

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

MustGrow Biologics Corp. (the "Company")  
1005 – 201 1<sup>st</sup> Ave. S.  
Saskatoon, Saskatchewan  
S7K 1J5

**Item 2 Date of Material Change**

December 11, 2023

**Item 3 News Releases**

Attached as Schedule "A" to this material change report are the press releases with respect to the material change summarized in this material change report, which were issued and disseminated by the Company on December 11, 2023 and December 13, 2023 and a copy was subsequently filed on the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Item 4 Summary of Material Change**

The Company has entered into a collaboration agreement (the "**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. The Agreement is a license and collaboration agreement enabling Bayer to further evaluate certain soil applications of MustGrow's mustard-based biocontrol technologies and to develop, formulate and commercialize licensed products containing such technologies for soil-applied, in-field uses for food and feed production in certain countries in Europe, the Middle East and Africa.

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

The Company has entered into a collaboration agreement (the "**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. The Agreement is a license and collaboration agreement enabling Bayer to further evaluate certain soil applications of MustGrow's mustard-based biocontrol technologies and to develop, formulate and commercialize licensed products containing such technologies for soil-applied, in-field uses for food and feed production in certain countries in Europe, the Middle East and Africa.

The Agreement is dated effective December 11, 2023, and unless terminated earlier as provided in the Agreement, the term of the agreement shall continue until the expiration of all intellectual property licensed to Bayer under the agreement.

Under the terms of the Agreement, MustGrow will receive an initial upfront payment as well as additional payments linked to the achievement of certain business milestones. These

milestones include achievement of certain technical milestones such as testing in field trials and safety studies, submission of the first regulatory dossier to the appropriate authorities, and receipt of regulatory approval for a licensed product. 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 (the “**Development Work**”) in the respective field of use necessary to commercialize MustGrow’s mustard-based biocontrol technologies, including the development of the formulated product, conducting relevant regulatory data studies for regulatory submissions, filing regulatory submissions, registration with relevant regulatory authorities, and support, marketing, and commercial sales activities. Based on the industry experience of its management team, MustGrow anticipates that the value of the upfront, milestone payments and Development Work could approximate USD \$35 to \$40 million over the next 5 to 7 years. The value and the timeline associated with completing the Development Work is not knowable with precision at this time for a variety of reasons, including risks relating to product development and regulatory matters and the nature of collaboration agreements, which are described more fully in MustGrow’s Annual Information Form for the year ended December 31, 2022 starting on pages 24 and 26, which is available under the Company’s profile at [www.sedarplus.ca](http://www.sedarplus.ca). Because of the nature of the licensing arrangement, other than costs associated with providing product for testing, there are minimal incremental costs to MustGrow in pursuing the Development Work.

Pursuant to the Agreement, Bayer has also been granted a right-of-first-negotiation for a license to use MustGrow’s mustard-based biocontrol technologies for use in bananas in particular applications, excluding post-harvest applications. MustGrow expects to continue collaborating with Bayer to consider other potential applications of MustGrow’s mustard-based biocontrol technologies, including potentially testing in regions not currently covered by the Agreement.

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

### **Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

### **Item 7 Omitted Information**

No information has been omitted on the basis that it is confidential information.

### **Item 8 Executive Officer**

Further information can be obtained from Corey Giasson, Chief Executive Officer of the Company, at (306) 668-2652.

### **Item 9 Date of Report**

December 13, 2023

**Schedule "A"**

## MustGrow BioLogics and Bayer Sign Commercial License Agreement for Biocontrol Technologies in Europe, Middle East and Africa

- **Bayer’s commercial license covers soil applications of MustGrow’s mustard-based biocontrol technologies in Europe, Middle East and Africa.**
- **MustGrow to receive upfront license fees and milestone payments, royalties, and manufacturing sales linked to development and commercial achievements.**

SASKATOON, Canada, December 11, 2023 – MustGrow BioLogics Corp. (TSXV:MGRO) (OTC:MGROF) (FRA:0C0) (“**MustGrow**”) is pleased to announce the signing of a collaboration agreement (the “**Agreement**”) with Bayer AG (BAYN) (“**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 will receive an initial upfront payment as well as additional 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. Additionally, Bayer will be responsible for regulatory and market development work (the “**Development Work**”) in the respective field of use necessary to commercialize MustGrow’s mustard-based biocontrol technologies, including the development of the formulated product, conducting relevant regulatory data studies for regulatory submissions, filing regulatory submissions, registration with relevant regulatory authorities, and support, marketing, and commercial sales activities. MustGrow anticipates that the value of the upfront, milestone payments and Development Work could approximate USD \$35 to \$40 million over the next several years (not including additional fees from royalties and manufacturing sales).

“Biologicals are part of an exciting frontier that offers new solutions for the challenges that growers face across the world,” said Benoit Hartmann, Head of BioLogics for Bayer. “We’re committed to working with leading innovators like MustGrow to accelerate the development of innovative biological solutions that provide safe, sustainable options for farmers and are looking forward to continuing our work together.”

Pursuant to the Agreement, Bayer has also been granted a right-of-first-negotiation for a license to use MustGrow’s mustard-based biocontrol technologies for use in bananas in particular applications, excluding postharvest applications. MustGrow expects to continue collaborating with Bayer to consider other potential applications of MustGrow’s mustard-based biocontrol technologies, including potentially testing in regions not currently covered by the Agreement.

Sustainable innovations and green technologies are necessary to ensure agricultural production continues to address food safety and security as well as soil health. MustGrow’s rapidly developing technologies are focused on sustainable, safe, and effective, organic plant-based crop protection technologies that harness the mustard seed’s natural defense mechanism to treat diseases, pests and weeds. MustGrow’s technology has shown consistent efficacy in multiple global regions, in multiple crops, in multiple applications, over multiple years. The Agreement between Bayer and MustGrow demonstrates the importance of innovation in sustainable technologies in agricultural regions around the world.

“MustGrow is thrilled to commercialize our technologies with Bayer in three important food producing regions. Through Bayer’s research, development and commercial teams we have seen a rapid advancement in our product and market knowledge in the last two years,” remarked Corey Giasson, CEO of MustGrow. “Working with the leader in global crop science and sustainable agriculture is a tremendous opportunity for our organization to see our mustard plant-based technologies commercialized globally.”

## About MustGrow

MustGrow is an agriculture biotech company developing organic biocontrol and biofertility products by harnessing the natural defense mechanism and organic materials of the mustard plant to sustainably protect the global food supply and help farmers feed the world. MustGrow and its leading global partners -- Bayer, Janssen PMP (pharmaceutical division of Johnson & Johnson), Sumitomo Corporation, and Univar Solutions' NexusBioAg -- are developing mustard-based organic solutions for applications in biocontrol to potentially replace harmful synthetic chemicals in preplant soil treatment and weed control, to postharvest disease control and food preservation. Bayer has a commercial agreement to develop and commercialize MustGrow's biocontrol soil applications in Europe, Africa, and the Middle East. Concurrently, with new formulations derived from food-grade mustard, the Company is pursuing the adoption and use of its first registered and OMRI Listed® product, TerraSante™, in key U.S. states. Over 150 independent tests have been completed, validating MustGrow's safe and effective approach to crop and food protection and yield enhancements. Pending regulatory approval, MustGrow's patented liquid technologies could be applied through injection, standard drip or spray equipment, improving functionality and performance features. MustGrow has approximately 50.1 million basic common shares issued and outstanding and 55.0 million shares fully diluted. For further details, please visit [www.mustgrow.ca](http://www.mustgrow.ca).

## Contact Information

Corey Giasson  
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## MustGrow Forward-Looking Statements

Certain statements included in this news release constitute "forward-looking statements" which involve known and unknown risks, uncertainties and other factors that may affect the results, performance or achievements of MustGrow.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budget", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "occur" or "be achieved". Examples of forward-looking statements in this news release include, among others, statements MustGrow makes regarding: MustGrow receiving upfront license fees and milestone payments, royalties, and manufacturing sales linked to development and commercial achievements; whether and if certain development and commercial achievements, that are a pre-condition to MustGrow receiving certain fees from royalties and manufacturing sales, will occur; the anticipated value of potential aggregate payments and development capital being USD \$35 to \$40 million; whether and how Bayer completes any regulatory and market development work; and MustGrow's expectation to continue collaborating with Bayer to consider other potential applications of MustGrow's mustard-based biocontrol technologies, including testing in regions not currently covered by the Agreement.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of MustGrow to differ materially from those discussed in such forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, MustGrow. Important factors that could cause MustGrow's actual results and financial condition to differ materially from those indicated in the forward-looking statements



include market receptivity to investor relations activities as well as those risks described in more detail in MustGrow's Annual Information Form for the year ended December 31, 2022 and other continuous disclosure documents filed by MustGrow with the applicable securities regulatory authorities which are available at [www.sedar.com](http://www.sedar.com). Readers are referred to such documents for more detailed information about MustGrow, which is subject to the qualifications, assumptions and notes set forth therein.

This release does not constitute an offer for sale of, nor a solicitation for offers to buy, any securities in the United States.

Neither the TSXV, nor their Regulation Services Provider (as that term is defined in the policies of the TSXV), nor the OTC Markets has approved the contents of this release or accepts responsibility for the adequacy or accuracy of this release.

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## MustGrow Provides Additional Information and Clarification on Commercial License Agreement with Bayer

SASKATOON, Canada, December 13, 2023 – MustGrow Biologics Corp. (TSXV:MGRO) (OTC:MGROF) (FRA:0C0) (“**MustGrow**”) wishes to provide additional information about the collaboration agreement (the “**Agreement**”) with Bayer AG (“**Bayer**”) which was announced December 11, 2023. The Agreement is a license and collaboration agreement enabling Bayer to further evaluate certain soil applications of MustGrow’s mustard-based biocontrol technologies and to develop, formulate and commercialize licensed products containing such technologies for soil-applied, in-field uses for food and feed production in certain countries in Europe, the Middle East and Africa. The Agreement is dated effective December 11, 2023, and unless terminated earlier as provided in the Agreement, the term of the agreement shall continue until the expiration of all intellectual property licensed to Bayer under the agreement.

Under the terms of the Agreement, MustGrow will receive an initial upfront payment as well as additional payments linked to the achievement of certain business milestones. These milestones include achievement of certain technical milestones such as testing in field trials and safety studies, submission of the first regulatory dossier to the appropriate authorities, and receipt of regulatory approval for a licensed product. 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 (the “**Development Work**”) in the respective field of use necessary to commercialize MustGrow’s mustard-based biocontrol technologies, including the development of the formulated product, conducting relevant regulatory data studies for regulatory submissions, filing regulatory submissions, registration with relevant regulatory authorities, and support, marketing, and commercial sales activities. Based on the industry experience of its management team, MustGrow anticipates that the value of the upfront, milestone payments and Development Work could approximate USD \$35 to \$40 million over the next 5 to 7 years. The value and the timeline associated with completing the Development Work is not knowable with precision at this time for a variety of reasons, including risks relating to product development and regulatory matters and the nature of collaboration agreements, which are described more fully in MustGrow’s Annual Information Form for the year ended December 31, 2022 starting on pages 24 and 26, which is available under the Company’s profile at [www.sedarplus.ca](http://www.sedarplus.ca). Because of the nature of the licensing arrangement, other than costs associated with providing product for testing, there are minimal incremental costs to MustGrow in pursuing the Development Work.

Pursuant to the Agreement, Bayer has also been granted a right-of-first-negotiation for a license to use MustGrow’s mustard-based biocontrol technologies for use in bananas in particular applications, excluding post-harvest applications. MustGrow expects to continue collaborating with Bayer to consider other potential applications of MustGrow’s mustard-based biocontrol technologies, including potentially testing in regions not currently covered by the Agreement.

MustGrow is providing this additional information to the market in response to questions it has received about the Agreement, including a clarification request from the Canadian Investment Regulatory Organization.

### About MustGrow

MustGrow is an agriculture biotech company developing organic biocontrol and biofertility products by harnessing the natural defense mechanism and organic materials of the mustard plant to sustainably protect the global food supply and help farmers feed the world. MustGrow and its leading global partners

-- Bayer, Janssen PMP (pharmaceutical division of Johnson & Johnson), Sumitomo Corporation, and Univar Solutions' NexusBioAg -- are developing mustard-based organic solutions for applications in biocontrol to potentially replace harmful synthetic chemicals in preplant soil treatment and weed control, to postharvest disease control and food preservation. Bayer has a commercial agreement to develop and commercialize MustGrow's biocontrol soil applications in Europe, Africa, and the Middle East. Concurrently, with new formulations derived from food-grade mustard, the Company is pursuing the adoption and use of its first registered and OMRI Listed® product, TerraSante™, in key U.S. states. Over 150 independent tests have been completed, validating MustGrow's safe and effective approach to crop and food protection and yield enhancements. Pending regulatory approval, MustGrow's patented liquid technologies could be applied through injection, standard drip or spray equipment, improving functionality and performance features. MustGrow has approximately 50.1 million basic common shares issued and outstanding and 55.0 million shares fully diluted. For further details, please visit [www.mustgrow.ca](http://www.mustgrow.ca).

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