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No statement within has been evaluated by the Food and Drug Administration, and no product or service is intended to diagnose, treat, cure or prevent any disease.
Lexaria Bioscience has developed a new disruptive drug delivery platform: DehydraTECH™

Patented technology changes the way Active Pharmaceutical Ingredients (“APIs”) enter the body orally:

1) Masks unwanted tastes
   Eliminates the need for sugar-filled edibles.
2) Reduces the time of onset
   Effects are felt within 15-20 min (vs. 60-120 min).
3) Avoids first-pass liver metabolism
   Mitigating unwanted side effects.
4) Increases bio-absorption: up to 5-10X
   Equates absorption by inhalational delivery.

DehydraTECH™ technology patent covers multiple APIs:
  Cannabinoids - Cannabidiol (CBD), Tetrahydrocannabinol (THC), Nicotine (and its analogs),
  Non steroidal anti-inflammatory pain medications (NSAIDs),
  Fat soluble vitamins.

Business Model:
  Out-license (royalty) technology to third party partners,
  Sales of Lexaria products.
~50 patent applications filed:

In the US and internationally under the Patent Cooperation Treaty (PCT), including national/regional filings covering 44 countries.

8 Patents granted - name a broad range of lipophilic bioactives and food/carrier particles that can be formulated and delivered using Lexaria’s DehydraTECH™ technology.

“Method of use” granted:
- Oct 2016 - non-psychoactive cannabinoids (CBD)
- Dec 2017 - Psychoactive cannabinoids (THC), NSAIDs, nicotine (and its analogs), fat soluble vitamins.

“Composition of matter” granted:
- May 2018 – Cannabinoids (CBD & THC).

Applicable to many consumer/pharma product dosage forms (foods, liquid emulsions, tablets, capsules, etc.).
Lexaria transforms the way Active Pharmaceutical Ingredients (“APIs”) enter the bloodstream through the Gastrointestinal Tract

Lexaria’s Patented DehydraTECH™:

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Traditional Delivery</th>
<th>DehydraTECH™ Delivery</th>
<th>Lexaria Science</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taste</td>
<td>Bad tasting</td>
<td>Flavor masking for poor tasting compounds</td>
<td>Fatty acids are believed to block and shunt bound ingredients away from bitter taste receptors*</td>
</tr>
<tr>
<td>Stomach</td>
<td>Largely destroyed by stomach acid</td>
<td>Protection during stomach transit</td>
<td>Lipids enable gastric protection and rapid passage**</td>
</tr>
<tr>
<td>Liver Bypass</td>
<td>Broken down by the liver</td>
<td>Bypasses first pass liver metabolism</td>
<td><em>Trojan Horse</em>: Long-chain fatty acids bypass first pass liver metabolism***</td>
</tr>
<tr>
<td>Bioabsorption</td>
<td>Unable to significantly cross intestinal wall</td>
<td>5-10x amplified intestinal absorption</td>
<td>Small intestine quickly absorbs long-chain fatty acids into lymphatics***</td>
</tr>
</tbody>
</table>

The Result...

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Traditional</th>
<th>Lexaria DehydraTECH™</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bioavailability</td>
<td>LOW</td>
<td>HIGH</td>
</tr>
<tr>
<td>Time of Onset</td>
<td>60-120 minutes</td>
<td>15-20 minutes</td>
</tr>
</tbody>
</table>

*Coupland & Hayes (2014). Pharm Res. Nov 31(11); 2921-2939
How does DehydraTECH™ work?

**Process:**

1) **Combine API and Fatty Acid Oil**

- **API:** THC
- **Fatty Acid Oil (LCFA):** Sunflower oil

2) **Apply to food/carrier particles**

- **Examples:** Mannitol, gum Arabic, etc.

3) **Perform dehydration procedure**

**Results:**

- **Fatty acids:** Believed to block and shunt bound APIs away from bitter taste receptors*

- **Lipids:** Enable gastric protection and rapid passage**

- **Small intestine:** Quickly absorbs LCFAs into lymphatics (bypassing first pass liver effect) and MCFAs via the liver***

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*Coupland & Hayes (2014). Pharm Res. Nov 31(11); 2921-2939


Commercial Applications

Cannabinoids

- Ingestible product formats of all types,
- Enhanced palatability, speed of effectiveness and potency,
- Viable and healthier alternative to smoking/vaping.

Vitamins

- Existing and new ingestible product formats,
- Enhanced absorption performance for synthetics as well as natural fat soluble vitamins (A, D, K & E).

NSAIDs

- Alternate means to formulate NSAIDs,
- Higher bioavailability,
- Lower input requirements,
- Less burden on liver and kidneys (lower toxicity).

Nicotine

- World’s first ingestible nicotine products,
- Alternative to smoking/vaping, gums and patches,
- High bioavailability without first pass liver metabolism.

Estimated Global Market Sizes

- $8B
- $31B
- $60B
- $990B

Sources: ArcView Research & EuroMonitor
Cannabinoids: Plant-to-bloodstream

3 prominent ways cannabinoids enter the bloodstream:

1) Inhalation
   - High bioavailability (est. 30%)
   - Harmful to Lungs

2) Sub-lingual (under tongue)
   - Medium bioavailability (est. 16%)
   - Foul taste

3) Oral – Gastrointestinal Tract
   - Low bioavailability (est. 3-5%)
   - Sugar filled, to mask taste

Lexaria transforms the way *cannabinoids* enter the bloodstream through the Gastrointestinal Tract

Fast acting, tasteless, increased bioavailability.
Cannabinoids: Scientific Research

Human Clinical Study on CBD
Aug 2018 – showed 317% more CBD delivered to blood at 30 minute mark, and higher bioavailability throughout the 6 hr study period,
European based, double-blind & placebo-controlled in 12 male volunteers to evaluate cardiovascular & cognitive health effects of TurboCBD capsules along with absorption performance.

Topical skin cream study
March 2018 - showed 225% increase in CBD permeability into and through the skin.

Collaborative research agreement with NRC
Feb 2017, C$250,000, 24 month term, research underway.

Human Focus Study
Mar 2016 - showed 15-20 minutes for onset of THC effects from chocolates, in human volunteers.

Human Biomarker Study
Jan 2016 - showed 5-10 X increase in salivary nitric oxide (CBD surrogate) within 15-30 min.

In vitro Absorption Study
Aug 2015, showed 499% increase in CBD bio absorption in human intestinal tissues.
Cannabis Consumption Trends

Trend to prohibit / limit smoking:
- Florida, Pennsylvania, California, numerous US city councils, Canada,
- Lexaria > non-inhalation solutions.

Trend to limit dosage in edibles:
- Max THC for edibles: 100mg/package and 10mg/serving,
- Lexaria > 5-10X increased bio absorption solutions.

Trend toward beverages:
- Legal cannabis beginning to displace alcohol in consumers shift favoring beverages,
- Lexaria > fast-acting, great-tasting, colorless and odorless solutions.

California Releases Emergency Cannabis Regulations
The state will limit the serving-size of edibles to 10 milligrams of THC, with no more than 100 mg allowed in a single product package.
-- Leafly Nov 16, 2017

Legal cannabis could crash the alcohol giants’ party, analyst says
2017 research found monthly alcohol sales fell 13 per cent in states with medical marijuana
-- Financial Post, March 7, 2018
Business model: royalties & sales

Out-licensing DehydraTECH™ to third-party partners using high margin royalty model

Lexaria targets 5-10% royalty on gross sales plus individual market territory access fees per licensee,

Initial focus on THC / CBD edibles manufacturers:

Licenses granted:
- Colorado-based cannabis chocolate company,
- Canadian-based cannabis chocolate company,
- California-based edibles company,
- California-based beverage company,
- Canadian-based beverage company.

Advanced discussions underway with other beverage and edibles manufacturers.

Secondary focus on selling Lexaria CBD products

TurboCBD™ capsules & ViPova™ teas,

Distribution partnerships are being pursued to grow revenues.
Nicotine: a smoke-free future

Smoking is the world's leading cause of preventable death:
1.1 billion smokers globally*,
7 million deaths/year globally, 1 billion deaths expected this century**.

Regulatory pressure against cigarettes is increasing:
FDA to pursue lowering nicotine in cigarettes to non-addictive levels (July 2017).

Big Tobacco responds:
Phillip Morris – pledges $1B to anti-smoking, shuffles management toward smoke-free future (Sept 2017), “Ultimately, we want to be in a position to stop selling cigarettes entirely.”
British American Tobacco – to rapidly grow sales of next generation products to £5B by 2022 (Oct 2017).

Nicotine Edibles?
There are currently NO edible nicotine products in the marketplace due to nicotine’s inability to securely pass through the human GI tract without GI-irritation.

* World Health Organization (http://www.who.int)
** Foundation for a Smoke-Free World, Inc. (https://www.smokefreeworld.org/)
Speed of onset is of particular importance when considering non-inhalation nicotine delivery formats.

Two animal studies have been conducted to test nicotine GI tract entry:

**August 7, 2018 study - 90% more nicotine delivered at 10 minute mark:**
- Study of 40 lab rats, with focus on initial 15 minute period after dosing,
- Rapidity – 70% greater nicotine delivered overall within first 15 min of study,
- 94% greater nicotine delivered over the total 60 min study period,
- Conducted as follow-up study to expand on results of April study.

**April 17, 2018 study –560% more nicotine delivered into brain tissue:**
- Study of 12 lab rats, over 6 hr period.
- Speed of onset – DehydraTECH™ delivered nicotine to the bloodstream in 15 min vs. 3 hours in control group,
- Bioavailability – approximately 560% more nicotine into brain tissue than the control formulation,
- 148% gain in the quantity of peak nicotine delivery to the bloodstream relative to controls,
- Lower quantities of key liver metabolites in the bloodstream than controls as hypothesized, suggesting bypass of first pass liver metabolism.

Results were presented at Next Generation Nicotine Delivery conference April 24 & 25th, Atlanta
- Generated significant industry interest.

Lexaria is structuring a nicotine subsidiary company
- To focus future research effort, enable nicotine-specific financing structures.
NSAIDs: new pain relief solution

NSAIDs (nonsteroidal anti-inflammatory drugs) are among the most common pain relief medicines in the world.

- Most common are acetylsalicylic acid (ASA) and ibuprofen,
- Generally a safe and effective treatment method for pain, but associated with a number of gastrointestinal problems including dyspepsia and gastric bleeding.

NSAIDs undergo significant liver biotransformation into inactive metabolites after ingestion.

- Requires high quantities of active substance to offset the bioavailability loss from liver processing.

DehydraTECH™ is designed to bypass the liver.

- Offering an alternate means to formulate oral NSAID products with lower active substance.

Greater effectiveness at pain killing through higher bioavailability could lead to a reduction in current opioid use.

- Opioids (e.g. morphine) are the largest pain management sector but are known to cause dependence and are a leading cause of drug death through abuse and overuse,
- 91 Americans die every day from an opioid overdose (www.cdc.gov),
- Opioid epidemic is now a US public health emergency.

Lexaria to begin testing DehydraTECH™ for NSAIDs during 2018.

Potential to develop a new drug delivery platform for pain medicines.
Vitamins: alternate delivery methods

Vitamins can be divided into two broad categories

 Water soluble,
 Fat soluble (including vitamins A, D, K and E).

Fat soluble vitamins are generally harder to absorb in the intestines

 Food and supplement manufacturers often use synthetic versions or other variants to increase bioavailability.

Lexaria’s DehydraTECH™ technology offers an alternative

 Alternative means to formulate fat soluble vitamins into oral ingestible products,
 Increased bioavailability, greater overall delivery performance.
Key executives & advisors

Chris Bunka - Chairman & CEO
Serial entrepreneur involved in several private and public companies since the late 1980’s. Extensive experience in the capital markets, corporate governance, M&A and finance.

John Docherty, M.Sc. - Director & President
Over 20 years of senior executive experience in the pharmaceutical and bioscience sectors with an emphasis in the development of drug delivery technologies. Former President and COO of Helix BioPharma Corp. (TSX: HBP). Named inventor on multiple issued and pending patents. M.Sc. in pharmacology and B.Sc. in toxicology from the University of Toronto.

Ted McKechnie – Director
Senior entrepreneurial executive with extensive senior management / board experience in the consumer goods industry in National and Retail brands. Former President and COO of Maple Leaf Foods and executive positions with Kraft, Frito Lay, General Foods, PepsiCo, and Philip Morris Companies. Founder, Chairman and CEO of Canada’s Technology For Food.

Dr. Edward Ergenzinger - Advisor
U.S. licensed patent attorney, doctorate in Neuroscience (with concentrations in Pharmacology and Physiology). Over 15 years of experience providing patent services to clients that have ranged from small start-ups to some of the world’s largest pharmaceutical and biotechnology companies.

Dr. Philip Ainslie - Advisor
Co-Director for the Centre for Heart, Lung and Vascular Health, Canada, Research Chair in Cerebrovascular Physiology and Professor, School of Health and Exercise Sciences, Faculty of Health and Social Development at the University of British Columbia.
Stock Information

Trading symbol: CSE:LXX, OTCQX:LXRP
Shares o/s: 72 m
Fully diluted: 83 m
Recent price: C$2.40 / US$1.80
Insider ownership: 15m (21%)
Fiscal year-end: August 31

One year stock chart – OTCQX:LXRP

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