

RESEARCH UPDATE
Dave Storms, CFA
Dave@stonegateinc.com

214-987-4121

Market Statistics in CAD

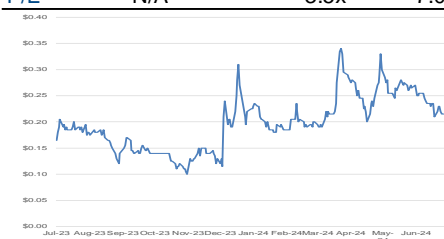
Price	\$ 0.22
52 week Range	\$0.10 - \$0.35
Daily Vol (3-mo. average)	37,820
Market Cap (M)	\$ 30.6
Enterprise Value (M)	\$ 33.0
Shares Outstanding: (M)	142.1
Float (M)	103.3
Public Ownership	67.6%
Institutional Ownership	5.1%

Financial Summary in CAD

Cash (M)	\$ 4.2
Cash/Share	\$ 0.03
Debt (M)	\$ 6.7
Equity (M)	\$ 5.2
Equity/Share	\$ 0.04

FYE: Mar **2023** **2024E** **2025E**
(all figures in M, expect per share information)

Rev	\$ 0.4	\$ 0.2	\$ 3.1
Chng%	112%	-49%	1554%
EBITDA	\$ (7.5)	\$ (7.0)	\$ (4.4)
Net Income	\$ (25.4)	\$ (7.4)	\$ (3.7)
EPS	\$ (0.23)	\$ (0.06)	\$ (0.03)
EV/Revenue	161.5x	19.5x	4.9x
EV/EBITDA	N/A	N/A	N/A
P/E	N/A	-3.5x	-7.0x


COMPANY DESCRIPTION

Burcon NutraScience Corporation is a global leader in innovative technologies for the large-scale production of high-quality, cost-effective plant-based proteins and ingredients for use in the global food and beverage industries. Burcon is a leader in the development of plant-based proteins amassing over 100 issued patents and over 80 additional patent applications. Burcon's portfolio includes pea, canola, soy, sunflower, hemp, and upcycled based proteins. Burcon is headquartered in Vancouver, BC and began trading on the TSX in 1999 under the ticker symbol "BU".

BURCON NUTRASCIENCE CORPORATION (TSX: BU)
Company Updates

Large Addressable TAM: Plant based proteins remain in the early innings of adoption with Markets and Markets estimating the plant-based protein market accounted for a value of \$18.5B in 2019 and will grow at a 14.0% CAGR until 2025 to reach \$40.6B. We expect the Company to continue to capture market share as products like hempseed, sunflower, and canola-based proteins go to market. We saw Burcon take another step towards serving these plant-based end markets in 4Q24 as it tapped into a new revenue stream via contract revenue services.

Growth from Hempseed: We expect the near-term growth of BU to be driven primarily by its hempseed proteins isolate going to market. During FY24, Burcon received funding approval from Protein Industries Canada ("PIC") for the scale-up and commercialization of hempseed and sunflower seed proteins. The \$6.9M project led by Burcon includes funding of \$3M from PIC. As BU entered into production agreements with its partner manufacturers, it was able to achieve the world's first 95% hempseed protein isolate. After this commercial release, Burcon received remarkable validation from customer demand indexes for all protein products, which exceeded all initial expectations. Overall, we are encouraged by the high protein content, large TAM, and beneficial partnership model that the company is using to bring this product to market. We expect the Company to apply a similar model to its canola protein product.

Cash Flows Turning Positive: Given the exceptional demand built for the Company's hempseed protein isolate as well as their Canola Protein, we expect that Burcon will turn cash flow positive in FY26. The extent of cash flow positive results is illustrated further in our DCF model. We note that the inherent scalability in Burcon's model and operations along with the capital-light focus allows for rapid growth in margins.

Strong Balance Sheet: The Company has a strong balance sheet with an estimated \$4.2M in cash. Current loan draws allow for operations through April of 2024, with enough liquidity to maintain operations until the Company turns cash flow positive in 2026, further bolstering the Company's balance sheet and liquidity position. Through a combination of equity financing, non-dilutive debt, government assistance, and recurring sales, we believe Burcon has a fully funded business plan to achieve positive cash flow.

New Management Brings New Focus: Starting July 1st, 2024, Burcon will appoint Mr. Robert Peets to the executive team as their new CFO, succeeding Mrs. Jade Cheng. Mr. Peets brings a wealth of experience with a distinguished career spanning over 30 years in financial management, strategic planning, and capital markets. Mr. Peets currently holds the role of fractional CFO for multiple technology companies, leading their development in corporate and financial strategies. He was formerly a Partner in Venture Investments at TELUS Ventures, where he was part of the team which managed a \$400 million investment portfolio.

Valuation: We use a DCF Model to frame our valuation of BU. Our DCF analysis relies on a range of discount rates between 10.75% and 11.25% with a midpoint of 11.00%, which we believe accurately accounts for the size and relative illiquidity of BU. This arrives at a valuation range of \$1.96 to \$2.45 with a mid-point of \$2.17.

Business Overview

Burcon NutraScience Corporation (“BU”, “Burcon”, or “the Company”) is a global leader in innovative technologies for the large-scale production of high-quality, cost-effective plant-based proteins and ingredients for use in the global food and beverage industries. Burcon is a leader in the development of plant-based proteins amassing over 100 issued patents and over 80 additional patent applications. Burcon’s portfolio includes pea, canola, soy, sunflower, hemp, and upcycled based proteins, for a combined TAM of ~\$40.0B. Each of these proteins have unique nutritional and functional value that can be used in a variety of consumable products including dairy foods, coffee creamers/whiteners, protein bars, vegetarian and vegan foods, ready-to-drink beverages, baked goods, and meat substitutes to name a few. Burcon is headquartered in Vancouver, BC and began trading on the Toronto Stock Exchange in 1999 under the ticker symbol “BU”.

Exhibit 1: Burcon Protein Portfolio Overview

Value Proposition	Addressable Market			Commercial Readiness			
	TAM	Market Growth %	Burcon Opp (USD)	In Dev	Pilot-scale Validated	Ready for Scale-Up	Proven at Commercial Scale
Pea	\$2.9B ²	11.9% CAGR ²	\$70-116MM				✓
Canola	\$2.2B ⁴	7.8% CAGR ³	\$58-96MM				✓ H2 - 2024
Soy	\$4.5B ¹	4.6% CAGR ¹	\$79-165MM				✓
Sunflower	\$21.3B ⁵	6.2% CAGR ³	\$215-392MM			✓	
Hemp	\$6.4B ⁵	6.2% CAGR ³	\$68-113MM			✓	Q1 - 2024
Upcycled Proteins	\$2.2B ⁴	7.8% CAGR ³	\$22-44MM	✓			

Source: Company Presentation

Given Burcon’s 20+ year history of plant protein innovation we believe that demand in the market is beginning to catch up to Burcon’s offerings. As the global demand for plant-based proteins continues, some protein sources stand to benefit more than others. We expect the Company to continue to innovate and capture new revenue streams in-line with this increasing demand through its Burcon 2.0 initiative. Burcon 2.0 is expected to be highlighted by more influence over the manufacturing process, a renewed focus on commercial validation, leading to additional revenue streams that go beyond the traditional royalty model. We expect this to be spearheaded by the innovation in hempseed protein, as well as Conola protein, which is expected to scale in 2024 now that it has passed the initial proof point.

Exhibit 2: Burcon 2.0 Strategic Imperatives

 <p style="text-align: center;">Identify Additional Revenue Streams</p> <p style="font-size: small; text-align: center;">Leverage Burcon’s assets, IP, expertise and capabilities to generate revenue</p>	 <p style="text-align: center;">Closer to Customers and End Markets</p> <p style="font-size: small; text-align: center;">Relationships with customers and end markets to better serve food ingredient industry</p>	 <p style="text-align: center;">More Influence Over Manufacturing</p> <p style="font-size: small; text-align: center;">Properly implement and optimize Burcon’s unique protein processing technologies</p>
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Source: Company Presentation

Product Lines

Burcon has a long history of developing plant protein ingredients as evidenced by its extensive patent portfolio. The Company differentiates its plant-based proteins via flavor, solubility, nutrition, and purity. With its extensive experience, the Company has demonstrated its ability to consistently develop neutral-flavored, highly soluble ingredients with high protein content.

Burcon's portfolio of products spans plant-based proteins from:

Soy – Soybean based proteins were the Company's first plant-based product. Soy proteins are currently in the test market phase of Burcon 2.0

as the Company works to qualify new markets and revenue streams to determine the best value capture model going forward. Burcon forecasts its opportunity in the soy market to be between \$79.0M to \$165.0M in USD, with an expected TAM of \$4.5B and 4.6% market CAGR.

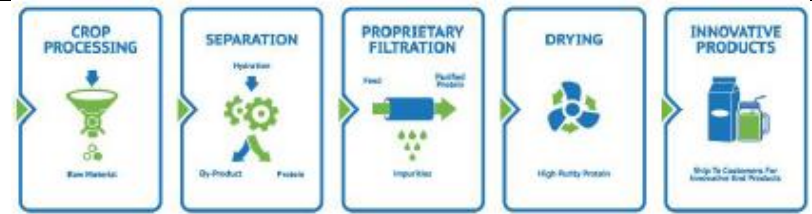
Pea – Burcon's pea protein is one of the Company's legacy products that has been proven at commercial scale over the last 15 years. One of the prime benefits to pea proteins is that they can be produced from non-GMO sources and are not considered a major allergen. Pea proteins are currently in the test market phase of Burcon 2.0 as the Company works to qualify new markets and revenue streams to determine the best value capture model going forward. Burcon forecasts its opportunity in the pea market to be between \$70.0M to \$116.0M in USD, with an expected TAM of \$2.9B and 11.9% market CAGR.

Canola – Canola based proteins are produced from the byproducts of canola oil production. Canola meal is an abundant and inexpensive product that is currently sold mostly as animal feed but is approximately 35% protein. The Company has relaunched this product to positive feedback and is expected to begin commercial production and sales in 2H24. Canola proteins are currently in the test market phase of Burcon 2.0 as the Company has shortened the product development cycle and validated customer demand. Burcon forecasts its opportunity in the canola market to be between \$58.0M to \$96.0M in USD, with an expected TAM of \$2.2B and 7.8% market CAGR.

Sunflower – Sunflower based proteins are past the Company's pilot-scale. Sunflower proteins are attractive in part due to the wide availability of raw materials as well as the upcycle processing that yield multiple protein products, as compared to most plant-based products that only yield one product. Sunflower based proteins are still in the refine/optimize phase of Burcon 2.0. Burcon forecasts its opportunity in the sunflower market to be between \$215.0M to \$392.0M in USD, with an expected TAM of \$21.3B and 6.2% market CAGR.

Hempseed – Hempseed based proteins are one of the Company's newest product offerings, having become ready to scale up with over \$2.0M worth of customer interest in FY25. This product is the world's first high-purity hempseed protein isolate at 95%, as compared to hemp protein at 65%. With a neutral flavor, off-white color, and growth and processing in North America this product line began sales in the market in 1H24 on a capital-light model. Burcon forecasts its opportunity in the hempseed market to be between \$68.0M to \$113.0M in USD, with an expected TAM of \$6.4B and 6.2% market CAGR.

Exhibit 3: Proprietary Plant Technology Platform

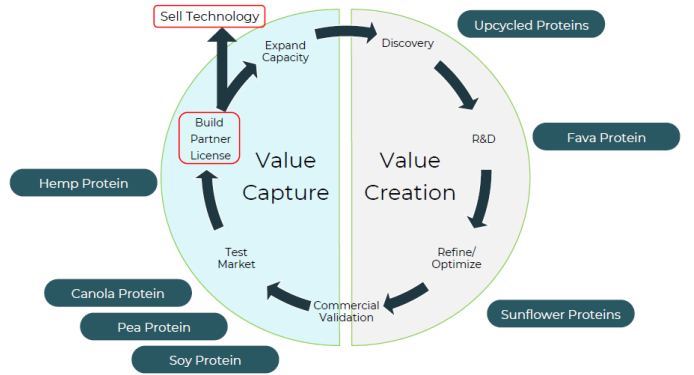


Source: Company Presentation

Growth Drivers

Growth drivers are led by the Burcon 2.0 initiative that is driven by best in class proteins and a go to market strategy based on a capital light model that opens new avenues for revenue capture. Historically the Company drove revenue via a royalty model where Burcon would develop products and earn royalties on those licensed products. Going forward Burcon 2.0 is expected to be more deliberate in its product development by gaining more control over the manufacturing process and by doing more commercial validation and market testing. This is expected to increase the value proposition that Burcon brings to its customers, thus allowing for the potential to partner with clients and/or sell the technology along with the option to pursue the traditional royalty model.

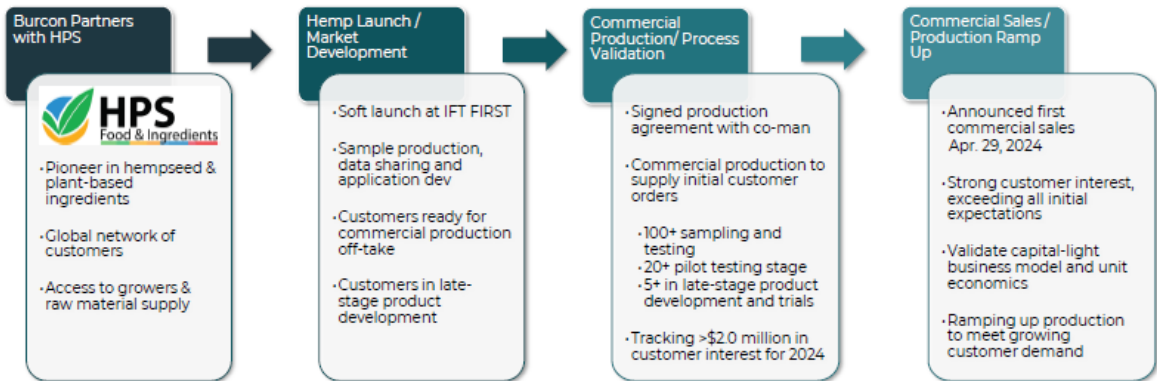
Exhibit 4: Capital Light Business Model



Source: Company Presentation

This is best exemplified by Burcons partnership with HPS Food and Ingredients. This partnership gives BU access to a global network of customers as well as access to growers and raw materials. This has led to ongoing production campaigns to meet the initial orders, allowing for a time to market that is between 9-18 months. With commercial sales announced in April of 2024, the next step for this project is increasing production to meet customer demand. We expect the Company to use a similar process for its sunflower based proteins.

Exhibit 5: Hempseed Protein Roadmap



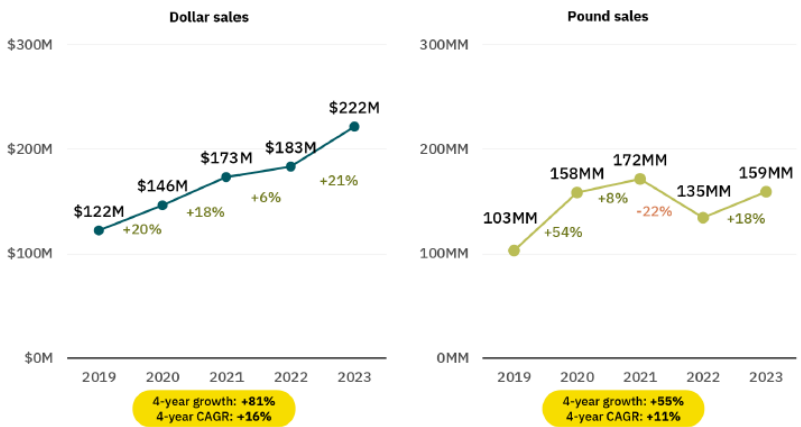
Source: Company Presentation

Market Overview

The plant protein market has seen drastic growth over the past several years as consumer habits have begun to change from consuming all their protein from meat-based sources to seeking out alternatives. Consumers originally shifted from traditional meat-based proteins due to concerns about the treatment of animals used to satisfy demand for meat and dairy products. However, the recent wave of demand in plant-based products has been from a younger generation that is focused on healthier eating habits and reducing environmental impacts. The rise of the vegan population is a key factor contributing to overall growth in plant protein demand as vegan diets tend to be higher in several nutritional categories such as potassium, Magnesium, and vitamins A, C, and E.

In addition to vegan and vegetarian consumers, there is also an increase in the number of consumers who are simply looking to supplement their protein consumption with a healthier, more sustainable alternative. These flexitarians are individuals that do not have specific dietary restrictions and do not entirely cut meat or dairy out of their diet, but instead make a conscious effort to replace some traditional

Exhibit 6: U.S. Plant-Based Milk Market



Source: Good Food Institute 2023 State of the Industry Report

proteins with plant proteins. In fact, according to a Numerator analysis, 38% of flexitarians said they purchase items for their nutritional benefits. Additionally, plant-based milk made up 15% of dollar milk sales in 2023 per GFI. We believe these are durable trends that complement the Company’s primary markets of dairy alternatives and plant-based beverages. These products are well suited to utilize the high protein content and mild flavors found in Burcon’s portfolio.

The overall plant-based protein market is anticipated to grow rapidly over the next few years with Markets and Markets projecting that the market will grow at a 14% CAGR to reach \$40.6B by 2025. The growth in the market is being driven not only by consumer preferences, but also by developments in technology that improve plant proteins taste and function for consumers. Improvements in the extraction and production of plant proteins are making consumers more open to trying plant-based proteins and meat substitutes.

Risks

Intense Competition - Given the rise to plant-based protein popularity, the Company will face significant competition in these markets. Many of these competitors have much greater manufacturing capacity and financial backing. Burcon may need to invest additional capital into its current plant to match the capacity and costs of larger producers.

Regulatory restrictions - Burcon is governed by regulatory regimes that determine its ability to sell food ingredients in the United States and Canada. Burcon will need to obtain the necessary permitting and licensing to produce these ingredients and keep up with these regulations. Any change in the laws or the Company's inability to adhere to these regulations will inhibit the Company's ability to produce and sell its products.

Patents and IP rights - Burcon's success in generating further revenue depends on its ability to retain its intellectual property for its extraction of proteins. If Burcon is not able to protect its intellectual property through ruling of the courts or inability to retain the necessary counsel, revenue growth could be significantly reduced. In addition, costs associated with such litigation could reduce profits and cash flow.

Dependent on agriculture yields - Burcon's products are affected by crop yields and if crop yields decline in a certain season, those input costs would increase for the Company. Increases in these input costs would negatively affect profits or need to be passed on to the consumer.

Valuation Summary

We are using a Discounted Cash Flow analysis to help arrive at a valuation range for Burcon. As Burcon is currently the only public pure play alternative protein manufacturer, multiple analysis is difficult. Furthermore, the Company has strong growth upside, which does not lend itself to the low steady growth of grain processors. Additionally, the Company is much smaller and more illiquid than most other food ingredient companies. We have included a comps analysis table to frame a range where Burcon could be trading when earnings and EBITDA become positive, however, as shown by our income statement forecast, we expect the Company to become cash flow positive before then which gives us the confidence needed to use a DCF analysis.

Comparative Analysis
(all figures in M, except per share information)

Company Name	Symbol	Price ⁽¹⁾	Mrkt Cap	EV	Div Yield	BV/Share	EV/Revenue ^(2, 3)			EV/EBITDA ^(2, 3)			P/E ^(2, 3)		
							2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E
Beyond Meat, Inc.	BYND	\$ 6.75	\$ 438.0	\$ 1,502.4	0.0%	\$ (8.66)	4.58x	4.66x	4.36x	-7.7x	-15.0x	-19.1x	-1.7x	-3.0x	-4.0x
The Hain Celestial Group, Inc	HAIN	\$ 6.96	\$ 625.3	\$ 1,438.3	0.0%	\$ 10.51	1.04x	0.83x	0.82x	14.3x	9.1x	8.9x	-6.2x	17.8x	16.2x
Hormel Foods Corporation	HRL	\$ 30.43	\$ 16,684.9	\$ 18,995.8	3.7%	\$ 14.39	1.67x	1.56x	1.53x	15.5x	13.2x	12.4x	22.1x	19.0x	17.6x
Kellanova	K	\$ 56.72	\$ 19,391.6	\$ 25,942.6	4.1%	\$ 9.24	1.98x	2.04x	1.98x	14.3x	11.6x	11.1x	20.1x	15.7x	14.7x
The Kraft Heinz Company	KHC	\$ 31.86	\$ 38,687.5	\$ 57,772.5	5.0%	\$ 40.79	2.42x	2.16x	2.12x	10.1x	8.9x	8.7x	15.9x	10.5x	10.0x
The Simply Good Foods Com	SMPL	\$ 35.77	\$ 3,581.9	\$ 3,650.1	0.0%	\$ 16.91	3.35x	2.66x	2.44x	18.3x	13.3x	12.6x	29.6x	19.4x	18.4x
Tyson Foods, Inc.	TSN	\$ 57.36	\$ 20,421.6	\$ 29,225.6	3.4%	\$ 50.81	0.54x	0.55x	0.54x	13.8x	9.4x	8.5x	-22.2x	19.0x	14.5x
Vital Farms, Inc.	VITL	\$ 45.48	\$ 1,918.2	\$ 1,804.1	0.0%	\$ 5.08	1.21x	3.12x	2.65x	13.9x	24.3x	20.8x	25.3x	48.1x	39.1x
				Average	2.0%	\$ 17.38	2.1x	2.2x	2.1x	11.6x	9.4x	8.0x	10.4x	18.3x	15.8x
				Median	1.7%	\$ 12.45	1.8x	2.1x	2.1x	14.1x	10.5x	10.0x	18.0x	18.4x	15.5x
Burcon NutraScience Corpora	BU	\$ 0.16	\$ 22.3	\$ 24.1	0.0%	\$ 0.03	161.5x	18.3x	4.6x	N/A	N/A	N/A	N/A	N/A	N/A

(1) Previous day's closing price

(2) Estimates are from Capital IQ

(3) Forward estimates as of calendar year

(4) All Values in USD at an exchange rate of \$1.37 CAD/USD

Source: Company reports, CapitalIQ, Stonegate Capital Partners

Our DCF analysis relies on a range of discount rates between 10.75% and 11.25% with a midpoint of 11.00%, which we believe accurately accounts for the size and relative illiquidity of BU. This arrives at a valuation range of \$1.96 to \$2.45 with a mid-point of \$2.17.

Sensitivity Analysis:

Discount rate		Terminal Growth Rates				
		0%	1%	2%	3%	4%
10.50%	\$2.06	\$2.19	\$2.35	\$2.55	\$2.82	
10.75%	\$1.99	\$2.11	\$2.26	\$2.45	\$2.69	
11.00%	\$1.92	\$2.04	\$2.17	\$2.35	\$2.57	
11.25%	\$1.86	\$1.96	\$2.09	\$2.25	\$2.46	
11.50%	\$1.80	\$1.90	\$2.02	\$2.16	\$2.35	

DISCOUNTED CASH FLOW

Burcon NutraScience Corporation														
Discounted Cash Flow Model														
<i>(in \$M, except per share)</i>														
Estimates:	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	Terminal Value
Revenue	0.4	0.2	3.1	8.8	17.7	30.1	43.0	53.8	61.8	68.0	72.1	75.7	79.5	
Operating Income	(7.5)	(7.0)	(4.4)	0.9	8.8	20.1	32.3	43.0	49.5	54.4	59.1	64.3	67.6	
Less: Taxes (benefit)	-	-	-	-	0.9	4.0	8.1	10.8	12.4	13.6	14.8	16.1	16.9	
NOPAT	(7.5)	(7.0)	(4.4)	0.9	8.0	16.1	24.2	32.3	37.1	40.8	44.3	48.3	50.7	
Plus: Depreciation & Amortization	0.7	0.7	0.8	1.0	1.0	1.1	1.2	1.3	1.3	1.2	1.3	1.4	1.5	
Plus: Changes in WC	5.3	(2.6)	0.3	(0.0)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	
Less: Capex	(0.4)	(0.1)	(0.5)	(0.4)	(0.5)	(0.8)	(1.0)	(1.2)	(1.4)	(1.4)	(1.5)	(1.6)	(1.7)	
Free Cash Flow	(1.9)	(9.0)	(3.8)	1.4	8.4	16.3	24.2	32.1	36.7	40.2	43.8	47.7	50.1	567.9
Discount period - months			12	24	36	48	60	72	84	96	108	120	132	
Discount period - years			1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	
Discount factor			0.90	0.81	0.73	0.66	0.59	0.53	0.48	0.43	0.39	0.35	0.32	
PV of FCF			(3.4)	1.1	6.1	10.7	14.4	17.1	17.7	17.5	17.1	16.8	15.9	180.2
Growth rate assumptions:														
Revenue		-49.3%	1554%	187.7%	101.4%	70.1%	43.2%	24.9%	15.0%	10.0%	6.0%	5.0%	5.0%	
Operating Income		-6.7%	-36.9%	nm	909.9%	127.9%	60.3%	33.2%	15.0%	10.0%	8.6%	8.8%	5.0%	
EBITDA		-8.0%	-42.6%	nm	424.6%	115.9%	57.6%	32.3%	14.6%	9.5%	8.6%	8.8%	5.0%	
Free Cash Flow		377.7%	-58.2%	nm	503.6%	94.1%	48.4%	32.4%	14.5%	9.7%	8.8%	9.0%	5.1%	
Margin assumptions:														
Operating Income	nm	nm	nm	10.0%	50.0%	67.0%	75.0%	80.0%	80.0%	80.0%	82.0%	85.0%	85.0%	
D&A as a % of sales	181.6%	380.1%	26.3%	11.4%	5.7%	3.7%	2.8%	2.4%	2.1%	1.8%	1.8%	1.8%	1.9%	
EBITDA	nm	nm	-119%	21.4%	55.7%	70.7%	77.8%	82.4%	82.1%	81.8%	83.8%	86.8%	86.9%	
Taxes	0.0%	0.0%	0.0%	0.0%	10.0%	20.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
Changes in WC	nm	nm	10.0%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	
Capex as a % of sales	-98.9%	-68.9%	-15.0%	-5.0%	-2.6%	-2.5%	-2.3%	-2.3%	-2.3%	-2.1%	-2.1%	-2.1%	-2.1%	
Valuation:														
Shares outstanding	142.1													
PV of FCF	131.1													
PV of Terminal Value	180.2													
Enterprise Value	311.2													
less: Net Debt	2.5													
Estimated Total Value:	308.8													
Est Equity Value/share:	\$2.17													
Sensitivity Analysis:														
										Terminal Growth Rates				
										0%	1%	2%	3%	4%
Discount rate	10.50%	\$2.06	\$2.19	\$2.35	\$2.55	\$2.82								
	10.75%	\$1.99	\$2.11	\$2.26	\$2.45	\$2.69								
	11.00%	\$1.92	\$2.03	\$2.17	\$2.35	\$2.57								
	11.25%	\$1.86	\$1.96	\$2.09	\$2.25	\$2.45								
	11.50%	\$1.80	\$1.90	\$2.02	\$2.16	\$2.35								
Price	\$0.22													

Source: Company Reports; Stonegate Capital Markets

BALANCE SHEET

Burcon NutraScience Corporation Consolidated Balance Sheets (CAD\$ M) Fiscal Year End: March																		
ASSETS	FY 2019	FY 2020	FY 2021	Q1 Jun-21	Q2 Sep-21	Q3 Dec-21	Q4 Mar-22	FY 2022	Q1 Jun-22	Q2 Sep-22	Q3 Dec-22	Q4 Mar-23	FY 2023	Q1 Jun-23	Q2 Sep-23	Q3 Dec-23	Q4 Mar-24	FY 2024
Cash and Equivalents	0.5	15.0	14.0	12.5	10.9	9.4	7.0	7.0	1.6	1.1	1.6	1.5	1.5	3.6	2.2	0.7	4.2	4.2
Restricted Cash	-	-	-	-	-	-	0.1	0.1	0.1	0.1	-	-	-	-	-	-	-	-
Accounts Receivable	0.1	0.3	0.3	0.2	0.3	0.1	0.2	0.2	0.3	0.3	0.4	0.3	0.3	0.2	0.2	0.1	0.6	0.6
Inventory	-	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1
Prepaid Expenses	0.3	0.3	0.2	0.4	0.3	0.2	0.3	0.3	0.5	0.4	0.2	0.1	0.1	0.1	0.2	0.3	0.3	0.3
Total Current Assets	0.9	15.8	14.6	13.0	11.4	9.8	7.6	7.6	2.6	1.9	2.2	1.9	1.9	3.9	2.6	1.1	5.2	5.2
Property, plant and equipment	0.3	0.5	1.0	0.9	1.0	0.9	0.9	0.9	0.8	1.0	1.0	1.0	1.0	0.9	0.9	0.9	1.1	1.1
Deferred Development Costs	-	1.6	4.5	5.2	5.5	6.3	6.2	6.2	6.1	6.0	5.9	5.8	5.8	5.7	5.6	5.5	5.4	5.4
Investment in Merit Functional Foods Corporation	-	12.2	16.4	14.7	14.7	14.5	13.4	13.4	14.6	14.3	0.0	-	-	-	-	-	-	-
Goodwill	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Total Assets	2.5	31.3	37.7	35.1	33.8	32.8	29.3	29.3	25.4	24.5	10.4	9.9	9.9	11.8	10.4	8.7	12.9	12.9
LIABILITIES AND SHAREHOLDERS' EQUITY																		
Accounts Payable and accrued liabilities	0.6	1.1	1.4	1.5	0.8	0.9	0.9	0.9	0.7	0.8	0.6	0.6	0.6	0.7	0.6	0.6	0.8	0.8
Short Term Borrowings	1.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Derivative Liability	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Convertible Notes	-	0.3	-	-	-	-	0.1	0.1	0.1	0.1	-	-	-	-	-	-	-	-
Deferred Revenue	2.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3	0.3
Lease Liability	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3
Accrued Interest	0.6	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	4.4	1.6	1.4	1.5	0.9	0.9	1.0	1.0	0.8	0.8	0.6	0.6	0.6	0.7	0.6	0.7	1.4	1.4
Convertible Notes	-	6.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured Loans	-	-	-	-	-	-	-	-	-	2.0	4.1	5.1	5.1	5.2	5.2	5.3	6.4	6.4
Lease Liability	-	-	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	-	-	-	-
Total Liabilities	4.4	8.3	1.5	1.6	0.9	1.0	1.1	1.1	0.9	2.9	4.7	5.8	5.8	6.0	5.8	6.0	7.8	7.8
Capital Stock	73.4	98.0	114.1	114.2	114.5	114.5	114.6	114.6	114.6	114.6	114.6	114.6	114.6	117.7	117.7	117.8	122.1	122.1
Contributed Surplus	9.0	9.0	14.1	14.1	14.2	14.8	15.9	15.9	15.9	15.9	16.8	16.8	16.8	16.8	16.9	17.3	17.3	17.3
Options	9.2	9.7	6.5	6.9	7.2	7.0	7.0	7.0	7.3	7.5	7.1	7.3	7.3	7.4	7.5	7.3	7.4	7.4
Warrants	0.2	1.8	0.6	0.6	0.5	0.5	-	-	-	-	-	-	-	0.2	0.2	0.2	0.2	0.2
Convertible debentures	-	2.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Share Units	-	-	-	-	-	-	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2
Deficit	(93.7)	(98.4)	(99.0)	(102.2)	(103.5)	(105.0)	(109.2)	(109.2)	(113.2)	(116.5)	(132.8)	(134.6)	(134.6)	(136.5)	(137.9)	(140.0)	(142.0)	(142.0)
Total Consolidated Equity	(2.0)	22.9	36.3	33.6	32.9	31.8	28.2	28.2	24.5	21.6	5.7	4.1	4.1	5.8	4.6	2.8	5.2	5.2
Total Liabilities and Shareholders' Equity	2.5	31.3	37.7	35.1	33.8	32.8	29.3	29.3	25.4	24.5	10.4	9.9	9.9	11.8	10.4	8.7	12.9	12.9

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Burcon NutraScience Corporation																			
Consolidated Statements of Income (in CAD\$ M, except per share amounts)																			
Fiscal Year End: March																			
	FY 2020	FY 2021	FY 2022	FY 2023	Q1 Jun-23	Q2 Sep-23	Q3 Dec-23	Q4 Mar-24	FY 2024	Q1 E Jun-24	Q2 E Sep-24	Q3 E Dec-24	Q4 E Mar-25	FY 2025E	Q1 E Jun-25	Q2 E Sep-25	Q3 E Dec-25	Q4 E Mar-26	FY 2026E
Royalty Income	\$ 0.0	\$ 0.0	\$ 0.2	\$ 0.4	\$ -	\$ 0.2	\$ -	\$ -	\$ 0.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.1	\$ 0.1
Product Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.1	\$ 0.6	\$ 1.2	\$ 1.3	\$ 3.1	\$ 1.7	\$ 1.9	\$ 2.4	\$ 2.8	\$ 8.7
Research Income	-	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	0.0	0.3	0.2	0.4	-	0.2	-	-	0.2	0.1	0.6	1.2	1.3	3.1	1.7	1.9	2.4	2.9	8.8
Research and Development	0.7	0.4	3.3	4.1	0.9	0.9	1.0	0.7	3.6	1.0	1.0	1.0	1.0	4.1	1.1	1.1	1.1	1.1	4.2
Intellectual Property	0.8	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G&A	2.1	3.7	4.3	3.8	0.8	0.8	0.9	1.1	3.6	0.9	0.9	0.9	0.9	3.4	0.9	0.9	0.9	0.9	3.7
Total Operating Expenses	3.7	4.9	7.6	7.9	1.8	1.7	1.9	1.8	7.2	1.9	1.9	1.9	1.9	7.5	2.0	2.0	2.0	2.0	7.9
Operating Income	(3.6)	(4.6)	(7.4)	(7.5)	(1.8)	(1.5)	(1.9)	(1.8)	(7.0)	(1.8)	(1.3)	(0.7)	(0.6)	(4.4)	(0.3)	(0.1)	0.4	0.9	0.9
Warrant Valuation Adjustment	(0.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Other Income	(0.3)	(0.3)	0.4	(0.1)	(0.1)	0.1	(0.1)	(0.3)	(0.4)	0.2	0.2	0.2	0.2	0.6	0.2	0.2	0.2	0.2	0.8
Management Fee Income	0.4	0.3	0.1	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Merit (Loss) Gain	(0.9)	(2.4)	(4.3)	(5.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Exchange (Loss) Gain	0.0	(0.0)	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Other Gain (Loss)	(0.0)	6.4	1.0	(12.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Fair Value of Derivative Liability	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Before Taxes	(4.6)	(0.6)	(10.3)	(25.4)	(1.9)	(1.4)	(2.0)	(2.1)	(7.4)	(1.6)	(1.1)	(0.5)	(0.4)	(3.7)	(0.1)	0.1	0.6	1.2	1.8
Provision for Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	(4.6)	(0.6)	(10.3)	(25.4)	(1.9)	(1.4)	(2.0)	(2.1)	(7.4)	(1.6)	(1.1)	(0.5)	(0.4)	(3.7)	(0.1)	0.1	0.6	1.2	1.8
Basic EPS	\$ (0.05)	\$ (0.01)	\$ (0.09)	\$ (0.23)	\$ (0.02)	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.06)	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.03)	\$ (0.00)	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01
Diluted EPS	\$ (0.05)	\$ (0.01)	\$ (0.09)	\$ (0.22)	\$ (0.02)	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.06)	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.03)	\$ (0.00)	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01
WTD Shares Out - Basic	96.8	108.4	108.7	108.7	108.7	108.7	108.7	137.0	121.4	121.5	121.5	121.5	121.5	121.5	121.6	121.6	121.6	121.6	121.6
WTD Shares Out - Diluted	92.1	107.9	108.7	114.9	108.7	108.7	108.7	137.0	121.4	121.5	121.5	121.5	121.5	121.5	121.6	121.6	121.6	121.6	121.6
EBITDA	(3.6)	(4.6)	(7.4)	(7.5)	(1.8)	(1.5)	(1.9)	(1.8)	(7.0)	(1.8)	(1.3)	(0.7)	(0.6)	(4.4)	(0.3)	(0.1)	0.4	0.9	0.9

Source: Company Reports, Stonegate Capital Partners estimates

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For Additional Information Contact:

Stonegate Capital Markets, Inc.

Dave Storms, CFA

Dave@stonegateinc.com

214-987-4121

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