

MUSHROOMS INC. 2025

2025 May Updates



Outstanding Shares: 39,435,760
(Unchanged since June of 2023)

Restricted: 26,839,148

Unrestricted: 12,596,612



Mushrooms Inc. May 2025 Progress Update: Building Momentum for Growth

Dear Shareholders,

First, I want to acknowledge the recent period of limited communication. This was due to an intense phase of strategic decision-making and internal restructuring - an essential step in reshaping Mushrooms Inc. for long-term success. As we progress through 2025, we're excited to share key developments that build on the solid foundation established in 2024. This update reflects how last year's achievements are fueling this year's momentum, underscoring our continued commitment to sustainable growth, operational resilience, and a strengthened market position.

Debt Reduction in 2024 Fuels 2025 Opportunities

Last year, Mushrooms Inc. achieved a transformative milestone by reducing total liabilities by 33%, a significant drop of \$47,220.54. This reduction, driven by voluntary debt

forgiveness from key stakeholders like Kimberly Carlson (\$4,680), Donald Steinberg/Blue Ridge (\$34,467.54), and JBG Partners LLC (\$1,310), strengthened our financial position. Compared to 2023, where liabilities were higher, this milestone has positioned us for confident investment in 2025, opening doors to new opportunities this year. We have more positive changes in debt and liabilities coming in the next month which will continue this trend of making our position stronger for diverse investment opportunities.

Financial Progress: Strategic Focus on Value Creation

In 2024, our revenue remained modest, with a slight improvement over 2023 as we expanded our e-commerce presence on platforms like PayPal, Amazon, and eBay. Entering 2025, we've continued to prioritize increasing the value of our patent-pending technology and securing funding to support its development. These strategic efforts, coupled with debt consolidation and removal are positioning us for significant growth opportunities throughout the year. Our lean operational approach ensures we're well-prepared to soar with minimal lift.

Operational Stability and Growth

We are proud to report that our equity structure has remained stable since June of 2023, with no new Common Stock issuances in nearly two years. As of May 2025, our outstanding share count stands at 39,435,760 shares, representing a modest 3.8% increase from 37,985,760 in June 2023. This small increase reflects selective, strategic issuances, including \$40,000 raised in 2023.

In 2025, we've initiated a corporate restructuring process designed to align the interests of both private and public investors. Full details will be shared in the coming weeks. These enhancements build on our 2024 stability and support our forward-looking strategy for sustainable growth and investor value.

Strategic Progress

Building on the momentum of 2024, we've made substantial advancements in 2025—achieving significantly greater operational resilience compared to prior years. While 2023 centered on capital generation through share issuances (e.g., 1,450,000 Common shares issued), 2024 focused on debt reduction and financial stabilization.

This year, we're investing in a new, profit-generating technology platform that is the first of its kind in the mushroom and mycelium industry. Though specifics remain confidential to preserve our market leadership, we anticipate a formal announcement and initial rollout before the end of 2025. Shareholders can expect more details in our next newsletter as we continue to build long-term value through innovation and strategic positioning.

Sustainability Commitment

Mushrooms Inc. remains dedicated to sustainability through mycelium-based wellness

products, aligning with market trends like the growing demand for functional mushrooms. Research, such as Siena Farms' insights, shows 75% of consumers now prioritize wellness and sustainability—positioning us strongly in a market valuing responsible practices. In 2025, we're advancing the patent-pending, sustainable initiatives we strengthened in 2024, setting the stage for impactful growth throughout the year.

Looking Ahead

As we move through 2025, Mushrooms Inc. is leveraging 2024's achievements to drive innovation and growth. Our restructuring efforts, sustainable focus, and pioneering technology development position us as a leader in the mushroom market. Compared to 2023, we've strengthened our financial position and set the stage for continued progress this year. We're committed to delivering value to our shareholders, with significant updates on the horizon. We were quiet in our communications as we maneuvered through our structural pivot and will stay engaged as we continue to build a strong foundation.

Warm regards,

Kimberly Carlson

CEO, Mushrooms Inc.

For more information, visit www.mushroomsinc.com

Safe Harbor Statement

This release contains forward-looking statements that are based upon current expectations or beliefs, as well as a number of assumptions about future events. Although we believe that the expectations reflected in the forward-looking statements and the assumptions upon which they are based are reasonable, we can give no assurance or guarantee that such expectations and assumptions will prove to have been correct. Forward-looking statements are generally identifiable by the use of words like "may," "will," "should," "could," "expect," "anticipate," "estimate," "believe," "intend," or "project" or the negative of these words or other variations on these words or comparable terminology. The reader is cautioned not to put undue reliance on these forward-looking statements, as these statements are subject to numerous factors and uncertainties, including but not limited to: adverse economic conditions, competition on adverse federal, state, and local government regulations, international governmental regulations, inadequate capital, inability to carry out research, development and commercialization plans, loss or retirement of key executives and other specific risks. To the extent that statements in this press release are not strictly historical, including statements as to revenue projections, business strategy, outlook, objectives, future milestones, plans, intentions, goals, future financial conditions, events conditioned on stockholder or other approval, or otherwise as to future events, such statements are forward-looking, and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements contained in this release are subject to certain risks and uncertainties that could cause actual results to differ materially from the statements made.