UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **August 31, 2025**

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from [_____] to [_____]

Commission file number **001-39874**

Lexaria Bioscience Corp.

(Exact name of registrant as specified in its charter)

Nevada	**20-2000871**
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)
#100 – 740 McCurdy Road, Kelowna BC Canada	**V1X 2P7**
(Address of principal executive offices)	(Zip Code)

Registrant's Telephone number, including area code: **250-765-6424**

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value $0.001	LEXX	Nasdaq
Warrants	LEXXW	Nasdaq

Securities registered pursuant to Section 12(g) of the Act:

N/A
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes ☐ No X

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act Yes ☐ No X

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes X No ☐

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes X No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	X	Smaller reporting company	X
		Emerging growth company	☐

If an emerging growth company, indicate by a check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant period pursuant to §240.10D-1(b) ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No X

As of February 28, 2025, the last day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the common stock held by non-affiliates of the registrant was approximately $24.6 million, based on the closing price of the registrant's shares of common stock on February 28, 2025.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

22,225,846 common shares as of November 25, 2025.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K ("this report") contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Any statements contained herein that are not statements of historical fact may be forward-looking statements relating to future events or our future financial performance and are based on our present beliefs, assumptions, and information currently available to us. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "could", "targets", "goal", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" and other comparable terminology or the negative of these terms.

These statements contain predictions and involve known and unknown risks, including the risks in the section entitled "Risk Factors" set forth in Item 1(A) in this report, uncertainties and other factors that may cause our or our industry's levels of activity, performance, achievements, or actual results to be materially different from any future levels of activity, performance, achievements, or results expressed or implied by these forward-looking statements. Although we contend that the expectations reflected herein are reasonable, we cannot guarantee levels of activity, performance, achievements, or future result.

Forward-looking statements in this report include statements about, among other things: the status, progress and results of our research programs; our ability to obtain regulatory approvals for, and the level of market opportunity for, our product candidates; our business plans, strategies and objectives, including plans to pursue collaboration, licensing or other similar arrangements or transactions; our expectations regarding our liquidity and performance, including our expense levels, sources of capital and ability to maintain our operations as a going concern; the competitive landscape of our industry; and general market, economic and political conditions.

We caution placing undue reliance on any forward-looking statements as they speak only as of the date on which such statements were made, and we do not assume any obligation to update any forward-looking statement or to reflect the occurrence of an unanticipated event. New factors may emerge, and it is not possible to predict all factors that may affect our business and prospects. Further, management cannot assess the impact of each factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Solely for convenience, tradenames and trademarks referred to in this report appear without the "®" or "™" symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these tradenames or trademarks, as applicable. All tradenames, trademarks, and service marks included or incorporated by reference in this report are the property of Lexaria Bioscience Corp.

As used in this report, the terms "Lexaria" "we", "us", "our" and "Company" mean Lexaria Bioscience Corp. and/or our subsidiaries, unless otherwise indicated.

PART 1

Item 1. Business

Company Overview

Lexaria Bioscience Corp. is a biotechnology company dedicated to the enhancement of the bioavailability of a diverse and broad range of active pharmaceutical ingredients ("APIs") using our patented DehydraTECH™ drug delivery technology. DehydraTECH combines APIs with specific long-chain fatty acid-rich triglyceride oils and carrier compounds that improve the way they enter the bloodstream, increasing their effectiveness and allowing for lower overall dosing for improved tolerability while promoting healthier oral ingestion methods.

DehydraTECH can be used with a wide range of active molecules including glucagon-like peptide-1 drugs ("GLP-1") and glucose-dependent insulinotropic polypeptide drugs ("GIP"), vitamins, pain medications, hormones, antivirals, nicotine and its analogs, and cannabinoids. Our technology can be applied to a variety of therapeutic indications, including diabetes, weight loss, epilepsy, hypertension and heart disease. DehydraTECH can be implemented in a multitude of ingestible product formats including oral suspensions, tablets, capsules, foods, beverages, and oral pouches. It is suitable for use with a variety of product formats including pharmaceuticals, nutraceuticals, over-the-counter products, and consumer packaged goods.

DehydraTECH is a technology incorporated into the formulation and manufacturing process of new or existing orally ingestible products. The procedure involves combining the active ingredient as a delivery "payload" together with certain long chain fatty acid-rich triglyceride oils and infusing the mixture into a carrier substrate material. Using controlled dehydration processing, the payload and long chain fatty acid-rich triglyceride oils are reversibly associated together at a molecular level. The newly combined molecules are then integrated into production of the end-product using any number of dosage formats. While the Company's primary focus is on pharmaceutical drug products, this technology extends across many product categories including nutraceuticals, foods and beverages. DehydraTECH formulations have been found in some cases to reduce the need for unwanted sweeteners or chemical masking agents used for flavor- and odor-blocking for palatability enhancement purposes, allowing manufacturers to create low-sugar products with fewer calories and artificial sweeteners.

The Company has developed extensive experience from the formulation and production of its demonstration products, in various formats, that enables it to provide expert advice to our licensees on the integration of DehydraTECH in their products for the purpose of providing more palatable and efficient delivery of bioactive molecules.

Lexaria supports our licensee's products with our technology. A part of our business plan is to encourage new and existing industry participants to license and utilize DehydraTECH to enable enhanced performance of their developmental and commercial stage products. These products cross a wide range of bioactive molecules including GLP-1/GIPs, NSAID's, nicotine and cannabidiol ("CBD") with additional molecules of interest continually being evaluated.

Intellectual Property

Lexaria's involvement with the foundational technology of DehydraTECH dates back to 2014 when it entered into a strategic relationship with Poppy's Teas LLC, and the original inventors of DehydraTECH, who had filed two initial US provisional patent applications for the technology. The strategic relationship evolved into the acquisition by Lexaria of Poviva Tea, LLC (formerly Poppy's Teas LLC) which entity was then converted from a limited liability company to a corporation under the name Poviva Corp. ("**Poviva**"). Poviva is now the wholly-owned subsidiary of Lexaria and the named owner on all of the patents filed in connection with DehydraTECH. Lexaria has been granted an exclusive license to use DehydraTECH technology from Poviva for a period of time ending 25 years after the date of the last patent granted to Poviva. Since our first patent grant in 2017 for DehydraTECH, we have continued to pursue patent applications internationally in regions that are considered to have the highest commercial potential and, to date, have been allowed/granted 56 patents worldwide as of the date of this filing. Our pursuit and development of DehydraTECH has expanded our potential area of impact, both geographically and by sector.

Our current patent portfolio includes patent family applications or grants pertaining to Lexaria's compositions, methods of use in improving API bioavailability and palatability and methods of treatment for a range of therapeutic indications, for a wide variety of APIs encompassing GLP-1/GIPs; fat soluble vitamins; NSAID pain medications; nicotine and its analogs; and cannabinoids. The pending and granted patents also cover the manufacturing and processing methods used to combine a variety of fatty acid-rich triglyceride oils with active pharmaceutical ingredients. This includes heating and drying methods and use of excipients and substrates.

The Company currently has several applications pending worldwide and, due to the complexity of pursuing patent protection, the quantity of patent applications will vary continuously as each application advances or stalls. We continue to investigate national and international opportunities to pursue expansions and additions to our intellectual property portfolio. Patents have been filed or granted specifically for the use of DehydraTECH with GLP-1/GIP drugs to support our ongoing and expanding cardiometabolic clinical research programs in this therapeutic field for the treatment of diabetes/weight loss. Patents have been filed or granted specifically for the use of DehydraTECH with cannabinoids for the treatment of heart disease and hypertension to support our anticipated clinical trial work under our cleared Investigational New Drug ("IND") application with the Food and Drug Administration ("FDA"), and for treatment of other prospective therapeutic indications of interest to us including epilepsy.

We will continue to seek beneficial acquisitions of intellectual property if and when we believe it is advisable to do so. Due to the inherent unpredictability of scientific discovery, it is not possible to predict if or how often such new applications might be filed or patents issued.

Below we summarize Lexaria's allowed/granted patents.

Issued Patent #	Patent Certificate Grant Date	Patent Family
US 9,474,725 B1	10/25/2016	#1 Food and Beverage Compositions Infused With Lipophilic Active Agents and Methods of Use Thereof
US 9,839,612 B2	12/12/2017	
US 9,972,680 B2	05/15/2018	
US 9,974,739 B2	05/22/2018	
US 10,084,044 B2	09/25/2018	
US 10,103,225 B2	10/16/2018	
US 10,381,440	08/13/2019	
US 10,374,036	08/06/2019	
US 10,756,180	08/25/2020	
AU 2015274698	06/15/2017	
AU 2017203054	08/30/2018	
AU 2018202562	08/30/2018	
AU 2018202583	08/30/2018	
AU 2018202584	01/10/2019	
AU 2018220067	07/30/2019	
EP 3164141	11/11/2020	
JP 6920197	07/28/2021	
CDN 2949369	06/13/2023	
EP 3858364	09/17/2025	
AU 2016367036	07/30/2019	#2 Methods for Formulating Orally Ingestible Compositions Comprising Lipophilic Active Agents
JP 6963507	10/19/2021	
MX 388 203 B	11/26/2021	
AU 2016367037	08/15/2019	#3 Stable Ready-to-Drink Beverage Compositions Comprising Lipophilic Active Agents
IN 365864	04/30/2021	
JP 6917310	07/21/2021	
MX 390001	02/10/2022	
JP 7232853	02/22/2023	
CDN 2984917	09/26/2023	
CDN 3093414	12/13/2022	#6 Transdermal and/or Dermal Delivery of Lipophilic Active Agents
EP 3765088	03/20/2024	
JP 7112510	07/26/2022	#7 Lipophilic Active Agent Infused Compositions with Reduced Food Effect
AU 2019256805	06/16/2022	#8 Compositions Infused with Nicotine Compounds and Methods of Use Thereof
CDN 3096580	05/23/2023	
CDN 3111082	08/29/2023	#14 Lipophilic Active Agent Infused Tobacco Leaves and/or Tobacco Materials and Methods of Use Thereof
US 11,311,559	04/26/2022	#18 Compositions and Methods for Enhanced Delivery of Antiviral Agents
AU 2021261261	03/23/2023	
JP 7415045	01/05/2024	
CDN 3172889	05/28/2024	
AU 2023200736	10/02/2025	
US 11,700,875	07/18/2023	#20 Compositions and Methods for Sublingual Delivery of Nicotine
CDN 3196911	12/05/2023	
JP 7675819	05/01/2025	
US 11,666,544	06/06/2023	#21 Compositions and Methods for Treating Hypertension
US 11,666,543	06/06/2023	
US 11,980,593	05/14/2024	
EP 4326249	10/15/2025	
US 11,931,369	03/19/2024	#24 Compositions and Methods for Treating Epilepsy
US 11,944,635	04/02/2024	
US 11,986,485	05/21/2024	
US 12,023,346	07/02/2024	
US 12,213,986	02/04/2025	
US 12,220,422	02/11/2025	
AU 2024202447	06/12/2025	
AU 2024202475	07/24/2025	
US 12,397,042	08/26/2025	#27 Compositions and Methods for Treating Diabetes
US 12,472,236	11/18/2025	

Patents granted in the year ended August 31, 2025

In fiscal 2025, we expanded our patent protection to include applications for DehydraTECH enhanced glucagon-like peptide drugs, including but not limited to, semaglutide, tirzepatide and liraglutide for the treatment of diabetes and obesity. The Company was also granted four new patents (2 US and 2 AU) in our Compositions and Methods for Treating Epilepsy family, our first patent in the US for our Compositions and Methods of Treating Diabetes family, a new Japanese patent in our Compositions and Methods for Sublingual Delivery of Nicotine family and a second European patent in our Food & Beverage Compositions Infused with Lipophilic Active Agents and Methods of Use Thereof family, which serves to further protect our exclusivity in the use of DehydraTECH with the treatment of epilepsy, diabetes, nicotine and food products.

Research and Development

Lexaria incurred $8.2 million in R&D expense during fiscal 2025. Specific programs are in ongoing development and are prioritized relative to our financial and operational ability to undertake each research phase for specific APIs. Due to our expanding portfolio coverage, we continue to explore accelerated timetable options for testing, research, and further development. Our ongoing R&D programs are always subject to our existing financial resources and our ability to raise capital to fund them.

The Company regularly pursues new R&D programs that investigate potential commercial applications for the incorporation of DehydraTECH. These include, but are not limited to, ongoing programs to explore different therapeutic indications which DehydraTECH-enhanced drug products can be utilized to treat. Currently, our primary clinical research areas of interests are focused on the investigation of DehydraTECH-powered GLP-1/GIP drugs as well as CBD for the treatment of diabetes and weight loss and, also, CBD for the reduction of hypertension for which our IND application to perform a Phase 1b study received a Study May Proceed letter from the FDA in early calendar-2024. Previously, our study programs provided successful human and/or animal testing results with DehydraTECH formulations of nicotine for oral pouches and prospective nicotine replacement therapy, human hormones, antiviral drugs, CBD for diabetes, weight loss and seizure disorder applications, and others. Depending on the number or complexity of the programs undertaken, R&D budgets are expected to vary significantly. It is in our best interest to remain flexible at this early stage of our R&D efforts in order to capitalize on potential novel findings from early-stage tests and thus redirect research when necessary into specific avenues that offer the most reward.

Lexaria has conducted a number of pharmacokinetic studies designed to provide potential early-stage indications of enhancing delivery characteristics of various drugs for potential future use. Our first human clinical study was published in 2019 under the title *Examination of a New Delivery Approach for Oral Cannabidiol in Healthy Subjects: A Randomized, Double-Blinded, Placebo-Controlled Pharmacokinetics Study*, where we demonstrated that DehydraTECH delivered higher volumes of CBD into the human circulatory system and did so more quickly than a concentration-matched positive control. The study demonstrated a statistically significant reduction in human blood pressure ("BP") from DehydraTECH-CBD, versus no statistical reduction in human blood pressure from the positive control. The results of this study significantly influenced the direction of Lexaria's research and development of its DehydraTECH technology and led to four subsequent human trial studies in the hypertension field, including study HYPER-H21-1 which resulted in the publication of *Trial of a Novel Oral Cannabinoid Formulation in Patients with Hypertension: A Double-Blind, Placebo-Controlled Pharmacogenetic Study*, Pharmaceuticals and study HYPER-H21-4 resulting in nine (9) peer reviewed publications *Antihypertensive effects of CBD are mediated by altered inflammatory response: A sub-study of HYPER-H21-4 trial*, Journal of Functional Foods; *Chronic effects of oral cannabidiol delivery on 24h ambulatory blood pressure in patients with hypertension (HYPER-H21-4): a randomized, placebo-controlled, and crossover study*, Cannabis and Cannabinoid Research; *Chronic Effects of Effective Oral Cannabidiol Delivery on 24-h Ambulatory Blood Pressure and Vascular Outcomes in Treated and Untreated Hypertension (HYPER-H21-4): Study Protocol for a Randomized, Placebo-Controlled, and Crossover Study* Journal of Personalized Medicine; *CBD supplementation reduces arterial blood pressure via modulation of the sympatho-chromaffin system: A substudy from the HYPER-H21-4 trial*, Biomedicine & Pharmacotherapy; *Effects of CBD supplementation on ambulatory blood pressure and serum urotensin-II concentrations in Caucasian patients with essential hypertension: A sub-analysis of the HYPER-H21-4 trial*, Biomedicine & Pharmacotherapy; *The Influence of Oral Cannabidiol on 24-h Ambulatory Blood Pressure and Arterial Stiffness in Untreated Hypertension: A Double-Blind, Placebo-Controlled Cross-Over Pilot Study,* Advances in Therapy; *Differences in Plasma Cannabidiol Concentrations in Women and Men: A Randomized, Placebo-Controlled, Crossover Study*, International Journal of Molecular Sciences; *Can Endocannabinoids Explain CBD-Mediated Reduction in Blood Pressure? Insights from a Randomized, Placebo-Controlled, Crossover Trial,* Cannabis and Cannabinoid Research; and *Cardiovascular Effects of Cannabidiol: From Molecular Mechanisms to Clinical Implementation,* International Journal of Molecular Sciences.

During fiscal 2025 Lexaria marked significant milestones in further investigating and developing DehydraTECH-processed GLP-1 and GIP formulations for the treatment of diabetes and weight loss. The following studies are the most recent contributors to our applied R&D programs that were completed in fiscal 2025.

Diabetes and Weight Loss Management Investigation

During the fiscal-year ended August 31, 2025, Lexaria completed follow-on investigational studies to examine DehydraTECH-enhanced GLP-1/GIP drugs for prospective improvement in diabetes and weight loss management applications. These follow-on studies built upon the results of the initial human pilot studies that the Company conducted in fiscal 2024, namely human pilot studies GLP-1-H24-1 and GLP-1-H24-2 which investigated different formulations of DehydraTECH-semaglutide and evidenced a higher level of semaglutide in blood and fewer adverse effects as compared to the Rybelsus® control.

Human Pilot Study #1 (GLP-1-H24-1)

GLP-1-H24-1 was an investigator-initiated pilot study of the GLP-1 drug semaglutide with seven (7) healthy volunteers comparing performance of a DehydraTECH-semaglutide oral capsule formulation to that of commercially available Rybelsus® tablets. For purposes of this initial study, the DehydraTECH-semaglutide composition was compound formulated using Rybelsus® tablets as the semaglutide source input. This study's findings showed that the DehydraTECH-semaglutide capsules sustained higher levels of semaglutide in blood; had faster achievement of peak drug delivery; had reduced incidence of moderate to severe side effects; sustained lower levels of blood glucose and lowered blood-glucose spike after eating.

Human Pilot Study #2 (GLP-1-H24-2)

GLP-1-H24-2 was a follow-on pilot study to GLP-1-H24-1 and deemed to be of scientific interest to learn whether the DehydraTECH advantages were also experienced under fed conditions. The study was conducted in nine (9) healthy volunteers, this time comparing the performance of a DehydraTECH-processed Rybelsus® capsules to that of commercially available Rybelsus® tablets. The DehydraTECH-processed Rybelsus® evidenced higher semaglutide levels in 17 of the 19 blood draws taken until the 24-hour completion of the study averaging 18.8% higher semaglutide levels over the course of the study compared to Rybelsus® alone, although the differences were variable and not significant statistically with such a small sample size. In addition, none (0) of the 9 people taking the DehydraTECH-processed Rybelsus® swallowed as a capsule experienced any adverse events whatsoever. However, of the 9 human volunteers in the Study taking the Rybelsus® tablet, 6 of them experienced mild adverse events.

The follow-on studies which were undertaken or are currently in progress during the fiscal year are as follows:

Chronic Dosing Animal Study (WEIGHT-A24-1)

This was an obese rat diabetic-conditioned study similar to a previous Lexaria study (DIAB-A22-1), with 12 study arms and 6-10 animals per arm. This study design provided investigation for 12 weeks to study weight loss pharmacokinetic ("PK"), and blood sugar control over time, followed by full data analysis and reporting. The initial eight study arms studied varied DehydraTECH formulations of semaglutide and liraglutide, with and without the salcaprozate sodium "SNAC" technology currently found within Rybelsus® tablets, as well as varied DehydraTECH formulations of CBD. The following four study arms studied DehydraTECH formulations that were created using a combination of: (i) a select DehydraTECH-semaglutide formulation with a select DehydraTECH-CBD formulation and (ii) the DehydraTECH-liraglutide formulation with a select DehydraTECH-CBD formulation; each against a positive control arm of Rybelsus® and a placebo arm. On October 22 and October 24, 2024, the Company announced its study findings as collected on the initial eight study arms, noting that DehydraTECH-liraglutide (Group H) and select DehydraTECH-CBD formulations (Groups B, C, and D) outperformed the DehydraTECH-semaglutide formulations with respect to weight loss. These findings appeared to support Lexaria's belief that DehydraTECH-CBD may have utility in diabetic control. DehydraTECH-liraglutide (Group H) and select DehydraTECH-CBD formulations (Groups A and B) were also the top performers in the study for overall blood sugar level changes of -11.540%, 1.09% and -3.76% respectively. On November 20, 2024, Lexaria published the 12-week weight-control performance and blood sugar control performance results for all study arms. The results indicated that, other than Lexaria's Group A DehydraTECH-CBD study arm, all other DehydraTECH enhanced study arms outperformed the Rybelsus® control arm with respect to body weight-control and body weight-control improvement with statistically significant improvements over Rybelsus® by week 12. Subsequent brain and blood absorption pharmacokinetic results were only able to detect and report CBD levels from Groups A, B, C, D, I and J. Conversely, brain and/or blood absorption levels were only detectable for semaglutide in one treatment group, while neither brain nor blood absorption levels were detectable for semaglutide or liraglutide in all of the other groups dosed with these compounds, including the Rybelsus® positive control group. The lack of detection in these semaglutide and liraglutide treatment groups was surprising given the indications of efficacy, which was suspected to be due to an underlying but undetermined analytical detection issue with the study samples.

Human Pilot Study #3 (GLP-1-H24-3)

The Company conducted a human pilot study in nine (9) healthy human volunteers to study, under fasted conditions, a single daily dose of oral ingested DehydraTECH-tirzepatide capsules (compound-formulated using Zepbound® by Eli Lilly at a strength of 20 mg) administered over a seven-day period as compared to commercially available injectable Zepbound® at a strength of 2.5 mg to evaluate tolerability, PK, and blood sugar. The results as announced on January 14, 2025 and March 18, 2025, evidenced that orally delivered DehydraTECH-tirzepatide produced fewer adverse events as compared to injected Zepbound® and, while having lower levels of blood delivery throughout the study, DehydraTECH-tirzepatide provided steady and consistent rising in blood levels as compared to peak levels of blood delivery seen with Zepbound® within the 2nd day followed by subsequent declines. Importantly, DehydraTECH-tirzepatide reached blood level parity with injectable Zepbound® by the end of the study.

Human Pilot Study #5 (GLP-1-H25-5)

The Company conducted a human pilot cross-over study in ten (10) overweight human volunteers to investigate, under fasted conditions, daily administration of oral ingested DehydraTECH-liraglutide capsules (45 mg) administered over a seven-day period as compared to commercially available injectable Saxenda® at a strength of 0.6 mg to evaluate the potential of an oral version of liraglutide and to demonstrate comparable functional results of DehydraTECH-liraglutide to support a potential expedited FDA 505(b)(2) regulatory pathway. The partial results as announced on June 11, 2025 evidenced that orally delivered DehydraTECH-liraglutide produced fewer adverse events as compared to injected Saxenda® while having comparable measurements in blood glucose, insulin and body weight-control. Results from the pharmacokinetic component of the study are still being analyzed and will be reported upon once available.

Chronic Dosing Human Study (GLP-1-H24-4)

As announced throughout the fiscal year, chronic human study GLP-1-H24-4 conducted in Australia with Lexaria (AU) Pty Ltd acting as the sponsor, investigated 126 overweight, obese, pre-diabetic and/or type-2 diabetic human volunteers/patients. The primary endpoint in this study was to assess impacts upon safety and tolerability based on the incidence of treatment emergent adverse events. This study initially included three DehydraTECH arms testing DehydraTECH-CBD, DehydraTECH-semaglutide and a combination of DehydraTECH-CBD + DehydraTECH-semaglutide respectively. Performance across these three initial study arms was being monitored compared to commercially available Rybelsus® as the positive study control group. Of note, the DehydraTECH-semaglutide composition being evaluated used pure semaglutide processed without inclusion of the salcaprozate sodium ("SNAC") ingredient found in the Rybelsus® composition.

In addition, this study was subsequently expanded to incorporate an orally delivered DehydraTECH-tirzepatide arm to determine safety and tolerability on a larger patient population to advance the findings discovered with the human pilot study GLP-1-H24-3.

On July 28, 2025, preliminary results at the 8-week interim point of the study were released. The results regarding the reduction of adverse events in patients administered with DehydraTECH-semaglutide and DehydraTECH-tirzepatide as compared to the Rybelsus® control arm showed an encouraging reduction of gastrointestinal adverse events by 43.5% for patients dosed with DehydraTECH-semaglutide and 56.5% for patients dosed with DehydraTECH-tirzepatide, as compared to Rybelsus®. On August 14, 2025, the Company announced that the important study milestone known as last patient last visit had been achieved in this study, such that full sample and data analyses could then be undertaken pursuant to the late calendar-2025 final reporting objective.

Rodent Biodistribution Study

In 2025, Lexaria undertook to conduct the first-ever study tracking biodistribution of fluorescently tagged semaglutide ("FTS") in Sprague-Dawley rats, manufactured in two different test articles; one formulated to mimic Rybelsus®; and a second enhanced with DehydraTECH, but devoid of the other Rybelsus® excipients such as its SNAC ingredient, to determine whether the biodistribution of each article reflected any differences. As announced on September 19, 2025, the study results from *ex vivo* organ imaging revealed an interesting trend whereby, when tested against the naïve and vehicle groups, the DehydraTECH FTS composition demonstrated a predominantly higher apparent trend in brain biodistribution as compared to the Rybelsus® mimicking formulation. These results suggested that the efficacy of the DehydraTECH-semaglutide composition witnessed in Lexaria's other studies may be linked to enhancements in brain tissue delivery and action, in turn supporting improved pharmacodynamic performance. Furthermore, perhaps to be determined through future testing, Lexaria noted in connection with these results that it may be conceivable that complementary biodistribution benefits might be derived through utilization of a similar DehydraTECH semaglutide composition combined with the Rybelsus® excipients, recognizing that marked safety and efficacy improvements were evidenced with DehydraTECH-processed Rybelsus® over Rybelsus® alone in Lexaria's previous human pilot studies GLP-1-H24-1 and GLP-1-H24-2.

Long Term Stability Testing

Lexaria is also actively studying the chemical and microbiological purity and stability of select DehydraTECH compositions that it has prepared for the above animal and human studies over an extended duration of 6-12 months. Along with improved tolerability, PK and efficacy performance, long term stability is crucial if oral variants of GLP-1 / GIP drugs are to be seriously considered as replacements for currently injectable versions of these drugs.

Hypertension Management Investigation

Hypertension Phase 1b IND Trial HYPER-H23-1

The FDA provided Lexaria with a positive written response on August 10, 2022, from our pre-IND meeting regarding DehydraTECH-CBD for the treatment of hypertension. The FDA confirmed that it had agreed with Lexaria's proposal to pursue a 505(b)(2) new drug application ("NDA") regulatory pathway for our program. On January 29, 2024, Lexaria submitted its IND application with the FDA and it received a Study May Proceed letter from the FDA on February 29, 2024. Since that time, Lexaria has filed its Annual Report for study HYPER-H23-1 to maintain its active status and continues to address certain of the FDA conditions while also seeking funding to commence the study.

The IND application was supported by the results of Lexaria's five investigator-initiated human clinical studies of its DehydraTECH-CBD which were conducted between 2018-2023, in an aggregate total of 134 people, without recording a single serious adverse event (the "HYPER Studies"). The HYPER Studies evidenced significant reductions in resting blood pressure over both acute and multi-week dosing regimens alone and, in some cases, complementary to standard of care medications; suggesting that DehydraTECH-CBD has the potential to have broad therapeutic utility.

Business Development

Diabetes and Obesity

The U.S. Centers for Disease Control and Prevention (www.cdc.gov) has indicated that in the United States:

- About 38 million adults have diabetes, and 1 in 5 of them don't know they have it.
- Diabetes is the eighth leading cause of death.
- Type 2 diabetes accounts for about 90% to 95% of all diagnosed cases of diabetes; type 1 diabetes accounts for about 5% to 10%.
- Diabetes is the No. 1 cause of kidney failure, lower-limb amputations, and adult blindness.
- In the last 20 years, the number of adults diagnosed with diabetes has more than doubled.
- Medical costs and lost work and wages for people with diagnosed diabetes total $413 billion yearly.
- Medical costs for people with diabetes are more than twice as high as for people who don't have diabetes.

And that 1 in 5 children and 2 in 5 adults have obesity, which can result in numerous health conditions, including high blood pressure, heart disease and type 2 diabetes with costs to the US healthcare system reaching almost $173 billion a year.

In order to assist with battling these chronic health issues, GLP-1 drugs have recently been approved by the FDA for type two diabetes, sleep apnea, metabolic dysfunction-associated steatohepatitis and weight loss management.

Anecdotal commentary also suggests that some patients are experiencing reduced cravings for alcohol, nicotine and opioids while taking GLP-1 drugs. Other trials are examining their effects on heart disease and even dementia in part because of evidence that GLP-1 drugs may reduce the build-up of the proteins amyloid and tau in the brain, thought to be partly responsible for Alzheimer's disease.

Because GLP-1 drugs have experienced FDA approvals as recently as 2025, and because the health benefits of this drug class are still being discovered and understood, the potential market size is unknown. Published reports indicate that the market size just for the anti-obesity market in 2030 will be $100 billion of which $25 billion has been projected for the oral market share.

Side effects of GLP-1 drugs vary but can include nausea, vomiting, diarrhea and more. A small number of GLP-1 drugs have already been tested or approved in oral format but some studies have reported worse side effects with the oral form. The drugs are also being investigated for their relationship to bone density, muscle loss and more. Because of potential serious side effects, it may be beneficial to treat patients with lower oral doses of the drugs, something that Lexaria's DehydraTECH technology may enable if it can improve the PK performance of GLP-1 drugs through oral capsules. For this reason, Lexaria has spent the majority of calendar 2025 performing human pilot studies and animal studies on DehydraTECH-enhanced GLP-1 and GIP drug formulations to determine if better efficacy with reduced side effects will occur utilizing the DehydraTECH patented technology.

Hypertension

As identified by the World Health Organization Global report on hypertension: the race against a silent killer published on September 19, 2023 (https://www.who.int/teams/noncommunicable-diseases/hypertension-report) approximately 1.3 billion people worldwide suffer from hypertension - elevated blood pressure - and it is recognized as one of the world's top health problems. Only 21% of people with hypertension have it under control with four out of every five people with hypertension not being adequately treated. High systolic blood pressure (identified as a silent killer in the report) is noted as being responsible for more than 10 million deaths annually.

Drugs focused on blood pressure and related conditions are some of the best selling drugs in the world. Those used to treat high cholesterol, reduce the risk of heart disease, prevent heart attack and stroke, have been able to generate $1 billion per year or more in revenue (https://www.statista.com/statistics/1089322/top-drugs-by-lifetime-sales-globally/). Treatment-resistant hypertension, valued at $43 million in 2023 and expected to reach $159.4 million by 2033 (https://www.futuremarketinsights.com/reports/treatment-resistant-hypertension-management-market).

Lexaria is determined to fill the need for a safe, effective, tolerable treatment for hypertension and have a meaningful impact on comorbidity-related costs and deaths with our DehydraTECH-CBD. In pre-clinical and exploratory studies conducted to-date, Lexaria has evaluated through in vivo, in vitro, and human clinical testing the repeatedly evidenced efficacy in utilizing DehydraTECH-CBD to reduce blood pressure while avoiding serious negative adverse effects. Efficacy and lack of negative side effects are two major objectives of FDA-registered clinical studies. With the favorable results from our 2021-2023 HYPER programs, we submitted an Investigational New Drug ("IND") application which received a Study May Proceed letter from the U.S. Food and Drug Administration ("FDA") on February 28, 2024 for the development of Lexaria's DehydraTECH-CBD for the treatment of hypertension pursuant to a 505(b)(2) new drug application ("NDA") regulatory pathway. This abbreviated pathway typically enables a quicker route to commercial approval than a traditional 505(b)(1) NDA pathway.

Lexaria's IND-enabling program is made possible through successfully completed studies that have provided support for more ambitious commercial goals. The successful results from HYPER-H21-4, HYPER-H21-3, HYPER-H21-3, HYPER-H21-1 and our 2018 human clinical study, along with a number of successful animal studies demonstrating pharmacokinetic ("PK") performance; and the molecular characterization work completed through Canada's National Research Council, have together established a strong body of evidence for Lexaria's DehydraTECH-CBD. These studies have shown that DehydraTECH-CBD demonstrates superior bio absorption upon oral administration and is effective at reducing blood pressure with no significant unwanted side effects.

Licensing

Lexaria has strategically structured its organization to obtain the most value from its DehydraTECH patented technology and has provided its subsidiary companies with exclusive rights to use DehydraTECH or sublicense DehydraTECH with specific molecules, namely, all molecules, other than nicotine, for pharmaceutical products; all molecules, other than nicotine or cannabis for nutraceutical products; CBD; and Nicotine.

Lexaria Nicotine LLC, (16.667% owned by Altria Ventures Inc.) holds the exclusive rights to the use or sublicense of DehydraTECH with nicotine molecules. As at the fiscal year ended August 31, 2025, Lexaria Nicotine LLC has one perpetual non-exclusive global license issued to Altria Client Services LLC for DehydraTECH-Nicotine.

Lexaria Hemp Corp. holds the exclusive license to the use of DehydraTECH with cannabis that contains less than 0.3% THC for non-pharmaceutical products. As at the fiscal year ended August 31, 2025, Lexaria Hemp Corp. had the following active licenses:

- Non-exclusive license with Hill Inc. for all product formats globally;
- Non-exclusive license with Boldt Runners Corporation for oral pouch and oral mulch products in the US, South Africa and Japan;
- Non-exclusive license with Bevnology LLC for all product formats globally excluding Japan, Korea and China;
- Non-exclusive license (other than the rights held by Hill Inc. and Boldt Runners Corporation) with Premier Anti-Aging Co. Ltd. (as assigned pursuant to its absorption merger with Premier Wellness Science Co. Ltd.) ("Premier") for all product formats in Japan (expired August 31, 2025).

Premier, a cosmetics and skin-care company listed on the Tokyo Stock Exchange, amended its exclusive perpetual license to a non-exclusive license ending on August 31, 2025. The amended license required quarterly payments of US$84,000 until August 31, 2024 and thereafter quarterly payments of US$174,000 until August 31, 2025.

In addition to the minimum payments, Lexaria will also receive royalty revenue from DehydraTECH licensed product sales under the agreed terms.

Lexaria Pharmaceutical Corp. ("LEXX Pharma") holds the exclusive rights to license DehydraTECH in connection with all molecules other than nicotine, with respect to DehydraTECH products that required physician consultation and were intended to treat a therapeutic indication. As of the fiscal year ended August 31, 2025 LEXX Pharma had the following active licenses:

- Non-exclusive license with AnodGen Bioceutical for pharmaceutical and medical product applications incorporating DehydraTECH-infused psychoactive cannabinoid powders and medical product applications incorporating DehydraTECH-infused non-psychoactive cannabinoid powders within Europe including the UK, Australia and New Zealand. This license is dormant and we are not aware if AnodGen will be capable of exercising their business plan.
- Non-exclusive license with Valcon Medical A/S for bulk powder formats, as solid oral dosage forms such as powder-filled capsules, and compressed tablets, pills and oral melts, and in topical creams or lotions with or without patch integration that incorporate DehydraTECH-infused cannabinoids for the purposes of medical product applications within Europe including the UK. Valcon has not communicated their intentions or timeline of development of products utilizing this license.
  Exclusive license with Lexaria (AU) Pty Ltd for the use of DehydraTECH-CBD formulation 2.0, DehydraTECH-semaglutide and DehydraTECH-tirzepatide for pharmaceutical products to treat weight-loss and diabetes in the territory of Australia

On July 26, 2023, Lexaria issued its subsidiary, Lexaria Nutraceutical Corp., an exclusive license to the use of DehydraTECH for all molecules, excluding those associated with nicotine or cannabis, solely in association with non-pharmaceutical products. As at the fiscal year ended August 31, 2025, Lexaria Nutraceutical Corp. had the following active licenses:

- Non-exclusive license with Bevnology LLC for various non-pharmaceutical product formats in the US;
- Exclusive, world-wide, perpetual and sublicenseable license with SulfoSyn Limited for the use of DehydraTECH with the molecule sulforaphane;

Hill Inc. is the only non-subsidiary company that holds the exclusive license rights to use and sublicense DehydraTECH. This license is limited to non-pharmaceutical products that contain 0.3% or greater amount of THC. Lexaria CanPharm ULC continues to hold a promissory note payable by Hill Inc. in connection with the assignment of these exclusive rights, with the promissory note bearing an original value of CDN$2 million and incurring 10% interest annually, which is reduced quarterly based on royalty payments of 5% of the gross proceeds received by Hill Inc. from DehydraTECH infused products or sublicenses issued for the use of DehydraTECH.

Competition

The biopharmaceutical industry is characterized by intense competition and rapid innovation. We believe the key competitive factors that will affect the development and commercial success of any DehydraTECH enhanced product candidates are efficacy, safety, tolerability, reliability, convenience of use, price, and reimbursement. We face competition from segments of the pharmaceutical, biotechnology and other related markets that pursue the development of API delivery platforms. We anticipate facing intense and increasing competition as new more advanced API delivery technologies become available. There can be no assurance that our competitors are not currently developing, or will not in the future develop, technology that is equivalent or more effective, or is more economically attractive than any of our current or any enhanced versions of DehydraTECH.

Our competitors may be able to develop other drug delivery platforms that are able to achieve similar or better results than DehydraTECH. Our competitors include major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical companies, universities, and other research institutions. Many of our competitors have substantially greater financial, technical, and other resources, such as larger research and development staff and experienced marketing and manufacturing organizations and well-established sales forces. Established pharmaceutical companies may also invest heavily to accelerate discovery and development of novel therapeutics or to in-license novel therapeutics that could make DehydraTECH-enabled product candidates obsolete. Smaller or early-stage companies may also prove to be significant competitors, particularly as they develop novel approaches to oral or topical drug delivery that DehydraTECH is focused on.

Mergers and acquisitions in the biotechnology and pharmaceutical industries result in even greater concentration of resources and capital in our competitors. Our competitors, either alone or with collaborative partners, may succeed in developing, acquiring, or licensing API delivery technologies that are more effective, safer, more easily commercialized or less costly than DehydraTECH.

Competition in alternative health sectors and consumer products in the U.S. is fierce. We expect to encounter competitive threats from existing and new participants in the sector with competing technologies. Food supplements, organic foods, and health food markets are all well established and the Company and/or its licensees will face many challenges within these markets. Although Poviva Corp. has filed patent applications to protect intellectual property, there is no assurance that patents beyond those already issued will be granted nor that other firms may not file superior patents pending. Lexaria is aware of other competing technologies that claim to also enhance the bio absorption of bioactive molecules as DehydraTECH has repeatedly demonstrated through *in vitro* and *in vivo* scientific testing. By and large, these technologies are mostly forms of nanotechnology that generally claim to enable the formation of microencapsulated microemulsions of active ingredients. These technologies can enable exceptional water solubility of ingredients and can impart improved intestinal bio absorption as a result, but do not necessarily offer the breadth of performance and value enhancing benefits that Lexaria's DehydraTECH technology offers to its licensees.

Competition in nicotine, alternative nicotine delivery and nicotine cessation sectors in the U.S. is comprised of long-established entities, brands, and new technologies competing to create less harmful options. The sectors are complicated by the significant historical empirical data of older products or technologies versus the more limited published supporting data regarding the effects of new products or technologies. Due to the size of the sectors, we expect to encounter competitive threats from existing participants and unknown new entrants. There is no assurance that other technologies already deployed, or in development, will not form the basis of product formats that competitors or consumers choose to utilize. It is also possible that historic delivery methods that have been in use and the familiarity with them may prevent adoption of products utilizing DehydraTECH in alternative delivery formats. Competing technologies or products may utilize known delivery formats or entirely new and unforecastable formats. Lexaria has demonstrated through scientific testing that DehydraTECH delivers nicotine rapidly and effectively through oral delivery. We believe that if we can educate and influence consumers to adopt a food-grade edible product format, and if US regulatory bodies authorize such format, we may be able to offer a competitively successful new product format that utilizes DehydraTECH.

While we are an early adopter providing technology to the cannabinoid sector, there are a large number of public companies that have claimed to be involved in the sector in some fashion, and an unknown number of private companies. Our current strategies may prove to be ineffective as the sector grows and matures, and if so, we will have to adapt quickly to changing sectoral circumstances. Accordingly, the Company intends to aggressively pursue technology out-licensing opportunities not only within the cannabinoids and nicotine sector where we are already active, but also across other sectors where DehydraTECH is patent allowed and/or pending, including opportunities in the vitamin and supplements sector and the pain relief sector.

Lexaria believes DehydraTECH offers a host of benefits beyond what competing technologies can offer, including enhanced pharmacokinetic performance of APIs into the bloodstream and into brain tissue, reduced adverse reactions, superior oral palatability, a more appealing and all-natural ingredient compositional profile from an oral product and beverage formulation perspective, more predictable time of delivery into bloodstream and certain target tissues, and superior scalability and cost effectiveness from a manufacturing perspective. Lexaria believes that DehydraTECH is significantly distinguished from competing technologies in these respects and has a view of growing the breadth and number of licensees who will adopt DehydraTECH into their product offerings. Lexaria believes that these competitive advantages together with our wealth of scientific data showing noteworthy bio absorption enhancements with DehydraTECH constitute a compelling value proposition for its prospective licensees. We intend to continue to pursue license arrangements in the multiple bioactive ingredient sectors identified in its issued and pending patent applications.

Compliance with Government Regulation

The U.S. Farm Bill was passed in December 2018, and removed certain restrictions on advertising, marketing, banking, and other financial services as well as allowing interstate commerce for hemp and hemp-derived CBD. It also facilitated the removal of barriers for intellectual property protections under federal law such as patents and trademarks. However, the Farm Bill preserves the FDA's authority to regulate products that contain hemp-derived CBD and to date the FDA has not issued an approval for any CBD products, other than one cannabis-derived and three cannabis-related drug products. Accordingly, the ambiguity regarding the incorporation of CBD into ingested and topical products has had significant impacts on the industry segments to which we license DehydraTECH and could potentially change some of the regulatory compliance risks that may affect our business.

As well, while more than thirty-nine states in the U.S. have passed some form of legislation related to that state's permission to grow, cultivate, sell, or use marijuana and/or CBD for medical purposes or for recreational use, legislation is not necessarily harmonious between states and in most circumstances, it is not legal to transport cannabis-related products across state lines.

Lexaria legally conducts R&D on cannabis ingredients in our Canadian federally licensed laboratory in compliance with all federal and local Canadian laws. We abide by U.S. federal law that provides for certain exemptions for agricultural hemp and certain by-products to be manufactured and sold in the U.S. DehydraTECH is only licensed to those companies that have met and comply with state regulations for the sale and distribution of cannabis related products in their licensed operating territories.

DehydraTECH has applications in completely separate sectors such as GLP-1/GIP drugs, vitamins, CBD for applications under pursuit for medical applications registered with the FDA, and nicotine. We are continuing formulation development for research and validation purposes in each of these areas. We have a formal relationship with the Altria Group and have conducted R&D with that company related to the possible development of nicotine oral products. If we do enter any of these sectors, we may be exposed to and of necessity may have to comply with all local, state, and federal regulations in each of those sectors. As a result of the possibility of Lexaria being involved in a number of disparate business sectors, compliance with government regulations could require significant resources and expertise from our Company.

Employees and Contractors

We utilize employees and consultants for the Company's intellectual property development and licensing, and business operations. Our Company relies on the business and technical experience of our existing management, on the technical abilities of consulting experts, and on the technical and operational abilities of its operating partner companies to identify and evaluate business opportunities. We currently have seven full-time salaried employees under contract and may add personnel to expand our internal R&D capacity. None of our employees are represented by a labor union and we consider our employee relations to be good. We outsource virtually all analytical work to independent third-party laboratories located in the USA, Canada, Europe, and Australia.

Our executive personnel are entitled to incentives as set by our Compensation Committee. All executives, directors, employees and select consultants are eligible for participation in the Company's equity incentive plan, the primary purpose of which is to attract, retain and motivate our team members by granting stock-based compensation awards.

Subsidiaries

Lexaria Bioscience Corp. has the following wholly owned subsidiaries:

- Lexaria CanPharm ULC (which is wholly-owned by Lexaria CanPharm Holding Corp.),
- Lexaria CanPharm Holding Corp.,
- Poviva Corp.,
- Lexaria Hemp Corp.,
- Kelowna Management Services Corp.,
- Lexaria Nutraceutical Corp.,
- Lexaria Pharmaceutical Corp., and
- Lexaria (AU) Pty Ltd.

and our majority owned (83.333·%) subsidiary Lexaria Nicotine LLC. Altria Ventures Inc. owns a 16.667% equity interest along with certain other rights in Lexaria Nicotine LLC.

Available Information

Lexaria's common stock is quoted on the Nasdaq under the symbol "LEXX" and certain warrants, which are set to expire on January 14, 2026, are quoted under "LEXXW". We file annual, quarterly, and current reports, proxy statements and other information with the U.S. Securities Exchange Commission (the "SEC"). These filings are available to the public on the internet at the SEC's website at http://www.sec.gov. Lexaria Bioscience Corp. is also deemed to be a British Columbia based reporting issuer in Canada and as such, we are required to file certain information and documents at www.sedarplus.ca.

Our corporate website is www.lexariabioscience.com. This website address is not intended to function *as a hyperlink and the information contained on our website is not intended to be a part of this Report.* We make available free of charge on https://www.lexariabioscience.com/investors/regulatory-filings/ our annual, quarterly, and current reports, and amendments to those reports if any, as soon as reasonably practical after we electronically file such material with, or furnish it to, the SEC. Further details on our research programs are provided in our 2024 and 2025 Form 10-K and Form 10-Q filings. We may, from time to time, provide important disclosures to investors by posting them in the Investor Relations section of our website.

The address of our principal executive office and research laboratory is #100–740 McCurdy Road, Kelowna, British Columbia, Canada V1X 2P7. We maintain our registered agent's office and our U.S. business office at Registered Agents Inc. 401 Ryland Street, Ste. 200A, Reno, NV 89502. Our telephone number is (250) 765-6424.

Item 1A. Risk Factors

Lexaria operates in the intensely competitive biotechnology industry and is subject to numerous risks. Investment in this sector involves a high degree of risk. You should carefully consider the risks described below as well as other information in this report. The occurrence of any of the events, circumstances or developments described below could materially and adversely affect our business, financial conditions, results of operations and our future prospects. Our actual results could differ from those in forward looking statements as a result of numerous factors including the risks described below.

A. Risks Associated with our Business and Industry

DehydraTECH-enabled pharmaceutical products may not successfully proceed to commercialization.

The advancement of DehydraTECH-enabled pharmaceutical products will be subject to successful completion of multi-phase testing under significant regulatory requirements and testing protocols, such as those required by the US Food and Drug Administration (FDA) and comparable foreign regulators. While we have seen success in our animal studies and in many of our human pilot studies and exploratory human studies, it is possible that setbacks may occur in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in such earlier studies. The effects of such reversions could cause significant delays or abandonment of testing with negative effect to our business through financial loss, industry credibility and/or a temporary or permanent decline in valuation of our Company.

If we are unable to retain and hire qualified personnel, we may not be able to implement our business plan successfully.

In developing DehydraTECH, we rely upon our employees, consultants, contractors, and collaborators. Our current business prospects are dependent on the principal members of our executive team, the loss of whose services could make it difficult for us to manage our business successfully and to achieve our business objectives. The loss of the services of any key research, product development, regulatory and technical personnel, or our inability to hire new personnel with the requisite skills, could restrict our ability to carry out our R&D programs and/or develop our product candidates. Each position in a small company carries relatively greater duties and responsibilities than that position would in a larger organization. The loss of any of our key personnel could result in severe disruptions to our operations and business plans. Our ability to identify, attract, integrate, and retain additional qualified key personnel is critical to our success. Competition for skilled research, product development, regulatory and technical personnel is intense, and we may not be able to recruit and retain the personnel we need.

We face substantial competition, which may result in others discovering, developing and/or commercializing technology or products similar to ours before or more successfully than us.

Our commercial and/or licensing opportunities may be reduced or potentially eliminated if our competitors develop and commercialize products utilizing a similar technology that compete directly with those incorporating DehydraTECH. Significant delays in the development of our product candidates could allow competitors to bring products to market before us, which may impair the ability to commercialize our product candidates. This could result in reduced sales and negative pricing pressure on our technology, lessening our ability to increase or even sustain revenues and causing deterioration of market prospects.

Our competitors could also develop drugs that are more effective, more widely used and less expensive than our technology supports. They may also be more successful in manufacturing and marketing their products. Competitors could acquire regulatory approval of their products before we are able to obtain patent protection or other intellectual property rights, limiting our ability to license our respective patents and/or develop or commercialize a product candidate. These appreciable advantages could render our product candidates non-competitive or obsolete before we can recover the expenses of research, development, and commercialization.

Our competition includes pharmaceutical and biotechnology companies, educational institutions, and research foundations. They may have substantially greater capital resources, research and development workforce and facilities and superior marketing experience than Lexaria. They may be able to respond more rapidly to new regulations and/or devote greater resources to the development and promotion of their business model. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, and in acquiring technologies and technology licenses competitive to our programs or of potential use to our business.

Early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors and could increase their ability to rapidly gain market share.

As a result of these factors, management cannot be certain that the Company will be able to compete against current or future competitors or that competitive pressure will not seriously harm our business.

Any failure in protecting our intellectual property may have a negative impact on our ability to develop and license DehydraTECH.

Because patents involve complex legal and factual questions, the issuance, scope, validity, and enforceability of patents cannot be predicted with certainty. Some of our patent pending applications may not be granted as patents. Even if patents are issued, they may not be granted with claims of sufficient breadth to protect DehydraTECH technology or may not provide us with a competitive advantage over other products or technologies. Issued patents may be challenged, invalidated, or circumvented. If they are invalidated or found to be unenforceable, we could lose the ability to exclude others from making, using, or selling the inventions claimed. An issued patent does not give us the automatic right to use the patented technology or commercialize a product using the technology. Third parties may have blocking patents that could be used to prevent us from developing our products, selling our products, or commercializing our DehydraTECH technology. Others may also independently develop products or technologies similar to those that we have developed or may reverse engineer or discover our trade secrets through proper means.

Technological R&D in the bioscience industry involves a lengthy, expensive process with an uncertain outcome. We may incur additional costs or experience delays in completing, or ultimately be unable to complete our studies or trials.

We could encounter numerous unintended and unforeseen events including but not limited to the following:

- regulators or institutional review boards ("IRBs"), or ethics committees may not authorize us or our investigators to commence a study or trial at a prospective trial site. There is no assurance that we will be able to satisfy their approval conditions in a timely fashion if at all, whether due to financial or other unforeseen constraints;
- the ability or failure to reach acceptable terms with prospective trial sites and contract research organizations ("CROs"). These terms can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- the IRB may disagree with our design or change the requirements for approval even after it has incorporated their review and comments;
- authorities may impose a hold on or suspend a program due to any number of factors, including a request for further information or other administrative actions, results of competitors' programs, noncompliance with changing regulatory requirements or a finding that the participants are being exposed to unacceptable health risk or changes in governmental regulations;
- studies or trials of various APIs may produce negative or inconclusive results. We may decide or regulators may require us to conduct additional studies or trials. We may decide to abandon development programs related to those APIs;
- the number of participants required may be larger than anticipated. Participants may drop out or fail to return for follow-up at a higher rate than we anticipate. Initial enrolment may take longer than scheduled. We may be unable to recruit a sufficient number of suitable participants;
- the participants and sites in our studies or trials may not comply with required protocols rendering the results insufficient or uninterpretable;
- the cost of studies or trials of an API may be greater than anticipated and we may lack adequate funding to continue;
- any changes in regulatory requirements and guidance that require amending or submitting new protocols;
- regulators may require the submission of additional data or impose other requirements before granting permission to proceed.

Our R&D costs will increase with delays in testing and/or regulatory approvals. We do not know whether any of our projected studies or trials will begin as planned, will need to be restructured once commenced, or will be completed on schedule, or at all. Any delays in our development programs could significantly impact our share value, business prospects, financial condition, and results of operations.

If we are unable to obtain and maintain sufficient patent protection, or if the scope of the patent protection is not sufficiently broad, our competitors could develop technology similar to ours.

We may not be able to effectively enforce our intellectual property rights throughout the world. Our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws. Patent laws of some foreign countries do not provide protection to the same extent as the laws of the United States. These factors could make it difficult for us to stop the infringement of our patents or the misappropriation of our intellectual property rights. Legal actions to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and resources from other aspects of our business. We cannot ensure that we will be able to initiate or maintain legal efforts in all jurisdictions which could limit the markets for our technology and reduce possible future revenues.

We are dependent on the services of third parties and unsatisfactory performance will negatively affect our Company.

We rely on third parties to conduct, supervise, and monitor our R&D programs. Third-party service providers are not our employees, and except for remedies available to us under contract, we cannot control whether or not they devote sufficient time, skill, and resources to our programs. We remain responsible for ensuring that each of our programs are conducted in accordance with the applicable protocol, legal, regulatory and scientific standards.

If third parties do not successfully carry out their contractual duties in meeting expected deadlines or not conducting our R&D programs or preclinical studies as prescribed, if the quality or accuracy of the data they obtain is compromised due to the failure to adhere to our protocols, regulatory requirements or for other reasons, we or our collaborators may be subject to regulatory enforcement or other legal actions.

Resultant data generated in our preclinical programs may be deemed unreliable and our studies and trials may need to be repeated, extended, delayed, or terminated. We may be delayed in or unable to obtain marketing approvals for our product candidates or to successfully commercialize our product candidates. As a result, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed.

We also rely on third party suppliers and manufacturers to provide us with the facilities, materials, and services to manufacture our DehydraTECH compounds for our research programs and our B2B customers. It is possible that such third parties may not successfully carry out their contractual obligations, meet expected deadlines, adhere to our protocols, or comply with regulatory requirements. This could result in lost revenue or program delays. Demand for our services may be adversely affected if customers lose confidence in the quality of our services or the industry's practices. Adverse publicity may discourage businesses from contracting our services and could have a material adverse effect on future revenue generation.

Agreements with third parties conducting services on our behalf might terminate for a variety of reasons, including a failure to perform by the third parties. If any of these terminate, we may be unable to enter into arrangements with alternative providers or to do so on commercially reasonable terms. Switching or adding additional third parties involves increased management time, focus, regulatory approvals and/or additional cost. Any delays in our manufacturing capabilities or research studies may have a material adverse impact on our business, financial condition and prospects.

Any failure to prevent or mitigate security breaches and improper access to or disclosure of our data or our user data could result in the loss or misuse of such data, which could harm our business and reputation and diminish our competitive position.

Awareness and sensitivity to personal data breaches and cyber-security threats is at an all-time high. Our computer systems and those of our contractors and consultants are vulnerable to damage from unauthorized access, computer viruses, telecommunications and electrical failures, and natural disasters. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our R&D programs. We depend on digital technologies for the successful operation of our business, including corporate email communications to and from employees, licensees, consultants and third-party providers, collection, use and retention of investor data, security systems with respect to our Health Canada licensed laboratory and maintenance of confidential information.

As part of our business model, we collect, retain, and transmit confidential information over public networks. We may be vulnerable to targeted or random personal data or security breaches, acts of vandalism, computer malware, misplaced or lost data, programming and/or human errors, or other similar events. Any misappropriation of our internal confidential or personal information gathered, stored or used by us, be it intentional or accidental, could have a material impact on the operation of our business, including severely damaging our reputation and our relationships with licensees, employees and investors. We may incur further significant costs implementing additional security measures to protect against new or enhanced data security or privacy threats, or to comply with current and new international, federal, and state laws governing the unauthorized disclosure of confidential and personal information which are continuously being enacted. We could also experience loss of revenues resulting from unauthorized use of proprietary information including our intellectual property. We could also face sizable fines, significant breach containment and notification costs to supervisory authorities and the affected data subjects, and increased litigation as a result of cyber security or personal data breaches.

We may be subject to claims that our employees, consultants, or independent contractors have wrongfully used or disclosed alleged trade secrets.

We employ, and may employ in the future, individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We could be subject to claims that the Company or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Successful claims could result in our loss of valuable intellectual property rights or personnel in addition to suffering monetary damages. Even if we are successful in any litigation, it could result in substantial costs and be a distraction to management with an adverse impact on our business.

B. Risks Associated with our Financial Condition

There is substantial doubt as to our ability to continue as a going concern, which may affect our ability to obtain future financing and may require us to curtail or cease our operations.

Our consolidated financial statements as of August 31, 2025 were prepared under the assumption that we will continue as a going concern. As of August 31, 2025, we had unrestricted cash and cash equivalents of approximately $1.8 million to settle $1.5 million in current liabilities. Our ability to continue as a going concern will depend on our ability to obtain additional equity, effect a collaborative or strategic partnership, reduce or contain expenditures, and, ultimately, to generate revenue. Based on these factors, management determined that there is substantial doubt as to our ability to continue as a going concern.

If we are unable to continue as a going concern, we may have to liquidate our assets and may receive less than the value at which those assets are carried on our audited financial statements, and it is likely that investors will lose all or part of their investment. If we seek additional financing to fund our business activities as a result of the substantial doubt as to our ability to continue as a going concern, investors or other financing sources may be unwilling to provide additional funding to us on commercially reasonable terms or at all.

Without additional financing to develop our business plan, our business may fail.

We have generated only minimal revenue from our business and anticipate that we will need to raise further financing to conduct and grow our business. We can provide no assurance that we will be able to secure such financing. The most likely source of future funds presently available to us is through the sale of equity capital. Any sale of share capital will result in dilution to existing security-holders.

The longer-term growth of our business depends on our ability to expand our portfolio of patents and industry segments where DehydraTECH is demonstrably applicable, which may require substantial financial resources and may ultimately be unsuccessful.

There can be no assurance that we will achieve significant revenues or profitable operations or will generate adequate funds to continue our intellectual property development. Many factors, such as competition, patent protection, appropriate regulatory approvals, availability of personnel, and market acceptance of our services can influence the revenue and profitability potential. As a result, we may experience material fluctuations in future operating results on a quarterly and annual basis which could materially affect our business, financial condition, and operating results.

The R&D programs required to develop the evidence that DehydraTECH's demonstrated efficacy also works with other APIs and molecules may ultimately be unsuccessful. We cannot be certain that our overall business model within any particular sector will ever come to fruition, and even if they do, will generate meaningful profits. We may not recover all or any portion of our capital investment in our research and technology development, marketing, or other aspects of the business.

We may enter into collaborations with third parties for the development and commercialization of our product candidates. If we fail to enter into such collaborations, or such collaborations are not successful, we may not be able to capitalize on the market potential of our product candidates.

We face significant competition in seeking appropriate partners. Our ability to reach a definitive agreement in any collaboration depends in part on our assessment of their resources, expertise and intent, the terms and conditions of the proposed agreement and the evaluation of numerous factors by the proposed collaborator. Our ability to generate revenues from these arrangements will depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements.

If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a product candidate, reduce or delay our development programs. This might delay our potential development schedule or reduce the scope of research activities or increase our expenditures. We may have to undertake further discovery or preclinical development activities at our own expense. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development activities, we may not be able to further develop our product candidates or continue to develop our product candidates and our business may be materially and adversely affected.

Future collaborations may involve the following risks whereby collaborators may:

- not perform their obligations as expected or terminate an agreement for their convenience. If terminated, we could be required to raise additional capital to pursue further development or commercialization of the applicable product candidates. We could face difficulty in attracting new collaborators. The markets' perception of our business could be adversely affected.
- have significant discretion in determining the efforts and resources that they will apply. We would have limited control over the amount and timing of resources. They may provide insufficient funding for product development of our selected targets.
- have us repeat or conduct new discovery and preclinical development or delay, stop or abandon discovery and preclinical development of a product candidate.
- view product candidates discovered in collaboration as competitive with their existing product candidates or products. They may cease to devote resources to the development of collaborative product candidates.
- independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates if they conclude that competitive products are more likely to be successfully developed than our products.
- use their proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property.
- become involved in a business combination which, subject to its contractual obligations, might detract from or terminate the development of any of our product candidates.

C. Risk Associated with Current Regulatory Environments

Our product candidates are in an early stage of development and may fail or experience significant delays or may never advance to the clinical stage, which may materially and adversely impact our business.

All of our R&D programs are in the preclinical development stage and our future success heavily depends on the successful development of our DehydraTECH product candidates which may never occur. These product candidates could be delayed, not advance into the clinic, or unexpectedly fail at any stage of development. Before we can commence clinical trials for a product candidate, we must conduct extensive preclinical and other non-clinical tests in order to support an investigational new drug ("IND") application, including IND-enabling good laboratory practice toxicology studies. Preclinical studies and clinical trials are expensive, difficult to design and can take many years. There is no assurance that we will be able to successfully develop our product candidates, and we may focus our efforts and resources on product candidates that may prove to be unsuccessful.

We cannot be certain of the outcome of preclinical testing and clinical studies and results from these studies may not predict the results that will be obtained in later phase trials of our product candidates. Even if we are able to complete our preclinical studies and planned clinical trials in line with our projected timelines, results from such studies and trials may not be replicated in subsequent preclinical studies or clinical trial results. Additionally, such studies may be delayed due to events beyond our control. As a result, we cannot guarantee that we will be able to submit INDs, or similar applications, within our projected timelines, if at all, or that the FDA, or similar regulatory authorities, will allow us to commence clinical trials.

Pharmaceutical products incorporating DehydraTECH have never been approved for the treatment of disease.

In order to commercialize a product that utilizes DehydraTECH for the treatment of any disease, we and/or our commercial partner must obtain regulatory product approvals for treatment of a particular indication. Satisfying regulatory requirements is an expensive process that typically takes many years. There are compliance requirements covering R&D, testing, manufacturing, quality control, labelling, and promotion of drugs for human use. To obtain necessary regulatory approvals we must complete clinical trials demonstrating that our product is safe and effective for a particular indication. There can be no assurance that any product enhanced by DehydraTECH will be proven to be safe and effective, that clinical trials will demonstrate the necessary safety and effectiveness of the product candidates, or that we will be successful in obtaining regulatory approval for any treatment developed, even if such safety and effectiveness are demonstrated.

We may encounter obstacles in obtaining regulatory approval from the FDA or other international regulatory organizations during clinical trials including:

- clinical trials may not yield sufficiently conclusive results for regulatory agencies to approve the use of DehydraTECH;
- DehydraTECH enhanced formulations may fail to be more effective than current therapies, or to be effective at all;
- DehydraTECH enhanced formulations may have adverse side effects, which could cause them to be delayed or precluded from receiving regulatory approval or otherwise expose us to significant commercial and legal risks;
- it may take longer than expected to determine whether or not a treatment is effective;
- patients involved in the clinical trials may suffer severe adverse side effects even up to death, whether as a result of treatment with DehydraTECH enhanced formulations, the withholding of such treatment, or other reasons whether within or outside of our control;
- patients enrolled in the clinical trials may not have the characteristics necessary to obtain regulatory approval for a particular indication or patient population;
- failure to obtain and/or maintain, any required governmental approvals;
- if approval for commercialization is granted, it is possible the authorized use will be more limited than is necessary for commercial success, or that approval may be conditioned on completion of further clinical trials or other activities, which will cause a substantial increase in costs;
- if granted, approval may be withdrawn or limited if problems with DehydraTECH enhanced formulations emerge or are suggested by the data arising from their use or if there is a change in law or regulation.

Any success achieved at a given stage of the clinical trials does not guarantee that the future achievement of success at any subsequent stage, including without limitation, final FDA or comparable regulatory authority approval.

Delays or rejections in the regulatory approval process because of additional government regulation resulting from future legislation or administrative action, or from changes in the policies of the FDA or other regulatory bodies during the period of product development, clinical trials, or regulatory review may occur. Failure to comply with applicable regulatory requirements may result in criminal prosecution, civil penalties, recall or seizure of products, total or partial suspension of production, or an injunction preventing certain activity, as well as other regulatory action against our product candidates or our Company.

We may choose to conduct one or more of our clinical trials or a portion of our clinical trials for our product candidates outside the U.S. The acceptance of study data from clinical trials conducted outside the U.S. or another jurisdiction by the FDA or comparable regulatory authority may be subject to certain conditions or may not be accepted at all.

We currently have no commercial pharmaceutical products and therefore generate no revenue from pharmaceutical products and may never be able to develop marketable pharmaceutical products. We have limited experience in filing the applications necessary to obtain approval and expect that we will need to rely on CROs and regulatory consultants to assist us with this process. Regulatory approval also requires the submission about the product manufacturing process and the inspection of the manufacturing facilities. Our success is dependent on our or a third parties' ability to successfully navigate the risks and obstacles associated with obtaining FDA or other regulatory clearance for any DehydraTECH enhanced formulated product.

Pharmaceutical products using CBD as an API have limited approval for the treatment of any disease.

To date the FDA has approved only limited use of cannabinoids for the treatment of any disease or condition. The FDA has approved one cannabinoid-derived drug product for the treatment of seizures associated with Lennox-Gastaut syndrome and Dravet syndrome and three synthetic cannabinoid-related drug products for the treatment of nausea and vomiting caused by cancer chemotherapy. While we expect any product candidates that we develop will be regulated as a new drug under the Federal Food, Drug, and Cosmetic Act, the FDA could decide to regulate them or any other products incorporating DehydraTECH-CBD under a different regulatory regime. The lack of policies, practices or guidelines may hinder or slow review by the FDA of any regulatory filings that we may submit. The FDA may respond to these submissions by defining requirements that we may not have anticipated.

Regulation of non-pharmaceutical hemp-based CBD products is evolving.

We cannot predict the nature of any future laws, regulations, interpretations, or their application to non-pharmaceutical hemp-based CBD. It is probable that regulations may be enacted that will be directly applicable to our business. Violations, alleged or otherwise, could disrupt our business or the business of our licensees. Any compliance deficiencies with future government regulation could increase our operating costs.

In the US, interstate shipment of hemp-derived non-pharmaceutical CBD from one state to another is legal only where both states have laws and regulations that allow for the production and sale of such products and that qualify under the Farm Bill. The marketing and sale of DehydraTECH products containing hemp-derived non-pharmaceutical CBD is limited by such factors and is restricted to such states. A repeal or adverse amendment of laws and regulations that are now favorable to the distribution, marketing, and sale of finished products of hemp-derived CBD our licensees intend to sell could significantly limit, restrict, or prevent us from generating revenue related to these DehydraTECH enabled non-pharmaceutical products. Any such repeal or adverse amendment of now favorable laws and regulations could have an adverse impact on our business plan with respect to such revenues.

Controlled substance legislation differs between localities. Legislation in certain jurisdictions may restrict or limit our ability to develop and commercialize products using DehydraTECH.

We currently have licensees who produce hemp-derived non-pharmaceutical CBD products. The Farm Bill delegates the authority to the states to regulate and limit the production of these products within their territories. Many states now have laws and regulations that allow for the production and sale of hemp-derived CBD products. We can offer no assurance that these state laws will not be repealed or amended, which could render these products illegal. Such actions would adversely impact our product revenue and royalties derived from DehydraTECH-enabled CBD products.

D. Risks Associated with Securities Markets and Ownership of our Common Stock

The trading price of the shares of our common stock could be highly volatile and as such investors could incur substantial losses.

Prospects for companies in the biotechnology industry may be regarded generally as uncertain given the nature of the industry and, accordingly, investments in biotechnology companies should be regarded as speculative. We have experienced erratic share price and trading volume movement of our common stock which could be influenced by any number of factors including those extraneous to our operating performance and business prospects.

Our by-laws do not contain anti-takeover provisions, which could result in a change of our executive management and directors if there is a take-over of our Company.

We do not currently have a shareholder rights plan or any anti-takeover provisions in our by-laws. Without any anti-takeover provisions, there is no deterrent for an unwanted take-over of our Company. This could result in a change of management, business strategy, a lower enterprise valuation than anticipated and/or dilution of current shareholdings.

We do not intend to pay any dividends on our shares.

We have not declared or paid any dividends on our shares since inception. We intend to retain any earnings to implement our business plan. Investors seeking dividend income should not invest in our shares.

Purchasers of our shares may incur dilution.

We are authorized to issue up to 220,000,000 shares. Pursuant to Nevada corporate law, our Board has the authority to approve additional share issuances, and to determine the rights, preferences, and privileges of such shares, without consent of any of our stockholders, though pursuant to Nasdaq Rules, stockholder approval may be required for certain of these actions. We may issue shares in the future to raise working capital resulting in shareholders dilution in the ownership of our Company.

We are a "smaller reporting company" under the SEC's disclosure rules and have elected to comply with the reduced disclosure requirements applicable to smaller reporting companies.

As a smaller reporting company, we have elected to adopt the accommodations for scaled-back disclosure in our SEC filings, resulting in less information about our Company being available compared to other public companies. We are also a non-accelerated filer and are not required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002. Our internal controls over financial reporting will not receive the level of review provided by the process relating to the auditor attestation included in annual reports of issuers that are subject to these requirements.

We cannot predict if investors will find our common shares less attractive because we are not required to comply with more robust disclosure or the auditor's attestation requirements. If investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and trading prices may be negatively affected.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

We are an early stage biopharmaceutical company and we are focused on developing our patented DehydraTECH technology. We do not sell products and therefore do not maintain customer lists or similar personal information. Therefore, we do not consider that we face significant cybersecurity risk and have not adopted a formal cybersecurity risk management program or process for assessing cybersecurity risk currently. We assess material risks from cybersecurity threats on an ongoing basis, including any potential unauthorized access to or occurrence on or conducted through our information systems that may result in adverse effects on the confidentiality, integrity, or availability of our information systems or any information residing therein. To this end, we utilize an outsourced information technology consultant, who we believe has sufficient experience and expertise with regard to cybersecurity matters, to implement systems and procedures designed to reduce, respond to and monitor for cybersecurity threats and vulnerabilities. Our outsourced information technology consultant conducts proactive patching and monitoring of all of our existing systems monthly and has implemented systems and procedures to mitigate cybersecurity risks that we believe are appropriate for a company of our size, stage of growth and financial condition.

As of the date of this Annual Report on Form 10-K, we are not aware of any cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected us, including our business strategy, results of operations or financial condition. However, as discussed under "Risk Factors" in Part I, Item 1A of this Annual Report, cybersecurity threats pose multiple risks to us, including potentially to our results of operations and financial condition. For additional information concerning risks related to cybersecurity, *see* Item 1.A. Risk Factors: Risks Associated with our Business and Industry.

Governance

Management is responsible for the day-to-day management of the risks we face, while our Board of Directors ("Board") as a whole has responsibility for the oversight of risk management, including as to material risks from cybersecurity threats. In its risk oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are appropriate and functioning as designed. In general, we seek to address cybersecurity risks through a cross-functional approach that is focused on preserving the confidentiality, integrity, and availability of the information that we collect and store by identifying, preventing, and mitigating cybersecurity threats and effectively responding to cybersecurity incidents when they occur.

Item 2. Properties

Description of Property

The Company headquarters is in Kelowna, British Columbia Canada in a leased facility with 2,250 square feet of office space to accommodate our finance and administrative functions as well as a Health Canada approved research lab of approximately 1,000 square feet accommodating our in-house research and development team. The current lease has been extended for an additional five years expiring on November 14, 2028. We believe our current facilities are suitable and adequate for the Company's current operational requirements.

Item 3. Legal Proceedings

We are not party to any material, pending or existing legal proceedings against our Company or its subsidiaries nor are we involved as a plaintiff in any other material proceeding or pending litigation. There are no other proceedings in which any of our directors, executive officers, or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to Lexaria or any of its subsidiaries.

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Since January 2021, the Company's common stock and certain warrants, which are set to expire on January 14, 2026, have been trading on the National Association of Securities Dealers Automated Quotations Stock Market ("Nasdaq") under the trading symbols "LEXX" and "LEXXW", respectively.

The stock market in general has experienced extreme stock price fluctuations in the past few years. In some cases, these fluctuations have been unrelated to the operating performance of the affected companies. Many companies have experienced dramatic volatility in trading volumes and the market prices of their common stock. The Company believes that several factors, both within and outside of its' control, could cause the daily volumes and price of the Company's common stock to fluctuate. There were 19,559,179 common shares issued and outstanding as of August 31, 2025. As of November 25, 2025, there were approximately 34 holders of record of our common stock. A substantially greater number of holders of our common stock are 'street name' or beneficial holders, whose shares are held by banks, brokers and other financial institutions.

Dividend Policy

We have never declared or paid any dividends on our capital stock. Our current policy is to retain earnings, if any, for use in our operations and in the development of our business. As a result, we anticipate that only appreciation of the price of our common stock, if any, will provide a return to investors for at least the foreseeable future. Any future determination related to dividend policy will be made at the discretion of our Board and will depend on, among other factors, our results of operations, financial condition, capital requirements, contractual restrictions, business prospects and other factors our Board may deem relevant.

Warrants

During the year ended August 31, 2025, 4,678,209 warrants were issued, 394,655 warrants expired, and 2,917,032 warrants were cancelled. As at August 31, 2025, the Company had 7,298,171 warrants outstanding as follows:

- 1,719,828 warrants expiring on January 11, 2026 with an exercise price of $6.58
- 483,750 warrants expiring on May 11, 2028 with an exercise price of $0.95
- 259,741 warrants expiring on February 16, 2029 with an exercise price of $2.185
- 54,546 warrants expiring on February 14, 2029 with an exercise price of $2.8875
- 102,097 warrants expiring on February 16, 2029 with an exercise price of $5.9375
- 57,190 warrants expiring on October 14, 2029 with an exercise price of $3.825
- 4,551,019 warrants expiring on January 14, 2030 with an exercise price of $3.06
- 70,000 warrants expiring on April 24, 2030 with an exercise price of $1.25

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The Company did not repurchase any of its equity securities during its fiscal year ended August 31, 2025.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

This discussion and analysis contain forward-looking statements that involve not only risks and uncertainties but also changes in condition, significance, value and other factors as described in "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Our actual results of operations, performance, financial position and business prospects and opportunities for this fiscal year and the periods that follow could differ materially from those expressed in or implied by forward-looking statements. This discussion and analysis should be read in conjunction with our consolidated financial statements and the accompanying notes related thereto that appear in this Report.

The following management's discussion and analysis of financial condition and results of operations ("MD&A") is provided to enhance the readers understanding of our results of operations and financial condition for the year ended August 31, 2025, and in comparison, to the year ended August 31, 2024.

Executive Summary

Lexaria's DehydraTECH patented technology improves the delivery of bioactive compounds while promoting healthy ingestion methods, lowers overall dosing, and is highly effective in active molecule delivery available in a range of formats from oral ingestible to oral buccal/sublingual products. DehydraTECH substantially improves the rapidity and quantity of API transport to the blood plasma using the body's natural process for distributing fatty acids via the oral route. This technology extends across many categories beyond the primary pharmaceutical focus of the Company from foods and beverages to cosmetic products and nutraceuticals.

Lexaria is advancing several R&D activities in both preclinical and planned future clinical programs. Our primary focus during the fiscal year was on our continued investigations of DehydraTECH-enhanced GLP-1 and GIP drugs. These investigations included the completion of an extensive 12 arm animal study to investigate DehydraTECH enhanced semaglutide (both pure API and formulated Rybelsus®), DehydraTECH enhanced liraglutide, and DehydraTECH enhanced CBD for weight loss and two human pilot studies, with one testing DehydraTECH-tirzepatide and the other testing DehydraTECH-liraglutide. In addition, Lexaria completed its last patient visit for its 12-week chronic human clinical trial study of diabetic patients comparing DehydraTECH-cannabidiol ("CBD"), DehydraTECH-semaglutide, DehydraTECH-CBD combined with DehydraTECH-semaglutide and DehydraTECH-tirzepatide against a Rybelsus® control. The study data for the preparation of the report for this 12-week chronic human clinical trial is currently being analyzed.

In addition, we have continued to progress forward with addressing comments provided by the FDA on our IND application for the conduct of our Phase 1(b) clinical study investigation of DehydraTECH-CBD for the reduction of hypertension. We will need to raise sufficient funding or enter into a collaboration to be in a position to proceed with this study.

The Company continues to engage in small R&D projects and B2B formulation for third parties who are evaluating our technology for use in their product.

We were granted a total of six new patents during fiscal 2025 including our first Australian patent in our Family #24 for treatment of epilepsy, our first Japanese patent in our Family #20 for sublingual delivery of nicotine and our first patent granted in our Family #27 for Compositions and Methods for Treating Diabetes, making it another successful year for the acquisition of new intellectual property.

Financial condition and operating performance

The data generated from our past and ongoing R&D programs continues to support confirmatory results and is contributing greatly to our understanding of the workings of DehydraTECH. These findings encourage the pursuit of lucrative commercial applications in the pharmaceutical sector. We continue to devote an increasing proportion of our resources toward pharmaceutical applications with the continuation of our programs directed at the enhancement of GLP-1 and GIP drugs.

During the year ended August 31, 2025, we completed two human pilot studies and our Australian clinical trial investigating DehydraTECH infused GLP-1, GIP and CBD formulations. These programs, having been funded by the proceeds of Lexaria's combined 2024 and 2025 financing activities of approximately $16 million, supported our significant advancements in the fields of diabetes, weight loss, heart disease and hypertension.

We consider the advancement of our applied R&D studies to be a vital step towards our goal of establishing commercial relationships with industry partners who can utilize DehydraTECH within existing or new product lines. Conducting additional in vitro and in vivo studies which test the absorption of some, or all of the molecules named within our patents and patent applications further substantiates the effectiveness of DehydraTECH. Successful tests are expected to increase awareness and acceptance of DehydraTECH as a meaningful method used to deliver some or all of the named molecules more effectively than delivery methods currently available. Absorption tests are an important element leading to higher rates of acceptance and the implementation of our technology licensing initiatives. Our R&D results serve to de-risk the potential API products that could conceivably develop into clinical trials and ultimately new drugs.

Our pursuit of opportunities within the GLP-1/GIP drug, cannabinoid, nicotine and other bioactive molecular markets in the US and internationally continue unabated. We believe there are meaningful competitive advantages in manufacturers adopting DehydraTECH in their products, including its demonstrated higher absorption levels, its ability to infuse smaller quantities of active molecules in their products and the benefit of its predictable drug delivery times. Implementing our technology could lead to smaller dosing and decreased manufacturing costs while masking unwanted flavor and smell of the active molecules. We are anticipating these efforts will lead to increased licensing revenue through licensing partnerships. We are pursuing technology licensing opportunities as a method of generating profitable revenue streams over long periods of time. We have not yet, however, been able to secure a large client utilizing our technology in large quantities of products.

With 56 patents granted to date of which 22 are granted in the US, Lexaria believes that it has a robust patent portfolio but continues to seek additional protection for its intellectual property globally. The successful granting of additional patents could lead to material increases in shareholder value through the ability to generate meaningful license revenues from our increased intellectual property portfolio.

Lexaria has concluded that our existing cash, combined with inflows expected from executed license agreements, will not be sufficient to meet our operational requirements for the twelve months following the release of these audited financial statements. Accordingly, there is substantial doubt as to our ability to continue as a going concern for at least one year following the date of the consolidated financial statements included in this report. The Company continues to explore equity financing arrangements and strategic corporate business partnerships for many of its specific drug investigations after sufficient data has been generated. These efforts, if successful, could generate any combination of up-front milestone and/or royalty payments to the Company.

Results of Operations for our Year Ended August 31, 2025

Our net loss from operations increased by $6,102,780 to $11,911,434 for the year ended August 31, 2025 from $5,808,654 for the year ended August 31, 2024. The changes between these periods for the respective items are summarized as follows:

	August 31, 2025	August 31, 2024	Change
Revenue	$ 705,923	$ 464,278	$ 241,645
Cost of goods sold	$ (2,720)	(4,822)	2,102
Research and development	$ (8,238,757)	(2,360,565)	(5,878,192)
Consulting fees & salaries	$ (2,271,028)	(1,820,972)	(450,056)
Legal and professional	$ (632,849)	(812,066)	179,217
Other general and administrative	$ (1,441,306)	(1,218,983)	(222,323)
Other income (loss)	$ (30,697)	(55,524)	24,827
Net Loss	**$ (11,911,434)**	**$ (5,808,654)**	**$ (6,102,780)**

Lexaria's business operations include technology licensing agreements where corporate licensees implement DehydraTECH under license within our contracted facilities under royalty agreements. This includes specific B2B pre-processed DehydraTECH CBD-powders manufactured at a Lexaria contracted GMP-certified food facility for clients to integrate into their final product formats. Fees are derived from a combination of manufacturing charges, royalties and trademark fees.

	Year Ended August 31,		
	2025	2024	Change
IP Licensing	$ 696,000	$ 457,990	$ 238,010
B2B	9,923	5,388	4,535
Other	-	900	(900)
Total Revenue	**$ 705,923**	**$ 464,278**	**$ 241,645**

Total Revenue for fiscal year 2025 increased by $241,645, or 52%, to $705,923 from $464,278 in fiscal year 2024. The primary source of revenue for the Company relates to the licensing of our technology to others. Licensing revenue grew by $238,010, or 52%, to $696,000 in fiscal year 2025 as compared to $457,990 in fiscal year 2024. This increase was attributable to minimum fees from our license agreement with Premier which expired on August 31, 2025. Revenue from our B2B processing of intermediary CBD products increased by $4,535 during fiscal year 2025, while other revenues decreased by $900 during the same period. These year-over-year changes reflect the Company's emphasis during the year on licensing DehydraTECH to new and existing industry participants to enable enhanced performance of their developmental and commercial stage products.

Due to the expiration of our license agreement with Premier and assuming we do not enter into any additional licensing agreements, the Company expects to see a decrease in its revenue from technology licensing of DehydraTECH processed hemp-based CBD and other consumer products in fiscal 2026. The anticipated expansion of our intellectual property portfolio and conducting supportive R&D may jointly contribute to strengthening revenue prospects as we continue to explore new applications for our technology.

Research and Development

Research and development ("R&D") costs are expensed as incurred and account for a significant portion of our operational expenses. During the fiscal year ended August 31, 2025, funding constraints limited our ability to direct resources to studies other than those pertaining to weight loss and diabetes. R&D expenditures for fiscal year 2025 increased by $5,878,192, or 249%, to $8,238,757 from $2,360,565 for fiscal year 2024. The increase in year-over-year R&D expenditures was driven by the commencement and completion of the last patient last visit for our Australian Phase 1b, 12-week chronic study investigating DehydraTECH-semaglutide, DehydraTECH-CBD, a combination thereof and DehydraTECH-tirzepatide against a Rybelsus® control. Lexaria released interim 8-week results from its Australian study evidencing that the DehydraTECH-semaglutide and DehydraTECH-tirzepatide arms produced fewer adverse events ("AEs") and, in particular, fewer gastrointestinal ("GI") AEs than the Rybelsus® control arm. As the manufacturers of GLP-1 and GIP drugs have consistently noted, GI AEs as an area of major concern. Lexaria is extremely pleased with these initial results.

We will continue to invest in our R&D programs for the foreseeable future, although we expect these expenses to decrease in 2026 compared to 2025, unless we are successful in completing corporate financing activities. Currently, our primary clinical research areas of interests are focused on the investigation of DehydraTECH-powered GLP-1/GIP drugs for the treatment of diabetes and weight loss as well as CBD for the reduction of hypertension.

Of significant note, Lexaria submitted our preliminary pre-meeting application for an Investigational New Drug ("IND") to the FDA with plans to develop a cannabidiol-based drug formulation, DehydraTECH-CBD for hypertension. We received a written response following our pre-IND meeting in August 2022 where the agency has agreed with the Company's plans to pursue a faster 505(b)(2) new drug application regulatory pathway for the program. The 505(b)(2) pathway permits a faster commercial approval than the traditional 505(b)(1) NDA pathway. The FDA has agreed with the Company's proposed clinical protocol for DehydraTECH-CBD, which, as currently designed, would target 120 patients with hypertension. The regulator has also decided that there is no need to conduct additional non-clinical studies before the start of the IND program. Lexaria has been working with its third-party regulatory affairs consultant to respond to certain requests of the FDA and submitted its amended protocol during the first calendar quarter of 2025.

Preclinical and clinical development is inherently unpredictable as is regulatory approval and commercialization, therefore we are unable to estimate with certainty the ultimate costs we will incur for multi-year programs, and the timelines required in our continued development and commercialization efforts. We will require significant additional funding to complete any IND planned studies. Any successful development and completion of clinical trials as well as regulatory approval and commercialization are uncertain and may not result in approved products. Completion dates and completion costs can vary significantly for each future product candidate and are difficult to predict. Lexaria and our commercial partners will continue to explore multiple R&D programs directed toward further evaluation, development, and commercialization of our DehydraTECH technology.

General and Administrative

General and administrative expenses consist primarily of consulting fees, executive and employee salaries and stock-based compensation expense (non-cash). Also included are costs for advertising and marketing, investor relations, corporate facilities, insurance premiums, legal fees related to corporate matters, fees for auditing, and tax filings.

General and administrative expenses for fiscal year 2025 increased by $493,162, or 13%, to $4,345,183 from $3,852,021 for fiscal year 2024. The increase during fiscal 2025 relates primarily to higher wages and salaries, foreign exchange losses, patent-related impairment losses, and insurance premiums ($914,579, $192,518, $189,528, and $127,254, respectively) partially offset by lower consulting fees, advertising and promotion expenses, legal and professional fees, and investor relations expense ($464,524, $224,230, $159,721, and $79,900, respectively). The increase in wages and salaries relates primarily to stock-based compensation expense (non-cash), which increased to $859,494 during the year ended August 31, 2025 from $492,236 for the year ended August 31, 2024 due to increased stock options vesting during the year.

The decrease in consulting fees for the year ended August 31, 2025 relates primarily to reduced payments to our former Chief Executive Officer, who resigned effective August 31, 2024, but is maintaining his position as Chairman of the Board and as a Strategic Executive Consultant.

The Company evaluated its patent portfolio and determined that certain pending applications had been abandoned or would not be pursued. As such, during the year ended August 31, 2025, the Company recognized an impairment loss of $247,364 related to those abandoned applications, as compared to $57,836 for the year ended August 31, 2024.

Other Income/(Loss)

Other Income/(Loss) for fiscal year 2025 decreased by $24,827, or 45%, to a loss of $30,697 from a loss of $55,524 for fiscal year 2024. The decrease relates primarily to lower unrealized losses on marketable securities ($33,714 for the year ended August 31, 2025, compared to $69,835 during fiscal year 2024). This is attributable to continuing decreases in the fair value of the Company's investment in Hill Inc. common shares. We remain confident that the loss may be temporary in nature as Hill Inc. continues to make inroads into the US hemp markets with DehydraTECH enabled products produced and sold by their licensees.

Liquidity and Capital Resources

Since Lexaria's entrance into the bioscience sector, it has accumulated net losses of $63.5 million, of which approximately $11.9 million and $5.8 million were incurred, respectively, in the past two fiscal years. We expect to continue to incur significant operational expenses and net losses in the upcoming 12 months and beyond. Our net losses may fluctuate significantly from quarter to quarter and year to year, depending on the stage and complexity of our R&D studies and related expenditures, the receipt of additional payments related to the out-licensing of our technology, if any, and the receipt of payments under any current or future collaborations we may enter.

As the Company continues with our IND application process and progresses into the clinical development of our initial product candidate, the need for substantial capital resources increases. The Company intends to form industry partnerships for later stage clinical development, which in any event is expected to be a multi-year process. Our existing cash is not sufficient to complete the full development, testing and commercialization of an FDA-approved product candidate. Accordingly, we will be required to obtain significant further funding or reach industry partnerships to achieve this business objective and/or delay or modify the program in accordance with the financial resources available.

Sources of Liquidity

During the year ended August 31, 2025, the Company has completed the following:

- Entered into a Securities Purchase Agreement whereby on April 28, 2025, the Company issued 2,000,000 shares of common stock at $1.00 each in a registered direct offering. The Company also agreed to partially compensate the placement agent through the issuance of warrants to purchase up to 70,000 shares of common stock. The warrants will expire five years from the issuance date and have an exercise price of $1.25 per share. The net proceeds to the Company from the registered direct offering was $1.7 million, after deducting placement agent fees and other offering expenses paid by the Company.
- In February 2025, the Company sold 6,585 shares of common stock through an amendment to its At the Market (ATM) offering. Net proceeds from these sales totaled $11,720.
- In October 2024, the Company sold 8,402 shares of common stock through an ATM offering for gross proceeds of $26,146. Share issuance costs related to the ATM offering of $144,812 were charged to additional paid in capital.
- Entered into a Securities Purchase Agreement whereby on October 16, 2024, the Company issued 1,633,987 shares of common stock at a purchase price of $3.06 per share in a registered direct offering. The Company also sold to the sole investor, warrants to purchase up to 4,551,019 shares of common stock (subject to the cancellation of 2,917,032 warrants of the Company held by the investor). The issued warrants will expire five years from January 14, 2025, the date of shareholder approval for such warrant issuance and have an exercise price of $3.06 per share. The Company also agreed to partially compensate the placement agent through the issuance of warrants to purchase up to 57,190 shares of common stock. The warrants will expire five years from the issuance date and have an exercise price of $3.825 per share. The net proceeds to the Company from the registered direct offering was $4.5 million, after deducting placement agent fees and other offering expenses paid by the Company.

On September 26, 2025, we entered into a securities purchase agreement with certain institutional investors, pursuant to which we agreed to sell in a registered direct offering 2,666,667 shares of common stock at a purchase price of $1.50 per share for gross and net proceeds of $4.0 million and $3.5 million, respectively. Concurrently, the Company issued 2,666,667 share purchase warrants, entitling the holder thereof to purchase up to 2,666,667 shares of common stock at a price of $1.37 per share for a period of five years from the effective date of the registration statement registering the shares of common stock issuable upon exercise of the warrants.

We may also offer securities in response to market conditions or other circumstances if we believe such a plan of financing is required to advance the Company's business plans. There is no certainty that future equity or debt financing will be available or that it will be at acceptable terms, and the outcome of these matters is unpredictable. A lack of adequate funding may force us to reduce spending, curtail or suspend planned programs or possibly liquidate assets. Any of these actions could adversely and materially affect our business, cash flow, financial condition, results of operations, and potential prospects. The sale of additional equity may result in additional dilution to our stockholders. Entering into additional licensing agreements, collaborations, partnerships, alliances marketing, distribution, or licensing arrangements with third parties to increase our capital resources is also possible. If we do so we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us.

The Company has evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern. As of August 31, 2025, the Company had cash on hand of approximately $1.8 million to settle $1.5 million in current liabilities. The Company does not believe this is sufficient to fund our expected R&D and operating expenditures for the twelve-month period following the filing date of this report. We do not anticipate making any material capital expenditures in fiscal 2026, other than those currently budgeted for our R&D programs, as we believe our current facilities and equipment are sufficient for the forthcoming twelve months following the filing date of this report. Our ability to continue as a going concern will depend on our ability to obtain additional equity, effect a collaborative or strategic partnership, reduce or contain expenditures, and, ultimately, to generate revenue. Based on these factors, management determined that there is substantial doubt as to our ability to continue as a going concern.

Working Capital	August 31, 2025	August 31, 2024
Current assets	$ 3,468,345	$ 7,897,986
Current liabilities	(1,493,463)	(1,099,419)
Net Working Capital	**$ 1,974,882**	**$ 6,798,567**

The Company's working capital balance decreased by approximately $4.8 million due primarily to the net impact of cash used in operating activities and cash generated from financing activities during the year ended August 31, 2025.

Cash Flows	August 31, 2025	August 31, 2024
Cash flows used in operating activities	$ (10,450,388)	$ (4,959,003)
Cash flows used in investing activities	(243,019)	(188,605)
Cash flows provided by financing activities	6,046,163	10,315,207
Effect of exchange rate changes on cash	(50,518)	(19,816)
Increase/(Decrease) in cash	**$ (4,697,762)**	**$ 5,147,783**

Operating Activities

Net cash used in operating activities was approximately $10.5 million for the year ended August 31, 2025, compared with $5.0 million during the same period in 2024. The increase in net cash used in operating activities during the year ended August 31, 2025 relates primarily to an increase in our net loss ($6.1 million).

Investing Activities

Net cash used in investing activities is attributable to purchases of short-term investments, combined with acquisitions of intellectual property and equipment. During the fiscal year, six additional patents were granted.

Financing Activities

Net cash provided by financing activities reflects net proceeds from the sale of common shares for cash. Net proceeds from the October 16, 2024 and April 28, 2025 financing transactions and At the Market offerings totaled approximately $6.0 million.

Critical Accounting Policies and Estimates

Our consolidated financial statements and accompanying notes are prepared in accordance with US GAAP. These accounting principles require management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses during the periods reported. Based on information available to management at the time, these estimates, judgments and assumptions are considered reasonable. We believe that understanding the basis and nature of the estimates, judgments and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financials.

A critical accounting estimate is an accounting estimate for which a) the nature of the estimate is material due to the related level of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and b) the impact of the estimate on the Company's financial position or operating performance is material. We did not identify any such estimates in our Annual Report on Form 10-K for the year ended August 31, 2025.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As a "Smaller Reporting Company", this Item and the related disclosure is not required.

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Lexaria Bioscience Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Lexaria Bioscience Corp. and its subsidiaries (collectively, the "Company") as of August 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of August 31, 2025 and 2024, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern Matter

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ MaloneBailey, LLP
www.malonebailey.com
We have served as the Company's auditor since 2022.
Houston, Texas
November 26, 2025

LEXARIA BIOSCIENCE CORP.
CONSOLIDATED BALANCE SHEETS
(Expressed in US Dollars)

	August 31, 2025	August 31, 2024
ASSETS		
Current		
Cash	$ 1,802,123	$ 6,499,885
Short-term investments	143,267	-
Marketable securities	22,093	55,807
Accounts receivable	368,358	154,477
Prepaid expenses and other current assets	1,132,504	1,187,817
Total Current Assets	3,468,345	7,897,986
Non-current assets, net		
Long-term receivables	64,013	63,575
Right of use assets	106,816	134,843
Intellectual property, net	307,818	516,676
Property & equipment, net	228,129	254,709
Total Non-current Assets	706,776	969,803
TOTAL ASSETS	$ 4,175,121	$ 8,867,789
LIABILITIES and STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	$ 1,463,046	$ 1,066,409
Deferred revenue	-	4,963
Lease liability, current	30,417	28,047
Total Current Liabilities	1,493,463	1,099,419
Lease liabilities - non-current	78,903	109,319
TOTAL LIABILITIES	$ 1,572,366	$ 1,208,738
Stockholders' Equity		
Share Capital		
Authorized: 220,000,000 common voting shares with a par value of $0.001 per share		
Common shares issued and outstanding:		
19,559,179 and 15,810,205 at August 31, 2025 and August 31, 2024, respectively	$ 19,559	$ 15,810
Additional paid-in capital	66,501,086	59,599,178
Accumulated Deficit	(63,460,613)	(51,558,772)
Accumulated other comprehensive loss	(70,335)	(19,816)
Equity attributable to shareholders of Lexaria	2,989,697	8,036,400
Non-controlling Interest	(386,942)	(377,349)
Total Stockholders' Equity	2,602,755	7,659,051
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,175,121	$ 8,867,789

The accompanying notes are an integral part of these consolidated financial statements.

LEXARIA BIOSCIENCE CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in US Dollars except share amounts)

	Year Ended August 31,	
	2025	2024
Revenue	$ 705,923	$ 464,278
Cost of goods sold	2,720	4,822
Gross profit	703,203	459,456
Operating expenses		
Research and development	8,238,757	2,360,565
General and administrative	4,345,183	3,852,021
Total operating expenses	12,583,940	6,212,586
Loss from operations	(11,880,737)	(5,753,130)
Other income (loss)		
Interest income	3,017	14,311
Unrealized loss on marketable securities	(33,714)	(69,835)
Total other income (loss)	(30,697)	(55,524)
Net loss	$ (11,911,434)	$ (5,808,654)
Less: Net loss attributable to non-controlling interest	(9,593)	(13,309)
Net loss attributable to Lexaria shareholders	$ (11,901,841)	$ (5,795,345)
Other comprehensive income (loss)		
Foreign currency translation adjustment	(50,519)	(19,816)
Total comprehensive loss	$ (11,952,360)	$ (5,815,161)
Basic and diluted loss per share	$ (0.66)	$ (0.47)
Weighted average number of common shares outstanding - Basic and diluted	17,998,715	12,383,974

The accompanying notes are an integral part of these consolidated financial statements.

LEXARIA BIOSCIENCE CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Years Ended August 31, 2025 and 2024
(Expressed in US Dollars)

	Common Stock		Additional Paid-in			Non-controlling	Stockholders'
	Shares	Amount	Capital	Deficit	AOCI	Interest	Equity
Balance August 31, 2023	**8,091,650**	**$ 8,091**	**$ 48,799,454**	**$ (45,763,427)**	**$ -**	**$ (364,040)**	**$ 2,680,078**
Shares sold for cash	2,334,013	2,334	4,206,397	-	-	-	4,208,731
Shares issued from exercise of warrants	5,382,042	5,382	6,098,219	-	-	-	6,103,601
Shares issued from exercise of options	2,500	3	2,872	-	-	-	2,875
Stock-based compensation	-	-	492,236	-	-	-	492,236
Foreign currency translation adjustment	-	-	-	-	(19,816)	-	(19,816)
Net loss	-	-	-	(5,795,345)	-	-	(5,795,345)
Non-controlling interest	-	-	-	-	-	(13,309)	(13,309)
Balance August 31, 2024	**15,810,205**	**$ 15,810**	**$ 59,599,178**	**$ (51,558,772)**	**$ (19,816)**	**$ (377,349)**	**$ 7,659,051**
Shares sold for cash	3,648,974	3,649	6,042,514	-	-	-	6,046,163
Restricted stock award	100,000	100	223,900	-	-	-	224,000
Stock-based compensation	-	-	635,494	-	-	-	635,494
Foreign currency translation adjustment	-	-	-	-	(50,519)	-	(50,519)
Net loss	-	-	-	(11,901,841)	-	-	(11,901,841)
Non-controlling interest	-	-	-	-	-	(9,593)	(9,593)
Balance August 31, 2025	**19,559,179**	**$ 19,559**	**$ 66,501,086**	**$ (63,460,613)**	**$ (70,335)**	**$ (386,942)**	**$ 2,602,755**

The accompanying notes are an integral part of these consolidated financial statements.

LEXARIA BIOSCIENCE CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in US Dollars)

	Year Ended August 31,	
	2025	2024
Cash flows used in operating activities		
Net loss	$ (11,911,434)	$ (5,808,654)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation	859,494	492,236
Depreciation and amortization	87,825	76,153
Impairment loss	247,364	57,836
Bad debt expense	-	7,760
Noncash lease expense	28,027	32,603
Unrealized loss on marketable securities	33,714	69,835
Lease accretion	9,047	6,672
Change in operating assets and liabilites:		
Accounts receivable	(213,881)	(35,551)
Prepaid expenses and deposits	55,313	(641,034)
Long-term receivables	(438)	(15,016)
Accounts payable and accrued liabilities	396,637	826,468
Operating lease liability	(37,093)	(33,273)
Deferred revenue	(4,962)	4,962
Net cash used in operating activities	$ (10,450,387)	$ (4,959,003)
Cash flows used in investing activities		
Short-term investments	$ (143,267)	$ -
Additions to intellectual property	(75,106)	(145,591)
Purchase of equipment	(24,646)	(43,014)
Net cash used in investing activities	$ (243,019)	$ (188,605)
Cash flows provided by financing activities		
Proceeds from exercise of stock options	$ -	$ 2,875
Proceeds from shares sold for cash	6,046,163	4,208,731
Proceeds from exercise of warrants	-	6,103,601
Net cash provided by financing activities	$ 6,046,163	$ 10,315,207
Effect of exchange rate changes on cash	$ (50,519)	$ (19,816)
Net change in cash for the period	(4,697,762)	5,147,783
Cash at beginning of period	6,499,885	1,352,102
Cash at end of period	$ 1,802,123	$ 6,499,885

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Business

Lexaria Bioscience Corp. ("Lexaria", "we", "our" or the "Company") is a biotechnology company pursuing the enhancement of the bioavailability of a diverse and broad range of active pharmaceutical ingredients ("API") using our proprietary DehydraTECH drug delivery technology. Our current focus is the investigation of the incorporation of our DehydraTECH drug delivery technology with GLP-1 and GIP drugs to enhance absorption and reduce adverse events.

Revenues are generated from licensing contracts for the Company's patented DehydraTECH technology based on the terms of use and defined geographic and licensing arrangements. We derive income from our third party contracted manufacturing of B2B DehydraTECH enhanced products made to customer specifications that are sold online and in-store in the US and Canada. We also perform contract services in R&D for customer specific formulations that are used in comparison testing to customers' existing products.

Going Concern

The Company's consolidated financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and in accordance with accounting principles generally accepted in the United States ("US GAAP") applicable to a going concern, which assumes the Company will have sufficient funds to meet its financial obligations for a period of at least 12 months from the date of this report.

Since inception, the Company has incurred significant operating and net losses. The losses attributable to shareholders were $11.9 million and $5.8 million, for the years ended August 31, 2025 and 2024, respectively. As of August 31, 2025, we had an accumulated deficit of $ 63.5 million. We expect to continue to incur significant operational expenses and net losses in the upcoming 12 months. Our net losses may fluctuate significantly from quarter to quarter and year to year, depending on the stage and complexity of our R&D studies and corporate expenditures, additional revenues received from the licensing of our technology, if any, and the receipt of payments under any current or future collaborations into which we may enter. The recurring losses and negative net cash flows raise substantial doubt as to the Company's ability to continue as a going concern.

During the year ended August 31, 2025, we raised an approximate aggregate $6.0 million in net proceeds from the sale of securities pursuant to our registered direct offerings which closed in April 2025 and October 2024, as well as At the Market (ATM) offerings. Subsequent to August 31, 2025, we raised an additional $ 3.5 million in net proceeds in a registered direct offering.

We may offer additional securities for sale during our fiscal year 2026 or thereafter in response to market conditions or other circumstances if we believe such a plan of financing is required to advance the Company's business plans and is in the best interests of our stockholders. There is no certainty that future equity or debt financing will be available or that it will be at acceptable terms and the outcome of these matters is unpredictable. A lack of adequate funding may force us to reduce spending, curtail or suspend planned programs or possibly liquidate assets. Any of these actions could adversely and materially affect our business, cash flow, financial condition, results of operations, and potential prospects. The sale of additional equity may result in additional dilution to our stockholders. Entering into additional licensing agreements, collaborations, partnerships, alliances marketing, distribution, or licensing arrangements with third parties to increase our capital resources is also possible. If we do so, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us.

Our ability to continue operations after our current cash resources are exhausted is dependent on our ability to obtain additional debt or equity financing or a strategic partnership, which cannot be guaranteed. Cash requirements may vary materially from those now planned because of changes in our focus and direction of our research and development programs, competitive and technical advances, patent developments, regulatory changes or other developments. If adequate additional funds are not available when required, management may need to curtail its development efforts and planned operations to conserve cash.

Based on existing cash resources, management believes that current funding will not be sufficient to meet the Company's financial obligations for a period of at least twelve months from the date of this report. Accordingly, there is substantial doubt as to our ability to continue as a going concern within one year from the date of issuance of these financial statements. The accompanying financial statements do not include any adjustments that might be necessary if the Company is not able to continue as a going concern.

2. Significant Accounting Policies

Basis of presentation and consolidation

These consolidated financial statements have been prepared in conformity with generally accepted accounting principles of the United States ("US GAAP") and pursuant to the rules and regulations of the SEC. All amounts, unless otherwise stated, are in U.S. dollars.

These consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries: Lexaria Pharmaceutical Corp., Lexaria Hemp Corp., Lexaria CanPharm ULC, Lexaria Nutraceutical Corp., Poviva Corp., Lexaria CanPharm Holding Corp., Lexaria (AU) Pty Ltd and Kelowna Management Services Corp. The Company owns 83.3% of Lexaria Nicotine LLC and the remaining 16.7% is owned by Altria Ventures Inc. (an indirect wholly owned subsidiary of Altria Group, Inc.). All significant intercompany balances and transactions have been eliminated upon consolidation.

Cash and cash equivalents

Cash and cash equivalents include cash-on-hand and demand deposits with financial institutions and other short-term investments with maturities of less than three months when acquired and readily convertible to known cash amounts. The Company had no cash equivalents as of August 31, 2025 or August 31, 2024.

Short-term investments

Short-term investment balances consist of guaranteed investment certificates used to secure the Company's credit cards. The certificates had an original term of one year.

Marketable Securities

The Company's marketable securities consist of investments in common stock. Investments in equity securities are reported at fair value with changes in unrecognized gains or losses included in other income (loss) on the Consolidated Statements of Operations and Comprehensive Loss. There have been no purchases or sales of equity securities. The Company recognized unrealized losses on its equity securities of $33,714 and $69,835 for the years ended August 31, 2025 and 2024, respectively.

Leases

The Company accounts for its leases under ASC 842, Leases ("ASC 842"). Under this guidance, arrangements meeting the definition of a lease are classified as operating or financing leases and are recorded on the consolidated balance sheet as both a right of use asset and lease liability.

We determined the initial classification and measurement of our right-of-use assets and lease liabilities at the lease commencement date and thereafter if modified. The lease term includes any renewal options and termination options that we are reasonably certain to exercise. The present value of lease payments is determined by using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, we use our incremental borrowing rate. The incremental borrowing rate is determined by using the rate of interest that we would pay to borrow on a collateralized basis, an amount equal to the lease payments for a similar term and in a similar economic environment.

Operating lease expenses are recognized on a straight-line basis, unless the right-of-use asset has been impaired, over the reasonably certain lease term based on the total lease payments. They are included in operating expenses in the Consolidated Statements of Operations and Comprehensive Loss.

For operating leases that reflect impairment, we will recognize the amortization of the right-of-use asset on a straight-line basis over the remaining lease term with rent expense still included in operating expenses in the Consolidated Statements of Operations and Comprehensive Loss. For all leases, rent payments that are based on a fixed index or rate at the lease commencement date are included in the measurement of lease assets and lease liabilities at the lease commencement date.

We have elected the practical expedient to not separate lease and non-lease components. Our non-lease components are primarily related to property taxes and maintenance, which vary based on future outcomes, and thus differences to original estimates are recognized in rent expense when incurred.

Intellectual property

Capitalized intellectual property costs include those incurred with respect to both pending and granted patents filed in the United States. When patent applications are filed, the directly related capitalized costs are amortized on a straight-line basis over an estimated economic life of 20 years.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation and impairment and depreciated using the straight-line method over the useful lives of the various asset classes. Laboratory and computer equipment and office furniture are depreciated over periods ranging from 3 to 10 years. Leasehold improvements are amortized over the term of the related leases, or the economic life of the improvements, whichever is shorter.

Impairment of long-lived assets

Long-lived assets, including equipment and intangible assets, namely the Company's patents, are assessed for potential impairment when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized when the carrying amount of the long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Any required impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value and is recorded as a reduction in the carrying value of the related asset and a charge to profit or loss. Intangible assets with indefinite lives are tested for impairment annually and in interim periods if certain events occur indicating that the carrying value of the intangible assets may be impaired.

Revenue recognition

The Company recognizes revenue in accordance with ASC 606's core principle by applying the following five steps:

1. Identify contracts with customers
2. Identify the performance obligations in the contracts
3. Determine the contract price
4. Allocate the contract price
5. Recognize revenue when/as performance obligations are satisfied

Licensing revenue from intellectual property

Our revenues from licenses that grant exclusive rights to use our intellectual property, which we consider functional IP, are recognized at a point in time following the transfer and use of our patented infusion technology DehydraTECH. Our licensees are also required to pay quarterly fixed non-refundable minimum performance fees which are recognized as revenue over the period to which they apply.

Usage fees from intellectual property

The Company may also earn sales-based or usage-based royalties from its licensing contracts. The Company recognizes usage fees in the period when our licensees recognize sales of end-products that incorporate our licensed technology. No sales-based usage fees were recognized for the years ended August 31, 2025 and 2024.

Third Party Contracted Manufacturing

The Company recognizes revenue with respect to contract manufacturing arrangements when the related performance obligations have been satisfied (i.e., when it has completed the related manufacturing work) and in accordance with the five steps described in the ASC 606.

Contract Research and Development

The Company recognizes revenue from contract research and development arrangements when the related performance obligations have been satisfied and in accordance with the five steps described in ASC 606. The related performance obligation typically entails preparation of customer-specific formulations (i.e., DehydraTECH paired with the customer's active ingredient) that the customer then uses in comparison testing relative to its existing product(s). Revenue is recognized upon shipment of the formulation to the customer.

Cost of sales

Cost of sales includes all expenditures incurred in bringing the goods to the point of sale. This includes third-party manufacturing and handling costs, direct costs of the raw material, inbound freight charges, warehousing costs, and applicable overhead expenses.

Research and development

Research and development costs are expensed as incurred. These expenditures are comprised of both in-house research programs and through third-party contracts including consultants, academic and non-profit institutions, contract manufacturing, and other expenses.

Intellectual property expenses

Non-capitalizable costs associated with intellectual property-related matters are expensed as incurred and included in general and administrative expenses within the Consolidated Statements of Operations and Comprehensive Loss.

Stock-based compensation

The Company accounts for its stock-based compensation awards whereby all stock-based grants are recognized as expenses in the Consolidated Statements of Operations and Comprehensive Loss based on the fair value at grant date subject to vesting dates and amortized over the related vesting period. The grant date fair value of each option award is estimated using the Black-Scholes option-pricing model. The use of the Black-Scholes option-pricing model requires management to make assumptions with respect to the expected term of the option, the expected volatility of the common stock consistent with the expected term of the option, risk-free interest rates and expected dividend yields of the common stock.

Foreign currency translation

The Company's reporting currency is the U.S. dollar. The Company has foreign operations whose functional currency is the local currency. Assets and liabilities are translated into U.S. dollars, the reporting currency, at the exchange rate on the balance sheet date. Revenues and expenses are translated into U.S. dollars at the average rates of exchange prevailing during the reporting period. Foreign currency translation adjustments resulting from this process are reported as an element of other comprehensive income (loss) on the consolidated statements of operations and comprehensive loss. Transactions executed in different currencies are translated at spot rates and resulting foreign exchange transaction gains and losses are charged to income.

Segment reporting

The Company has one reportable segment: IP licensing. The IP licensing segment generates revenue from customers by licensing its proprietary DehydraTECH technology. The IP licensing segment's accounting policies are the same as those described in this note. The chief operating decision maker, our Chief Executive Officer, assesses performance of the IP Licensing segment and makes resource allocation decisions based on cash flows that are also reported on the Consolidated Statements of Cash Flows. The measure of segment assets is reported on the consolidated balance sheet as consolidated total assets. The measure of segment profit or loss is net loss as per the Consolidated Statements of Operations and Comprehensive Loss.

Loss per share

The calculation of loss per share uses the weighted average number of shares outstanding during the year. Diluted net income per share includes the effect, if any, from the potential exercise or conversion of securities, such as restricted stock, stock options, and warrants, which would result in the issuance of incremental shares of common stock. Diluted loss per share is equivalent to basic loss per share if the potential exercise of the equity-based financial instruments is anti-dilutive.

For the years ended August 31, 2025 and 2024, the following common stock equivalents were excluded from the computation of diluted net loss per share as the result was anti-dilutive.

	August 31,	
	2025	2024
Stock Options	1,484,435	944,936
Warrants	7,298,171	5,931,649
Totals	8,782,606	6,876,585

Income taxes

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns using the liability method. Under this method, deferred tax liabilities and assets are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the year in which the differences are expected to reverse. A valuation allowance is established to reduce deferred tax assets to an amount whose realization is more likely than not.

Fair Value Measurements

When measuring fair value, the Company seeks to maximize the use of observable inputs and minimize the use of unobservable inputs. This establishes a fair value hierarchy based on the level of independent objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Inputs are prioritized into three levels used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable; and
- Level 3 - Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

The Company's financial instruments consist primarily of cash, marketable securities, accounts receivable and payable, and accrued liabilities. The carrying amounts of instruments approximate their fair values due to their short maturities or quoted market prices.

The Company's headquarters and operations are located in Canada which results in exposure to market risks from fluctuations in foreign currency rates. The foreign currency exchange risk is the financial risk to the Company's operations that arise from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk as the impact of rate changes for USD/CAD dollars is not expected to be material.

The following table provides a summary of financial instruments that are measured at fair value on a recurring basis as of August 31, 2025.

	Carrying Value	Fair Value Measurement Using			
		Level 1	Level 2	Level 3	Total
Marketable Securities	$ 22,093	$ 22,093	$ -	$ -	$ 22,093

The following table provides a summary of financial instruments that are measured at fair value on a recurring basis as of August 31, 2024.

	Carrying Value	Fair Value Measurement Using			
		Level 1	Level 2	Level 3	Total
Marketable Securities	$ 55,807	$ 55,807	$ -	$ -	$ 55,807

Credit risk and customer concentration

The Company places its cash with a high credit quality financial institution. Periodically, the Company may carry cash balances at such financial institution in excess of the federally insured limit of $250,000. The Company has not experienced losses on these accounts and management believes, based upon the quality of the financial institution, that the credit risk with regard to these deposits is not significant.

In the year ended August 31, 2025, two customers accounted for 100% of consolidated revenues, similar for the year ended August 31, 2024, whereby two customers accounted for 99% of consolidated revenue. At fiscal year-end 2025, we had $174,000 in license fees receivable, compared to $84,000 as of August 31, 2024. The Company recognized bad debt expense of $0 and $7,760 for the years ended August 31, 2025 and August 31, 2024, respectively.

As of August 31, 2025, the Company had $194,358 in sales tax receivable, compared to $70,477 as of August 31, 2024. The Company considers its credit risk to be low for such receivables.

Commitments and contingencies

The Company's policy is to record accruals for any loss contingencies when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. In the event that estimates or assumptions prove to differ from actual results, adjustments are made in subsequent periods to reflect more current information. The Company, from time to time, may be subject to legal claims and proceedings related to matters arising in the ordinary course of business. Management has no knowledge of any such claim against the Company with, at minimum, a reasonable possibility that a material loss may be incurred.

Reclassifications

Certain amounts in the prior period have been reclassified to conform with current period presentation.

3. Recent Accounting Guidance

Recently Adopted Pronouncements

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280) – Improvements to Reportable Segment Disclosures, which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This ASU also expands disclosure requirements to enable users of financial statements to better understand the entity's measurement and assessment of segment performance and resource allocation. This guidance is effective for fiscal years beginning after December 15, 2023, and interim periods for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company adopted ASU 2023-07 in the current year and determined that its impact on the accompanying consolidated financial statements is immaterial.

Accounting Pronouncements Not Yet Adopted

In March 2024, the FASB issued ASU 2024-02-Codification Improvements-Amendments to Remove References to the Concepts Statements, that contains amendments to the Codification that remove references to various FASB Concepts Statements. This effort facilitates Codification updates for technical corrections such as conforming amendments, clarifications to guidance, simplifications to wording or the structure of guidance, and other minor improvements. The amendments are effective for public business entities for fiscal years beginning after December 15, 2024, with early adoption permitted. Early application of the amendments in this ASU is permitted for all entities, for any fiscal year or interim period for which financial statements have not yet been issued (or made available for issuance). If an entity adopts the amendments in an interim period, it must adopt them as of the beginning of the fiscal year that includes that interim period. The Company is currently assessing the effect of this ASU on its consolidated financial statements and related disclosures.

4. Estimates and Judgments

The preparation of financial statements in conformity with US GAAP requires us to make certain estimates, judgments and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses during the fiscal period. Some of the Company's accounting policies require us to make subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. These accounting policies involve critical accounting estimates because they are particularly dependent on estimates and assumptions made by management about matters that are highly uncertain at the time the accounting estimates are made. Although we have used our best estimates based on facts and circumstances available to us at the time, different estimates reasonably could have been used. Changes in the accounting estimates used by the Company are reasonably likely to occur from time to time, which may have a material effect on the presentation of financial condition and results of operations.

Management reviews our estimates, judgments, and assumptions periodically and reflects the effects of any revisions in the period in which they are deemed to be necessary. We believe that these estimates are reasonable. However, actual results could differ from these estimates.

Significant accounting estimates and assumptions are used for, but not limited to:

The Valuation of Deferred Tax Assets

Judgment is required in determining whether deferred tax assets are recognized on the balance sheet. The recognition of deferred tax assets requires management to assess the likelihood that the Company will generate taxable income in future periods to utilize the deferred tax assets. Due to the Company's history of losses, valuation allowances are established when necessary to reduce deferred tax assets to the amount more likely than not to be realized.

Value of Stock Options and Warrants

The Company provides compensation benefits to its employees, officers, directors, and consultants, through a stock option plan. The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model. Expected volatility assumptions used in the model are based on the historical volatility of the Company's share price. The Company uses historical data to estimate the period of option exercises for use in the valuation model. The risk-free interest rate for the expected term of the option is based on the yields of government bonds. Changes in these assumptions, especially the share price volatility and the expected term determination, could have a material impact on the Company's profit and loss for the years presented. All estimates used in the model are based on historical data, which may not be representative of future results.

Disposals of Assets - Value of Note Receivable

The Asset Purchase Agreement for the sale of assets to Hill Inc. included CDN$2 million note (the "Note") receivable as partial payment of the agreement. The Note does not contain a fixed repayment schedule nor a maturity date. The repayment of the Note is based on the purchaser repaying the outstanding value of the Note and interest from the future revenues generated from an untested market with no existing revenue streams. Therefore, with any repayment being highly doubtful, management determined at that time and as of August 31, 2025 and 2024 that the value of the note to be notional and recorded the note at a zero value for accounting purposes. During fiscal 2025, we received interest income on the note totaling $11.

Impairment of Long-Lived Assets

The Company evaluated its patent portfolio and determined that certain pending applications had been abandoned or would not be pursued. As such, during the year ended August 31, 2025, the Company recognized an impairment loss of $33,540 related to those abandoned applications and an additional $213,824 related to a write-down of the patent portfolio to a carrying value equal to related discounted future cash flows.

5. Accounts and Other Receivables

Accounts receivable as of August 31, 2025 and August 31, 2024 consist of the following:

	August 31, 2025	August 31, 2024
Territory license fees	$ 174,000	$ 84,000
Sales tax	194,358	70,477
Long term receivable	64,013	63,575
Total Receivables	**$ 432,371**	**$ 218,052**

6. Prepaid Expenses and Other Current Assets

Prepaid expenses consist of the following at August 31, 2025 and August 31, 2024:

	August 31, 2025	August 31, 2024
Advertising & Conferences	$ 1,572	$ 204,894
Research and Development	669,791	673,126
Consulting	37,409	-
Legal & Accounting Fees	37,340	45,600
License, Filing Fees, Dues	27,563	22,925
Office & Insurance	239,829	122,245
Capital Financing	119,000	119,027
Total Prepaid Expenses and Other Current Assets	**$ 1,132,504**	**$ 1,187,817**

7. Intellectual Property, net

A continuity schedule for capitalized patents is presented below:

	August 31, 2025	August 31, 2024
Balance – beginning	$ 516,676	$ 462,625
Additions	75,106	145,591
Impairment	(247,364)	(57,836)
Amortization	(36,600)	(33,704)
Balance – ending	**$ 307,818**	**$ 516,676**

The Company evaluated its patent portfolio and determined that certain pending applications had been abandoned or will not be pursued. As such, during the year ended August 31, 2025, the Company recognized an impairment loss of $33,540 related to those abandoned applications. In addition, as of August 31, 2025, the Company determined that the carrying value of its patent portfolio exceeded related discounted future cash flows. As such, we recognized an additional impairment loss of $213,824. The Company recognized $36,600 of amortization expense related to patents and licenses in the year ended August 31, 2025.

The following table summarizes expected future amortization of the Company's patent portfolio as of August 31, 2025:

Fiscal Years Ending August 31,	
2026	$ 15,391
2027	15,391
2028	15,391
2029	15,391
2030	15,390
Thereafter	230,864
Total	**$ 307,818**

8. Property & Equipment, net

Property and equipment, net consists of:

August 31, 2025	Cost	Period Amortization	Additions	Accumulated Amortization	Net Balance
Leasehold improvements	$ 259,981	$ -	$ -	$ (259,981)	$ -
Computers	70,781	(1,705)	-	(70,781)	-
Furniture fixtures equipment	31,126	-	-	(31,126)	-
Lab equipment	410,438	(49,520)	24,646	(206,955)	228,129
Total	**$ 772,326**	**$ (51,225)**	**$ 24,646**	**$ (568,843)**	**$ 228,129**

August 31, 2024	Cost	Period Amortization	Additions	Accumulated Amortization	Net Balance
Leasehold improvements	$ 259,981	$ (11,258)	$ -	$ (259,981)	$ -
Computers	70,781	(2,920)	-	(69,076)	1,705
Furniture fixtures equipment	31,126	(1,870)	-	(31,126)	-
Lab equipment	367,423	(26,400)	43,014	(157,433)	253,004
Total	**$ 729,311**	**$ (42,448)**	**$ 43,014**	**$ (517,616)**	**$ 254,709**

Depreciation and amortization for the years ended August 31, 2025 and August 31, 2024 totaled $51,225 and $42,448, respectively, of which $0 and $0 was included in cost of goods sold, respectively.

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following as of August 31, 2025 and August 31, 2024:

	August 31, 2025	August 31, 2024
Accounts Payable		
Vendors payable	$ 569,754	$ 379,882
Sales tax payable	21,506	8,528
Accrued Liabilities		
Vendors payable	795,290	677,999
Vacation payable	76,496	-
Balance Ending	**$ 1,463,046**	**$ 1,066,409**

10. Revenues

Revenues for the years ended August 31, 2025 and 2024 consist of the following:

	Year Ended August 31,	
	2025	2024
IP Licensing	$ 696,000	$ 457,990
B2B	9,923	5,388
Other	-	900
Total	**$ 705,923**	**$ 464,278**

The Company recognized $696,000 and $457,990 in licensing revenue during the years ended August 31, 2025 and August 31, 2024, respectively. Licensing revenue consists of IP licensing fees for transfer of the DehydraTECH technology in line with definitive agreements and includes non-refundable minimum performance fees. During the years ended August 31, 2025 and August 31, 2024, the Company recognized B2B product revenues of $9,923 and $5,388, respectively, that relate to sales of our intermediate products for use by B2B customers in their products.

11. Income Taxes

The following table reconciles the income tax benefit at the U.S. Federal statutory rate to income tax benefit at the Company's effective tax rates as of August 31, 2025 and 2024:

	August 31 2025	August 31 2024
	$	$
Loss before taxes	(11,911,434)	(5,808,654)
Expected income tax recovery	(2,947,139)	(1,255,377)
Non-deductible items	(1,400,185)	(532)
Change in estimates	1,666,152	119,349
Effect of changes in foreign and long-term tax rates	-	-
Change in valuation allowance	2,681,172	1,138,779
Total income taxes	-	**2,219**

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax assets at August 31, 2025 and 2024 are comprised of the following:

	August 31 2025	August 31 2024
	$	$
Non-capital losses	10,187,630	8,738,277
Marketable securities	349,121	(14,051)
Stock based compensation	934,641	754,147
R&D	1,943,235	1,348,082
PPE and intangibles	(6,392)	(95,179)
Accrued vacation	4,213	-
Total deferred tax assets	13,412,448	10,731,276
Valuation Allowance	(13,412,448)	(10,731,276)
Net Deferred tax assets	-	**-**

The Company has net operating loss carryforwards of approximately $47 million which may be carried forward to apply against future year income tax for U.S. tax purposes.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the United States. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions in the Tax Cut and Jobs Act, modifications to the international tax framework, and restoration of favorable tax treatment for certain business provisions. The Company is currently assessing the OBBBA's impact on its consolidated financial statements, which is expected to be immaterial.

12. Common Shares and Warrants

Fiscal 2025 Activity

The Company entered into a Securities Purchase Agreement whereby on April 28, 2025, the Company issued 2,000,000 shares of common stock at a $1.00 per share in a registered direct offering. The Company also agreed to compensate the placement agent through the issuance of warrants to purchase up to 70,000 shares of common stock. Such warrants will expire five years from the issuance date and have an exercise price of $1.25 per share. The net proceeds to the Company from the registered direct offering was $1.7 million, after deducting placement agent fees and other offering expenses paid by the Company.

In February 2025, the Company sold 6,585 shares of common stock through an At the Market (ATM) offering for net proceeds of $ 11,720. On September 19, 2025 the Company terminated the ATM and the associated share issuance costs of $94,000 will be charged to additional paid-in capital during the first quarter of fiscal year 2026.

On January 7, 2025, the Company issued 100,000 Restricted Stock Awards ('RSAs') with a fair value of $ 224,000 and having a vesting period of six months to its Strategic Executive Consultant. The RSAs fully were vested as of August 31, 2025.

In October 2024, the Company sold 8,402 shares of common stock through an ATM offering for gross proceeds of $ 26,146. Share issuance costs related to the ATM offering of $144,812 were charged to additional paid in capital.

On October 16, 2024, the Company, pursuant to a Securities Purchase Agreement, issued 1,633,987 shares of common stock at a purchase price of $3.06 per share for gross and net proceeds of $5.0 million and $4.5 million, respectively. Concurrently, the Company issued, by way of a private placement transaction, 4,551,019 share purchase warrants, entitling the holder thereof to purchase up to 4,551,019 shares of common stock at a price of $3.06 per share for a period of five years from January 14, 2025, the date of shareholder approval for such warrant issuance. The shares were registered pursuant to a take down of the Company's Form S-3 registration statement and the warrants and related warrant shares were registered pursuant to a Form S-3 registration statement. As part of the terms and conditions of the warrant issuance, the sole investor agreed to cancel the 2,917,032 share purchase warrants bearing an exercise price of $4.75 that were issued to them in the April 30, 2024 financing. We also issued the placement agent warrants to purchase up to 57,190 shares for a period of five years from the date of issuance shares at an exercise price of $3.825 per share.

Presented below is a continuity schedule for warrants:

	Number of Warrants	Weighted Average Exercise Price
Balance, August 31, 2023	**4,520,483**	**$ 4.71**
Issued	7,093,208	2.76
Expired	(300,000)	7.67
Exercised	(5,382,042)	1.11
Balance, August 31, 2024	**5,931,649**	**$ 5.50**
Issued	4,678,209	3.04
Cancelled/Expired	**(3,311,687)**	**5.90**
Balance, August 31, 2025	**7,298,171**	**$ 3.75**

Presented below is a summary of warrants outstanding as of August 31, 2025:

Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years
1,719,828	$ 6.58	0.38
483,750	0.95	2.70
314,287	2.31	3.47
102,097	5.94	3.47
4,551,019	3.06	4.38
57,190	3.83	4.38
70,000	1.25	4.65
7,298,171	**$ 3.75**	**3.27**

Fiscal 2024 Activity

During the year ended August 31, 2024, the Company completed the following issuances of common shares and warrants:

1. 1,558,443 units were sold at a price of $2.31 per unit, with each unit consisting of one common share and one warrant exercisable to purchase an additional common share at $2.185 per share, for net proceeds of $3,000,000. The 1,558,443 warrants are exercisable for a period of five (5) years.

2. 1,618,330 units were sold at a price of $0.97 per unit, with each unit consisting of one common share and one warrant exercisable to purchase an additional common share at $0.97 per share, for net proceeds of $1,250,000. The 1,618,330 warrants are exercisable for a period of five (5) years.

3. 2,917,032 warrants were issued as part of a Warrant Exercise Agreement having a five (5) year exercise period at an exercise price of $4.75.

4. 5,382,042 warrants were exercised for gross proceeds of $6,103,601 and 300,000 warrants expired during the year ended August 31, 2024.

13. Stock Options

The Company established an Equity Incentive Plan whereby our Board, pursuant to shareholder approved amendments, may grant up to 1,745,259 stock options to directors, officers, employees, and consultants with such number being increased to up to 10% of the issued share capital at the end of each calendar year, at the discretion of the board, pursuant to an evergreen formula.

Stock options may be exercised for a maximum period of up to ten (10) years but to date all currently issued options must be exercised, as determined by our Board, by no later than five years from the date of grant. The exercise price of an option is equal to or greater than the closing market price of the Company's common shares on the date of grant. Vesting terms are set by our Board. The estimated fair value of each stock option award is estimated on the date of grant using the Black-Scholes option pricing model.

Fiscal 2025 Activity

The Company granted the following stock options during the year ended August 31, 2025:

Grant Date	Granted Quantity	Exercise Price	Contractual Life (years)
10/01/2024	62,000	$ 3.17	5
11/27/2024	20,000	2.10	5
12/09/2024	10,000	2.42	5
01/13/2025	50,000	2.07	5
05/15/2025	444,500	1.04	5
Total	**586,500**	**$ 1.41**	**5**

Fiscal 2024 Activity

The Company granted the following stock options during the year ended August 31, 2024:

Grant Date	Granted Quantity	Exercise Price	Contractual Life (years)
10/26/2023	85,000	$ 1.15	5
3/15/2024	200,000	2.93	5
4/26/2024	151,500	2.36	5
7/26/2024	48,000	3.39	5
7/26/2024	12,000	3.39	2
8/31/2024	200,000	3.92	5
Total	**696,500**	**$ 2.91**	**4.95**

Of the 200,000 options granted on March 15, 2024, 150,000 were subsequently cancelled and 50,000 were fully vested. The contractual life for these options was also reduced to 2 years.

A continuity schedule for stock options is presented below:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Balance August 31, 2023	**446,936**	**$ 3.32**	**3.25**	**$ 3,600**
Cancelled/expired	(196,000)	2.94		-
Exercised	(2,500)	1.15		-
Granted	696,500	2.91		-
Balance August 31, 2024	**944,936**	**$ 3.11**	**3.64**	**$ 971,959**
Cancelled/expired	(47,001)	7.78		-
Granted	586,500	1.41		-
Balance August 31, 2025 (Outstanding)	**1,484,435**	**$ 2.29**	**3.49**	**$ 206**
Balance August 31, 2025 (Exercisable)	**1,322,343**	**$ 2.14**	**3.42**	**$ 206**

The intrinsic value of stock option awards that vested during the fiscal year represents the value of the Company's closing stock price on the last trading day of the fiscal year in excess of the exercise price multiplied by the number of vested options.

The fair value of options awarded during the fiscal years ended August 31, 2025 and August 31, 2024 totaled $482,045 and $1,267,732, respectively.

The fair value of options granted was estimated as of the date of the grant by using the Black-Scholes option pricing model with the following assumptions:

	August 31, 2025	August 31, 2024
Expected Volatility	94%-98%	92%-98%
Risk Free interest rate	3.57%-4.18%	3.77%-5.03%
Expected life	2.5 years	2.5-4.0 years
Dividend Yield	0.00%	0.00%
Estimated fair value per option	$0.62-$1.72	$0.63-$2.57

Stock-based compensation expense for the fiscal years ended August 31, 2025 and August 31, 2024 totaled $ 859,494 and $492,236, respectively. Of the current fiscal year expense, $595,119 relates to current year option awards and restricted stock awards, and $264,375 relates to the vesting of options awarded in previous fiscal years.

As of August 31, 2025, unrecognized non-cash stock-based compensation expense totaled $364,868 related to 162,092 unvested stock options with a weighted average exercise price of $3.47. This expense is expected to be recognized over a weighted average period of 1.30 years.

14. Commitments, Significant Contracts and Contingencies

Right of Use Assets - Operating Lease

Our Corporate offices and R&D lab space is leased in Kelowna, British Columbia, Canada. The current lease expires on November 15, 2028. In addition to minimum lease payments, the lease requires us to pay property taxes and operating costs which are subject to annual adjustments.

	August 31, 2025	August 31, 2024
Right of use assets - operating leases	$ 134,843	$ 167,446
Remeasurement related to lease extension	-	-
Amortization	(28,027)	(32,603)
Total lease assets	$ 106,816	$ 134,843
Liabilities:	137,366	163,967
Remeasurement related to lease extension	-	-
Lease payments	(37,094)	(33,273)
Interest accretion	9,047	6,672
Total lease liabilities	$ 109,319	$ 137,366
Operating lease cost	$ 106,816	$ 134,843
Operating cash flows for lease	$ (37,094)	$ (33,273)
Remaining lease term	3.21 Years	4.21 Years
Discount rate	7.25%	7.25%

Pursuant to the terms of the Company's lease agreements in effect at August 31, 2025, the following table summarizes the Company's maturities of operating lease liabilities:

Fiscal Year	Amount
2026	$ 37,345
2027	38,642
2028	38,900
2029	8,105
Thereafter	-
Total lease payments	122,992
Less: imputed interest	(13,672)
Present value of operating lease liabilities	109,320
Less: current obligations under leases	(30,417)
Total	**$ 78,903**

15. Segment Information

The Company has one reportable segment: IP licensing. The IP licensing segment generates revenue from customers by licensing its proprietary DehydraTECH technology.

The IP licensing segment's accounting policies are the same as those described in the summary of significant accounting policies at Note 2.

The chief operating decision maker, our Chief Executive Officer, assesses performance of the IP Licensing segment and makes resource allocation decisions based on cash flows that are also reported on the Consolidated Statements of Cash Flows.

The measure of segment assets is reported on the balance sheet as consolidated total assets.

The measure of segment profit or loss is net loss as per the Consolidated Statements of Operations and Comprehensive Loss.

The Company invested in additional intellectual property and purchases of equipment totaling $75,106 and $24,646 respectively, during the fiscal year ended August 31, 2025, and $145,591 and $43,014, respectively, during the fiscal year ended August 31, 2024. The following table details losses for the IP licensing segment, as well as reconciliations to consolidated net loss for the years ended August 31, 2025 and August 31, 2024.

	Year Ended August 31,	
IP Licensing Segment	**2025**	**2024**
Licensing revenue	$ 696,000	$ 457,990
less:		
Research and Development	8,238,757	2,360,565
Consulting	564,618	1,029,140
Wages & Salaries	1,706,410	791,831
Legal and professional	435,537	595,258
Accounting and audit	197,312	216,808
Advertising and promotions	408,367	632,597
Investor relations	-	79,900
Depreciation and amortization	87,825	76,153
Office and miscellaneous (a)	628,089	332,990
Travel	56,451	38,384
Impairment loss	247,364	57,836
Other income (loss)	(30,697)	(55,524)
Segment net loss	$ (11,905,427)	$ (5,808,996)
Reconciliation of profit and loss:		
B2B revenue	9,923	6,288
B2B cost of sales	2,720	4,822
B2B operating expenses	13,210	1,124
Consolidated net loss	$ (11,911,434)	$ (5,808,654)

(a) Office and miscellaneous expense includes office expense, insurance expense, foreign currency exchange gains and losses, bad debt, and other overhead expenses.

16. Subsequent Events

Effective September 19, 2025, the Company terminated its Capital on Demand Sales Agreement (the "ATM") with JonesTrading Institutional Services LLC (the "Agent"). The ATM was originally executed August 21, 2024. The ATM provided that the Company may from time to time issue and sell up to $ 5,000,000 in aggregate principal amount of shares of the Company's common stock through or to the Agent as the Company's sales agent or principal. As of the date of termination, the Company had sold an aggregate of 14,987 shares under the ATM for gross proceeds of $38,236.

On September 26, 2025, we entered into a securities purchase agreement with certain institutional investors, pursuant to which we agreed to sell in a registered direct offering 2,666,667 shares of common stock at a purchase price of $1.50 per share for gross and net proceeds of $4.0 million and $3.5 million, respectively. Concurrently, the Company issued 2,666,667 share purchase warrants, entitling the holder thereof to purchase up to 2,666,667 shares of common stock at a price of $1.37 per share for a period of five years from the effective date of the registration statement registering the shares of common stock issuable upon exercise of the warrants. The securities were issued September 29, 2025, with the shares registered pursuant to a take down of the Company's Form S-3 registration statement and the warrants and related warrant shares are required to be registered pursuant to a Form S-1 registration statement. We also issued H.C. Wainwright, the exclusive placement agent for the offering, warrants to purchase up to 93,333 shares at an exercise price of $1.875 per share. HCW was paid 7% of the gross proceeds and was reimbursed $70,000 for its expenses and $15,950 in closing fees.

On November 21, 2025, Hill Incorporated (TSXV:HILL, "Hill") made an assignment in bankruptcy pursuant to the *Canadian Bankruptcy and Insolvency Act*. Pursuant to an Asset Purchase Agreement with Lexaria CanPharm ULC ("Lexaria CanPharm"), Hill holds the worldwide exclusive rights to use or sublicense DehydraTECH technology with cannabis products containing 0.3% or greater tetrahydrocannabinol. As of August 31, 2025, the Company held a note receivable from Hill and 242,880 shares of its common stock at carrying values of $0 and $22,093, respectively. The Company is currently assessing the impact of the bankruptcy filing on its licensing arrangement with Hill.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Management's Report on Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized, and reported within the time periods specified in the SECs rules and forms. This information is accumulated and communicated to our management, including our Chief Executive Officer (currently our Principal Executive Officer) and our Chief Financial Officer (currently our Principal Financial and Accounting Officer) to allow for timely decisions regarding required disclosure.

As of August 31, 2025, the end of our fiscal year covered by this report, we carried out an evaluation under the supervision and with the participation of our CEO and CFO of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, it was concluded that our disclosure controls and procedures were effective as of the end of the period covered by this annual report.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control include providing management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States. Management has assessed the effectiveness of our internal control over financial reporting as of August 31, 2025. In making this assessment, management used the criteria set forth in the report entitled "*Internal Control — Integrated Framework*" published by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Management has concluded that as of August 31, 2025, our internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with US GAAP. Our management reviewed the results of their assessment with our Board.

Inherent Limitations on Effectiveness of Controls

Internal control over financial reporting has inherent limitations which include but are not limited to the use of independent professionals for advice and guidance, interpretation of existing and/or changing rules and principles, segregation of management duties, scale of organization, and personnel factors. It is a process which involves human diligence and compliance and may be subject to lapses in judgment and breakdowns resulting from human failures. It can be circumvented by collusion or improper management override. Internal control over financial reporting may not prevent or detect misstatements on a timely basis. These inherent limitations are known features of the financial reporting process, and it is possible to design into the process safeguards to reduce, though not eliminate, these risks. Systems determined to be effective can provide only reasonable assurances with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

The fundamental controls and control processes remained consistent with prior years during the year ended August 31, 2025. While the Company has experienced turnover with its CFO position during the past two fiscal years, these changes have not resulted in any changes in our internal controls over financial reporting that occurred during the year ended August 31, 2025, that have materially or are reasonably likely to materially affect our internal controls over financial reporting.

Item 9B. Other Information

Rule 10b5-1 Trading Arrangement

Our Insider Trading Policy provides that our insiders, employees and consultants may enter into trading plans to comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. During the three months ended August 31, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

All directors of our Company hold office until the next annual meeting of the security holders or until their successors have been elected and qualified. The officers of our Company are appointed by our Board and hold office until their death, resignation, or removal from office. Our directors and executive officers are as follows:

Name	Position Held with our Company	Age	Date First Elected Or Appointed
Richard Christopher	Chief Executive Officer and Director	56	Aug. 31, 2024
John Docherty	President, Chief Scientific Officer and Director	55	Apr. 15, 2015
Michael Shankman	Chief Financial Officer	65	Oct. 1, 2024
Christopher Bunka	Director & Chairman	64	Oct. 26, 2006
Nicholas Baxter	Director	71	Jul. 8, 2011
Ted McKechnie	Director	78	Sept. 16, 2015
Al Reese, Jr.	Director	76	Jan. 14, 2021
Bal Bhullar	Director	56	Jan. 14, 2025

Business Experience

The following is a brief account of the business and education experience of each current director and executive officer during the past five years, indicating each person's principal occupation during the period.

Mr. Richard Christopher – Chief Executive Officer

Mr. Christopher joined the Company as Chief Executive Officer on August 31, 2024 and was elected to the Board on January 14, 2025. He has extensive experience with pharmaceutical and medical device companies. He was the Chief Financial Officer of InVivo Therapeutics Holdings Corp. ("InVivo") from 2019 to 2024. InVivo was a pioneering biomaterials and biotechnology company with a focus on the treatment of spinal cord injuries. Its goal was to develop and commercialize groundbreaking technologies and treatments for spinal cord injury (SCI). At the core of InVivo's technology portfolio was the Neuro-Spinal Scaffold™ a novel and proprietary biomaterial that is implanted into the epicenter of the injury to modulate the healing environment and serve as a support for neuroregeneration. As the Neuro-Spinal Scaffold failed to advance through clinical trials, InVivo delisted from the Nasdaq Stock Market around March 20, 2024.

Mr. Christopher was the Chief Financial Officer of iCAD, Inc. from December 2016 through January 2019. iCAD, Inc. is a Nasdaq-listed company with a focus on therapies and solutions for the early identification and treatment of cancer, where he held both financial and operational responsibilities. Prior to iCAD, Inc., Mr. Christopher was Chief Financial Officer from March 2014 through December 2016 and Chief Operating Officer from October 2015 through December 2016 of Caliber Imaging & Diagnostics, Inc., a medical technology company focused on cancer detection imaging solutions, with primary applications in dermatology. Prior to Caliber and starting in 2000, Mr. Christopher held various positions of increasing responsibility at DUSA Pharmaceuticals, Inc., a Nasdaq-listed dermatology company focused on the treatment of precancerous skin lesions, where he ultimately served as Chief Financial Officer from January 2005 through its acquisition and integration into Sun Pharmaceuticals Industries Ltd in April 2013.

Mr. Christopher holds a Master of Science in Accounting from Suffolk University and a Bachelor of Science in Finance from Bentley University.

Mr. John Docherty – President, Chief Scientific Officer and Director

Mr. Docherty has served as the Company's President of Lexaria since April 15, 2015, a director since April 29, 2016, and assumed the title of Chief Scientific Officer on February 13, 2025. Prior to Lexaria Mr. Docherty was former President and Chief Operating Officer of Helix BioPharma Corp. (TSX: HBP), where he led the company's pharmaceutical development programs for its plant and recombinantly derived therapeutic protein product candidates.

Mr. Docherty is a senior operations and management executive with over 20 years' experience in the pharmaceutical and biopharmaceutical sectors. He has worked with large multinational companies and emerging, private and publicly held start-ups. At Helix, Mr. Docherty was instrumental in the areas of investor/stakeholder relations, capital raising, capital markets development, strategic partnering, regulatory authority interactions and media relations. He also served as a management member of its board of directors. Previously, Mr. Docherty was President and a board member of PharmaDerm Laboratories Ltd., a Canadian drug delivery company that developed unique microencapsulation formulation technologies for use with a range of active compounds.

Mr. Docherty also held positions with companies such as Astra Pharma Inc., Nu-Pharm Inc. and PricewaterhouseCoopers' former global pharmaceutical industry consulting practice. He is a named inventor on issued and pending patents and he has a M.Sc. in pharmacology and a B.Sc. in Toxicology from the University of Toronto. He has served as a director of Lexaria since April 29, 2016.

Mr. Michael Shankman –Chief Financial Officer

Mr. Shankman joined the Company as Chief Financial Officer on October 1, 2024. Mr. Shankman was previously engaged by the Company as an outsourced CFO via NowCFO from June 2023 to February 2024. He is a Certified Public Accountant holding an MBA, Finance from California State University who previously worked with NOW CFO from 2021 to 2024. During his time with NOW CFO, Mr. Shankman provided outsourced CFO and Controller services gaining extensive experience and familiarity with both public and private companies in a wide variety of industry fields. Prior to his engagement with NOW CFO, Mr. Shankman worked for The Arcticom Group, being a $160M provider of refrigeration and HVAC design, installation, maintenance and repair services to national grocery chains, as its Corporate Controller from 2020-2021. And from 2019 to 2020 Mr. Shankman was the Controller for Change.Org a $35M public benefit corporation.

Mr. Christopher Bunka – Chairman, Director and former Chief Executive Officer

Mr. Bunka has been Chairman of the Board since 2006. He is a former executive of the Company, having served as chief executive officer from 2006 to August 31, 2024. Mr. Bunka was primarily responsible for the corporate pivot from older business activities to bioscience and specifically to the Company's current research and development of DehydraTECH with GLP-1 and GIP drugs. Mr. Bunka is a serial entrepreneur and has been involved in several private and public companies since the late 1980's. He was well known for more than a decade as a part-time business commentator in print and radio, as well as an author. He has extensive experience in the capital markets, corporate governance, project acquisition and corporate finance. He is a named inventor on several of Lexaria's pending patents.

Since 1988, Mr. Bunka has been the CEO of CAB Financial Services Ltd., a private holding company located in Kelowna, BC, Canada. He is a venture capitalist and corporate consultant.

Mr. Nicholas Baxter - Director

Mr. Baxter has served as a member of the Company's board of directors since 2009. Mr. Baxter received a Bachelor of Science (Honours) from the University of Liverpool in 1975 and has worked on oil & gas projects in many areas of the world. Since the 1980's, he has worked with companies in the public markets both in the U.K. and in Canada. Mr. Baxter also serves on the board of directors of Jericho Energy Ventures Inc., a TSX Venture Exchange listed company and brings extensive real-world experience as a board member.

Mr. Ted McKechnie – Director

Mr. McKechnie has served as a member of the Company's board of directors since September 2016. He is a well-recognized thought leader in the Canadian food industry. In the past, Mr. McKechnie was president of Maple Leaf Foods, an owner and senior executive at Humpty Dumpty Snack Foods and a senior leader at Pepsi Co. After a distinguished career as an executive and marketer specializing in food manufacturing, he now focuses on moving the Canadian food sector into the future. Aside from being the chairman of Food Starter's board, Mr. McKechnie is also the Chairman/CEO of The Davies Group and William Davies Consulting Inc. He is also a chairman of the board for Advanced Technology For Food Manufacturing, and serves on the Board Of Governors for St Jerome's University. Mr. McKechnie was awarded Philip Morris Chairman's Award for "recognition of extraordinary contributions having a significant and lasting impact on the Corporation".

Mr. Al Reese Jr. - Director

Mr. Reese has served as a member of the Company's board of directors since January 2021. He has over 40 years' experience in public and private businesses including as CFO of a formerly Nasdaq-listed energy company where he arranged finance transactions totaling over $10 billion dollars during his 20-year tenure. He has directed over 50 acquisitions and financings from as small as a few hundred thousand dollars to multibillion dollar transactions in both the domestic and international arenas. Mr. Reese was a Director and Chairman of the Audit Committee of a community bank in Texas for ten years until such time as it was acquired by a larger banking group in 2018. He currently serves as an Independent Director and Chairman of the Audit Committee for a privately held insurance company headquartered in The Woodlands, Texas. In October 2024, Mr. Reese became an Independent Director, member of the Executive Committee and Chairman of the Audit Committee for a newly chartered community bank in Texas. Mr. Reese is also President and Chairman of a family charitable 501(c)-3 foundation and Interim Chairman of a charitable 501(c)-3 entity that focus on Bible literacy.

Mr. Reese is a Certified Public Accountant (1974) and received his Bachelor of Business Administration degree from Texas A&M University in 1971, and his MBA from University of Houston in 1977. He has extensive experience at a senior level in financial services, finance transactions, investor relations, and more.

Bal Bhullar – Director

Ms. Bal Bhullar brings over 20 years of executive experience in diversified business, investor relations, investment banking, financial modelling, financial & risk management, internal controls and ERP and has acted as CFO and Director of ElectraMeccanica Vehicles Corp. NASDAQ:SOLO, CFO of ReCar (ReBuild Manufacturing), President of BC Risk Management Association, contractual CFO of Foremost Lithium NASDAQ:FMST and CEO/Founder/Director of KISMET Nutrients/American e-Commerce Solutions LLC. Ms. Bhullar is currently the CFO and Director of Damon Inc. OTCID:DMNIF and CEO/Founder/Director of BKB Management Ltd.

Ms. Bhullar has proven expertise with increasing market capitalization, raising capital, overseeing corporate governance, SOX, ESG, diversity and regulatory compliance, financial & strategic planning, as well as successfully completing initial public offerings, reverse mergers, business expansions, start-up operations, program development and product development.

Ms. Bhullar is a Chartered Professional Accountant, Certified General Accountant, a CRM designation from Simon Fraser University and a diploma in Financial Management from British Columbia Institute of Technology.

Family Relationships

There are no family relationships among any of our officers or directors.

Involvement in Certain Legal Proceedings

Other than as noted below, none of our directors, executive officers, promoters, or control persons has been involved in any of the following events during the past five years:

1) A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing.

2) A conviction in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses).

3) The subject of any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:

   i. Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity, or

ii. Engaging in any type of business practice; or

iii. Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws.

4) The subject of any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (f)(3)(i) of this section, or to be associated with persons engaged in any such activity.

5) Found by a court of competent jurisdiction in a civil action or by the SEC to have violated any Federal or State securities law, and the judgment in such civil action or finding by the SEC has not been subsequently reversed, suspended, or vacated.

6) Found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended, or vacated.

7) The subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended, or vacated, relating to an alleged violation of:

i. Any Federal or State securities or commodities law or regulation; or

ii. Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or

iii. Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity.

8) The subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Mr. Richard Christopher, the CEO and a director of Lexaria, was formerly the Chief Financial Officer of InVivo Therapeutics Corporation ("InVivo"). Following a failed clinical trial, InVivo filed for relief under chapter 11 of the bankruptcy code in the state of Delaware on February 1, 2024. On June 21, 2024, the court entered a Confirmation Order confirming the Plan. The Effective Date of the Plan occurred on July 12, 2024. On November 18, 2025, the court ordered that the motion to authorize the Liquidation Trust to make distributions to the holders of equity security interests was granted.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors and persons who own more than 10% of our common stock to file with the Securities and Exchange Commission initial statements of beneficial ownership, reports of changes in ownership and annual reports concerning their ownership of our common stock and other equity securities, on Forms 3, 4 and 5 respectively. Executive officers, directors and greater than 10% shareholders are required by the SEC regulations to furnish us with copies of all Section 16(a) reports that they file.

During the fiscal year ended August 31, 2025, based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons, we believe that all other filings applicable to our officers, directors, and beneficial owners of greater than 10% percent were complied with within the required time frames.

Code of Ethics

We adopted a Code of Ethics applicable to our senior financial officers and certain other finance executives, which is a "code of ethics" as defined by applicable rules of the SEC. Our Code of Ethics is attached as an exhibit to our Form SB-2 filed on September 20, 2007. If we make any amendments to our Code of Ethics other than technical, administrative, or other non-substantive amendments, or grant any waivers, including implicit waivers, from a provision of our Code of Ethics to our Chief Executive Officer, Chief Financial Officer, or certain other finance executives, we will disclose the nature of the amendment or waiver, its effective date and to whom it applies in a Current Report on Form 8-K filed with the SEC.

Board and Committee Meetings

Our Board held nine formal meetings during the year ended August 31, 2025. All proceedings of the Board taken at a formal meeting were evidenced by way of minutes taken at such meetings. All other matters approved by our Board outside of any formal meeting were evidenced by resolutions consented to by all the directors. Such resolutions consented to in writing by the directors entitled to vote on that resolution at a meeting of the directors are, according to the Nevada General Corporate Law and our Bylaws, as valid and effective as if they had been passed at a meeting of the directors duly called and held.

Nomination Process

As of August 31, 2025, the Company had an active Governance and Nominating Committee. If stakeholders wish to recommend candidates for our Board, they may do so by sending communications to the Governance and Nominating Committee at the address on the cover of this annual report.

Audit and Finance Committee and Audit Committee Financial Expert

The audit and finance committee are governed by the audit and finance committee charter as adopted on December 8, 2020. The committee is composed of Mr. Albert Reese, Jr., Ms. Bal Bhullar, and Mr. Nicholas Baxter and the members held four formal meetings during the year ended August 31, 2025. Mr. Reese, a CPA, qualifies as an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K, and is "independent" as the term is used in Item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934, as amended. A copy of the Audit & Finance Committee charter can be downloaded from the Company's website under our Investors/Governance/Governance Documents tab.

Our management is responsible for preparing our financial statements and our independent registered public accounting firm is responsible for auditing those financial statements. Our audit and finance committee consults with management and our independent registered public accounting firm and may initiate inquiries into various aspects of our financial affairs. They are responsible for retaining, evaluating and for the engagement of our independent registered public accounting firm and for the approval of professional services provided by them. However, it is not the duty of our audit and finance committee to determine that our financial statements are complete and accurate and in accordance with generally accepted accounting principles.

Compensation Committee

Our Compensation Committee was created on July 2, 2020, the members of which are Mr. Nicholas Baxter and Mr. Ted McKechnie, with all directors being "independent" pursuant to Nasdaq independence standards. The Compensation Committee operates under a written charter and its purpose is to review, consider, research, and recommend compensation for the Company's executive management, taking into consideration milestones achieved, the compensation issued by companies of similar size and the overall financial health of the Company. The committee is also responsible for reviewing and approving employment and benefits agreements and any executive compensation information incorporated into the Company's periodic reports. The Compensation Committee held nine formal meetings during the fiscal year. A copy of the compensation committee charter can be downloaded from the Company's website under our Investors/Governance/Governance Documents tab.

Governance and Nominating Committee

The Governance and Nominating Committee operate pursuant to a charter created on December 8, 2020. The current members of the committee are Ms. Bal Bhullar, Mr. Albert Reese Jr. and Mr. Ted McKechnie, all being independent directors of the Company. The committee's purpose is to assist our Board in fulfilling its responsibilities by: (i) being satisfied that corporate governance guidelines are adopted, applied and disclosed including director qualification standards, responsibilities and access to management and independent advisors, director compensation, orientation and continuing education, and annual performance evaluation of the board; (ii) identifying individuals qualified to become new board members and recommending to the board the nominees for each annual meeting of shareholders of the Corporation; and (iii) such other matters delegated to the committee by the board. The Governance and Nominating Committee held one (1) formal meeting during the fiscal year. A copy of the Governance & Nominating Committee charter can be downloaded from the Company's website under our Investors/Governance/Governance Documents tab.

Our Board plays a critical role in guiding the strategic direction and overseeing the management of our business. We seek to attract and retain highly qualified directors who have sufficient time to engage in the activities of our Board and to understand and enhance their knowledge of our industry and business plans. In evaluating the suitability of individual candidates, the Governance and Nominating Committee and our Board may take into account many factors, including: relevant education, experience and expertise; knowledge of the Company and the issues it faces; whether the candidate will strengthen the Board and remedy any perceived deficiencies in the specific criteria; moral and ethical character; diversity of expertise and experience in substantive matters pertaining to our business relative to other board members; diversity of background and perspective, including, but not limited to, with respect to age, gender, race, place of residence and specialized experience; and any other relevant qualifications, attributes or skills. The core competencies of directors should address accounting or finance experience, market familiarity, business or management experience, industry knowledge, customer-based experience or perspective, crisis response, leadership, and/or strategic planning.

Our Board and Governance and Nominating Committee evaluate each individual in the context of the Board as a whole, with the objective of assembling a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas.

Insider Trading Arrangements and Policies

The Company has adopted an insider trading policy governing the purchase, sale, and/or other disposition of its securities by its directors, officers, employees and independent contractors that the Company believes is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the exchange listing standards applicable to the Company.

Directors, executive officers, employees and other related persons may not buy, sell or engage in other transactions in the Company's shares while aware of material non-public information; buy or sell securities of other companies while aware of material non-public information about those companies that they became aware of as a result of business dealings between the Company and those companies; or disclose material non-public information to any unauthorized persons outside of the Company. The policy also restricts trading and other transactions for a limited group of Company employees (including executives and directors) to defined window periods that follow the Company's quarterly earnings releases and restricts trading and other transactions following announcement of a share repurchase program.

Item 11. Executive Compensation

The particulars of the compensation paid to the following persons:

(a) our principal executive officer;

(b) each of our two most highly compensated executive officers who were serving as executive officers during the last completed year ended August 31, 2025 and August 31, 2024;

(c) up to two additional individuals for whom disclosure would have been provided under (b) but for the fact that the individual was not serving as our executive officer at the end of the years ended August 31, 2025, and August 31, 2024;

collectively referred to as the named executive officers of our Company, are set out in the following summary compensation table. There is no disclosure provided for any named executive officer, other than our principal executive officers, whose total compensation did not exceed $100,000 for the respective fiscal year:

Name and Principal Position	Year	Salary $	Bonus $	Stock Awards $	Option Awards[6] $	Non-Equity Incentive Plan Compensation $	Non-Qualified Deferred Compensation Earnings $	All Other Compensation $	Total $
Richard Christopher [1]	**2025**	**460,824**	**25,900**	**-**	**93,019**	**-**	**-**	**32,776**	**612,519**
Chief Executive Officer	2024	-	-	-	514,317	-	-	5,000	519,317
Christopher Bunka [2]	**2025**	**-**	**56,783**	**224,000**	**-**	**-**	**-**	**-**	**280,783**
Chairman, Director & former Chief Executive Officer	2024	-	27,246	-	85,074	-	-	772,524	884,844
John Docherty [3]	**2025**	**332,349**	**98,134**	**-**	**93,019**	**-**	**-**	**-**	**523,502**
President & Director	2024	273,397	55,944	-	85,074	-	-	-	414,415
Michael Shankman [4]	**2025**	**123,067**	**4,075**	**-**	**$117,175**	**-**	**-**	**4,075**	248,392
Chief Financial Officer	2024	-	-	-	-	-	-	-	-
Nelson Cabatuan [5]	**2025**		**-**	**-**		**-**	**-**	**-**	**-**
Former Chief Financial Officer	2024	71,280	-	-	403,298	-	-	-	**474,578**

(1) Mr. Richard Christopher was appointed as Chief Executive Officer on August 31, 2024. Mr. Christopher was paid $5,000 for consulting for the month of July 2024. We pay Mr. Christopher as an employee.

(2) Mr. Bunka was engaged as the Company's Chief Executive Officer from October 26, 2006 until August 31, 2024. During his engagement, we paid Mr. Bunka as an independent contractor through his wholly owned company CAB Financial Services Ltd.

(3) Mr. Docherty became President on April 15, 2015, a director on April 29, 2016 and was appointed Chief Scientific Officer on February 13, 2025. We pay Mr. Docherty as an employee.

(4) Mr. Shankman was appointed Chief Financial Officer on October 1, 2024. We pay Mr. Shankman as an employee.

(5) Mr. Cabatuan was Chief Financial Officer from March 14, 2024 to July 15, 2024 and was considered an employee of the Company. Subsequent to his resignation, 150,000 options were cancelled with a value of $302,474.

(6) The fair value of the stock options awarded was estimated using the Black-Scholes option pricing model.

Consulting and Employment Agreements

Other than as set out in this annual report on Form 10-K we have not entered into any employment or consulting agreements with any of our current officers or directors.

Mr. Richard Christopher, CEO

The Company entered into an at-will executive employment agreement with Mr. Richard Christopher for the provision of Chief Executive Officer services for US$420,000 per year, effective August 31, 2024, with an annual increase of 5% on January 1, 2025 and January 1, 2026 and thereafter at the sole discretion of the Company and in accordance with the Company's standard payroll practices. A performance bonus equal to 50% of the annual compensation may be payable upon the completion of certain performance criteria as determined by our Board. Participation in the Company's stock option plan is also included with an initial option issuance for the purchase of 200,000 common shares with an exercise price of $3.92, being granted for a five (5) year term with vesting periods ending in December 2026. An annual professional development allowance of US$40,000 is also available to Mr. Christopher. Mr. Christopher also receives medical and dental benefit reimbursement of US$2,400 per month.

Upon the occurrence of a change of control ("COC"), Mr. Christopher will be entitled to a lump payment of twelve (12) months' pay if such COC occurs within the first year of engagement, thirteen (13) months' pay if such COC occurs within the second year of engagement and fourteen (14) months' pay if such COC occurs within the third or subsequent year of engagement. The agreement specifies that should Mr. Christopher's engagement be terminated without just cause by the Company or for good reason by Mr. Christopher, the Company would pay Mr. Christopher any accrued wages, payable bonus and twelve (12) months' pay.

Mr. Chris Bunka, Former CEO

The Company secured a 3-year term renewable management contract with Mr. Bunka effective January 1, 2022, with a base compensation of C$29,706 per month with an annual increase of 1.25 times the annual Canadian inflation rate. A performance bonus of up to 50% of 12 times the monthly fee may be payable upon the completion of certain performance criteria as determined by our Board. Participation in the Company's stock option plan is also included.

The contract entitled Mr. Bunka to compensation of 2% of the consideration of the total value of any subsidiary sold and upon a change of control is entitled to twenty-six (26) times the monthly fee, excluding certain circumstances. The termination clause required fifteen (15) months written notice plus one additional months' written notice for each completed year of service for terminating the contract without cause. Payment may be made in lieu of and if so, the Company would be liable for a termination payment of fifteen (15) times the monthly fee plus one additional month's payment for each completed year of service of up to a maximum payment of twenty-four (24) times the monthly fee.

On August 31, 2024 the management contract with Mr. Bunka was terminated by the Company in order to proceed with the engagement of the new CEO, Mr. Richard Christopher. Pursuant to the terms of his contract and a review conducted by the Compensation Committee, Mr. Bunka received a severance payment of US$442,167, and received his pro rata portion of his performance milestone bonus. Mr. Bunka and the Company entered into a consulting agreement whereby Mr. Bunka provides Strategic Executive Advising services. Mr. Bunka will continue as a director of the Company and as the Chairman of the board and will be compensated for his services as such in the same manner as the independent board members.

Mr. John Docherty, President & CSO

The Company entered into a 4-year term renewable executive employment agreement with Mr. John Docherty for a management contract for C$512,000 per year, effective January 1, 2025, with an annual increase of 5% on January 1, 2026 and January 1, 2027 and thereafter at the sole discretion of the Company and in accordance with the Company's standard payroll practices. A performance bonus equal to 50% of the annual compensation may be payable upon the completion of certain performance criteria as determined by our Board. Participation in the Company's stock option plan is also included. An annual professional development allowance of C$55,000 is also available to Mr. Docherty.

The contract for the services includes entitlement to compensation of 2% of the consideration received by the Company from the sale of any subsidiary. Upon the occurrence of a change of control, Mr. Docherty will be entitled to a lump payment of twenty-four (24) months' pay. The contract specifies that Mr. Docherty must provide the Company with sixty (60) days written notice to terminate his employment. The agreement specifies that should Mr. Docherty's engagement be terminated without just cause by the Company or for good reason by Mr. Docherty, the Company would pay Mr. Docherty any accrued wages, payable bonus and fifteen months' salary (in lieu of written notice) with such amount being increased by one additional month's salary for each additional year employed up to a maximum of twenty-four (24) months.

Mr. Michael Shankman, Current CFO

The Company entered into an employment agreement with Mr. Shankman with a base annual salary of US$120,000, subject to annual increases of 1.25 x the annual inflation rate as determined by the US Federal Reserve Board, an option grant for the issuance of up to 50,000 common shares subject to vesting provisions ending August 31, 2026, and annual performance milestone bonuses of up to 35% during the first year, 40% during the second year and thereafter up to 50% of the base salary. Should Mr. Shankman be terminated without cause, after an initial six (6) months with the Company, he will be entitled to severance pay equal to two (2) months base salary, with such severance pay increasing by a month for each completed year of employment. Mr. Shankman received medical and dental benefits equal in value to up to $2,000 per month until his 65th birthday and receives four (4) weeks of paid vacation.

Mr. Nelson Cabatuan, Former CFO

The Company entered into an employment agreement with Mr. Cabatuan with a base annual salary of US$198,000, an option grant for the issuance of up to 200,000 common shares vested over three years and certain other bonus payments that were not realized due to Mr. Cabatuan's resignation as Chief Financial Officer. Upon his resignation, Mr. Cabatuan's unvested options (150,000) were returned to the Company's Equity Incentive Plan and he only received accrued wages. As Mr. Cabatuan has continued with the Company as its Strategic Investment Advisor his vested options (50,000) remain valid and active.

Grants of Plan-Based Awards Table

During the year ended August 31, 2025, Lexaria issued the following plan-based awards to our named executive officers:

Compensation Securities							
Executive Officer	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price**	**Closing price of security or underlying security on date of grant**	**Closing price of security or underlying security at year end**	**Expiry date**
Richard Christopher CEO	Stock Options	150,000	05/15/2025	$ 1.04	$ 1.03	$ 0.88	05/15/2030
John Docherty, President & CSO	Stock Options	150,000	05/15/2025	$ 1.04	$ 1.03	$ 0.88	05/15/2030
Michael Shankman CFO	Stock Options	50,000 50,000	10/01/2024 05/15/2025	$ 3.17 $ 1.04	$ 3.16 $ 1.03	$ 0.88	10/01/2029 05/15/2030

Outstanding Equity Awards at Fiscal Year End

The particulars of unexercised options, stock that has not vested and equity incentive plan awards for our named executive officers are set out in the following table:

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END									
	OPTION AWARDS					STOCK AWARDS			
Executive Officer	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested $	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#)
Richard Christopher	109,092 150,000	90,908 -	- -	$3.92 $1.04	08/31/2029 05/15/2030	- -	- -	- -	- -
John Docherty	18,000 18,334 15,000 30,000 30,000 49,500 150,000	- - - - - - -	- - - - - - -	$3.00 $3.00 $3.00 $2.91 $1.15 $2.36 $1.04	04/23/2026 06/08/2026 09/01/2026 08/29/2027 10/26/2028 04/26/2029 05/15/2030	- - - - - - -	- - - - - - -	- - - - - - -	- - - - - - -
Michael Shankman	35,000 50,000	15,000 -	- -	$3.17 $1.04	10/01/2029 05/15/2030	- -	- -	- -	- -

Option Exercises

No options were exercised by any named executive officer during the year ended August 31, 2025.

Compensation of Directors

As of the fiscal year ending August 31, 2025, five of our directors are compensated for their services. In their capacity as non-employee directors each receives $40,000 per year paid quarterly in advance. Directors are also paid $5,000 for their services on the Audit and Finance, Compensation, and the Governance and Nominating Committees and $5,000 for acting as chair of such committees or of the board.

The five non-employee directors were granted an aggregate of 55,000 stock options with a calculated fair value of $34,107 and is included in consulting expense during the fiscal year 2025.

In establishing the compensation of the directors, the Company engaged a third party consultant to conduct a peer company review of the compensation issued to companies of similar size, industry and stage of development.

Pension, Retirement or Similar Benefit Plans

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. We have no material bonus or profit-sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of our Board or a committee thereof.

Indebtedness of Directors, Senior Officers, Executive Officers, and Other Management

None of our directors or executive officers or any associate or affiliate of our company during the last two fiscal years is or has been indebted to our Company by way of guarantee, support agreement, letter of credit or other similar agreement or understanding currently outstanding.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee is, or was during fiscal 2025, an officer or employee of the Company or any of its subsidiaries or was formerly an officer of the Company or any of its subsidiaries. No member of the Compensation Committee is, or was during fiscal 2025, an executive officer of another company whose board of directors has a comparable committee on which one of the Company's executive officers serves.

Compensation Committee Report

Our Compensation Committee has reviewed and discussed the Executive Compensation for the year ended August 31, 2025, with management. Based on the reviews and discussions our Compensation Committee recommended to our Board that the Executive Compensation discussed above be included in this annual report on Form 10-K.

Actions to Recover Erroneously Awarded Compensation

At no time during the last fiscal year was the Company required to prepare an accounting restatement that required recovery of an erroneously awarded compensation pursuant to our Clawback Policy as incorporated by reference as Exhibit 97.1 to this Form 10-K.

Policies and Practices related to the Grant of Certain Equity Awards Close in Time to the Release of Material Nonpublic Information ("MNPI")

The Company has a strict policy of not issuing options or allowing its insiders to conduct stock trades at times, subject to any allowable trades that might occur pursuant to a 10b5-1 Trading Plan, where MNPI is known or a material transaction is anticipated to occur. Each insider and employee of the Company is required to read and sign the Company's Insider Trading and Black Out Period Policy as incorporated by reference as Exhibit 19.1, which prescribes certain set periods that prohibit insider trading. Other than as established for black-out periods associated with our quarterly and annual financial statement filings, our executive management will also issue notices of black-out trading periods if they are aware of material transactions which they anticipate closing.

Despite diligent efforts to prevent such grant of equity awards close in time to the release of MNPI, there are times when a material transaction may unexpectedly close with a faster timeline than expected which may result in an inadvertent issuance of stock options near or close to the disclosure of MNPI.

During the fiscal year ended August 31, 2025, the Company did not grant any equity awards that were close in time to the release of MNPI.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information with respect to the beneficial ownership of our common shares by each shareholder known by us to be the beneficial owner of more than 5% of our common shares, as well as by each of our directors and executive officers as a group, as of November 25, 2025. Each person has sole voting and investment power with respect to the shares of common stock, except as otherwise indicated. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated.

Name, Address & Position of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class[1]
Directors and Executive Officers as a Group	1,958,682	8.39%
Executive Officers and Directors Individually		
Richard Christopher[2] Chief Executive Officer and Director	415,000[10]	1.48%
John Docherty[3] President, CSO and Director	370,285	1.64%
Michael Shankman[4] Chief Financial Officer	100,000[10]	*%
Christopher Bunka[5] Chairman & Director	840,289	3.75%
Nicholas Baxter[6] Independent Director	74,000	*%
Ted McKechnie[7] Independent Director	81,191	*%
Albert Reese Jr.[8] Independent Director	53,917	*%
Bal Bhullar[9] Independent Director	24,000	*%
5% Owners		
Armistice Capital, LLC[11]	4,551,019	17.0%

** denotes a holding of less than 1%*

Notes:

(1) Percentage of ownership is based on 22,225,846 common shares issued and outstanding as of November 25, 2025 on a diluted basis. Except as otherwise indicated, we believe that the beneficial owners of the common stock listed above, based on information furnished by such owners, have sole investment and voting power with respect to such common shares.

(2) Includes 118,180 options exercisable at $3.92 and 150,000 options exercisable at $1.04. 81,820 options that are not exercisable within the next 60 days have not been included in the percentage calculation.

(3) Includes 54,075 shares held in the name of Docherty Management Ltd., 5,376 shares held in the name of John Docherty and 51,334 options exercisable at $3.00 and 30,000 options exercisable at $2.91, 30,000 options exercisable at $1.15, 49,500 options exercisable at $2.36 and 150,000 options exercisable at $1.04 held in the name of John Docherty.

(4) Includes 35,000 options exercisable at $3.17 and 50,000 options exercisable at $1.04

(5) Includes 281,912 shares held in the name of C.A.B. Financial Services and 373,543 shares held directly by Christopher Bunka. Includes 64,334 options exercisable at $3.00, 30,000 options exercisable at $2.91, 30,000 options exercisable at $1.15, 49,500 options exercisable at $2.36 and 11,000 options exercisable at $1.04.

(6) Includes 8,400 options exercisable at $3.00, 3,400 options exercisable at $3.39, 18,200 options exercisable at $1.96, 5,000 options exercisable at $0.87, 5,000 options exercisable at $2.36, 12,000 options exercisable at $3.39 and 11,000 options exercisable at $1.04.

(7) Includes 8,400 options exercisable at $3.00, 3,400 options exercisable at $3.39, 18,200 options exercisable at $1.96 and 5,000 options exercisable at $0.87, 5,000 options exercisable at $2.36, 12,000 options exercisable at $3.39 and 11,000 options exercisable at $1.04.

(8) Includes 3,400 options exercisable at $3.00, 3,400 options exercisable at $3.39, 3,200 options exercisable at $1.96 and 5,000 options exercisable at $0.87, 5,000 options exercisable at $2.36, 12,000 options exercisable at $3.39 and 11,000 options exercisable at $1.04.

(9) Includes 11,000 options exercisable at $1.04.

(10) Under Rule 13d-3, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. The diluted percentage holdings reflect a deduction of 81,820 options held by Mr. Christopher and 15,000 options held by Mr. Shankman which were not exercisable within 60 days of the date of that this information is provided.

(11) Consists of 4,551,019 warrants which contain certain beneficial ownership limitations, which provide that a holder of the securities will not have the right to exercise any portion of its Common Warrants if such holder, together with its affiliates and attribution parties, would beneficially own in excess of 4.99% or 9.99%.

Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the number of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in the table above does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding on August 31, 2025. As of November 25, 2025, there were 22,225,846 shares of our common stock issued and outstanding.

Equity Compensation Plan Information

We have no long-term incentive plans other than the equity incentive plan described below.

Equity Incentive Plan

Securities authorized for issuance under equity compensation plans

Plan Category	Number of securities to be based upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plan [excluding securities reflected in column (a)]
	(a)	(b)	(c)
Equity compensation plans not approved by shareholders	Nil	Nil	Nil
Equity compensation plans approved by shareholders	1,484,435	$ 2.29	158,324
Total	**1,484,435**	**$ 2.29**	**158,324**

All future option issuances shall be made under the Equity Incentive Plan. Our Board may amend, suspend, or terminate this Plan or any portion thereof subject to the approval of any requisite regulatory authority. No such amendment, suspension or termination shall alter or impair any outstanding unexercised stock options or any rights without the consent of such Participant. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any stock option remains outstanding.

The Equity Incentive Plan, as approved by the Company's shareholders, includes an evergreen formula whereby on January 1 of each calendar year the number of shares issuable pursuant to the Equity Incentive Plan may be increased, at the discretion of the Board, to 10% of the issued share capital as at December 31 of the preceding year without any further approvals required.

Convertible Securities

Pursuant to our Equity Incentive Plan, during the year ended August 31, 2025, we granted 100,000 restricted stock awards and stock options to directors, officers, employees, and consultants that enable the option holders to purchase up to 586,500 common shares of the Company. Options were granted at quantities and prices of: 62,000 at $3.17, 20,000 at $2.10, 10,000 at $2.42, 50,000 at $2.07 and 444,500 at $1.04 and have five-year exercise periods. The 100,000 restricted stock awards and 586,500 options that were granted and exercisable as of August 31, 2025, had a fair value of $629,212 using the Black Scholes valuation method and the non-cash expense was included in wages and salaries on the Company's Consolidated Statements of Operations and Comprehensive Loss.

Changes in Control

We are unaware of any contract or other arrangement which may at a subsequent date result in a change in control of our Company.

Item 13. Certain Relationships and Related Transactions, and Director Independence

No director, executive officer, shareholder holding at least 5% of shares of our common stock, or any family member thereof, had any material interest, direct or indirect, in any transaction, or proposed transaction since the beginning of our fiscal year ended August 31, 2025, in which the amount involved in the transaction exceeded or exceeds the lesser of $120,000 or one percent of the average of our total assets at the year-end for the last three completed fiscal years.

Director Independence

Lexaria directors are Messrs. Richard Christopher, Christopher Bunka, John Docherty, Nicholas Baxter, Ted McKechnie and Al Reese Jr. and Ms. Bal Bhullar. We have determined that Messrs. Baxter, McKechnie and Reese and Ms. Bhullar are "independent directors" as defined in Nasdaq Marketplace Rule 4200(a)(15).

Our audit and finance committee consists of our Messrs. Reese and Baxter and Ms. Bhullar, Mr. Reese qualifying as an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K.

From inception to present date, we believe that the members of our audit committee and our Board have been and are collectively capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting.

Our Compensation Committee consists of the following independent directors: Messrs. McKechnie and Baxter. During fiscal year ended August 31, 2025, the Compensation Committee held nine meetings to determine bonus compensation payable to the named executive officers in connection with the successful completion of certain performance milestones.

Our appointed Governance and Nominating Committee consists of the following independent directors: Ms. Bhullar, Mr. Reese Jr. and Mr. McKechnie. During the fiscal year ended August 31, 2025, the Governance and Nominating Committee held one formal meeting.

Item 14. Principal Accountant Fees and Services

The aggregate fees billed for the most recently completed fiscal year ended August 31, 2025, and for fiscal year ended August 31, 2024 for professional services rendered by the principal accountants were as follows:

Principal Accounting Fees	Year Ended August 31, 2025 $	Year Ended August 31, 2024 $
Audit	111,000	111,000
Audit Related	118,800	53,700
Tax	11,433	12,360
Total	**241,233**	**177,060**

Audit fees consist of fees billed for professional services rendered for the audits of our financial statements on Form 10-K and the reviews of our interim financial statements included in quarterly reports filed on Form 10-Q.

Audit related fees consist of fees billed for assurance and related services by the Company's principal accountant that are reasonably related to the performance of the audit or review of the Company's financial statements, which are not included in the Audit Fees described above.

Tax fees were billed for professional services including assistance with tax compliance, preparation of tax returns, and tax consultation.

Pre-Approval Policy

Our Audit and Finance committee pre-approve all services provided by our independent auditors according to the Audit and Finance Committee's Charter as set out in Exhibit "A" in the Company's Schedule 14A Definitive Proxy Statement filed with the SEC on April 13, 2022. All of the above audit services and fees were reviewed and approved by the committee.

PART IV

Item 15. Exhibits and Financial Statement Schedules

a) Financial Statements

1) Report of Independent Registered Public Accounting Firm (PCAOB ID 206)

2) Financial statements for our Company are listed under Item 8 of this document.

3) All financial statement schedules are omitted because they are not applicable, not material or the required information is shown in the financial statements or notes thereto.

b) Exhibits

Exhibit Number	Description
(3)	**Articles of Incorporation and Bylaws**
3.1	Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed January 14, 2021)
3.2	Second Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to our Current Report on Form 8-K filed January 14, 2021)
(4)	**Instruments Defining the Rights of Security Holders, including Indentures**
4.1	Equity Incentive Plan (incorporated by reference to Exhibit 4.1 to our Registration Statement on Form S-8 filed on January 18, 2024)
4.2	Form of Warrant (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed January 14, 2021)
4.3	Form of Representative's Warrant (incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed January 14, 2021)
4.4	Form of Warrant (incorporated by reference to Exhibit 4.5 to the Registration Statement on Form S-1 filed with the SEC on April 28, 2023)
4.5	Form of Private Placement Warrant (incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed February 16, 2024)
4.6	Form of Placement Agent Warrant (incorporated by reference to Exhibit 4.3 to our Current Report on Form 8-K filed February 16, 2024)
4.7	Form of Common Stock Purchase Warrant (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed April 30, 2024)
4.8	Form of Tail Warrant (incorporated by reference as Exhibit 4.2 to our Quarterly Report on Form 10-Q filed July 12, 2024)
4.9	Form of Private Placement Warrant (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed October 16, 2024)
4.10	Form of Placement Agent Warrant (incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed October 16, 2024)
4.11	Form of Placement Agent Warrant (incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed April 28, 2025)
4.12	Form of Private Placement Warrant (incorporated by reference as Exhibit 4.1 to our Current Report on Form 8-K filed September 29, 2025)
4.13	Form of Placement Agent Warrant (incorporated by reference as Exhibit 4.2 to our Current Report on Form 8-K filed September 29, 2025)
(10)	**Material Contracts**
10.1	Capital on Demand™ Sales Agreement, dated as of August 21, 2024 by and between Lexaria Bioscience Corp. and JonesTrading Institutional Services LLC (incorporated by reference to Exhibit 1.1 to our Current Report on Form 8-K filed on August 22, 2024)
10.2	Executive Employment Agreement dated August 31, 2024 with Richard Christopher (incorporated by reference to Exhibit 10.9 to our Annual Report on Form 10-K filed November 26, 2024)
10.3	Executive Employment Agreement dated October 1, 2024 with Michael Shankman (incorporated by reference to Exhibit 10.10 to our Annual Report on Form 10-K filed November 26, 2024)
10.4	Form of Securities Purchase Agreement with certain purchasers dated October 14, 2024 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed October 16, 2024)
10.5	Project Agreement effective December 2, 2024 with Novotech (Australia) Pty Limited (incorporated by reference to Exhibit 10.4 to our Quarterly Report on Form 10-Q filed January 10, 2025)
10.6	Executive Employment Agreement dated December 31, 2024 with John Docherty (incorporated by reference to Exhibit 10.5 to our Quarterly Report on Form 10-Q filed January 10, 2025)
10.7	Form of Director Services Agreement (incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q filed April 14, 2025)
10.8	Engagement Agreement by and between the Company and H.C. Wainwright & Co., LLC, dated February 24, 2025, as amended (incorporated by reference to Exhibit 1.1 and 1.2 to our Current Report on Form 8-K filed April 28, 2025)
10.9	Form of Securities Purchase Agreement dated April 24, 2025 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed April 28, 2025)
10.10	Change Order to Project Agreement with Novotech (Australia) Pty Limited effective May 14, 2025 (incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q filed July 14, 2025)
10.11	Engagement Agreement with H.C. Wainwright & Co. LLC dated August 12, 2025
10.12	Form of Securities Purchase Agreement dated September 26, 2025 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed September 29, 2025)
(19)	**Insider Trading Policies and Procedures**
19.1	Insider Trading and Black-Out Period Policy, effective June 14, 2019 (incorporated by reference to Exhibit 19.1 to our Annual Report on Form 10-K filed November 26, 2024)
(21)	**Subsidiaries**
21.1	**List of Subsidiaries of the Registrant** (incorporated by reference to Exhibit 21.1 to our Annual Report on Form 10-K filed November 26, 2024)
(23)	**Consents of Experts and Counsel**
23.1	**Consent of MaloneBailey LLP, Chartered Professional Accountants**
(31)	**Rule 13(a) - 14 (a)/15(d) - 14(a)**
31.1	**Section 302 Certifications under Sarbanes-Oxley Act of 2002 of Principal Executive Officer**
31.2	**Section 302 Certifications under Sarbanes-Oxley Act of 2002 of Principal Financial Officer and Principal Accounting Officer**
(32)	**Section 1350 Certifications**
32.1	**Section 906 Certification under Sarbanes Oxley Act of 2002 of Principal Executive Officer**
32.2	**Section 906 Certification under Sarbanes Oxley Act of 2002 of Principal Financial Officer and Principal Accounting Officer**
(97)	**Policy Relating to Recovery of Erroneously Awarded Compensation**
97.1	**Clawback Policy, effective December 1, 2023** (incorporated by reference to Exhibit 97.1 to our Annual Report on Form 10-K filed November 26, 2024)
(101)**	**Interactive Data Files**
101.INS	**XBRL Instance Document**
101.SCH	**XBRL Taxonomy Extension Schema Document**
101.CAL	**XBRL Taxonomy Extension Calculation Linkbase Document**
101.DEF	**XBRL Taxonomy Extension Definition Linkbase Document**
101.LAB	**XBRL Taxonomy Extension Label Linkbase Document**
101.PRE	**XBRL Taxonomy Extension Presentation Linkbase Document**

** Furnished herewith. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of any registration statement or

prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, and otherwise are not subject to liability under those sections.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LEXARIA BIOSCIENCE CORP.

By: /s/ Richard Christopher
Richard Christopher
Chief Executive Officer
(Principal Executive Officer)
Date: November 26, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Richard Christopher
Richard Christopher
Chief Executive Officer & Director
(Principal Executive Officer)
Date: November 26, 2025

By: /s/ Michael Shankman
Michael Shankman
Chief Financial Officer
(Principal Financial Officer)
Date: November 26, 2025

By: /s/ John Docherty
John Docherty
President, CSO & Director
Date: November 26, 2025

By: /s/ Christopher Bunka
Christopher Bunka
Director & Chairman
Date: November 26, 2025

By: /s/ William Edward (Ted) McKechnie
Ted McKechnie
Director
Date: November 26, 2025

By: /s/ Nicholas Baxter
Nicholas Baxter
Director
Date: November 26, 2025

By: /s/ Albert Reese Jr.
Albert Reese Jr.
Director
Date: November 26, 2025

By: /s/ Bal Bhullar
Bal Bhullar
Director
Date: November 26, 2025

H.C.WAINWRIGHT&CO.

Execution Version

August 12, 2025

STRICTLY CONFIDENTIAL

Lexaria Bioscience Corp.
#100 – 740 McCurdy Road
Kelowna, BC
V1X 2P7 Canada

Attn: Richard Christopher, Chief Executive Officer

Dear Mr. Christopher:

This letter agreement (this "Agreement"), effective as of as of the date hereof, constitutes the agreement between Lexaria Bioscience Corp. (the "Company") and H.C. Wainwright & Co., LLC ("Wainwright"), that Wainwright shall serve as the exclusive underwriter, agent or advisor in any offering (each, an "Offering") of securities of the Company (the "Securities") during the Term (as hereinafter defined) of this Agreement; provided, however, that the Company's existing Capital on Demand ™ Sales Agreement with Jones Trading Institutional Services LLC shall be excluded from this Agreement. The terms of each Offering and the Securities issued in connection therewith shall be mutually agreed upon by the Company and Wainwright and nothing herein implies that Wainwright would have the power or authority to bind the Company and nothing herein implies that the Company shall have an obligation to issue any Securities. It is understood that Wainwright's assistance in an Offering will be subject to the satisfactory completion of such investigation and inquiry into the affairs of the Company as Wainwright deems appropriate under the circumstances and to the receipt of all internal approvals of Wainwright in connection with an Offering. The Company expressly acknowledges and agrees that Wainwright's involvement in an Offering is strictly on a reasonable best efforts basis and that the consummation of an Offering will be subject to, among other things, market conditions. The execution of this Agreement does not constitute a commitment by Wainwright to purchase the Securities and does not ensure a successful Offering of the Securities or the success of Wainwright with respect to securing any other financing on behalf of the Company. Wainwright may retain other underwriters, brokers, dealers or agents on its behalf in connection with an Offering.

A. Compensation; Reimbursement. The Company shall compensate Wainwright as follows:

1. *Cash Fee*. The Company shall pay Wainwright a cash fee, or as to an underwritten Offering an underwriter discount, equal to 7.0% of the aggregate gross proceeds raised at the closing of each Offering (each, a "Closing").

2. *Warrant Coverage*. The Company shall issue to Wainwright or its designees at each Closing, warrants (the "Wainwright Warrants") to purchase that number of shares of common stock of the Company equal to 3.5% of the aggregate number of shares of common stock (or common stock equivalent, if applicable) placed in each Offering (and if an Offering includes a "greenshoe" or "additional investment" component, such number of shares of common stock underlying such "greenshoe" or "additional investment" component, with the Wainwright Warrants issuable upon the exercise of such component). If the Securities included in an Offering are convertible, the Wainwright Warrants shall be determined by dividing the gross proceeds raised in such Offering by the Offering Price (as defined hereunder). The Wainwright Warrants shall be in a customary form reasonably acceptable to Wainwright, have a term of five (5) years and an exercise price equal to 125% of the offering price per share (or unit, if applicable) in the applicable Offering and if such offering price is not available, the market price of the common stock on the date an Offering is commenced (such price, the "Offering Price"). If warrants are issued to investors in an Offering, the Wainwright Warrants shall have the same terms as the warrants issued to investors in the applicable Offering, except that such Wainwright Warrants shall have an exercise price equal to 125% of the Offering Price.

3. *Expense Allowance*. Out of the proceeds of each Closing, the Company also agrees to pay Wainwright (a) US$20,000 for non-accountable expenses (to be increased to US$50,000 in case a public Offering is consummated or contemplated); (b) up to US$50,000 for fees and expenses of legal counsel and other out-of-pocket expenses (to be increased to US$100,000 in case a public Offering is consummated or contemplated); plus the additional amount payable by the Company pursuant to Paragraph D.3 hereunder and, if applicable, the costs associated with the use of a third-party electronic road show service (such as NetRoadshow); provided, however, that such amounts in no way limit or impair the indemnification and contribution provisions of this Agreement.

4. *Tail*. Wainwright shall be entitled to compensation under clauses (1) and (2) hereunder, calculated in the manner set forth therein, with respect to any public or private offering or other financing or capital-raising transaction of any kind ("Tail Financing") to the extent that any capital or funds in such Tail Financing is provided to the Company directly or indirectly by investors whom Wainwright had contacted during the Term or introduced to the Company during the Term, if such Tail Financing is consummated at any time within the 6-month period following the expiration or termination of this Agreement.

5. *Right of First Refusal*. If, from the date hereof until the ninetieth (90th) day following the consummation of each Offering (subject to FINRA Rule 5110(g)(6)(A)), the Company or any of its subsidiaries (a) decides to finance or refinance any indebtedness, Wainwright (or any affiliate designated by Wainwright) shall have the right to act as sole book-runner, sole manager, sole placement agent or sole agent with respect to such financing or refinancing; or (b) decides to raise funds by means of a public offering (including at-the-market facility) or a private placement or any other capital-raising financing of equity, equity-linked or debt securities, Wainwright (or any affiliate designated by Wainwright) shall have the right to act as sole book-running manager, sole underwriter or sole placement agent for such financing. If Wainwright or one of its affiliates decides to accept any such engagement, the agreement governing such engagement will contain, among other things, provisions for customary fees for transactions of similar size and nature and the provisions of this Agreement, including indemnification, which are appropriate to such a transaction.

B. Term and Termination of Engagement; Exclusivity. The term of Wainwright's exclusive engagement will begin on the date hereof and end forty-five (45) days after a registration statement on Form S-1 filed by the Company for a primary Offering hereunder becomes effective (the "Term"). Notwithstanding anything to the contrary contained herein, the Company agrees that the provisions relating to the payment of fees, reimbursement of expenses, right of first refusal, tail, indemnification and contribution, confidentiality, conflicts, independent contractor and waiver of the right to trial by jury will survive any termination or expiration of this Agreement. Notwithstanding anything to the contrary contained herein, the Company has the right to terminate the Agreement for cause in compliance with FINRA Rule 5110(g)(5)(B)(i). The exercise of such right of termination for cause eliminates the Company's obligations with respect to the provisions relating to the tail fees and right of first refusal. Notwithstanding anything to the contrary contained in this Agreement, in the event that an Offering pursuant to this Agreement shall not be carried out for any reason whatsoever during the Term, the Company shall be obligated to pay to Wainwright its actual and accountable out-of-pocket expenses related to an Offering (including the fees and disbursements of Wainwright's legal counsel) and, if applicable, for electronic road show service used in connection with an Offering. During Wainwright's engagement hereunder: (i) the Company will not, and will not permit its representatives to, other than in coordination with Wainwright, contact or solicit institutions, corporations or other entities or individuals as potential purchasers of the Securities or investment banks in connection with an Offering and (ii) the Company will not pursue any financing transaction which would be in lieu of an Offering. Furthermore, the Company agrees that during Wainwright's engagement hereunder, all inquiries from prospective investors will be referred to Wainwright. Additionally, except as set forth hereunder, the Company represents, warrants and covenants that no brokerage or finder's fees or commissions are or will be payable by the Company or any subsidiary of the Company to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other third-party with respect to any Offering.

C. Information; Reliance. The Company shall furnish, or cause to be furnished, to Wainwright all information requested by Wainwright for the purpose of rendering services hereunder and conducting due diligence (all such information being the "Information"). In addition, the Company agrees to make available to Wainwright upon request from time to time the officers, directors, accountants, counsel and other advisors of the Company. The Company recognizes and confirms that Wainwright (a) will use and rely on the Information, including any documents provided to investors in each Offering (the "Offering Documents") which shall include any Purchase Agreement (as defined hereunder), and on information available from generally recognized public sources in performing the services contemplated by this Agreement without having independently verified the same; (b) does not assume responsibility for the accuracy or completeness of the Offering Documents or the Information and such other information; and (c) will not make an appraisal of any of the assets or liabilities of the Company. Upon reasonable request, the Company will meet with Wainwright or its representatives to discuss all information relevant for disclosure in the Offering Documents and will cooperate in any investigation undertaken by Wainwright thereof, including any document included or incorporated by reference therein. At each Offering, at the request of Wainwright, the Company shall deliver such legal letters (including, without limitation, negative assurance letters), opinions, comfort letters, officers' and secretary certificates and good standing certificates, all in form and substance satisfactory to Wainwright and its counsel as is customary for such Offering. Wainwright shall be a third party beneficiary of any representations, warranties, covenants, closing conditions and closing deliverables made by the Company in any Offering Documents, including representations, warranties, covenants, closing conditions and closing deliverables made to any investor in an Offering.

D. Related Agreements. At each Offering, the Company shall enter into the following additional agreements, as applicable:

1. *Underwritten Offering*. If an Offering is an underwritten Offering, the Company and Wainwright shall enter into a customary underwriting agreement in form and substance satisfactory to Wainwright and its counsel.

2. *Best Efforts Offering*. If an Offering is on a best efforts basis, the sale of Securities to the investors in the Offering will be evidenced by a purchase agreement ("Purchase Agreement") between the Company and such investors in a form reasonably satisfactory to the Company and Wainwright. Wainwright shall be a third party beneficiary with respect to the representations, warranties, covenants, closing conditions and closing deliverables included in the Purchase Agreement. Prior to the signing of any Purchase Agreement, officers of the Company with responsibility for financial affairs will be available to answer inquiries from prospective investors.

3. *Escrow, Settlement and Closing*. If each Offering is not settled via delivery versus payment ("DVP"), the Company and Wainwright shall enter into an escrow agreement with a third party escrow agent pursuant to which Wainwright's compensation and expenses shall be paid from the gross proceeds of the Securities sold. If the Offering is settled in whole or in part via DVP, Wainwright shall arrange for its clearing agent to provide the funds to facilitate such settlement; provided, however, if the clearing firm provides the funds in a best efforts offering and subsequent to such delivery an investor fails to provide the necessary funds to the clearing agent for such purchase of Securities, Wainwright shall instruct the clearing agent to promptly return any such Securities to the Company and the Company shall promptly return such investor's purchase price to the clearing agent. The Company shall pay Wainwright closing costs, which shall also include the reimbursement of the out-of-pocket cost of the escrow agent or clearing agent, as applicable, which closing costs shall not exceed US$15,950.

4. *FINRA Amendments*. Notwithstanding anything herein to the contrary, in the event that Wainwright determines that any of the terms provided for hereunder shall not comply with a FINRA rule, including but not limited to FINRA Rule 5110, then the Company shall agree to amend this Agreement (or include such revisions in the final underwriting agreement) in writing upon the request of Wainwright to comply with any such rules; provided that any such amendments shall not provide for terms that are less favorable to the Company than are reflected in this Agreement.

E. Confidentiality. In the event of the consummation or public announcement of any Offering, Wainwright shall have the right to disclose its participation in such Offering, including, without limitation, the Offering at its cost of "tombstone" advertisements in financial and other newspapers and journals.

F. Indemnity.

1. In connection with the Company's engagement of Wainwright hereunder, the Company hereby agrees to indemnify and hold harmless Wainwright and its affiliates, and the respective controlling persons, directors, officers, members, shareholders, agents and employees of any of the foregoing (collectively the "Indemnified Persons"), from and against any and all claims, actions, suits, proceedings (including those of shareholders), damages, liabilities and expenses incurred by any of them (including the reasonable fees and expenses of counsel), as incurred, whether or not the Company is a party thereto (collectively a "Claim"), that are (A) related to or arise out of (i) any actions taken or omitted to be taken (including any untrue statements made or any statements omitted to be made) by the Company, or (ii) any actions taken or omitted to be taken by any Indemnified Person in connection with the Company's engagement of Wainwright, or (B) otherwise relate to or arise out of Wainwright's activities on the Company's behalf under Wainwright's engagement, and the Company shall reimburse any Indemnified Person for all expenses (including the reasonable fees and expenses of counsel) as incurred by such Indemnified Person in connection with investigating, preparing or defending any such claim, action, suit or proceeding, whether or not in connection with pending or threatened litigation in which any Indemnified Person is a party. The Company will not, however, be responsible for any Claim that is finally judicially determined to have resulted from the gross negligence or willful misconduct of any such Indemnified Person for such Claim. The Company further agrees that no Indemnified Person shall have any liability to the Company for or in connection with the Company's engagement of Wainwright except for any Claim incurred by the Company as a result of such Indemnified Person's gross negligence or willful misconduct.

2. The Company further agrees that it will not, without the prior written consent of Wainwright, settle, compromise or consent to the entry of any judgment in any pending or threatened Claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Person is an actual or potential party to such Claim), unless such settlement, compromise or consent includes an unconditional, irrevocable release of each Indemnified Person from any and all liability arising out of such Claim.

3. Promptly upon receipt by an Indemnified Person of notice of any complaint or the assertion or institution of any Claim with respect to which indemnification is being sought hereunder, such Indemnified Person shall notify the Company in writing of such complaint or of such assertion or institution but failure to so notify the Company shall not relieve the Company from any obligation it may have hereunder, except and only to the extent such failure results in the forfeiture by the Company of substantial rights and defenses. If the Company is requested by such Indemnified Person, the Company will assume the defense of such Claim, including the employment of counsel for such Indemnified Person and the payment of the fees and expenses of such counsel, provided, however, that such counsel shall be satisfactory to the Indemnified Person and provided further that if the legal counsel to such Indemnified Person reasonably determines that the use of counsel chosen by the Company to represent such Indemnified Person would present such counsel with a conflict of interest or if the defendant in, or target of, any such Claim, includes an Indemnified Person and the Company, and legal counsel to such Indemnified Person reasonably concludes that there may be legal defenses available to it or other Indemnified Persons different from or in addition to those available to the Company, such Indemnified Person will employ its own separate counsel (including local counsel, if necessary) to represent or defend him, her or it in any such Claim and the Company shall pay the reasonable fees and expenses of such counsel. If such Indemnified Person does not request that the Company assume the defense of such Claim, such Indemnified Person will employ its own separate counsel (including local counsel, if necessary) to represent or defend him, her or it in any such Claim and the Company shall pay the reasonable fees and expenses of such counsel. Notwithstanding anything herein to the contrary, if the Company fails timely or diligently to defend, contest, or otherwise protect against any Claim, the relevant Indemnified Person shall have the right, but not the obligation, to defend, contest, compromise, settle, assert crossclaims, or counterclaims or otherwise protect against the same, and shall be fully indemnified by the Company therefor, including without limitation, for the reasonable fees and expenses of its counsel and all amounts paid as a result of such Claim or the compromise or settlement thereof. In addition, with respect to any Claim in which the Company assumes the defense, the Indemnified Person shall have the right to participate in such Claim and to retain his, her or its own counsel therefor at his, her or its own expense.

4. The Company agrees that if any indemnity sought by an Indemnified Person hereunder is held by a court to be unavailable for any reason then (whether or not Wainwright is the Indemnified Person), the Company and Wainwright shall contribute to the Claim for which such indemnity is held unavailable in such proportion as is appropriate to reflect the relative benefits to the Company, on the one hand, and Wainwright on the other, in connection with Wainwright's engagement referred to above, subject to the limitation that in no event shall the amount of Wainwright's contribution to such Claim exceed the amount of fees actually received by Wainwright from the Company pursuant to Wainwright's engagement. The Company hereby agrees that the relative benefits to the Company, on the one hand, and Wainwright on the other, with respect to Wainwright's engagement shall be deemed to be in the same proportion as (a) the total value paid or proposed to be paid or received by the Company pursuant to the applicable Offering (whether or not consummated) for which Wainwright is engaged to render services bears to (b) the fee paid or proposed to be paid to Wainwright in connection with such engagement.

5. The Company's indemnity, reimbursement and contribution obligations under this Agreement (a) shall be in addition to, and shall in no way limit or otherwise adversely affect any rights that any Indemnified Person may have at law or at equity and (b) shall be effective whether or not the Company is at fault in any way.

G. Limitation of Engagement to the Company. The Company acknowledges that Wainwright has been retained only by the Company, that Wainwright is providing services hereunder as an independent contractor (and not in any fiduciary or agency capacity) and that the Company's engagement of Wainwright is not deemed to be on behalf of, and is not intended to confer rights upon, any shareholder, owner or partner of the Company or any other person not a party hereto as against Wainwright or any of its affiliates, or any of its or their respective officers, directors, controlling persons (within the meaning of Section 15 of the Securities Act of 1933, as amended (the "Securities Act") or Section 20 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), employees or agents. Unless otherwise expressly agreed in writing by Wainwright, no one other than the Company is authorized to rely upon this Agreement or any other statements or conduct of Wainwright, and no one other than the Company is intended to be a beneficiary of this Agreement. The Company acknowledges that any recommendation or advice, written or oral, given by Wainwright to the Company in connection with Wainwright's engagement is intended solely for the benefit and use of the Company's management and directors in considering a possible Offering, and any such recommendation or advice is not on behalf of, and shall not confer any rights or remedies upon, any other person or be used or relied upon for any other purpose. Wainwright shall not have the authority to make any commitment binding on the Company. The Company, in its sole discretion, shall have the right to reject any investor introduced to it by Wainwright.

H. Limitation of Wainwright's Liability to the Company. Wainwright and the Company further agree that neither Wainwright nor any of its affiliates or any of its or their respective officers, directors, controlling persons (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act), employees or agents shall have any liability to the Company, its security holders or creditors, or any person asserting claims on behalf of or in the right of the Company (whether direct or indirect, in contract, tort, for an act of negligence or otherwise) for any losses, fees, damages, liabilities, costs, expenses or equitable relief arising out of or relating to this Agreement or the services rendered hereunder, except for losses, fees, damages, liabilities, costs or expenses that arise out of or are based on any action of or failure to act by Wainwright and that are finally judicially determined to have resulted solely from the gross negligence or willful misconduct of Wainwright.

I. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be fully performed therein. Any disputes that arise under this Agreement, even after the termination of this Agreement, will be heard only in the state or federal courts located in the City of New York, State of New York. The parties hereto expressly agree to submit themselves to the jurisdiction of the foregoing courts in the City of New York, State of New York. The parties hereto expressly waive any rights they may have to contest the jurisdiction, venue or authority of any court sitting in the City and State of New York. In the event Wainwright or any Indemnified Person is successful in any action, or suit against the Company, arising out of or relating to this Agreement, the final judgment or award entered shall be entitled to have and recover from the Company the costs and expenses incurred in connection therewith, including its reasonable attorneys' fees. Any rights to trial by jury with respect to any such action, proceeding or suit are hereby waived by Wainwright and the Company.

J. Notices. All notices hereunder will be in writing and sent by certified mail, hand delivery, overnight delivery or e-mail, if sent to Wainwright, at the address set forth on the first page hereof, e-mail: notices@hcwco.com, Attention: Head of Investment Banking, and if sent to the Company, to the address set forth on the first page hereof, e-mail: rchristopher@lexariabioscience.com, Attention: Chief Executive Officer. Notices sent by certified mail shall be deemed received five days thereafter, notices sent by hand delivery or overnight delivery shall be deemed received on the date of the relevant written record of receipt, notices sent by e-mail shall be deemed received as of the date and time they were sent.

K. Conflicts. The Company acknowledges that Wainwright and its affiliates may have and may continue to have investment banking and other relationships with parties other than the Company pursuant to which Wainwright may acquire information of interest to the Company. Wainwright shall have no obligation to disclose such information to the Company or to use such information in connection with any contemplated transaction.

L. Anti-Money Laundering. To help the United States government fight the funding of terrorism and money laundering, the federal laws of the United States require all financial institutions to obtain, verify and record information that identifies each person with whom they do business. This means Wainwright must ask the Company for certain identifying information, including a government-issued identification number (e.g., a U.S. taxpayer identification number) and such other information or documents that Wainwright considers appropriate to verify the Company's identity, such as certified articles of incorporation, a government-issued business license, a partnership agreement or a trust instrument.

M. Miscellaneous. The Company represents and warrants that it has all requisite power and authority to enter into and carry out the terms and provisions of this Agreement and the execution, delivery and performance of this Agreement does not breach or conflict with any agreement, document or instrument to which it is a party or bound. Furthermore, the Company represents and warrants that no consent, permit, waiver, approval or authorization of any third party in connection with the execution, delivery and performance by the Company of this Agreement or an Offering, is required or has not been obtained. This Agreement shall not be modified or amended except in writing signed by Wainwright and the Company. This Agreement shall be binding upon and inure to the benefit of both Wainwright and the Company and their respective assigns, successors, and legal representatives. This Agreement constitutes the entire agreement between Wainwright and the Company with respect to the subject matter hereof and supersedes any prior agreements with respect to the subject hereof; except that the engagement letter dated February 24, 2025, as amended on April 10, 2025, shall govern the subject matter thereof. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect such provision in any other respect, and the remainder of the Agreement shall remain in full force and effect. This Agreement may be executed in counterparts (including electronic counterparts), each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Signatures to this Agreement transmitted by electronic mail in "portable document format" (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature. The undersigned hereby consents to receipt of this Agreement in electronic form and understands and agrees that this Agreement may be signed electronically. In the event that any signature is delivered by electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or otherwise by electronic transmission evidencing an intent to sign this Agreement, such electronic mail or other electronic transmission shall create a valid and binding obligation of the undersigned with the same force and effect as if such signature were an original. Execution and delivery of this Agreement by electronic mail or other electronic transmission is legal, valid and binding for all purposes.

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In acknowledgment that the foregoing correctly sets forth the understanding reached by Wainwright and the Company, please sign in the space provided below, whereupon this letter shall constitute a binding Agreement as of the date indicated above.

Very truly yours,

H.C. WAINWRIGHT & CO., LLC

By: "Edward D. Silvera"
Name: Edward D. Silvera
Title: Chief Operating Officer
Date: 8/12/2025

Accepted and Agreed:

Lexaria Bioscience Corp.

By: "Richard Christopher"
Name: Richard Christopher
Title: Chief Executive Officer

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Forms S-3 (File Nos. 333-262402, 333-283484 and 333-284407), Form S 8 (File No. 333-284144), Forms S-1 (File Nos. 333-277863, 333-279909, and 333-290862) of our report dated November 26, 2025 with respect to th audited consolidated financial statements of Lexaria Bioscience Corp. (the "Company") appearing in this Annual Report on Form 10-K of the Company fo the year ended August 31, 2025.

/s/ MaloneBailey, LLP
www.malonebailey.com
Houston, Texas
November 26, 2025

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard Christopher, certify that:

1. I have reviewed this Annual Report on Form 10-K of Lexaria Bioscience Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's first fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 26, 2025

/s/ Richard Christopher
Richard Christopher
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Shankman, certify that:

1. I have reviewed this Annual Report on Form 10-K of Lexaria Bioscience Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's first fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 26, 2025

/s/ Michael Shankman
Michael Shankman
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard Christopher, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Annual Report on Form 10-K of Lexaria Bioscience Corp. for the year ended August 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Lexaria Bioscience Corp.

Dated: November 26, 2025

/s/ Richard Christopher
Richard Christopher
Chief Executive Officer
(Principal Executive Officer)
Lexaria Bioscience Corp.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Lexaria Bioscience Corp. and will be retained by Lexaria Bioscience Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Shankman, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Annual Report on Form 10-K of Lexaria Bioscience Corp. for the year ended August 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Lexaria Bioscience Corp.

Dated: November 26, 2025

/s/ Michael Shankman
Michael Shankman
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)
Lexaria Bioscience Corp.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Lexaria Bioscience Corp. and will be retained by Lexaria Bioscience Corp. and furnished to the Securities and Exchange Commission or its staff upon request.