

June 3, 2022



# Lexaria Grants Exclusive License to Premier Wellness Science Co., Ltd. for Strategic and Long-Term Partnership in the Japanese Market

- ***Minimum payments due to Lexaria of US\$4,527,500 over the first five years to retain exclusivity***
- ***Lexaria to receive royalty revenue from DehydraTECH product sales***

**KELOWNA, BC / ACCESSWIRE / June 2, 2022** / Lexaria Bioscience Corp.

(NASDAQ:LEXX) (NASDAQ:LEXXW) (the "Company" or "Lexaria"), a global innovator in drug delivery platforms is pleased to announce a significant exclusive\* commercial licensing agreement (the "Agreement") in Japan with [Premier Wellness Science Co., Ltd.](#) ("Premier").

Under the terms of the Agreement, Premier is purchasing the rights to DehydraTECH technology for the Japanese non-pharmaceutical market for use with CBD and hemp ingredients in oral liquid and non-liquid products, as well as for topical, hair-care, lip-care and cosmetics products. Premier is a wholly-owned subsidiary of [Premier Anti-Aging Co., Ltd.](#) ("Parent") which is listed on the Tokyo Stock Exchange Mothers division with securities code 4934.

"Premier conducted a global competition to evaluate the world's most advanced molecule delivery technologies, and selected Lexaria's DehydraTECH technology based on its superior performance and the extensive data available through Lexaria's years of testing," said Shinji Shosoyama, CEO of Premier.

"Lexaria is delighted to be working with Premier Wellness Science which we expect will dominate the newly opening Japanese market for CBD-based products," said Chris Bunka, CEO of Lexaria. "Premier and Lexaria share similar philosophies, such as the provision of world-leading products created through scientific advantages and placing the consumer's needs ahead of our own. We could not have found a better partner with which to introduce DehydraTECH-enabled products to the Japanese markets."

In order to retain ongoing exclusivity, the negotiated minimum quarterly payments ("Payments") to Lexaria begin September 1, 2022 and, during the first five years of the Agreement, amount to US\$4,527,500. Assuming that Premier continues to submit all required payments, the license for the Japanese market is perpetual.

In addition to the Payments, Lexaria will also receive royalty revenue from DehydraTECH

licensed product sales, the terms of which have been agreed to. Total revenue is expected to be significantly greater than the minimum Payments if Premier is capable of meeting its expected revenue targets. If Premier achieves even their worst-case projected penetration into the Japanese non-pharmaceutical CBD market, then based on their projections Lexaria could expect to receive annual payments of over \$5 million by the fifth year of the contract.

Premier's Parent had revenues of approximately US\$187,000,000 in the first three quarters of fiscal 2021 with year-over-year revenue growth of 63.1% and strong profit margins. Parent sells over 45 product SKU's across four brands, and these products are sold in more than 16,000 retail stores as well as directly through mail/web order to over 2.6 million proprietary members. The overall Japanese cosmetics and personal products markets are [estimated to be more than US\\$35 billion](#) in annual sales.

As well, Lexaria and Premier have agreed to examine on a case-by-case basis the possibility of entering research and development collaborations related to advanced formulation science. Premier and Parent have long-established scientific relationships with some of the leading scientists in relevant fields in Japan.

This Agreement with Premier follows the awarding of two issued patents by the Japan Patent Office for DehydraTECH technology in Japan, strengthening Lexaria's long-held beliefs that new patent protection is a vital component of entering commercial agreements.

\*The exclusive rights are subject to two previously issued licenses for use of DehydraTECH in Japan, which remain valid. Lexaria will not be issuing any further licenses in Japan for non-pharmaceutical cannabinoid products.

### **About Premier Wellness Science Co., Ltd**

Premier Wellness Science Co., Ltd. is focused on the well-being of its customers that leads to good physical, mental and social health. The company seeks to achieve precision, individualized growth in health through a scientific approach to creating the highest performance products in the world.

### **About Premier Anti-Aging Co., Ltd**

Premier Anti-Aging Co., Ltd. engages in the planning, development, import/export, mail order, wholesale, and retail business of cosmetics and health foods. The company offers its cosmetic products under the DUO and CANADEL brands. It is also involved on the information provision and consulting services related to anti-aging, beauty, and health; research on management and beauty of beauty clinics, etc.; and marketing research and collection and analysis of various information. The company was founded in 2009 and is headquartered in Tokyo, Japan.

### **About Lexaria Bioscience Corp.**

Lexaria Bioscience Corp.'s patented drug delivery technology, DehydraTECH™, improves the way active pharmaceutical ingredients (APIs) enter the bloodstream by promoting more effective oral delivery. Since 2016, DehydraTECH has repeatedly demonstrated the ability to increase bio-absorption with cannabinoids, antiviral drugs, PDE5 inhibitors and more. DehydraTECH has also evidenced an ability to deliver some drugs more effectively across

the blood brain barrier. Lexaria operates a licensed in-house research laboratory and holds a robust intellectual property portfolio with 25 patents granted and over 50 patents pending worldwide. For more information, please visit [www.lexariabioscience.com](http://www.lexariabioscience.com).

## **CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

This press release includes forward-looking statements. Statements as such term is defined under applicable securities laws. These statements may be identified by words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will," and other similar expressions. Such forward-looking statements in this press release include, but are not limited to, statements by the company relating the Company's ability to carry out research initiatives, receive regulatory approvals or grants or experience positive effects or results from any research or study. Such forward-looking statements are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that the Company will actually achieve the plans, intentions, or expectations disclosed in these forward-looking statements. As such, you should not place undue reliance on these forward-looking statements. Factors which could cause actual results to differ materially from those estimated by the Company include, but are not limited to, government regulation and regulatory approvals, managing and maintaining growth, the effect of adverse publicity, litigation, competition, scientific discovery, the patent application and approval process, potential adverse effects arising from the testing or use of products utilizing the DehydraTECH technology, the Company's ability to maintain existing collaborations and realize the benefits thereof, delays or cancellations of planned R&D that could occur related to pandemics or for other reasons, and other factors which may be identified from time to time in the Company's public announcements and periodic filings with the US Securities and Exchange Commission on EDGAR. There is no assurance that any of Lexaria's postulated uses, benefits, or advantages for the patented and patent-pending technology will in fact be realized in any manner or in any part. No statement herein has been evaluated by the Food and Drug Administration (FDA). Lexaria-associated products are not intended to diagnose, treat, cure or prevent any disease. Any forward-looking statements contained in this release speak only as of the date hereof, and the Company expressly disclaims any obligation to update any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise, except as otherwise required by law.

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