

Burcon NutraScience Corporation

Condensed Consolidated Interim Financial Statements
Three and nine months ended December 31, 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 December 31, 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 December 31, 2025 and March 31, 2025

(In Canadian dollars)

	Notes	December 31, 2025	March 31, 2025
Assets			
Current assets			
Cash		1,287,324	7,275,972
Amounts receivable and other receivables		481,542	131,974
Inventory	6	817,824	201,145
Prepaid expenses and deposits		111,684	191,390
		<u>2,698,374</u>	<u>7,800,481</u>
Derivative financial asset	9	223,767	-
Long-term deposit	4	862,138	853,943
Property and equipment	7	1,741,811	961,418
Right-of-use assets	4, 8	12,554,869	14,834,751
Deferred development costs		4,636,521	4,952,647
Goodwill		1,254,930	1,254,930
Total assets		<u>23,972,410</u>	<u>30,658,170</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		2,192,558	1,271,743
Current portion of secured loan	10	8,361,548	2,085,567
Current portion of lease liabilities	4, 11	1,836,968	890,566
Deferred revenue and government assistance		-	46,870
		<u>12,391,074</u>	<u>4,294,746</u>
Secured loan	10	-	5,792,049
Convertible notes	9	682,195	-
Lease liabilities	4, 11	13,385,445	13,627,713
Total liabilities		<u>26,458,714</u>	<u>23,714,508</u>
Shareholders' equity			
Capital stock	12	131,614,299	131,581,539
Contributed surplus	12	20,462,211	19,216,437
Options	12	4,855,788	5,748,320
Warrants	12	710,614	670,019
Equity component of convertible notes	9	745,187	-
Restricted share units	12	9,302	37,553
Foreign currency translation reserve		81,291	1,080
Deficit		(160,964,996)	(150,311,286)
Total shareholders' equity		<u>(2,486,304)</u>	<u>6,943,662</u>
Total liabilities and shareholders' equity		<u>23,972,410</u>	<u>30,658,170</u>
Going concern	1		
Subsequent events	9, 10, 12		

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

BURCON NUTRASCIENCE CORPORATIONCondensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Unaudited)**For the three and nine months ended December 31, 2025 and 2024**

(In Canadian dollars)

	Notes	Three months ended December 31		Nine months ended December 31	
		2025	2024	2025	2024
Revenue	13	739,095	61,492	1,438,482	338,567
Cost of sales	14	2,332,116	287,375	6,213,860	659,621
Research and development	15	379,466	676,107	1,093,965	2,509,975
General and administrative	16	692,438	889,502	2,173,625	2,927,690
Loss from operations		(2,664,925)	(1,791,492)	(8,042,968)	(5,758,719)
Interest and other income		22,199	5,384	116,738	49,287
Interest and other expenses	10, 11	(829,276)	(9,470)	(2,436,466)	(315,465)
Foreign exchange (loss) gain		(103,430)	11,634	(291,014)	16,695
Net loss		(3,575,432)	(1,783,944)	(10,653,710)	(6,008,202)
Other comprehensive gain					
Foreign currency translation adjustment		77,235	-	80,211	-
Total comprehensive loss		(3,498,197)	(1,783,944)	(10,573,499)	(6,008,202)
Basic and diluted loss per share	17	(0.28)	(0.25)	(0.84)	(0.83)

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 nine months ended December 31, 2025 and 2024

(In Canadian dollars, except share amounts)

	Number of fully paid common shares	Capital stock	Contributed surplus	Options	Warrants	Restricted share units	Equity component of convertible notes	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
Loss and comprehensive loss	-	-	-	-	-	-	-	(6,008,202)	-	(6,008,202)
Issue costs	-	-	-	-	(8,200)	-	-	-	-	(8,200)
Options exercised	26,500	143,847	-	(29,897)	-	-	-	-	-	113,950
Options forfeited	-	-	882,904	(882,904)	-	-	-	-	-	-
Options expired	-	-	604,875	(604,875)	-	-	-	-	-	-
Restricted share units redeemed	3,569	50,217	-	-	-	(50,217)	-	-	-	-
Warrants vested	-	-	-	-	103,870	-	-	-	-	103,870
Stock-based compensation	-	-	-	198,933	337,500	26,411	-	-	-	562,844
Balance, December 31, 2024	7,134,515	122,263,889	18,771,713	6,117,519	670,371	148,970	-	(148,054,701)	-	(82,239)
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	-	-	-	-	-	-	-	(10,653,710)	-	(10,653,710)
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	80,211	80,211
Issuance of convertible notes	-	-	-	-	-	-	745,187	-	-	745,187
Options forfeited	-	-	935,112	(935,112)	-	-	-	-	-	-
Options expired	-	-	310,662	(310,662)	-	-	-	-	-	-
Restricted share units redeemed	4,200	32,760	-	-	-	(32,760)	-	-	-	-
Stock-based compensation	-	-	-	353,242	40,595	4,509	-	-	-	398,346
Balance, December 31, 2025	12,692,276	131,614,299	20,462,211	4,855,788	710,614	9,302	745,187	(160,964,996)	81,921	(2,486,304)

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 nine months ended December 31, 2025 and 2024
(In Canadian dollars)

	Nine months ended December	
	2025	31 2024
Cash flows from operating activities		
Net loss for the period	(10,653,710)	(6,008,402)
Items not affecting cash		
Depreciation expense	1,009,179	215,767
Amortization of deferred development costs	316,126	316,126
Unrealized foreign exchange loss (gain)	255,884	(23,084)
Interest expense on secured loan and short-term loan	503,462	298,922
Interest expense on lease liabilities	1,902,904	16,557
Interest income earned on long-term deposit	(48,518)	-
Write-down of inventory to net realizable value	2,413,759	361,728
Stock-based compensation expense	398,346	562,844
	(3,902,568)	(4,259,342)
Changes in non-cash working capital items		
Amounts receivable and other receivables	(357,809)	486,841
Inventory	(2,246,036)	(529,738)
Prepaid expenses and deposits	75,068	124,533
Accounts payable and accrued liabilities	730,476	(109,633)
Deferred revenue and government assistance	(46,870)	(141,559)
	(5,747,739)	(4,428,898)
Interest income	(10,397)	(49,287)
Interest expense paid	(455,848)	(16,557)
Net cash used in operating activities	(6,213,984)	(4,494,742)
Cash flows from investing activities		
Interest income received	10,397	49,287
Acquisition of property and equipment	(798,419)	(215,860)
Net cash used in investing activities	(788,022)	(166,573)
Cash flows from financing activities		
Convertible note proceeds	1,250,000	-
Short-term loan proceeds	703,150	-
Secured loan proceeds	-	1,000,000
Repayment of short-term loan	(685,300)	-
Share and warrant issue costs	(83,896)	(21,903)
Options exercised	-	113,950
Payments of lease liabilities	(21,346)	(59,932)
Net cash provided by financing activities	1,162,608	1,032,115
Foreign exchange gain (loss) on cash	(149,250)	23,084
Decrease in cash	(5,988,648)	(3,606,116)
Cash, beginning of period	7,275,972	4,197,141
Cash, end of period	1,287,324	591,025

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 and nine months ended December 31, 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 December 31, 2025, had an accumulated deficit of \$161.0 million (March 31, 2025 - \$150.3 million) and negative working capital of \$9.7 million (March 31, 2025 – positive working capital of \$3.5 million). During the nine months ended December 31, 2025, the Company incurred a net loss of \$10.7 million (2024 - \$6.0 million) and had net cash used in operating activities of \$6.2 million (2024 - \$4.5 million). On December 31, 2025, the Company closed the first tranche of a non-brokered private placement of convertible notes, raising proceeds of \$1.3 million. The Company anticipates closing the private placement in two tranches for an aggregate principal amount of up to \$6.9 million. Refer to Note 9.

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 the facility’s 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 nine months ended December 31, 2025, Burcon completed commissioning 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, generate revenue and raise 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

BURCON NUTRASCIENCE CORPORATION
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(In Canadian dollars)

statements do not reflect adjustments to the carrying values of assets and liabilities that would be 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, and 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 February 11, 2026.

BURCON NUTRASCIENCE CORPORATION

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.

BURCON NUTRASCIENCE CORPORATION

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(Unaudited)

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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.

In accordance with the Manufacturing Agreement, Burcon will pay ProMan an aggregate fixed fee of US \$19.8 million (CA \$27.2 million) during the term of the Manufacturing Agreement. In the three and nine months ended December 31, 2025, the Company has paid \$145,245 and \$432,784, respectively (2024 - \$nil and \$nil). Refer to Note 18 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 and nine months ended December 31, 2025, the Company earned interest income on this deposit of \$16,740 and \$48,518, respectively (2024 - \$nil and \$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.

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

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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 December 31, 2025 is \$15,206,105 (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. In the nine months ended December 31, 2025, Burcon entered into an agreement with PIC to amend the collaborative agreement to further support the commercialization of canola protein. On May 13, 2025, the collaborative agreement with respect to the commercialization of hempseed and sunflower seed proteins concluded.

During the three and nine months ended December 31, 2025, Burcon recorded PIC grants of \$606 and \$75,306, respectively (2024 - \$78,441 and \$636,188), as government assistance against research and development expenses, general and administrative expenses, inventory, and property and equipment, of which \$3,943 is included in amounts receivable at December 31, 2025 (March 31, 2025 - \$nil). As at December 31, 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).

6. Inventory

	December 31, 2025	March 31, 2025
Protein isolate	378,064	-
Raw materials	439,760	201,145
Balance – end of period	817,824	201,145

BURCON NUTRASCIENCE CORPORATION

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended December 31, 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	164,298	751	892,744	1,057,794
Foreign translation adjustment	(20,227)	(4)	(8,987)	(29,218)
December 31, 2025	5,714,231	142,361	981,568	6,838,161
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	221,459	3,814	29,952	255,225
Foreign translation adjustment	(6,622)	(3)	(417)	(7,042)
December 31, 2025	4,840,855	128,149	127,346	5,096,350
Net book value:				
March 31, 2025	944,142	17,276	-	961,418
December 31, 2025	873,376	14,212	854,222	1,741,811

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

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For the three and nine months ended December 31, 2025 and 2024
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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	-	(692,981)	(692,981)
December 31, 2025	52,552	14,182,507	14,235,059
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	21,498	1,534,804	1,556,302
Foreign translation adjustment	-	(22,117)	(22,117)
December 31, 2025	41,236	1,638,954	1,680,190
Net book value:			
March 31, 2025	85,530	14,749,221	14,834,751
December 31, 2025	11,316	12,543,553	12,554,869

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.

9. Convertible Notes

On December 31, 2025, Burcon closed the offering of a non-brokered private placement of convertible notes (the "Convertible Notes") for an aggregate principal amount of up to \$6.9 million (the "Private Placement"). The Company will close the Private Placement in two tranches with the first tranche closed on December 31, 2025 for gross proceeds of \$1.25 million.

Each Convertible Note will consist of \$1,000 principal amount, be unsecured, have a term of 48 months from the date of issuance and will bear interest at a rate of 15% per annum, payable in full upon maturity. Each Convertible Note will be convertible at the option of the holder (the "Conversion Option"), in whole or in part, into commons shares of the Company (the "Shares") at a conversion price of \$1.60 per share ("Conversion Price") and certain holders will have the option to convert their Convertible Notes, in whole or in part, into pre-funded warrants of the Company

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(“PF Warrants”). The PF Warrants will be exercisable to acquire on common share of the Company at an exercise price of \$0.00001.

At any time after the first anniversary of the issuance date of the Convertible Notes, if the volume weighted average price of the Shares on the TSX (or such other stock exchange where the Shares principally trade) is above \$3.20 for a period of 14 consecutive trading days, the Company may prepay the principal amount and any accrued and unpaid interest to the holders of the Convertible Notes (the “Prepayment Option”). Upon written notice from the Company of such prepayment, a holder will have 30 days from the date of such notice to accept the prepayment, failing which, the Company may accelerate the conversion of the Convertible Notes into Shares at the Conversion Price.

The Private Placement has been conditionally approved by the TSX subject to Burcon complying with terms of such conditional approval, including receipt of disinterested shareholder approval. If so approved, the Company expects to close the final tranche of the Private Placement following the special meeting of shareholders scheduled on February 20, 2026.

The components of the Convertible Notes were separately accounted for with the liability host contract classified as a liability recorded at amortized cost, the Conversion Option classified as an equity instrument initially recorded at fair value and the Prepayment Option is classified as a derivative financial asset recognized at fair value through profit and loss (“FVTPL”). Changes in the fair value of the derivative financial asset are recorded in the consolidated statement of operations and comprehensive loss.

The fair value of the derivative financial asset is categorized as level 3 in the fair value hierarchy and was estimated based on a methodology for pricing convertible bonds using the Partial Differential Equation Method, with the following assumptions as at December 31, 2025: expected volatility of 79%, risk free rate of 2.7%, and an expected life of 4 years. The initial fair value and the value as at December 31, 2025 of the derivative financial asset was \$223,767. Increases in volatility would decrease the fair value of the derivative financial asset.

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For the three and nine months ended December 31, 2025 and 2024

(Unaudited)

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10. Debt

(a) Secured Loan

As at December 31, 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 19 for discussion of the related party nature of the Secured Loan.

	Nine months ended December 31, 2025	Year ended March 31, 2025
Balance, beginning of period	7,877,616	6,404,778
Draw downs	-	1,000,000
Interest expense accreted	483,932	472,838
Balance, end of period	8,361,548	7,877,616
Current portion of Secured Loan	8,361,548	2,085,567
Long-term portion of Secured Loan	-	5,792,049
	8,361,548	7,877,616

On November 11, 2025, Burcon entered into a letter agreement to amend the second tranche maturity date to December 17, 2026.

(b) Short-term loans

On November 7, 2025, Burcon entered into a loan agreement with an entity related to a director of Burcon for an unsecured loan (the “2025 Loan”) of up to US\$500,000 (CA \$700,000) for a term of the earlier of four months and the completion of the Private Placement. The 2025 Loan bore interest at a rate of 12% per annum payable on the last day of each calendar month and Burcon paid a commitment fee of \$7,000.

The Loan was fully drawn on November 7, 2025 and was repaid on December 31, 2025.

Subsequent to December 31, 2025, Burcon entered into a loan agreement with an entity related to a director of Burcon who provided Burcon with an unsecured loan (the “2026 Loan”) of up to US\$350,000 (CA\$480,000) for a term of the earlier of 30 days and the completion of the Private Placement. The 2026 Loan bears interest at a rate of 12% per annum payable on the last day of each calendar month and a commitment fee of \$2,800.

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11. Lease liabilities

	Nine months ended December 31, 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	1,902,904	161,393
Principal and interest payments	(457,664)	(294,656)
Foreign translation adjustment	(688,390)	(54,654)
Balance, end of period	15,222,413	14,518,279
Current portion of lease liabilities	1,836,968	890,566
Long-term portion of lease liabilities	13,385,445	13,627,713
	15,222,413	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.

12. 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 and stock options 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 in 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

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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.

As at December 31, 2025, an additional 109,753 (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	16.48
Granted	568,000	2.09
Forfeited / cancelled	(18,041)	36.42
Expired	(27,550)	47.78
Outstanding - End of period	1,159,474	8.38

The following table summarizes information about stock options outstanding and exercisable at December 31, 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	1,020,567	7.4	3.03	261,249	4.27
20.01 – 40.00	78,949	4.3	31.49	58,950	30.30
40.01 – 60.00	30,708	4.2	56.75	15,709	53.65
80.00 – 97.89	29,250	2.5	81.85	29,250	81.85
	1,159,474	7.0	8.38	365,158	16.81

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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:

	Nine months ended December 31, 2025
Exercise price	\$1.90 - \$2.88
Share price	\$1.90 - \$2.88
Dividend yield	0.0%
Expected volatility	82.2%
Risk-free interest rate	2.9%
Expected forfeitures	4.5%
Expected average option term (years)	7.5

The weighted average fair value of the options granted during the nine months ended December 31, 2025 was \$0.70 per option.

Option based stock-based compensation expense is recognized in salaries and benefits expense of the following components of the condensed consolidated interim statements of operations and comprehensive loss as follows:

	Three months ended December 31		Nine months ended December 31	
	2025	2024	2025	2024
Research and development	21,694	(3,729)	60,630	39,105
General and administrative	69,614	41,516	279,946	159,828
Cost of sales	12,666	-	12,666	-

(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.

(number of RSUs)	Nine months ended December 31, 2025
Outstanding – beginning of period	8,150
Granted	-
Redeemed	(4,200)
Forfeited / cancelled	-
Outstanding – end of period	<u>3,950</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 nine months ended December 31, 2025.

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RSU based stock-based compensation expense is recognized in salaries and benefits expense of the following components of the condensed consolidated interim statements of operations and comprehensive loss as follows:

	Three months ended December 31		Nine months ended December 31	
	2025	2024	2025	2024
Research and development	665	6,086	3,100	20,391
General and administrative	291	2,171	1,409	6,020
Cost of sales	-	-	-	-

(d) Warrants

On September 17, 2025, the Company received shareholder approval to amend the exercise price of all outstanding warrants, which ranged from \$4.54 to \$5.89, to \$3.50 per common share (“Warrant Modification”). In the three and nine months ended December 31, 2025, included in general and administrative expenses (professional fees) is \$nil and \$40,594, respectively (2024 - \$nil and \$nil) (Note 16), of stock-based compensation due to the Warrant Modification of the Consultant Warrants. In the three and nine months ended December 31, 2024, the Company recognized stock-based compensation included in general and administrative expenses (professional fees) of \$112,500 and \$337,500, respectively.

As at December 31, 2025, Burcon had the following warrants outstanding:

	2023 Private Placement	2024 Private Placement	Consultant Warrants (note 19)
Warrants exercisable into common shares	644,043	603,094	297,112
Exercise price	\$3.50	\$3.50	\$3.50
Expiry date	May 8-16, 2026	March 12, 2026	June 25, 2026

Subsequent to December 31, 2025, the Company announced a proposal to extend the expiry date of all classes of warrants to June 30, 2027. In accordance with the policies of the TSX, the board of directors of Burcon has resolved to amend certain of the 2023 Private Placement and 2024 Private Placement warrants held by non-insiders. The expiry date of 376,760 2023 Private Placement Warrants and the expiry date of 390,906 2024 Private Placement Warrants held by non-insiders will be extended to June 30, 2027, with effect on February 19, 2026. On February 20, 2026, disinterested shareholder approval will be sought separately for each of the 2023 Private Placement, 2024 Private Placement and Consultant Warrants held by insiders to extend the expiry date to June 30, 2027.

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13. Revenue

	Three months ended December 31		Nine months ended December 31	
	2025	2024	2025	2024
Sale of protein	700,395	2,278	772,847	188,784
Contract research services	38,700	59,214	94,078	149,783
Contract manufacturing services	-	-	571,557	-
Revenue	739,095	61,492	1,438,482	338,567

14. Cost of Sales

	Three months ended December 31		Nine months ended December 31	
	2025	2024	2025	2024
Cost of products	2,102,740	260,336	3,173,189	597,257
Salaries and benefits	91,183	12,000	1,188,244	43,663
Depreciation expense	64,368	-	887,151	-
Other	34,135	15,039	623,029	18,701
Utilities	39,690	-	342,247	-
Cost of sales	2,332,116	287,375	6,213,860	659,621

For the three and nine months ended December 31, 2025, included in the cost of products is a write-down of inventory to net realizable value of \$1,404,413 and \$2,413,759, respectively (2024 - \$259,533 and \$361,728). Other costs include direct costs for the provisioning of contract research services and operating costs of the Protein Production Facility.

15. Research and development

	Three months ended December 31		Nine months ended December 31	
	2025	2024	2025	2024
Amortization of deferred development costs	105,375	105,375	316,126	316,126
Salaries and benefits	87,650	333,775	284,792	1,138,224
Intellectual property	77,159	49,808	241,573	435,537
Depreciation of property and equipment	33,638	61,500	98,596	184,718
Rent	31,162	33,876	93,050	93,964
Laboratory operation	31,949	51,659	86,751	212,686
Analyses and testing	12,328	107,536	37,749	468,418
	379,261	743,530	1,158,637	2,849,493
Government assistance	205	(67,423)	(64,672)	(339,518)
Research and development	379,466	676,107	1,093,965	2,509,975

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16. General and administrative

	Three months ended December 31		Nine months ended December 31	
	2025	2024	2025	2024
Salaries and benefits	332,799	342,025	1,044,843	1,101,726
Professional fees	234,517	399,459	643,353	1,093,667
Office supplies and services	57,743	51,029	155,735	196,733
Investor relations	25,627	26,474	113,381	341,131
Travel and meals	18,528	30,412	94,367	87,755
Transfer agent and filing fees	880	4,509	39,188	25,034
Other	23,154	35,594	91,874	88,014
	693,248	889,502	2,182,741	2,934,060
Government assistance	(810)	-	(9,116)	(6,370)
General and administrative	692,438	889,502	2,173,625	2,927,690

17. Basic and diluted loss per share

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

	Three months ended December 31		Nine months ended December 31	
	2025	2024	2025	2024
Basic and diluted net loss attributable to common shareholders	(3,575,432)	(1,783,944)	(10,653,710)	(6,008,202)
			Shares	Shares
Weighted average common shares - basic and diluted	12,690,604	7,131,777	12,688,855	7,114,939
Basic and diluted loss per share	(0.28)	(0.25)	(0.84)	(0.83)

For the three and nine months ended December 31, 2025 and 2024, the Company excluded all potential common share equivalents from the diluted loss per share calculation as they were anti-dilutive.

18. 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. For accounts payable and accrued liabilities, the undiscounted cash flows are equal to the carrying value.

December 31, 2025	1 year	2 years	3-5 years	Thereafter
Accounts payable and accrued liabilities	2,192,558	-	-	-
Lease liabilities	2,012,908	4,088,589	14,863,129	5,797,295
Secured loan	8,504,000	-	-	-
Convertible notes	-	-	1,250,000	-
	12,709,466	4,088,589	16,113,129	5,797,295

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 2 inputs and is estimated based on risk-free interest rates on government debt instruments of similar maturities, adjusted for estimated credit risk. The estimated fair value of the derivative financial asset is based on level 3 inputs, refer to Note 9.

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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 December 31, 2025				
Financial assets				
Cash	-	1,287,324	-	1,287,324
Amounts receivable	-	464,395	-	464,395
Derivative financial asset	223,767	-	-	223,767
Long-term deposit	-	862,138	-	837,032
	223,767	2,613,857	-	2,812,518
Financial liabilities				
Accounts payable and accrued liabilities	-	-	2,192,558	2,192,558
Convertible notes	-	-	682,195	682,195
Secured loan	-	-	8,361,548	8,361,548
	-	-	11,236,301	11,236,301
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

19. Related party transactions

(a) Secured Loan

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 10.

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(b) Manufacturing Agreement

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 December 31, 2025, Burcon had an amount receivable from ProMan of \$98,044 (March 31, 2025 - \$60,055) and an amount payable to ProMan of \$110,895 (March 31, 2025 - \$118,500) in respect of expense reimbursements.

(c) Consultant Warrants

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 nine months ended December 31, 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 and nine months ended December 31, 2025, the Company record stock-based compensation related to these warrants of \$nil and \$40,594, respectively (2024 - \$112,500 and \$337,500).

(d) Rights Offering

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.

(e) Warrant Extension

Subsequent to December 31, 2025, the Company announced a proposal to expend the expiry of all classes of warrants, including those held by related parties. Refer to Note 12.

(f) Convertible Notes

On December 31, 2025, Burcon closed the first tranche of the Convertible Notes, raising gross proceeds of \$1.25 million. The holder of the Convertible Notes is an entity controlled by Mr. John Vassallo, a director and shareholder of the Company, and owned by a consortium of investors that include directors of the Company. Refer to Note 9.

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(g) Short-term Loans

On November 7, 2025, Burcon entered into the 2025 Loan with an entity related to a director of Burcon. Refer to Note 10.

Subsequent to December 31, 2025, Burcon entered into the 2026 Loan with an entity related to a director of Burcon. Refer to Note 10.

20. 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		Nine months ended	
	December 31		December 31	
	2025	2024	2025	2024
Canada	38,700	61,492	98,501	338,567
United States	700,395	-	1,339,981	-
Total revenue	739,095	61,492	1,438,482	338,567

	As at	
	December 31, 2025	March 31, 2025
Canada	6,701,121	6,958,380
United States	14,572,915	15,899,309
Total non-current assets	21,274,036	22,857,689