



Spherix Issues Letter to Shareholders

New York, NY, June 28, 2017 /PRNewswire/ Spherix Incorporated (NASDAQ: SPEX) an intellectual property development company committed to the fostering of technology and monetization of intellectual property, today issued a letter to shareholders.

Dear Spherix Shareholders,

Our recent announcement of the Hoth Therapeutics deal has generated significant interest in understanding more about the transaction and the exciting implications for Spherix. With that in mind, I'm going to provide you with more information on the transaction and update you on why we believe this transaction has positioned Spherix for growth. I want each of you to know that I see the fundamentals at Spherix stronger than at any time in the last few years and our path to value creation is moving forward with focus.

Let me start by explaining that under the negotiated terms of the Hoth transaction, Spherix's 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 development costs and time associated with bringing new drugs to market and we believe that Hoth will develop the BioLexa platform without additional funding from Spherix. Hoth anticipates dramatically shorter time frames for FDA approval because the BioLexa compound uses a combination of two previously approved drugs. As such, BioLexa can take advantage of the shortened 505(b)(2) FDA testing procedures. Section 505(b)(2) testing can often take one quarter to one third the time of new drug testing, which was an important consideration for Spherix.

The BioLexa drug that Hoth is developing, it 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 positive test results, from a well-known and respected medical institution, supports the exciting development prospects for this compound.

Moreover, Hoth is the exclusive licensee of BioLexa. The drug was developed at the University of Cincinnati and uniquely treats eczema, without the dangers and side effects of traditionally prescribed topical steroids. As topical steroids are one of the most common therapies for eczema, Hoth believes that the development of a drug without

these side effects gives it a competitive advantage in the multibillion dollar eczema market.

In addition to the uniqueness of the technology, Spherix considered the attractive returns and potential exits for this investment that the dermatology space offers. Recent deals in this space include:

- Pfizer announced on May 16, 2016 that it would acquire Anacor for \$5.2B, a price that represents a 55% premium over Anacor's share price on May 13th
 - Anacor's lead product was Crisaborole, a topical treatment for mild to moderate atopic dermatitis;
- May 13th, 2016 – Mylan announced acquisition of topicals-focused specialty and generics business for \$950M;
- April 22nd, 2016 – Allergan acquired Topokine Therapeutics, a company specializing in topical cosmetic dermatology treatments for \$85M upfront.

As a result of this type of activity, we believe 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.

As part of our effort to drive shareholder value, management believes Hoth may represent the opportunity for several potential exits for our investment. Management understands our shareholders' desire to see a tangible investment result that they can quantitatively determine or even hold in their hands. It is our hope that the dermatological space and Hoth will provide that type of shareholder opportunity.

The Hoth investment is also synergistic for Spherix, as we will be contributing support for Hoth's patent portfolio and with the FDA approval process. Spherix's general counsel, Mr. Darrell Dotson, was formerly an in-house patent lawyer at one of the largest biotechnology companies in the world, with annual revenues of over \$15 billion. Mr. Dotson also holds a Ph.D in Biochemistry and Molecular Biology, so he is familiar with the technology held by Hoth. Moreover, Spherix's Chairman, Robert Vander Zanden, has 10 years of experience with the FDA approval process, which we anticipate will add significant value to Hoth.

In addition to Hoth, our patent monetization efforts are continuing with Equitable IP. There are five cases on file, working their way through the judicial system. In addition, our efforts with Equitable have secured the monetization rights to over 100 new patents that are largely unlicensed. These patents came from a global network company focused on managed security, network, voice and data services and are all related to improvements in optic fiber transmission, which is a growing field. The patents have priority dates going back to the late 1990s and have been widely cited by patents filed by leading technology companies. Our unique relationship with Equitable allows us to monetize these assets without incurring litigation costs and we anticipate additional litigations filed soon. We continue to work with Equitable to deliver value from these patents.

To keep you more informed and educated about our efforts, the Company will increase our outreach efforts our shareholders. We anticipate attending more conferences and being more proactive with our shareholder updates. We will also be posting more information about Hoth Therapeutics on our website, as soon as the deal closes. We have reached agreement with Hoth on all material terms and the closing documents are being prepared. By providing more information about Hoth and our involvement, it is our hope that our shareholders will more fully understand and appreciate the value of the business we are building.

This remains an exciting time for Spherix and one where we are poised for growth. Spherix has no debt and a lower quarterly burn than in the past 4 years. I see the fundamentals at Spherix stronger than at any time in the last few years and the path to value creation is moving forward with focus and conviction.

I thank you for your continued support of Spherix.

Sincerely,

Anthony Hayes

About Spherix

Spherix Incorporated was launched in 1967 as a scientific research company. Spherix is committed to advancing innovation by active participation in the patent market. Spherix draws on portfolios of pioneering technology patents to partner with and support product innovation.

Forward-Looking Statements

Certain statements in this press release constitute “forward-looking statements” within the meaning of the federal securities laws. Words such as “may,” “might,” “will,” “should,” “believe,” “expect,” “anticipate,” “estimate,” “continue,” “predict,” “forecast,” “project,” “plan,” “intend” or similar expressions, or statements regarding intent, belief, or current expectations, are forward-looking statements. While the Company believes these forward-looking statements are reasonable, undue reliance should not be placed on any such forward-looking statements, which are based on information available to us on the date of this release. These forward looking statements are based upon current estimates and assumptions and are subject to various risks and uncertainties, including without limitation those set forth in the Company's filings with the Securities and Exchange Commission (the “SEC”), not limited to Risk Factors relating to its patent business contained therein. Thus, actual results could be materially different. The Company expressly disclaims any obligation to update or alter statements whether as a result of new information, future events or otherwise, except as required by law.

Contact:

Investor Relations Inquires:

Spherix Investor Relations
Phone: (212) 745-1373
Email: investorrelations@spherix.com

Spherix Inc. Contact:
Phone: (703) 992-9325
Email: info@spherix.com
www.spherix.com