

Burcon NutraScience Corporation

Condensed Consolidated Interim Financial Statements

Three months ended June 30, 2025 and 2024

(Unaudited)

(In Canadian dollars)

Notice of No Auditor Review of Condensed Consolidated Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of Burcon NutraScience Corporation for the interim period ended June 30, 2025 have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. These unaudited condensed consolidated interim financial statements have not been reviewed by an auditor in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

BURCON NUTRASCIENCE CORPORATION
Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
As at June 30, 2025 and March 31, 2025

(In Canadian dollars)

	Notes	June 30, 2025	March 31, 2025
Assets			
Current assets			
Cash		4,231,516	7,275,972
Amounts receivable and other receivables		540,193	131,974
Inventory	6	374,707	201,145
Prepaid expenses and deposits		244,993	191,390
		5,391,409	7,800,481
Long-term deposit			
	4	827,620	853,943
Property and equipment	7	1,089,019	961,418
Right-of-use assets	4, 8	13,546,718	14,834,751
Deferred development costs		4,847,272	4,952,647
Goodwill		1,254,930	1,254,930
Total assets		26,956,968	30,658,170
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		1,056,409	1,271,743
Current portion of secured loan	9	2,138,814	2,085,567
Current portion of lease liabilities	4, 10	1,171,850	890,566
Deferred revenue and government assistance		33,300	46,870
		4,400,373	4,294,746
Secured loan			
	9	5,918,656	5,792,049
Lease liabilities	4, 10	13,040,609	13,627,713
Total liabilities		23,359,638	23,714,508
Shareholders' equity			
Capital stock	11	131,581,539	131,581,539
Contributed surplus	11	19,216,437	19,216,437
Options	11	5,872,374	5,748,320
Warrants	11	670,019	670,019
Restricted share units	11	39,292	37,553
Foreign currency translation reserve		4,056	1,080
Deficit		(153,786,387)	(150,311,286)
Total shareholders' equity		3,597,330	6,943,662
Total liabilities and shareholders' equity		26,956,968	30,658,170
Going concern	1		

Approved by the Audit Committee of the Board of Directors

“Alfred Lau”

Director

“Peter Kappel”

Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

BURCON NUTRASCIENCE CORPORATION

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Unaudited)

For the three months ended June 30, 2025 and 2024

(In Canadian dollars)

		Three months ended	
	Notes	June 30, 2025	June 30, 2024
Revenue	12	342,193	236,617
Cost of sales	13	1,776,684	212,294
Research and development	14	334,793	683,667
General and administrative	15	706,125	1,103,708
Loss from operations		(2,475,409)	(1,763,052)
Interest and other income		58,915	29,417
Interest and other expenses	9, 10	(784,638)	(155,067)
Foreign exchange (loss) gain		(273,969)	19,431
Net loss		(3,475,101)	(1,869,271)
Other comprehensive gain			
Foreign currency translation adjustment		2,976	-
Total comprehensive loss		(3,472,125)	(1,869,271)
Basic and diluted loss per share	16	(0.27)	(0.26)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

BURCON NUTRASCIENCE CORPORATION

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited)

For the three months ended June 30, 2025 and 2024

(In Canadian dollars, except share amounts)

	Number of fully paid common shares	Capital stock	Contributed surplus	Options	Warrants	Restricted share units	Deficit	Foreign currency translation reserve	Total shareholders' equity
Balance, March 31, 2024	7,104,446	122,069,825	17,283,934	7,436,262	237,201	172,776	(142,046,499)	-	5,153,499
Net loss	-	-	-	-	-	-	(1,869,271)	-	(1,869,271)
Options forfeited	-	-	112,379	(112,379)	-	-	-	-	-
Restricted share units redeemed	458	7,876	-	-	-	(7,876)	-	-	-
Stock-based compensation	-	-	-	83,693	112,500	8,306	-	-	204,499
Balance, June 30, 2024	7,104,904	122,077,701	17,396,313	7,407,576	349,701	173,206	(143,915,770)	-	3,488,727
Balance, March 31, 2025	12,688,076	131,581,539	19,216,437	5,748,320	670,019	37,553	(150,311,286)	1,080	6,943,662
Net loss	-	-	-	-	-	-	(3,475,101)	-	(3,475,101)
Foreign currency translation adjustment	-	-	-	-	-	-	-	2,976	2,976
Stock-based compensation	-	-	-	124,054	-	1,739	-	-	125,793
Balance, June 30, 2025	12,688,076	131,581,539	19,216,437	5,872,374	670,019	39,292	(153,786,387)	4,056	3,597,330

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

BURCON NUTRASCIENCE CORPORATION
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)
For the three months ended June 30, 2025 and 2024
(In Canadian dollars)

	Three months ended	
	June 30, 2025	June 30, 2024
Cash flows from operating activities		
Net loss for the period	(3,475,101)	(1,869,271)
Items not affecting cash		
Depreciation expense	405,543	67,924
Amortization of deferred development costs	105,375	105,375
Unrealized foreign exchange loss (gain)	252,453	(21,454)
Interest expense on secured loan	179,854	143,568
Interest expense on lease liabilities	604,684	11,498
Interest income earned on long-term deposit	(15,447)	-
Write-down of inventory net realizable value	611,679	-
Stock-based compensation expense	125,793	204,499
	(1,205,167)	(1,357,861)
Changes in non-cash working capital items		
Amounts receivable and other receivables	(412,954)	166,848
Inventory	(625,581)	36,900
Prepaid expenses and deposits	(59,018)	(132,774)
Accounts payable and accrued liabilities	(171,728)	(266,985)
Deferred revenue and government assistance	(13,570)	(250,000)
	(2,488,018)	(1,803,872)
Interest income	(43,468)	(29,417)
Interest expense paid	(145,281)	(11,498)
Net cash used in operating activities	(2,676,767)	(1,844,787)
Cash flows from investing activities		
Interest income received	43,468	29,417
Acquisition of property and equipment	(148,053)	(174,832)
Net cash used in investing activities	(104,585)	(145,415)
Cash flows from financing activities		
Share issue costs	(78,987)	(21,903)
Payments of lease liabilities	(5,842)	(43,671)
Net cash used in financing activities	(84,829)	(65,574)
Foreign exchange (loss) gain on cash	(178,275)	21,454
Decrease in cash	(3,044,456)	(2,034,322)
Cash, beginning of period	7,275,972	4,197,141
Cash, end of period	4,231,516	2,162,819

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

BURCON NUTRASCIENCE CORPORATION

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended June 30, 2025 and 2024

(Unaudited)

(In Canadian dollars)

1. Going concern

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a “going concern”, which assumes that Burcon NutraScience Corporation (“Burcon” or the “Company”) will continue its operations and be able to realize its assets and discharge its liabilities and commitments in the normal course of operations for the foreseeable future. In assessing whether the going concern assumption is appropriate and whether there are material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern, management considers all available information and actions within its control with respect to the period 12 months from the date of approval of these condensed consolidated interim financial statements.

The Company has incurred losses since its inception and as at June 30, 2025, had an accumulated deficit of \$153.8 million (March 31, 2025 - \$150.3 million). During the three months ended June 30, 2025, the Company incurred a net loss of \$3.5 million (2024 - \$1.9 million) and had negative cash flow from operations of \$2.7 million (2024 - \$1.8 million). On February 13, 2025, Burcon closed a rights offering raising gross proceeds of \$9.4 million (Note 11).

In the year ended March 31, 2025, the Company entered into a binding term sheet for a contract manufacturing agreement (the “Manufacturing Agreement”) with a strategic investment partner and related party. The Manufacturing Agreement provides Burcon with exclusive access to its manufacturing capacity and Burcon will use the facility as its exclusive manufacturer. In March 2025, Burcon obtained access to the manufacturing facility and began commissioning the facility. In the three months ended June 30, 2025, Burcon commissioned the facility and launched commercial production and sales.

The Company’s ability to continue as a going concern is dependent upon the Company’s ability to successfully commercialize its technologies, scale production and generate revenue. The Company expects to use the proceeds from the rights offering to fund the commercialization and production of its plant proteins; however, the Company will require additional capital. The Company has historically relied on equity and debt financing to fund its operations. While the Company is considering various financing options for its short-term and long-term liquidity requirements, there can be no assurance that additional financing may be available on acceptable terms, if at all. If Burcon is unable to raise additional funds when it needs them, it may be required to delay, reduce or eliminate some or all of its commercialization efforts, production, or research and development programs. Therefore, these conditions result in material uncertainties that may cast significant doubt over the Company’s ability to continue as a going concern.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its commitments, realize its assets and discharge its liabilities in the normal course. These condensed consolidated interim financial statements do not reflect adjustments to the carrying values of assets and liabilities that would be

BURCON NUTRASCIENCE CORPORATION

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necessary if the Company was unable to continue as a going concern and such adjustments could be material.

2. Nature of operations

Burcon is headquartered in Vancouver, British Columbia, Canada. The Company's common shares are traded on the Toronto Stock Exchange ("TSX") and under the symbol "BU".

Burcon is a plant protein technology company that has developed high purity and functional proteins for foods and beverages derived from pea, canola, soy, hemp, sunflower seeds, fava, among other plant sources.

The following entities have been consolidated within these condensed consolidated interim financial statements:

Subsidiaries	Country	Functional Currency	% Interest
Burcon NutraScience Corporation	Canada	Canadian Dollar	Parent Company
Burcon NutraScience (MB) Corp.	Canada	Canadian Dollar	100%
Burcon NutraScience (US) Corp.	United States	US Dollar	100%

Basis of presentation

These condensed consolidated interim financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and, as such, should be read in conjunction with the Company's consolidated annual financial statements for the year ended March 31, 2025.

These condensed consolidated interim financial statements are recorded and presented in Canadian dollars (\$), which is the Company's functional currency.

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. All material intercompany transactions and balances have been eliminated on consolidation.

These condensed consolidated interim financial statements were approved and authorized for issue by the Audit Committee of the Board of Directors on August 12, 2025.

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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(Unaudited)

(In Canadian dollars)

3. Material accounting policies

The material accounting policies adopted in the presentation of these condensed consolidated interim financial statements are the same as those set out in the annual audited consolidated financial statements for the year ended March 31, 2025. Unless otherwise stated, these policies have been consistently applied to all periods presented.

Revenue recognition

The Company has multiple revenue streams and revenue is recognized in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled for those goods and services.

- Revenue from the sale of protein isolate is recorded at the point of sale, when the customer assumes control of the products as defined in the terms of agreement with the customer.
- Revenue associated with contract research services are recognized when the services are rendered.
- Revenue associated with contract manufacturing services are recognized when the services are rendered.

Accounting standards and amendments issued and not yet adopted

IFRS 18 – Presentation and disclosure in financial statements

In April 2024, the International Accounting Standards Board (“IASB”) issued IFRS 18 Presentation and Disclosure in Financial Statements to replace IAS 1 Presentation of Financial Statements and is effective for annual periods beginning on or after January 1, 2027 with early adoption permitted. IFRS 18 introduces a defined structure for the presentation of the consolidated statement of operations and comprehensive loss, including required totals and subtotals and aggregating and disaggregating principles to categorize financial information. The standard also requires all Management-defined performance measures to be disclosed in the notes to the consolidated financial statements. The Company is currently assessing the impact of this new standard.

Amendments to IFRS 9 - financial instruments and IFRS 7 - financial instruments: disclosures

In May 2024, the IASB issued amendments to the classification and measurement of financial instruments which amended IFRS 9 and IFRS 7 and will be effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted. The amendments are related to settling financial liabilities using electronic payment systems, and assessing contractual cash flow characteristics of financial assets with contingent features and when these features can be considered consistent with a basic lending agreement, in which the instrument can be measured at amortized cost. The Company is currently assessing the impact of the amendments.

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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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4. Protein Production Facility

On February 2, 2025, Burcon entered into the Manufacturing Agreement with RE ProMan LLC (“ProMan”) for the right to use and operate a protein production facility (the “Protein Production Facility”). The key terms of the Manufacturing Agreement are as follows:

- ProMan will purchase the Protein Production Facility, including incremental capital equipment;
- Burcon has exclusive access to 100% of the manufacturing capacity for production of Burcon’s plant protein portfolio;
- Burcon to use ProMan as its exclusive manufacturer for its protein products;
- Burcon to produce and sell its entire portfolio of plant proteins;
- Seven-year term Manufacturing Agreement, after which Burcon and ProMan will negotiate and enter into a ten-year lease agreement at market lease rates;
- Burcon to pay ProMan an annual production fee and reimburse ProMan for its operating costs during the seven-year term; and
- ProMan has granted Burcon a right of first refusal to purchase the facility in the event ProMan desires to sell the facility.

The obligations of Burcon and ProMan under the Manufacturing Agreement are subject to receipt by Burcon of all required regulatory approval, including the TSX and Burcon’s disinterested shareholders, ProMan acquiring the Protein Production Facility on or before April 30, 2025 and Burcon completing a minimum financing of at least \$7 million. On March 7, 2025, all conditions were met and Burcon began operating the Protein Production Facility on March 10, 2025.

In accordance with the Manufacturing Agreement, Burcon will pay ProMan an aggregate fixed fee of US \$19.8 million (CA \$27.1 million) during the term of the Manufacturing Agreement of which US \$104,121 (CA \$143,038) was paid in the three months ended June 30, 2025 (2024 - \$nil). Refer to Note 17 for disclosure of timing of contractual commitments.

In March 2025, Burcon paid a security deposit of US \$1 million (CA \$1.4 million), which is non-interest bearing and was recorded as a long-term deposit at amortized cost using the effective interest rate method. The difference between the fair value and nominal value is included in right-of-use assets. In the three months ended June 30, 2025, the Company earned interest income on this deposit of \$15,447 (2024 - \$nil).

The Manufacturing Agreement provides Burcon with the right to direct the use of and obtain substantially all the economic benefits from the Protein Production Facility and accordingly is accounted for as a lease in accordance with IFRS Accounting Standards. The lease term is seven years as the probability of Burcon and ProMan negotiating the following ten-year lease agreement is not considered reasonably certain. The lease payments are comprised of the annual production fee and do not include payment of the security deposit or operating cost reimbursements. The operating cost reimbursements are expensed in the period that the services are incurred.

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The lease liability was measured at the present value of future lease payments, discounted using the incremental borrowing rate as the interest rate implicit in the lease was not readily determinable. Management determined the incremental borrowing rate for the lease to be 17.3% by considering the terms and conditions of the lease including lease term, type of asset and the amount needed to obtain an asset of similar value to the right-of-use asset arising from the lease, and the economic environment in which the lease is executed. The initial measurement of the lease liability issued in exchange for right-of-use asset was \$14,340,910. The balance of the lease liability as at June 30, 2025 is \$14,180,648 (March 31, 2025 - \$14,427,910).

5. Protein Industries Canada

Protein Industries Canada (“PIC”) is an industry-led, not-for-profit organization committed to positioning Canada as a global source of high-quality plant protein ingredients.

During the year ended March 31, 2024, Burcon entered into a collaborative agreement with PIC for the commercialization of hempseed and sunflower seed protein.

During the three months ended June 30, 2025, Burcon recorded PIC grants of \$35,089 (2024 - \$339,832) as government assistance against research and development expenses, general and administrative expenses, inventory, and property and equipment, of which \$35,089 is included in amounts receivable at June 30, 2025 (March 31, 2025 - \$nil). As at June 30, 2025, Burcon had received \$nil in advance payments in respect of eligible expenses to be incurred in subsequent periods, which is recognized as deferred government assistance (March 31, 2025 - \$46,870).

On May 13, 2025, the collaborative agreement with PIC for the commercialization of hempseed and sunflower seed proteins concluded.

6. Inventory

	June 30, 2025	March 31, 2025
Protein isolate	85,347	-
Raw materials	289,360	201,145
Balance – end of period	374,707	201,145

BURCON NUTRASCIENCE CORPORATION

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended June 30, 2025 and 2024

(Unaudited)

(In Canadian dollars)

7. Property and equipment

	Equipment	Computer Equipment	Leasehold Improvements	Total
Cost:				
March 31, 2024	5,137,624	140,998	97,811	5,376,433
Additions	144,230	616	-	144,846
Transfers from right-of-use assets ¹	287,942	-	-	287,942
Foreign translation adjustment	364	-	-	364
March 31, 2025	5,570,160	141,614	97,811	5,809,585
Additions	137,802	-	63,014	200,816
Foreign translation adjustment	(20,106)	-	(292)	(20,398)
June 30, 2025	5,687,856	141,614	160,533	5,990,003
Accumulated depreciation:				
March 31, 2024	4,334,514	117,536	94,960	4,547,010
Depreciation	261,821	6,802	2,851	271,474
Transfers from right-of-use assets ¹	29,672	-	-	29,672
Foreign translation adjustment	11	-	-	11
March 31, 2025	4,626,018	124,338	97,811	4,848,167
Depreciation	55,308	1,213	1,915	58,436
Foreign translation adjustment	(5,610)	-	(9)	(5,619)
June 30, 2025	4,675,716	125,551	99,717	4,900,984
Net book value:				
March 31, 2025	944,142	17,276	-	961,418
June 30, 2025	1,012,140	16,063	60,816	1,089,019

1. Transfers from right-of-use assets consisted of the purchase of previously leased assets.

BURCON NUTRASCIENCE CORPORATION

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended June 30, 2025 and 2024

(Unaudited)

(In Canadian dollars)

8. Right-of-use assets

	Office Lease	Property and Equipment	Total
Cost:			
March 31, 2024	135,050	294,344	429,394
Additions	105,268	14,925,972	15,031,240
Transfers to property and equipment ¹	-	(287,942)	(287,942)
Disposals	(135,050)	-	(135,050)
Foreign translation adjustment	-	(56,886)	(56,886)
March 31, 2025	105,268	14,875,488	14,980,756
Change in expected lease term ²	(52,716)	-	(52,716)
Foreign translation adjustment	-	(726,078)	(726,078)
June 30, 2025	52,552	14,149,410	14,201,962
Accumulated depreciation:			
March 31, 2024	126,470	36,074	162,544
Depreciation	28,318	119,865	148,183
Transfers to property and equipment ¹	-	(29,672)	(29,672)
Disposals	(135,050)	-	(135,050)
March 31, 2025	19,738	126,267	146,005
Depreciation	10,182	507,261	517,443
Foreign translation adjustment	-	(8,204)	(8,204)
June 30, 2025	29,920	625,324	655,244
Net book value:			
March 31, 2025	85,530	14,749,221	14,834,751
June 30, 2025	22,632	13,524,086	13,546,718

1. Transfers to property and equipment consisted of the purchase of previously leased assets.

2. The change in expected lease term is due to management's change in expectation that the Company is no longer reasonably certain to exercise its option to renew the office lease.

BURCON NUTRASCIENCE CORPORATION**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****For the three months ended June 30, 2025 and 2024**

(Unaudited)

(In Canadian dollars)

9. Secured loan

As at June 30, 2025, the principal amount outstanding from the first tranche of the Secured Loan is \$5.0 million (March 31, 2025 - \$5.0 million) and from the second tranche of the Secured Loan is \$2.0 million (March 31, 2025 - \$2.0 million). Refer to Note 18 for discussion of the related party nature of the Secured Loan.

	Three months ended June 30, 2025	Year ended March 31, 2025
Balance, beginning of period	7,877,616	6,404,778
Draw downs	-	1,000,000
Interest expense accreted	179,854	472,838
Balance, end of period	8,057,470	7,877,616
Current portion of Secured Loan	2,138,814	2,085,567
Long-term portion of Secured Loan	5,918,656	5,792,049
	8,057,470	7,877,616

10. Lease liabilities

	Three months ended June 30, 2025	Year ended March 31, 2025
Balance, beginning of period	14,518,279	260,845
Additions	-	14,445,351
Change in expected lease term ¹	(52,716)	-
Interest expense accreted	604,684	161,393
Principal and interest payments	(151,123)	(294,656)
Foreign translation adjustment	(706,665)	(54,654)
Balance, end of period	14,212,459	14,518,279
Current portion of lease liabilities	1,171,850	890,566
Long-term portion of lease liabilities	13,040,609	13,627,713
	14,212,459	14,518,279

1. The change in expected lease term is due to management's change in expectation that the Company is no longer reasonably certain to exercise its option to renew the office lease.

BURCON NUTRASCIENCE CORPORATION

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11. Shareholders' equity

(a) Capital stock

Share Consolidation

On June 9, 2025, Burcon consolidated its issued and outstanding common shares at a ratio of twenty pre-consolidation common shares to one post-consolidation common share (the "Share Consolidation"). On the date of consolidation, the exercise price and number of common shares issuable on the exercise of Burcon's outstanding warrants were proportionally adjusted to reflect the share consolidation in accordance with the terms of such securities. The post-consolidation common shares commenced trading on the TSX on June 11, 2025.

The Share Consolidation has been retrospectively applied to these condensed consolidated interim financial statements.

Rights Offering

On November 20, 2024, Burcon announced it was offering rights (the "Rights Offering") to holders of its common shares of record at close of business on November 27, 2024. Pursuant to the Rights Offering, each holder of common shares received one transferable right (a "Right") for each common share held. Each Right entitled a holder to purchase one common share at a price of \$1.70 (the "Subscription Price"). The Subscription Price is equal to an approximately 39% discount to the volume weighted average trading price of the common shares on the TSX for the 5-day period ending November 19, 2024.

On February 13, 2025, the Company completed the Rights Offering and issued 5,549,306 common shares, raising gross proceeds of \$9,433,821 and net proceeds of \$9,202,900 and total issue costs of \$230,921.

(b) Options

The Company has a stock option plan in which all directors, officers, employees and consultants of the Company and its subsidiaries are eligible to participate.

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As at June 30, 2025, an additional 583,742 (March 31, 2025 – 631,739) options may be granted in future years under this plan.

	Number of options	Weighted average exercise price \$
Outstanding - Beginning of period	637,065	27.06
Granted	48,000	1.90
Forfeited / cancelled	-	-
Expired	-	-
Outstanding - End of period	685,065	25.30

The following table summarizes information about stock options outstanding and exercisable at June 30, 2025:

Range of exercise prices \$	Options Outstanding			Options exercisable	
	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price \$	Number exercisable	Weighted average exercise price \$
1.80 – 20.00	506,565	5.7	4.00	183,249	4.61
20.01 – 40.00	91,949	4.6	31.46	71,950	30.47
40.01 – 60.00	49,051	3.1	53.36	34,052	50.44
80.00 – 97.89	37,500	2.7	81.49	37,500	81.49
	685,065	5.2	15.46	326,751	23.90

The fair value of each option is estimated as at the date of grant or other measurement date using the Black-Scholes option pricing model and the following weighted average assumptions:

	Three months ended June 30, 2025
Exercise price	1.90
Share price	1.90
Dividend yield	0%
Expected volatility	78.9%
Risk-free interest rate	2.7%
Expected forfeitures	5.1%
Expected average option term (years)	5.0

The weighted average fair value of the options granted during the three months ended June 30, 2025 was \$1.23 per option.

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For the three months ended June 30, 2025, included in research and development expenses (salaries and benefits) is \$19,082 (2024 - \$20,133) (note 14) of stock-based compensation and included in general and administrative expenses (salaries and benefits and professional fees) is \$104,973 (2024 - \$63,560) (Note 15), of stock-based compensation.

(c) Restricted Share Unit ("RSU") Plan

The Company has an RSU plan in which all directors, officers, employees and consultants of the Company and its subsidiaries are eligible to participate.

<u>(number of RSUs)</u>	Three months ended June 30, 2025
Outstanding – beginning of period	8,150
Granted	-
Redeemed	-
Forfeited / cancelled	-
<u>Outstanding – end of period</u>	<u>8,150</u>

RSUs are measured at fair value based on the closing price of our common shares for the day preceding the date of the grant. No RSUs were granted during the three months ended June 30, 2025.

For the three months ended June 30, 2025, included in research and development expenses is \$1,192 (2024 - \$7,000) (Note 14) and in general and administrative expenses (salaries and benefits) is \$547 (2024 - \$1,306) (Note 15) of RSU stock-based compensation.

(d) Warrants

Included in general and administrative expenses (professional fees) is \$nil (2024 - \$112,500) (Note 15) of stock-based compensation from warrants issued to a related party (refer to note 18).

As at June 30, 2025, Burcon had the following warrants outstanding:

	2023 Private Placement	2024 Private Placement	Consultant Warrants (note 18)
Warrants exercisable into common shares	644,043	603,094	297,112
Exercise price	\$5.89	\$4.54	\$4.54
Expiry date	May 8-16, 2026	March 12, 2026	June 25, 2026

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(Unaudited)

(In Canadian dollars)

12. Revenue

	Three months ended	
	June 30, 2025	June 30, 2024
Sale of protein	36,997	185,410
Contract research services	-	51,207
Contract manufacturing services	305,196	-
Revenue	342,193	236,617

13. Cost of Sales

	Three months ended	
	June 30, 2025	June 30, 2024
Cost of products	637,051	189,320
Salaries and benefits	468,425	19,639
Depreciation of property and equipment and right-of-use assets	299,445	-
Other	265,986	3,335
Utilities	105,777	-
Cost of sales	1,776,684	212,294

For the three months ended June 30, 2025, included in the cost of products is a write-down of inventory to net realizable value of \$611,679 (2024 - \$nil). Other costs include direct costs for the provisioning of contract research services and operating costs of the Protein Production Facility.

14. Research and development

	Three months ended	
	June 30, 2025	June 30, 2024
Amortization of deferred development costs	105,375	105,375
Salaries and benefits	97,145	410,507
Intellectual property	59,924	92,342
Depreciation of property and equipment	31,358	53,632
Rent	31,329	30,001
Laboratory operation	31,174	86,079
Analyses and testing	13,579	45,873
	369,884	823,809
Government assistance (note 5)	(35,091)	(140,142)
Research and development expenses	334,793	683,667

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15. General and administrative

	Three months ended	
	June 30, 2025	June 30, 2024
Salaries and benefits	361,078	406,224
Professional fees	210,524	377,500
Office supplies and services	45,733	70,420
Travel and meals	26,782	38,672
Investor relations	23,419	186,268
Transfer agent and filing fees	14,252	16,190
Other	24,398	9,343
	706,186	1,104,617
Government assistance (note 5)	(61)	(909)
General and administrative expenses	706,125	1,103,708

16. Basic and diluted loss per share

The following table sets forth the computation of basic and diluted loss per share:

	Three months ended	
	June 30, 2025	June 30, 2024
Basic and diluted net loss attributable to common shareholders	(3,475,101)	(1,869,271)
	Shares	Shares
Weighted average common shares - basic and diluted	12,688,076	7,104,567
Basic and diluted loss per share	(0.27)	(0.26)

For the three months ended June 30, 2025 and 2024, the Company excluded all potential common share equivalents from the diluted loss per share calculation as they were anti-dilutive.

17. Financial instruments

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk through the management of its capital structure. It also manages liquidity risk by monitoring actual and forecasted cash flows taking into account current and planned operations.

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The timing of undiscounted cash outflows relating to financial liabilities and commitments, including interest payments, are outlined in the table below. Apart from lease liabilities and the Secured Loan, the undiscounted cash flows are equal to the carrying value. The capital commitments include capital purchases for the Company's current capital projects at the Protein Production Facility and all amounts are current and due within one year.

June 30, 2025	1 year	2 years	3-5 years	Thereafter
Accounts payable and accrued liabilities	1,056,409	-	-	-
Lease liabilities	1,314,064	3,035,249	13,976,069	8,675,640
Secured loan	2,166,356	6,055,342	-	-
Capital commitments	112,231	-	-	-
	4,649,060	9,090,591	13,976,069	8,675,640

March 31, 2025	1 year	2 years	3-5 years	Thereafter
Accounts payable and accrued liabilities	1,271,743	-	-	-
Lease liabilities	1,005,752	2,675,037	14,285,948	10,641,205
Secured loan	2,126,466	5,955,616	-	-
	4,403,961	8,630,653	14,285,948	10,641,205

Fair value

The fair value of the Company's short-term financial assets and financial liabilities, including cash, amounts receivable, and accounts payable and accrued liabilities approximates their carrying values due to the short-term maturities of these financial instruments.

The estimated fair value of the long-term deposit is based on level II inputs and is estimated based on risk-free interest rates on government debt instruments of similar maturities, adjusted for estimated credit risk.

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The carrying values and fair values of financial instruments, by class, are as follows:

	At fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Fair value
As at June 30, 2025				
Financial assets				
Cash	-	4,231,516	-	4,231,516
Amounts receivable	-	499,424	-	499,424
Long-term deposit	-	827,620	-	831,889
	-	5,558,560	-	5,562,829
Financial liabilities				
Accounts payable and accrued liabilities	-	-	1,056,409	1,056,409
Secured loan	-	-	8,057,470	8,057,470
	-	-	9,113,879	9,113,879
As at March 31, 2025				
Financial assets				
Cash	-	7,275,972	-	7,275,972
Amounts receivable	-	87,090	-	87,090
Long-term deposit	-	853,943	-	853,943
	-	8,217,005	-	8,217,005
Financial liabilities				
Accounts payable and accrued liabilities	-	-	1,271,743	1,271,743
Secured loan	-	-	7,877,616	7,877,616
	-	-	9,149,359	9,149,359

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18. Related party transactions

In June 2022, Burcon entered into a loan agreement with Large Scale Investments Limited, a wholly-owned subsidiary of Firewood Elite Limited (“Firewood”), for a secured loan of up to \$10 million that would be made available to Burcon in two tranches of \$5 million. Firewood, a related party of Burcon that has significant influence over the Company, is wholly-owned by Mr. Alan Chan, a director of the Company. Refer to Note 9.

In March 2024, the Company entered into a consulting agreement with a director of the Company for the provision of financial and strategic advisory services, whereby the Company issued warrants (“Consultant Warrants”) as compensation of the services. The vesting of the Consultant Warrants was subject to shareholder approval, which was obtained at the Company’s annual general meeting in September 2024. In the three months ended June 30, 2025, the exercise price and number of common shares issuable on the exercise of the Consultant Warrants were proportionally adjusted to reflect the Share Consolidation and Rights Offering in accordance with the terms of such securities. For the three months ended June 30, 2025, the Company record stock-based compensation related to these warrants of \$nil (2024 - \$112,500).

ProMan is controlled by Mr. John Vassallo, a director and shareholder of Burcon. On February 2, 2025, Burcon entered into the Manufacturing Agreement with ProMan for the right to use and operate the Protein Production Facility (Note 4). In accordance with the Manufacturing Agreement, Burcon agrees to use ProMan exclusively to manufacture its products, which creates an economic dependency. As at June 30, 2025, Burcon had an amount receivable of \$231,044 (March 31, 2025 - \$60,055) from ProMan in respect of expense reimbursements.

In connection with the Rights Offering that closed in February 2025, certain directors, officers and employees of the Company exercised 1,826,819 rights to purchase common shares for a gross purchase price of \$3,105,593.

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(Unaudited)

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19. Segment information

The Company operates in a single reportable operating segment involving the production and development of plant-based proteins.

The geographic breakdown of the Company's revenue and non-current assets are:

	Three months ended	
	June 30, 2025	June 30, 2024
Canada	3,702	236,617
United States	338,491	-
Total revenue	342,193	236,617

	As at	
	June 30, 2025	March 31, 2025
Canada	6,768,189	6,958,380
United States	14,797,370	15,899,309
Total non-current assets	21,565,559	22,857,689