August 14, 2020

Cardax Reports Q2 2020 Results

- Operating loss decreased vs. Q2 2019

- Net loss increased vs. Q2 2019

- ZanthoSyn® revenues increased vs. Q2 2019

- Cardax submits invited federal grant application for COVID-19 clinical trial

HONOLULU, Aug. 14, 2020 /PRNewswire/ -- Cardax, Inc. (OTCQB:CDXI) reported its Q2 2020 results. Highlights:

Financial Results. Net operating loss from the same quarter last year decreased from $1,049,412 in Q2 2019 to $789,032 in Q2 2020, primarily attributed to a decrease in professional fees, salaries and wages, and selling, general, and administrative expenses. Net loss in the same period increased to $1,700,342 from $1,081,694, 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, increased to $134,521 in Q2 2020 from $45,391 in Q2 2019, and to $277,334 in the six-months ended June 30, 2020, from $210,363 in the same period in 2019. These increases were driven primarily driven by differences in promotional incentives and ordering patterns by the Company's largest customer, General Nutrition Corporation ("GNC"). Sell-through decreased in these periods, primarily due to COVID-19 related impacts on GNC store sales. *("Sell-through" is defined as retail sales of ZanthoSyn® to GNC customers.)* The Company is also exploring additional sales channels to help expand revenues.

Funding Activities. 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 was used primarily to support employee salaries, consistent with the focus of the legislation. 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 after issuance costs used for general working capital. An additional $225,000 was raised in July and August 2020 to date through the issuance of convertible notes to existing stockholders.

Clinical Trial Grant Submission. At the invitation of a federal government agency, Cardax submitted a grant application for a proposed 400 subject, multi-center, randomized, double-blind, placebo-controlled human clinical trial in COVID-19 with one of its astaxanthin products. The Company has also filed a patent application related to this indication. The primary endpoint of the proposed clinical trial would assess the time to recovery in

hospitalized COVID-19 patients aged 65 and older.

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 exceptional safety in rigorous animal toxicity studies, with no evidence of immunocompromise, even at high doses.

The grant application was submitted in July 2020, and 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, 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 CHASE (**C**ardiovascular **H**ealth **A**staxanthin **S**upplement **E**valuation) 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.

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.

"Substantial internal effort went into preparation of the recently submitted federal grant application and we look forward to further interaction with the federal agency as it goes through the review process," said David G. Watumull, Cardax CEO. "We believe that given its excellent safety profile and strong scientific rationale, our proprietary astaxanthin product should be tested for safety and efficacy in a COVID-19 clinical trial. We also continue to diligently pursue multiple other funding opportunities for our COVID-19 program as well as for other applications. We would again like to thank our shareholders, employees, contractors, advisors, and professional service providers for all of 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.

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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.

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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.

*** 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.**

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