September 23, 2024

Zacks Small-Cap Research (NOTE)

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Lexaria Bioscience Corp. (LEXX: NASDAQ)

LEXX: Changing Gears: Christopher Takes Over as CEO

Research Note

Chris Bunka Passes CEO Role to Richard Christopher

On September 5, 2024, Lexaria Biosciences Corp. (NASDAQ: LEXX) announced that its long time CEO Chris Bunka relinquished the top executive role to Richard Christopher, effective August 31, 2024. Mr. Christopher most recently held the CFO role at InVivo Therapeutics, a spinal cord scaffold company. He has also held senior roles at iCAD, a cancer detection and radiation therapy company, Caliber Imaging and Diagnostics and DUSA Pharmaceuticals. He offers substantial experience in the life sciences industry in operations, acquisitions/licensing, business development, strategic planning and capital markets. Of particular interest is his lifecycle experience at DUSA where Rich helped launch the company, supported it through commercialization and profitability and eventually sold it to Sun Pharmaceuticals.

As part of the transition, Lexaria has developed a 100-day plan which builds on the recent announcement of a Material Transfer Agreement (MTA) with a pharmaceutical company. The elements of the plan include:

- Execution of the recently announced MTA;
- Completion of ongoing GLP-1 research studies
- Development of the conceptual design for new independent GLP-1 research studies; and
- Preparation for the planned 2025 launch of the FDA-cleared Phase 1b hypertension study.

Richard Christopher was appointed to the CEO role based on his operational experience at several other life sciences companies. The Board was attracted to Christopher's energy, experience and connections in the Boston biotech scene.

Mr. Christopher takes the CEO baton from Chris Bunka who now assumes the roles of Executive Strategic Advisor and Chairman of Lexaria's Board where he will focus more on the strategic direction of the company. In parallel with the announcement of the new CEO, Mr. Bunka penned a letter to stakeholders highlighting Lexaria's achievements over the last few years generating compelling data in hypertension, GLP-1 agonists for diabetes and weight loss and in signing several new arrangements including the most recent pharmaceutical MTA and Premiere. Bunka highlighted Lexaria's shift from an exploratory company to one that is now executing on priorities, with the MTA the most recent evidence of this.

Material Transfer Agreement (MTA)
On September 3rd, Lexaria announced its entry into a Material Transfer Agreement (MTA) with an undisclosed pharmaceutical company. Details about the arrangement were sparse on account of the partner desiring to remain anonymous until the safety and pharmacokinetic (PK) profiles are confirmed. The goal of the arrangement is to use DehydraTECH to improve the side effect profile and PK for a product that is already on the market. Lexaria will provide the partner a temporary exclusive license to evaluate certain DehydraTECH concepts and formulations. The

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MTA-related work should be complete within six months. If it is successful, the arrangement may advance to the next stage where upfront, milestone and royalties may be part of the deal.

Summary

As Lexaria evolves into its next iteration focused on execution of the programs it has incubated over the last several years, Chris Bunka lays the CEO mantle upon industry executive Richard Christopher. Christopher has a wealth of experience in leadership roles at life sciences companies, most recently as Chief Financial Officer at InVivo Therapeutics. His operational experience and network in the Boston life sciences community provide Lexaria a firm base to advance the many programs that have demonstrated DehydraTECH's safety and efficacy with a number compounds and in a number of indications. The recent MTA signed with a pharmaceutical company is further evidence of the commercial potential of the DehydraTECH platform. We expect to hear news on next steps for this partnership in about six months. If the partner elects to move forward, this could provide upfront, milestone and royalty cash flows to Lexaria which can further support internal research and development efforts.

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