ChromaDex Corp.
Form 10-Q
November 10, 2016

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended October 1, 2016

Commission File Number: 000-53290

CHROMADEX CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware	26-2940963
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
10005 Muirlands Blvd. Suite G, Irvine, California	92618
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (949) 419-0288

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes X No

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, non-accelerated filer or smaller reporting company. See definition of “large accelerated filer, accelerated filer and smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ____	Accelerated filer X
Non-accelerated filer ____	Smaller reporting company ____
(Do not check if smaller reporting company)	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ___ No X

As of November 9, 2016 there were 37,904,534 shares of the registrant’s common stock issued and outstanding.

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PART I – FINANCIAL INFORMATION (UNAUDITED)
ITEM 1. FINANCIAL STATEMENTS

ChromaDex Corporation and Subsidiaries

Condensed Consolidated Balance Sheets

October 1, 2016 and January 2, 2016

	October 1, 2016	January 2, 2016
Assets		
Current assets		
Cash	$2,264,756	$5,549,672
Trade receivables, net of allowances of $603,000 and $367,000, respectively	6,511,439	2,450,591
Inventories	6,312,909	8,173,799
Prepaid expenses and other assets	401,902	373,567
Total current assets	15,491,006	16,547,629
Leasehold improvements and equipment, net	2,495,215	1,788,645
Deposits and other	261,215	58,883
Intangible assets, net	495,936	354,052
Longterm investment	20,318	-
Total assets	$18,763,690	$18,749,209
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$4,098,778	$6,223,958
Accrued expenses	1,709,662	1,302,865
Current maturities of loan payable	-	1,528,578
Current maturities of capital lease obligations	217,308	219,689
Customer deposits and other	277,615	272,002
Deferred rent, current	52,734	39,529
Total current liabilities	6,356,097	9,586,621

Loan payable, less current maturities, net	-	3,345,335
Capital lease obligations, less current maturities	282,820	444,589
Deferred rent, less current	267,419	97,990
Total liabilities	6,906,336	13,474,535
Commitments and contingencies		
Stockholders' equity		
Common stock, $.001 par value; authorized 50,000,000 shares; issued and outstanding October 1, 2016 37,543,198 and January 2, 2016 36,003,589 shares	37,543	36,004
Additional paid-in capital	54,896,632	47,534,059
Accumulated deficit	(43,076,821)	(42,295,389)
Total stockholders' equity	11,857,354	5,274,674
Total liabilities and stockholders' equity	$18,763,690	$18,749,209

See Notes to Condensed Consolidated Financial Statements.

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ChromaDex Corporation and Subsidiaries

Condensed Consolidated Statements of Operations

For the Three Month Periods Ended October 1, 2016 and October 3, 2015

	October 1, 2016	October 3, 2015
Sales, net	$5,007,450	$6,287,309
Cost of sales	2,964,980	3,805,679
Gross profit	2,042,470	2,481,630
Operating expenses:		
Sales and marketing	447,985	550,878
Research and development	772,799	188,690
General and administrative	1,768,402	1,564,932
Operating expenses	2,989,186	2,304,500
Operating income (loss)	(946,716)	177,130
Nonoperating income (expense):		
Interest income	565	976
Interest expense	(11,392)	(181,822)
Nonoperating expenses	(10,827)	(180,846)
Loss before taxes	(957,543)	(3,716)
Provision for taxes	3,153	-
Net loss	$(954,390)	$(3,716)
Basic and diluted loss per common share	$(0.03)	$(0.00)
Basic and diluted weighted average common shares outstanding	37,868,672	35,814,305

See Notes to Condensed Consolidated Financial Statements.

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ChromaDex Corporation and Subsidiaries

Condensed Consolidated Statements of Operations

For the Nine Month Periods Ended October 1, 2016 and October 3, 2015

	October 1, 2016	October 3, 2015
Sales, net	$21,168,974	$17,649,660
Cost of sales	11,547,638	10,769,714
Gross profit	9,621,336	6,879,946
Operating expenses:		
Sales and marketing	1,690,738	1,776,403
Research and development	1,988,597	485,195
General and administrative	6,063,520	5,531,362
Operating expenses	9,742,855	7,792,960
Operating loss	(121,519)	(913,014)
Nonoperating income (expense):		
Interest income	1,997	2,339
Interest expense	(345,311)	(433,748)
Loss on debt extinguishment	(313,099)	-
Nonoperating expenses	(656,413)	(431,409)
Loss before taxes	(777,932)	(1,344,423)
Provision for taxes	(3,500)	-
Net loss	$(781,432)	$(1,344,423)
Basic and diluted loss per common share	$(0.02)	$(0.04)
Basic and diluted weighted average common shares outstanding	37,090,916	35,783,490

See Notes to Condensed Consolidated Financial Statements.

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ChromaDex Corporation and Subsidiaries

Condensed Consolidated Statement of Stockholders' Equity

For the Nine Month Period Ended October 1, 2016

	Common Stock		Additional Paid-In	Accumulated	Total Stockholder's
	Shares	Amount	Capital	Deficit	Equity
Balance, January 2, 2016	36,003,589	$36,004	$47,534,059	$(42,295,389)	$5,274,674
Issuance of common stock, net of offering costs of $20,000	128,205	128	479,872	-	480,000
Exercise of stock options	47,055	47	93,825	-	93,872
Share-based compensation	-	-	324,035	-	324,035
Vested restricted stock	2,000	2	(2)	-	-
Net income	-	-	-	255,625	255,625
Balance, April 2, 2016	36,180,849	$36,181	$48,431,789	$(42,039,764)	$6,428,206
1 for 3 reverse stock split, issuance due to fractional shares round up	1,632	2	(2)	-	-
Issuance of common stock, net of offering costs of $10,000	1,117,022	1,117	5,238,883	-	5,240,000
Exercise of stock options	185,081	185	528,327	-	528,512
Share-based compensation	-	-	333,602	-	333,602
Vested restricted stock	5,330	5	(5)	-	-
Net loss	-	-	-	(82,667)	(82,667)
Balance, July 2, 2016	37,489,914	$37,490	$54,532,594	$(42,122,431)	$12,447,653

Reconciliation of offering costs	-	-	(2,526)	-	(2,526)
Exercise of stock options	47,950	48	94,180	-	94,228
Share-based compensation	-	-	272,389	-	272,389
Vested restricted stock	5,334	5	(5)	-	-
Net loss	-	-	-	(954,390)	(954,390)
Balance, October 1, 2016	37,543,198	$37,543	$54,896,632	$(43,076,821)	$11,857,354

See Notes to Condensed Consolidated Financial Statements.

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ChromaDex Corporation and Subsidiaries

Condensed Consolidated Statements of Cash Flows

For the Nine Month Periods Ended October 1, 2016 and October 3, 2015

	October 1, 2016	October 3, 2015
Cash Flows From Operating Activities		
Net loss	$(781,432)	$(1,344,423)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of leasehold improvements and equipment	234,408	209,754
Amortization of intangibles	63,116	32,236
Share-based compensation expense	930,026	1,656,504
Allowance for doubtful trade receivables	235,591	5,429
Loss from disposal of equipment	-	19,643
Loss on debt extinguishment	313,099	-
Non-cash financing costs	94,080	139,780
Changes in operating assets and liabilities:		
Trade receivables	(4,296,439)	(1,883,261)
Inventories	1,840,572	(429,287)
Prepaid expenses and other assets	(230,667)	(86,183)
Accounts payable	(2,125,180)	108,961
Accrued expenses	406,797	361,481
Customer deposits and other	5,613	2,393
Deferred rent	182,634	(50,589)
Net cash used in operating activities	(3,127,782)	(1,257,562)
Cash Flows From Investing Activities		
Purchases of leasehold improvements and equipment	(940,978)	(242,765)
Purchases of intangible assets	(205,000)	(107,500)
Net cash used in investing activities	(1,145,978)	(350,265)
Cash Flows From Financing Activities		
Proceeds from issuance of common stock, net of issuance costs	5,717,474	-
Proceeds from exercise of stock options	716,612	25,266

Proceeds from loan payable	-	2,500,000
Payment of debt issuance cost	-	(15,000)
Principal payments on loan payable	(5,000,000)	-
Cash paid for debt extinguishment costs	(281,092)	-
Principal payments on capital leases	(164,150)	(158,547)
Net cash provided by financing activities	988,844	2,351,719
Net (decrease) increase in cash	(3,284,916)	743,892
Cash Beginning of Period	5,549,672	3,964,750
Cash Ending of Period	$2,264,756	$4,708,642
Supplemental Disclosures of Cash Flow Information		
Cash payments for interest	$251,231	$293,968
Supplemental Schedule of Noncash Investing Activity		
Capital lease obligation incurred for purchases of equipment	$-	$303,933
Inventory supplied to Healthspan Research, LLC for equity interest, at cost	$20,318	$-
Retirement of fully depreciated equipment - cost	$28,083	$8,181
Retirement of fully depreciated equipment - accumulated depreciation	$(28,083)	$(8,181)

See Notes to Condensed Consolidated Financial Statements.

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Note 1. Interim Financial Statements

The accompanying financial statements of ChromaDex Corporation (the “Company”) and its wholly owned subsidiaries, ChromaDex, Inc., ChromaDex Analytics, Inc. and Spherix Consulting, Inc. include all adjustments, consisting of normal recurring adjustments and accruals, that, in the opinion of the management of the Company, are necessary for a fair presentation of the Company’s financial position as of October 1, 2016 and results of operations and cash flows for the three and nine months ended October 1, 2016 and October 3, 2015. These unaudited interim financial statements should be read in conjunction with the Company’s audited financial statements and the notes thereto for the year ended January 2, 2016 appearing in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “Commission”) on March 17, 2016. Operating results for the nine months ended October 1, 2016 are not necessarily indicative of the results to be achieved for the full year ending on December 31, 2016. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

The balance sheet at January 2, 2016 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by GAAP for complete financial statements.

Note 2. Nature of Business and Liquidity

Nature of business: The Company leverages its complementary business units to discover, acquire, develop and commercialize patented and proprietary ingredient technologies that address the dietary supplement, food, beverage, skin care and pharmaceutical markets. In addition to our ingredient technologies unit, we also have business units focused on natural product fine chemicals (known as "phytochemicals"), chemistry and analytical testing services, and product regulatory and safety consulting (known as Spherix Consulting). As a result of our relationships with leading universities and research institutions, we are able to discover and license early stage, Intellectual Property-backed ingredient technologies. We then utilize our in-house chemistry, regulatory and safety consulting business units to develop commercially viable ingredients. Our ingredient portfolio is backed with clinical and scientific research, as well as extensive Intellectual Property protection.

Liquidity: The Company has incurred loss from operations of approximately $122,000 and net loss of approximately $781,000 for the nine-month period ended October 1, 2016. As of October 1, 2016, the cash and cash equivalents totaled approximately $2,265,000.

Subsequent to the period ended October 1, 2016, the Company entered into a business financing agreement with Western Alliance Bank, in order to establish a formula based revolving credit line up to $5.0 million. While we anticipate that our current cash, cash equivalents, cash to be generated from operations and the established $5.0 million revolving credit line will be sufficient to meet our projected operating plans through at least November 11, 2017, we may require additional funds, either through additional equity or debt financings or collaborative agreements or from other sources. We have no commitments to obtain such additional financing, and we may not be able to obtain any such additional financing on terms favorable to us, or at all. If adequate financing is not available, the Company will further delay, postpone or terminate product and service expansion and curtail certain selling, general and administrative operations. The inability to raise additional financing may have a material adverse effect on the future performance of the Company.

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Note 3. Significant Accounting Policies

Basis of presentation: The financial statements and accompanying notes have been prepared on a consolidated basis and reflect the consolidated financial position of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated from these financial statements. The Company's fiscal year ends on the Saturday closest to December 31. Every fifth or sixth fiscal year, the inclusion of an extra week occurs due to the Company's floating year-end date. The fiscal year 2015 ended on January 2, 2016 consisted of normal 52 weeks. The fiscal year 2016 ending on December 31, 2016 will also include the normal 52 weeks.

Changes in accounting principle: In September 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-15, Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments. The ASU is issued to clarify whether certain items, including debt prepayments and extinguishment costs, should be categorized as operating, investing or financing in the statement of cash flows, The amendments in this ASU clarify that debt extinguishment costs should be classified as financing cash outflows.

The Company early adopted the amendments in this ASU effective as of October 1, 2016. For the nine-month period ended October 1, 2016, the Company incurred loss of approximately $313,000 on debt extinguishment and approximately $281,000 were paid in cash. The Company had previously presented these cash paid costs as operating cash outflows in its consolidated statement of cash flows for the six-month period ended July 2, 2016 in the Company's Quarterly Report on Form 10-Q filed with the Commission on August 11, 2016. The early adoption has resulted in adjustments to the Company's consolidated statement of cash flows for the six-month period ended July 2, 2016, by reclassifying the cash paid for debt extinguishment costs as financing cash outflows.

Below are the effects of the change on the consolidated statement of cash flows for the six-month period ended July 2, 2016.

ChromaDex Corporation and Subsidiaries

Condensed Consolidated Statements of Cash Flows (Unaudited)

For the Six Month Period Ended July 2, 2016

	Previously Reported	Adjustments	As Adjusted
Cash Flows From Operating Activities			
Net income	$172,958	$-	$172,958
	1,011,158	281,092	1,292,250

Adjustments to reconcile net income to net cash used in operating activities:			
Changes in operating assets and liabilities:	(4,171,503)	-	(4,171,503)
Net cash used in operating activities	(2,987,387)	281,092	(2,706,295)
Cash Flows From Investing Activities			
Purchases of leasehold improvements and equipment	(231,201)	-	(231,201)
Purchases of intangible assets	(195,000)	-	(195,000)
Net cash used in investing activities	(426,201)	-	(426,201)
Cash Flows From Financing Activities			
Proceeds from issuance of common stock, net of issuance costs	5,720,000	-	5,720,000
Proceeds from exercise of stock options	622,384	-	622,384
Principal payments on loan payable	(5,000,000)	-	(5,000,000)
Cash paid for debt extinguishment costs	-	(281,092)	(281,092)
Principal payments on capital leases	(108,249)	-	(108,249)
Net cash provided by financing activities	1,234,135	(281,092)	953,043
Net decrease in cash	(2,179,453)	-	(2,179,453)
Cash Beginning of Period	5,549,672	-	5,549,672
Cash Ending of Period	$3,370,219	$-	$3,370,219

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Inventories: Inventories are comprised of raw materials, work-in-process and finished goods. They are stated at the lower of cost, determined by the first-in, first-out method ("FIFO") method, or market. Labor and overhead has been added to inventory that was manufactured or characterized by the Company. The amounts of major classes of inventory as of October 1, 2016 and January 2, 2016 are as follows:

	October 1, 2016	January 2, 2016
Natural product fine chemicals	$1,024,213	$1,239,338
Bulk ingredients	5,388,696	7,195,461
	6,412,909	8,434,799
Less valuation allowance	(100,000)	(261,000)
	$6,312,909	$8,173,799

Note 4. Reverse Stock Split

On April 13, 2016, the Company effected a 1-for-3 reverse stock split. All information presented herein has been retrospectively adjusted to reflect the reverse stock split as if they took place as of the earliest period presented. An additional 1,632 shares were issued to round up fractional shares as a result of the reverse stock split.

Note 5. Earnings Per Share Applicable to Common Stockholders

The following table sets forth the computations of earnings per share amounts applicable to common stockholders for the three and nine months ended October 1, 2016 and October 3, 2015:

	Three Months Ended		Nine Months Ended	
	Oct. 1, 2016	Oct. 3, 2015	Oct. 1, 2016	Oct. 3, 2015
Net loss	$(954,390)	$(3,716)	$(781,432)	$(1,344,423)
Basic and diluted loss per common share	$(0.03)	$(0.00)	$(0.02)	$(0.04)
Weighted average common shares outstanding (1):	37,868,672	35,814,305	37,090,916	35,783,490
Potentially dilutive securities, total (2):				
Stock options	5,217,508	5,279,868	5,217,508	5,279,868
Warrants	487,111	156,340	487,111	156,340
Convertible debt	-	257,798	-	257,798

(1) Includes approximately 0.4 million nonvested restricted stock for all periods presented, which are participating securities that feature voting and dividend rights.

(2) Excluded from the computation of loss per share as their impact is antidilutive.

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Note 6. Loan Payable

On June 14, 2016, the Company repaid $4,851,542 owed to Hercules Funding II LLC (“Hercules”), under the Company’s loan and security agreement with Hercules dated as of September 29, 2014 (the “Loan Agreement”). The payoff amount was comprised of the following:

Payoff Amount

Principal	$4,554,659
Accrued interest	15,790
End of term charge	187,500
Prepayment fee	91,093
Other fees	2,500
Total	$4,851,542

Upon receipt of the Payoff Amount, the Loan Agreement terminated.

The Loan Agreement initially provided the Company with access to a term loan of up to $5 million. The first $2.5 million of the term loan was funded at the closing of the Loan Agreement, and was repayable in installments over 30 months, following an initial interest-only period of twelve months after closing. The Company drew down the remaining $2.5 million of the term loan on June 17, 2015 and the interest-only period was extended to March 31, 2016. In connection with the loan, the Company paid an aggregate of $65,000 in facility charges to Hercules and granted Hercules first priority liens and a security interest in substantially all of its assets.

The Loan Agreement also provided (i) a borrower option to repay principal in common stock up to an aggregate amount of $500,000 at a conversion price of $3.879 per share and (ii) a lender option to receive principal repayments in common stock up to an aggregate amount of $500,000 at a conversion price of $3.879 per share, subject to certain conditions. However, no principal was repaid in common stock. On the commitment date, no separate accounting was required for the conversion feature.

In connection with the termination of the Loan Agreement, Hercules’s commitments to extend further credit to the Company terminated, all obligations, covenants, debts and liabilities of the Company under the Loan Agreement were satisfied and discharged in full, all documents entered into in connection with the Loan Agreement, other than a warrant issued pursuant to the Loan Agreement, were terminated, all liens or security interests granted to secure the obligations under the Loan Agreement terminated and all guaranties of the Company’s obligations under the Loan Agreement terminated.

The payoff amount, excluding the accrued interest to date, was $4,835,752 and the net carrying amount of the debt on the extinguishment date was $4,522,653. The difference of $313,099 was recognized as a non-operating loss in the statement of operations during the nine months ended October 1, 2016.

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Net Carrying Amount		Payoff Amount (Excluding Interest)	
Principal	$4,554,659	Principal	$4,554,659
Accrued end of term charge	103,909	End of term charge	187,500
Deferred financing cost	(45,606)	Prepayment fee	91,093
Warrant discount	(90,309)	Other fees	2,500
Total	$4,522,653	Total	$4,835,752
	(A)		(B)
Loss on debt extinguishment	$(313,099) (A) - (B)		

Note 7. Employee Share-Based Compensation

Service Period Based Stock Options

The following table summarizes activity of service period based stock options granted to employees at October 1, 2016 and changes during the nine months then ended:

		Weighted Average			
	Number of Shares	Exercise Price	Remaining Contractual Term	Fair Value	Aggregate Intrinsic Value
Outstanding at January 2, 2016	4,314,264	$3.50	6.44		
Options Granted	579,148	4.27	10.00	$2.71	
Options Exercised	(238,423)	2.67			$502,000
Options Forfeited	(326,663)	4.15			
Outstanding at October 1, 2016	4,328,326	$3.60	6.20		$684,000

Exercisable at October 1, 2016	3,314,918	$3.46	5.31	$668,000

The aggregate intrinsic values in the table above are based on the Company's stock price of $2.98, which is the closing price of the Company's stock on the last day of business for the period ended October 1, 2016.
The fair value of the Company's stock options was estimated at the date of grant using the Black-Scholes option pricing model. The table below outlines the weighted average assumptions for options granted to employees during the nine months ended October 1, 2016.

	Nine Months Ended October 1, 2016
Expected term	6.0 years
Expected volatility	73%
Expected dividends	0.00%
Risk-free rate	1.33%

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As of October 1, 2016, there was approximately $2,271,000 of total unrecognized compensation expected to be recognized over a weighted average period of 3.0 years.

Employee Share-Based Compensation

The Company recognized compensation expense of approximately $260,000 and $881,000 in general and administrative expenses in the statement of operations for the three and nine months ended October 1, 2016, respectively, and approximately $418,000 and $1,238,000 for the three and nine months ended October 3, 2015, respectively.

Note 8. Stock Issuance

On March 11, 2016, the Company entered into a Securities Purchase Agreement ("SPA") to raise $500,000 in a registered direct offering. Pursuant to the SPA, the Company sold a total of 128,205 Units at a purchase price of $3.90 per Unit, with each Unit consisting of one share of the Company's common stock and a warrant to purchase one half of a share of common stock (64,103 total) with an exercise price of $4.80 and a term of 3 years. The estimated fair value of the warrant was approximately $108,000 and the warrant was determined to be classified as equity. The fair value was estimated at the date of issuance using the Black-Scholes based valuation model. The table below outlines the assumptions for the warrant issued.

	March 11, 2016
Fair value of common stock	$4.41
Contractual term	3.0 years
Volatility	60%
Risk-free rate	1.16%
Expected dividends	0.00%

On June 3, 2016, the Company entered into additional SPAs to raise $5,250,000 in a registered direct offering. Pursuant to the SPAs, the Company sold a total of 1,117,022 shares of the Company's common stock at a purchase price of $4.70 per share.

Note 9. Business Segments

The Company has the following three reportable segments:

Ingredients segment develops and commercializes proprietary-based ingredient technologies and supplies these ingredients to the manufacturers of consumer products in various industries including the nutritional supplement, food and beverage and animal health industries.

Core standards and contract services segment includes supply of phytochemical reference standards, which are small quantities of plant-based compounds typically used to research an array of potential attributes, reference materials and related contract services.

Scientific and regulatory consulting segment which provides scientific and regulatory consulting to the clients in the food, supplement and pharmaceutical industries to manage potential health and regulatory risks.

The "Other" classification includes corporate items not allocated by the Company to each reportable segment. Further, there are no intersegment sales that require elimination. The Company evaluates performance and allocates resources based on reviewing gross margin by reportable segment.

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Three months ended October 1, 2016	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Net sales	$2,663,095	$2,052,135	$292,220	$-	$5,007,450
Cost of sales	1,287,421	1,548,268	129,291	-	2,964,980
Gross profit	1,375,674	503,867	162,929	-	2,042,470
Operating expenses:					
Sales and marketing	199,130	245,255	3,600	-	447,985
Research and development	760,299	12,500	-	-	772,799
General and administrative	-	-	-	1,768,402	1,768,402
Operating expenses	959,429	257,755	3,600	1,768,402	2,989,186
Operating income (loss)	$416,245	$246,112	$159,329	$(1,768,402)	$(946,716)

Three months ended October 3, 2015	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Net sales	$4,146,597	$1,875,296	$265,416	$-	$6,287,309
Cost of sales	2,157,183	1,533,402	115,094	-	3,805,679
Gross profit	1,989,414	341,894	150,322	-	2,481,630
Operating expenses:					
Sales and marketing	259,874	287,901	3,103	-	550,878
Research and development	188,690	-	-	-	188,690
General and administrative	-	-	-	1,564,932	1,564,932

Operating expenses	448,564	287,901	3,103	1,564,932	2,304,500
Operating income (loss)	$1,540,850	$53,993	$147,219	$(1,564,932)	$177,130

Nine months ended October 1, 2016	Ingredients segment	Core Standards and Contract Services segment	Scientific and RegulatoryConsulting segment	Other	Total
Net sales	$13,505,470	$7,110,783	$552,721	$-	$21,168,974
Cost of sales	6,420,972	4,781,539	345,127	-	11,547,638
Gross profit	7,084,498	2,329,244	207,594	-	9,621,336
Operating expenses:					
Sales and marketing	930,573	749,165	11,000	-	1,690,738
Research and development	1,961,097	27,500	-	-	1,988,597
General and administrative	-	-	-	6,063,520	6,063,520
Operating expenses	2,891,670	776,665	11,000	6,063,520	9,742,855
Operating income (loss)	$4,192,828	$1,552,579	$196,594	$(6,063,520)	$(121,519)

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Nine months ended October 3, 2015	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Net sales	$10,238,574	$6,546,816	$864,270	$-	$17,649,660
Cost of sales	5,629,564	4,742,480	397,670	-	10,769,714
Gross profit	4,609,010	1,804,336	466,600	-	6,879,946
Operating expenses:					
Sales and marketing	832,779	935,237	8,387	-	1,776,403
Research and development	485,195	-	-	-	485,195
General and administrative	-	-	-	5,531,362	5,531,362
Operating expenses	1,317,974	935,237	8,387	5,531,362	7,792,960
Operating income (loss)	$3,291,036	$869,099	$458,213	$(5,531,362)	$(913,014)

At October 1, 2016	Ingredients segment	Core Standards and Contract Services segment	Scientific and Regulatory Consulting segment	Other	Total
Total assets	$12,051,865	$3,645,554	$166,027	$2,900,244	$18,763,690

At January 2, 2016	Ingredients	Core Standards and Contract Services	Scientific and Regulatory Consulting

	segment	segment	segment	Other	Total
Total assets	$9,105,502	$3,306,624	$111,765	$6,225,318	$18,749,209

Disclosure of major customers
Major customers who accounted for more than 10% of the Company’s total sales were as follows:

	Percentage of the Company's Total Sales			
	Three Months Ended		Nine Months Ended	
Major Customers	Oct. 1, 2016	Oct. 3, 2015	Oct. 1, 2016	Oct. 3, 2015
Customer D (Ingredients and Core segment)	12.3%	*	*	*
Customer C (Ingredients segment)	*	*	24.5%	*
Customer B (Ingredients segment)	*	19.1%	*	13.8%

* Represents less than 10%.

Major customers who accounted for more than 10% of the Company’s total trade receivables were as follows:

	Percentage of the Company's Total Trade Receivables	
Major Customers	At October 1, 2016	At January 2, 2016
Customer D (Ingredients and Core segment)	*	22.8%
Customer C (Ingredients segment)	48.8%	*
Customer A (Ingredients segment)	*	14.7%

* Represents less than 10%.

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Note 10. Related-Party Transactions

On August 28, 2015, the Company entered into an Exclusive Supply Agreement (the "Supply Agreement") with Healthspan Research, LLC ("Healthspan"). Under the terms of the Supply Agreement, Healthspan agreed to purchase NIAGEN® from the Company and the Company granted to Healthspan worldwide rights for resale of specific dietary supplements containing NIAGEN® in certain direct response channels.

Pursuant to the terms of the Supply Agreement, in exchange for a 4% equity interest in Healthspan, the Company agreed to initially supply NIAGEN® to Healthspan up to a certain amount, and in exchange for an additional 5% equity interest in Healthspan, the Company will grant to Healthspan certain exclusive rights to resell NIAGEN®. Healthspan will pay the Company royalties on the cumulative worldwide net sales of its finished products containing NIAGEN®. The exclusivity rights will remain for so long as Healthspan meets certain minimum purchase requirements. In the event that, during the initial term, the Company terminates the exclusivity rights due to failure to meet the minimum purchase requirements or for any reason other than a material breach of the Supply Agreement by Healthspan, then the 5% equity interest shall be automatically redeemed for a purchase price of $1.00 effective upon the date of termination of the exclusivity rights.

In connection with the foregoing, also on August 28, 2015, the Company and Healthspan entered into an interest purchase agreement and limited liability company agreement pursuant to which the Company was issued 9% of the outstanding equity interests of Healthspan. Rob Fried, a director of the Company, is the manager of Healthspan and owns 91% of the outstanding equity interests of Healthspan. The Supply Agreement, interest purchase agreement and limited liability company agreement were unanimously approved by the independent directors of the Company.

During the nine months ended October 1, 2016, the Company shipped NIAGEN® to Healthspan to satisfy part of our obligation to supply a certain amount of NIAGEN® in exchange for the 4% equity interest in Healthspan, which our cost was approximately $20,000. This was recorded as a long-term investment at our cost.

The Company accounts for its ownership interest under the cost method of accounting as the Company does not have an ability to exercise significant influence on Healthspan.

Note 11. Commitments and Contingencies

Operating Leases

On February 29, 2016, the Company entered into a lease amendment to extend the term of the lease for its laboratory facility located in Boulder, Colorado through April 2023. Pursuant to the lease amendment, the Company will make monthly lease payments ranging from $23,472 to $27,210, as the payments escalate during the term of the lease.

On March 4, 2016, the Company entered into a lease amendment to lease an office space located in Rockville, Maryland through April 2021. Pursuant to the lease amendment, the Company will make monthly lease payments ranging from $3,450 to $3,883, as the payments escalate during the term of the lease.

On April 14, 2016, the Company entered into a lease to lease an office and laboratory space located in Longmont, Colorado through September 2023. Pursuant to the lease, the Company will make monthly lease payments ranging from $8,586 to $11,518, as payments escalate during the term of the lease. The Company also agreed to pay additional lease payments of approximately $800 per month as the landlord will provide additional improvements to the leased premises.

Payments and future commitments for these leases entered in 2016 are as follows:

Payments due by period

2016	2017	2018	2019	2020	Thereafter
$241,000	$439,000	$451,000	$466,000	$481,000	$1,146,000

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Note 12. Subsequent Events

Subsequent to the period ended October 1, 2016, the Company entered into a business financing agreement ("Financing Agreement") with Western Alliance Bank ("Western Alliance"), in order to establish a formula based revolving credit line pursuant to which the Company may borrow an aggregate principal amount of up to $5,000,000, subject to the terms and conditions of the Financing Agreement. Upon execution of the Financing Agreement, the Company paid a $25,000 facility fee and a $900 due diligence fee to Western Alliance.

The interest rate will be calculated at a floating rate per month equal to (a) the greater of (i) 3.50% per year or (ii) the Prime Rate published in the Money Rates section of the Western Edition of The Wall Street Journal, or such other rate of interest publicly announced by Lender as its Prime Rate, plus (b) 2.50 percentage points, plus an additional 5.00 percentage points during any period that an event of default has occurred and is continuing. The Company's obligations under the Financing Agreement are secured by a security interest in substantially all of the Company's current and future personal property assets, including intellectual property.

Any borrowings, interest or other fees or obligations that the Company owes Western Alliance pursuant to the Financing Agreement (the "Obligations") will be become due and payable on November 4, 2018. If the Financing Agreement is terminated prior to November 4, 2017, the Company will pay a termination fee of $50,000 to Western Alliance, provided that such termination fee will be waived in the event that the Company refinances with Western Alliance.

The Financing Agreement includes quick ratio, EBDAS and minimum revenue financial covenants.

Pursuant to an exclusive placement and advisory agreement by and among the Company, Trump Securities LLC ("Trump") and Credo 180, LLC, the Company paid Trump a consulting fee of $100,000 in connection with the execution of the Financing Agreement.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements in this Management's Discussion and Analysis (“MD&A”), other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “would,” “expect,” “intend,” “could,” “estimate,” “should,” “anticipate,” or “b and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. Readers should carefully review the risk factors and related notes set forth below in Part II, Item 1A, “Risk Factors” and included under Part I, Item 1A, “Risk Factors” of our Annual Report on Form 10-K for the year ended January 2, 2016 filed with the Securities and Exchange Commission on March 17, 2016 (our “Annual Report”).

The following MD&A is intended to help readers understand the results of our operation and financial condition, and is provided as a supplement to, and should be read in conjunction with, our Interim Unaudited Financial Statements and the accompanying Notes to Interim Unaudited Financial Statements under Part 1, Item 1 of this Quarterly Report on Form 10-Q.

Growth and percentage comparisons made herein generally refer to the three and nine months ended October 1, 2016 compared with the three and nine months ended October 3, 2015 unless otherwise noted. Unless otherwise indicated or unless the context otherwise requires, all references in this document to “we,” “us,” “our,” the “Company,” and similar expressions refer to ChromaDex Corp., and depending on the context, its subsidiaries.

Overview

The Company leverages its complementary business units to discover, acquire, develop and commercialize patented and proprietary ingredient technologies that address the dietary supplement, food, beverage, skin care and pharmaceutical markets. In addition to the Company’s ingredient technologies unit, the Company also has business units focused on natural product fine chemicals, chemistry and analytical testing services, and product regulatory and safety consulting. As a result of the Company’s relationships with leading universities and research institutions, the Company is able to discover and license early stage, Intellectual Property-backed ingredient technologies. We utilize our in-house chemistry, regulatory and safety consulting business units to develop commercially viable ingredients. The Company’s ingredient portfolio is backed with clinical and scientific research, as well as extensive Intellectual Property protection.

The discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). The preparation of these financial statements requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues, if any, and expenses during the reporting periods. On an ongoing basis, we evaluate such estimates and judgments, including those described in greater detail below. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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As of October 1, 2016, the Company had approximately $2,265,000 cash and cash equivalents on hand. Subsequent to the period ended October 1, 2016, the Company entered into a business financing agreement with Western Alliance Bank, in order to establish a formula based revolving credit line up to $5.0 million. We anticipate that our current cash, cash equivalents, cash to be generated from operations and the established $5.0 million revolving credit line will be sufficient to meet our projected operating plans through at least November 11, 2017. We may, however, seek additional capital prior to November 11, 2017, both to meet our projected operating plans after November 11, 2017 and/or to fund our longer term strategic objectives.

Additional capital may come from public and/or private stock or debt offerings, borrowings under lines of credit or other sources. These additional funds may not be available on favorable terms, or at all. Further, if we issue equity or debt securities to raise additional funds, our existing stockholders may experience dilution and the new equity or debt securities we issue may have rights, preferences and privileges senior to those of our existing stockholders. In addition, if we raise additional funds through collaboration, licensing or other similar arrangements, it may be necessary to relinquish valuable rights to our products or proprietary technologies, or to grant licenses on terms that are not favorable to us. If we cannot raise funds on acceptable terms, we may not be able to develop or enhance our products, obtain the required regulatory clearances or approvals, achieve long term strategic objectives, take advantage of future opportunities, or respond to competitive pressures or unanticipated customer requirements. Any of these events could adversely affect our ability to achieve our development and commercialization goals, which could have a material and adverse effect on our business, results of operations and financial condition. If we are unable to establish small to medium scale production capabilities through our own plant or though collaboration, we may be unable to fulfill our customers' requirements. This may cause a loss of future revenue streams as well as require us to look for third-party vendors to provide these services. These vendors may not be available, or charge fees that prevent us from pricing competitively within our markets.

Some of our operations are subject to regulation by various state and federal agencies. In addition, we expect a significant increase in the regulation of our target markets. Dietary supplements are subject to FDA, FTC and U.S. Department of Agriculture regulations relating to composition, labeling and advertising claims. These regulations may in some cases, particularly with respect to those applicable to new ingredients, require a notification that must be submitted to the FDA along with evidence of safety. There are similar regulations related to food additives.

Results of Operations

Our net sales and net loss for the three- and nine-month periods ending on October 1, 2016 and October 3, 2015 were as follows:

	Three months ending		Nine months ending	
	Oct. 1, 2016	Oct. 3, 2015	Oct. 1, 2016	Oct. 3, 2015
Net sales	$5,007,000	$6,287,000	$21,169,000	$17,650,000
Net loss	(954,000)	(4,000)	(781,000)	(1,344,000)
Basic and diluted loss per common share	$(0.03)	$(0.00)	$(0.02)	$(0.04)

During the nine months ended October 1, 2016, we have invested approximately $629,000 in a pilot plant facility in Longmont, Colorado, which the Company recently entered into a lease for, effective from July 2016 through September 2023. Over the next six months, we plan to invest approximately additional $600,000 in this pilot plant facility. The pilot plant facility will have the capability of manufacturing, at a process scale, products that we are planning to take to market as well as enable us to explore cost savings processes for existing products. In addition, subject to available financial resources, we plan to continue to increase research and development efforts for our line of proprietary ingredients.

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Net Sales

Net sales consist of gross sales less discounts and returns.

	Three months ending			Nine months ending		
	Oct. 1, 2016	Oct. 3, 2015	Change	Oct. 1, 2016	Oct. 3, 2015	Change
Net sales:						
Ingredients	$2,663,000	$4,147,000	-36%	$13,505,000	$10,239,000	32%
Core standards and contract services	2,052,000	1,875,000	9%	7,111,000	6,547,000	9%
Scientific and regulatory consulting	292,000	265,000	10%	553,000	864,000	-36%
Total net sales	$5,007,000	$6,287,000	-20%	$21,169,000	$17,650,000	20%

The decrease in sales for the ingredients segment for the three months ended October 1, 2016 is mainly due to decreased sales of “NIAGEN®.” Certain customers that placed large orders during the period ended October 3, 2015 did not place orders of similar size during the three months ended October 1, 2015. For the nine months ended October 1, 2016, the sales increased compared to the previous year due to increased sales of “NIAGEN®” and “PTEROPURE®.”

The increase in sales for the core standards and contract services segment is primarily due to increased sales of analytical testing and contract services.

The increase in sales for the scientific and regulatory consulting segment for the three months ended October 1, 2016 is due to the timing of completion of consulting projects for customers. The decrease in sales for the nine months ended October 1, 2016 is primarily due to a further emphasis on intercompany work supporting our ingredients segment.

Cost of Sales

Cost of sales include raw materials, labor, overhead, and delivery costs.

	Three months ending				Nine months ending			
			October 3, 2015		October 1, 2016		October 3, 2015	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
Cost of sales:								

Ingredients	$1,288,000	48%	$2,157,000	52%	$6,421,000	48%	$5,630,000	55%
Core standards and contract services	1,548,000	75%	1,534,000	82%	4,782,000	67%	4,742,000	72%
Scientific and regulatory consulting	129,000	44%	115,000	43%	345,000	62%	398,000	46%
Total cost of sales	$2,965,000	59%	$3,806,000	61%	$11,548,000	55%	$10,770,000	61%

The cost of sales, as a percentage of net sales, decreased 2% and 6% for the three- and nine-month periods ended October 1, 2016, respectively, compared to the comparable periods in 2015.

The decrease in cost of sales, as a percentage of net sales, for the ingredients segment is largely due to price reductions from our suppliers through increased purchase volumes.

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The cost of sales, as a percentage of net sales for the core standards and contract services segment, decreased 7% and 5% for the three- and nine-month periods ended October 1, 2016, respectively, compared to the comparable periods in 2015. The increase in analytical testing and contract services sales led to a higher labor utilization rate, which resulted in lowering our cost of sales as a percentage of net sales.

The percentage increase in cost of sales for the scientific and regulatory consulting segment is largely due to a further emphasis on intercompany work. Fixed labor costs make up the majority of costs for the consulting segment.

Gross Profit

Gross profit is net sales less the cost of sales and is affected by a number of factors including product mix, competitive pricing and costs of products and services.

	Three months ending			Nine months ending		
	Oct. 1, 2016	Oct. 3, 2015	Change	Oct. 1, 2016	Oct. 3, 2015	Change
Gross profit:						
Ingredients	$1,375,000	$1,990,000	-31%	$7,084,000	$4,609,000	54%
Core standards and contract services	504,000	341,000	48%	2,329,000	1,805,000	29%
Scientific and regulatory consulting	163,000	150,000	9%	208,000	466,000	-55%
Total gross profit	$2,042,000	$2,481,000	-18%	$9,621,000	$6,880,000	40%

The decreased gross profit for the ingredients segment for the three months ended October 1, 2016 is due to the decreased sales of “NIAGEN®.” For the nine months ended October 1, 2016, the gross profit for the ingredients segment increased due to the increased sales of the ingredient portfolio we offer, coupled with lower prices from our suppliers due to increased purchase volumes.

The increased gross profit for the core standards and contract services segment is largely due to the increased sale of analytical testing and contract services. Fixed labor costs make up the majority of costs for analytical testing and contract services and these fixed labor costs did not increase in proportion to sales, hence yielding higher profit margin.

The decreased gross profit for the scientific and regulatory consulting segment for the nine months ended October 1, 2016 is largely due to a greater focus on intercompany work supporting our ingredients segment.

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Operating Expenses-Sales and Marketing

Sales and Marketing Expenses consist of salaries, advertising and marketing expenses.

	Three months ending			Nine months ending		
	Oct. 1, 2016	Oct. 3, 2015	Change	Oct. 1, 2016	Oct. 3, 2015	Change
Sales and marketing expenses:						
Ingredients	$199,000	$260,000	-23%	$931,000	$833,000	12%
Core standards and contract services	245,000	288,000	-15%	749,000	935,000	-20%
Scientific and regulatory consulting	4,000	3,000	33%	11,000	8,000	38%
Total sales and marketing expenses	$448,000	$551,000	-19%	$1,691,000	$1,776,000	-5%

For the ingredients segment, the decrease for the three months ended October 1, 2016 is largely due to reduction in payroll expense as certain employees resigned. Subsequent to the period ended October 1, 2016, the Company hired a new employee to replace their positions. In addition, there was a decrease in third party commission expenses, as sales to certain customers that Company pays commissions on decreased. For the nine months ended October 1, 2016, the increase is largely due to increased marketing efforts to raise the consumer awareness for our line of proprietary ingredients.

For the core standards and contract services segment, the decrease is largely due to making certain operational changes as certain personnel who were previously assigned to sales and marketing group were moved to an administrative group. We do anticipate increased expenses going forward as we increase marketing efforts and hire additional staff.

For the scientific and regulatory consulting segment, we had limited sales and marketing expenses.

Operating Expenses-Research and Development

Research and Development Expenses mainly consist of clinical trials and process development expenses.

	Three months ending			Nine months ending		
	Oct. 1, 2016	Oct. 3, 2015	Change	Oct. 1, 2016	Oct. 3, 2015	Change
Research and development expenses:						
Ingredients	$760,000	$189,000	302%	$1,961,000	$485,000	304%
Core standards and contract services	13,000	-		28,000	-	

Total research and development expenses	$773,000	$189,000	309%	$1,989,000	$485,000	310%

For the ingredients segment, we increased our research and development efforts with a focus on our “NIAGEN®” brand. Subject to available financial resources, we plan to continue to increase research and development efforts for our line of proprietary ingredients.

For the core standards and contract services segment, we explored processes to develop certain compounds at a larger scale during the three and nine months ended October 1, 2016.

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Operating Expenses-General and Administrative

General and Administrative Expenses consist of general company administration, IT, accounting and executive management.

	Three months ending			Nine months ending		
	Oct. 1, 2016	Oct. 3, 2015	Change	Oct. 1, 2016	Oct. 3, 2015	Change
General and administrative	$1,768,000	$1,565,000	13%	$6,064,000	$5,531,000	10%

The increase was primarily related to patent maintenance. For the three- and nine-month periods ended October 1, 2016, our patent maintenance expense increased to approximately $133,000 and $476,000, compared to approximately $70,000 and $226,000 for the comparable periods in 2015, respectively.

Another factor that contributed to the increase for the three- and nine-month periods ended October 1, 2016 was an increase of approximately $126,000 and $380,000, respectively, in expenses associated with administrative staff. We made certain operational changes as certain personnel who were previously assigned to our sales and marketing group were moved to an administrative group in 2016.

Another factor that contributed to the increase in general and administrative expense was an increase in royalties we pay to patent holders as the sales for licensed products increased in 2016. For the nine-month period ended October 1, 2016, royalty expense increased to approximately $519,000, compared to approximately $430,000 for the comparable period in 2015.

Also, during the nine-month period ended October 1, 2016, there were one-time expenses of approximately $89,000 associated with the initial listing of the Company’s stock in the NASDAQ Capital Market.

These increases in expenses were offset by the decrease in share-based compensation expense. For the three- and nine-month periods ended October 1, 2016, our share-based compensation expense decreased to approximately $272,000 and $930,000, compared to approximately $433,000 and $1,657,000 for the comparable periods in 2015, respectively.

Non-operating income- Interest Income

Interest income consists of interest earned on money market accounts. Interest income for the nine-month period ended October 1, 2016 was approximately $2,000, identical compared to approximately $2,000 for the nine-month period ended October 3, 2015.

Non-operating Expenses- Interest Expense

Interest expense consists of interest on loan payable and capital leases.

	Three months ending			Nine months ending		
	Oct. 1, 2016	Oct. 3, 2015	Change	Oct. 1, 2016	Oct. 3, 2015	Change
Interest expense	$11,000	$182,000	-94%	$345,000	$434,000	-21%

The decrease in interest expense was mainly related to the Loan Agreement, from which the Company drew down an initial $2.5 million on September 29, 2014 and a second $2.5 million on June 18, 2015. The Company fully repaid the loan on June 14, 2016.

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Income Taxes

At October 1, 2016 and October 3, 2015, the Company maintained a full valuation allowance against the entire deferred income tax balance which resulted in an effective tax rate of approximately 0% for the nine-month periods ended October 1, 2016 and October 3, 2015.

Depreciation and Amortization

Depreciation expense for the nine-month period ended October 1, 2016 was approximately $234,000 as compared to $210,000 for the nine-month period ended October 3, 2015. We depreciate our assets on a straight-line basis, based on the estimated useful lives of the respective assets.

Amortization expense of intangible assets for the nine-month period ended October 1, 2016 was approximately $63,000 as compared to $32,000 for the nine-month period ended October 3, 2015. We amortize intangible assets using a straight-line method, generally over 10 years. For licensed patent rights, the useful lives are 10 years or the remaining term of the patents underlying licensing rights, whichever is shorter. The useful lives of subsequent milestone payments that are capitalized are the remaining useful life of the initial licensing payment that was capitalized.

Liquidity and Capital Resources

From inception and through October 1, 2016, we have incurred aggregate losses of approximately $43 million. These losses are primarily due to expenses associated with the development and expansion of our operations. These operations have been financed through capital contributions, the issuance of common stock and warrants through private placements, and the issuance of debt.

Our board of directors periodically reviews our capital requirements in light of our proposed business plan. Our future capital requirements will remain dependent upon a variety of factors, including cash flow from operations, the ability to increase sales, increasing our gross profits from current levels, reducing selling and administrative expenses as a percentage of net sales, continued development of customer relationships, and our ability to market our new products successfully. However, based on our results from operations, we may determine that we need additional financing to implement our business plan. There can be no assurance that any such financing will be available on terms favorable to us or at all. Without adequate financing we may have to further delay or terminate product and service expansion and curtail certain selling, general and administrative expenses. Any inability to raise additional financing would have a material adverse effect on us.

Subsequent to the period ended October 1, 2016, the Company entered into a business financing agreement with Western Alliance Bank, in order to establish a formula based revolving credit line up to $5.0 million. While, we anticipate that our current cash, cash equivalents, cash to be generated from operations and the established $5.0 million revolving credit line will be sufficient to meet our projected operating plans through at least November 11, 2017, we may seek additional capital prior to November 11, 2017, both to meet our projected operating plans through and after November 11, 2017 and to fund our longer term strategic objectives. To the extent we are unable to raise additional cash or generate sufficient revenue to meet our projected operating plans prior to November 11, 2017, we will revise our projected operating plans accordingly.

Net cash used in operating activities

Net cash used in operating activities for the nine months ended October 1, 2016 was approximately $3,128,000 as compared to approximately $1,258,000 for the nine months ended October 3, 2015. An increase in trade receivables and a decrease in accounts payable were the largest uses of cash during the nine-month period ended October 1, 2016, partially offset by the decrease in inventories. Net cash used in operating activities for the nine months ended October 3, 2015 largely reflects an increase in trade receivables and inventories along with the net loss.

We expect our operating cash flows to fluctuate significantly in future periods as a result of fluctuations in our operating results, shipment timetables, accounts receivable collections, inventory management, and the timing of our payments, among other factors.

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Net cash used in investing activities

Net cash used in investing activities was approximately $1,146,000 for the nine months ended October 1, 2016, compared to approximately $350,000 for the nine months ended October 3, 2015. Net cash used in investing activities for the nine months ended October 1, 2016 consisted of purchases of leasehold improvements and equipment and intangible assets. Net cash used in investing activities for the nine months ended October 3, 2015 also consisted of purchases of leasehold improvements and equipment and intangible assets.

Net cash provided by financing activities

Net cash provided by financing activities was approximately $989,000 for the nine months ended October 1, 2016, compared to approximately $2,352,000 for the nine months ended October 3, 2015. Net cash provided by financing activities for the nine months ended October 1, 2016 mainly consisted of proceeds from issuances of our common stock and warrants through a private offering to our existing stockholders and exercise of stock options, offset by principal payments on loan payable and capital leases. Net cash provided by financing activities for the nine months ended October 3, 2015 mainly consisted of proceeds from loan payable.

Contractual Obligations and Commitments

During the nine months ended October 1, 2016, there were no material changes outside of the ordinary course of business in the specified contractual obligations disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” as contained in our Annual Report, other than as disclosed in “Item 1 Financial Statements” of this Quarterly Report.

Off-Balance Sheet Arrangements

During the nine months ended October 1, 2016, we had no significant off-balance sheet arrangements other than ordinary operating leases as disclosed in “Item 1 Financial Statements” of this Quarterly Report and the “Financial Statements and Supplementary Data” section of our Annual Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our capital lease obligations bear interest at a fixed rate and therefore have no exposure to changes in interest rates.

The Company’s cash investments consist of short term, high liquid investments in money market funds managed by banks. Due to the short-term duration of our investment portfolio and the relatively low risk profile of our investments, a sudden change in interest rates would not have a material effect on either the fair market value of our portfolio, or our operating results or cash flows.

Foreign Currency Risk

All of our long-lived assets are located within the United States and we do not hold any foreign currency denominated financial instruments.

Effects of Inflation

We do not believe that inflation and changing prices during the nine months ended October 1, 2016 and October 3, 2015 had a significant impact on our results of operations.

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ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the supervision of our Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer, respectively), evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of October 1, 2016, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

An evaluation was also performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of any change in our internal control over financial reporting (as defined in Rule 13a−15(f) promulgated under the Securities Exchange Act of 1934, as amended) that occurred during our last fiscal quarter and that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. There were no changes in internal control over financial reporting that occurred during the Company’s third fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not involved in any legal proceedings which management believes may have a material adverse effect on our business, financial condition, operations, cash flows, or prospects. The Company from time to time is involved in legal proceedings in the ordinary course of our business, which can include employment claims, product claim, patent infringement, etc. We do not believe that any of these claims and proceedings against us as they arise are likely to have, individually or in the aggregate, a material adverse effect on our financial condition or results of operations.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. Current investors and potential investors should consider carefully the risks and uncertainties described below and in our Annual Report, together with all other information contained in this Form 10-Q and our Annual Report, including our financial statements, the related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” before making investment decisions with respect to our common stock. If any of the following risks actually occur, our business, financial condition, results of operations and our future growth prospects would likely be materially and adversely affected. Under these circumstances, the trading price and value of our common stock could decline, and you may lose of all or part of your investment. The risks and uncertainties described in this Form 10-Q and in our Annual Report are not the only ones facing our Company. Additional risks and uncertainties of which we are not presently aware, or that we currently consider immaterial, may also impair our business operations. The risk factors set forth below that are marked with an asterisk (*) contain changes to the similarly titled risk factors included in Part I, Item 1A of our Annual Report.

Risks Related to our Company and our Business

*We have a history of operating losses and we may need additional financing to meet our future long-term capital requirements.

We have recorded a net loss of approximately $781,000 for the nine months ended October 1, 2016, and we have a history of losses and may continue to incur operating and net losses for the foreseeable future. We incurred net losses of approximately $2,771,000, $5,388,000 and $4,420,000 for the years ended January 2, 2016, January 3, 2015 and December 28, 2013, respectively. As of October 1, 2016, our accumulated deficit was approximately $43.1 million. We have not achieved profitability on an annual basis. We may not be able to reach a level of revenue to continue to achieve and sustain profitability. If our revenues grow slower than anticipated, or if operating expenses exceed expectations, then we may not be able to achieve and sustain profitability in the near future or at all, which may depress our stock price.

Subsequent to the period ended October 1, 2016, we entered into a business financing agreement with Western Alliance Bank, in order to establish a formula based revolving credit line up to $5.0 million. While, we anticipate that our current cash, cash equivalents, cash to be generated from operations and the established $5.0 million revolving credit line will be sufficient to meet our projected operating plans through at least November 11, 2017, we may require additional funds, either through additional equity or debt financings or collaborative agreements or from other sources. We have no commitments to obtain such additional financing, and we may not be able to obtain any such additional financing on terms favorable to us, or at all. In the event that we are unable to obtain additional financing, we may be unable to implement our business plan. Even with such financing, we have a history of operating losses and there can be no assurance that we will be able to continue to achieve and sustain profitability.

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*Our short-term capital needs are uncertain and we may need to raise additional funds. Based on current market conditions, such funds may not be available on acceptable terms or at all.

Subsequent to the period ended October 1, 2016, we entered into a business financing agreement with Western Alliance Bank, in order to establish a formula based revolving credit line up to $5.0 million. We anticipate that our current cash, cash equivalents, cash to be generated from operations and the established $5.0 million revolving credit line will be sufficient to meet our projected operating plans through at least November 11, 2017. Our capital requirements will depend on many factors, including:

the revenues generated by sales of our products;

the costs associated with expanding our sales and marketing efforts, including efforts to hire independent agents and sales representatives and obtain required regulatory approvals and clearances;

the expenses we incur in developing and commercializing our products, including the cost of obtaining and maintaining regulatory approvals; and

unanticipated general and administrative expenses.

As a result of these factors, we may seek to raise additional capital prior to November 11, 2017 both to meet our projected operating plans after November 11, 2017 and to fund our longer term strategic objectives. Additional capital may come from public and private equity or debt offerings, borrowings under lines of credit or other sources. These additional funds may not be available on favorable terms, or at all. There can be no assurance we will be successful in raising these additional funds. Furthermore, if we issue equity or debt securities to raise additional funds, our existing stockholders may experience dilution and the new equity or debt securities we issue may have rights, preferences and privileges senior to those of our existing stockholders. In addition, if we raise additional funds through collaboration, licensing or other similar arrangements, it may be necessary to relinquish valuable rights to our products or proprietary technologies, or grant licenses on terms that are not favorable to us. If we cannot raise funds on acceptable terms, we may not be able to develop or enhance our products, obtain the required regulatory clearances or approvals, execute our business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated customer requirements. Any of these events could adversely affect our ability to achieve our development and commercialization goals, which could have a material and adverse effect on our business, results of operations and financial condition.

*We currently have a disagreement with a significant customer, and a disruption in sales to or the ability to collect from this customer, or other significant customers in the future, could materially harm our financial results.

We currently have a disagreement over the interpretation of certain terms of a supply agreement with a customer that we expect will represent greater than 10% of our net sales for the year ending December 31, 2016. Because of the disagreement, this customer has not paid us approximately $3.0 million for previous purchase orders. We may not collect the full amount owed to us by this customer, we may have to discount future sales to this customer and we may have to spend money, time and effort to resolve this disagreement. If we don’t come to a satisfactory resolution, we cannot guarantee that the customer will continue to make purchases at previous volumes or prices, which may harm our future sales if we cannot replace their volume with other existing and new customers and which may materially affect our future financial results.

Going forward, we may have additional customers which we become highly dependent on. Factors that could influence our relationship with our significant customer and other customers which we may become highly dependent on include:

our ability to maintain our products at prices that are competitive with those of our competitors;

our ability to maintain quality levels for our products sufficient to meet the expectations of our customers;

our ability to produce, ship and deliver a sufficient quantity of our products in a timely manner to meet the needs of our customers;

our ability to continue to develop and launch new products that our customers feel meet their needs and requirements, with respect to cost, timeliness, features, performance and other factors;

our ability to provide timely, responsive and accurate customer support to our customers; and

the ability of our customers to effectively deliver, market and increase sales of their own products based on ours.

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Decline in the state of the global economy and financial market conditions could adversely affect our ability to conduct business and our results of operations.

Global economic and financial market conditions, including disruptions in the credit markets and the impact of the global economic deterioration may materially impact our customers and other parties with whom we do business. These conditions could negatively affect our future sales of our ingredient line as many consumers consider the purchase of nutritional products discretionary. Decline in general economic and financial market conditions could materially adversely affect our financial condition and results of operations. Specifically, the impact of these volatile and negative conditions may include decreased demand for our products and services, a decrease in our ability to accurately forecast future product trends and demand, and a negative impact on our ability to timely collect receivables from our customers. The foregoing economic conditions may lead to increased levels of bankruptcies, restructurings and liquidations for our customers, scaling back of research and development expenditures, delays in planned projects and shifts in business strategies for many of our customers. Such events could, in turn, adversely affect our business through loss of sales.

We can provide no assurance that we will successfully expand operations.

Our significant increase in the scope and the scale of our product launch, including the hiring of additional personnel, has resulted in significantly higher operating expenses. As a result, we anticipate that our operating expenses will continue to increase. Expansion of our operations may also cause a significant demand on our management, finances and other resources. Our ability to manage the anticipated future growth, should it occur, will depend upon a significant expansion of our accounting and other internal management systems and the implementation and subsequent improvement of a variety of systems, procedures and controls. There can be no assurance that significant problems in these areas will not occur. Any failure to expand these areas and implement and improve such systems, procedures and controls in an efficient manner at a pace consistent with our business could have a material adverse effect on our business, financial condition and results of operations. There can be no assurance that our attempts to expand our marketing, sales, manufacturing and customer support efforts will be successful or will result in additional sales or profitability in any future period. As a result of the expansion of our operations and the anticipated increase in our operating expenses, as well as the difficulty in forecasting revenue levels, we expect to continue to experience significant fluctuations in its results of operations.

The success of our ingredient business is linked to the size and growth rate of the vitamin, mineral and dietary supplement market and an adverse change in the size or growth rate of that market could have a material adverse effect on us.

An adverse change in the size or growth rate of the vitamin, mineral and dietary supplement market could have a material adverse effect on our business. Underlying market conditions are subject to change based on economic conditions, consumer preferences and other factors that are beyond our control, including media attention and scientific research, which may be positive or negative.

Unfavorable publicity or consumer perception of our products and any similar products distributed by other companies could have a material adverse effect on our business.

We believe the nutritional supplement market is highly dependent upon consumer perception regarding the safety, efficacy and quality of nutritional supplements generally, as well as of products distributed specifically by us. Consumer perception of our products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, national media attention and other publicity regarding the consumption of nutritional supplements. We cannot assure you that future scientific research, findings, regulatory proceedings, litigation, media

attention or other favorable research findings or publicity will be favorable to the nutritional supplement market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, such earlier research reports, findings or publicity could have a material adverse effect on the demand for our products and consequently on our business, results of operations, financial condition and cash flows.

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Our dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the demand for our products, the availability and pricing of our ingredients, and our business, results of operations, financial condition and cash flows. Further, adverse public reports or other media attention regarding the safety, efficacy and quality of nutritional supplements in general, or our products specifically, or associating the consumption of nutritional supplements with illness, could have such a material adverse effect. Any such adverse public reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed and the content of such public reports and other media attention may be beyond our control.

We may incur material product liability claims, which could increase our costs and adversely affect our reputation, revenues and operating income.

As an ingredient supplier, marketer and manufacturer of products designed for human and animal consumption, we are subject to product liability claims if the use of our products is alleged to have resulted in injury. Our products consist of vitamins, minerals, herbs and other ingredients that are classified as foods, dietary supplements, or natural health products, and, in most cases, are not necessarily subject to pre-market regulatory approval in the United States. Some of our products contain innovative ingredients that do not have long histories of human consumption. Previously unknown adverse reactions resulting from human consumption of these ingredients could occur. In addition, the products we sell are produced by third-party manufacturers. As a marketer of products manufactured by third parties, we also may be liable for various product liability claims for products we do not manufacture. We may, in the future, be subject to various product liability claims, including, among others, that our products include inadequate instructions for use or inadequate warnings concerning possible side effects and interactions with other substances. A product liability claim against us could result in increased costs and could adversely affect our reputation with our customers, which, in turn, could have a materially adverse effect on our business, results of operations, financial condition and cash flows.

We acquire a significant amount of key ingredients for our products from foreign suppliers, and may be negatively affected by the risks associated with international trade and importation issues.

We acquire a significant amount of key ingredients for a number of our products from suppliers outside of the United States, particularly India and China. Accordingly, the acquisition of these ingredients is subject to the risks generally associated with importing raw materials, including, among other factors, delays in shipments, changes in economic and political conditions, quality assurance, nonconformity to specifications or laws and regulations, tariffs, trade disputes and foreign currency fluctuations. While we have a supplier certification program and audit and inspect our suppliers' facilities as necessary both in the United States and internationally, we cannot assure you that raw materials received from suppliers outside of the United States will conform to all specifications, laws and regulations. There have in the past been quality and safety issues in our industry with certain items imported from overseas. We may incur additional expenses and experience shipment delays due to preventative measures adopted by the Indian and U.S. governments, our suppliers and our company.

The insurance industry has become more selective in offering some types of coverage and we may not be able to obtain insurance coverage in the future.

The insurance industry has become more selective in offering some types of insurance, such as product liability, product recall, property and directors' and officers' liability insurance. Our current insurance program is consistent with both our past level of coverage and our risk management policies. However, we cannot assure you that we will be able to obtain comparable insurance coverage on favorable terms, or at all, in the future. Certain of our customers as well

as prospective customers require that we maintain minimum levels of coverage for our products. Lack of coverage or coverage below these minimum required levels could cause these customers to materially change business terms or to cease doing business with us entirely.

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We depend on key personnel, the loss of any of which could negatively affect our business.

We depend greatly on Frank L. Jaksch, Jr., Thomas C. Varvaro and Troy A. Rhonemus who are our Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, respectively. We also depend greatly on other key employees, including key scientific and marketing personnel. In general, only highly qualified and trained scientists have the necessary skills to develop our products and provide our services. Only marketing personnel with specific experience and knowledge in health care are able to effectively market our products. In addition, some of our manufacturing, quality control, safety and compliance, information technology, sales and e-commerce related positions are highly technical as well. We face intense competition for these professionals from our competitors, customers, marketing partners and other companies throughout the industries in which we compete. Our success will depend, in part, upon our ability to attract and retain additional skilled personnel, which will require substantial additional funds. There can be no assurance that we will be able to find and attract additional qualified employees or retain any such personnel. Our inability to hire qualified personnel, the loss of services of our key personnel, or the loss of services of executive officers or key employees that may be hired in the future may have a material and adverse effect on our business.

*Our operating results may fluctuate significantly as a result of a variety of factors, many of which are outside of our control.
We are subject to the following factors, among others, that may negatively affect our operating results:

the announcement or introduction of new products by our competitors;

our ability to upgrade and develop our systems and infrastructure to accommodate growth;

the decision by significant customers to reduce purchases;

our ability to attract and retain key personnel in a timely and cost effective manner;

technical difficulties;

the amount and timing of operating costs and capital expenditures relating to the expansion of our business, operations and infrastructure;

regulation by federal, state or local governments; and

general economic conditions as well as economic conditions specific to the healthcare industry.
As a result of our limited operating history and the nature of the markets in which we compete, it is extremely difficult for us to make accurate forecasts. We have based our current and future expense levels largely on our investment plans and estimates of future events although certain of our expense levels are, to a large extent, fixed. Assuming our products reach the market, we may be unable to adjust spending in a timely manner to compensate for any unexpected

revenue shortfall. Accordingly, any significant shortfall in revenues relative to our planned expenditures would have an immediate adverse effect on our business, results of operations and financial condition. Further, as a strategic response to changes in the competitive environment, we may from time to time make certain pricing, service or marketing decisions that could have a material and adverse effect on our business, results of operations and financial condition. Due to the foregoing factors, our revenues and operating results are and will remain difficult to forecast. The markets for our products and services are both competitive and price sensitive. Many of our competitors have significant financial, operations, sales and marketing resources and experience in research and development. Competitors could develop new technologies that compete with our products and services or even render our products obsolete. If a competitor develops superior technology or cost-effective alternatives to our products and services, our business could be seriously harmed.

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The markets for some of our products are also subject to specific competitive risks because these markets are highly price competitive. Our competitors have competed in the past by lowering prices on certain products. If they do so again, we may be forced to respond by lowering our prices. This would reduce sales revenues and increase losses. Failure to anticipate and respond to price competition may also impact sales and aggravate losses.

We believe that customers in our markets display a significant amount of loyalty to their supplier of a particular product. To the extent we are not the first to develop, offer and/or supply new products, customers may buy from our competitors or make materials themselves, causing our competitive position to suffer.

Many of our competitors are larger and have greater financial and other resources than we do.

Our products compete and will compete with other similar products produced by our competitors. These competitive products could be marketed by well-established, successful companies that possess greater financial, marketing, distributional, personnel and other resources than we possess. Using these resources, these companies can implement extensive advertising and promotional campaigns, both generally and in response to specific marketing efforts by competitors, and enter into new markets more rapidly to introduce new products. In certain instances, competitors with greater financial resources also may be able to enter a market in direct competition with us, offering attractive marketing tools to encourage the sale of products that compete with our products or present cost features that consumers may find attractive.

We may never develop any additional products to commercialize.

We have invested a substantial amount of our time and resources in developing various new products. Commercialization of these products will require additional development, clinical evaluation, regulatory approval, significant marketing efforts and substantial additional investment before they can provide us with any revenue. Despite our efforts, these products may not become commercially successful products for a number of reasons, including but not limited to:

we may not be able to obtain regulatory approvals for our products, or the approved indication may be narrower than we seek;

our products may not prove to be safe and effective in clinical trials;

we may experience delays in our development program;

any products that are approved may not be accepted in the marketplace;

we may not have adequate financial or other resources to complete the development or to commence the commercialization of our products or will not have adequate financial or other resources to achieve significant commercialization of our products;

we may not be able to manufacture any of our products in commercial quantities or at an acceptable cost;

rapid technological change may make our products obsolete;

we may be unable to effectively protect our intellectual property rights or we may become subject to claims that our activities have infringed the intellectual property rights of others; and

we may be unable to obtain or defend patent rights for our products.

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We may not be able to partner with others for technological capabilities and new products and services.

Our ability to remain competitive may depend, in part, on our ability to continue to seek partners that can offer technological improvements and improve existing products and services that are offered to our customers. We are committed to attempting to keep pace with technological change, to stay abreast of technology changes and to look for partners that will develop new products and services for our customer base. We cannot assure prospective investors that we will be successful in finding partners or be able to continue to incorporate new developments in technology, to improve existing products and services, or to develop successful new products and services, nor can we be certain that newly-developed products and services will perform satisfactorily or be widely accepted in the marketplace or that the costs involved in these efforts will not be substantial.

If we fail to maintain adequate quality standards for our products and services, our business may be adversely affected and our reputation harmed.

Dietary supplement, nutraceutical, food and beverage, functional food, analytical laboratories, pharmaceutical and cosmetic customers are often subject to rigorous quality standards to obtain and maintain regulatory approval of their products and the manufacturing processes that generate them. A failure to maintain, or, in some instances, upgrade our quality standards to meet our customers' needs, could cause damage to our reputation and potentially substantial sales losses.

Our ability to protect our intellectual property and proprietary technology through patents and other means is uncertain and may be inadequate, which would have a material and adverse effect on us.

Our success depends significantly on our ability to protect our proprietary rights to the technologies used in our products. We rely on patent protection, as well as a combination of copyright, trade secret and trademark laws and nondisclosure, confidentiality and other contractual restrictions to protect our proprietary technology, including our licensed technology. However, these legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep any competitive advantage. For example, our pending United States and foreign patent applications may not issue as patents in a form that will be advantageous to us or may issue and be subsequently successfully challenged by others and invalidated. In addition, our pending patent applications include claims to material aspects of our products and procedures that are not currently protected by issued patents. Both the patent application process and the process of managing patent disputes can be time-consuming and expensive. Competitors may be able to design around our patents or develop products which provide outcomes which are comparable or even superior to ours. Steps that we have taken to protect our intellectual property and proprietary technology, including entering into confidentiality agreements and intellectual property assignment agreements with some of our officers, employees, consultants and advisors, may not provide us with meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements. Furthermore, the laws of foreign countries may not protect our intellectual property rights to the same extent as do the laws of the United States.

In the event a competitor infringes upon our licensed or pending patent or other intellectual property rights, enforcing those rights may be costly, uncertain, difficult and time consuming. Even if successful, litigation to enforce our intellectual property rights or to defend our patents against challenge could be expensive and time consuming and could divert our management's attention. We may not have sufficient resources to enforce our intellectual property rights or to defend our patents rights against a challenge. The failure to obtain patents and/or protect our intellectual property rights could have a material and adverse effect on our business, results of operations and financial condition.

Our patents and licenses may be subject to challenge on validity grounds, and our patent applications may be rejected.

We rely on our patents, patent applications, licenses and other intellectual property rights to give us a competitive advantage. Whether a patent is valid, or whether a patent application should be granted, is a complex matter of science and law, and therefore we cannot be certain that, if challenged, our patents, patent applications and/or other intellectual property rights would be upheld. If one or more of those patents, patent applications, licenses and other intellectual property rights are invalidated, rejected or found unenforceable, that could reduce or eliminate any competitive advantage we might otherwise have had.

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We may become subject to claims of infringement or misappropriation of the intellectual property rights of others, which could prohibit us from developing our products, require us to obtain licenses from third parties or to develop non-infringing alternatives and subject us to substantial monetary damages.

Third parties could, in the future, assert infringement or misappropriation claims against us with respect to products we develop. Whether a product infringes a patent or misappropriates other intellectual property involves complex legal and factual issues, the determination of which is often uncertain. Therefore, we cannot be certain that we have not infringed the intellectual property rights of others. Our potential competitors may assert that some aspect of our product infringes their patents. Because patent applications may take years to issue, there also may be applications now pending of which we are unaware that may later result in issued patents upon which our products could infringe. There also may be existing patents or pending patent applications of which we are unaware upon which our products may inadvertently infringe.

Any infringement or misappropriation claim could cause us to incur significant costs, place significant strain on our financial resources, divert management's attention from our business and harm our reputation. If the relevant patents in such claim were upheld as valid and enforceable and we were found to infringe them, we could be prohibited from selling any product that is found to infringe unless we could obtain licenses to use the technology covered by the patent or are able to design around the patent. We may be unable to obtain such a license on terms acceptable to us, if at all, and we may not be able to redesign our products to avoid infringement. A court could also order us to pay compensatory damages for such infringement, plus prejudgment interest and could, in addition, treble the compensatory damages and award attorney fees. These damages could be substantial and could harm our reputation, business, financial condition and operating results. A court also could enter orders that temporarily, preliminarily or permanently enjoin us and our customers from making, using, or selling products, and could enter an order mandating that we undertake certain remedial activities. Depending on the nature of the relief ordered by the court, we could become liable for additional damages to third parties.

The prosecution and enforcement of patents licensed to us by third parties are not within our control. Without these technologies, our product may not be successful and our business would be harmed if the patents were infringed on or misappropriated without action by such third parties.

We have obtained licenses from third parties for patents and patent application rights related to the products we are developing, allowing us to use intellectual property rights owned by or licensed to these third parties. We do not control the maintenance, prosecution, enforcement or strategy for many of these patents or patent application rights and as such are dependent in part on the owners of the intellectual property rights to maintain their viability. Without access to these technologies or suitable design-around or alternative technology options, our ability to conduct our business could be impaired significantly.

We may be subject to damages resulting from claims that we, our employees, or our independent contractors have wrongfully used or disclosed alleged trade secrets of others.

Some of our employees were previously employed at other dietary supplement, nutraceutical, food and beverage, functional food, analytical laboratories, pharmaceutical and cosmetic companies. We may also hire additional employees who are currently employed at other such companies, including our competitors. Additionally, consultants or other independent agents with which we may contract may be or have been in a contractual arrangement with one or more of our competitors. We may be subject to claims that these employees or independent contractors have used or disclosed such other party's trade secrets or other proprietary information. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to our management. If we fail to defend such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. A loss of key personnel or their work product could hamper or prevent our ability to market existing or new products, which could severely harm our business.

Litigation may harm our business.

Substantial, complex or extended litigation could cause us to incur significant costs and distract our management. For example, lawsuits by employees, stockholders, collaborators, distributors, customers, competitors or others could be very costly and substantially disrupt our business. Disputes from time to time with such companies, organizations or

individuals are not uncommon, and we cannot assure you that we will always be able to resolve such disputes or on terms favorable to us. Unexpected results could cause us to have financial exposure in these matters in excess of recorded reserves and insurance coverage, requiring us to provide additional reserves to address these liabilities, therefore impacting profits.

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If we are unable to establish or maintain sales, marketing and distribution capabilities or enter into and maintain arrangements with third parties to sell, market and distribute our products, our business may be harmed.

To achieve commercial success for our products, we must sell rights to our product lines and/or technologies at favorable prices, develop a sales and marketing force, or enter into arrangements with others to market and sell our products. In addition to being expensive, developing and maintaining such a sales force is time-consuming, and could delay or limit the success of any product launch. We may not be able to develop this capacity on a timely basis or at all. Qualified direct sales personnel with experience in the phytochemical industry are in high demand, and there can be no assurance that we will be able to hire or retain an effective direct sales team. Similarly, qualified independent sales representatives both within and outside the United States are in high demand, and we may not be able to build an effective network for the distribution of our product through such representatives. There can be no assurance that we will be able to enter into contracts with representatives on terms acceptable to us. Furthermore, there can be no assurance that we will be able to build an alternate distribution framework should we attempt to do so.

We may also need to contract with third parties in order to market our products. To the extent that we enter into arrangements with third parties to perform marketing and distribution services, our product revenue could be lower and our costs higher than if we directly marketed our products. Furthermore, to the extent that we enter into co-promotion or other marketing and sales arrangements with other companies, any revenue received will depend on the skills and efforts of others, and we do not know whether these efforts will be successful. If we are unable to establish and maintain adequate sales, marketing and distribution capabilities, independently or with others, we will not be able to generate product revenue, and may not become profitable.

Our sales and results of operations depend on our customers' research and development efforts and their ability to obtain funding for these efforts.

Our customers include researchers at pharmaceutical and biotechnology companies, chemical and related companies, academic institutions, government laboratories and private foundations. Fluctuations in the research and development budgets of these researchers and their organizations could have a significant effect on the demand for our products. Our customers determine their research and development budgets based on several factors, including the need to develop new products, the availability of governmental and other funding, competition and the general availability of resources. As we continue to expand our international operations, we expect research and development spending levels in markets outside of the United States will become increasingly important to us.

Research and development budgets fluctuate due to changes in available resources, spending priorities, general economic conditions, institutional and governmental budgetary limitations and mergers of pharmaceutical and biotechnology companies. Our business could be seriously harmed by any significant decrease in life science and high technology research and development expenditures by our customers. In particular, a small portion of our sales has been to researchers whose funding is dependent on grants from government agencies such as the United States National Institute of Health, the National Science Foundation, the National Cancer Institute and similar agencies or organizations. Government funding of research and development is subject to the political process, which is often unpredictable. Other departments, such as Homeland Security or Defense, or general efforts to reduce the United States federal budget deficit could be viewed by the government as a higher priority. Any shift away from funding of life science and high technology research and development or delays surrounding the approval of governmental budget proposals may cause our customers to delay or forego purchases of our products and services, which could seriously damage our business.

Some of our customers receive funds from approved grants at a particular time of year, many times set by government budget cycles. In the past, such grants have been frozen for extended periods or have otherwise become unavailable to various institutions without advance notice. The timing of the receipt of grant funds may affect the timing of purchase decisions by our customers and, as a result, cause fluctuations in our sales and operating results.

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Demand for our products and services are subject to the commercial success of our customers' products, which may vary for reasons outside our control.

Even if we are successful in securing utilization of our products in a customer's manufacturing process, sales of many of our products and services remain dependent on the timing and volume of the customer's production, over which we have no control. The demand for our products depends on regulatory approvals and frequently depends on the commercial success of the customer's supported product. Regulatory processes are complex, lengthy, expensive, and can often take years to complete.

We may bear financial risk if we under-price our contracts or overrun cost estimates.

In cases where our contracts are structured as fixed price or fee-for-service with a cap, we bear the financial risk if we initially under-price our contracts or otherwise overrun our cost estimates. Such under-pricing or significant cost overruns could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We rely on single or a limited number of third-party suppliers for the raw materials required for the production of our products.

Our dependence on a limited number of third-party suppliers or on a single supplier, and the challenges we may face in obtaining adequate supplies of raw materials, involve several risks, including limited control over pricing, availability, quality and delivery schedules. We cannot be certain that our current suppliers will continue to provide us with the quantities of these raw materials that we require or satisfy our anticipated specifications and quality requirements. Any supply interruption in limited or sole sourced raw materials could materially harm our ability to manufacture our products until a new source of supply, if any, could be identified and qualified. Although we believe there are other suppliers of these raw materials, we may be unable to find a sufficient alternative supply channel in a reasonable time or on commercially reasonable terms. Any performance failure on the part of our suppliers could delay the development and commercialization of our products, or interrupt production of then existing products that are already marketed, which would have a material adverse effect on our business.

We may need to increase the size of our organization, and we may be unable to manage rapid growth effectively.

Our failure to manage growth effectively could have a material and adverse effect on our business, results of operations and financial condition. We anticipate that a period of significant expansion will be required to address possible acquisitions of business, products, or rights, and potential internal growth to handle licensing and research activities. This expansion will place a significant strain on management, operational and financial resources. To manage the expected growth of our operations and personnel, we must both improve our existing operational and financial systems, procedures and controls and implement new systems, procedures and controls. We must also expand our finance, administrative, and operations staff. Our current personnel, systems, procedures and controls may not adequately support future operations. Management may be unable to hire, train, retain, motivate and manage necessary personnel or to identify, manage and exploit existing and potential strategic relationships and market opportunities.

We may not be successful in acquiring complementary businesses on favorable terms.

As part of our business strategy, we intend to consider acquisitions of similar or complementary businesses. No assurance can be given that we will be successful in identifying attractive acquisition candidates or completing acquisitions on favorable terms. In addition, any future acquisitions will be accompanied by the risks commonly associated with acquisitions. These risks include potential exposure to unknown liabilities of acquired companies or to acquisition costs and expenses, the difficulty and expense of integrating the operations and personnel of the acquired companies, the potential disruption to the business of the combined company and potential diversion of our management's time and attention, the impairment of relationships with and the possible loss of key employees and clients as a result of the changes in management, the incurrence of amortization expenses and dilution to the shareholders of the combined company if the acquisition is made for stock of the combined company. In addition, successful completion of an acquisition may depend on consents from third parties, including regulatory authorities and private parties, which consents are beyond our control. There can be no assurance that products, technologies or

businesses of acquired companies will be effectively assimilated into the business or product offerings of the combined company or will have a positive effect on the combined company's revenues or earnings. Further, the combined company may incur significant expense to complete acquisitions and to support the acquired products and businesses. Any such acquisitions may be funded with cash, debt or equity, which could have the effect of diluting or otherwise adversely affecting the holdings or the rights of our existing stockholders.

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We depend on information systems throughout our company to control our manufacturing processes, process orders, manage inventory, process and bill shipments and collect cash from our customers, respond to customer inquiries, contribute to our overall internal control processes, maintain records of our property, plant and equipment, and record and pay amounts due vendors and other creditors. If we were to experience a prolonged disruption in our information systems that involve interactions with customers and suppliers, it could result in the loss of sales and customers and/or increased costs, which could adversely affect our overall business operation.

Risks Related to Regulatory Approval of Our Products and Other Government Regulations

We are subject to regulation by various federal, state and foreign agencies that require us to comply with a wide variety of regulations, including those regarding the manufacture of products, advertising and product label claims, the distribution of our products and environmental matters. Failure to comply with these regulations could subject us to fines, penalties and additional costs.

Some of our operations are subject to regulation by various United States federal agencies and similar state and international agencies, including the Department of Commerce, the FDA, the FTC, the Department of Transportation and the Department of Agriculture. These regulations govern a wide variety of product activities, from design and development to labeling, manufacturing, handling, sales and distribution of products. If we fail to comply with any of these regulations, we may be subject to fines or penalties, have to recall products and/or cease their manufacture and distribution, which would increase our costs and reduce our sales.

We are also subject to various federal, state, local and international laws and regulations that govern the handling, transportation, manufacture, use and sale of substances that are or could be classified as toxic or hazardous substances. Some risk of environmental damage is inherent in our operations and the products we manufacture, sell, or distribute. Any failure by us to comply with the applicable government regulations could also result in product recalls or impositions of fines and restrictions on our ability to carry on with or expand in a portion or possibly all of our operations. If we fail to comply with any or all of these regulations, we may be subject to fines or penalties, have to recall products and/or cease their manufacture and distribution, which would increase our costs and reduce our sales.

Government regulations of our customer’s business are extensive and are constantly changing. Changes in these regulations can significantly affect customer demand for our products and services.

The process by which our customer’s industries are regulated is controlled by government agencies and depending on the market segment can be very expensive, time-consuming, and uncertain. Changes in regulations or the enforcement practices of current regulations could have a negative impact on our customers and, in turn, our business. At this time, it is unknown how the FDA will interpret and to what extent it will enforce GMPs, regulations that will likely affect many of our customers. These uncertainties may have a material impact on our results of operations, as lack of enforcement or an interpretation of the regulations that lessens the burden of compliance for the dietary supplement marketplace may cause a reduced demand for our products and services.

Changes in government regulation or in practices relating to the pharmaceutical, dietary supplement, food and cosmetic industry could decrease the need for the services we provide.

Governmental agencies throughout the world, including the United States, strictly regulate these industries. Our business involves helping pharmaceutical and biotechnology companies navigate the regulatory drug approval process. Changes in regulation, such as a relaxation in regulatory requirements or the introduction of simplified drug approval procedures, or an increase in regulatory requirements that we have difficulty satisfying or that make our services less competitive, could eliminate or substantially reduce the demand for our services. Also, if the government makes efforts to contain drug costs and pharmaceutical and biotechnology company profits from new drugs, our customers may spend less, or reduce their spending on research and development. If health insurers were to change

their practices with respect to reimbursements for pharmaceutical products, our customers may spend less, or reduce their spending on research and development.

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If we should in the future become required to obtain regulatory approval to market and sell our goods we will not be able to generate any revenues until such approval is received.

The pharmaceutical industry is subject to stringent regulation by a wide range of authorities. While we believe that, given our present business, we are not currently required to obtain regulatory approval to market our goods because, among other things, we do not (i) produce or market any clinical devices or other products, or (ii) sell any medical products or services to the customer, we cannot predict whether regulatory clearance will be required in the future and, if so, whether such clearance will at such time be obtained for any products that we are developing or may attempt to develop. Should such regulatory approval in the future be required, our goods may be suspended or may not be able to be marketed and sold in the United States until we have completed the regulatory clearance process as and if implemented by the FDA. Satisfaction of regulatory requirements typically takes many years, is dependent upon the type, complexity and novelty of the product or service and would require the expenditure of substantial resources.

If regulatory clearance of a good that we propose to propose to market and sell is granted, this clearance may be limited to those particular states and conditions for which the good is demonstrated to be safe and effective, which would limit our ability to generate revenue. We cannot ensure that any good that we develop will meet all of the applicable regulatory requirements needed to receive marketing clearance. Failure to obtain regulatory approval will prevent commercialization of our goods where such clearance is necessary. There can be no assurance that we will obtain regulatory approval of our proposed goods that may require it.

Risks Related to the Securities Markets and Ownership of our Equity Securities

*The market price of our common stock may be volatile and adversely affected by several factors.

The market price of our common stock could fluctuate significantly in response to various factors and events, including, but not limited to:

our ability to integrate operations, technology, products and services;

our ability to execute our business plan;

our operating results are below expectations;

our issuance of additional securities, including debt or equity or a combination thereof,;

announcements of technological innovations or new products by us or our competitors;

media coverage regarding our industry or us;

loss of any strategic relationship;

industry developments, including, without limitation, changes in healthcare policies or practices;

economic and other external factors;

reductions in purchases from our large customers;

period-to-period fluctuations in our financial results; and

whether an active trading market in our common stock develops and is maintained.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

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Our common stock is and likely will remain subject to the SEC's "penny stock" rules, which may make our shares more difficult to sell.

Because the price of our common stock is currently and may remain less than $5.00 per share, it is expected to be classified as a "penny stock." The SEC's rules regarding penny stocks have the effect of reducing trading activity in our shares, making it more difficult for investors to sell them. Under these rules, broker-dealers who recommend such securities to persons other than institutional accredited investors must:

make a special written suitability determination for the purchaser;

receive the purchaser's written agreement to a transaction prior to sale;

provide the purchaser with risk disclosure documents which identify certain risks associated with investing in "penny stocks" and which describe the market for these "penny stocks" as well as a purchaser's legal remedies;

obtain a signed and dated acknowledgment from the purchaser demonstrating that the purchaser has received the required risk disclosure document before a transaction in a "penny stock" can be completed; and

give bid and offer quotations and broker and salesperson compensation information to the customer orally or in writing before or with the confirmation.

These rules make it more difficult for broker-dealers to effectuate customer transactions and trading activity in our securities and may result in a lower trading volume of our common stock and lower trading prices.

*Our shares of common stock may be thinly traded, so you may be unable to sell at or near ask prices or at all.

We cannot predict the extent to which an active public market for our common stock will develop or be sustained. This situation may be attributable to a number of factors, including the fact that we are a small company that is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community who generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk averse and would be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares until such time as we have become more seasoned and viable. As a consequence, there may be periods of several days or weeks when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot assure you that a broader or more active public trading market for our common stock will develop or be sustained, or that current trading levels will be sustained or not diminish.

We have not paid cash dividends in the past and do not expect to pay cash dividends in the foreseeable future. Any return on investment may be limited to the value of our common stock.

We have never paid cash dividends on our capital stock and do not anticipate paying cash dividends on our capital stock in the foreseeable future. The payment of dividends on our capital stock will depend on our earnings, financial condition and other business and economic factors affecting us at such time as the board of directors may consider relevant. If we do not pay dividends, our common stock may be less valuable because a return on your investment will only occur if the common stock price appreciates.

Stockholders may experience significant dilution if future equity offerings are used to fund operations or acquire complementary businesses.

If future operations or acquisitions are financed through the issuance of additional equity securities, stockholders could experience significant dilution. Securities issued in connection with future financing activities or potential acquisitions may have rights and preferences senior to the rights and preferences of our common stock. In addition,

the issuance of shares of our common stock upon the exercise of outstanding options or warrants may result in dilution to our stockholders.

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The stock market in general, and the stocks of early stage companies in particular, have experienced extreme price and volume fluctuations. These fluctuations have often been unrelated or disproportionate to the operating performance of the companies involved. If these fluctuations occur in the future, the market price of our shares could fall regardless of our operating performance. In the past, following periods of volatility in the market price of a particular company's securities, securities class action litigation has often been brought against that company. If the market price or volume of our shares suffers extreme fluctuations, then we may become involved in this type of litigation, which would be expensive and divert management's attention and resources from managing our business.

As a public company, we may also from time to time make forward-looking statements about future operating results and provide some financial guidance to the public markets. The management has limited experience as a management team in a public company and as a result projections may not be made timely or set at expected performance levels and could materially affect the price of our shares. Any failure to meet published forward-looking statements that adversely affect the stock price could result in losses to investors, stockholder lawsuits or other litigation, sanctions or restrictions issued by the SEC.

*We have a significant number of outstanding options and warrants, and future sales of these shares could adversely affect the market price of our common stock.

As of October 1, 2016, we had outstanding options exercisable for an aggregate of 5,217,508 shares of common stock at a weighted average exercise price of $3.54 per share and outstanding warrants exercisable for an aggregate of 487,111 shares of common stock at a weighted average exercise price of $4.12 per share. The holders may sell many of these shares in the public markets from time to time, without limitations on the timing, amount or method of sale. As and when our stock price rises, if at all, more outstanding options and warrants will be in-the-money and the holders may exercise their options and warrants and sell a large number of shares. This could cause the market price of our common stock to decline.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

Exhibit No	Description of Exhibits
2.1	Agreement and Plan of Merger, dated as of May 21, 2008, by and among Cody Resources, Inc., CDI Acquisition, Inc. and ChromaDex, Inc., as amended on June 10, 2008 (incorporated by reference to, and filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the Commission on June 24, 2008)
3.1	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to, and filed as Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A filed with the Commission on May 4, 2010)
3.2	Bylaws of the Registrant (incorporated by reference to, and filed as Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the Commission on June 24, 2008)
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to, and filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Commission on April 12, 2016)
3.4	Amendment to Bylaws of the Registrant (incorporated by reference to, and filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Commission on July 19, 2016)
4.1	Form of Stock Certificate representing shares of the Registrant's Common Stock (incorporated by reference to, and filed as Exhibit 4.1 to the Registrant's Annual Report on Form 10-K filed with the Commission on April 3, 2009)
4.2	Investor's Rights Agreement, effective as of December 31, 2005, by and between The University of Mississippi Research Foundation and the Registrant (incorporated by reference to, and filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the Commission on June 24, 2008)
4.3	Tag-Along Agreement effective as of December 31, 2005, by and among the Registrant, Frank Louis Jaksch, Snr. & Maria Jaksch, Trustees of the Jaksch Family Trust, Margery Germain, Lauren Germain, Emily Germain, Lucie Germain, Frank Louis Jaksch, Jr., and the University of Mississippi Research Foundation (incorporated by reference to, and filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the Commission on June 24, 2008)
4.4	Form of Stock Certificate representing shares of the Registrant's Common Stock effective as of January 1, 2016 (incorporated by reference to, and filed as Exhibit 4.4 to the Registrant's Annual Report on Form 10-K filed with the Commission on March 17, 2016)
10.1	Addendum to the Nicotinamide Riboside Supply Agreement, dated July 24, 2015, by and between ChromaDex, Inc. and Thorne Research, Inc. (1)
10.2	Second Addendum to the Nicotinamide Riboside Supply Agreement, dated September 14, 2016, by and between ChromaDex, Inc. and Thorne Research, Inc. (1)
10.3	Exclusive License Agreement, dated July 13, 2012 between Dartmouth College and ChromaDex, Inc.
10.4	Exclusive License Agreement, dated March 7, 2013 between Washington University and ChromaDex, Inc.
10.5	Amendment #1 to Exclusive License Agreement, effective as of December 15, 2015, between Washington University and ChromaDex, Inc.
10.6	License Agreement, made as of August 1, 2013, between Green Molecular S.L., Inc. and ChromaDex, Inc.
10.7	First Amendment to Exclusive License Agreement, effective as of July 6, 2015, between University of Mississippi and ChromaDex, Inc.
10.8	

	Second Amendment to the License Agreement, effective as of December 31, 2015, between the Regents of the University of California and ChromaDex, Inc. (1)
10.9	Second Addendum to Supply Agreement, effective as of January 28, 2016, between Nectar7 LLC and ChromaDex, Inc. (1)
10.10	First Amendment to Exclusive License Agreement, effective as of June 13, 2016, between Dartmouth College and ChromaDex, Inc. (1)
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(A) of the Securities Exchange Act of 1934, as amended
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(A) of the Securities Exchange Act of 1934, as amended
32.1	Certification pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002)
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

(1)
A redacted version of this Exhibit is filed herewith. An un-redacted version of this Exhibit has been separately filed with the Commission pursuant to an application for confidential treatment. The confidential portions of the Exhibit have been omitted and are marked by an asterisk.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CHROMADEX CORPORATION

Date: November 10, 2016 /s/ THOMAS C. VARVARO

Thomas C. Varvaro
Chief Financial Officer

(principal financial and accounting officer and duly authorized on behalf of the registrant)