November 13, 2020

Cardax Reports Q3 2020 Results

- Operating loss decreased vs. Q3 2019

- Net loss decreased vs. Q3 2019

- ZanthoSyn® revenues decreased vs. Q3 2019

- Cardax invited to submit updated federal grant application for COVID-19 clinical trial

HONOLULU, Nov. 13, 2020 /PRNewswire/ -- Cardax, Inc. (OTCQB:CDXI) reported its Q3 2020 results. Highlights:

Financial Results. Operating loss decreased from $1,191,711 in Q3 2019 to $705,760 in Q3 2020, primarily due to a decrease in professional fees, research & development, salaries & wages, and selling, general, & administrative expenses. Net loss for the same three-month period decreased from $1,433,626 to $1,354,331 for the same reasons.

Operating loss decreased from $3,355,386 in the nine-months ended September 30, 2019, to $2,400,823 in the same period in 2020, also primarily due to a decrease in professional fees, research & development, salaries & wages, and selling, general, & administrative expenses. Net loss for the same nine-month period increased from $3,650,740 to $4,057,541, primarily due to amortization of non-cash discounts related to outstanding convertible notes.

ZanthoSyn® Sales. Cardax net revenues from ZanthoSyn®, the Company's astaxanthin dietary supplement, decreased from $229,142 in Q3 2019 to $66,502 in Q3 2020, and from $439,505 in the nine-months ended September 30, 2019, to $343,836 in the same period in 2020. These decreases resulted primarily from reduced orders by the Company's largest customer, General Nutrition Corporation ("GNC"). The Company believes the reduction in orders as well as the decrease in sell-through at GNC stores was driven by GNC's Chapter 11 bankruptcy filing in June 2020 and COVID-19 related impacts on GNC store sales.

GNC emerged from bankruptcy in October 2020 and has resumed orders of ZanthoSyn®. Cardax is also exploring additional sales channels to expand revenues.

Funding Activities. Cardax raised $640,000 in Q3 2020 and $2,101,300 in the nine-months ended September 30, 2020, through the issuance of notes and convertible notes. The Company repaid outstanding notes in the amount of $154,228 in Q3 2020 and $554,228 in the nine-months ended September 30, 2020. The remainder of the proceeds was used for general corporate purposes.

Clinical Trial Grant Application. At the invitation of a federal government agency, Cardax

submitted a grant application in July 2020 for a proposed multi-center, randomized, double-blind, placebo-controlled human clinical trial to assess the time to recovery and other endpoints in hospitalized COVID-19 patients aged 65 and older. The proposed test agent is the same form of astaxanthin utilized in ZanthoSyn® but would be studied at a higher dose as an investigational new drug.

The scientific rationale for testing astaxanthin in this indication is based on its potential to boost the immune system and reduce the extreme inflammatory response and oxidative stress that may lead to severe respiratory and coagulation complications in COVID-19 patients. Furthermore, astaxanthin has demonstrated excellent safety in pilot human studies and rigorous animal toxicity studies, with no evidence of immunocompromise, bleeding risk, or other clinically meaningful safety issues, even at high doses. The Company also filed a patent application in March 2020 related to this indication.

The grant application was reviewed by the agency in August 2020 and received comments and a score. In October 2020, the agency invited Cardax to submit an updated grant application based on guidance from the agency's clinical trial advisory panel. The updated grant application is being prepared and expected to be submitted in December or January. The Company does not yet know if the grant will be funded or the timing or amount of a funding award, if any.

CHASE Study. In March 2020, Cardax suspended recruitment of new subjects and study visits for existing subjects due to the COVID-19 pandemic and the related governmental "stay-at-home" orders. The Company expects to resume clinical trial operations when permissible and safe to proceed. The Cardiovascular Health Astaxanthin Supplement Evaluation ("CHASE") study is a randomized, double-blind, placebo-controlled trial evaluating the cardiovascular health benefits of ZanthoSyn® in subjects with documented cardiovascular risk factors. In a pre-specified interim look with 40 subjects, statistically significant improvements were seen in total cholesterol, LDL cholesterol, oxidized LDL cholesterol, and blood pressure, with a strong trend in reduction of the inflammatory marker, C-reactive protein, as well as triglycerides.

COVID-19 Impact. The Company believes that its operations, including revenues and any public or private offerings, will continue to be affected by the ongoing COVID-19 pandemic, although the extent of the impact is uncertain at this time.

"Despite the accelerating COVID-19 pandemic, we continue to make progress on several fronts," said David G. Watumull, Cardax CEO. "First, we are very pleased with the important next step in the review process for our invited COVID-19 clinical trial grant application and believe that the excellent safety profile and strong scientific rationale for astaxanthin support testing in a rigorous clinical trial."

"In addition, GNC's emergence from bankruptcy and the resumption of ZanthoSyn® orders is encouraging. We also continue to pursue multiple funding opportunities to support our business," Mr. Watumull added. "We would again like to thank our shareholders, employees, contractors, advisors, and professional service providers for their efforts during these difficult times. Their perseverance and commitment are key to advancing our business strategy."

Please refer to the Quarterly Report on Form 10-Q filed by the Company for additional

information.

About Cardax

Cardax is a development stage biopharmaceutical company primarily focused on the development of pharmaceuticals for diseases driven by inflammation. The Company also has a commercial business unit that markets ZanthoSyn®, a physician recommended astaxanthin dietary supplement for inflammatory health.* CDX-101, the Company's astaxanthin pharmaceutical candidate, is being developed for cardiovascular inflammation and dyslipidemia, with a target initial indication of severe hypertriglyceridemia. CDX-301, the Company's zeaxanthin pharmaceutical candidate, is being developed for macular degeneration. CDX-101 and CDX-301 are currently in pre-clinical development, including the planning of IND enabling studies. The safety and efficacy of the Company's pharmaceutical candidates have not been directly evaluated in clinical trials or confirmed by the FDA.

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Safe Harbor
This release may contain certain forward-looking statements regarding our prospective performance and strategies within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of said safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies, and expectations of our company, are generally identified by use of words "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "seek," "strive," "try," or future or conditional verbs such as "could," "may," "should," "will," "would," or similar expressions. Our ability to predict results or the actual effects of our plans or strategies is inherently uncertain, including without limitation the potential to be awarded any grant funding as described in this release as well as the effects that COVID-19 may have on our financing, sales, or any other aspect of our business, financial condition, or results of operations. Accordingly, actual results may differ materially from anticipated results. Some of the factors that could cause our actual results to differ from our expectations or beliefs include, without limitation, the risks discussed from time to time in our filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Except as required by applicable law or regulation, we undertake no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

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