

ChromaDex® Reports 2014 Ingredient Sales Grew 182%

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- Total Revenue Increased 51% in 2014 -

IRVINE, Calif., March 19, 2015 /PRNewswire/ -- ChromaDex Corp. (OTCQX: CDXC), an innovative natural products company that provides proprietary ingredients and science-based solutions to the dietary supplement, food and beverage, cosmetic and pharmaceutical industries, announced today the financial results for the year ended January 3, 2015.

For the year ended January 3, 2015 ("FY 2014"), ChromaDex reported net sales of \$15.3 million, an increase of 51% as compared to \$10.2 million for the year ended December 28, 2013 ("FY 2013"). This increase was largely due to increased sales in its ingredients business segment, led by its NIAGEN® branded nicotinamide riboside. The ingredients segment generated net sales of \$6.9 million for FY 2014, an increase of 182%, compared to \$2.4 million for FY 2013. The core standards and services segment also posted a 13% growth as it generated net sales of \$7.5 million for FY 2014, compared to \$6.6 million for FY 2013. Net sales for the scientific and regulatory consulting segment decreased by 16%, from \$1.1 million for FY 2013 to \$969K for FY 2014, as fewer consulting projects were completed during FY 2014. The net loss attributable to common stock holders for FY 2014 was \$5.4 million or (\$0.05) per share as compared to a net loss of \$4.4 million or (\$0.04) per share for FY 2013. The non-cash, stock-based compensation expense related to stock options and other stock-based compensation in FY 2014 was \$2.9 million. Net loss adjusted for share based compensation, which is a "non-GAAP measure," would have the effect of decreasing the Company's net loss for FY 2014 to \$2.5 million. As of January 3, 2015, cash, cash equivalents and marketable securities totaled \$4.0 million.

Frank Jaksch, Jr., CEO and co-founder of ChromaDex, commented: "2014 was an important inflexion point for ChromaDex. We saw robust sales growth in our ingredients segment, as well as increased inclusion of our patented

ingredients in a growing number of consumer products. We are happy to report that we expect these trends to continue throughout 2015."

Jaksch continued: "We recently **announced that the initial results of the first human clinical study for the company's NIAGEN[®] nicotinamide riboside** (NR) had met its primary endpoint, demonstrating that a single dose of NR resulted in statistically significant increases in the co-enzyme nicotinamide adenine dinucleotide (NAD⁺) in healthy human volunteers. We expect to initiate further human studies of NR in 2015. We also expect an increase in published studies from numerous collaborating research institutes that will advance the understanding of NR mechanisms of action and potential health benefits."

2014 and recent 2015 Company highlights include:

- During 2014, more than six new consumer products were debuted that featured ChromaDex's NIAGEN[®] as the active ingredient. Products were launched by **Thorne Research, 5LINX[®], Live Cell Research, Healthy Directions** and **Life Extension**.
- To date, ChromaDex has entered into collaborative material transfer agreements with more than thirty prestigious universities and research centers whereby ChromaDex is providing quantities of its NIAGEN[®] nicotinamide riboside (NR) ingredient. Many studies have demonstrated pre-clinical success and are expected to move into human studies in 2015. Collaborative research groups include The Scripps Research Institute, NIH, Massachusetts Institute of Technology (MIT), University of Iowa, Washington University, St. Jude's Children's Hospital, University of Colorado, Mayo Clinic, University of Copenhagen, Wageningen University and University of Birmingham.
- In January 2014, **ChromaDex entered into a four year ingredient supply and brand licensing agreement** valued at approximately \$62 million with 5LINX[®], one of the largest and fastest-growing direct marketing companies in the world.
- In April 2014, a collaboration formed by the University of Mississippi's Division of Technology Management, the USDA Agricultural Research Service's Natural Products Utilization Research Unit and ChromaDex won a national award for excellence in technology transfer for its work to develop, study and bring to market pterostilbene, a compound found in blueberries, grapes and other small fruits. In studies, pterostilbene has demonstrated promise for improving cardiovascular health, glucose levels and cognitive function.
- In May 2014, ChromaDex initiated the second human clinical study for **PUREENERGY[®]**, its patented caffeine ingredient. The trial will study the bioavailability and pharmacokinetics of PUREENERGY[®] as compared to caffeine and pTeroPure[®] pterostilbene alone at repeated doses. Results from the first study conducted in 2013 showed that PUREENERGY[®] delivers 30 percent more caffeine to the bloodstream and also extends the half-life of caffeine by 25 percent as compared to caffeine alone.
- In June 2014, ChromaDex licensed exclusive rights from Dartmouth College for several patents related to

pharmaceutical use of nicotinamide riboside (NR). The new licensed patents include protection for human therapeutic uses of NR and build upon the patents licensed from Dartmouth in 2012 for other human uses and production methods of NR.

- In July 2014, ChromaDex appointed **Nobel Laureate Roger Kornberg** to Chair the Company's newly formed Scientific Advisory Board. The SAB is comprised of leading researchers, chemists, biochemists and nutritionists, with an emphasis on those having expertise in nicotinamide riboside.
- In September 2014, **ChromaDex announced the completion of an animal skincare study of pterostilbene** by researchers at the University of California Irvine (UCI). The study demonstrated that topical application of pterostilbene onto mouse skin, prior to UV exposure, prevented several types of UV-mediated damage. Specifically, pterostilbene prevented UV-mediated DNA damage, reddening of the skin, hyperplasia and loss of barrier function. Related to this study, ChromaDex licensed from UCI exclusive rights to several patent applications for the use of pterostilbene in topical skin care applications, including the use of pterostilbene in the prevention of UV skin damage.
- In September 2014, ChromaDex announced that it consummated a \$5.0 million growth capital debt financing with Hercules Technology Growth Capital. The financing provides ChromaDex with additional working capital to support its rapidly-growing ingredient business, as well as accelerate the Company's research and development efforts.
- In December 2014, the Company announced it licensed exclusive worldwide rights from the University of Mississippi for several patents related to the isolation and use of immunostimulatory extracts from microalgae. The exclusive worldwide license covers U.S. Patent numbers 7,205,284 and 7,846,452.
- In December 2014, ChromaDex announced the results of a mouse study performed in collaboration with the National Institute on Aging (NIA), a member of the National Institutes of Health (NIH), were published in **Cell Metabolism in November 2014**. The results indicated that nicotinamide riboside (NR) was effective at restoring NAD⁺ levels in mitochondria and rescuing phenotypes associated with a devastating accelerated aging disease known as **Cockayne Syndrome (CS)**. The researchers concluded that NR showed promise as a potential therapy for the disease, as well as for other age-related neurodegenerative conditions.
- In February 2015, ChromaDex announced that sports nutrition supplier **BPI Sports has contracted with ChromaDex for third-party verification** of BPI Sports' protein products. Going forward, the "ChromaDex® Quality Verified Seal" will be added to the entire line of BPI Sports' protein powders, assuring that each product has been third party-tested and quality-verified.
- In February 2015, ChromaDex **announced that the initial results of the first human clinical study for the company's NIAGEN® nicotinamide riboside (NR)** had met its primary endpoint. The results demonstrated that a single dose of NR resulted in statistically significant increases in the co-enzyme nicotinamide adenine dinucleotide (NAD⁺) in healthy human volunteers. The study shows for the first time a similar conversion of NR into NAD⁺ as has been shown in prior animal studies.
- In March 2015, **the Company announced that it appointed Steve Allen as Chairman of the Board**. Mr. Allen

has many years of experience handling both in- and out-licensing agreements with technology providers and branded companies. Allen retired from Nestle in December 2009 after a 30-year career in sales, marketing and general management, including seven years as a member of Nestle's Mergers and Acquisitions group.

About ChromaDex:

ChromaDex is an innovative natural products company that discovers, acquires, develops and commercializes proprietary-based ingredient technologies through its unique business model that utilizes its wholly owned synergistic business units, including ingredient technologies, natural product fine chemicals (known as "phytochemicals"), chemistry and analytical testing services, and product regulatory and safety consulting (as Spherix Consulting). The company provides seamless science-based solutions to the nutritional supplement, food and beverage, animal health, cosmetic and pharmaceutical industries. The ChromaDex ingredient technologies unit includes products backed with extensive scientific research and intellectual property. Its ingredient portfolio includes pTeroPure® pterostilbene; ProC3G®, a natural black rice containing cyanidin-3-glucoside; PUREENERGY®, caffeine pTeroPure co-crystal; and NIAGEN®, its recently launched branded nicotinamide riboside, a novel next-generation B vitamin. To learn more about ChromaDex, visit www.chromadex.com.

Forward-Looking Statements:

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. 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. Actual results may differ materially from those set forth in this release due to the risks and uncertainties inherent in the Company's business. More detailed information about the Company and the risk factors that may affect the realization of forward-looking statements is set forth in the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 2015, the Company's Quarterly Reports on Form 10-Q, the Company's Current Reports on Form 8-K and other filings submitted by the Company 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. All forward-looking statements are qualified in their entirety by this cautionary statement and the Company undertakes no obligation to revise or update this release to reflect events or circumstances after the date hereof.

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ChromaDex Corporation and Subsidiaries
Consolidated Statements of Operations
Years Ended January 3, 2015 and December 28, 2013

	2014	2013
Sales, net	\$ 15,313,179	\$ 10,160,964
Cost of sales	<u>9,987,514</u>	<u>7,027,828</u>
Gross profit	<u>5,325,665</u>	<u>3,133,136</u>
Operating expenses:		
Sales and marketing	2,136,584	2,357,605
General and administrative	8,374,601	5,117,016
Loss from investment in affiliate	45,829	44,961
Operating expenses	<u>10,557,014</u>	<u>7,519,582</u>
Operating loss	<u>(5,231,349)</u>	<u>(4,386,446)</u>
Nonoperating income (expense):		
Interest income	2,013	1,251
Interest expense	<u>(158,849)</u>	<u>(34,330)</u>
Nonoperating expenses	<u>(156,836)</u>	<u>(33,079)</u>
Net loss	<u>\$ (5,388,185)</u>	<u>\$ (4,419,525)</u>
Basic and Diluted loss per common share	<u>\$ (0.05)</u>	<u>\$ (0.04)</u>
Basic and Diluted weighted average common shares outstanding	<u>106,459,379</u>	<u>99,987,443</u>

See Notes to Consolidated Financial Statements.

Consolidated Statements of Operations
(US GAAP)
For the Year Ended January 3, 2015 and December 28, 2013

	2014	2013
Sales	\$ 15,313,179	\$ 10,160,964
Cost of sales	9,987,514	7,027,828
Gross profit	5,325,665	3,133,136
Operating expenses:		
Sales and marketing	2,136,584	2,357,605
General and administrative	8,374,601	5,117,016
Loss from investment in affiliate	45,829	44,961
Operating expenses	10,557,014	7,519,582
Operating loss	(5,231,349)	(4,386,446)
Nonoperating income (expense):		
Interest income	2,013	1,251
Interest expense	(158,849)	(34,330)
Nonoperating expense	(156,836)	(33,079)
Net loss	\$ (5,388,185)	\$ (4,419,525)
Basic and Diluted loss per common share	\$ (0.05)	\$ (0.04)
Basic and Diluted weighted average common shares outstanding	106,459,379	99,987,443

Effects of Non-cash Charges associated with
Share-based Compensation Expense
For the Year Ended January 3, 2015 and December 28, 2013

	2014	2013
Sales	\$ -	\$ -
Cost of sales	-	-
Gross profit	-	-
Operating expenses:		
Sales and marketing	-	-
General and administrative	(2,916,924)	(1,287,917)
Loss from investment in affiliate	-	-
Operating expenses	(2,916,924)	(1,287,917)

Operating income	2,916,924	1,287,917
Nonoperating income:		
Interest income	-	-
Interest expense	-	-
Nonoperating income	-	-
Net income	<u>\$ 2,916,924</u>	<u>\$ 1,287,917</u>
Basic and Diluted income per common share	<u>\$ 0.03</u>	<u>\$ 0.01</u>
Basic and Diluted weighted average common shares outstanding	<u>106,459,379</u>	<u>99,987,443</u>

Consolidated Statements of Operations
Excluding Share-based Compensation (Non-GAAP Presentation)
For the Year Ended January 3, 2015 and December 28, 2013

	2014	2013
Sales	\$ 15,313,179	\$ 10,160,964
Cost of sales	<u>9,987,514</u>	<u>7,027,828</u>
Gross profit	<u>5,325,665</u>	<u>3,133,136</u>
Operating expenses:		
Sales and marketing	2,136,584	2,357,605
General and administrative	5,457,677	3,829,099
Loss from investment in affiliate	45,829	44,961
Operating expenses	<u>7,640,090</u>	<u>6,231,665</u>
Operating loss	<u>(2,314,425)</u>	<u>(3,098,529)</u>
Nonoperating income (expense):		
Interest income	2,013	1,251
Interest expense	(158,849)	(34,330)
Nonoperating expense	<u>(156,836)</u>	<u>(33,079)</u>
Net loss	<u>\$ (2,471,261)</u>	<u>\$ (3,131,608)</u>
Basic and Diluted loss per common share	<u>\$ (0.02)</u>	<u>\$ (0.03)</u>
Basic and Diluted weighted average common shares outstanding	<u>106,459,379</u>	<u>99,987,443</u>

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/chromadex-reports-2014-ingredient-sales-grew-182-300052908.html>

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