



NEWS RELEASE

ChromaDex Corporation Reports Second Quarter 2021 Financial Results

8/3/2021

Tru Niagen® net sales of \$15.4 million for the three months ended June 30, 2021, up 31% from the prior year quarter, with total company net sales of \$17.7 million and gross margin of 61.1% for the quarter.

LOS ANGELES--(BUSINESS WIRE)-- ChromaDex Corp. (NASDAQ:CDXC) today announced financial results for the second quarter of 2021.

Second Quarter 2021 and Recent Highlights

- Total net sales were \$17.7 million, up 16% from the prior year quarter.
- Tru Niagen® net sales were \$15.4 million, a 31% increase from the prior year quarter.
- Gross margin was 61.1%, a 170 basis point increase from the prior year quarter.
- Net loss was \$(5.6) million or \$(0.08) per share, down \$0.02 per share from the prior year quarter.
- Adjusted EBITDA excluding total legal expense, a non-GAAP measure, was a profit of \$0.6 million, a \$0.1 million improvement from the prior year quarter.
- Launched Tru Niagen® in 3,800 Walmart stores across the United States in June.
- Research on nicotinamide riboside ("NR") continues to expand, with 49 clinical studies currently registered.

"This was an excellent quarter for ChromaDex, financially and strategically," said ChromaDex Chief Executive Officer, Rob Fried. "We delivered strong growth in our core e-Commerce business as well as with existing partners. We launched Tru Niagen® in Walmart, our first mass retail launch for the brand and delivered our first shipment of Niagen® to a new partner, Ro. We achieved record sales of \$17.7 million and positive Adjusted EBITDA excluding legal of \$0.6 million. I am very proud of our team's execution and believe our long-term prospects look stronger than ever."

Results of operations for the three months ended June 30, 2021

For the three months ended June 30, 2021 ("Q2 2021"), ChromaDex reported net sales of \$17.7 million, up \$2.4 million or 16% compared to the second quarter of 2020 ("Q2 2020"). The increase in Q2 2021 revenues was largely driven by growth in sales of Tru Niagen®, partially offset by lower Niagen® and other ingredient sales.

Gross margin percentage improved by 170 basis points to 61.1% in Q2 2021 compared to 59.4% in Q2 2020. The improvement in gross margin percentage was driven by the positive impact of increased Tru Niagen® consumer product sales and product cost savings initiatives.

Operating expenses increased by \$3.6 million to \$16.4 million in Q2 2021, compared to \$12.8 million in Q2 2020. The increase in operating expenses was driven by \$1.3 million of higher selling and marketing expenses and a \$2.2 million increase in general and administrative expense. The increase in general and administrative expense was primarily driven by \$2.3 million of higher legal expense.

The net loss for Q2 2021 was \$(5.6) million or \$(0.08) per share as reported compared to a net loss of \$(3.7) million or \$(0.06) per share for Q2 2020 as reported. Adjusted EBITDA excluding total legal expense, a non-GAAP measure, was a profit of \$0.6 million for Q2 2021, compared to a profit of \$0.5 million for Q2 2020, a \$0.1 million improvement. See "Reconciliation of Non-GAAP Financial Measures" for a reconciliation of non-GAAP Adjusted EBITDA excluding total legal expense to net loss, the most directly comparable GAAP measure.

For Q2 2021, the net cash outflow from operating activities was \$(7.9) million, compared to \$(1.6) million in Q2 2020.

2021 Full Year Outlook

Looking forward, for the full year, the Company expects continued, steady revenue growth driven by its global e-commerce business, as well as growth with existing and new strategic partners. The Company expects slightly better than 60% gross margin and slightly higher general and administrative expense, excluding severance, restructuring and legal expense, for full year 2021. The Company plans to increase investments and resources to drive brand awareness and accelerate its research and development (R&D) pipeline to capitalize on growth in the nicotinamide adenine dinucleotide (NAD+) market globally. Accordingly, the Company expects higher R&D expense and higher selling and marketing expense as a percentage of net sales year-over-year.

Investor Conference Call

A live webcast will be held Tuesday, August 3, 2021 at 4:30 p.m. Eastern time (1:30 p.m. Pacific time) to discuss

ChromaDex's second-quarter financial results and provide a general business update.

To listen to the webcast, or to view the earnings press release and its accompanying financial exhibits, please visit the Investors Relations section of ChromaDex's website at <http://investors.chromadex.com>. The dial-in information for this call is 1-833-979-2703 (within the U.S.) and 236-714-2223 (outside the U.S.) with Conference ID: 9972229.

The webcast will be recorded, and will be available for replay via the website through 11:59 p.m. Eastern time on August 10, 2021. The replay of the call can also be accessed by dialing 800-585-8367, using the replay ID: 9972229.

Important Note on Forward Looking Statements:

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities and Exchange Act of 1934. Statements that are not a description of historical facts constitute forward-looking statements and may often, but not always, be identified by the use of such words as "expects," "anticipates," "intends" "estimates," "plans," "potential," "possible," "probable," "believes" "seeks," "may," "will," "should," "could" or the negative of such terms or other similar expressions. Such statements include the quotation from ChromaDex's Chief Executive Officer, and statements related to the company's 2021 financial outlook. More detailed information about ChromaDex and the risk factors that may affect the realization of forward-looking statements is set forth in ChromaDex's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, ChromaDex's Quarterly Reports on Form 10-Q and other filings submitted by ChromaDex to the SEC, copies of which may be obtained from the SEC's website at www.sec.gov. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and actual results may differ materially from those suggested by these forward-looking statements. All forward-looking statements are qualified in their entirety by this cautionary statement and ChromaDex undertakes no obligation to revise or update this release to reflect events or circumstances after the date hereof.

About ChromaDex:

ChromaDex Corporation is a global bioscience company dedicated to healthy aging. The ChromaDex team, which includes world-renowned scientists, is pioneering research on nicotinamide adenine dinucleotide (NAD⁺), levels of which decline with age. ChromaDex is the innovator behind NAD⁺ precursor nicotinamide riboside (NR), commercialized as the flagship ingredient Niagen®. Nicotinamide riboside and other NAD⁺ precursors are protected by ChromaDex's patent portfolio. ChromaDex delivers Niagen® as the sole active ingredient in its consumer product Tru Niagen® available at www.truniagen.com and through partnerships with global retailers and distributors. Follow us on Twitter @ChromaDex and subscribe to our latest news via our website accessible at www.chromadex.com to which ChromaDex regularly posts copies of its press releases as well as additional

updates and financial information about the Company.

ChromaDex Corporation and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
(In thousands, except per share data)				
Sales, net	\$ 17,699	\$ 15,287	\$ 32,382	\$ 29,632
Cost of sales	6,889	6,199	12,338	12,233
Gross profit	10,810	9,088	20,044	17,399
Operating expenses:				
Sales and marketing	6,232	4,959	12,490	9,406
Research and development	1,004	895	1,791	1,704
General and administrative	9,128	6,921	18,679	15,866
Total operating expenses	16,364	12,775	32,960	26,976
Operating loss	(5,554)	(3,687)	(12,916)	(9,577)
Interest expense, net	(12)	(24)	(31)	(36)
Net loss	\$ (5,566)	\$ (3,711)	\$ (12,947)	\$ (9,613)
Basic and diluted loss per share attributable to common stockholders:	\$ (0.08)	\$ (0.06)	\$ (0.20)	\$ (0.16)
Basic and diluted weighted average common shares outstanding	67,986	60,906	66,086	60,344

See Notes to Consolidated Financial Statements in Part I Item 1 of ChromaDex's Quarterly Report on Form 10-Q to be filed with Securities and Exchange Commission on August 3, 2021.

ChromaDex Corporation and Subsidiaries
Unaudited Condensed Consolidated Balance Sheets

June 30, 2021 December 31, 2020

(In thousands except par values, unless otherwise indicated)

Assets

Current assets:

Cash, including restricted cash of \$0.2 million for both periods	\$ 38,778	\$ 16,697
Trade receivables, net of allowances of \$0.1 million and \$0.2 million, respectively; Including receivables from Related Party of: \$2.2 million and \$0.9 million, respectively.	5,999	2,694
Inventories	12,183	11,683
Prepaid expenses and other assets	972	1,145
Total current assets	57,932	32,219

Leasehold improvements and equipment, net	3,150	3,206
Intangible assets, net	961	1,082
Right-of-use assets	3,182	1,226
Other long-term assets	617	625
Total assets	\$ 65,842	\$ 38,358

Liabilities and Stockholders' Equity

Current liabilities:

Accounts payable	\$ 9,970	\$ 9,445
Accrued expenses	5,569	6,133
Current maturities of operating lease obligations	467	589
Current maturities of finance lease obligations	13	31
Customer deposits	210	278
Total current liabilities	16,229	16,476

Deferred revenue	4,441	4,441
Operating lease obligations, less current maturities	3,017	997
Finance lease obligations, less current maturities	13	20
Total liabilities	23,700	21,934

Commitments and Contingencies

Equity

ChromaDex Corporation and subsidiaries stockholders' equity:

Common stock, \$0.001 par value; authorized 150,000 shares; 68,009 shares and 61,881 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively.	68	62
Additional paid-in capital	196,848	158,190
Accumulated deficit	(154,772)	(141,825)
Cumulative translation adjustments	(2)	(3)
Total stockholders' equity	42,142	16,424
Total liabilities and stockholders' equity	\$ 65,842	\$ 38,358

See Notes to Consolidated Financial Statements in Part I Item 1 of ChromaDex's Quarterly Report on Form 10-Q to be filed with Securities and Exchange Commission on August 3, 2021.

ChromaDex Corporation and Subsidiaries Unaudited Reconciliation of Non-GAAP Financial Measures

Adjusted EBITDA

(In thousands)	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Net loss, as reported	\$ (5,566)	\$ (7,381)	\$ (6,097)	\$ (4,215)	\$ (3,711)
Adjustments:					
Interest expense, net	12	19	16	19	24
Depreciation	226	221	219	220	218
Amortization of intangibles	61	60	61	60	60
Amortization of right of use assets	128	126	115	97	95
Share-based compensation	1,616	1,284	1,778	1,574	1,711
Severance and restructuring	13	(10)	329	224	284
Adjusted EBITDA	\$ (3,510)	\$ (5,681)	\$ (3,579)	\$ (2,021)	\$ (1,319)
Total legal expense	4,150	5,010	2,468	1,896	1,844
Adjusted EBITDA excluding total legal expense	\$ 640	\$ (671)	\$ (1,111)	\$ (125)	\$ 525

Non-GAAP Financial Information:

ChromaDex discloses adjusted EBITDA excluding (a) interest, (b) depreciation, (c) amortization, (d) non-cash share-based compensation costs, (e) severance and restructuring expense and (f) total legal expense. ChromaDex uses this non-GAAP measure when evaluating its financial results as well as for internal resource management, planning and forecasting purposes. ChromaDex believes the presentation of its non-GAAP financial measure provides important supplemental information to management and investors and enhances the overall understanding of the company's historical and current financial operating performance. The company believes disclosure of adjusted EBITDA has substance because the excluded expenses are infrequent in nature, are variable in nature or do not represent current cash expenditures. Non-GAAP measures should not be viewed in isolation from or as a substitute for ChromaDex's financial results in accordance with GAAP.

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Investor Relations

Brianna Gerber

Vice President of Finance and Investor Relations

949-419-0288 ext. 127

briannag@chromadex.com

Media Relations

Alex Worsham

Vice President of Global Marketing & Communications

310-388-6706 ext. 689

alexw@chromadex.com

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