

ChromaDex® Reports Results for the Third Quarter 2013

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IRVINE, Calif., Nov. 21, 2013 /PRNewswire/ -- ChromaDex® Corporation (OTCQB: CDXC) ("ChromaDex" or the "Company"), an innovative natural products company that provides proprietary, science-based solutions and ingredients to the dietary supplement, food and beverage, animal health, cosmetic and pharmaceutical industries, announced today financial results for the third quarter ended September 28, 2013.

For the three months ended September 28, 2013, ChromaDex reported revenue of \$2,718,207, as compared to \$3,632,244 for the same period in 2012. The retail dietary supplement products segment did not have any sales for the three-month period ended September 28, 2013 as the Company sold its BluScience product line on March 28, 2013. For the same period in 2012, the retail dietary supplement products segment generated net sales of \$1,642,334. The core standards, contract services and ingredients segment generated net sales of \$2,355,458 for the three-month period ended September 28, 2013. This is an increase of 18%, compared to \$1,989,910 for the same period in 2012. This increase was largely due to increased sales of proprietary ingredients and other bulk dietary supplement grade raw materials. The scientific and regulatory consulting segment, which is operated by the Company's subsidiary Spherix Consulting, Inc., generated net sales of \$362,749 for the three-month period ended September 28, 2013. We did not have the scientific and regulatory consulting segment for the same period in 2012. The net loss attributable to common stockholders for the quarter ended September 28, 2013 was \$1,250,263, or \$0.01 per basic and diluted share, as compared to a net loss of \$1,538,034, or \$0.02 per basic and diluted share, for the same period in 2012. The net loss for the quarter ended September 28, 2013 is largely due to our share-based compensation expense. The non-cash, share-based compensation expense related to stock options and other share-based compensation for the third quarter of 2013 was \$331,304. Excluding non-cash, share-based compensation expense, which is a "non-GAAP measure," would have the effect of decreasing the Company's net loss for the quarter ended September 28, 2013 to \$918,959. As of September 28, 2013, cash, cash equivalents and marketable securities totaled approximately \$1,087,424.

Subsequent to the quarter ended September 28, 2013, the Company received strategic equity financing from DSM Venturing and another strategic investor. The Company received an aggregate of \$3,000,000 in gross proceeds, which will be used to further develop the Company's novel nutritional ingredients.

Frank Jaksch, Jr., CEO and co-founder of ChromaDex, commented, "The results of our clinical study of PUREENERGY™ validate its suitability as an alternative to ordinary caffeine in energy drinks and other energy products. The announcement of the study has resulted in both media coverage highlighting the positive benefits of PUREENERGY™ as well as substantial interest from companies with caffeinated products who have been searching for solutions to reduce caffeine."

Jaksch continued, "Since the commercial launch of NIAGEN™ in May 2013, the inbound inquiries we are receiving from both the research and business communities has been nothing short of astonishing. It was only after the launch of NIAGEN™ that we began to realize the magnitude of the existing wide-ranging interest in nicotinamide riboside as a precursor to NAD+. As we have previously stated, we still believe NIAGEN™ is perhaps the largest opportunity for creation of value for ChromaDex shareholders."

Recent and Q3 Company highlights include:

- In May, the Company launched its novel, patented NIAGEN™, the first and only commercially available **nicotinamide riboside**, a precursor to **NAD+**. NIAGEN™ has the potential to become one of the most important B-vitamin ingredients that are included in products serving multi-billion dollar markets such as multi-vitamins, nutraceuticals, weight-loss, energy drinks, sports nutrition, meal replacements, infant formula, food and beverage products.
- In July, the Company entered into a three-year supply agreement with Thorne Research, Inc. ("Thorne") pursuant to which Thorne shall purchase and market the Company's patented nicotinamide riboside, which is branded as NIAGEN™. Under the terms of the agreement, Thorne received marketing rights for NIAGEN™ for use in nutritional supplements exclusively for the direct to healthcare-practitioner channel in the United States and Canada, provided that Thorne purchases a minimum of \$3.5 million of NIAGEN™ product over the next three years.
- In September, the Company completed a cross-over clinical evaluation of its **PUREENERGY™** caffeine alternative – a patented co-crystal ingredient comprised of caffeine and ChromaDex's pTeroPure® pterostilbene. The study showed that PUREENERGY™ delivers 30% more caffeine, stays in the blood stream longer and is absorbed more slowly than ordinary caffeine. Based on the clinical evaluation, PUREENERGY™ provides formulators of energy products the ability to reduce the total amount of caffeine in their products by as much as 50% without sacrificing consumers' expectations from such products.
- In October, the Company received a \$2.5 million strategic equity investment from DSM Venturing, the corporate venture arm of Royal DSM, the global life sciences and material sciences company.
- In October, the Company's laboratory located in Boulder, Colorado received the internationally recognized ISO (International Organization for Standardization) and IEC (International Electrotechnical Commission) 17025:2005 accreditation. The ISO/IEC accreditation, which demonstrates technical competence for a defined testing scope and the operation of a laboratory quality management system, was granted by ACLASS, an ANSI-ASQ National Accreditation Board agency.
- In November, the Company entered into a material transfer agreement with Universite Libre de Bruxelles ("ULB"), whereby ChromaDex will provide ULB with quantities of its recently launched NIAGEN™ nicotinamide riboside. In July, the Company announced a similar MTA with the Scripps Research Institute.

Separately, on November 21, 2013, in a filing on Form 8-K with the SEC, the Company disclosed that as a result of a

change in accounting of the previous sale of its BluScience assets to NeutriSci International, Inc. ("NS") from the Cost Method to the Equity Method, its financial statements for the three month period and six month period ending March 30, 2013 and June 29, 2013, respectively, contained in the Company's Quarterly Reports on Form 10-Q ("Quarterly Reports") as filed with the SEC should no longer be relied upon because of certain non-cash items in the Quarterly Reports and that those financial statements would be restated to make the necessary accounting adjustments.

The value of the equity and the senior secured convertible note that the Company received from NS as part of the purchase price were originally accounted for at the face value of the assets for recognizing a gain on the sale of the BluScience assets. Due to the inability to make a reliably determinable estimate of the fair value of the NS equity securities and the ultimate collectability of the notes received as consideration, management has determined that the proper accounting for the sale transaction is the cost recovery method. Under the cost recovery method, no gain on the sale will be recognized until the Company's cost basis in the net assets sold has been recovered. The Company originally accounted for its investment in NS under the Cost Method where it has now been determined that the Equity Method should have been used. The Company expects all amendments and restatements to the Financial Statements affected to be non-cash in nature. The Company will restate the Financial Statements to correct the errors noted above and file amendments to the previous periods Quarterly Reports with the SEC as soon as practicable.

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™, a 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:

Any statements that are not historical facts contained in this release are forward-looking statements. Actual results may differ materially from those projected or implied in any forward-looking statements. Such statements involve risks and uncertainties, including but not limited to those relating to product and customer demand, market acceptance of our products, the effect of economic conditions both nationally and internationally, ability to protect our intellectual property rights, impact of any litigation or infringement actions brought against us, competition from other providers and products, risks in product development, our ability to raise capital to fund continuing operations, the ability to complete transactions, and other factors discussed from time to time in the Company's Securities and Exchange Commission filings. The Company undertakes no obligation to update or revise any forward-looking statement for events or circumstances after the date on which such statement is made except as required by law.

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ChromaDex Corporation and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)
For the Three Month Periods Ended September 28, 2013 and September 29, 2012

	September 28, 2013	September 29, 2012
Sales	\$ 2,718,207	\$ 3,832,244
Cost of sales	1,968,020	2,377,991
Gross profit	750,187	1,264,253
Operating expenses:		
Sales and marketing	505,068	802,171
General and administrative	1,453,611	1,983,720
Loss from investment in affiliate	33,281	-
Operating expenses	1,991,960	2,785,891
Operating loss	(1,241,773)	(1,531,638)
Nonoperating income (expense):		
Interest income	179	469
Interest expense	(8,669)	(8,865)
Nonoperating income (expenses)	(8,490)	(8,396)
Net loss	\$ (1,250,263)	\$ (1,538,034)
Basic and Diluted net loss per common share	\$ (0.01)	\$ (0.02)
Basic and Diluted weighted average common shares outstanding	101,309,939	92,364,418

See Notes to Condensed Consolidated Financial Statements.

Quantitative Reconciliation of the differences between the non-GAAP measure and the associated comparable GAAP measure

Condensed Consolidated Statements of Operations (Unaudited, US GAAP) For the Three Month Periods Ended September 28, 2013 and September 29, 2012	September 28, 2013		September 29, 2012		Effects of Non-cash Charges associated with Share-based Compensation Expense For the Three Month Periods Ended September 28, 2013 and September 29, 2012	September 28, 2013		September 29, 2012		Condensed Consolidated Statements of Operations Excluding Share-based Compensation (Non-GAAP Presentation) For the Three Month Periods Ended September 28, 2013 and September 29, 2012	September 28, 2013		September 29, 2012	
Sales	\$ 2,718,207	\$ 3,632,244	Sales	\$ -	\$ -	Sales	\$ 2,718,207	\$ 3,632,244						
Cost of sales	1,968,020	2,377,991	Cost of sales	-	-	Cost of sales	1,968,020	2,377,991						
Gross profit	750,187	1,254,253	Gross profit	-	-	Gross profit	750,187	1,254,253						
Operating expenses:			Operating expenses:			Operating expenses:								
Sales and marketing	505,068	802,171	Sales and marketing	-	-	Sales and marketing	505,068	802,171						
General and administrative	1,453,611	1,983,720	General and administrative	(331,304)	(925,393)	General and administrative	1,122,307	1,058,327						
Loss from investment in affiliate	33,281	-	Loss from investment in affiliate	-	-	Loss from investment in affiliate	33,281	-						
Operating expenses	1,991,960	2,785,891	Operating expenses	(331,304)	(925,393)	Operating expenses	1,660,656	1,860,498						
Operating loss	(1,241,773)	(1,531,638)	Operating income	331,304	925,393	Operating loss	(910,469)	(606,245)						
Nonoperating income (expense):			Nonoperating income (expense):			Nonoperating income (expense):								
Interest income	179	469	Interest income	-	-	Interest income	179	469						
Interest expense	(8,669)	(6,865)	Interest expense	-	-	Interest expense	(8,669)	(6,865)						
Nonoperating income (expenses)	(8,490)	(6,396)	Nonoperating income	-	-	Nonoperating income (expenses)	(8,490)	(6,396)						
Net loss	\$ (1,250,263)	\$ (1,538,034)	Net income	\$ 331,304	\$ 925,393	Net loss	\$ (918,959)	\$ (612,641)						
Basic and Diluted net loss per common share	\$ (0.01)	\$ (0.02)	Basic and Diluted net income per common share	\$ 0.00	\$ 0.01	Basic and Diluted net loss per common share	\$ (0.01)	\$ (0.01)						
Basic and Diluted weighted average common shares outstanding	101,309,939	92,364,418	Basic and Diluted weighted average common shares outstanding	101,309,939	92,364,418	Basic and Diluted weighted average common shares outstanding	101,309,939	92,364,418						

SOURCE ChromaDex Corporation