



## Spherix Issues Letter to Shareholders

New York, NY, August 2, 2017 /PRNewswire/ Spherix Incorporated (NASDAQ: SPEX) an intellectual property development company committed to fostering of technology, today issued a letter to shareholders.

Dear Fellow Shareholder,

It is with great pleasure that I take this opportunity to update you on recent events at the Company and describe in greater detail our strategic path forward. The fundamentals at Spherix are stronger than they have been in recent memory and our path to value creation is moving forward with precision and focus.

Our Company is focused on three areas of shareholder value creation.

### **Capital Deployment**

We intend to use most of the capital we have recently raised to pursue additional opportunities for increasing shareholder value. Each day we seek and vet opportunities in the biopharmaceutical industry that also hold some intellectual property. Our newly established technology board gives us a firm footing to review the many situations that come our way and to pursue new opportunities in the marketplace while being synergistic to our existing business.

### **Hoth Therapeutics**

We are extremely excited about our investment in Hoth Therapeutics, a biopharmaceutical company that is developing therapeutics for patients suffering from eczema. Our Company's efforts are focused on moving Hoth into a Phase 2 study and providing additional infrastructure support. As previously noted, the eczema space has been active from an M & A perspective and the Hoth platform offers a unique treatment method. A host of recent M&A validates our belief that large pharmaceutical companies recognize the substantial unmet need for novel and safe treatments in dermatology, such as atopic dermatitis, and are actively seeking out assets with near term revenue potential.

Many shareholders have asked us if we are obligated to fund Hoth's ongoing development efforts. Under the negotiated terms of the Hoth transaction, our monetary investment in Hoth is fixed and we do not anticipate additional funding from Spherix to develop this unique compound. Management was conscious of the time and investment required to bring new drug therapies to market. We are confident that Hoth will develop the BioLexa platform without additional funding from us. Naturally this consideration was paramount to our decision to invest.

Hoth's BioLexa platform is a unique, patent-protected compound that has achieved positive results in its initial studies. BioLexa is not an untested compound. To the contrary, an initial study of BioLexa was conducted at the University of Miami Miller School of Medicine,

Department of Dermatology. That study showed that Biolexa inhibited the growth of the staphylococcus bacteria associated with eczema. As stated in the study results, “novel therapies that can reduce the bacterial loads of wounds would have significant clinical implications.” Spherix believes that these positive test results, from a well-known and respected medical institution, supports the exciting development prospects for this compound.

Investors can rest assured that we will update you as new milestones are achieved and with the progress of Hoth.

### **Patent Monetization with Equitable IP**

Finally, we have been working with Equitable IP on vetting new, mostly unlicensed, optical patents acquired earlier this year as part of a licensing deal. These patents originated from a global network company focused on managed security, network, voice and data services and are all related to improvements in optic fiber transmission, a market that is over \$3b and growing rapidly. The patents have priority dates going back to the late 1990s and have been widely cited by existing patents filed by leading technology companies. Our preliminary work has identified at least eight patents that show promising infringement potential. We are working with Equitable to implement a monetization strategy around these new patents and hope to see new cases on file soon. As we have stated in the past, our unique relationship with Equitable allows us to monetize these intellectual property assets without incurring litigation costs. It is a capital light strategy with exciting upside.

The last few months have been busy at Spherix and we have much to show for our efforts. The Company has a healthy balance sheet and no financial debt. We’ve acquired a large interest in an exciting new biopharmaceutical company and taken an active role in developing its value for the benefit of Spherix shareholders. We have reduced our year over year cash burn, while continuing our patent monetization efforts. Our efforts have resulted in both tangible and intangible benefits, including the removal of the “going concern” language from our public filings.

Communicating with our investors remains a top priority as we execute on our strategic plan. We fully intend to increase our outreach efforts by attending more investor conferences and proactively updating our shareholders on new developments.

It is an exciting time to be a part of Spherix. During the last few months, we have applied ourselves with energy and enthusiasm and feel privileged to be able to grow and build our Company on your behalf. The future holds great potential. Our path to value creation is moving forward with focus and conviction.

I thank you for your continued investment.

Sincerely,

Anthony Hayes

