Burcon Announces Fiscal 2025 First Quarter Results

Vancouver, British Columbia--(Newsfile Corp. - August 14, 2024) - Burcon NutraScience Corporation (TSX: BU) (OTCQB: BRCNF) ("Burcon" or the "Company"), a global technology leader in the development of plant-based proteins for foods and beverages, reported results for the fiscal first quarter ended June 30, 2024.

"Burcon's first ever, direct commercial protein sale marks a significant milestone achievement. We believe we are on the cusp of moving beyond a company that creates technology to one that derives profit from our innovation," said Kip Underwood, Burcon's chief executive officer. "We are executing our capital-light strategy which enables us to bring our best-in-class protein ingredients to market and deliver increased shareholder value."

Operational highlights for the first quarter ended June 30, 2024:

During the quarter, Burcon:

- achieved first commercial sales of world's first high purity hempseed protein isolate;
- launched high purity, nutritionally complete canola protein to tap into additional markets;
- expanded US investor outreach with trading of shares on OTCQB Venture Market;
- announced the appointment of Robert Peets as Chief Financial Officer;
- tapped into a new revenue stream through contract research services; and
- showcased its 95% hempseed protein isolate at SupplySide East.

Subsequent to the quarter-end, Burcon:

- achieved the first commercial production of its canola protein isolate.

Management Commentary

Our fiscal first quarter marks the beginning of our next growth phase: technology scale-up and sales. We are pleased to achieve our first commercial sale for hemp protein, which validates Burcon's capital-light business model, go-to-market strategy and value propositions. With established production capabilities, Burcon has the optionality to bring an expanded portfolio of protein products to market. Moving forward, our focus is to execute our plan, ramp production of our proteins and sell into innovative consumer brands.

We continue to see strong demand for our 95% Hempseed Protein Isolate and Puratein® C canola protein. Prospective customers in various stages of product evaluation and trials have provided exceptional feedback, particularly on the high purity, taste and functionality of our proteins. Our sales strategy targets innovative, new consumer brands that are on the cutting edge of food trends. These brands' size and scale align perfectly with Burcon's current capabilities, enabling us to achieve speed-to-revenue, a key component to Burcon's success.

Leveraging our capital-light manufacturing capabilities, we accelerated our launch and production timeline by six months for our canola protein. Customer demand for our canola protein has exceeded our expectations. Subsequent to quarter end, we successfully completed end-to-end, validation trials for canola protein producing commercial scale quantities that advance our go-to-market plans. As we ramp production, we expect to fulfill initial customer orders in the coming months.

During the quarter, we began trading on the OTCQB Venture Market as part of Burcon's capital market strategy to improve US investors' access to our shares. We believe that trading on the OTCQB provides improved access and liquidity to a wide range of US investors, including institutions, family offices and self-directed investors.

In addition, we announced that Mr. Robert Peets succeeded Ms. Jade Cheng as Chief Financial Officer ("CFO"). Mr. Peets brings a wealth of financial and capital markets expertise to Burcon. Having held the role of CFO for multiple companies across various sectors, Mr. Peets is well positioned to drive Burcon's financial growth and operational excellence through best practices in controls and oversight.

We remain focused on executing our capital-light business plan, ramping production of our next generation protein products and growing our sales. Concurrently, we continue to explore opportunities to expand our product line beyond hemp and canola. We believe Burcon is poised to capture a part of the growing multi-billion-dollar addressable market for its premium, best-in-class protein ingredients.

Financial Results (in Canadian dollars)

The Company generated $0.2 million of revenues in the current quarter from the sale of its hemp protein isolate and the provision of contract research services, compared to $nil of revenues in the same year-ago quarter.

Burcon reported a net loss of $1.9 million or $0.01 per basic and diluted share for the current quarter, as compared to $1.9 million or $0.02 per basic and diluted share in the same period last year.

Research and development expenses were $0.7 million, as compared to $0.9 million in the same year-ago quarter. The decrease is due to a reduction in intellectual property expenses as a result of Burcon's patent portfolio optimization efforts, lower stock-based compensation expense, and increased government assistance from Protein Industries Canada ("PIC").

General and administrative expenses increased by $267,000 during the first quarter over the same year-ago quarter. The increase is primarily due to $113,000 of stock-based compensation issued to consultants in respect of services provided in the quarter as well as increased investor relations expenses as the Company restarted its investor relations efforts following its March 2024 private placement.

In the prior fiscal year, Burcon met the conditions for tranche two of the Large Scale Investments Limited loan facility and drew down $1.0 million of the $5.0 million facility. In the current quarter, the Company made no further draws on the facility. The Company has an ongoing funding agreement with PIC for the scale-up and commercialization of hempseed and sunflower seed proteins and the Company received $340,000 of funding in the current quarter, compared to no funding the comparable year-ago quarter. Subsequent to the reporting date, the Company received a further $235,000 of funding from PIC.

At June 30, 2024, cash balances totaled $2.2 million compared to $4.2 million at March 31, 2024. As of the date of this news release, Burcon has committed to $550,000 of expenditures related to further production campaigns of hemp and canola protein products, for which the Company paid deposits of $277,000 prior to June 30, 2024.

Conference Call Details

Burcon will hold an investor conference call and webcast on Wednesday, August 14, 2024 at 5:00pm ET.

A link to the webcast of the conference call is available on Burcon's website under "Presentations" or directly here. The webcast will also be archived for future playback.

Investors interested in participating in the live call can dial in using the details below:

Date: Wednesday August 14, 2024

Time: 5:00 p.m. Eastern time (2:00 p.m. Pacific time)

Toll-free dial-in (North America): 1-877-704-4453

Dial-in (toll/international): 1-201-389-0920

Conference ID: 13747748

About Burcon NutraScience Corporation

Burcon is a global technology leader in the development of plant-based proteins for foods and beverages. Our proteins exhibit superior functionality, taste and nutrition, making them ideal ingredients for food formulators. With over two decades of experience, Burcon has amassed an extensive patent portfolio covering its novel plant-based proteins derived from pea, canola, soy, hemp and sunflower seeds, among other plant sources. Burcon is committed to delivering next-generation, best-in-class protein solutions, positioning itself as a key player in the rapidly expanding plant-based market. Supporting the growing trend towards a plant-based diet, Burcon offers sustainable protein ingredients that we believe are better for you and better for the planet. For more information, visit www.burcon.ca.

Forward-Looking Information Cautionary Statement

The TSX has not reviewed and does not accept responsibility for the adequacy of the content of the information contained herein. This press release contains forward-looking statements or forward-looking information within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements or forward-looking information involve risks, uncertainties and other factors that could cause actual results, performances, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements or forward-looking information can be identified by words such as "anticipate," "aim", "intend," "plan," "goal," "project," "estimate," "expect," "believe," "future," "likely," "may," "should," "could," "will" and similar references to future periods. All statements included in this release, other than statements of historical fact, are forward-looking statements. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements or information. Important factors that could cause actual results to differ materially from Burcon's plans and expectations include the implementation of our business model and growth strategies; trends and competition in our industry our future business development, financial condition and results of operations and our ability to obtain financing cost-effectively; potential changes of government regulations; and other risks and factors detailed herein and from time to time in the filings made by Burcon with securities regulators and stock exchanges, including in the section entitled "Risk Factors" in Burcon's annual information form for the year ended March 31, 2024 and its other public filings with Canadian securities regulators on SEDAR+ at www.sedarplus.ca. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements or information. Any forward-looking statement or information speaks only as of the date on which it was made, and, except as may be required by applicable securities laws, Burcon disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. Although Burcon believes the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance, and, accordingly, investors should not rely on such statements.

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Burcon NutraScience Corporation
Condensed Consolidated Interim Statements of Financial Position
(Unaudited)

As at June 30, 2024 and March 31, 2024
(In Canadian dollars)

	June 30, 2024	March 31, 2024
Assets		
Current assets		
Cash	2,162,819	4,197,141
Amounts receivable and other receivables	409,853	591,726
Inventory	31,419	68,319
Prepaid expenses and deposits	462,807	330,033
	3,066,898	5,187,219
Property and equipment	991,493	1,096,273
Deferred development costs	5,268,774	5,374,149
Goodwill	1,254,930	1,254,930
	10,582,095	12,912,571
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	537,963	843,449
Current portion of lease liabilities	7,059	260,845
Deferred government assistance	-	250,000
	545,022	1,354,294
Secured loan	6,548,346	6,404,778
	7,093,368	7,759,072
Shareholders' Equity		
Capital stock	122,077,701	122,069,825
Contributed surplus	17,396,313	17,283,934
Options	7,407,576	7,436,262
Warrants	349,701	237,201
Restricted share units	173,206	172,776
Deficit	(143,915,770)	(142,046,499)
	3,488,727	5,153,499
	10,582,095	12,912,571

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

For the three months ended June 30, 2024 and 2023
(In Canadian dollars)

		Three months ended June 30
	2024	**2023**
Revenues	236,617	-
Cost of Sales	212,294	-
Gross Margin	24,323	-
Research and development	683,667	936,370
General and administrative	1,103,708	836,560

Loss from operations	(1,763,052)	(1,772,930)
Interest and other income	29,417	27,379
Interest and other expense	(155,067)	(130,974)
Foreign exchange gain (loss)	19,431	(35,558)
Loss and comprehensive loss for the period	(1,869,271)	(1,912,083)
Basic and diluted loss per share	(0.01)	(0.02)

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/219934