weighted to the first half of the calendar year, as demonstrated by the higher sales in the first and second quarters of 2025.

Financial Condition, Liquidity and Capital Resources

The Company's working capital at June 30, 2026 was \$5,187,973 including cash of \$4,374,012. The Company currently does not generate positive cash flows and is reliant on equity and debt financing to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity or debt financings, on terms satisfactory to the Company, will be available to the Company in the future. The Company creates forward-oriented cash flow budgets and may defer discretionary expenses to manage the capital required to continue the business.

The Company has not entered into any off-balance sheet arrangements.

Related Party Transactions

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.

Financial Instruments and Risk Management Fair Values

The fair values of cash and equivalents, receivables, trade payables and long-term debt approximate their fair values because of their nature and relatively short maturity dates or durations. The Debentures are valued at amortized cost. Other long-term debt is valued using a discounted cash flow model taking into consideration the current market interest rate 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 was \$377,063 (December 31, 2025 - \$417,991).

(a) Financial Risk Management

The board of directors of the Company (the "**Board**") has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

(b) Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

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 (December 31, 2025 - \$nil).

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 are actively involved in the review, planning and approval of significant expenditures and commitments.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Such fluctuations may be significant, but the Company is not currently subject to any such risks in a material way.

(a) 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.

(b) Foreign currency risk

The Company conducts certain of its operations in U.S. dollars and is limited to a small number of purchases in U.S. dollars which are recorded at the spot rate at the date of the transaction. As of June 30, 2026 the Company held U.S. dollar cash of \$82,416 (December 31, 2025 – \$294,911).

(c) Equity price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company's earnings are not currently exposed to price risk, however equity market fluctuations and conditions may impact the Company's ability to raise equity capital. The Company closely monitors the stock market to determine the appropriate course of action to be taken by the Company.

Accounting Standards and Amendments Adopted

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.

Accounting Standards Issued but Not Yet Effective

None.

Contingencies

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.

Additional Share Information

As at June 30, 2026 the Company had outstanding:

- (i) 70,441,359 common shares;
- (ii) 4,176,947 share units convertible into common shares;
- (iii) 16,862,730 warrants convertible into common shares;
- (iv) 250,000 stock options convertible into common shares; and
- (v) Debentures convertible into 133,332 common shares.

Risks and Uncertainties

The Company is subject to all of the business risks and uncertainties associated with any early-stage enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. Some of its technologies have yet to reach commercialization stage. Certain factors, including but not limited to the ones described in its AIF, could materially affect the Company's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward-looking statements made by or relating to the Company.

Please refer to the discussion of forward-looking statements and information under the heading "Forward-Looking Statements" located at the beginning of the Company's AIF filed on SEDAR+ under the Company's issuer profile, as well as the discussion of risks and uncertainties set out under the heading "Risk Factors", located within the Company's AIF filed on SEDAR+. The reader should carefully consider these risks as well as the information disclosed in the Company's audited annual financial statements, and other publicly filed disclosure regarding the Company, available on SEDAR+ (www.sedarplus.ca) under the MustGrow's issuer profile.