

May 15, 2020



## Cardax Reports Q1 2020 Results

HONOLULU, May 15, 2020 /PRNewswire/ -- Cardax, Inc. (OTCQB:CDXI) reported its Q1 2020 results. Highlights:

**Financial Results.** Net losses from the same quarter last year decreased 11.7%, from \$1,135,420 in Q1 2019 to \$1,002,868 in Q1 2020, primarily attributed to a decrease in selling, general, and administration expenses ("SG&A"). The Company raised \$770,000 through the issuance of convertible notes in Q1 2020, \$150,000 of which was used to pay off a convertible note due in March 2020, with the balance used for general working capital.

In April 2020, the Company received a \$211,300 forgivable loan through the Small Business Administration's Paycheck Protection Program under the CARES Act, which is being used primarily to support employee salaries, consistent with the focus of the legislation. As a small business impacted by COVID-19, the economic relief provided under this program has been vital to retaining the Company's valuable employees.

In May 2020, the Company raised \$460,000 through the issuance of a convertible note, \$250,000 of which was used to pay off an outstanding convertible note, with the balance used for general working capital.

**ZanthoSyn® Sales.** Cardax net revenues from ZanthoSyn®, the Company's astaxanthin dietary supplement, decreased modestly to \$142,813 in Q1 2020 from \$164,972 in Q1 2019, driven primarily by COVID-19 related impacts on the Company's largest customer, General Nutrition Corporation ("GNC"). Sell-through decreased in Q1 2020 versus Q1 2019, also due to COVID-19. (*"Sell-through" is defined as retail sales of ZanthoSyn® to GNC customers.*) Nevertheless, ZanthoSyn® continued as the top-selling product nationwide in GNC's antioxidant category as well as the top-selling overall product in GNC's Hawaii stores in Q1 2020. The Company is also exploring additional retail and direct to consumer channels to help expand revenues.

**CHASE Study.** In March, the Company 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 Company believes that its operations, including revenues and any public or private offerings, may be affected in 2020 by the COVID-19 pandemic, although the extent of the impact is uncertain at this time.

"First, I would like to thank our employees, contractors, advisors, and professional service providers for all of their efforts during these difficult times. They have made an efficient and productive transition to our virtual work environment. Their perseverance and commitment are allowing us to pursue important opportunities to advance our business strategy, including our pharmaceutical development program," said David G. Watumull, Cardax CEO.

"In addition, on the consumer side of the business, we were pleased to continue as GNC's top product in Hawaii and top anti-oxidant product nationwide. We are also exploring new channels opening up as a result of sales and distribution disruptions related to COVID-19."

### **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, with a target initial indication of Stargardt disease. 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.

### **Media and Investors**

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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 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.

<p>* These statements have not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, or prevent any disease.</p>
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