Burcon NutraScience Corporation

Condensed Consolidated Interim Financial Statements
Three and six months ended September 30, 2026 and 2025
(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 September 30, 2026 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 September 30, 2026 and March 31, 2026

(In Canadian dollars)

	Notes	September 30, 2026	March 31, 2026
Assets			
Current assets			
Cash		998,878	950,530
Amounts receivable and other receivables		1,000,690	702,484
Inventory	4	1,088,658	527,745
Prepaid expenses and deposits		172,142	243,192
		3,260,368	2,423,951
Long-term deposit		945,545	893,845
Property and equipment	5	1,691,367	1,640,445
Right-of-use assets	6	11,413,005	12,247,753
Deferred development costs		4,320,395	4,531,145
Goodwill		1,254,930	1,254,930
Total assets		22,885,610	22,992,069
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		3,000,169	2,074,320
Short-term loan	8	2,909,901	-
Current portion of secured loan	8	9,034,858	8,550,208
Current portion of lease liabilities	7	3,334,118	2,314,261
Deferred revenue and government assistance		69,781	73,180
		18,348,827	13,011,969
Lease liabilities	7	12,926,799	13,314,314
Convertible notes	9	4,298,768	2,225,208
Derivative liability	9	471,341	238,903
Total liabilities		36,045,735	28,790,394
Shareholders' equity			
Capital stock	10	131,615,966	131,614,299
Contributed surplus	10	20,733,667	20,462,210
Options	10	4,830,542	4,881,313
Warrants	10	825,415	825,415
Restricted share units	10	7,758	9,597
Equity component of convertible notes	9	1,607,211	1,053,696
Foreign currency translation reserve		(361,272)	(80,178)
Deficit		(172,419,412)	(164,564,677)
Total shareholders' equity		(13,160,125)	(5,798,325)
Total liabilities and shareholders' equity		22,885,610	22,992,069
Going concern	1		
Subsequent events	8, 10		

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 and six months ended September 30, 2026 and 2025
(In Canadian dollars)

	Notes	Three months ended September 30		Six months ended September 30	
		2026	**2025**	**2026**	**2025**
Revenue	11	1,040,829	357,194	2,317,041	699,387
Cost of sales	12	3,234,878	2,210,435	6,636,007	4,092,494
Research and development	13	220,915	274,331	453,849	503,749
General and administrative	14	670,493	775,062	1,458,263	1,481,187
Loss from operations		(3,085,457)	(2,902,634)	(6,231,078)	(5,378,043)
Interest and other income		24,416	35,624	49,944	94,539
Interest and other expenses	7, 8, 9	(1,256,648)	(822,552)	(2,449,494)	(1,607,190)
Unrealized gain (loss) on derivative asset	9	260,817	-	334,848	-
Foreign exchange gain (loss)		(21,616)	96,428	233,898	(186,319)
Deferred income tax recovery		-	-	207,147	-
Net loss		(4,078,488)	(3,593,134)	(7,854,735)	(7,077,013)
Other comprehensive gain					
Foreign currency translation adjustment		(34, 576)	(33,919)	(281,094)	(30,943)
Total comprehensive loss		(4,113,064)	(3,627,053)	(8,135,829)	(7,107,956)
Basic loss per share	15	(0.32)	(0.28)	(0.62)	(0.56)
Diluted loss per share	15	(0.32)	(0.28)	(0.62)	(0.56)

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 six months ended September 30, 2026 and 2025
(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, 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	-	-	-	-	-	-	-	(7,077,013)	-	(7,077,013)
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	(30,943)	(30,943)
Options forfeited / cancelled	-	-	493,787	(493,787)	-	-	-	-	-	-
Stock-based compensation expense	-	-	-	249,267	40,594	3,553	-	-	-	293,414
Balance, September 30, 2025	12,688,076	131,581,539	19,710,224	5,503,800	710,613	41,106	-	(157,388,299)	(29,863)	129,120
Balance, March 31, 2026	12,692,276	131,614,299	20,462,210	4,881,313	825,415	9,597	1,053,696	(164,564,677)	(80,178)	(5,798,325)
Net loss	-	-	-	-	-	-	-	(7,854,735)	-	(7,854,735)
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	(281,094)	(281,094)
Private placement	-	-	-	-	-	-	769,131	-	-	769,131
Issue costs	-	-	-	-	-	-	(8,469)	-	-	(8,469)
Deferred income tax	-	-	-	-	-	-	(207,147)	-	-	(207,147)
Options forfeited / cancelled	-	-	271,457	(271,457)	-	-	-	-	-	-
Restricted share units redeemed	666	1,667	-	-	-	(1,667)	-	-	-	-
Stock-based compensation expense	-	-	-	220,686	-	(172)	-	-	-	220,514
Balance, September 30, 2026	**12,692,942**	**131,615,966**	**20,733,667**	**4,830,542**	**825,415**	**7,758**	**1,607,211**	**(172,419,412)**	**(361,272)**	**(13,160,125)**

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 six months ended September 30, 2026 and 2025
(In Canadian dollars)

	Six months ended September 30	
	2026	**2025**
Cash flows from operating activities		
Net loss for the period	(7,854,735)	(7,077,013)
Adjustments for:		
Depreciation expense	233,133	982,038
Amortization of deferred development costs	210,750	210,751
Stock-based compensation expense	220,514	293,414
Interest and other expense	2,449,494	1,607,190
Interest and other income	(49,944)	(94,539)
Write-down of inventory net realizable value	3,886,788	1,009,346
Unrealized (gain) loss on derivative liability	(334,848)	-
Unrealized foreign exchange (gain) loss	(229,227)	171,370
Deferred income tax recovery	(207,147)	-
Interest expense paid	(1,013,307)	(290,526)
	(2,688,529)	(3,187,969)
Changes in non-cash working capital items		
Amounts receivable and other receivables	(277,962)	(254,852)
Inventory	(3,468,681)	(1,080,208)
Prepaid expenses and deposits	72,569	16,011
Accounts payable and accrued liabilities	1,959,100	(122,026)
Deferred revenue and government assistance	(3,847)	(46,870)
Net cash used in operating activities	(4,407,350)	(4,675,914)
Cash flows from investing activities		
Interest income received	14,901	62,759
Acquisition of property and equipment	(191,332)	(669,470)
Net cash used in investing activities	(176,431)	(606,711)
Cash flows from financing activities		
Proceeds of convertible notes	2,353,321	-
Proceeds of short-term loan	2,308,185	-
Issue costs of capital stock, warrants, and convertible notes	(63,513)	(78,987)
Payments of lease principal	(8,257)	(13,496)
Net cash flow from (used in) financing activities	4,589,736	(92,483)
Foreign exchange gain (loss) on cash	42,393	(146,922)
Increase (decrease) in cash	48,348	(5,522,030)
Cash, beginning of period	950,530	7,275,972
Cash, end of period	998,878	1,753,942

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

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 September 30, 2026, had an accumulated deficit of $172.4 million (March 31, 2026 - $164.5 million) and negative working capital of $15.0 million (March 31, 2026 – $10.6 million). During the six months ended September 30, 2026, the Company incurred a net loss of $7.9 million (2025 - $7.1 million) and had negative cash flow from operations of $4.4 million (2025 - $4.6 million). Subsequent to September 30, 2026, the Company drew an additional $1.4 million on the short-term loan (Note 8). The Company is evaluating various financing options for its short-term and long-term liquidity requirements.

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 financings 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 and adjustments to revenues and expenses 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, 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 have been 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, 2026.

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 November 16, 2026.

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, 2026. Unless otherwise stated, these policies have been consistently applied to all periods presented.

a) Accounting standard 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 to 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 on the consolidated financial statements.

b) Newly adopted accounting standards and amendments

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

The amendments are related to settling financial liabilities using electronic payments 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 case the instrument can be measured at amortized cost. The amendment was adopted on April 1, 2026 with retrospective application and the adoption did not have a significant impact on the condensed consolidated interim financial statements.

c) Reclassification of prior period amounts

Certain comparative amounts have been reclassified to conform to the presentation adopted in the current period.

4. Inventory

	September 30, 2026	March 31, 2026
Protein isolate	348,743	174,640
Raw materials	689,534	298,563
Spare parts	50,381	54,542
Balance – end of period	1,088,658	527,745

For the three and six months ended September 30, 2026, included in the cost of sales is a write-down of inventory to net realizable value of $2,235,286 and $1,862,252, respectively (2025 - $498,456 and $1,220,096).

5. Property and equipment

	Equipment	Computer Equipment	Leasehold Improvements	Total
Cost:				
March 31, 2025	5,570,160	141,614	97,811	5,809,585
Additions	34,971	2,511	923,197	960,679
Disposals	(40,065)	-	-	(40,065)
Foreign translation adjustment	(12,152)	38	6,533	(5,581)
March 31, 2026	5,552,914	144,163	1,027,541	6,724,618
Additions	43,017	8,187	139,479	190,683
Disposals	(24,328)	(33,471)	-	(57,799)
Foreign translation adjustment	7,687	142	18,723	26,552
September 30, 2026	5,579,290	119,021	1,185,743	6,884,054
Accumulated depreciation:				
March 31, 2025	4,626,018	124,338	97,811	4,848,167
Depreciation	182,820	5,131	68,296	256,247
Disposals	(17,690)	-	-	(17,690)
Foreign translation adjustment	(3,263)	2	710	(2,551)
March 31, 2026	4,787,885	129,471	166,817	5,084,173
Depreciation	78,757	2,976	77,688	159,421
Disposals	(23,284)	(33,471)	-	(56,755)
Foreign translation adjustment	3,083	24	2,741	5,848
September 30, 2026	4,846,441	99,000	247,246	5,192,687
Net book value:				
March 31, 2026	765,029	14,692	860,724	1,640,445
September 30, 2026	732,849	20,021	938,497	1,691,367

6. Right-of-use assets

	Office Lease	Property and Equipment	Total
Cost:			
March 31, 2025	105,268	14,875,488	14,980,756
Change in expected lease term[1]	(52,716)	-	(52,716)
Foreign translation adjustment	-	(451,990)	(451,990)
March 31, 2026	52,552	14,423,498	14,476,050
Disposals	(52,552)	-	(52,552)
Foreign translation adjustment	-	257,541	257,541
September 30, 2026	-	14,681,039	14,681,039
Accumulated depreciation:			
March 31, 2025	19,738	126,267	146,005
Depreciation	27,157	2,041,240	2,068,397
Foreign translation adjustment	-	13,895	13,895
March 31, 2026	46,895	2,181,402	2,228,297
Depreciation	5,657	1,027,507	1,033,164
Disposals	(52,552)	-	(52,552)
Foreign translation adjustment	-	59,125	59,125
September 30, 2026	-	3,268,034	3,268,034
Net book value:			
March 31, 2026	5,657	12,242,096	12,247,753
September 30, 2026	-	11,413,005	11,413,005

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.

7. Lease liabilities

	Six months ended September 30, 2026	Year ended March 31, 2026
Balance, beginning of period	15,628,575	14,518,279
Interest expense accreted	1,367,958	2,555,831
Change in expected lease term[1]	-	(52,716)
Principal and interest payments	(1,021,564)	(965,430)
Foreign translation adjustment	285,948	(427,389)
Balance, end of period	16,260,917	15,628,575
Current portion of lease liabilities	3,334,118	2,314,261
Long-term portion of lease liabilities	12,926,799	13,314,314
	16,260,917	15,628,575

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.

8. Debt

(a) Secured Loan

As at September 30, 2026, the principal amount outstanding from the first tranche of the Secured Loan is $5.0 million (March 31, 2026 - $5.0 million) and the principal amount outstanding from the second tranche of the secured loan is $2.0 million (March 31, 2026 - $2.0 million). On June 24, 2026, Burcon entered into a letter agreement to amend the maturity of the first tranche of the secured loan to December 17, 2026 and to amend the interest rate to 15%. The second tranche of the secured loan matures on December 17, 2026. Refer to Note 16 for discussion of the related party nature of the secured loan.

	Six months ended September 30, 2026	Year ended March 31, 2026
Balance, beginning of period	8,550,208	7,877,616
Interest expense accreted	484,650	672,592
Balance, end of period	9,034,858	8,550,208
Current portion of Secured Loan	9,034,858	8,550,208
Long-term portion of Secured Loan	-	-
	9,034,858	8,550,208

(b) Short-term loan

Subsequent to September 30, 2026, the Company entered into a loan agreement with an entity related to a director of Burcon for an unsecured loan (the "Short-term Loan") of up to US$3,000,000 (CA$4,216,000). Refer to Note 16 for disclosure of related party nature of the Short-term Loan.

The Short-term Loan matures on November 16, 2027. The Lender will be paid a commitment fee of $7,090 and the principal amount of the Short-term Loan will bear interest at a rate of 15% per annum with interest payable on the last day of each calendar month.

In the three months ended September 30, 2026, the Company was advanced $2,797,800 of this loan, of which $2,308,185 was received as cash and $489,615 was received as payment of accounts payable owed to RE ProMan LLC (refer to Note 16 for disclosure of related party nature of RE ProMan LLC). Subsequent to September 30, 2026, the remaining balance of the loan of $1,418,200 was drawn by the Company and received as cash.

9. Convertible Notes

a) 2025 Convertible Notes

In the year ended March 31, 2026, the Company had an offering of a non-brokered private placement of convertible notes (the "2025 Convertible Notes") for an aggregate principal amount of up to $6.9 million (the "2025 Private Placement"). The Company closed the 2025 Private Placement in the following tranches:

- Tranche 1 closed on December 31, 2025 for gross proceeds of $1.25 million, with $685,300 of the gross proceeds received by an offset of a short-term loan.
- Tranche 2 closed on February 27, 2026 for gross proceeds of $2.75 million.
- Tranche 3 closed on April 24, 2026 for gross proceeds of $2.90 million, with $545,700 of gross proceeds received as an offset of accounts payable.

Each 2025 Convertible Note consists of $1,000 principal amount, is unsecured, has a term of 48 months from the date of issuance, and bears interest at a rate of 15% per annum, payable in full upon maturity. Certain 2025 Convertible Notes are convertible at the option of the holder (the "2025 Conversion Option"), in whole or in part, into common shares of the Company (the "Shares") at a conversion price of $1.60 per share ("2025 Conversion Price") and certain 2025 Convertible Notes are convertible at the option of the holder (the "2025 PF Warrant Conversion Option"), in whole or in part, into pre-funded warrants of the Company ("2025 PF Warrants") at a conversion price of $1.60 per 2025 PF Warrant ("2025 PF Warrant Conversion Price"). The 2025 PF Warrants will be exercisable to acquire one common share of the Company at an exercise price of $0.00001 per Share. The Company determined that the 2025 Convertible Notes with the 2025 PF Warrant Conversion Option are classified in their entirety as a financial liability and the Company estimated

the initial fair value of these 2025 Convertible Notes to be $700,000 for those issued in the year ended March 31, 2026 and $1,231,00 for those issued in the six months ended September 30, 2026.

At any time after the first anniversary of the issuance date of the 2025 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 at or above $3.20 for a period of 14 consecutive trading days, the Company may provide written notice to prepay the principal amount and any accrued and unpaid interest to the holders of the 2025 Convertible Notes. 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 2025 Convertible Notes into Shares at the 2025 Conversion Price or to 2025 PF Warrants at the 2025 PF Warrant Conversion Price.

The components of the 2025 Convertible Notes were separately accounted for with the liability host contract classified as a liability recorded at amortized cost, the 2025 PF Warrant Conversion Option is classified as a derivative liability recognized at fair value through profit and loss and the 2025 Conversion Option is accounted for as an equity instrument, net of deferred tax. Interest expense accrued on the liability host contract and changes in the fair value of the derivative liability are recorded in the consolidated statement of operations and comprehensive loss.

Liability host contract

	Six months ended September 30, 2026	**Year ended March 31, 2026**
Balance, beginning of period	2,225,208	-
Issuance of convertible notes	1,563,582	2,201,163
Issuance costs	(15,545)	(57,286)
Interest expense accreted	525,523	81,331
Balance, end of period	4,298,768	2,225,208

Derivative liability

	Six months ended September 30, 2026	Year ended March 31, 2026
Balance, beginning of period	238,903	-
Issuance of convertible notes	567,286	318,997
Unrealized gain on derivative liability	(334,848)	(80,094)
Balance, end of period	471,341	238,903

The fair value of the derivative liability 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:

	Issuance in six months ended September 30, 2026	As at September 30, 2026	Issuance in year ended March 31, 2026	As at March 31, 2026
Expected volatility	76.8%	79.9%	78.9%	79.2%
Risk-free rate	3.1%	3.5%	2.7%	2.9%
Expected life (years)	4.0	3.5	4.0	3.9

Increases in the expected volatility are expected to result in increased fair value of the derivative liability. As at September 30, 2026 a 5% increase in volatility would result in an increase of $15,107 (March 31, 2026 - $4,300) in the value of the derivative liability and a 5% decrease in volatility would result in a decrease of $30,745 (March 31, 2026 - $8,850) in the value of the derivative liability.

b) 2026 Convertible Notes

In the three months ended September 30, 2026, the Company launched a non-brokered private placement of convertible notes (the "2026 Convertible Notes") for an aggregate principal amount of up to $21.0 million (the "2026 Private Placement"). The 2026 Private Placement was approved by disinterested shareholders at the Company's annual general meeting held on September 24, 2026 and is subject final approval of the TSX and satisfaction of the remaining closing conditions.

Each 2026 Convertible Note consists of $1,000 principal amount, is unsecured, has a term of 48 months from the date of issuance, and bears interest at a rate of 15% per annum, payable in full upon maturity. Certain 2026 Convertible Notes will be convertible at the option of the holder (the "2026 Conversion Option"), in whole or in part, into Shares at a conversion price of $1.60 per share ("2026 Conversion Price") and certain 2026 Convertible Notes will be convertible at the option of the holder (the "2026 PF Warrant Conversion Option"), in whole or in part, into pre-funded warrants of the Company ("2026 PF Warrants") at a conversion price of $1.60 per 2026 PF Warrant

("2026 PF Warrant Conversion Price"). The 2026 PF Warrants will be exercisable to acquire one common share of the Company at an exercise price of $0.00001 per Share.

The Company may, at its sole discretion, require holders to convert all but not less than all of the then outstanding principal amount of the 2026 Convertible Notes, at the 2026 Conversion Price at any time after the date that is four months and one day following the issuance of the 2026 Convertible Debenture, provided that the Company gives fifteen (15) days' advance written notice of such conversion to the holder, which notice may be given at any time after the daily volume weighted average trading price of the common shares on the Toronto Stock Exchange (the "TSX"), or such other Canadian stock exchange on which the Shares are listed and posted for trading, is at or greater than $3.20 for any fourteen (14) consecutive trading days.

10. Shareholders' equity

(a) 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 September 30, 2026, an additional 19,747 (March 31, 2026 – 109,753) options may be granted in future years under this plan.

	Number of options	Weighted average exercise price $
Outstanding - Beginning of period	1,159,474	8.38
Granted	130,000	1.93
Forfeited / cancelled	(39,927)	10.22
Outstanding - End of period	1,249,547	7.65

The following table summarizes information about stock options outstanding and exercisable at September 30, 2026:

	Options Outstanding			Options exercisable	
Range of exercise prices $	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price $	Number exercisable	Weighted average exercise price $
1.80 – 20.00	918,950	6.9	2.05	390,300	2.06
20.01 – 40.00	112,767	6.3	4.08	58,100	4.15
40.01 – 60.00	57,550	2.7	7.90	57,550	7.90
80.00 – 97.89	160,280	3.5	42.17	105,282	45.77
	1,249,547	6.2	7.65	611,232	10.34

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:

	Six months ended September 30, 2026
Exercise price	$1.91 - $2.37
Share price	$1.91 - $2.37
Dividend yield	0.0%
Expected volatility	75.4%
Risk-free interest rate	3.0%
Expected forfeitures	3.7%
Expected average option term (years)	5.0

The weighted average fair value of the options granted during the six months ended September 30, 2026 was $1.22 per option.

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

	Three months ended September 30		Six months ended September 30	
	2026	2025	2026	2025
Research and development	2,318	19,854	12,105	38,936
General and administrative	10,943	105,358	205,343	210,332
Cost of sales	298	-	3,238	-

(b) 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)	Six months ended September 30, 2026
Outstanding – beginning of period	3,950
Granted	-
Redeemed	(666)
Forfeited / cancelled	(334)
Outstanding – end of period	2,950

Subsequent to September 30, 2026, 2,616 of the outstanding restricted share units were redeemed and 334 of the outstanding restricted share units were forfeited.

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

	Three months ended September 30		Six months ended September 30	
	2026	**2025**	**2026**	**2025**
Research and development	239	1,243	468	2,434
General and administrative	-	571	(640)	1,118

(c) Warrants

As at September 30, 2026, Burcon had the following warrants outstanding:

	2023 Private Placement	2024 Private Placement	Consultant Warrants
Warrants exercisable into common shares	644,043	603,094	297,112
Exercise price	$3.50	$3.50	$3.50
Expiry date	June 30, 2027	June 30, 2027	June 30, 2027

11. Revenue

	Three months ended September 30		Six months ended September 30	
	2026	**2025**	**2026**	**2025**
Sale of protein	798,926	35,455	1,755,999	72,452
Contract research services	105,510	55,378	105,510	55,378
Contract manufacturing services	136,393	266,361	455,532	571,557
Revenue	1,040,829	357,194	2,317,041	699,387

12. Cost of Sales

	Three months ended September 30		Six months ended September 30	
	2026	**2025**	**2026**	**2025**
Raw materials consumed	559,762	280,288	1,361,648	378,337
Salaries and benefits	1,071,357	689,889	2,151,120	1,357,811
Depreciation of property and equipment and right-of-use assets	572,162	563,926	1,131,623	1,101,372
Utilities	482,940	215,709	1,070,742	405,558
Maintenance	88,976	99,116	253,627	169,414
Amortization of deferred development costs	105,375	105,375	210,750	210,750
Other	336,255	248,874	623,155	548,382
Change in finished goods inventory	18,051	7,258	(166,658)	(79,130)
Cost of sales	3,234,878	2,210,435	6,636,007	4,092,494

13. Research and development

	Three months ended September 30		Six months ended September 30	
	2026	**2025**	**2026**	**2025**
Salaries and benefits	63,795	99,997	148,639	197,142
Intellectual property	76,256	104,490	132,410	164,414
Depreciation of property and equipment	27,058	33,600	54,042	64,958
Laboratory operation	53,809	66,029	119,134	142,111
	220,918	304,116	454,225	568,625
Government assistance	(3)	(29,786)	(376)	(64,877)
Research and development expenses	220,915	274,330	453,849	503,748

14. General and administrative

	Three months ended September 30		Six months ended September 30	
	2026	**2025**	**2026**	**2025**
Salaries and benefits	236,986	350,966	708,113	712,044
Professional fees	176,832	198,312	334,242	408,836
Office supplies and services	15,498	52,259	87,165	97,992
Investor relations	108,317	88,391	133,029	126,062
Travel and meals	41,874	49,057	50,228	75,839
Other	90,541	44,322	145,041	68,720
	670,048	783,307	1,457,818	1,489,493
Government assistance	-	(8,245)	-	(8,306)
General and administrative expenses	670,048	775,062	1,457,818	1,481,187

15. Basic and diluted loss per share

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

	Three months ended September 30		Six months ended September 30	
	2026	**2025**	**2026**	**2025**
Basic and diluted net loss attributable to common shareholders	(4,078,488)	(3,593,134)	(7,854,735)	(7,077,013)
	Shares	**Shares**	**Shares**	**Shares**
Weighted average common shares - basic and diluted	12,692,942	12,688,076	12,691,651	12,688,076
Basic and diluted loss per share	(0.32)	(0.28)	(0.62)	(0.56)

For the three and six months ended September 30, 2026 and 2025, the Company excluded all potential common share equivalents from the diluted loss per share calculation as they were anti-dilutive.

16. 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 8.

(b) Manufacturing agreement

RE ProMan LLC ("ProMan") is an entity controlled by Mr. John Vassallo, a director and shareholder of Burcon.

On February 2, 2025, Burcon entered into a manufacturing agreement with ProMan for the right to use an operate a protein production facility and where Burcon agrees to use ProMan to exclusively manufacture its products, creating an economic dependency. The manufacturing agreement is recorded as a lease in accordance with IFRS 16. In the three and six months ended September 30, 2026, Burcon paid ProMan $509,332 and $1,013,167, respectively (2025 – $143,430 and $287,540), of the fixed fee payable in accordance with the manufacturing agreement. As at September 30, 2026, the balance of the lease liability pursuant to this manufacturing agreement is $16,260,916 (March 31, 2026 - $15,620,319).

In March 2025, Burcon paid a security deposit to ProMan of $1.4 million, which is non-interest bearing. In the three and six months ended September 30, 2026, Burcon accreted interest income of $17,785 and $35,043, respectively (2025 – $16,215 and $31,778), on this deposit.

As at September 30, 2026, Burcon had an amount receivable from ProMan of $292,000 (March 31, 2026 - $287,772) and an amount payable to ProMan of $1,213,098 (March 31, 2026 - $367,480) in respect of expense reimbursements.

(c) Convertible notes

In connection with the private placement of the 2025 Convertible Notes (refer to Note 9), certain directors and entity's controlled by certain directors were issued convertible notes as follows:

- Tranche 1: $1.25 million of convertible notes were issued to an entity controlled by a director of the Company
- Tranche 2: $1.45 million of convertible notes were issued to directors and an entity controlled by a director of the Company
- Tranche 3: $1.7 million of convertible notes were issued to an entity controlled by a director of the Company.

(d) Short-term loans

Refer to Note 8.

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.

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.

September 30, 2026	**1 year**	**2 years**	**3-5 years**	**Thereafter**
Accounts payable and accrued liabilities	3,000,169	-	-	-
Lease liabilities	3,690,857	4,234,166	16,710,626	1,500,292
Short-term loan[1]	2,909,901	-	-	-
Convertible notes	-	-	7,472,712	-
Secured loan	9,016,841	-	-	-
	18,617,768	4,234,166	24,183,338	1,500,292

As at March 31, 2026	**1 year**	**2 years**	**3-5 years**	**Thereafter**
Accounts payable and accrued liabilities	2,074,320	-	-	-
Lease liabilities	2,570,457	4,158,681	15,549,651	4,421,886
Convertible notes	-	-	4,082,397	-
Secured Loan	8,642,082	-	-	-
	13,286,859	4,158,681	19,632,048	4,421,886

1. Subsequent to September 30, 2026, the Company signed the loan agreement for the Short-term loan which provides for a maturity date of November 16, 2027 (refer to Note 8).

Fair value

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

The estimated fair value of the long-term deposit and convertible notes 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.

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

As at September 30, 2026	At fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Fair value
Financial assets				
Cash	-	998,878	-	998,878
Amounts receivable	-	994,059	-	994,059
Long-term deposit	-	945,545	-	920,859
	-	2,938,482	-	2,913,796
Financial liabilities				
Accounts payable and accrued liabilities	-	-	3,000,169	3,000,169
Short-term loan	-	-	2,909,901	2,909,901
Convertible notes	-	-	4,298,768	3,979,695
Secured loan	-	-	9,034,858	9,034,858
Derivative liability	471,341	-	-	471,341
	471,341	-	19,243,696	19,395,964

As at March 31, 2026	At fair value through profit or loss	Financial assets at amortized cost	Financial liabilities at amortized cost	Fair value
Financial assets				
Cash	-	950,530	-	950,530
Amounts receivable	-	666,510	-	666,510
Long-term deposit	-	893,845	-	844,773
	-	2,510,885	-	2,461,813
Financial liabilities				
Accounts payable and accrued liabilities	-	-	2,074,320	2,074,320
Convertible notes	-	-	2,225,208	2,181,027
Secured loan	-	-	8,550,208	8,550,208
Derivative liability	238,903	-	-	238,903
	238,903	-	12,849,736	13,044,458

18. 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 September 30		Six months ended September 30	
	2026	**2025**	**2026**	**2025**
Canada	106,025	56,099	106,025	59,801
United States	934,804	301,095	2,211,016	639,586
Total revenue	1,040,829	357,194	2,317,041	699,387

	As at	
	September 30, 2026	**March 31, 2026**
Canada	6,062,969	6,332,045
United States	13,562,273	14,236,073
Total non-current assets	19,625,242	20,568,118

For the six months ended September 30, 2026, sales to a single customer accounted for 64% of the sale of protein isolate and sales to a single customer accounted for 70% of revenues generated from contract manufacturing services.

19. Contingencies

The Company is involved in various claims arising in the normal course of business, and provisions for these claims have been included in the Company's condensed consolidated interim financial statements where management has considered this to be appropriate. The Company establishes provisions when it becomes probable that a loss will be realized, and the amount can be reasonably estimated. In management's opinion, based on current knowledge and consultation with legal counsel, the outcome of these proceedings, individually and in aggregate, is not expected to have a material effect on the Company, its financial position or its results of operations.