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Lexaria Bioscience Corp. (LEXX: NASDAQ)

LEXX: Animal & Human GLP-1 Studies Continue

Our valuation methodology employs a DCF model and a 15% discount rate. The model applies a weighted average 13% probability of ultimate approval and commercialization of products employing DehydraTECH. The model includes contributions from the United States and Rest of World.

Current Price (6/12/2026)	$0.61
Valuation	**$6.00**

OUTLOOK

Lexaria is a biotechnology company seeking to enhance the bioavailability of multiple drug agents using DehydraTECH (DHT), its technology employing oral and topical delivery. It combines lipophilic APIs with specific fatty acid and carrier compounds, followed by dehydration.

DHT offers several attractive features: 1) substantial improvement in bioabsorption in terms of time to measurable plasma levels & AUC, 2) brain permeation, 3) taste masking & 4) side effect reduction. Since DHT does not bind covalently, it is not considered a new molecular entity and can rely on an API's previously conducted safety and efficacy data to obtain regulatory approval.

Lexaria has received revenues from licensing & product sales which can in part fund R&D operations. R&D activities pursue both preclinical and clinical programs. The lead program is investigating GLP-1 agonists for weight loss and diabetes. Other DHT candidates include antivirals, CBD, nicotine, PDE5 inhibitors, NSAIDs, hormones, colchicine & others.

We forecast penetration into global markets for weight loss, diabetes, hypertension, nicotine delivery and antiviral product categories.

SUMMARY DATA

52-Week High	**1.55**
52-Week Low	**0.46**
One-Year Return (%)	**-39.8**
Beta	**0.3**
Average Daily Volume (sh)	**163,807**
Shares Outstanding (mil)	**24.9**
Market Capitalization ($mil)	**15.3**
Short Interest Ratio (days)	**2.1**
Institutional Ownership (%)	**6.0**
Insider Ownership (%)	**5.7**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2026 Estimate	**N/A**
P/E using 2027 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small-Growth**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue

(In millions of USD)

	Q1 (Nov)	Q2 (Feb)	Q3 (May)	Q4 (Aug)	Year (Aug)
2025	$0.2 A	$0.2 A	$0.2 A	$0.2 A	$0.7 A
2026	$0.0 A	$0.0 E	$0.0 E	$0.0 E	$0.0 E
2027					$1.4 E
2028					$1.6 E

Earnings per Share

	Q1 (Nov)	Q2 (Feb)	Q3 (May)	Q4 (Aug)	Year (Aug)
2025	-$0.16 A	-$0.15 A	-$0.21 A	-$0.14 A	-$0.66 A
2026	-$0.07 A	-$0.07 E	-$0.06 E	-$0.06 E	-$0.26 E
2027					-$0.31 E
2028					-$0.28 E

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WHAT'S NEW

As Lexaria Bioscience Corporation (NASDAQ: LEXX) extends its Material Transfer Agreement (MTA) with an undisclosed pharmaceutical company, it is launching other studies to expand the data set for DehydraTECH with GLP-1 agonists. This includes two animal studies and human pilot study #7. The animal studies will look at a variety of DehydraTECH (DHT) formulations that include cannabidiol, semaglutide (sema) along with next generation GLP-1 agonists to identify the pharmacokinetic (PK) and safety profiles of these drugs. To communicate Lexaria's progress, CEO Rich Christopher has participated in several video interviews that provide additional detail on the company's goals and achievements.

Animal Studies

Animal Study #1
An April 15th press release announced the engagement of a contract research organization (CRO) to execute and report on a new animal study designated GLP-1-A26-1. It will evaluate a number of formulation enhancements with DHT-sema and DHT-cannabidiol (CBD). The study is expected to begin dosing around mid-June. Initial design parameters include the use of Sprague-Dawley rats as the animal model and eight to 11 separate arms evaluating different compositions seeking to achieve diabetes control. Following administration of the composition, blood samples will be taken at multiple timepoints to evaluate its pharmacokinetic performance and concentration in the brain tissue. Previous work with the underlying active pharmaceutical ingredient (API) will be used as a baseline of comparison for the study results. Salcaprozate sodium (SNAC)[1] will be evaluated as part of the DHT formulations. It has shown favorable results in previous studies by Lexaria compared with non-SNAC formulated inputs.

Animal Study #2
An April 23rd press release introduced Animal Study #2, designated GLP-1-A26-2. This evaluation will look at two of the next generation GLP-1 agonist products, amycretin and retatrutide, and their compatibility with DHT. Lexaria has hired a CRO to execute and report on this study. The goal of the work is to examine the compatibility of amycretin and retatrutide with the DHT formulation as well as evaluate the pharmacokinetic (PK) performance and tolerability. The study expects to evaluate 18 different arms that will test new DHT compositions. A June 9th press release announced that Animal Study #2 had begun. Previous studies have shown a better safety profile in DHT formulated compositions compared with the injected versions and improved bio-absorption compared with approved oral forms of GLP-1 products. We think data from this study could be available sometime this year.

Human Pilot Study #7

Lexaria will launch a new study called Human Pilot Study #7, designated GLP-1-H26-7. It will evaluate two DHT-sema compositions against Novo Nordisk's Wegovy tablets. The study is expected to be a five-week evaluation, with three separate arms to assess safety, tolerability and pharmacokinetics. It will compare SNAC-inclusive DHT-sema tablet and capsule formulations to commercially available Wegovy tablets, under fasted pre-dose conditions. This study is different from prior work in several ways. First, an oral tablet will be used for the DHT-sema composition rather than the previous capsule compositions. The tablet formulation is designed to adhere to the lining of the stomach in order to achieve targeted release of semaglutide in order to optimize absorption. Lexaria will formulate both of the interventions with the SNAC technology for extended use for the first time. The five-week duration of the evaluation is long enough for subjects to reach steady-state drug concentration. Previous work was limited by single-dose study designs that were shorter in duration.

On May 19th, Lexaria issued a press release announcing that it had received Independent Review Board (IRB) approval to begin human pilot study #7. Management expects that the results from the study will support further efforts with collaborators in the pharmaceutical industry that desire the improved convenience of oral delivery and the reduced adverse events that are associated with GLP-1 agonist products.

[1] SNAC is a technological innovation that allows the protein-based medication semaglutide to be taken orally rather than by injection. Proteins and peptides (like semaglutide) are typically broken down in the digestive system before they can be absorbed, which is why most similar medications must be injected. SNAC works by creating a localized increase in pH around the drug molecule, protecting semaglutide from enzymatic degradation in the stomach, enhancing the permeability of the gastric mucosa and facilitating absorption of semaglutide through the stomach lining into the bloodstream. This technology was developed by Emisphere Technologies (later acquired by Novo Nordisk) and represents a significant advancement in oral delivery of peptide medications.

CEO Interviews

CEO Richard Christopher has participated in several video interviews to answer questions about Lexaria's goals, objectives and achievements. Below we provide links to the most recent episodes.

- MTA Extension and 2026 GLP-1 Pipeline
- Lexaria Bioscience CEO Rich Christopher on DehydraTECH and the Oral GLP-1 Opportunity
- Lexaria's Studies and Business Development Activities

Exhibit I – Lexaria CEO Rich Christopher

Source: Lexaria Podcast Screenshot

New Patents

Lexaria updated its intellectual property (IP) profile in a March 26th press release. The company has added to several patent families that examine methods of treating hypertension, epilepsy and diabetes. The new patents have been issued in the jurisdictions of Japan and Australia. Below we list the patent families and the new IP issued.

- Compositions and Methods for Treating Hypertension
  - Japan Patent 7823051, with term ending April 25th, 2043
  - Japan Patent 7823052, with term ending April 25th, 2043
- Compositions and Methods for Treating Epilepsy
  - Australian patent 2024205127 granted, with term ending February 20th, 2044
- Compositions and Methods for Treating Diabetes
  - Australian patent 2025205229 granted, with term ending on December 3rd, 2044
  - Australian Patent 2024394427 granted, with term ending on December 3rd, 2044

GLP-1-H25-5 Completion and Safety Data (Fifth Study)

Final data for Human Pilot Study #5 was released in a February 5th, 2026 press release, CEO Christopher concluded that it had achieved its primary safety and tolerability endpoint and that DHT-liraglutide was comparable to tradi-

tionally injected liraglutide. The final results follow the release of the primary results from the study on June 11th, 2025. We discuss the details of this study in a February 10th, 2026 report entitled Final Results from Pilot Study #5.

Exhibit II – Lexaria's GLP-1 Agonist Human Studies

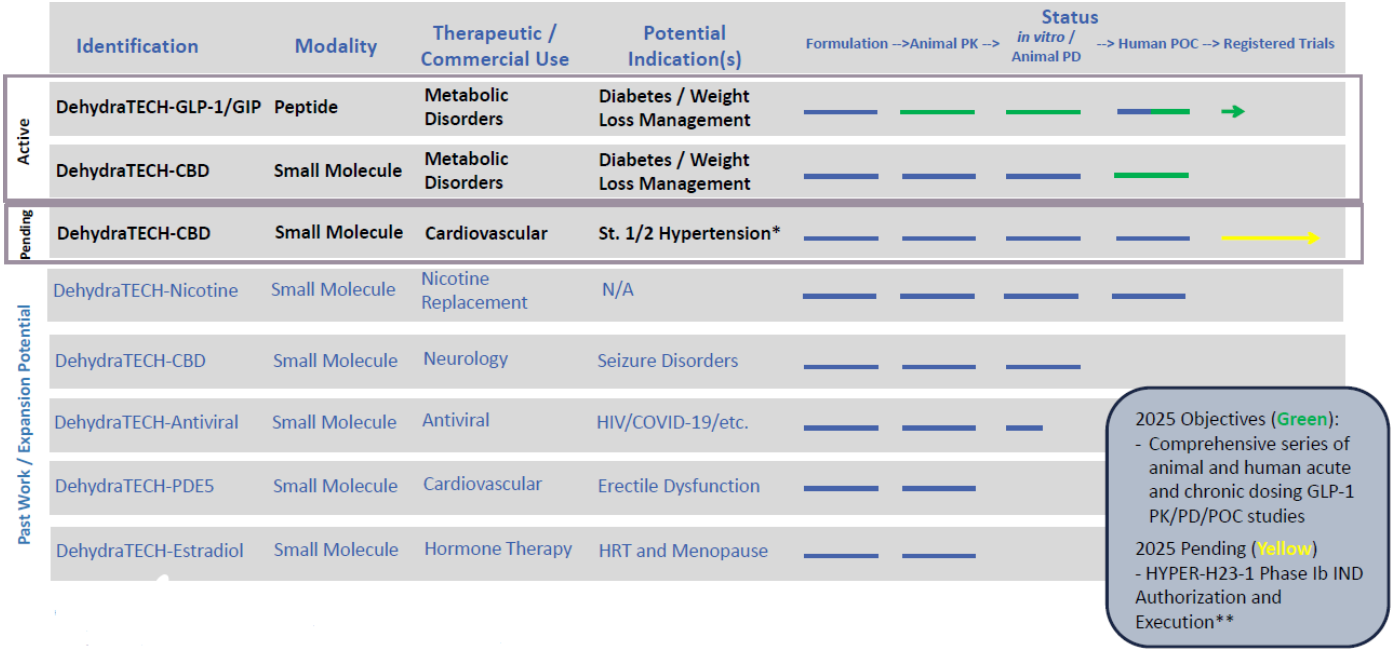
Study	n	Control	DehydraTECH Formulations	Study Results
Human Pilot Study #1 GLP-1-H24-1	7	Rybelsus® (7 mg oral semaglutide)	DehydraTECH-semaglutide (7 mg oral semaglutide reformulated from Rybelsus®)	• 47% higher AUC throughout the duration of the Study • Lower blood glucose levels • Marked improvements in patient tolerability
Human Pilot Study #2 GLP-1-H24-2	7	Rybelsus® (7 mg oral semaglutide)	DehydraTECH-semaglutide (7 mg oral semaglutide reformulated from Rybelsus®)	• Sustained higher blood semaglutide levels throughout the duration of the study • Marked improvements (zero adverse events) in patient tolerability
Human Pilot Study #3 GLP-1-H24-3	9	Zepbound® (2.5 mg injectable tirzepatide)	DehydraTECH-tirzepatide (20 mg oral tirzepatide reformulated from Zepbound®)	• Achieved a more consistent accumulation of drug in the bloodstream throughout the duration of the Study • Reached drug level parity to the injectable control by the end of the study • Marked improvements in patient tolerability
Registered Phase 1b Human Study #4 GLP-1-H24-4	126	Rybelsus® (3 and 7 mg oral semaglutide)	DehydraTECH-CBD (250 mg) DehydraTECH-semaglutide (3.5 and 7 mg) DehydraTECH-CBD (250mg) /semaglutide (3.5 mg) DehydraTECH-tirzepatide (20 and 40 mg) (all oral using pure API inputs)	• Met primary endpoint objectives showing good safety and tolerability of all DehydraTECH test articles with clear reductions in total and GI-specific AEs • Positive findings across numerous parameters with comparability, and in some instances, superiority to the Rybelsus ® control arm • Additional testing is in process on the full complement of patient blood plasma samples from the DehydraTECH-semaglutide and DehydraTECH-CBD with DehydraTECH-semaglutide arms
Human Pilot Study #5 GLP-1-H25-5	10	Saxenda® (0.6 mg injectable liraglutide)	DehydraTECH-liraglutide (45 mg oral liraglutide using pure API input)	• Met primary endpoint objectives showing good safety and tolerability of the DehydraTECH-liraglutide test article with clear reductions in total and GI-specific AEs • Potential for world's first oral liraglutide product via 505(b)(2) pathway.

Source: Lexaria Bioscience June 2026 Corporate Presentation

Lexaria will share the human and animal study data with its recently extended but undisclosed MTA partner which has conducted other internal work on the DHT formulation. The extension will allow the two parties to continue sharing data from the new studies, maintain the exclusive license and discuss strategic planning for the asset(s) under consideration.

Pipeline

Exhibit III – DehydraTECH Pipeline



Source: Lexaria Bioscience July 2025 Corporate Presentation

Milestones

- Results from Human Pilot Study #4 – December 2025
- Results from long term stability and mode of action characterization – 2025
- CEO Annual Letter – January 2026
- Lexaria annual meeting – January 27th, 2026
- Final results announced for Human Pilot Study #5 – February 2026
- Attendance at BIO International Convention – June 2026
- Start of animal study #2 (GLP-1-A26-2) – June 2026
- Conclusion of MTA – 1Q:26
- PK data readout from Human Pilot Study #5 – 1H:26
- Extension of GLP-1 agonist MTA agreement with pharmaceutical company – until December 31st, 2026

Summary

Lexaria begins animal and human studies to further evaluate candidates in the diabetes and weight loss space, particularly GLP-1 agonists. It is expanding the studies' scope beyond semaglutide, tirzepatide and liraglutide to evaluate next-generation candidates such as amycretin and retatrutide. Management is continuing efforts to execute a deal with its MTA partner and will share details from its work with them as the year progresses. Lexaria is reaching out to new prospects and will attend the BIO International Convention in San Diego later this month. CEO Christopher is also communicating with investors and stakeholders in several video interviews included in this report. While progress has been limited for DehydraTECH to sign another arrangement, the platform offers a number of compelling features to prospective partners. DehydraTECH offers improved speed of onset, better bioavailability, reduced adverse events and potentially a favorable regulatory pathway via 505(b)(2). The reduced level of adverse events shown in Lexaria's human studies, especially GI tolerability, is a particularly attractive feature.

PROJECTED FINANCIALS

Lexaria Bioscience Corp. - Income Statement

Lexaria Bioscience Corp.	2025 A	Q1 A	Q2 E	Q3 E	Q4 E	2026 E	2027 E	2028 E
Total Revenues	**$706**	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,403**	**$1,585**
YOY Growth	52%							13%
Gross Profit	$703	$0.00	$0.0	$0.0	$0.0	$0	$1,403	$1,585
Research & Development	$8,239	$671	$700	$710	$690	$2,771	$6,200	$6,500
General & Administrative	$4,345	$902	$880	$920	$940	$3,642	$4,150	$4,400
Income from operations	($11,881)	($1,574)	($1,580)	($1,630)	($1,630)	($6,414)	($8,947)	($9,315)
Non Controlling Interest	($10)	($2)	($3)	($4)	($3)	($12)	($12)	($12)
Pre-Tax Income	($11,902)	($1,593)	($1,577)	($1,626)	($1,627)	($6,401)	($8,947)	($9,315)
Net Income	**($11,902)**	**($1,595)**	**($1,577)**	**($1,626)**	**($1,627)**	**($6,401)**	**($8,947)**	**($9,315)**
Net Margin	*-1686%*							
Reported EPS	**($0.66)**	**($0.07)**	**($0.07)**	**($0.06)**	**($0.06)**	**($0.26)**	**($0.31)**	**($0.28)**
Basic Shares Outstanding	17,999	21,376	23,750	26,222	28,101	24,862	28,500	33,000

Source: Company Filing // Zacks Investment Research, Inc. Estimates

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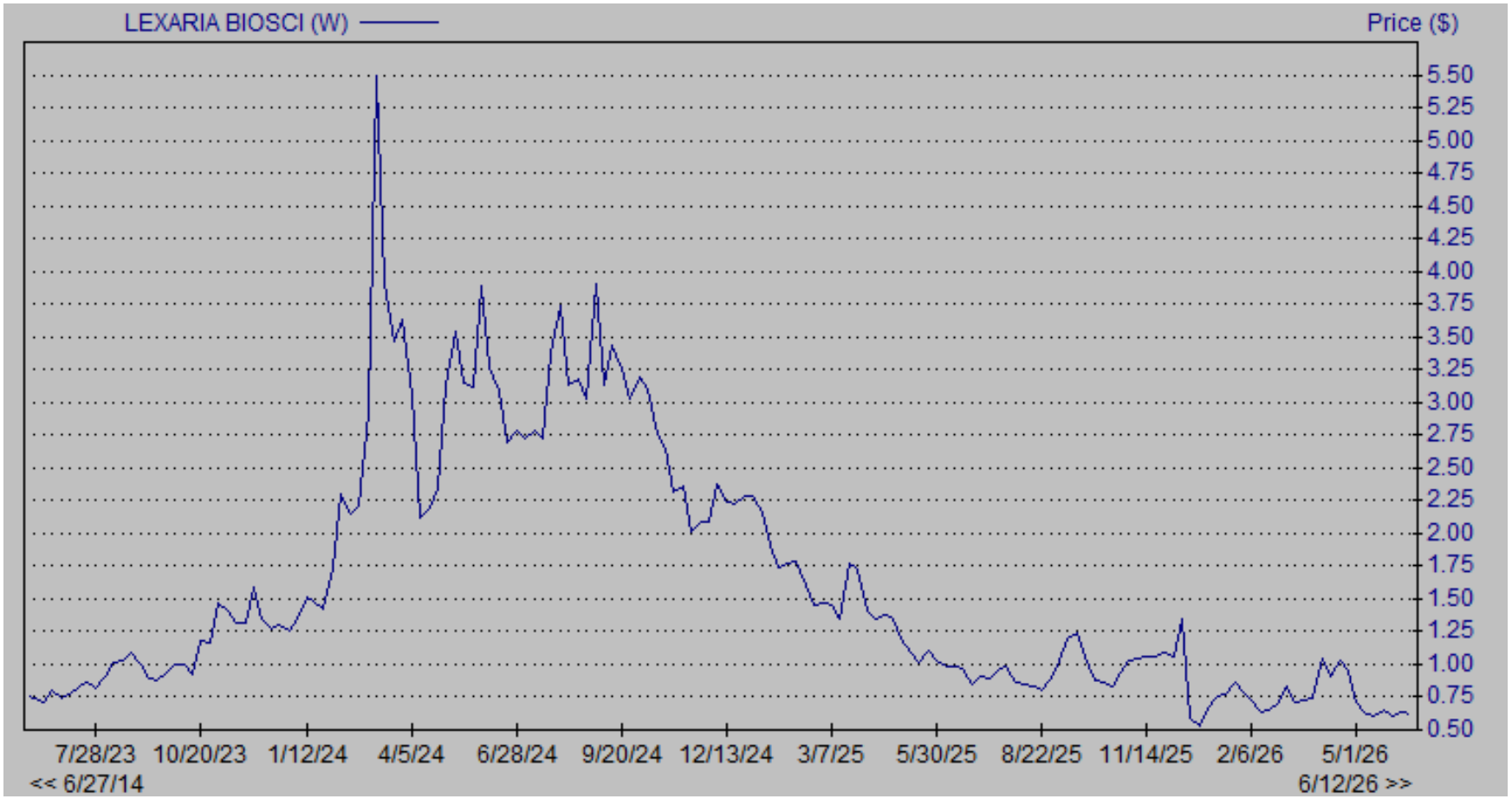
HISTORICAL STOCK PRICE

Lexaria Bioscience Corp. – Share Price Chart[2]



[2] Source: Zacks Research System

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