

Burcon NutraScience Corporation

Condensed Consolidated Interim Financial Statements
Three and nine months ended December 31, 2024 and 2023
(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, 2024 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, 2024 and March 31, 2024

(In Canadian dollars)

	December 31, 2024	March 31, 2024
ASSETS		
Current assets		
Cash	591,025	4,197,141
Amounts receivable and other receivables (note 4)	41,318	591,726
Inventory (note 5)	236,329	68,319
Prepaid expenses and deposits	309,370	330,033
	<u>1,178,042</u>	<u>5,187,219</u>
Property and equipment, net of accumulated depreciation of \$4,925,321 (March 31, 2024 - \$4,709,554)	1,042,977	1,096,273
Deferred development costs, net of accumulated amortization of \$1,264,505 (March 31, 2024 - \$948,379)	5,058,023	5,374,149
Goodwill	1,254,930	1,254,930
	<u>8,533,972</u>	<u>12,912,571</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	708,004	843,449
Current portion of lease liabilities	24,310	260,845
Deferred government assistance (note 4)	108,441	250,000
Current portion of Secured Loan (note 6)	2,034,207	-
	<u>2,874,962</u>	<u>1,354,294</u>
Secured Loan (note 6)	5,669,493	6,404,778
Lease liabilities	71,756	-
	<u>8,616,211</u>	<u>7,759,072</u>
SHAREHOLDERS' EQUITY (note 7)		
Capital stock	122,263,889	122,069,825
Contributed surplus	18,771,713	17,283,934
Options	6,117,519	7,436,262
Warrants	670,371	237,201
Restricted share units	148,970	172,776
Deficit	(148,054,701)	(142,046,499)
	<u>(82,239)</u>	<u>5,153,499</u>
	<u>8,533,972</u>	<u>12,912,571</u>

Going concern (note 1)

Subsequent events (notes 3, 15 and 16)

Approved by the Audit Committee of the Board of Directors

“Alfred Lau”

“Peter Kappel”

Director

Director

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, 2024 and 2023**

(In Canadian dollars)

	Three months ended December 31		Nine months ended December 31	
	2024	2023	2024	2023
Revenue (note 8)	61,492	-	338,567	184,359
Cost of sales (note 9)	287,375	-	659,621	-
GROSS MARGIN	(225,883)	-	(321,054)	184,359
Research and development (note 10)	676,107	1,020,424	2,509,975	2,870,287
General and administrative (note 11)	889,502	877,140	2,927,690	2,512,785
LOSS FROM OPERATIONS	(1,791,492)	(1,897,564)	(5,758,719)	(5,198,713)
Interest and other income	5,384	13,815	49,287	261,487
Interest and other expense (note 6)	(9,470)	(134,011)	(315,465)	(414,843)
Foreign exchange (loss) gain	11,634	(13,432)	16,695	(24,824)
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(1,783,944)	(2,031,192)	(6,008,202)	(5,376,893)
BASIC AND DILUTED LOSS PER SHARE (note 12)	(0.01)	(0.02)	(0.04)	(0.04)

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, 2024 and 2023

(In Canadian dollars, except share amounts)

	Number of fully paid common shares	Capital stock	Contributed surplus	Options	Warrants	Restricted share units	Deficit	Total shareholders' equity
Balance – March 31, 2023	108,728,742	114,566,577	16,763,830	7,279,559	-	127,651	(134,600,306)	4,137,311
Loss and comprehensive loss for the period	-	-	-	-	-	-	(5,376,893)	(5,376,893)
Private placement	12,880,829	3,181,093	-	-	232,327	-	-	3,413,420
Issue costs	-	(51,428)	-	-	(3,755)	-	-	(55,183)
Options forfeited	-	-	107,841	(107,841)	-	-	-	-
Options expired	-	-	412,263	(412,263)	-	-	-	-
Restricted share units redeemed	121,959	56,397	-	-	-	(54,052)	-	2,345
Stock-based compensation	-	-	-	555,686	-	110,545	-	666,231
Balance – December 31, 2023	121,731,530	117,752,639	17,283,934	7,315,141	228,572	184,144	(139,977,199)	2,787,231
Balance – March 31, 2024	142,088,933	122,069,825	17,283,934	7,436,262	237,201	172,776	(142,046,499)	5,153,499
Loss and comprehensive loss for the period	-	-	-	-	-	-	(6,008,202)	(6,008,202)
Issue Costs	-	-	-	-	(8,200)	-	-	(8,200)
Options exercised	530,000	143,847	-	(29,897)	-	-	-	113,950
Options forfeited	-	-	882,904	(882,904)	-	-	-	-
Options expired	-	-	604,875	(604,875)	-	-	-	-
Restricted share units redeemed	71,385	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	142,690,318	122,263,889	18,771,713	6,117,519	670,371	148,970	(148,054,701)	(82,239)

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, 2024 and 2023

(In Canadian dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(6,008,402)	(5,376,893)
Items not affecting cash		
Depreciation of property and equipment	215,767	165,138
Amortization of deferred development costs	316,126	316,125
Unrealized foreign exchange (gain) loss	(23,084)	23,688
Interest expense on Secured Loan	298,922	365,153
Interest expense on lease liabilities	16,557	49,690
Write-down of inventory to net realizable value	361,728	-
Stock-based compensation expense	562,844	666,231
	<u>(4,259,342)</u>	<u>(3,790,868)</u>
Changes in non-cash working capital items		
Amounts receivable and other receivables	486,841	201,403
Inventory	(529,738)	-
Prepaid expenses and deposits	124,533	(191,948)
Accounts payable and accrued liabilities	(109,633)	19,516
Deferred government assistance	(141,559)	-
	<u>(4,428,898)</u>	<u>(3,761,897)</u>
Interest income	(49,287)	(261,285)
Interest expense paid on lease liabilities	(16,557)	(49,689)
Net cash used in operating activities	<u>(4,494,742)</u>	<u>(4,072,871)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	49,287	70,155
Acquisition of property and equipment	(215,860)	(101,761)
	<u>(166,573)</u>	<u>(31,606)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of capital stock and warrants	-	3,413,420
Secured loan proceeds	1,000,000	-
Issue costs	(21,903)	(44,905)
Options exercised	113,950	-
Reduction of lease liabilities	(59,932)	(21,817)
	<u>1,032,115</u>	<u>3,346,698</u>
FOREIGN EXCHANGE GAIN (LOSS) ON CASH	23,084	(23,688)
(DECREASE) INCREASE IN CASH	<u>(3,606,116)</u>	<u>(781,467)</u>
CASH – BEGINNING OF PERIOD	4,197,141	1,456,845
CASH – END OF PERIOD	<u>591,025</u>	<u>675,378</u>

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, 2024 and 2023

(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 future which is at least, but not limited to, twelve months from the end of the reporting period.

The Company has incurred losses since its inception and as at December 31, 2024, had an accumulated deficit of \$148.1 million (March 31, 2024 - \$142.0 million) and negative working capital (current liabilities in excess of current assets) of \$1.7 million (March 31, 2024 – positive working capital of \$3.8 million). During the nine months ended December 31, 2024, the Company incurred a net loss of \$6.0 million (2023 - \$5.4 million) and had negative cash flow from operations of \$4.5 million (2023 - \$4.1 million).

Subsequent to December 31, 2024, the Company has entered into a binding term sheet for a contract manufacturing agreement (the “Manufacturing Agreement”) with a strategic investment partner. The Manufacturing Agreement will provide Burcon exclusive access to its manufacturing capacity and Burcon will use this facility as its exclusive manufacturer. On February 13, 2025, Burcon announced that the Company closed a rights offering raising gross proceeds of \$9.4 million. Refer to Note 15.

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 may 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 or research and development programs. Therefore, these conditions result in material uncertainties that 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

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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.

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, and sunflower seeds, among other plant sources. The Company has an extensive portfolio of composition, application and process patents covering its technologies.

3. Material accounting policies

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. Except as described below, the accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Company’s most recent annual consolidated financial statements.

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, 2024.

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

Principles of consolidation

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

Details of the Company’s subsidiary as at December 31, 2024 is as follows:

	Place of incorporation	Interest %	Principal activity
Burcon NutraScience (MB) Corp.	Manitoba, Canada	100	Research and development

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Subsequent to December 31, 2024, the Company incorporated a new subsidiary, Burcon NutraScience (US) Corp., in the state of Delaware, USA, of which Burcon has a 100% interest. The principal activity of this subsidiary is to manufacture and sell its protein isolate (refer to Note 15).

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 in exchange 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 earned from licensing agreements that grant third parties rights to use the Company's technologies are earned based on sales made by the licensee.

Newly adopted accounting standards and amendments

Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current

The amendment clarifies the classification requirements to determine if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing or recognition. The amendment was adopted on April 1, 2024 with retrospective application and the adoption did not have a significant impact on the consolidated financial statements.

4. 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 and nine months ended December 31, 2024, Burcon recorded PIC grants of \$78,441 and \$636,188, respectively (2023 - \$nil and \$nil), as government assistance against research and development expenses, general and administrative expenses, inventory, and property and equipment, of which \$nil is included in amounts receivable (March 31, 2024 - \$457,118). As at December 31, 2024, Burcon had received \$108,441 in advance payments in respect of eligible expenses to be

BURCON NUTRASCIENCE CORPORATION

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incurred in subsequent periods, which is recognized as deferred government assistance (March 31, 2024 - \$250,000).

5. Inventory

	December 31, 2024	March 31, 2024
Protein isolate	141,062	52,350
Raw materials	95,267	15,969
Balance – end of period	<u>236,329</u>	<u>68,319</u>

6. Secured and other loans

a) Secured Loan

On November 12, 2024, the Company extended the maturity date of tranche 1 of the Secured Loan to July 1, 2026, which is a non-substantial modification. On November 20, 2024, the Company drew \$1.0 million on tranche 2 of the Secured Loan.

As at December 31, 2024, the principal amount outstanding from the first tranche of the Secured Loan is \$5.0 million (March 31, 2024 - \$5.0 million) and from the second tranche of the Secured Loan is \$2.0 million (March 31, 2024 - \$1.0 million). Refer to Note 16 for discussion of the related party nature of the Secured Loan.

	Nine months ended December 31, 2024	Year ended March 31, 2024
Balance, beginning of period	6,404,778	5,112,381
Draw downs	1,000,000	1,000,000
Debt issue costs	-	(50,000)
Interest expense accreted	298,922	342,397
Balance, end of period	<u>7,703,700</u>	<u>6,404,778</u>
Current portion of Secured Loan	2,034,207	-
Long term portion of Secured Loan	<u>5,669,493</u>	<u>6,404,778</u>
	<u>7,703,700</u>	<u>6,404,778</u>

b) Bridge Loan

On January 24, 2025, the Company entered into a bridge loan agreement with RE ProMan LLC (“ProMan”) for a USD 150,000 loan (the “Bridge Loan”), which was drawn in full. The Bridge

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Loan matures on February 24, 2025 and carries an annual interest rate of 15%. Refer to Note 16 for discussion of the related party nature of the Bridge Loan.

7. 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 December 31, 2024, an additional 6,044,069 (March 31, 2024 – 4,518,962) options may be granted in future years under this plan.

	<u>Nine months ended December 31, 2024</u>	
	Number of options	Weighted average exercise price \$
Outstanding - Beginning of period	9,689,931	1.35
Granted	110,000	0.22
Exercised	(530,000)	0.22
Forfeited / cancelled	(666,724)	2.08
Expired	(378,244)	2.86
Outstanding - End of period	<u>8,224,963</u>	<u>1.28</u>

The following table summarizes information about stock options outstanding and exercisable at December 31, 2024:

Range of exercise prices \$	<u>Options Outstanding</u>			<u>Options exercisable</u>	
	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price \$	Number exercisable	Weighted average exercise price \$
0.13 – 0.70	4,251,659	5.1	0.28	2,685,316	0.28
1.00 – 3.00	3,132,304	4.8	1.89	2,058,633	1.90
4.01 – 4.89	841,000	3.4	4.10	841,000	4.10
	<u>8,224,963</u>	4.8	1.28	<u>5,584,949</u>	1.45

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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, 2024
Exercise price	\$0.22 – \$0.23
Share price	\$0.22 – \$0.23
Dividend yield	0.0%
Expected volatility	79.8%
Risk-free interest rate	3.5%
Expected forfeitures	5.5%
Expected average option term (years)	5.3

The weighted average fair value of the options granted during the nine months ended December 31, 2024 was \$0.14 per option.

For the three and nine months ended December 31, 2024, included in research and development expenses (salaries and benefits) are (\$3,729) and \$39,105 respectively (2023 - \$80,185 and \$230,446) (note 10), of stock-based compensation and included in general and administrative expenses (salaries and benefits and professional fees) are \$41,516 and \$159,828, respectively (2023 - \$148,489 and \$325,240) (note 11), of stock-based compensation.

(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)	Nine months ended December 31, 2024
Outstanding – beginning of period	341,000
Granted	-
Redeemed	(71,385)
Forfeited / cancelled	(21,615)
Outstanding – end of period	<u>248,000</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.

For the three and nine months ended December 31, 2024, included in research and development expenses are \$6,086 and \$20,391, respectively (2023 - \$22,621 and \$84,924) (note 10), and in general and administrative expenses (salaries and benefits) are \$2,171 and \$6,020, respectively (2023 - \$7,372 and \$25,621) (note 11), of RSU stock-based compensation.

BURCON NUTRASCIENCE CORPORATION

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended December 31, 2024 and 2023

(Unaudited)

(In Canadian dollars)

(c) Warrants

For the three and nine months ended December 31, 2024, included in general and administrative expenses (professional fees) are \$112,500 and \$337,500, respectively (2023 - \$nil and \$nil) (note 11), of stock-based compensation from warrants issued to a related party (refer to note 16).

On September 18, 2024, the warrants vested (refer to note 16), which is a non-cash transaction. As at December 31, 2024, the unamortized value of the warrants amounts to \$103,870, and this value is included in prepaid expenses (2023 - \$nil).

8. Revenue

	Three months ended December 31		Nine months ended December 31	
	2024	2023	2024	2023
Sale of protein isolate	2,278	-	188,784	-
Contract research services	59,214	-	149,783	-
Royalty revenues	-	-	-	184,359
Revenue	<u>61,492</u>	<u>-</u>	<u>338,567</u>	<u>184,359</u>

9. Cost of Sales

	Three months ended December 31		Nine months ended December 31	
	2024	2023	2024	2023
Cost of products	260,336	-	597,257	-
Salaries and benefits	12,000	-	43,663	-
Laboratory operation	15,039	-	18,701	-
Cost of sales	<u>287,375</u>	<u>-</u>	<u>659,621</u>	<u>-</u>

For the three and nine months ended December 31, 2024, included in cost of products is a write-down of inventory to net realizable value of \$259,533 and \$361,728, respectively (2023 - \$nil and \$nil).

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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(Unaudited)

(In Canadian dollars)

10. Research and development

	Three months ended December 31		Nine months ended December 31	
	2024	2023	2024	2023
Salaries and benefits	333,776	498,155	1,138,224	1,462,494
Intellectual property	49,808	173,625	435,357	478,266
Amortization of deferred development costs	105,375	105,376	316,126	316,125
Laboratory operation	51,659	141,180	212,686	317,475
Depreciation of property and equipment	61,500	43,629	184,718	142,732
Rent	33,876	29,732	93,964	87,753
Analyses and testing	107,536	28,727	468,418	65,442
	<u>743,530</u>	<u>1,020,424</u>	<u>2,849,493</u>	<u>2,870,287</u>
Government assistance	(67,423)	-	(339,518)	-
Research and development expenses	<u>676,107</u>	<u>1,020,424</u>	<u>2,509,975</u>	<u>2,870,287</u>

11. General and administrative

	Three months ended December 31,		Nine months ended December 31,	
	2024	2023	2024	2023
Salaries and benefits	342,025	564,643	1,101,726	1,529,207
Professional fees (Note 7 (c))	399,459	211,824	1,093,667	572,251
Office supplies and services	51,029	48,563	196,733	168,308
Travel and meals	30,412	27,009	87,755	108,940
Investor relations	26,474	12,059	341,131	82,179
Transfer agent and filing fees	4,509	3,522	25,034	24,821
Other	35,594	9,520	88,014	27,079
	<u>889,502</u>	<u>877,140</u>	<u>2,934,060</u>	<u>2,512,785</u>
Government assistance	-	-	(6,370)	-
General and administrative expenses	<u>889,502</u>	<u>877,140</u>	<u>2,927,690</u>	<u>2,512,785</u>

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(Unaudited)

(In Canadian dollars)

12. 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	
	2024 \$	2023 \$	2024 \$	2023 \$
Loss for the period, being loss attributable to common shareholders – basic and diluted	(1,783,944)	(2,031,192)	(6,008,202)	(5,376,893)
	Shares	Shares	Shares	Shares
Weighted average common shares – basic and diluted	142,635,536	121,692,361	142,298,788	119,798,723
	\$	\$	\$	\$
Basic and diluted loss per share	(0.01)	(0.02)	(0.04)	(0.04)

For the three and nine months ended December 31, 2024 and 2023, the Company excluded all potential common share equivalents from the diluted loss per share calculation as they were anti-dilutive.

13. Key management compensation

Key management personnel (“KMP”) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. KMP includes the Company’s CEO, CFO and directors. Remuneration of KMP comprises:

	Nine months ended December 31,	
	2024	2023
Short-term benefits	581,216	712,979
Option-based awards	91,855	243,116
	<u>673,071</u>	<u>956,095</u>

Short-term benefits comprise salaries, professional fees, director fees and employment benefits.

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14. 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 contractual cash flows of Secured Loan include accrued interest expense payable.

December 31, 2024	Carrying amount	Contractual cash flows	1 year	2 years	3-5 years
Accounts payable and accrued liabilities	708,004	708,004	708,004	-	-
Lease liabilities	96,066	114,448	32,966	32,966	48,516
Secured Loan	7,703,700	7,944,000	2,087,014	5,856,986	-
	8,507,770	8,766,452	2,827,984	5,889,952	48,516

March 31, 2024	Carrying amount	Contractual cash flows	1 year	2 years	3-5 years
Accounts payable and accrued liabilities	843,449	843,449	843,449	-	-
Lease liabilities	260,845	273,093	273,093	-	-
Secured Loan	6,404,778	6,573,370	-	6,573,370	-
	7,509,072	7,689,912	1,116,542	6,573,370	-

Fair value

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

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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, 2024				
Financial assets				
Cash	-	591,025	-	591,025
Amounts receivable	-	4,562	-	4,562
	-	595,587	-	595,587
Financial liabilities				
Accounts payable and accrued liabilities	-	-	708,004	708,004
Secured Loan	-	-	7,703,700	7,703,700
			8,411,704	8,411,704
As at March 31, 2024				
Financial assets				
Cash	-	4,197,141	-	4,197,141
Amounts receivable	-	465,330	-	465,330
	-	4,662,471	-	4,662,471
Financial liabilities				
Accounts payable and accrued liabilities	-	-	843,449	843,449
Secured Loan	-	-	6,404,778	6,404,778
	-	-	7,248,227	7,248,227

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15. Rights Offering and Production Facility

On February 3, 2025, Burcon announced it has entered into an agreement with ProMan for the purchase and operation of a protein production facility (the “Protein Production Facility”). Burcon and ProMan have entered into a binding term sheet setting out the key terms of a contract manufacturing arrangement (the “Manufacturing Agreement”) as follows:

- ProMan will purchase the Protein Production Facility and grant Burcon exclusive access to 100% of 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 enter into a ten-year lease agreement;
- Burcon to pay ProMan an annual production fee during 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.

On January 31, 2025, Burcon announced that ProMan has signed a Purchase and Sale Agreement to acquire the Protein Production Facility (the “Transaction”). The closing of the Transaction is subject to certain conditions, including satisfactory due diligence and approval of the parties.

The obligations of Burcon and ProMan under the term sheet and Manufacturing Agreement are subject to receipt by Burcon of all required regulatory approval, including the Toronto Stock Exchange and Burcon’s shareholders, ProMan acquiring the Protein Production Facility on or before April 30, 2025 and Burcon completing a minimum financing (including the Rights Offering) or at least \$7 million.

Refer to note 16 for discussion of the related party nature of Manufacturing Agreement.

On November 20, 2024, Burcon also announced it was offering rights (the “Rights Offering”) to holders of its common shares of record at the close of business on November 26, 2024. Pursuant to the Rights Offering, each holder of common shares will receive one transferable right (a “Right”) for each common share held. Each Right will entitle a holder to purchase one common share at a price of \$0.085 (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 Toronto Stock Exchange for the 5-day period ending November 19, 2024.

On February 13, 2025, Burcon announced that the Rights Offering closed and the Company raised gross proceeds of \$9.4 million and issued 110,986,126 common shares.

16. 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 the Secured Loan of up to \$10 million

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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 6 (a).

In March 2024, the Company entered into a one-year consulting agreement with a director of the Company for the provision of financial and strategic advisory services. As compensation of the services, the Company issued 5,000,000 warrants (“Consultant Warrants”) which are exercisable to acquire one common share at an exercise price of \$0.27 up to June 25, 2026. Vesting of the Consultant Warrants are subject to shareholder approval, which was obtained at the Company’s annual general meeting held on September 18, 2024. Refer to Note 7 (c).

On January 24, 2025, Burcon entered into the Bridge Loan with ProMan (refer to Note 6 (b)). On February 3, 2025, Burcon announced it entered into a term sheet with ProMan for the purchase and operation of the Protein Production Facility (refer to Note 15). ProMan is controlled by Mr. John Vassallo, a director and shareholder of Burcon.

17. Segment information

The Company operates in a single reportable operating segment and geographic location involving the development of plant-based proteins. All non-current assets are located in Canada.

All revenues were generated in Canada.