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 September 30, 2017

Commission File Number: **001-37752**

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, smaller reporting company or emerging growth company. See definition of "large accelerated filer, accelerated filer, smaller reporting company and emerging growth 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)	Emerging growth company ____

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. □

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 8, 2017 there were 48,187,298 shares of the registrant's common stock issued and outstanding.

CHROMADEX CORPORATION

QUARTERLY REPORT ON FORM 10-Q

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PART I – FINANCIAL INFORMATION (UNAUDITED)

ITEM 1. FINANCIAL STATEMENTS

ChromaDex Corporation and Subsidiaries
Condensed Consolidated Balance Sheets
September 30, 2017 and December 31, 2016

	Sep. 30, 2017	Dec. 31, 2016
Assets		
Current Assets		
Cash	**$ 23,999,633**	$ 1,642,429
Trade receivables, net of allowances of $0.5 million and $1.1 million, respectively; Receivables from Related Party: $1.5 million and $0, respectively	**4,919,768**	5,852,030
Inventories	**6,615,245**	7,912,630
Prepaid expenses and other assets	**724,388**	311,539
Current assets held for sale	**-**	18,315
Total current assets	**36,259,034**	15,736,943
Leasehold Improvements and Equipment, net	**2,690,527**	1,778,171
Deposits	**392,342**	377,532
Receivable held at escrow	**750,000**	-
Intangible assets, net	**1,709,609**	486,226
Longterm investment	**-**	20,318
Noncurrent assets held for sale	**-**	1,352,878
Total assets	**$ 41,801,512**	$ 19,752,068
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	**$ 4,346,700**	$ 5,978,288
Accrued expenses	**2,129,583**	2,170,172
Current maturities of capital lease obligations	**190,892**	255,461
Customer deposits and other	**321,119**	389,010
Deferred rent, current	**120,894**	76,219
Due to officer	**100,000**	-
Total current liabilities	**7,209,188**	8,869,150
Capital lease obligations, less current maturities	**360,748**	343,589
Deferred rent, less current	**493,735**	380,205
Noncurrent liabilities held for sale	**-**	184,766
Total liabilities	**8,063,671**	9,777,710
Commitments and contingencies		
Stockholders' Equity		
Common stock, $.001 par value; authorized 150,000,000 shares; issued and outstanding September 30, 2017 47,650,252 shares and December 31, 2016 37,544,531 shares	**47,650**	37,545
Additional paid-in capital	**81,469,567**	55,160,387
Accumulated deficit	**(47,779,376)**	(45,223,574)
Total stockholders' equity	**33,737,841**	9,974,358
Total liabilities and stockholders' equity	**$ 41,801,512**	$ 19,752,068

See Notes to Consolidated Financial Statements.

ChromaDex Corporation and Subsidiaries

Condensed Consolidated Statements of Operations
For the Three Month Periods Ended September 30, 2017 and October 1, 2016

	Sep. 30, 2017	Oct. 1, 2016
Sales, net	**$ 6,084,690**	$ 3,937,286
Cost of sales	**3,169,321**	2,074,325
Gross profit	**2,915,369**	1,862,961
Operating expenses:		
Sales and marketing	**1,103,157**	286,941
Research and development	**1,040,561**	772,799
General and administrative	**3,948,435**	1,727,383
Operating expenses	**6,092,153**	2,787,123
Operating loss	**(3,176,784)**	(924,162)
Nonoperating expense:		
Interest expense, net	**(44,508)**	(2,260)
Nonoperating expenses	**(44,508)**	(2,260)
Loss from continuing operations	**(3,221,292)**	(926,422)
Loss before taxes from discontinued operations	**(108,899)**	(31,121)
Gain on sale of discontinued operations	**5,467,268**	-
Provision for taxes	**-**	3,153
Income (loss) from discontinued operations, net	**5,358,369**	(27,968)
Net income (loss)	**$ 2,137,077**	$ (954,390)
Basic earnings (loss) per common share:		
Loss from continuing operations	**$ (0.07)**	$ (0.02)
Earnings (loss) from discontinued operations	**$ 0.12**	$ (0.01)
Basic earnings (loss) per common share	**$ 0.05**	$ (0.03)
Diluted earnings (loss) per common share:		
Loss from continuing operations	**$ (0.07)**	$ (0.02)
Earnings (loss) from discontinued operations	**$ 0.11**	$ (0.01)
Diluted earnings (loss) per common share	**$ 0.04**	$ (0.03)
Basic weighted average common shares outstanding	**47,065,009**	37,868,672
Diluted weighted average common shares outstanding	**47,556,697**	37,868,672

See Notes to Consolidated Financial Statements.

ChromaDex Corporation and Subsidiaries

Condensed Consolidated Statements of Operations
For the Nine Month Periods Ended September 30, 2017 and October 1, 2016

	Sep. 30, 2017	Oct. 1, 2016
Sales, net	**$ 13,670,646**	$ 17,211,865
Cost of sales	**7,028,340**	8,831,400
Gross profit	**6,642,306**	8,380,465
Operating expenses:		
Sales and marketing	**2,058,178**	1,190,013
Research and development	**2,554,713**	1,988,597
General and administrative	**8,882,821**	5,935,139
Other	**745,773**	-
Operating expenses	**14,241,485**	9,113,749
Operating loss	**(7,599,179)**	(733,284)
Nonoperating expense:		
Interest expense, net	**(108,751)**	(314,926)
Loss on debt extinguishment	**-**	(313,099)
Nonoperating expenses	**(108,751)**	(628,025)
Loss before income taxes	**(7,707,930)**	(1,361,309)
Provision for taxes	**-**	(3,500)
Loss from continuing operations	**(7,707,930)**	(1,364,809)
Income (loss) from discontinued operations	**(315,140)**	583,377
Gain on sale of discontinued operations	**5,467,268**	-
Income from discontinued operations, net	**5,152,128**	583,377
Net loss	**$ (2,555,802)**	$ (781,432)
Basic and diluted earnings (loss) per common share:		
Loss from continuing operations	**$ (0.18)**	$ (0.04)
Earnings from discontinued operations	**$ 0.12**	$ 0.02
Basic and diluted loss per common share	**$ (0.06)**	$ (0.02)
Basic and diluted weighted average common shares outstanding	**42,405,616**	37,090,916

See Notes to Consolidated Financial Statements.

ChromaDex Corporation and Subsidiaries
Condensed Consolidated Statement of Stockholders' Equity
For the Nine Month Period Ended September 30, 2017

	Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance, January 1, 2017	37,544,531	$ 37,545	$55,160,387	$(45,223,574)	9,974,358
Issuance of common stock associated with the acquisition of Healthspan Research LLC	367,648	367	999,635	-	1,000,002
Exercise of stock options	3,202	3	6,620	-	6,623
Vested restricted stock	2,667	3	(3)	-	-
Share-based compensation	-	-	319,830	-	319,830
Net loss	-	-	-	(1,928,755)	(1,928,755)
Balance, April 1, 2017	37,918,048	$ 37,918	$56,486,469	$(47,152,329)	$ 9,372,058
Issuance of common stock, net of offering costs of $1,184,000	7,649,968	7,650	18,698,634	-	18,706,284
Exercise of stock options	1,875	2	5,342	-	5,344
Vested restricted stock	2,000	2	(2)	-	-
Share-based compensation	-	-	399,861	-	399,861
Net loss	-	-	-	(2,764,124)	(2,764,124)
Balance, July 1, 2017	45,571,891	$ 45,572	$75,590,304	$(49,916,453)	$25,719,423
Issuance of common stock, net of offering costs of $103,000	1,965,417	1,965	5,005,512	-	5,007,477
Exercise of stock options	111,611	112	382,935	-	383,047
Vested restricted stock	1,333	1	(1)	-	-
Share-based compensation	-	-	490,817	-	490,817
Net income	-	-	-	2,137,077	2,137,077
Balance, September 30, 2017	**47,650,252**	**$ 47,650**	**$81,469,567**	**$(47,779,376)**	**$33,737,841**

See Notes to Consolidated Financial Statements.

ChromaDex Corporation and Subsidiaries

Condensed Consolidated Statements of Cash Flows
For the Nine Month Periods Ended September 30, 2017 and October 1, 2016

	Sep. 30, 2017	Oct. 1, 2016
Cash Flows From Operating Activities		
Net loss	**$ (2,555,802)**	$ (781,432)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of leasehold improvements and equipment	**396,000**	234,408
Amortization of intangibles	**148,005**	63,116
Share-based compensation expense	**1,210,508**	930,026
Allowance for doubtful trade receivables	**(547,811)**	235,591
Gain from disposal of assets	**(5,467,268)**	-
Loss from disposal of equipment	**4,649**	-
Loss on debt extinguishment	**-**	313,099
Non-cash financing costs	**89,481**	94,080
Changes in operating assets and liabilities:		
Trade receivables	**1,491,529**	(4,296,439)
Inventories	**1,358,299**	1,840,572
Prepaid expenses and other assets	**(480,353)**	(230,667)
Accounts payable	**(1,735,361)**	(2,125,180)
Accrued expenses	**(43,796)**	406,797
Customer deposits and other	**(61,071)**	5,613
Deferred rent	**188,290**	182,634
Due to officer	**(32,500)**	-
Net cash used in operating activities	**(6,037,201)**	(3,127,782)
Cash Flows From Investing Activities		
Proceeds from disposal of assets, net of transaction costs	**5,953,390**	-
Purchases of leasehold improvements and equipment	**(872,215)**	(940,978)
Purchases of intangible assets	**(183,958)**	(205,000)
Net cash provided by (used in) investing activities	**4,897,217**	(1,145,978)
Cash Flows From Financing Activities		
Proceeds from issuance of common stock, net of issuance costs	**23,713,762**	5,717,474
Proceeds from exercise of stock options	**395,014**	716,612
Payment of debt issuance costs	**(49,279)**	-
Principal payment on loan payable	**-**	(5,000,000)
Cash paid for debt extinguisment costs	**-**	(281,092)
Principal payments on capital leases	**(562,309)**	(164,150)
Net cash provided by financing activities	**23,497,188**	988,844
Net increase (decrease) in cash	**22,357,204**	(3,284,916)
Cash Beginning of Period	**1,642,429**	5,549,672
Cash Ending of Period	**$ 23,999,633**	$ 2,264,756
Supplemental Disclosures of Cash Flow Information		
Cash payments for interest	**$ 43,912**	$ 251,231
Supplemental Schedule of Noncash Investing Activity		
Noncash consideration transferred for the acquisition of Healthspan Research LLC	**$ 1,187,430**	$ -
Capital lease obligation incurred for the purchase of equipment	**$ 514,899**	$ -
Receivable from disposal of assets held at escrow	**$ 750,000**	$ -
Inventory supplied to Healthspan Research LLC for equity interest, at cost	**$ -**	$ 20,318
Retirement of fully depreciated equipment - cost	**$ 55,947**	$ 28,083
Retirement of fully depreciated equipment - accumulated depreciation	**$ (55,947)**	$ (28,083)

See Notes to Consolidated Financial Statements.

Note 1. Interim Financial Statements

The accompanying financial statements of ChromaDex Corporation and its wholly owned subsidiaries, ChromaDex, Inc., Healthspan Research, LLC, ChromaDex Analytics, Inc. and ChromaPharma, Inc. (collectively referred to herein as "ChromaDex" or the "Company" or, in the first person as "we", "us" and "our") 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 September 30, 2017 and results of operations and cash flows for the three and nine months ended September 30, 2017 and October 1, 2016. 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 December 31, 2016 appearing in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "Commission") on March 16, 2017. Operating results for the nine months ended September 30, 2017 are not necessarily indicative of the results to be achieved for the full year ending on December 30, 2017. 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 December 31, 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 is a natural products company that discovers, acquires, develops and commercializes patented and proprietary ingredient technologies that address the dietary supplement, food, beverage, skin care and pharmaceutical markets. Through the Company's ingredients segment, the Company offers its branded ingredients such as NIAGEN®, nicotinamide riboside, and pTeroPure®, pterostilbene.

With the acquisition of Healthspan Research, LLC in March 2017, the Company established a consumer product segment, which offers finished bottled dietary supplement products that contain NIAGEN®. The Company also has a core standards and contract services segment, which focuses on natural product fine chemicals (known as "phytochemicals") and regulatory consulting services. As a result of the Company's relationships with leading universities and research institutions, the Company discovers and licenses early stage, intellectual property-backed ingredient technologies. The Company then utilizes its business to develop commercially viable proprietary ingredients. The Company's proprietary ingredient portfolio is backed with clinical and scientific research, as well as extensive intellectual property protection.

On September 5, 2017, the Company completed the sale of its operating assets (the "Lab Business Disposition") that were used with the Company's quality verification program testing and analytical chemistry business for food and food related products (the "Lab Business") to Covance Laboratories Inc. ("Covance"). With the Lab Business Disposition, the Company will focus on accelerating the expansion of nicotinamide riboside and its other proprietary ingredient technologies.

Liquidity: The Company has incurred loss from continuing operations of approximately $7.7 million and net loss of approximately $2.6 million for the nine-month period ended September 30, 2017. As of September 30, 2017, cash and cash equivalents totaled approximately $24.0 million.

In consideration for the sale of the Lab Business, the Company received net proceeds of approximately $6.0 million, net of transaction costs from Covance. Additional cash consideration of $0.8 million is held in escrow to satisfy any indemnification claims by Covance.

Subsequent to the period ended September 30, 2017, the Company entered into a securities purchase agreement under which it agreed to sell approximately $23.0 million of its common stock in a private placement, in return for which the purchaser will receive. The Company agreed to sell approximately 5.6 million shares at a per share price of $4.10. The private placement is expected to close on or about November 17, 2017, subject to the satisfaction of customary closing conditions.

While we anticipate that our current cash, cash equivalents, cash to be generated from operations and cash to be received from the private placement described above will be sufficient to meet our projected operating plans into 2019, 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.

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, and the Company's normal fiscal quarters end on the Saturday 13 weeks after the last fiscal year end or fiscal quarter end. 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 2016 ended on December 31, 2016 consisted of normal 52 weeks. The fiscal year 2017 ending on December 30, 2017 will also include the normal 52 weeks.

Adopted Accounting Pronouncements Fiscal 2017: In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business. The ASU 2017-01 clarifies the definition of a business with the objective of adding guidance to assist companies and other reporting organizations with evaluating whether transactions should be accounted for as acquisitions of assets or businesses. The Company early adopted the amendments in this ASU effective as of January 1, 2017. On March 12, 2017, the Company acquired all of the outstanding equity interests of Healthspan Research, LLC ("Healthspan") pursuant to a Membership Interest Purchase Agreement by and among (i) Robert Fried, Jeffrey Allen and Dr. Charles Brenner (the "Sellers") and (ii) ChromaDex Corporation. Under ASU 2017-01, this transaction was treated as an acquisition of assets, rather than a business. For details on the acquisition of Healthspan, please refer to *Note 5. Related Party Transactions* appearing later on this report.

In March 2016, the FASB issued ASU 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting to simplify the accounting for stock compensation. It focuses on income tax accounting, award classification, estimating forfeitures, and cash flow presentation. The Company adopted the amendments in this ASU effective as of January 1, 2017. The adoption of ASU 2016-09 did not have a material effect on our consolidated financial statements.

In July 2015, the FASB issued ASU 2015-11, Inventory (Topic 330) - Simplifying the Measurement of Inventory, which requires that inventories, other than those accounted for under Last-In-First-Out, will be reported at the lower of cost or net realizable value. Net realizable value is the estimated selling price less costs of completion, disposal and transportation. The Company adopted the amendments in this ASU effective as of January 1, 2017. The adoption of ASU 2015-11 did not have a material effect on our consolidated financial statements.

Recent accounting standards: In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers: Topic 606 (ASU 2014-09), to supersede nearly all existing revenue recognition guidance under U.S. Generally Accepted Accounting Principles ("GAAP"). The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under existing U.S. GAAP including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. ASU 2014-09 is effective for us in our first quarter of fiscal 2018 using either of two methods: (i) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or (ii) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined per ASU 2014-09. We are currently evaluating the impact of our pending adoption of ASU 2014-09 on our consolidated financial statements.

Note 4. 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 September 30, 2017 and October 1, 2016:

	Three Months Ended		Nine Months Ended	
	Sep. 30, 2017	**Oct. 1, 2016**	**Sep. 30, 2017**	**Oct. 1, 2016**
Net income (loss)	**$ 2,137,077**	$ (954,390)	**$ (2,555,802)**	$ (781,432)
Basic weighted average common shares outstanding (1):	**47,065,009**	37,868,672	**42,405,616**	37,090,916
Basic earnings (loss) per common share	**$ 0.05**	$ (0.03)	**$ (0.06)**	$ (0.02)
Dilutive effect of stock options, net	**473,736**	-	**-**	-
Dilutive effect of warrants, net	**17,952**	-	**-**	-
Diluted weighted average common shares outstanding :	**47,556,697**	37,868,672	**42,405,616**	37,090,916
Diluted earnings (loss) per common share	**$ 0.04**	$ (0.03)	**$ (0.06)**	$ (0.02)
Potentially dilutive securities, total (2):				
Stock options	**5,448,552**	5,217,508	**5,922,288**	5,217,508
Warrants	**452,492**	487,111	**470,444**	487,111

(1) Includes approximately 0.5 million weighted average nonvested shares of restricted stock for the three and nine month periods ending September 30, 2017, respectively, and approximately 0.4 million weighted average nonvested shares or restricted stock for the three and nine month periods ending October 1, 2016, respectively. These shares are participating securities that feature voting and dividend rights.

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

Note 5. Related Party Transactions

Asset acquisition

On March 12, 2017, the Company acquired all of the outstanding equity interests of Healthspan from Robert Fried, Jeffrey Allen and Dr. Charles Brenner (the "Sellers"). Robert Fried is a member of the Board of Directors ("Board") of the Company, a position he has held since July 2015.

Upon the closing of, and as consideration for, the acquisition, the Company issued an aggregate of 367,648 shares of the Company's common stock to the Sellers. The fair value of these shares was approximately $1.0 million based on the closing price of $2.72 per share on March 12, 2017. Also on March 12, 2017, the Company appointed Robert Fried as President and Chief Strategy Officer, effective immediately. Mr. Fried continues to serve as a member of the Board, but resigned as a member of the Nominating and Corporate Governance Committee of the Board.

Healthspan was formed in August 2015 to offer and sell finished bottle products that contain NIAGEN® directly to consumers through internet-based selling platforms. NIAGEN® is the leading ingredient the Company currently sells. Prior to the acquisition, the Company has supplied certain amount of NIAGEN® to Healthspan as a raw material inventory in exchange for a 4% equity interest in Healthspan. An additional 5% equity interest was received for granting certain exclusive rights to resell NIAGEN®.

The Company acquired the consumer product business model that Healthspan has established. Included in the business model acquired is the know-how marketing to date, and the designs and procedures needed to operate a consumer product business. This transaction was accounted for as an acquisition of assets. An intangible asset of approximately $1.35 million was recorded as a result of this acquisition, which is the difference of consideration transferred and the net amount of assets acquired and liabilities assumed.

(A) Consideration transferred

	Fair value
Common Stock	$ 1,000,000
Transaction costs	178,000
Previously held equity interest	20,000
	$ 1,198,000
Consumer product business model, intangible asset (A) -(B)	**$ 1,346,000**

(B) Net amount of assets and liabilities

Assets acquired	Fair value
Cash and cash equivalents	$ 19,000
Trade receivables	11,000
Inventory	61,000
Liabilities assumed	
Due to officer	(132,000)
Accounts payable	(74,000)
Credit card payable	(30,000)
Other accrued expenses	(3,000)
Net assets	**$ (148,000)**

The acquired intangible asset is considered to have a useful life of 10 years as we believe the economic benefits from the acquisition will last at least 10 years. The expense is amortized using the straight-line method over the useful life and the Company recognized an amortization expense of approximately $75,000 for the nine months ended September 30, 2017.

In cancellation of a loan owed by Healthspan to Mr. Fried prior to the acquisition, the Company repaid $32,500 to Mr. Fried on March 13, 2017 and will also repay $100,000 on March 12, 2018. No interest is to be paid for the outstanding $100,000 due to Mr. Fried.

Sale of consumer products

During July 2017, the Company entered into an exclusivity agreement (the "Customer G Agreement") with Customer G, whereby the Company agreed to exclusively sell its TRU NIAGEN® dietary supplement product to Customer G in certain territories in Asia. During the three months ended September 30, 2017, the Company sold approximately $2.3 million of TRU NIAGEN® dietary supplement product pursuant to the Customer G Agreement. As of September 30, 2017, the trade receivable from Customer G was approximately $1.5 million.

Li Ka Shing, who beneficially owns more than 10% of the Company's common stock, beneficially owns approximately 30% of Entity A and Entity A beneficially owns approximately 75% of Customer G. In accordance with the Company's Related-Person Transactions Policy, the Audit Committee of the Company's Board of Directors ratified the partnership with Customer G.

Note 6. Discontinued Operations

On September 5, 2017, the Company completed the sale of the Lab Business to Covance. In consideration of the Lab Business sale, the Company received $6.75 million from Covance and additional cash consideration of $0.8 million is currently held in escrow to satisfy any potential indemnification claims by Covance. Further, the Company is eligible to receive an additional earnout payment from Covance in an amount equal to up to $1.0 million, subject to certain escrow provisions.

The Company recorded a gain of approximately $5.5 million from the disposal. The contingent earnout consideration up to $1.0 million is tied to 2017 revenue of the Lab Business and the Company made an election to record the contingent consideration portion when the consideration is determined to be realizable and has not recorded any contingent consideration to date.

(A) Consideration received

	Amount
Cash payment	$ 6,750,000
Cash payment held in escrow (1)	750,000
Additional earnout payment	-
	$ 7,500,000

(B) Selling costs

	Amount
Legal	$ 428,000
Financial consulting	250,000
Other	118,000
	$ 796,000

Gain from disposal (A) - (B) - (C) **$ 5,468,000**

(C) Carrying value of the Lab Business

Assets disposed	Carrying value
Leasehold improvements and equipment, net	$ 1,427,000
Prepaid expenses	11,000
Deposits	20,000
Liabilities disposed	
Deferred revenue	(7,000)
Deferred rent	(215,000)
Net assets	**$ 1,236,000**

(1) $750,000 is expected to be held in escrow until March 2019 to satisfy any indemnification claims.

The sale of the Lab Business qualifies as a discontinued operation as the sale represents a strategic shift that has (or will have) a major effect on operations and financial results.

The results of operations from the discontinued operations for the three and nine months ended September 30, 2017 and October 1, 2016 are as follows:

	Three Months Ended		Nine Months Ended	
	Sep. 30, 2017	Oct. 1, 2016	**Sep. 30, 2017**	Oct. 1, 2016
Sales	**$ 650,610**	$ 1,070,164	**$ 2,820,631**	$ 3,957,109
Cost of sales	**597,291**	890,655	**2,478,827**	2,716,238
Gross profit	**53,319**	179,509	**341,804**	1,240,871
Operating expenses:				
Sales and marketing	**112,694**	161,044	**482,134**	500,725
General and administrative	**43,838**	41,019	**150,171**	128,381
Operating expenses	**156,532**	202,063	**632,305**	629,106
Operating income (loss)	**(103,213)**	(22,554)	**(290,501)**	611,765
Nonoperating income (expense):				
Interest expense, net	**(5,686)**	(8,567)	**(24,639)**	(28,388)
Nonoperating expenses	**(5,686)**	(8,567)	**(24,639)**	(28,388)
Loss before taxes from discontinued operations	**(108,899)**	(31,121)	**(315,140)**	583,377
Provision for taxes	**-**	3,153	**-**	-
Income (loss) from discontinued operations	**$ (108,899)**	$ (27,968)	**$ (315,140)**	$ 583,377

The assets and liabilities that are classified as held for sale as of December 31, 2016 are as follows:

	Dec. 31, 2016
Current assets held for sale	
Prepaid expenses	$ 18,135
Leasehold Improvements and Equipment, net	1,333,203
Deposits	19,675
Total assets held for sale	1,371,013
Deferred rent	184,766
Total liabilities held for sale	$ 184,766

Depreciation, capital expenditures and significant noncash investing activities of the discontinued operations for the nine months ended September 30, 2017 and October 1, 2016 are as follows:

Nine Months Ended September 30, 2017 and October 1, 2016

	Sep. 30, 2017	Oct. 1, 2016
Depreciation	**$ 169,250**	$ 192,381
Purchase of leasehod improvements and equipment	**$ 111,232**	$ 250,420
Noncash investing activity		
Retirement of fully depreciated equipment - cost	**$ 55,947**	$ 13,330
Retirement of fully depreciated equipment - accumulated depreciation	**$ (55,947)**	$ (13,330)

Note 7. Trade Receivables Allowances

The allowance amounts for the periods ended September 30, 2017 and December 31, 2016 are as follows:

	Sep. 30, 2017	Dec. 31, 2016
Allowances related to		
Customer C	**$ 500,000**	$ 800,000
Customer E	**-**	198,000
Other allowances	**33,000**	83,000
	$ 533,000	$ 1,081,000

Note 8. Inventories

The amounts of major classes of inventory as of September 30, 2017 and December 31, 2016 are as follows:

	Sep. 30, 2017	Dec. 31, 2016
Bulk ingredients	**$ 4,830,000**	$ 7,044,000
Reference standards	**1,067,000**	1,033,000
Dietary supplement - finished bottles	**9,000**	-
Dietary supplement - work-in-process	**875,000**	-
	6,781,000	8,077,000
Less valuation allowance	**(166,000)**	(164,000)
	$ 6,615,000	$ 7,913,000

Note 9. Employee Share-Based Compensation

Stock Option Plans

On June 20, 2017, the stockholders of the Company approved the ChromaDex Corporation 2017 Equity Incentive Plan (the "2017 Plan"). The 2017 Plan is intended to be the successor to the ChromaDex Corporation Second Amended and Restated 2007 Equity Incentive Plan (the "2007 Plan"). Under the 2017 Plan, the Company is authorized to issue stock options that total no more than the sum of (i) 3,000,000 new shares, (ii) approximately 384,000 unallocated shares remaining available for the grant of new awards under the 2007 Plan, and (iii) any returning shares from the 2007 Plan or the 2017 Plan, such as forfeited, cancelled, or expired shares.

Service Period Based Stock Options

The following table summarizes activity of service period based stock options granted to employees at September 30, 2017 and changes during the nine months then ended:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Weighted Average Fair Value	Aggregate Intrinsic Value
Outstanding at Dec. 31, 2016	4,281,151	$ 3.52	6.36		
Options Granted	773,334	2.93	10.00	$ 1.88	
Options Exercised	(114,813)	3.40			$ 104,000
Options Expired	(3,334)	4.50			
Options Forfeited	(41,358)	3.54			
Outstanding at Sep. 30, 2017	4,894,980	$ 3.43	6.19		$ 4,786,803
Exercisable at Sep. 30, 2017	3,496,750	$ 3.45	5.06		$ 3,433,000

The aggregate intrinsic values in the table above are based on the Company's stock price of $4.30, which is the closing price of the Company's stock on the last day of business for the period ended September 30, 2017.

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 September 30, 2017.

Nine Months Ended Sep. 30, 2017	
Expected term	5.8 years
Expected volatility	73%
Expected dividends	0.00%
Risk-free rate	2.11%

As of September 30, 2017, there was approximately $2.7 million of total unrecognized compensation expected to be recognized over a weighted average period of 2.3 years.

Employee Share-Based Compensation

The Company recognized compensation expense of approximately $0.4 million and $1.1 million in general and administrative expenses in the statement of operations for the three and nine months ended September 30, 2017, respectively, and approximately $0.3 million and $0.9 million for the three and nine months ended October 1, 2016, respectively.

Note 10. Stock Issuance

On April 26, 2017, the Company entered into a Securities Purchase Agreement (the "SPA") with certain purchasers named therein, pursuant to which the Company agreed to sell and issue up to $25.0 million of its common stock at a purchase price of $2.60 per share in three tranches of approximately $3.5 million, $16.4 million and $5.1 million, respectively. All three tranches closed during the nine months ended September 30, 2017, whereby approximately 9.6 million shares were issued for proceeds of $23.7 million, net of offering costs.

Subsequent to the period ended September 30, 2017, the Company entered into a securities purchase agreement for the sale of approximately $23.0 million of its common stock in a private placement, in return for which the purchaser will receive approximately 5.6 million shares at a per share price of $4.10. The private placement is expected to close on or about November 17, 2017, subject to the satisfaction of customary closing conditions.

Note 11. Business Segments

Since the year ended December 31, 2016, the Company has made operational changes to merge its scientific and regulatory consulting segment into core standards and contract services segment. Additionally, with the acquisition of Healthspan in March 2017, the Company began selling consumer products that contain the Company's branded NIAGEN® ingredient. The Company made operational changes and began segregating its financial results for consumer products operations.

As a result, the Company has the following three reportable segments:

- Ingredients segment develops and commercializes proprietary-based ingredient technologies and supplies these ingredients to consumers in finished products or as raw materials to the manufacturers of consumer products in various industries including the nutritional supplement, food and beverage and animal health industries.
- Consumer products segment provides directly to consumers as well as to distributors finished dietary supplement products that contain the Company's proprietary ingredients.
- Core standards and contract services segment includes (i) supply of phytochemical reference standards, (ii) scientific and regulatory consulting and (iii) other R&D services.

On September 5, 2017, the Company completed the sale of the Lab Business which was a part of the core standards and contract services segment. The discontinued operations related to the Lab Business are not included in following statement of operations for business segments.

The “Corporate and 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.

Three months ended September 30, 2017	Ingredients segment	Consumer Products segment	Core Standards and Contract Services segment	Corporate and other	Total
Net sales	$ 2,459,905	$ 2,647,300	$ 977,485		$ 6,084,690
Cost of sales	1,384,221	1,095,128	689,972	-	3,169,321
Gross profit	1,075,684	1,552,172	287,513	-	2,915,369
Operating expenses:					
Sales and marketing	390,568	548,827	163,762	-	1,103,157
Research and development	558,677	481,884	-	-	1,040,561
General and administrative	-	-	-	3,948,435	3,948,435
Operating expenses	949,245	1,030,711	163,762	3,948,435	6,092,153
	-	-			
Operating income (loss)	$ 126,439	$ 521,461	$ 123,751	$(3,948,435)	$(3,176,784)

Three months ended October 1, 2016	Ingredients segment	Consumer Products segment	Core Standards and Contract Services segment	Corporate and other	Total
Net sales	$ 2,663,095	$ -	$ 1,274,191	$ -	$ 3,937,286
Cost of sales	1,287,421	-	786,904	-	2,074,325
Gross profit	1,375,674	-	487,287	-	1,862,961
Operating expenses:					
Sales and marketing	199,130	-	87,811	-	286,941
Research and development	760,299	-	12,500	-	772,799
General and administrative	-	-	-	1,727,383	1,727,383
Operating expenses	959,429	-	100,311	1,727,383	2,787,123
Operating income (loss)	$ 416,245	$ -	$ 386,976	$(1,727,383)	$ (924,162)

Nine months ended September 30, 2017	Ingredients segment	Consumer Products segment	Core Standards and Contract Services segment	Corporate and other	Total
Net sales	$ 7,393,389	$ 2,802,875	$ 3,474,382	$ -	$13,670,646
Cost of sales	3,615,097	1,135,864	2,277,379	-	7,028,340
Gross profit	3,778,292	1,667,011	1,197,003	-	6,642,306
Operating expenses:					
Sales and marketing	959,761	738,647	359,770	-	2,058,178
Research and development	2,022,151	532,562	-	-	2,554,713
General and administrative	-	-	-	8,882,821	8,882,821
Other	745,773	-	-	-	745,773
Operating expenses	3,727,685	1,271,209	359,770	8,882,821	14,241,485
Operating income (loss)	$ 50,607	$ 395,802	$ 837,233	$(8,882,821)	$(7,599,179)

Nine months ended October 1, 2016	Ingredients segment	Consumer Products segment	Core standards and Contract Services segment	Corporate and other	Total
Net sales	$13,505,470	$ -	$ 3,706,395	$ -	$17,211,865
Cost of sales	6,420,972	-	2,410,428	-	8,831,400
Gross profit	7,084,498	-	1,295,967	-	8,380,465
Operating expenses:					
Sales and marketing	930,573	-	259,440	-	1,190,013
Research and development	1,961,097	-	27,500	-	1,988,597
General and administrative	-	-	-	5,935,139	5,935,139
Operating expenses	2,891,670	-	286,940	5,935,139	9,113,749
Operating income (loss)	$ 4,192,828	$ -	$ 1,009,027	$(5,935,139)	$ (733,284)

At September 30, 2017	Ingredients segment	Consumer Products segment	Core Standards and Contract Services segment	Corporate and other	Total
Total assets	$ 9,761,568	$ 4,012,200	$ 2,589,857	$25,437,887	$41,801,512

At December 31, 2016	Ingredients segment	Consumer Products segment	Core Standards and Contract Services segment	Corporate and other	Total
Total assets	$13,257,289	$ -	$ 2,547,427	$ 3,947,352	$19,752,068

Disclosure of major customers

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

	Three months ended		Nine months ended	
Major Customers	Sep. 30, 2017	Oct. 1, 2016	Sep. 30, 2017	Oct. 1, 2016
Customer G - Related Party	37.8%	*	16.8%	*
Customer D	12.1%	12.3%	*	*
Customer C	*	*	*	24.5%

* 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 September 30, 2017	At December 31, 2016
Customer C	45.4%	45.8%
Customer G - Related Party	30.3%	*
Customer D	*	10.2%

* Represents less than 10%.

Note 12. Commitments and Contingencies

Legal proceedings

On December 29, 2016, ChromaDex, Inc. filed a complaint (the "Complaint") in the United States District Court for the Central District of California, naming Elysium Health, Inc. (together with Elysium Health, LLC, "Elysium") as defendant. Among other allegations, ChromaDex, Inc. alleged in the Complaint that (i) Elysium breached the Supply Agreement, dated June 26, 2014, by and between ChromaDex, Inc. and Elysium (the "pTeroPure® Supply Agreement"), by failing to make payments to ChromaDex, Inc. for purchases of pTeroPure® pursuant to the pTeroPure® Supply Agreement, (ii) Elysium breached the Supply Agreement, dated February 3, 2014, by and between ChromaDex, Inc. and Elysium, as amended (the "NIAGEN® Supply Agreement"), by failing to make payments to ChromaDex, Inc. for purchases of NIAGEN® pursuant to the NIAGEN® Supply Agreement, (iii) Elysium breached the Trademark License and Royalty Agreement, dated February 3, 2014, by and between ChromaDex, Inc. and Elysium (the "License Agreement"), by failing to make payments to ChromaDex, Inc. for royalties due pursuant to the License Agreement and (iv) certain officers of Elysium made false promises and representations to induce ChromaDex, Inc. into providing large supplies of pTeroPure® and NIAGEN® to Elysium pursuant to the pTeroPure® Supply Agreement and NIAGEN® Supply Agreement. ChromaDex, Inc. is seeking punitive damages, money damages and interest.

On January 25, 2017, Elysium filed an answer and counterclaims (the "Counterclaim") in response to the Complaint. Among other allegations, Elysium alleges in the Counterclaim that (i) ChromaDex, Inc. breached the NIAGEN® Supply Agreement by not issuing certain refunds or credits to Elysium and for violating certain confidential information provisions, (ii) ChromaDex, Inc. breached the implied covenant of good faith and fair dealing pursuant to the NIAGEN® Supply Agreement, (iii) ChromaDex, Inc. breached certain confidential provisions of the pTeroPure® Supply Agreement, (iv) ChromaDex, Inc. fraudulently induced Elysium into entering into the License Agreement (the "Fraud Claim"), (v) ChromaDex, Inc.'s conduct constitutes misuse of its patent rights (the "Patent Claim") and (vi) ChromaDex, Inc. has engaged in unlawful or unfair competition under California state law (the "Unfair Competition Claim"). Elysium is seeking damages for ChromaDex, Inc.'s alleged breaches of the NIAGEN® Supply Agreement and pTeroPure® Supply Agreement, and compensatory damages, punitive damages and/or rescission of the License Agreement and restitution of any royalty payments conveyed by Elysium pursuant to the License Agreement, and a declaratory judgement that ChromaDex, Inc. has engaged in patent misuse.

On February 15, 2017, ChromaDex, Inc. filed an amended complaint. In the amended complaint, ChromaDex, Inc. re-alleges the claims in the Complaint, and also alleges that Elysium willfully and maliciously misappropriated ChromaDex, Inc.'s trade secrets. On February 15, 2017, ChromaDex, Inc. also filed a motion to dismiss the Fraud Claim, the Patent Claim and the Unfair Competition Claim. On March 1, 2017, Elysium filed a motion to dismiss ChromaDex, Inc.'s fraud and trade secret misappropriation causes of action. On March 6, 2017, Elysium filed a first amended counterclaim. On March 20, 2017, ChromaDex, Inc. moved to dismiss Elysium's amended fraud, patent misuse and the Unfair Competition Claim. On May 10, 2017, the court ruled on the motions to dismiss, denying ChromaDex, Inc.'s motion as to Elysium's fraud and patent misuse claims and granting ChromaDex, Inc.'s motion with prejudice as to Elysium's Unfair Competition Claim. With respect to Elysium's motion, the court granted the motion with prejudice as to ChromaDex, Inc.'s fraud claim and granted with leave to amend the motion as to ChromaDex, Inc.'s trade secret misappropriation claims. On May 24, 2017, ChromaDex, Inc. answered the first amended counterclaim and asserted several affirmative defenses. Also on May 24, 2017, ChromaDex, Inc. filed a second amended complaint, amending the trade secret misappropriation claims and addressing Elysium's patent misuse counterclaim. On June 7, 2017, ChromaDex, Inc. filed a third amended complaint dismissing the trade secret misappropriation claims and asserting two breach of contract claims for Elysium's failure to pay for the product delivered. On June 16, 2017, Elysium answered the third amended complaint. On August 14, 2017, ChromaDex, Inc. moved for judgment on the pleadings as to Elysium's declaratory judgment of patent misuse counterclaim. On September 26, 2017, the court denied ChromaDex's motion without prejudice and directed Elysium to file an amended counterclaim if it intended to maintain its declaratory judgment counterclaim. On October 11, 2017, Elysium filed a second amended counterclaim, re-alleging the claims in the first amended counterclaim and adding a claim for unjust enrichment and restitution of the royalties Elysium paid to ChromaDex, Inc. pursuant to the License Agreement. On October 25, 2017, ChromaDex, Inc. filed a motion to dismiss the declaratory judgment of patent misuse and unjust enrichment claims and/or strike allegations in the unjust enrichment claim contained in the second amended counterclaim. The court has not yet ruled on the motion.

On July 17, 2017, Elysium filed petitions with the U.S. Patent and Trademark Office for inter partes review of U.S. Patent No. 8,197,807 and 8,383,086, patents to which ChromaDex, Inc. is the exclusive licensee.

On September 27, 2017, Elysium filed a complaint in the United States District Court for the Southern District of New York, naming ChromaDex, Inc. as defendant (the "SDNY Complaint"). Elysium alleges in the SDNY Complaint that ChromaDex, Inc. made false and misleading statements in a citizen petition to the Food and Drug Administration it filed on or about August 18, 2017. Among other allegations, Elysium avers that the citizen petition was filed with intent to injure Elysium's position in the marketplace, that it falsely described Elysium's product as dangerous, and that it misleadingly omitted material facts which made Elysium's product appear dangerous, while casting ChromaDex, Inc.'s own products as safe. The SDNY Complaint asserts four claims for relief: (i) false advertising under the Lanham Act, 15 U.S.C. § 1125(a)(1); (ii) trade libel; (iii) deceptive business practices under New York General Business Law § 349; and (iv) tortious interference with business relations. ChromaDex, Inc. disputes the claims in the SDNY Complaint and intends to defend against them vigorously. On October 19, 2017, ChromaDex, Inc. filed a motion to dismiss the SDNY Complaint. In its motion, ChromaDex, Inc. argued that the SDNY Complaint should be dismissed because its statements in the citizen petition are immunized from all of Elysium's claims under the Noerr-Pennington Doctrine, the litigation privilege, and New York's Anti-SLAPP statute, and because the SDNY Complaint failed to state a claim under Federal Rule of Civil Procedure 12(b)(6). Elysium filed its opposition papers on November 2, 2017. ChromaDex, Inc.'s reply, if any, is due on November 9, 2017.

On October 26, 2017, ChromaDex, Inc. filed a complaint in the United States District Court for the Southern District of New York, naming Elysium as defendant (the "ChromaDex SDNY Complaint"). ChromaDex alleges in the ChromaDex SDNY Complaint that Elysium made material false and misleading statements to consumers in the promotion, marketing, and sale of its health supplement product, Basis, by deceiving consumers into erroneously believing: (1) the product is "safe" and "pure" when its current Basis product has not been sufficiently tested to support those claims; (2) the product has been approved or otherwise endorsed by the Food and Drug Administration; and (3) the product has been approved or endorsed by prominent scientists and prestigious academic institutions, among other allegations. The ChromaDex SDNY Complaint asserts five claims for relief: (i) false advertising under the Lanham Act, 15 U.S.C. §1125(a); (ii) unfair competition under 15 U.S.C. § 1225(a); (iii) deceptive business practices under New York General Business Law § 349; (iv) deceptive business practices under New York General Business Law § 350; and (v) tortious interference with prospective economic advantage. Elysium has indicated that it intends on moving to dismiss the ChromaDex SDNY Complaint. On November 3, 2017, the Court consolidated the SDNY Complaint and the ChromaDex SDNY Complaint actions, and stayed discovery in both actions pending a Court ordered mediation. Briefing on the motion to dismiss the SDNY Complaint and the expected motion to dismiss the ChromaDex SDNY Complaint will continue in the interim.

As of September 30, 2017, ChromaDex, Inc. did not accrue a potential loss for the Counterclaim or the SDNY Complaint because ChromaDex, Inc. believes that the allegations are without merit and thus it is not probable that a liability had been incurred, and the amount of loss cannot be reasonably estimated.

From time to time we are involved in legal proceedings arising in the ordinary course of our business. We believe that there is no other litigation pending that is likely to have, individually or in the aggregate, a material adverse effect on our financial condition or results of operations.

Lease

On July 6, 2017, the Company entered into a lease for an office space located in Los Angeles, California through September 2021. Pursuant to the lease, the Company will make monthly lease payments ranging from approximately $11,000 to $21,000, as the payments escalate during the term of the lease.

Employment agreement with Robert Fried

On March 12, 2017, the Company entered into an Employment Agreement (the "Fried Agreement") with Robert Fried. Mr. Fried is entitled to receive certain severance payments per the terms of the Fried Agreement. The key terms of the Fried Agreement, including the severance terms are as follows:

Mr. Fried is entitled to: (i) an annual base salary of $300,000; (ii) an annual cash bonus equal to (a) 1% of net direct-to-consumer sales of products with nicotinamide riboside as a lead ingredient by the Company plus (b) 2% of direct to consumer net sales of products with nicotinamide riboside as a lead ingredient for the portion of such sales that exceeded prior year sales plus (c) 1% of the gross profit derived from nicotinamide riboside ingredient sales to dietary supplement producers; (iii) an option to purchase up to 500,000 shares of Common Stock under the 2007 plan, subject to monthly vesting over a three-year period; and (iv) 166,667 shares of restricted Common Stock, subject to annual vesting over a three-year period.

Subject to Mr. Fried's continuous service through such date, Mr. Fried is also eligible to receive (i) on March 12, 2018, 166,667 shares of restricted Common Stock, subject to annual vesting over a two-year period, (ii) on March 12, 2019, 166,666 shares of restricted Common Stock that vest in full on the one year anniversary of the grant date and (iii) up to 500,000 shares of fully-vested restricted Common Stock that will be granted upon the achievement of certain performance goals. Any unvested options or shares of restricted stock will vest in full upon (a) a change in control of the Company, (b) Mr. Fried's death, (c) Mr. Fried's disability, (d) termination by the Company of Mr. Fried's employment without cause or (e) Mr. Fried's resignation for good reason, subject in each case to Mr. Fried's continuous service as an employee or consultant of the Company or any of its subsidiaries though such event.

The severance terms of the Fried Agreement provide that if (i) Mr. Fried's employment is terminated by the Company without cause, for death or disability, or Mr. Fried resigns for good reason, or (ii) (a) a change in control of the Company occurs and (b) within one month prior to the date of such change in control or twelve months after the date of such change in control R. Fried's employment is terminated by the Company other than for cause, then, subject to executing a release, Mr. Fried will receive (w) continuation of his base salary for 12 months, (x) health care continuation coverage payments premiums for 12 months, (y) a prorated annual cash bonus earned for the fiscal year in which such termination or resignation occurs, and (z) an extended exercise period for his options.

Employment agreement with Kevin Farr

Subsequent to the period ended September 30, 2017, the Company entered into an agreement with Thomas C. Varvaro whereby Mr. Varvaro will no longer serve as the Company's Chief Financial Officer, Secretary, principal financial officer and principal accounting officer. The Company expects that Mr. Varvaro will transition from the Company over the coming months to pursue other opportunities. During this transition Mr. Varvaro will serve as the Company's Senior Vice President, Finance. Subsequent to the period ended September 30, 2017, the Company entered into an Employee Agreement (the Farr Agreement) with Kevin M. Farr who was appointed by the Board to serve as Chief Financial Officer, Secretary, principal accounting officer and principal financial officer, to replace the vacancies created by Mr. Varvaro's transition. Mr. Farr is entitled to receive certain severance payments per the terms of the Farr Agreement. The key terms of the Farr Agreement, including the severance terms are as follows:

Mr. Farr is entitled to: (i) an annual base salary of $300,000 and (ii) a discretionary annual bonus based on the achievement of certain performance goals to be determined by the Board. Pursuant to the Farr Agreement, Mr. Farr also received an option to purchase up to 1,000,000 shares of ChromaDex common stock under the ChromaDex 2017 Equity Incentive Plan, subject to monthly vesting over a three-year period, with an exercise price equal to $4.24 per share. The options will fully vest if the Company's stock price equals or exceeds $10 per share for over the previous 20 trading days.

If Mr. Farr's employment is terminated by the Company without cause or Mr. Farr resigns for good reason, then, subject to executing a release, Mr. Farr will receive (i) continuation of his base salary for 12 months, (ii) COBRA premiums for 12 months, (iii) a prorated annual cash bonus, based on the good faith determination of the Board of the actual results and period of employment during the year of such termination, (iv) accelerated vesting of time-based equity that would have otherwise become vested by the one year anniversary of such termination date and (v) an extended exercise period for his options.

Note 13. Other Expense

Loss from an ongoing litigation, Elysium

During the nine months ended September 30, 2017, the Company, in relation to the ongoing litigation, incurred a write-off of approximately $746,000 in gross trade receivable from Elysium related to royalties. As a result of this write-off and after further analysis, the Company made an adjustment to the total allowance amount from ($800,000) to ($500,000).

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 "believe," 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 December 31, 2016 filed with the Securities and Exchange Commission on March 16, 2017 (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 September 30, 2017 compared with the three and nine months ended October 1, 2016 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 Corporation, and depending on the context, its subsidiaries.

Company Overview

The business of ChromaDex Corporation is conducted by our principal subsidiaries, ChromaDex, Inc., Healthspan Research, LLC, ChromaDex Analytics, Inc. and ChromaPharma, Inc. The Company is a natural products company that 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. Through the Company's ingredients segment, the Company offers its branded ingredients such as NIAGEN®, nicotinamide riboside, and pTeroPure®, pterostilbene. With the acquisition of Healthspan Research, LLC in March 2017, the Company established a consumer product segment, which offers finished bottled dietary supplement products that contain NIAGEN®. The Company also has a core standards and contract services segment, which focuses on natural product fine chemicals (known as "phytochemicals") and regulatory consulting services. 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. The Company then utilizes its business to develop commercially viable proprietary ingredients. The Company's proprietary 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.

As of September 30, 2017, the Company had approximately $24.0 million cash and cash equivalents on hand. On April 26, 2017, the Company entered into a Securities Purchase Agreement with certain purchasers named therein, pursuant to which the Company agreed to sell and issue up to $25.0 million of its Common Stock in three tranches. All three tranches closed and the Company received approximately $23.7 million net of offering costs. On September 5, 2017, the Company completed the sale of is operating assets that were used with the Company's quality verification program testing and analytical chemistry business for food and food related products (the "Lab Business") to Covance Laboratories Inc. ("Covance"), and received net proceeds of approximately $6.0 million, net of transaction costs. Additional cash consideration of $0.8 million is currently held in escrow to satisfy any potential indemnification claims by Covance.

Subsequent to the period ended September 30, 2017, the Company entered into a securities purchase agreement for the sale of approximately $23.0 million of its common stock in a private placement, in return for which the purchaser will receive approximately 5.6 million shares at a per share price of $4.10. The private placement is expected to close on or about November 17, 2017, subject to the satisfaction of customary closing conditions.

We anticipate that our current cash, cash equivalents, cash to be generated from operations and cash to be received from the private placement described above will be sufficient to meet our projected operating plans into 2019. We may, however, seek additional capital prior to 2019, both to meet our projected operating plans after 2018 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.

Financial Condition and Results of Operations

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.

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 Food and Drug Administration (the "FDA"), Federal Trade Commission 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.

Our net sales from continuing operations and net income (loss) for the three- and nine-month periods ending on September 30, 2017 and October 1, 2016 were as follows:

	Three months ending		Nine months ending	
	Sep. 30, 2017	Oct. 1, 2016	**Sep. 30, 2017**	Oct. 1, 2016
Net sales	**$ 6,085,000**	$ 3,937,000	**$ 13,671,000**	17,212,000
Net income (loss)	**2,137,000**	(954,000)	**(2,556,000)**	(781,000)
Basic earnings (loss) per common share	**$ 0.05**	$ (0.03)	**$ (0.06)**	$ (0.02)
Diluted earnings (loss) per common share	**$ 0.04**	$ (0.03)	**$ (0.06)**	$ (0.02)

Over the next twelve months, we plan to continue to increase (i) research and development efforts for our line of proprietary ingredients and (ii) marketing efforts for our consumer products that contain our proprietary ingredients, subject to available financial resources.

Net Sales

Net sales consist of gross sales less discounts and returns.

	Three months ending			Nine months ending		
	Sep. 30, 2017	Oct. 1, 2016	Change	**Sep. 30, 2017**	Oct. 1, 2016	Change
Net sales:						
Ingredients	**$ 2,460,000**	$ 2,663,000	-8%	**$ 7,393,000**	$13,506,000	-45%
Consumer products	**2,647,000**	-	-	**2,803,000**	-	-
Core standards and contract services	**978,000**	1,274,000	-23%	**3,475,000**	3,706,000	-6%
Total net sales	**$ 6,085,000**	$ 3,937,000	55%	**$13,671,000**	$17,212,000	-21%

- The decrease in sales for the ingredients segment for the three and nine months ended September 30, 2017 is mainly due to decreased sales of "NIAGEN®." In an effort to promote and better market the Company's TRU NIAGEN™ branded consumer product, the Company made a strategic decision to not ship NIAGEN® to certain customers in 2017.
- With the acquisition of Healthspan Research LLC in March 2017, the Company began selling consumer products that contain the Company's branded NIAGEN® ingredient. Segregation of the financial results for the consumer products segment coincides with the Company's strategic shift towards the consumer products segment which has driven increased sales. The Company expects the sales for consumer products segment to grow over the next twelve months.
- The decrease in sales for the core standards and contract services segment is primarily due to decreased sales of regulatory consulting services as fewer consulting projects were completed.

Cost of Sales

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

	Three months ending				Nine months ending			
	Sep. 30, 2017		Oct. 1, 2016		**Sep. 30, 2017**		Oct. 1, 2016	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
Cost of sales:								
Ingredients	**$ 1,384,000**	56%	$ 1,287,000	48%	**$ 3,615,000**	49%	$ 6,421,000	48%
Consumer products	**1,095,000**	41%	-	-	**1,136,000**	41%	-	-
Core standards and contract services	**690,000**	71%	787,000	62%	**2,277,000**	66%	2,410,000	65%
Total cost of sales	**$ 3,169,000**	52%	$ 2,074,000	53%	**$ 7,028,000**	51%	$ 8,831,000	51%

The cost of sales, as a percentage of net sales, decreased 1% and stayed flat for the three- and nine-month periods ended September 30, 2017, respectively, compared to the comparable periods in 2016.

- The cost of sales, as a percentage of net sales, for the ingredients segment increased 8% and 1% for the three- and nine-month periods, respectively. During the three-month period ended September 30, 2017, we had one-time write-off of our NIAGEN® related inventory of approximately $183,000 which resulted in higher cost of sales. .
- The cost of sales, as a percentage of net sales for the core standards and contract services segment, increased 9% and 1% for the three- and nine-month periods ended September 30, 2017, compared to the comparable periods in 2016. The decrease in regulatory consulting sales for the three-month period ended September 30, 2017 led to a lower labor utilization rate, which resulted in increasing our cost of sales as a percentage of net sales.

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		
	Sep. 30, 2017	Oct. 1, 2016	Change	**Sep. 30, 2017**	Oct. 1, 2016	Change
Gross profit:						
Ingredients	**$ 1,076,000**	$ 1,376,000	-22%	**$ 3,778,000**	$ 7,084,000	-47%
Consumer products	**1,552,000**	-	-	**1,667,000**	-	-
Core standards and contract services	**287,000**	487,000	-41%	**1,197,000**	1,296,000	-8%
Total gross profit	**$ 2,915,000**	$ 1,863,000	56%	**$ 6,642,000**	$ 8,380,000	-21%

- The decreased gross profit for the ingredients segment for the three and nine months ended September 30, 2017 is due to the decreased sales of "NIAGEN®" in connection with the strategic decision to not ship NIAGEN® to certain customers in 2017 to better promote the Company's consumer products.
- The consumer products segment posted gross profit of $1.6 million and $1.7 million, respectively for the three- and nine-month periods ending in September 30, 2017. The Company expects the sales and gross profit for consumer products segment to grow over the next twelve months.
- The decreased gross profit for the core standards and contract services segment is largely due to the decreased sale of regulatory consulting services. Fixed labor costs make up the majority of costs of regulatory consulting services and these fixed labor costs did not decrease in proportion to sales, hence yielding lower profit margin

Operating Expenses-Sales and Marketing

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

	Three months ending			Nine months ending		
	Sep. 30, 2017	Oct. 1, 2016	Change	**Sep. 30, 2017**	Oct. 1, 2016	Change
Sales and marketing expenses:						
Ingredients	**$ 390,000**	$ 199,000	96%	**$ 960,000**	$ 931,000	3%
Consumer products	**549,000**	-	-	**738,000**	-	-
Core standards and contract services	**164,000**	88,000	86%	**360,000**	259,000	39%
Total sales and marketing expenses	**$ 1,103,000**	$ 287,000	284%	**$ 2,058,000**	$ 1,190,000	73%

- For the consumer products segment, we have increased staffing as well as direct marketing expenses associated with social media and other customer awareness and acquisition programs. We will continue to expand both staffing as well as increase other marketing expense as we invest in building out our own global branded consumer product business.
- For the ingredients segment, the increase for the three months ended September 30, 2017 is largely due to the hiring of additional staff.
- For the core standards and contract services segment, the increase for the three and nine months ended September 30, 2017 is mainly due to our increased marketing efforts.

Operating Expenses-Research and Development

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

	Three months ending			Nine months ending		
	Sep. 30, 2017	Oct. 1, 2016	Change	**Sep. 30, 2017**	Oct. 1, 2016	Change
Research and development expenses:						
Ingredients	**$ 559,000**	$ 760,000	-26%	**$ 2,022,000**	$ 1,961,000	3%
Consumer products	**482,000**	-	-	**$ 533,000**	-	-
Core standards and contract services	**-**	13,000	-100%	**-**	28,000	-100%
Total sales and marketing expenses	**$ 1,041,000**	$ 773,000	35%	**$ 2,555,000**	$ 1,989,000	28%

- In 2017, we began allocating the research and development expenses related to our "NIAGEN®" branded ingredient to the ingredients and consumer products segment, based on revenues recorded. Previously, these expenses were recorded all in the ingredients segment. Overall, we increased our research and development efforts compared to 2016. 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.

Operating Expenses-General and Administrative

General and administrative expenses consist of general company administration, IT, accounting and executive management expenses.

	Three months ending			Nine months ending		
	Sep. 30, 2017	Oct. 1, 2016	Change	**Sep. 30, 2017**	Oct. 1, 2016	Change
General and administrative	**$ 3,948,000**	$ 1,727,000	129%	**$ 8,883,000**	$ 5,935,000	50%

- The increase was primarily related to legal expenses. For the three- and nine-month periods ended September 30, 2017, our legal expenses increased to approximately $1,415,000 and $2,686,000, respectively, compared to approximately $312,000 and $735,000, respectively, for the comparable periods in 2016. The ongoing litigation with Elysium Health, Inc. and our increased efforts to file and maintain patents related to the proprietary ingredient technologies were the main reasons for the increase in legal expenses. We also incurred significant legal expenses related to the sale of the Lab Business as well as the private placement of equity, however, these expenses were recorded as transaction costs.
- In addition our share-based compensation expense increased. For the three- and nine-month periods ended September 30, 2017, our share-based compensation expense increased to approximately $491,000 and $1,211,000 compared to approximately $272,000 and $930,000 for the comparable periods in 2016.

Operating Expense-Other

Other expense consists of loss from an ongoing litigation.

	Three months ending			Nine months ending		
	Sep. 30, 2017	Oct. 1, 2016	Change	**Sep. 30, 2017**	Oct. 1, 2016	Change
Other	**$ -**	$ -		**$ 746,000**	$ -	

- During the nine months ended September 30, 2017, the Company, in relation to the ongoing litigation, incurred a write-off of approximately $746,000 in gross trade receivable from Elysium Health, Inc. related to royalties.

Non-operating Expenses- Interest Expense, net

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

	Three months ending			Nine months ending		
	Sep. 30, 2017	Oct. 1, 2016	Change	**Sep. 30, 2017**	Oct. 1, 2016	Change
Interest expense, net	**$ 45,000**	$ 2,000	2150%	**$ 109,000**	$ 315,000	-65%

The decrease in interest expense for the nine months ended September 30, 2017 was mainly due to the term loan from Hercules Technology II, L.P. 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.

Income Taxes

At September 30, 2017 and October 1, 2016, 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 September 30, 2017 and October 1, 2016, respectively.

Depreciation and Amortization

Depreciation expense for the nine-month period ended September 30, 2017 was approximately $396,000 as compared to $234,000 for the nine-month period ended October 1, 2016. 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 September 30, 2017 was approximately $148,000 as compared to $63,000 for the nine-month period ended October 1, 2016. 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 through September 30, 2017, we have incurred aggregate losses of approximately $48 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 September 30, 2017, the Company entered into a securities purchase agreement for the sale of approximately $23.0 million of its common stock in a private placement, in return for which the purchaser will receive approximately 5.6 million shares at a per share price of $4.10. The private placement is expected to close on or about November 17, 2017, subject to the satisfaction of customary closing conditions.

While we anticipate that our current cash, cash equivalents, cash to be generated from operations and cash to be received from the private placement described above will be sufficient to meet our projected operating plans into 2019, 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.

Net cash used in operating activities

Net cash used in operating activities for the nine months ended September 30, 2017 was approximately $6,037,000 as compared to approximately $3,128,000 for the nine months ended October 1, 2016. Along with the net loss, a decrease in accounts payable and an increase in prepaid expenses were the largest uses of cash during the nine-month period ended September 30, 2017, partially offset by the decrease in trade receivables and inventories. Net cash used in operating activities for the nine months ended October 1, 2016 largely reflects a decrease in accounts payable and an increase in trade receivables 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.

Net cash provided by (used in) investing activities

Net cash provided by investing activities was approximately $4,897,000 for the nine months ended September 30, 2017, compared to approximately $1,146,000 used in for the nine months ended October 1, 2016. Net cash provided by investing activities for the nine months ended September 30, 2017 primarily consisted of net proceeds from the sale of the Lab Business. 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 provided by financing activities

Net cash provided by financing activities was approximately $23,497,000 for the nine months ended September 30, 2017, compared to approximately $989,000 for the nine months ended October 1, 2016. Net cash provided by financing activities for the nine months ended September 30, 2017 mainly consisted of proceeds from issuance of our common stock. Net cash provided by financing activities for the nine months ended October 1, 2016 mainly consisted of proceeds from the issuance 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.

Contractual Obligations and Commitments

During the nine months ended September 30, 2017, 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 September 30, 2017, we had no material off-balance sheet arrangements other than with respect to ordinary operating leases as disclosed in 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 September 30, 2017 and October 1, 2016 had a significant impact on our results of operations.

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 (the "Exchange Act"), 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 September 30, 2017, 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 Exchange Act) 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.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

As previously disclosed, on December 29, 2016, ChromaDex, Inc. filed a complaint (the "Complaint") in the United States District Court for the Central District of California, naming Elysium Health, Inc. (together with Elysium Health, LLC, "Elysium") as defendant. Among other allegations, ChromaDex, Inc. alleges in the Complaint that (i) Elysium breached the Supply Agreement, dated June 26, 2014, by and between ChromaDex, Inc. and Elysium (the "pTeroPure® Supply Agreement"), by failing to make payments to ChromaDex, Inc. for purchases of pTeroPure® pursuant to the pTeroPure® Supply Agreement, (ii) Elysium breached the Supply Agreement, dated February 3, 2014, by and between ChromaDex, Inc. and Elysium, as amended (the "NIAGEN® Supply Agreement"), by failing to make payments to ChromaDex, Inc. for purchases of NIAGEN® pursuant to the NIAGEN® Supply Agreement, (iii) Elysium breached the Trademark License and Royalty Agreement, dated February 3, 2014, by and between ChromaDex, Inc. and Elysium (the "License Agreement"), by failing to make payments to ChromaDex, Inc. for royalties due pursuant to the License Agreement and (iv) certain officers of Elysium made false promises and representations to induce ChromaDex, Inc. into providing large supplies of pTeroPure® and NIAGEN® to Elysium pursuant to the pTeroPure® Supply Agreement and NIAGEN® Supply Agreement. ChromaDex, Inc. is seeking punitive damages, money damages and interest.

On January 25, 2017, Elysium filed an answer and counterclaims (the "Counterclaim") in response to the Complaint. Among other allegations, Elysium alleges in the Counterclaim that (i) ChromaDex, Inc. breached the NIAGEN® Supply Agreement by not issuing certain refunds or credits to Elysium and for violating certain confidential information provisions, (ii) ChromaDex, Inc. breached the implied covenant of good faith and fair dealing pursuant to the NIAGEN® Supply Agreement, (iii) ChromaDex, Inc. breached certain confidential provisions of the pTeroPure® Supply Agreement, (iv) ChromaDex, Inc. fraudulently induced Elysium into entering into the License Agreement (the "Fraud Claim"), (v) ChromaDex, Inc.'s conduct constitutes misuse of its patent rights (the "Patent Claim") and (vi) ChromaDex, Inc. has engaged in unlawful or unfair competition under California state law (the "Unfair Competition Claim"). Elysium is seeking damages for ChromaDex, Inc.'s alleged breaches of the NIAGEN® Supply Agreement and pTeroPure® Supply Agreement, and compensatory damages, punitive damages and/or rescission of the License Agreement and restitution of any royalty payments conveyed by Elysium pursuant to the License Agreement, and a declaratory judgment that ChromaDex, Inc. has engaged in patent misuse.

On February 15, 2017, ChromaDex, Inc. filed an amended complaint. In the amended complaint, ChromaDex, Inc. re-alleges the claims in the Complaint, and also alleges that Elysium willfully and maliciously misappropriated ChromaDex, Inc.'s trade secrets. On February 15, 2017, ChromaDex, Inc. also filed a motion to dismiss the Fraud Claim, the Patent Claim and the Unfair Competition Claim. On March 1, 2017, Elysium filed a motion to dismiss ChromaDex, Inc.'s fraud and trade secret misappropriation causes of action. On March 6, 2017, Elysium filed a first amended counterclaim. On March 20, 2017, ChromaDex, Inc. moved to dismiss Elysium's amended fraud, declaratory judgment of patent misuse and the Unfair Competition Claim. On May 10, 2017, the court ruled on the motions to dismiss, denying ChromaDex, Inc.'s motion as to Elysium's fraud and declaratory judgment claims and granting ChromaDex, Inc.'s motion with prejudice as to Elysium's Unfair Competition Claim. With respect to Elysium's motion, the court granted the motion with prejudice as to ChromaDex, Inc.'s fraud claim and granted with leave to amend the motion as to ChromaDex, Inc.'s trade secret misappropriation claims. On May 24, 2017, ChromaDex, Inc. answered the first amended counterclaim and asserted several affirmative defenses. Also on May 24, 2017, ChromaDex, Inc. filed a second amended complaint, amending the trade secret misappropriation claims and addressing Elysium's declaratory judgment of patent misuse counterclaim. On June 7, 2017, ChromaDex, Inc. filed a third amended complaint dismissing the trade secret misappropriation claims and asserting two breach of contract claims for Elysium's failure to pay for the product delivered. On June 16, 2017, Elysium answered the third amended complaint. On August 14, 2017, ChromaDex, Inc. moved for judgment on the pleadings as to Elysium's declaratory judgment of patent misuse counterclaim. On September 26, 2017, the court denied ChromaDex's motion without prejudice and directed Elysium to file an amended counterclaim if it intended to maintain its declaratory judgment counterclaim. On October 11, 2017, Elysium filed a second amended counterclaim, re-alleging the claims in the first amended counterclaim and adding a claim for unjust enrichment and restitution of the royalties Elysium paid to ChromaDex, Inc. pursuant to the License Agreement. On October 25, 2017, ChromaDex, Inc. filed a motion to dismiss the declaratory judgment of patent misuse and unjust enrichment claims and/or strike allegations in the unjust enrichment claim contained in the second amended counterclaim. The court has not yet ruled on the motion.

On July 17, 2017, Elysium filed petitions with the U.S. Patent and Trademark Office for inter partes review of U.S. Patent No. 8,197,807 and 8,383,086, patents to which ChromaDex, Inc. is the exclusive licensee.

On September 27, 2017, Elysium filed a complaint in the United States District Court for the Southern District of New York, naming ChromaDex, Inc. as defendant (the "SDNY Complaint"). Elysium alleges in the SDNY Complaint that ChromaDex, Inc. made false and misleading statements in a citizen petition to the Food and Drug Administration it filed on or about August 18, 2017. Among other allegations, Elysium avers that the citizen petition was filed with intent to injure Elysium's position in the marketplace, that it falsely described Elysium's product as dangerous, and that it misleadingly omitted material facts which made Elysium's product appear dangerous, while casting ChromaDex, Inc.'s own products as safe. The SDNY Complaint asserts four claims for relief: (i) false advertising under the Lanham Act, 15 U.S.C. § 1125(a)(1); (ii) trade libel; (iii) deceptive business practices under New York General Business Law § 349; and (iv) tortious interference with business relations. ChromaDex, Inc. disputes the claims in the SDNY Complaint and intends to defend against them vigorously. On October 19, 2017, ChromaDex, Inc. filed a motion to dismiss the SDNY Complaint. In its motion, ChromaDex, Inc. argued that the SDNY Complaint should be dismissed because its statements in the citizen petition are immunized from all of Elysium's claims under the Noerr-Pennington Doctrine, the litigation privilege, and New York's Anti-SLAPP statute, and because the SDNY Complaint failed to state a claim under Federal Rule of Civil Procedure 12(b)(6). Elysium filed its opposition papers on November 2, 2017. ChromaDex, Inc.'s reply, if any, is due on November 9, 2017.

On October 26, 2017, ChromaDex, Inc. filed a complaint in the United States District Court for the Southern District of New York, naming Elysium as defendant (the "ChromaDex SDNY Complaint"). ChromaDex alleges in the ChromaDex SDNY Complaint that Elysium made material false and misleading statements to consumers in the promotion, marketing, and sale of its health supplement product, Basis, by deceiving consumers into erroneously believing: (1) the product is "safe" and "pure" when its current Basis product has not been sufficiently tested to support those claims; (2) the product has been approved or otherwise endorsed by the Food and Drug Administration; and (3) the product has been approved or endorsed by prominent scientists and prestigious academic institutions, among other allegations. The ChromaDex SDNY Complaint asserts five claims for relief: (i) false advertising under the Lanham Act, 15 U.S.C. §1125(a); (ii) unfair competition under 15 U.S.C. § 1225(a); (iii) deceptive business practices under New York General Business Law § 349; (iv) deceptive business practices under New York General Business Law § 350; and (v) tortious interference with prospective economic advantage. Elysium has indicated that it intends on moving to dismiss the ChromaDex SDNY Complaint. On November 3, 2017, the Court consolidated the SDNY Complaint and the ChromaDex SDNY Complaint actions, and stayed discovery in both actions pending a Court ordered mediation. Briefing on the motion to dismiss the SDNY Complaint and the expected motion to dismiss the ChromaDex SDNY Complaint will continue in the interim.

While ChromaDex, Inc. expresses no opinion as to the ultimate outcome of these matters, ChromaDex, Inc. believes Elysium's allegations are without merit and will vigorously defend against them. As of September 30, 2017, ChromaDex, Inc. did not accrue a potential loss for the Counterclaim or the SDNY Complaint because ChromaDex, Inc. believes that the allegations are without merit and thus it is not probable that a liability had been incurred, and the amount of loss cannot be reasonably estimated.

From time to time we are involved in legal proceedings arising in the ordinary course of our business. We believe that there is no other litigation pending that is 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 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 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, may need additional financing to meet our future long-term capital requirements and may be unable to raise sufficient capital on favorable terms or at all.

We have recorded a net loss of approximately $2,556,000 for the nine months ended September 30, 2017, 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 $2,928,000, $2,771,000 and $5,388,000 for the years ended December 31, 2016, January 2, 2016 and January 3, 2015, respectively. As of September 30, 2017, our accumulated deficit was approximately $47.8 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 September 30, 2017, the Company entered into a securities purchase agreement for the sale of approximately $23.0 million of its common stock in a private placement, in return for which the purchaser will receive approximately 5.6 million shares at a per share price of $4.10. The private placement is expected to close on or about November 17, 2017, subject to the satisfaction of customary closing conditions.

While we anticipate that our current cash, cash equivalents, cash to be generated from operations and cash to be received from the private placement described above will be sufficient to meet our projected operating plans into 2019, 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.

Our capital requirements will depend on many factors.

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, including expenses involved with our ongoing litigation with Elysium.

As a result of these factors, we may seek to raise additional capital prior to November 2018 both to meet our projected operating plans after November 2018 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 are currently engaged in substantial and complex litigation with Elysium, the oucome of which could materially harm our business and financial results.

We are currently engaged in litigation with Elysium, a customer that represented 19% of our net sales for the year ended December 31, 2016. Elysium has made no purchases from us since August 9, 2016. The litigation includes multiple complaints and counterclaims by us and Elysium in venues in California and New York, as well as a petition by Elysium with the U.S. Patent and Trademark Office for inter partes review of two patents to which we are the exclusive licensee. For further details on this litigation, please refer to Part II, Item 1 of this Quarterly Report on Form 10-Q.

The litigation is substantial and complex, and it has and could continue to cause us to incur significant costs, as well as distract our management over an extended period of time. The litigation may substantially disrupt our business and we cannot assure you that we will be able to resolve the litigation on terms favorable to us. If we are unsuccessful in resolving the litigation on favorable terms to us, we may be forced to pay compensatory and punitive damages and restitution for any royalty payments that we received from Elysium, which payments could materially harm our business, or be subject to other remedies, including injunctive relief. Further, if we are unsuccessful in resolving the Patent Claim on favorable terms, or if the U.S. Patent and Trademark Office invalidates the two patents subject to the inter partes review, we may lose the competitive advantage that is provided by the subject intellectual property rights, which would have a material adverse effect on our business. In addition, Elysium has not paid us approximately $2.7 million for previous purchase orders. We may not collect the full amount owed to us by Elysium, and as a result, we may have to write off a large portion of that amount as uncollectible expense. We cannot predict the outcome of our litigation with Elysium, which could have any of the results described above or other results that could materially harm our business.

Interruptions in our relationships or declines in our business with major customers could materially ham our business and financial results.

Two of our customers accounted for approximately 50% of our sales during the three months ended September 30, 2017. Any interruption in our relationship or decline in our business with these customers or other customers upon whom we become highly dependent could cause harm to our business. Factors that could influence our relationship with our customers upon whom we may become highly dependent 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.

**** In an effort to promote and better market our consumer products, we have made a strategic decision to not ship NIAGEN® to certain ingredient segment customers, which could potentially harm our overall sales.***

By developing and selling TRU NIAGEN®, our own consumer standalone NIAGEN® supplement product, we are in direct competition with some of our current ingredients segment customers that use NIAGEN® in the products that are sold to consumers. In an effort to promote and better market our consumer product, we have made a strategic decision to not ship NIAGEN® to certain ingredient segment customers, which will have a negative effect on our ingredient segment sales. For example, sales for our ingredients segment for the nine-month period ended September 30, 2017 decreased 45% compared to the same period in 2016. Additionally, as our own consumer product becomes more prominent and widely adopted by consumers, the competition with our consumer product could potentially further harm the sales of our ingredients segment business, and our sales of NIAGEN® for our ingredients segment may further decrease. The sales of our consumer product may not outweigh the decrease in sales of our ingredients segment, which would lead to an overall decrease in our sales. Sales for our ingredients segment represented approximately 63% of the Company's revenue for 2016, and sales of NIAGEN® accounted for approximately 71% of our ingredient segment's total sales in 2016, or 45% of our overall revenue, so any harm to our NIAGEN® ingredient sales, if not compensated for by sales of our consumer product, may materially and negatively affect our business.

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 lines 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 may need to increase the size of our organization, and we can provide no assurance that we will successfully expand operations or manage growth effectively.

Our significant increase in the scope and the scale of our product launches, 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 our results of operations.

****Changes in our business strategy, including entering the consumer product market, or restructuring of our businesses may increase our costs or otherwise affect the profitability of our businesses.***

As changes in our business environment occur we may adjust our business strategies to meet these changes or we may otherwise decide to restructure our operations or particular businesses or assets. In addition, external events including changing technology, changing consumer patterns and changes in macroeconomic conditions may impair the value of our assets. When these changes or events occur, we may incur costs to change our business strategy and may need to write down the value of assets. In any of these events, our costs may increase, we may have significant charges associated with the write-down of assets or returns on new investments may be lower than prior to the change in strategy or restructuring. For example, if we are not successful in developing our consumer product business, our sales may decrease and our costs may increase.

****The success of our ingredient and consumer product 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.

Our future growth and profitability of our consumer product business will depend in large part upon the effectiveness and efficiency of our marketing expenditures and our ability to select effective markets and media in which to advertise.

Our consumer products business success depends on our ability to attract and retain customers, which significantly depends on our marketing practices. Our future growth and profitability will depend in large part upon the effectiveness and efficiency of our marketing expenditures, including our ability to:

- create greater awareness of our brand;
- identify the most effective and efficient levels of spending in each market, media and specific media vehicle;
- determine the appropriate creative messages and media mix for advertising, marketing and promotional expenditures;
- effectively manage marketing costs (including creative and media) in order to maintain acceptable customer acquisition costs;
- acquire cost-effective television advertising;
- select the most effective markets, media and specific media vehicles in which to advertise; and
- convert consumer inquiries into actual orders.

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.

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 and consumer product supplier we market and manufacture 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.

****If we experience product recalls, we may incur significant and unexpected costs, and our business reputation could be adversely affected.***

We may be exposed to product recalls and adverse public relations if our products are mislabeled or alleged to cause injury or illness, or if we are alleged to have violated governmental regulations. A product recall could result in substantial and unexpected expenditures, which would reduce operating profit and cash flow. In addition, a product recall may require significant management attention. Product recalls may hurt the value of our brands and lead to decreased demand for our products. Product recalls also may lead to increased scrutiny by federal, state or international regulatory agencies of our operations and increased litigation and could have a material adverse effect on our business, results of operations, financial condition and cash flows.

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

We depend greatly on Frank L. Jaksch Jr., Kevin M. Farr, Troy A. Rhonemus and Robert N. Fried who are our Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and President and Chief Strategy 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;
- disputes and litigation with competitors;
- 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.

We face significant competition, including changes in pricing.

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.

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.

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. As further described in Part II, Item 1 of this Quarterly Report on Form 10-Q, we are currently involved in patent litigation, as Elysium is claiming that we misused certain patent rights, and has filed a petition with the U.S. Patent and Trademark Office for inter partes review of two patents to which we are the exclusive licensee. If we are unsuccessful in resolving the patent misuse claim on favorable terms, or if the U.S. Patent and Trademark Office invalidates the two patents subject to the inter partes review, we may lose the competitive advantage that is provided by the subject intellectual property rights, which could have a material adverse effect on our business. 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. For example, as further described in Part II, Item 1 of this Quarterly Report on Form 10-Q, we are currently involved in patent litigation, as Elysium is claiming that we misused certain patent rights, and has filed a petition with the U.S. Patent and Trademark Office for inter partes review of two patents to which we are the exclusive licensee. If we are unsuccessful in resolving the patent misuse claim on favorable terms, or if the U.S. Patent and Trademark Office invalidates the two patents subject to the inter partes review, we may lose the competitive advantage that is provided by the subject intellectual property rights, which could have a material adverse effect on our business.

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 products 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. As further described in Part II, Item 1 of this Quarterly Report on Form 10-Q, Elysium has filed a petition with the U.S. Patent and Trademark Office for inter partes review of two patents to which we are the exclusive licensee. Pursuant to the exclusive license agreement with the Trustees of Dartmouth College ("Dartmouth"), Dartmouth controls all future preparation, filing, prosecution and maintenance of the two patents subject to such inter partes review.

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. As further described in Part II, Item 1 of this Quarterly Report on Form 10-Q, we are currently involved in substantial and complex litigation with Elysium. 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.

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 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.

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 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 write-downs 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.

If we experience a significant disruption in our information technology systems or if we fail to implement new systems and software successfully, our business could be adversely affected.

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.

****Our cash flows and capital resources may be insufficient to make required payments on future indebtedness.***

On November 4, 2016, we entered into entered into a business financing agreement (the “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. 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. 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.

As of September 30, 2017 and November 8, 2017, we did not have any indebtedness under the Financing Agreement. However, we may incur indebtedness in the future and such indebtedness could have important consequences to you. For example, it could:

- make it difficult for us to satisfy our other debt obligations;
- make us more vulnerable to general adverse economic and industry conditions;
- limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions and other general corporate requirements;
- expose us to interest rate fluctuations because the interest rate on the debt under the Financing Agreement is variable;
- require us to dedicate a portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow for operations and other purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and
- place us at a competitive disadvantage compared to competitors that may have proportionately less debt and greater financial resources.

In addition, our ability to make payments or refinance our obligations depends on our successful financial and operating performance, cash flows and capital resources, which in turn depend upon prevailing economic conditions and certain financial, business and other factors, many of which are beyond our control. These factors include, among others:

- economic and demand factors affecting our industry;
- pricing pressures;
- increased operating costs;
- competitive conditions; and
- other operating difficulties.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt. In the event that we are required to dispose of material assets or operations to meet our debt service and other obligations, the value realized on such assets or operations will depend on market conditions and the availability of buyers. Accordingly, any such sale may not, among other things, be for a sufficient dollar amount. Our obligations pursuant to the Financing Agreement are secured by a security interest in all of our assets, exclusive of intellectual property. The foregoing encumbrances may limit our ability to dispose of material assets or operations. We also may not be able to restructure our indebtedness on favorable economic terms, if at all.

We may incur additional indebtedness in the future. Our incurrence of additional indebtedness would intensify the risks described above.

The Financing Agreement contains various covenants limiting the discretion of our management in operating our business.

The Financing Agreement contains various restrictive covenants that limit our management's discretion in operating our business. In particular, these instruments limit our ability to, among other things:

- incur additional debt;
- grant liens on assets;
- make investments, including capital expenditures;
- sell or acquire assets outside the ordinary course of business; and
- make fundamental business changes.

If we fail to comply with the restrictions in the Financing Agreement, a default may allow the creditors under the relevant instruments to accelerate the related debt and to exercise their remedies under these agreements, which will typically include the right to declare the principal amount of that debt, together with accrued and unpaid interest and other related amounts, immediately due and payable, to exercise any remedies the creditors may have to foreclose on assets that are subject to liens securing that debt and to terminate any commitments they had made to supply further funds.

If we are unable to maintain sales, marketing and distribution capabilities or 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 our product lines and/or technologies at favorable prices. In addition to being expensive, maintaining such a sales force is time-consuming. Qualified direct sales personnel with experience in the natural products 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.

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 customers' 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 in the United States, strictly regulate the pharmaceutical, dietary supplement, food and cosmetic 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.

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;
- acceptance of and demand for our products by consumers;
- media coverage regarding our industry or us;
- litigation;
- disputes with or our inability to collect from significant customers;
- 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.

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.

****We may become involved in securities class action litigation that could divert management's attention and harm our business.***

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. 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 September 30, 2017, we had outstanding options exercisable for an aggregate of 5,922,288 shares of common stock at a weighted average exercise price of $3.41 per share and outstanding warrants exercisable for an aggregate of 470,444 shares of common stock at a weighted average exercise price of $4.15 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

On April 26, 2017, the Company entered into a Securities Purchase Agreement with certain purchasers named therein (the "Purchasers"), pursuant to which the Company agreed to sell and issue up to $25.0 million of its common stock at a purchase price of $2.60 per share in three tranches of approximately $3.5 million, $16.4 million and $5.1 million, respectively. The first tranche closed on April 27, 2017, pursuant to which the Company issued 1,346,154 shares of its common stock. The second tranche closed on May 24, 2017, pursuant to which the Company issued 6,303,814 shares of its common stock. The third tranche closed on August 18, 2017, pursuant to which the Company issued 1,965,417 shares of its common stock.

The shares of the Company's common stock sold pursuant to the Securities Purchase Agreement were not registered under the Securities Act, or any state securities laws. The Company had relied on the exemption from the registration requirements of the Securities Act by virtue of Section 4(a)(2) thereof and Rule 506 of Regulation D thereunder. In connection with the Purchasers' execution of the Securities Purchase Agreement, the Purchasers' represented to the Company that they are each an "accredited investor" as defined in Regulation D of the Securities Act and that the securities purchased by them were acquired solely for their own account and for investment purposes and not with a view to the future sale or distribution.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

As previously disclosed in our Current Report on Form 8-K filed on June 12, 2017, on June 9, 2017, ChromaPharma, Inc., entered into a License Agreement (the "License Agreement") and a Research Funding Agreement with the Scripps Research Institute, a California nonprofit public benefit corporation ("TSRI").

Under the terms of the License Agreement, TSRI granted to the Company a worldwide, exclusive, royalty-bearing right and license to use certain patent rights relating to methods and compositions for enhancing cancer therapy. As consideration for the license granted, the Company made a cash payment of $50,000 to TSRI. Additionally, the Company will pay TRSI (i) annual cash fees that range from $50,000 to $100,000 which will be credited against running royalties due, (ii) product development milestone payments that range from the low-six digit dollar figure to the low-eight digit dollar figure and that in the aggregate may total up to $32.2 million if all product development milestones are achieved, (iii) royalties on net sales of licensed products in the mid-single digit percentage figure range, and (iv) a percentage of sublicense revenues in the 10% to 30% range, based on the achievement of certain product development milestones on the date of the agreement with the sublicensee. The Company will also reimburse TSRI for certain costs incurred in connection with the preparation, filing and/or maintenance of applications for patent protection.

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)
2.2	Asset Purchase Agreement, dated as of August 21, 2017, by and among Covance Laboratories Inc., ChromaDex, Inc., ChromaDex Analytics, Inc., and ChromaDex Corporation ❖(1)(2)
2.3	Amendment to Asset Purchase Agreement, dated as of September 5, 2017, by and among Covance Laboratories Inc., ChromaDex, Inc., ChromaDex Analytics, Inc., and ChromaDex Corporation ❖
3.1	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to, and filed as Exhibit 3.1 to the Registrant's Annual Report on Form 10-K filed with the Commission on March 16, 2017)
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	Fourth Business Financing Modification Agreement, dated as of July 13, 2017, by and among Western Alliance Bank, ChromaDex Corporation, ChromaDex, Inc., ChromaDex Analytics, Inc. and Healthspan Research, LLC (incorporated by reference to, and filed as Exhibit 10.7 to the Registrant's Quarterly Report on Form 10-Q filed with the Commission on August 10, 2017)
10.2	Fifth Business Financing Modification Agreement, dated as of August 21, 2017, by and among Western Alliance Bank, ChromaDex Corporation, ChromaDex, Inc., ChromaDex Analytics, Inc. and Healthspan Research, LLC❖
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

❖ Filed herewith.

(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.

(2) Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. ChromaDex Corporation undertakes to furnish supplemental copies of any of the omitted schedules upon request by the Securities and Exchange Commission; provided, however, that ChromaDex Corporation may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedule so furnished.

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 9, 2017

/s/ KEVIN M. FARR
Kevin M. Farr
Chief Financial Officer

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

Exhibit 2.2

*****Text Omitted and Filed Separately with the Securities and Exchange Commission. Confidential Treatment Requested Under 17 C.F.R. Sections 200.80(b)(4) and 240.24b-2**

ASSET PURCHASE AGREEMENT

BY AND AMONG

COVANCE LABORATORIES INC.,

CHROMADEX, INC.,

CHROMADEX ANALYTICS, INC.,

AND

CHROMADEX CORPORATION

DATED August 21, 2017

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "***Agreement***") is made and entered into this 21st day of August 2017, by and among (i) **COVANCE LABORATORIES INC.**, a Delaware corporation ("***Purchaser***"); (ii) **CHROMADEX, INC.**, a California corporation ("***ChromaDex***"); (iii) **CHROMADEX ANALYTICS, INC.**, a Nevada corporation and wholly-owned subsidiary of ChromaDex ("***ChromaDex Analytics***"); and (iv) **CHROMADEX CORPORATION**, a Delaware corporation and the sole shareholder of ChromaDex and the ultimate parent company of ChromaDex Analytics (the "***Shareholder***"). ChromaDex and ChromaDex Analytics are sometimes referred to individually as a "***Seller***" and collectively as the "***Sellers***", and Sellers and the Shareholder are sometimes referred to individually as a "***Seller Party***" and collectively as the "***Seller Parties***".

WHEREAS, Sellers desire to sell, and Purchaser desires to purchase, selected operating assets of Sellers that are used or held for use in connection with Sellers' quality verification program testing or seals and analytical chemistry and microbiology testing business (for clarity, excluding in all cases biological testing or services related to nicotinamide riboside or any other NAD precursors or other proprietary ingredients of any Seller Party, which for all purposes shall not be considered part of the Business under this Agreement) for food and food related products such as supplements, pre-mixes, ingredients, and agriculture, which provides analysis services such as nutritional analysis, purity analysis, component identification, contaminants, toxins, residues, heavy metals, shelf life and stability, and sensory analysis, for clients such as natural product suppliers, dietary supplement companies, sport nutrition companies, food manufacturers, ingredients and pre-mix suppliers, agricultural producers, restaurants, and retail food sellers (collectively, the "***Business***"), upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants hereinafter set forth, the parties hereby agree as follows:

ARTICLE I.

Definitions.

1.1. Definitions. All capitalized terms not otherwise defined elsewhere in this Agreement shall have the meanings ascribed to such terms in this Section 1.1.

"***Accountants***" means a national accounting firm mutually agreed on by Sellers and Purchaser.

"***Affiliate***" means, with respect to a specified Person, a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the specified Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") means (a) the possession, directly or indirectly, of the power to vote twenty percent (20%) or more of the securities or other equity interests of a Person having ordinary voting power or (b) the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, by contract or otherwise or (c) being a director, executive officer, executor, trustee or fiduciary

(or their equivalents) of a Person and, with respect to the Sellers, being a director or executive officer of the Shareholder. In addition to the foregoing, if the specified Person is an individual, the term "***Affiliate***" also includes (a) the individual's spouse, (b) the members of the immediate family (including parents, siblings and children) of the individual or of the individual's spouse and (c) any corporation, limited liability company, general or limited partnership, trust, association or other business or investment entity that directly or indirectly, through one or more intermediaries controls, is controlled by or is under common control with any of the foregoing individuals.

"***Business Day***" means a day other than a Saturday, a Sunday or a day on which commercial banks are authorized or required to be closed in the State of North Carolina or the State of California.

"***Closing***" means the consummation of the transactions contemplated herein in accordance with Article IV.

"***Closing Date***" means the date on which the Closing occurs.

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Confidentiality Agreement***" means that certain Confidentiality Agreement dated April 29, 2017, between and among Laboratory Corporation of America Holdings and Purchaser on the one hand and Sellers on the other hand, as amended.

"***Contractual Obligation***" means, with respect to any Person, any contract, agreement, deed, mortgage, lease or license, whether written or oral, which pertains to such Person or any material Assets of such Person.

"***Debt***" means, with respect to any Person at any date, the following with respect to such Person and its Subsidiaries (whether secured or unsecured), without duplication: (a) all obligations for borrowed money (whether current or non-current, short-term or long-term), including, without limitation, notes, loans, lines of credit, bonds, debentures, obligations in respect of letters of credit and bankers' acceptances issued for the account of such Person and its Subsidiaries, and all associated Liabilities, (b) the outstanding indebtedness with respect to all equipment lease Contractual Obligations (capitalized or otherwise), (c) the maximum Liability under any payment obligations (whether or not contingent) with respect to acquisitions of assets or businesses in whatever form, (d) all obligations with respect to the factoring and discounting of accounts receivable, (e) all obligations arising from cash/book overdrafts or negative cash balances, (f) all obligations secured by an Encumbrance on any property or asset owned by such Person or its Subsidiary, (g) all guarantees by such Person or any of its Subsidiaries of Debt of others, (h) all obligations for the deferred purchase price of property or services (including accounts payable and liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property), (i) all Liabilities relating to unfunded, vested benefits under any Employee Plan with respect to any of the Business Employees, (j) all obligations relating to deferred compensation arrangements, and (k) all accrued interest, prepayment premiums and penalties related to any of the foregoing;*provided, however*, that "***Debt***" shall not include Taxes or obligations or liabilities with respect to trade payables incurred in the Ordinary Course of Business.

"***Employee Plan***" means any plan, program, agreement, policy or arrangement, whether or not reduced to writing, and whether covering a single individual or a group of individuals, that is (a) an employee welfare benefit plan within the meaning of Section 3(1) of ERISA, (b) an employee pension benefit plan within the meaning of Section 3(2) of ERISA, (c) a stock bonus, stock purchase, stock option, restricted stock, stock appreciation right, profit sharing or similar equity-based plan or agreement, or (d) any other deferred-compensation, retirement, severance, retention, change-in-control, leave, vacation, welfare-benefit, bonus, incentive or fringe-benefit plan, program, agreement or arrangement that is, in each of the cases of clauses (a) through (d), maintained for the benefit of any officers, directors, employees or consultants of the Business.

"***Encumbrance***" means any lien, license to a third party, option, warrant, pledge, security interest, mortgage, claim, title defect, right of way, easement, encroachment, profit, servitude, community property interest, equitable interest, right of first offer or first refusal, buy/sell agreement and/or any other material restriction or covenant with respect to, or material condition governing the use, voting (in the case of any security or equity interest), transfer, receipt of income or exercise of any other material attribute of ownership.

"***Environmental Law***" means all Laws relating to the environment, natural resources, pollutants, contaminants, wastes, chemicals or public health and safety, including, without limitation, any Law pertaining to (a) manufacture, processing, use, distribution, treatment, storage, disposal, generation, transportation or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or solid or hazardous waste or oil or petroleum products, (b) air, water and noise pollution, (c) groundwater and soil contamination, (d) the release or threatened release into the environment of toxic or hazardous substances or solid or hazardous waste, including emissions, discharges, injections, spills, escapes or dumping of pollutants, contaminants or chemicals, (e) underground and other storage tanks or vessels, abandoned, disposed or discarded barrels, containers and other closed receptacles, and (f) the protection of wild life, marine sanctuaries and wetlands, including all endangered and threatened species, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq., the Hazardous Substances Transportation Act, 49 U.S.C. 5101 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., the Clean Water Act, 33 U.S.C. 1251 et seq., the Clean Air Act, 42 U.S.C. 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. 2601 et seq., and the Oil Pollution Act of 1990, 33 U.S.C. 2701 et seq., and the regulations promulgated pursuant thereto, and all analogous state and local statutes and laws.

"***Environmental Liability***" means any Liability, including any assertion of such Liability, under any Environmental Law or contractual provision (including, without limitation, any provision of the Existing Lease) relating to environmental matters arising out of or relating to (a) any event, condition or circumstance existing or occurring prior to Closing involving the Business, the Purchased Assets, or the Leased Premises, regardless of how, when or by whom such condition was or is discovered; and/or (b) any Environmental Losses.

"***Environmental Losses***" means any Losses pursuant to (a) Section 11.2(a) or 11.2(b) of this Agreement, with respect to any inaccuracy in or breach of any representation or warranty made by any Seller Party in Section 5.11 of this Agreement or any allegation contained in any Third Party Claim that, if true, would be a breach or inaccuracy of any representation or warranty made by any Seller Party in Section 5.11 of this Agreement, (b) any matter, item, condition or circumstance listed, contained or otherwise disclosed in any report listed on Section 5.11 of the Disclosure Schedule, and/or (c) any matter, item, condition or circumstance otherwise discovered during the course of any additional subsurface investigation of the Leased Premises conducted in material compliance with Section 3.2(c)(ii) that was present at, in, under, on, above or about the Leased Premises as of the Closing Date and arising under any Environmental Law or contractual provision (including, without limitation, any provision of the Existing Lease) relating to environmental matters.

"***ERISA***" means the federal Employee Retirement Income Security Act of 1974, as amended.

"***ERISA Affiliate***" means, with respect to any entity, all employers, trades or businesses (whether or not incorporated) that would be treated together with such entity as a "single employer" within the meaning of Section 414 of the Code.

"***GAAP***" means generally accepted accounting principles in the United States as set forth in pronouncements of the Financial Accounting Standards Board (and its predecessors) and the American Institute of Certified Public Accountants and, unless otherwise specified, as in effect on the date hereof or, with respect to any financial statements, the date such financial statements were prepared.

"***General Escrow Amount***" means, collectively, the Initial Escrow Amount, and, as applicable, the Earnout Escrow Amount.

"***General Escrow Funds***" means, at any given time after Closing, the remaining portion of the General Escrow Amount then held by the Escrow Agent, including the remaining interest actually earned thereon.

"***Governmental Authority***" means any domestic or foreign federal, state or local government, or political subdivision thereof, or any authority, agency or commission entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power, any court or tribunal (or any department, bureau or division thereof), or any arbitrator or arbitral body.

"***Governmental Authorization***" means any approval, consent, ratification, waiver, license, permit, registration or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Law, including without limitation, any applicable bond, certificate of authority, certificate of need, accreditation, qualification, license, franchise, permit, order, registration, variance or privilege.

"***Governmental Order***" means any order, writ, judgment, injunction, decree, stipulation, ruling, determination or award entered by or with any Governmental Authority.

"***Hazardous Substance***" means (a) any petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, mold dielectric fluid containing levels of polychlorinated biphenyls, (b) any chemicals, materials or substances defined as or included in the definition of "***hazardous substances,***" "***hazardous waste,***" "***hazardous materials,***" "***extremely hazardous substances,***" "***restricted hazardous waste,***" "***toxic substances,***" "***toxic pollutants,***" "***contaminants***" or "***pollutants,***" or words of similar import, under any applicable Environmental Law, and (c) any other chemical, material, substance or waste that is limited, regulated or otherwise the subject of any requirement or potential liability imposed by any Governmental Authority.

"***Income Tax***" means any federal, state, local, or non-U.S. income Tax, including any interest, penalty, or addition thereto, whether disputed or not.

"***Intellectual Property Rights***" means, in each case, to the extent solely related to the Business: (a) trade secrets, know-how, methods, processes, data, content, metadata, and any other proprietary information that derives independent commercial value from not being generally known or readily available, (b) licensed computer software, including all related documentation and the use of all source code, object code, specifications and designs in accordance with the terms, conditions, and restrictions related to such software, (c) source code for the .net applications relating to the label printers, and (d) works of authorship, including within the ComplyID data and any standard operating procedures, in which copyright protection exists, whether registered or unregistered, and pending applications (if any) to register the same.

"***Interim Period***" means the period commencing on the date of this Agreement and ending as of the Closing.

"***JQMS***" means Joy Quality Management Systems.

"***JQMS Agreement***" means that certain Exclusive Sales and Marketing Agreement dated as of June 1, 2014 by and between ChromaDex and JQMS, including any amendments thereto.

"***Knowledge***" means, with respect to Sellers, the actual knowledge of Frank Jaksch, Tom Varvaro, Troy Rhonemus, […***…] and […***…], together with the knowledge such persons would be expected to have after reasonable inquiry.

"***Law***" means any foreign, federal, state or local law, statute, ordinance, code, common law ruling or regulation, or any Governmental Order, or any similar item having the force or effect of law.

"***Liability***" means, with respect to any Person, any liability or obligation of such Person whether known or unknown, whether asserted or unasserted, whether determined, determinable or otherwise, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated and whether due or to become due.

"***Material Adverse Effect***" means any event, circumstance, change, occurrence or development, whether or not such event, circumstance, change, occurrence or development would be inconsistent with the representations and warranties of the Seller Parties under this

Agreement, that (a) is materially adverse to, or could reasonably be expected to result in a material adverse effect on or a material adverse change in, the assets, liabilities, or financial condition of the Business, or (b) prevents or materially delays or impairs the ability of either Seller to perform any obligation of such Seller under this Agreement in a timely manner or to consummate the transactions contemplated by this Agreement. References in this Agreement to dollar amount thresholds shall not be deemed to be evidence of materiality or of a Material Adverse Effect.

"***Ordinary Course of Business***" means an action taken by any Person in the ordinary course of such Person's business.

"***Organizational Documents***" means, with respect to any Person (other than an individual), the certificate or articles of incorporation or organization, certificate of limited partnership and any joint venture, limited liability company, operating, voting or partnership agreement, by-laws, or similar documents, instruments or agreements relating to the organization or governance of such Person, in each case, as amended or supplemented.

"***Permitted Liens***" means (a) Encumbrances for Taxes that are (i) not yet due and payable or (ii) being contested in good faith by appropriate procedures, for which adequate reserves have been established in accordance with GAAP, (b) Encumbrances set forth in Schedule 1.1 attached hereto, (c) any recorded easement, covenant, zoning or other restriction on the Leased Premises that does not prohibit or impair the current use or occupancy of the property by the Sellers, and (d) statutory or common Law Encumbrances in favor of carriers, warehousemen, mechanics and materialmen, to secure claims for labor, materials or supplies, and other like Encumbrances in the Sellers' Ordinary Course of Business for sums not yet due or being contested in good faith.

"***Person***" means any individual or corporation, association, partnership, limited liability company, joint venture, joint stock or other company, business trust, trust, organization, Governmental Authority or other entity of any kind.

"***Proceeding***" means any litigation, action, suit, mediation, arbitration, assessment, investigation, hearing, grievance or similar proceeding (in each case, whether civil, criminal, administrative, investigative or informal) initiated, commenced, conducted, heard, or pending by or before any Governmental Authority, arbitrator or mediator.

"***SEC***" means the U.S. Securities and Exchange Commission.

"***Seagull Software License Agreement***" means that certain End User License Agreement entered into in 2016 by and between Sellers and Seagull Scientific, Inc.

"***Special Escrow Funds***" means, at any given time after Closing, the remaining portion of the Special Escrow Amount then held by the Escrow Agent, including the remaining interest actually earned thereon.

"***Subsidiary***" means, with respect to any Person, any corporation, partnership, joint venture, limited liability company, trust or other legal entity of which such Person (either alone or through or together with any other Subsidiary) owns, directly or indirectly, fifty percent (50%)

or more of the stock or other equity interests in such entity, or of which such Person is a general partner, manager or managing member.

"***Tax***" or "***Taxes***" means any and all federal, state, local, or non-U.S. income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, production, Code §59A, customs duties, capital gains, capital stock, franchise, profits, withholding, social security (or similar, including FICA), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind, however computed, including any interest, penalty, or addition thereto, whether disputed or not.

"***Tax Return***" means any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment or supplement thereof.

"***Trademark***" means the mark shown at U.S. Trademark Registration No. 3,999,086 and International Registration No. 1075641.

"***Transaction Documents***" means this Agreement, the Transition Services Agreement, the Escrow Agreement, the Non-Competition Agreement, the Non-Competition Agreement for Management, the License Agreement, the Assumption Agreement, the Joint Contract Assumption Agreement, the Closing Statement, and the General Assignment and Bill of Sale and all other written agreements, documents and certificates contemplated herein or by any of the foregoing documents as closing deliveries.

ARTICLE II.

Sale and Transfer of Assets.

2.1. Purchased Assets. Upon the terms and subject to the conditions of this Agreement, at the Closing, Sellers shall transfer, assign, convey and deliver to Purchaser, and Purchaser shall purchase, free and clear of all Encumbrances (other than Permitted Liens and other than claims of third parties under the Assigned Contracts based on, related to or in connection with circumstances occurring prior to the Closing Date, which the parties acknowledge and agree are Excluded Liabilities), the Purchased Assets. The term "***Purchased Assets***" means, collectively, all right, title and interest of Sellers in, to and under the following assets only (and, for purposes of clarity, shall not include the Excluded Assets):

(a) all of the personal property owned by Sellers and used (or allocated for use) in the Business (i) located at the Leased Premises (as defined in Section 5.6(b)), including laboratory equipment, accessories, machinery, apparatus, furniture, fixtures, computer hardware and office equipment, including, without limitation, those items identified on Schedule 2.1(a)(i) attached hereto and (ii) located in California and Wisconsin and identified on Schedule 2.1(a)(ii) attached hereto;

(b) all inventory, work-in-process, and supplies maintained by Sellers at the Leased Premises in connection with the Business, including, without limitation, such inventory, work-in-process and supplies listed on Schedule 2.1(b) attached hereto;

(c) all Governmental Authorizations listed on Schedule 2.1(c) attached hereto;

(d) all of Sellers' rights under the Business Contracts (as defined in Section 5.16(a)), including the Existing Lease (which shall constitute a "***Business Contract***" as defined herein), and all of Sellers' rights under the Joint Contracts (as defined in Section 5.16(a)) solely as such rights apply to the Business, in each case as such rights apply under the Business Contracts and the Joint Contracts from and after the Closing Date;

(e) all of Sellers' Intellectual Property Rights, telephone and telecopy listings with respect to the Leased Premises, and going concern value and goodwill related to the Business;

(f) with respect to the Business, any and all past and pending documents of sales and service information, customer lead lists, customer lists (including the Customer List, as defined in Section 5.18), payor and supplier lists, inventory cost records, machinery and equipment records, mailing lists, sales and purchasing materials, quality control records and procedures, standard operating procedures, analytical methods, validation documents and reports, books of account, customer records and records quotations, purchase orders, sales, brochures, advertising materials, samples, display materials, and all files related to the Business on the Business' server (including the ComplyID library);

(g) all claims of Sellers against third parties relating to the Purchased Assets, whether choate or inchoate, known or unknown, contingent or non-contingent, to the extent arising after the Closing Date;

(h) all rights of Sellers relating to deposits and prepaid expenses relating to the Purchased Assets, including the security deposit with respect to the Existing Lease; and

(i) all warranties (express and implied) that continue in effect with respect to any Purchased Asset (to the extent transferable without consent of a third party) and based on a claim arising after the Closing Date.

2.2. Excluded Assets. Notwithstanding the provisions of Section 2.1, the Purchased Assets shall not include any of the right, title or interest of either Seller in, to and under the following (herein referred to as the "***Excluded Assets***"): (a) all cash, bank deposits and cash equivalents of either Seller; (b) all accounts receivable and notes receivable of either Seller relating to the Business arising prior to the Closing Date; (c) either Seller's minute books, stock books and other corporate records having to do with the corporate organization and capitalization of such Seller; (d) either Seller's websites, trade names and marks related to the Business and domain names incorporating such trade names; (e) the assets listed on Schedule 2.2(e) attached hereto; (f) either Seller's claims for prepaid Taxes or refunds of Taxes arising from or relating to any taxable period (or portion thereof) ending on or before the Closing Date;(g) all insurance policies of either Seller, and all rights and claims thereunder;(h) the Accreditation (as defined in Section 5.23); (i) the Governmental Authorizations listed on Schedule 2.2(i) attached hereto; (j) all personal property of either Seller located in California other than the personal property listed on Schedule 2.1(a)(ii) attached hereto; (k) all intellectual property of the Sellers other than

Sellers' Intellectual Property Rights; (l) all of Sellers' rights under the Joint Contracts solely as such rights do not apply to the Business; (m) all of Sellers' rights under the Business Contracts and the Joint Contracts as such rights apply under the Business Contracts and the Joint Contracts prior to the Closing Date; (n) copies of all of the documents and records transferred to Purchaser pursuant to Section 2.1(f) to the extent necessary for the operation of Sellers' business (other than the Business) and (o) any assets, properties and rights of either Seller not related to the Business or the Purchased Assets.

2.3. Liabilities.

(a) Subject to the terms and conditions of this Agreement, at the Closing, Purchaser shall assume and agree to perform, including pursuant to an assignment and assumption agreement in the form of Exhibit 2.3(i) attached hereto related to the Business Contracts (the "***Assumption Agreement***") and an assignment and assumption agreement in the form of Exhibit 2.3(ii) attached hereto related to the Joint Contracts (the "***Joint Contract Assumption Agreement***"), the (i) Liabilities of Sellers under the Business Contracts arising from and after the Closing (including but not limited to deferred rent under the Existing Lease), (ii) the Liabilities of Sellers under the Joint Contracts solely to the extent related to the Business and arising from and after the Closing, (iii) any Liabilities under the Joint Contracts arising from Purchaser's actions or failures to act under the Joint Contracts from and after the Closing, and (iv) all Tax Liabilities relating to the Business and the Purchased Assets (other than Tax Liabilities described in Section 2.3(b)(i) and other than Sellers' share of Transfer Taxes as described in Section 3.4 below), but excluding any Liability (A) arising out of or relating to any breach, violation, default or failure to perform by either Seller that occurred prior to the Closing Date, (B) that is an Excluded Liability and/or (C) that is an Environmental Liability (collectively, the "***Assumed Liabilities***").

(b) Except as contemplated by Section 2.1(a) and as expressly set forth in the Assumption Agreement and the Joint Contract Assumption Agreement, Purchaser shall not assume, nor shall it agree to pay, perform or discharge, any Liability of either Seller or any Affiliate of either Seller, whether or not arising from or relating to the conduct of the Business other than the Assumed Liabilities (the "***Excluded Liabilities***"). Without limiting the generality of the prior sentence, Excluded Liabilities shall include, without limitation:

(i) (x) any Liability to pay any Taxes of either Seller or any of their Affiliates, regardless of whether arising in connection with the consummation of the transactions contemplated hereby or otherwise (other than Apportioned Obligations required to be paid by Purchaser, which are addressed in Section 7.13(a), and Transfer Taxes, which are addressed in Section 3.4), and (y) any Liability or commitment of either Seller for the unpaid Taxes of any Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or non-U.S. Law), or as successor or transferee, or by contract (other than Contractual Obligations the primary purpose of which does not relate to Taxes);

(ii) any Liability of either Seller or their Affiliates for performance by either Seller under the Transaction Documents;

(iii) any Liability under any Assigned Contract arising prior to the Closing Date or relating to any breach, violation, default or failure to perform by either Seller that occurred prior to the Closing Date;

(iv) any Liability under any Joint Contract arising on or after the Closing Date solely to the extent not related to the Business or based on either Seller's actions or failures to act under the Joint Contracts from and after the Closing Date;

(v) any Liability otherwise relating to the Purchased Assets or the Business arising prior to the Closing Date (including Liabilities that are attributable to facts or circumstances occurring or in existence prior to the Closing Date);

(vi) any Environmental Liability;

(vii) any Liability relating to any Debt of either Seller or their Affiliates (other than to the extent provided for in any Business Contract and arising from and after the Closing and other than to the extent provided for in any Joint Contract and solely relating to the Business and arising from and after the Closing);

(viii) any Liability of either Seller with respect to any Proceeding relating to the operation of the Business by either Seller prior to the Closing Date;

(ix) any Liability for any accounts payable or other accruals related to the Business arising prior to the Closing Date;

(x) any Liability relating to the Excluded Assets;

(xi) any Liability under any Employee Plan that either Seller sponsors, maintains, contributes or is obligated to contribute, or under which either Seller has or may have any Liability, including, without limitation, all Liabilities for or arising from any "***COBRA***" health care continuation coverage required to be provided under Section 4980B of the Code and Sections 601-608 of ERISA to employees, former employees and any other COBRA qualified beneficiaries of either Seller, including those who incur a COBRA qualifying event in connection with the transactions contemplated by this Agreement;

(xii) any Liability associated with, related to, arising from, or in connection with any employee or former employee of either Seller or their Affiliates arising prior to the Closing Date or based on facts and circumstances occurring or in existence prior to the Closing Date; and

(xiii) any other Liability of either Seller or their Affiliates that is not an Assumed Liability.

ARTICLE III.

Purchase Price.

3.1. The Aggregate Purchase Price. The aggregate purchase price to be paid by Purchaser for the Purchased Assets (the "***Aggregate Purchase Price***") shall be an amount equal to the sum of (a) Seven Million Five Hundred Thousand Dollars ($7,500,000.00) (the "***Initial Purchase Price***"), plus (b) an amount equal to Seventy-Five Thousand Dollars ($75,000.00) (as may be adjusted downward pursuant to Section 3.4, the "***Holdback Amount***"), plus (c) the Earnout Payment, plus (d) the assumption of the Assumed Liabilities.

3.2. Payment of the Initial Purchase Price. The Initial Purchase Price shall be paid as follows:

(a) At the Closing, Purchaser shall pay to Sellers by wire transfer of immediately available funds to an account designated by Sellers (such designation to be set forth on the letterhead of Sellers' bank and to be delivered to Purchaser at least three (3) Business Days prior to the Closing Date) an amount equal to (i) the Initial Purchase Price, less (ii) an amount equal to […***…] percent ([…***…]%) of the Initial Purchase Price (the "***Initial Escrow Amount***"), less (iii) an amount equal to […***…] Dollars ($[…***…]) (as may be adjusted pursuant to Section 3.2(c)(i), the "***Special Escrow Amount***"), less (iv) an amount equal to the outstanding balance of the Debt of Sellers as of the Closing Date set forth on Schedule 3.2, which amount shall be paid off at Closing by Purchaser on behalf of Sellers. All closing payments shall be reflected on a closing statement to be executed by the parties at Closing (the "***Closing Statement***").

(b) As partial security against any claims by Purchaser for indemnification pursuant to Section 11.2 of this Agreement, at the Closing, Purchaser shall deposit the Initial Escrow Amount with U.S. Bank, National Association, a national banking association (the "***Escrow Agent***"), by wire transfer of immediately available funds, to be held by the Escrow Agent pursuant to the Escrow Agreement in the form of Exhibit 3.2(b) attached hereto and otherwise acceptable in form and substance to the Escrow Agent (the "***Escrow Agreement***"). The term of the escrow period for the General Escrow Amount shall be eighteen (18) months following the Closing Date (the "***General Escrow Period***"). Subject to Sections 3.2(b)(i) and 11.6, promptly following the expiration of the General Escrow Period, Purchaser and Sellers shall execute a joint instruction to the Escrow Agent directing the Escrow Agent to deliver the General Escrow Funds to Sellers.

(i) In the event that, prior to the date of the expiration of the General Escrow Period, the Seller Parties shall be obligated to pay any amounts due to Purchaser regarding any claims for Losses (other than Environmental Losses) made by Purchaser pursuant to Section 11.2 of this Agreement, then Purchaser and Sellers shall promptly execute a joint instruction to the Escrow Agent directing the Escrow Agent to deliver such amounts to Purchaser from the General Escrow Amount and the remaining balance of the General Escrow Amount shall be retained in accordance with the terms of this Section 3.2, Section 11.6 and the Escrow Agreement.

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(ii) Interest on the General Escrow Amount shall be paid to Purchaser and Sellers in the proportion of the General Escrow Amount paid to them.

(c) As partial security against any claims by Purchaser for any Environmental Losses, at the Closing, Purchaser shall deposit the Special Escrow Amount with the Escrow Agent, by wire transfer of immediately available funds, to be held by the Escrow Agent pursuant to the Escrow Agreement. The term of the escrow period for the Special Escrow Amount shall commence on the Closing Date and expire on May 1, 2024 (the "***Special Escrow Period***"). Subject to Sections 3.2(c)(i) and 11.6, promptly following the expiration of the Special Escrow Period, Purchaser and Sellers shall execute a joint instruction to the Escrow Agent directing the Escrow Agent to deliver the Special Escrow Funds to Sellers.

(i) In the event, prior to Closing, with respect to any environmental conditions referenced in the Phase II report identified in Section 5.11 of the Disclosure Schedule, Sellers deliver to Purchaser (A) a "comfort letter" addressed to Purchaser from the applicable Colorado Governmental Authority or a no further action letter addressed to the landlord for the Leased Premises (or similar documentation) as a result of enrolling the Leased Premises in Colorado's Voluntary Cleanup Program (each a "***Regulatory Letter***"), either of which may be conditioned upon (1) no changes in conditions, laws or property uses, (2) no new contamination caused by Purchaser, (3) a reservation of the Colorado Governmental Authority's authority should new information come to light, and (4) no submission of materially misleading information to the Colorado Governmental Authority (the parties acknowledge and agree that the conditions in (1), (2), (3) and (4) shall not be a basis for Purchaser or its counsel to deem any Regulatory Letter not reasonably satisfactory), and/or (B) a written acknowledgement from the landlord for the Leased Premises that Purchaser is not responsible for the contamination that is existing as of the Closing Date on the Leased Premises ("***Landlord Acknowledgement***"), in either case in a form reasonably satisfactory to Purchaser and its counsel, it being agreed by the parties that Purchaser shall provide written notice to Sellers indicating whether the Regulatory Letter or Landlord Acknowledgement or both, as applicable, is or are reasonably satisfactory to Purchaser and its counsel within twenty-one (21) days after Purchaser's receipt of such Regulatory Letter or Landlord Acknowledgement or both, as applicable. In the event Purchaser has provided Sellers with written notice within such period indicating that such Regulatory Letter or Landlord Acknowledgement or both, as applicable, is or are reasonably satisfactory to Purchaser and its counsel, or has failed to notify Sellers of Purchaser's determination within such period, the Special Escrow Amount shall be reduced as follows and the definition of Special Escrow Amount shall be deemed amended accordingly: (1) by […***…] Dollars ($[…***…]), if Sellers deliver to Purchaser either the Regulatory Letter or the Landlord Acknowledgement, or (2) by […***…] Dollars ($[…***…]), if Sellers deliver to Purchaser both a Regulatory Letter and a Landlord Acknowledgement. The parties acknowledge and agree that if Sellers satisfy the foregoing condition in subsection (2), no Special Escrow Amount shall be deducted from the Initial Purchase Price at Closing or be required hereunder. Prior to Sellers' submission to the applicable Colorado Governmental Authority of any information regarding the environmental condition of the Leased Premises, including any application or request for a Regulatory Letter, Sellers shall provide to Purchaser, for Purchaser's approval, which approval shall not be unreasonably withheld, delayed or conditioned, a copy of such information, application or request; provided, further, that upon Sellers' receipt of such written approval, or, if Purchaser has not provided Sellers with either a written approval or

objection to such information, application or request within fifteen (15) Business Days of Purchaser's receipt of such information, application or request, Sellers may proceed with their submission to the applicable Colorado Governmental Authority, and if a written objection is delivered to Sellers within such period, Sellers and Purchaser agree to negotiate in good faith to resolve such objection as soon as practicable. Sellers shall further afford Purchaser a reasonable opportunity to participate in any telephone call or meeting with such Colorado Governmental Authority arising out of any such submission, application or request.

(ii) During the term of the Special Escrow Period, Purchaser shall keep Sellers informed of any environmental matters relating to the Leased Premises and shall (A) provide Sellers a copy of any report, data or other information that might relate to any Environmental Liability within twenty-one (21) days after receipt by Purchaser, (B) allow Sellers an opportunity to review and comment on any work plan, report, or correspondence of Purchaser that might relate to any Environmental Liability prior to submission to any Governmental Authority, (C) provide Sellers a copy of any order, notice, request, correspondence or other document from any Governmental Authority that might relate to any Environmental Liability within twenty-one (21) days after receipt by Purchaser, (D) confer with Sellers with regard to any subsurface investigation, or any remediation or monitoring work to be undertaken by Purchaser that relates to any Environmental Liability, and (E) not (1) conduct any remediation or monitoring work that relates to any Environmental Liability or (2) report to any Governmental Authority any matter, item, condition or circumstance that relates to any Environmental Liability, unless such remediation or monitoring work or reporting, as applicable, is required by Law or the landlord for the Leased Premises.

(iii) In the event that, prior to the date of the expiration of the Special Escrow Period, the Seller Parties shall be obligated to pay any amounts due to Purchaser regarding any claims by Purchaser for Environmental Losses pursuant to Section 11.2 of this Agreement, then Purchaser and Sellers shall promptly execute a joint instruction to the Escrow Agent directing the Escrow Agent to deliver such amounts to Purchaser from the Special Escrow Amount and the remaining balance of the Special Escrow Amount shall be retained in accordance with the terms of this Section 3.2, Section 11.6 and the Escrow Agreement. For the sake of clarity, if such amounts due to Purchaser regarding any claims by Purchaser for Environmental Losses exceed the Special Escrow Amount, Seller Parties shall be responsible for paying such excess amount to Purchaser pursuant to Sections 2.3(b)(vi) and 11.2(d) and such excess amount shall not be paid from the General Escrow Amount.

(iv) Interest on the Special Escrow Amount shall be paid to Purchaser and Sellers in the proportion of the Special Escrow Amount paid to them.

3.3. Earnout Payment.

(a) Amount of the Earnout Payment. Subject to the occurrence of the Closing, Sellers shall be eligible to receive a payment in an amount equal to up to One Million Dollars ($1,000,000.00) (the "***Earnout Payment***"). The amount of the Earnout Payment shall be calculated as follows: (i) if Actual Revenue is less than the Minimum Revenue Amount, then the Earnout Payment shall equal Zero Dollars ($0.00), (ii) if Actual Revenue equals or exceeds the Minimum Revenue Amount, but is less than the Maximum Revenue Amount, then the

Earnout Payment shall equal $[…***…] multiplied by the difference between the Minimum Revenue Amount and Actual Revenue, or (iii) if Actual Revenue equals or exceeds the Maximum Revenue Amount, then the Earnout Payment shall equal One Million Dollars ($1,000,000.00). For the sake of illustration, if Actual Revenue is equal to $[…***…], Sellers would be entitled to an Earnout Payment equal to […***…] Dollars ($[…***…]) ($[…***…] - $[…***…] x $[…***…]).

(b) Determination of Earnout Payment.

(i) Pre-Closing Revenue.

(1) Within ninety (90) days following the Closing Date, Sellers shall prepare and deliver to Purchaser a statement setting forth Sellers' calculation of Pre-Closing Revenue, together with such supporting evidence as is reasonably necessary to calculate such amount (the "***Pre-Closing Revenue Statement***").

(2) If Purchaser has any objections to the Pre-Closing Revenue Statement, Purchaser will deliver to Sellers, within thirty (30) days after delivery of the Pre-Closing Revenue Statement, a detailed written statement (the "***Pre-Closing Revenue Objections Statement***") describing (A) which items on the Pre-Closing Revenue Statement have not been prepared in accordance with this Agreement, (B) the basis for Purchaser's disagreement with the calculation of such items, and (C) Purchaser's proposed dollar amount for each item in dispute. During the thirty (30) day period following Sellers' delivery of the Pre-Closing Revenue Statement to Purchaser, upon Purchaser's written request, Sellers shall provide Purchaser with reasonable access to the books and records of Sellers as necessary to enable Purchaser to verify the information included in the Pre-Closing Revenue Statement, and shall cooperate with all reasonable requests of Purchaser relating to Purchaser's investigation and review of the Pre-Closing Revenue Statement. Any such investigation and review shall be conducted at reasonable times and under reasonable circumstances, and Purchaser agrees that any such investigation or review shall not unreasonably interfere with the ongoing operations of Sellers. If Sellers have made such books and records available to Purchaser in a timely manner as provided herein (based on a timely request by Purchaser for access to such books and records), but Purchaser fails to deliver a Pre-Closing Revenue Objections Statement within such thirty (30) day period, then the Pre-Closing Revenue Statement shall automatically become final and binding on all parties. If Purchaser delivers a Pre-Closing Revenue Objections Statement within such thirty (30) day period, then Sellers and Purchaser will use commercially reasonable efforts to resolve any such disputes, but if a final resolution is not obtained within thirty (30) days after Purchaser has submitted the Pre-Closing Revenue Objections Statement, any remaining matters that are in dispute will be resolved by the Accountants. Purchaser shall be deemed to have agreed with all amounts and items contained or reflected in the Pre-Closing Revenue Statement to the extent such amounts or items are not disputed in the Pre-Closing Revenue Objections Statement. The Accountants will prepare and deliver a written report to Purchaser and Sellers and will submit a resolution of such unresolved disputes promptly, but in any event within thirty (30) days after the dispute is submitted to the Accountants. The Accountants' determination of such unresolved disputes will be final and binding on all parties;provided, however, that no such determination shall be any more favorable to Sellers than is set forth in the Pre-Closing Revenue Statement or any more favorable to Purchaser than is proposed in the Pre-Closing Revenue Objections

Statement. The fees and any expenses of the Accountants, including any retainer, shall be shared equally between Purchaser and Sellers. The final Pre-Closing Revenue Statement, however determined pursuant to this Section 3.3(b)(i)(2), will produce the Pre-Closing Revenue to be used to determine whether Sellers are entitled to the Earnout Payment.

(ii) Actual Revenue.

(1) Within sixty (60) days following the end of the 2017 calendar year, Purchaser shall prepare and deliver to Sellers a statement setting forth Purchaser's calculation of Actual Revenue, together with such supporting evidence as is reasonably necessary to calculate such amount (the "***Earnout Statement***").

(2) If Sellers have any objections to the Earnout Statement, Sellers will deliver to Purchaser, within thirty (30) days after delivery of the Earnout Statement, a detailed written statement (the "***Earnout Objections Statement***") describing (A) which items on the Earnout Statement have not been prepared in accordance with this Agreement, (B) the basis for Sellers' disagreement with the calculation of such items, and (C) Sellers' proposed dollar amount for each item in dispute. During the thirty (30) day period following Purchaser's delivery of the Earnout Statement to Sellers, upon Sellers' written request, Purchaser shall provide Sellers with reasonable access to the books and records of Purchaser as necessary to enable Sellers to verify the information included in the Earnout Statement, including Purchaser's calculation of Actual Revenue, and shall cooperate with all reasonable requests of Sellers relating to Sellers' investigation and review of the Earnout Statement. Any such investigation and review shall be conducted at reasonable times and under reasonable circumstances, and Sellers agree that any such investigation or review shall not unreasonably interfere with the ongoing operations of Purchaser. If Purchaser has made such books and records available to Sellers in a timely manner as provided herein (based on a timely request by Sellers for access to such books and records), but Sellers fail to deliver an Earnout Objections Statement within such thirty (30) day period, then the Earnout Statement shall automatically become final and binding on all parties. If Sellers deliver an Earnout Objections Statement within such thirty (30) day period, then Sellers and Purchaser will use commercially reasonable efforts to resolve any such disputes, but if a final resolution is not obtained within thirty (30) days after Sellers have submitted the Earnout Objections Statement, any remaining matters that are in dispute will be resolved by the Accountants. Sellers shall be deemed to have agreed with all amounts and items contained or reflected in the Earnout Statement to the extent such amounts or items are not disputed in the Earnout Objections Statement. The Accountants will prepare and deliver a written report to Purchaser and Sellers and will submit a resolution of such unresolved disputes promptly, but in any event within thirty (30) days after the dispute is submitted to the Accountants. The Accountants' determination of such unresolved disputes will be final and binding on all parties;provided, however, that no such determination shall be any more favorable to Sellers than is set forth in the Earnout Objections Statement or any more favorable to Purchaser than is proposed in the Earnout Statement. The fees and any expenses of the Accountants, including any retainer, shall be shared equally between Purchaser and Sellers. The final Earnout Statement, however determined pursuant to this Section 3.3(b)(ii)(2), will produce the Actual Revenue to be used to determine whether Sellers are entitled to the Earnout Payment.

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(c) Payment of Earnout Payment. The Earnout Payment shall be paid by Purchaser within thirty (30) days following the date the Earnout Payment becomes final and binding in accordance with Section 3.3(b)(ii)(2), as follows: (i) to Sellers by wire transfer of immediately available funds to an account designated by Sellers in writing an amount equal to the (A) Earnout Payment, less (B) an amount equal to […***…]% of the Earnout Amount (the "***Earnout Escrow Amount***") and (ii) as partial security against any claims by Purchaser for indemnification pursuant to Section 11.2, by deposit of the Earnout Escrow Amount with the Escrow Agent to be held by the Escrow Agent pursuant to the Escrow Agreement.

(d) Defined Terms. For purposes of this Section 3.3, the following capitalized terms shall have the following meanings:

(i) "***Actual Revenue***" means (A) the Pre-Closing Revenue, plus (B) the net revenue earned by Purchaser (net of refunds, rebates and similar items) from any quality verification program services provided, or analytical chemistry and microbiology testing conducted, by Purchaser or any of its Affiliates during the period commencing on the Closing Date and ending on December 31, 2017, the orders for which originated through the Business' Great Plains intake system, as determined on an accrual basis in accordance with GAAP; provided, however, any revenue earned by Purchaser from any such quality verification program services or analytical chemistry or microbiology testing ordered by any of the Seller Parties, or any of their majority-owned Subsidiaries, or, in the event of a reorganization of any of the Seller Parties, any parent of the Seller Parties, shall be excluded from Actual Revenue.

(ii) "***Maximum Revenue Amount***" means $[…***…].

(iii) "***Minimum Revenue Amount***" means $[…***…].

(iv) "***Pre-Closing Revenue***" means the net revenue collected by Sellers (net of refunds, rebates and similar items) as determined in accordance with GAAP, whether collected by Sellers prior to Closing or within one hundred twenty (120) days following Closing, from any quality verification program services provided, or analytical chemistry and microbiology testing conducted, by Sellers during the period commencing January 1, 2017 and ending on the day immediately preceding the Closing Date, the orders for which originated through the Business' Great Plains intake system.

3.4. Holdback Amount for Transfer Taxes. Sellers on the one hand, and Purchaser on the other hand, shall each pay […***…] percent ([…***…]%) of any transfer, documentary, sales, use, value added, excise, stock transfer, stamp, recording, registration and any similar Taxes and fees, including any penalties and interest thereon, that become payable in connection with the transactions contemplated by this Agreement ("***Transfer Taxes***"). Sellers shall be responsible for timely preparing and filing all necessary documents (including all Tax Returns) with respect to the Transfer Taxes, provided that Sellers shall provide such documents to Purchaser for Purchaser's review as soon as reasonably practicable, and in any event at least ten (10) Business Days before the documents are due to be filed. Sellers shall not file any such documents without the consent of Purchaser, which consent shall not be unreasonably withheld or delayed. Sellers shall promptly provide Purchaser with evidence that all Transfer Taxes have been timely paid in full. Within fifteen (15) Business Days following Purchaser's receipt of such evidence of Sellers'

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payment of the Transfer Taxes, Purchaser shall pay to Sellers by check from the Holdback Amount, an amount equal to its share of the Transfer Taxes, and if such amount is less than the Holdback Amount, the Aggregate Purchase Price shall be deemed reduced by the difference between the Holdback Amount and the amount of Purchaser's share of the Transfer Taxes and Sellers shall not be entitled to payment of such difference; provided that, if Purchaser's share of the Transfer Taxes is greater than the Holdback Amount, in addition to paying Sellers by check from the Holdback Amount the full Holdback Amount, Purchaser shall also pay to Sellers by check an amount equal to […***…]% of the amount by which the Transfer Taxes exceed $[…***…]. Notwithstanding anything to the contrary in this Agreement, the Holdback Amount shall not be treated as purchase price paid for the Purchased Assets for U.S. federal or applicable state or local income Tax purposes, and, instead, shall be treated as owned by Purchaser and paid to relieve Purchaser's liability pursuant to Section 3.4.

3.5. Allocation of Purchase Price. The parties hereto agree to the allocation of the purchase price (as defined for applicable U.S. federal and applicable state and local income Tax purposes) among the Purchased Assets, and between each Seller, as indicated on Schedule 3.5 attached hereto for tax reporting purposes (the "***Allocation Schedule***"). If an indemnification payment is made pursuant to the provisions of this Agreement, then Purchaser shall adjust the Allocation Schedule to reflect such adjustment or payment in accordance with the nature of each such adjustment or payment and in a manner consistent with Section 1060, the regulations thereunder and the methodology used by the Purchaser and Sellers to allocate the purchase price among the Purchased Assets before Closing, and shall deliver the Allocation Schedule as so revised to Sellers. Any adjustment(s) to the Allocation Schedule shall be final unless Sellers object in writing within thirty (30) days of the delivery of the notification of any adjustment(s) to the Allocation Schedule. In the event of an objection, Purchaser and Sellers shall work cooperatively to reach mutual agreement on any adjustment(s) to the Allocation Schedule. Sellers and Purchaser and their respective Affiliates shall report, act and file all Tax Returns (including, but not limited to, Internal Revenue Service Form 8594) in all respects and for all purposes consistent with the Allocation Schedule (as such Allocation Schedule may be adjusted pursuant to this Section 3.5). Neither Purchaser nor Sellers shall take any position in any Tax matter (whether in audit, Tax Returns, or otherwise with any Governmental Authority) that is inconsistent with such allocation unless required to do so by applicable Law.

3.6. No Restrictions on Purchaser's Operation of the Business. After the Closing, Purchaser shall have no obligation to operate its business or the Business in any manner other than as it determines to be appropriate in its sole and absolute discretion; provided, however, Purchaser agrees to use the Great Plains intake system for the Business through at least December 31, 2017.

ARTICLE IV.

Closing.

4.1. Closing. The Closing shall be consummated via the electronic exchange of executed documents and signature pages (followed by executed originals), on a date mutually agreed by the parties not later than five (5) Business Days after the date that the conditions set forth in Article VIII and Article IX have been satisfied or waived (other than conditions that by

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their terms are to be satisfied at Closing, but subject to the satisfaction or waiver of such conditions), or on such other date or at such other place or time as is mutually agreed upon by the parties hereto. The Closing shall be effective for economic and accounting purposes as of 12:01 a.m. on the Closing Date.

4.2. Closing Actions and Deliveries. All actions to be taken and all documents to be executed and delivered in connection with the consummation of the transactions provided for herein shall be reasonably satisfactory in form and substance to the parties and their respective counsel. All actions to be taken and all documents to be executed and delivered by the parties at the Closing shall be deemed to have been taken and executed simultaneously, and no action shall be deemed taken nor any document executed and delivered until all have been taken, executed and delivered.

4.3. Procedures in Absence of Material Consent. If any Material Consent (as defined in Section 7.2) has not been obtained prior to the Closing Date and Purchaser, in its sole discretion, elects to consummate the Closing without such Material Consent, then, notwithstanding anything to the contrary in this Agreement or any other Transaction Document, (a) this Agreement and the related instruments of transfer shall not constitute an assignment or transfer of the Assigned Contract as to which such Material Consent has not been obtained (the "***Non-Assignable Contract***"), (b) Sellers shall use their commercially reasonable efforts, at Sellers' sole cost and expense, to obtain such Material Consent as soon as possible after the Closing Date, (c) Purchaser shall cooperate, to the extent commercially reasonable, with Sellers in Sellers' efforts to obtain such Material Consent, and (d) at Purchaser's election, (i) such Non-Assignable Contract as to which such Material Consent has not been obtained shall be an Excluded Asset and Purchaser shall have no obligation pursuant to Section 2.1 or Section 2.3(a) or otherwise with respect to any such Non-Assignable Contract or any Liability with respect thereto or (ii) Sellers shall use their commercially reasonable efforts to obtain for Purchaser substantially all of the practical benefit and burden of such Non-Assignable Contract (determined taking into account any Taxes incurred by Sellers with respect thereto), including by (A) entering into appropriate and reasonable alternative arrangements on terms mutually agreeable to Purchaser and Sellers (including, as part of Purchaser obtaining substantially all of the practical benefit and burden of such Non-Assignable Contract, Purchaser becoming liable for Liabilities under such Non-Assignable Contract on terms mutually agreeable to Purchaser and Sellers) and (B) subject to the consent and control of Purchaser, enforcing, at the cost and for the account of Purchaser, any and all rights of Sellers against the other party to such Non-Assignable Contract arising out of any breach, termination or cancellation thereof by, or any other action taken by or omission of, such other party or otherwise.

ARTICLE V.

Representations and Warranties of the Seller Parties.

In order to induce Purchaser to enter into and perform this Agreement and to consummate the transactions contemplated hereunder, the Seller Parties hereby make the following representations and warranties to Purchaser as of the date hereof and as of the Closing Date, subject to the disclosures contained in Schedule A attached hereto (the "***Disclosure Schedule***"),

which Disclosure Schedule shall contain references to the representations and warranties to which the disclosures contained therein relate to.

5.1. Organization; Ownership; Predecessors.

(a) ChromaDex is a wholly-owned subsidiary of ChromaDex Corporation, a Delaware corporation. ChromaDex is a corporation duly organized, validly existing and in good standing under the laws of the State of California and has the full corporate right, power and authority to own, lease, and operate all of the properties and assets of the Business and carry out the Business as it is presently conducted. Section 5.1(a) of the Disclosure Schedule sets forth each jurisdiction in which ChromaDex is qualified and licensed to do business in connection with the Business, and ChromaDex is qualified or licensed to do business in each jurisdiction where its operation of the Business makes such qualification or licensing necessary, except in each case where the failure to be so qualified or licensed could not reasonably be expected to have a Material Adverse Effect.

(b) ChromaDex Analytics is a wholly-owned subsidiary of ChromaDex. ChromaDex Analytics is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and has the full corporate right, power and authority to own, lease, and operate all of the properties and asset of the Business and carry out the Business as it is presently conducted. Section 5.1(b) of the Disclosure Schedule sets forth each jurisdiction in which ChromaDex Analytics is qualified and licensed to do business in connection with the Business, and ChromaDex Analytics is qualified or licensed to do business in each jurisdiction where its operation of the Business makes such qualification or licensing necessary, except in each case where the failure to be so qualified or licensed could not reasonably be expected to have a Material Adverse Effect.

(c) Section 5.1(c) of the Disclosure Schedule lists (i) each Seller's prior legal names and any other trade name, fictitious name or other name under which either Seller currently conducts business, or has ever conducted any business or activity, in each case in connection with the Business, and (ii) each legal name, trade name, fictitious name or other name under which any predecessor to any part of the Business acquired by either Seller conducted any business related to such acquired part of the Business, in the case of each of clauses (i) and (ii), since July 15, 2007.

5.2. Due Authorization; No Conflict.

(a) Each Seller Party has the full corporate power and authority to execute and deliver this Agreement and all other agreements, certificates and documents executed or to be executed in connection herewith by such Seller Party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by each Seller Party of this Agreement and all other agreements, certificates and documents executed or to be executed in connection herewith have been duly authorized by all necessary corporate action of such Seller Party.

(b) This Agreement has been duly executed and delivered by each Seller Party. This Agreement, and all other agreements, certificates and documents executed or to be

executed by a Seller Party in connection herewith, constitute or, when executed and delivered, shall constitute a legal, valid and binding Contractual Obligation of such Seller Party, enforceable against such Seller Party in accordance with its terms, subject to (i) Laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (ii) Laws governing specific performance, injunctive relief and other equitable remedies.

(c) Except for any required authorizations, approvals, consents or waivers in connection with the assignment of the Assigned Contracts and as set forth in Section 5.2(c) of the Disclosure Schedule, the execution and delivery by the Seller Parties of the Transaction Documents, the performance by the Seller Parties of their respective obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby, shall not (with or without notice or lapse of time): (i) violate, conflict with, result in a breach of the terms or conditions of, or constitute a default, an event of default or an event creating rights of acceleration, termination or cancellation or a loss of rights under, (A) any Assigned Contract, (B) any other material Contractual Obligation related to the Business and to which any Seller Party is a party or any of the Purchased Assets is subject or by which any Seller Party is bound, or (C) any Law, Governmental Authorization or Governmental Order applicable to any Seller Party, in connection with the Purchased Assets, the Business or the Assumed Liabilities; (ii) contravene the Organizational Documents of any Seller Party; (iii) require either Seller to make any declaration, filing or registration with, or provide any notice to, any Governmental Authority or obtain any Governmental Authorization (other than declarations, filings, registrations, notices and Governmental Authorizations the failure of which to make or obtain could not reasonably be expected to have a Material Adverse Effect); (iv) require any consent, approval or authorization of, declaration, filing or registration with, or notice to, any Personother than a Governmental Authority; or (v) result in the creation or imposition of any Encumbrance upon any of the Purchased Assets other than a Permitted Lien.

5.3. Financial Statements.

(a) Set forth in Section 5.3(a) of the Disclosure Schedule are the following financial statements of Sellers for the Business (collectively, the "***Financial Statements***"): (i) unaudited balance sheets as of January 2, 2016 and December 31, 2016, and the related unaudited P&L statements for the fiscal years then ended and (ii) an unaudited balance sheet as of July 1, 2017 (the "***Interim Balance Sheet***") and the related unaudited P&L statement for the period January 1, 2017 through July 1, 2017.

(b) Except as disclosed in Section 5.3(b) of the Disclosure Schedule, the Financial Statements (i) were prepared in accordance with the books and records of Sellers, which books and records are correct and complete in all material respects, and (ii) were prepared in good faith and, at the time prepared, represented Sellers' best estimates and judgments as to the different matters for which estimates and judgments were required so as to fairly present in all material respects, the financial condition of the Business as at the respective dates thereof and the results of operations of the Business for the respective periods covered thereby.

(c) Except as reflected on, reserved against or otherwise disclosed in the Financial Statements or as specifically set forth in Section 5.3(c) of the Disclosure Schedule,

neither Seller is subject to any Liability arising out of or related to the Business or the Purchased Assets other than the Assumed Liabilities and Liabilities (i) that have arisen in the Ordinary Course of Business since the Interim Balance Sheet and that individually, or in the aggregate, are not material or (ii) incurred pursuant to the Transaction Documents or in connection with the transactions contemplated by the Transaction Documents. The failure by Sellers to satisfy and discharge in full any of the Excluded Liabilities could not reasonably be expected to have a Material Adverse Effect.

5.4. Absence of Changes. Since July 1, 2017, except as set forth in Section 5.4 of the Disclosure Schedule, Sellers have conducted the Business only in the Ordinary Course of Business, and there has not been:

(a) any event, development or circumstance that has had or could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect;

(b) any material damage, destruction or other casualty loss (whether or not covered by insurance) affecting the Business or the Purchased Assets;

(c) any incurrence of any Debt by either Seller with respect to the Business;

(d) any creation or other incurrence of any Encumbrance upon any Purchased Asset of either Seller, other than Permitted Liens or as provided for in the Assigned Contracts;

(e) any failure to pay or satisfy when due any material Liability of either Seller;

(f) any sale, transfer, lease or other disposition of any asset of either Seller with respect to the Business other than in the Ordinary Course of Business;

(g) any capital expenditure, or commitments for capital expenditures, by either Seller with respect to the Business in an amount in excess of $30,000 in the aggregate;

(h) any cancellation, compromise, waiver, release, settlement or forgiveness of any right or claim (or series of related rights or claims) or any Debt owed to either Seller and related to the Business, in any case involving more than $10,000;

(i) any increase in the compensation or other remuneration payable or paid, whether conditionally or otherwise, or in any benefits granted under any Employee Plan, to any employee listed in Section 5.14(a) of the Disclosure Schedule and whose annual base compensation exceeds $50,000 (or would exceed such amount after such increase);

(j) any Tax election of either Seller made, changed or revoked with respect to the Purchased Assets or the Business; any settlement of any Proceeding with respect to Taxes of either Seller with respect to the Purchased Assets or the Business; or amendment of any material Tax Return of either Seller that would result in any material increase in the Liability for Taxes of either Seller with respect to the Purchased Assets or the Business;

(k) any loss of any customer, laboratory, sales location or source of supply of inventory, utilities or contract services, in each case associated with the Business, or the receipt of any notice that such a loss may be pending, in each case, except as could not reasonably be expected to result in a Material Adverse Effect;

(l) any acquisition of or investment in (by merger, exchange, consolidation, purchase or otherwise) any Person by either Seller where such acquisition or investment relates to the Business;

(m) any acquisition by either Seller of any assets related to the Business (whether through capital spending or otherwise) outside the Ordinary Course of Business;

(n) any extension of credit to, making of a loan or advance to, or execution of a guarantee for the benefit of, any Person, in each case by either Seller relating to the Business and other than in the Ordinary Course of Business;

(o) any material modification or termination of any Material Contract or any term thereof or any Governmental Authorization issued to either Seller that is associated with the Business; or

(p) any Contractual Obligation to do any of the foregoing, or any action or omission that would result in any of the foregoing.

5.5. Title to Assets; Condition.

(a) Except as set forth in Section 5.5(a) of the Disclosure Schedule, Sellers have good and valid title to all of the Purchased Assets, free and clear of all Encumbrances, except Permitted Liens and claims of third parties arising under the Assigned Contracts based on, related to or in connection with circumstances occurring prior to the Closing Date, which the parties acknowledge and agree are Excluded Liabilities. All Encumbrances set forth or required to be set forth in Section 5.5(a) of the Disclosure Schedule shall be terminated or released at or prior to Closing at the expense of Sellers (including as contemplated by Section 3.2(a)). Upon delivery to Purchaser on the Closing Date of the General Assignment and Bill of Sale and the Assumption Agreement and the Joint Contract Assumption Agreement, Sellers shall thereby transfer to Purchaser good and valid title to the Purchased Assets, free and clear of all Encumbrances except for Permitted Liens and claims of third parties arising under the Assigned Contracts based on, related to or in connection with circumstances occurring prior to the Closing Date, which the parties acknowledge and agree are Excluded Liabilities.

(b) The tangible assets included in the Purchased Assets are in good working order, condition and repair, reasonable wear and tear excepted. Except as set forth in Section 5.5(b) of the Disclosure Schedule, all of the Purchased Assets are located at the Leased Premises.

5.6. Real Property.

(a) Neither Seller owns any right, title or interest in any real property nor has any owned real property ever been used in connection with the Business.

(b) Section 5.6(b) of the Disclosure Schedule contains a list of all of the real property leased by Sellers in connection with the Business (collectively, the "***Leased Premises***"), and identifies the Contractual Obligation under which such property is leased (the "***Existing Lease***"). There are no subleases, licenses, concessions, occupancy agreements or other Contractual Obligations granting to any other Person the right of use or occupancy of the Leased Premises and there is no Person (other than a Seller) in possession of the Leased Premises. There is no pending or, to the Knowledge of the Sellers, threatened eminent domain taking affecting any portion of the Leased Premises which shall interfere with Sellers' conduct of the Business. Sellers have delivered or made available to Purchaser a true, correct and complete copy of the Existing Lease, including all amendments, modifications, material notices or memoranda of lease thereto and all estoppel certificates or subordinations, non-disturbance and attornment agreements, if any, related thereto. To the Knowledge of the Sellers, no event or condition currently exists which could reasonably be expected to create a legal or other impediment to the use of the Leased Premises as currently used by Sellers, or could reasonably be expected to increase the additional charges or other sums payable by the tenant under the Existing Lease (including, without limitation, any pending tax reassessment or other special assessment affecting the Leased Premises), in each case to the extent not otherwise provided in the Existing Lease. The Leased Premises (including, without limitation, the roof, the walls and all plumbing, wiring, electrical, heating, air conditioning, fire protection and other systems, as well as all paved areas, included therein or located thereat) are in good working order, condition and repair, reasonable wear and tear excepted. The Sellers have complied in all material respects with the terms and conditions of the Existing Lease. Since January 1, 2010, no Seller Party has received written notice from any Governmental Authority of any violations of any Law affecting any portion of the Leased Premises.

5.7. Taxes. Each Seller has filed all federal, state, county and local Income Tax and other material Tax Returns which are required to be filed prior to the date of this Agreement, and all such Tax Returns have been properly completed in material compliance with all applicable Laws, and are true, correct, and complete in all material respects. Each Seller has timely paid all Income Taxes and other material Taxes which have become due and payable. No event has occurred which could impose on Purchaser any successor or transferee liability for any Taxes in respect of either Seller other than Transfer Taxes. Neither Seller has waived or been requested to waive any statute of limitations in respect of Taxes, which waiver remains in effect. All material amounts required to be withheld by each Seller (including from employees for Income Taxes and social security and other payroll Taxes) have been collected or withheld, and either paid to the respective taxing authorities, set aside in accounts for such purpose, or accrued, reserved against and entered upon the books of such Seller andeach Seller has complied with all material information reporting (including Internal Revenue Service Forms W-2 and 1099) and backup withholding requirements, including maintenance of required records with respect thereto. No examination or audit of any Tax Return relating to the Purchased Assets or the Business is currently in progress and no Governmental Authority is asserting in writing or, to the Knowledge of the Sellers, threatening to assert against either Seller any deficiency or claim for additional Taxes with respect to the Purchased Assets or the Business, or any adjustment thereof. There are no Encumbrances for Taxes (except for Permitted Liens) on any of the Purchased Assets. This Section 5.7 constitutes the exclusive representations and warranties of Sellers with respect to Taxes and any claim for breach of representation with respect to Taxes shall be based solely on

the representations made in this Section 5.7 and shall not be based on the representations set forth in any other provision of this Agreement.

5.8. Insurance. Neither Seller has been denied insurance coverage or been subject to any gaps in insurance coverage with respect to the Business or Purchased Assets in the two (2) year period immediately preceding the date of this Agreement. Except as disclosed in Section 5.8 of the Disclosure Schedule, there is no claim pending under any insurance policy maintained by either Seller that covers the Business or the Purchased Assets with respect to the Business or the Purchased Assets, including any such claim as to which the issuing insurer (a) has denied or disputed (or otherwise reserved its rights with respect to) coverage or (b) has threatened to cancel the applicable insurance policy. There are no outstanding unpaid claims with respect to any insurance policies with respect to the Business or the Purchased Assets.

5.9. Governmental Authorizations.

(a) Sellers own, hold or possess all Governmental Authorizations which are necessary to entitle Sellers to own or lease, operate and use the Purchased Assets and to carry on and conduct the Business as currently conducted. Neither Seller nor any of its officers, directors, shareholders or employees who is associated with the Business has been a party to or subject to any Proceeding seeking to revoke, suspend or otherwise limit any Governmental Authorization of such Seller, in each case to the extent such Governmental Authorization is associated with the Business. Section 5.9(a) of the Disclosure Schedule sets forth a list of each Governmental Authorization of Sellers that is associated with the Business. Except as disclosed in Section 5.9(a) of the Disclosure Schedule, such Governmental Authorizations are valid and in full force and effect.

(b) Since January 1, 2010, neither Seller has received any written notice from any Governmental Authority that any of its properties, facilities, equipment, operations or business procedures or practices that are associated with the Business fails to comply in any material respect with any applicable Law or Governmental Authorization. Neither Seller is in material breach or violation of, and there is no pending, or to the Knowledge of the Sellers, threatened, Proceeding or Governmental Order with respect to, any of the Governmental Authorizations listed or required to be listed in Section 5.9(a) of the Disclosure Schedule. To the Knowledge of the Sellers, no event has occurred that, with or without notice or the passage of time, would constitute a material breach or violation of, or would constitute grounds for a Proceeding or Governmental Order with respect to any of the Governmental Authorizations listed or required to be listed in Section 5.9(a) of the Disclosure Schedule.

5.10. Compliance with Laws.

(a) Except as set forth in Section 5.10(a) of the Disclosure Schedule, neither Seller is in breach or violation of, or default under any Law applicable to the Purchased Assets or the Business (other than Tax Laws which are addressed in Section 5.7), or has been in breach or violation of, or default under any Law applicable to the Purchased Assets or the Business (other than Tax Laws which are addressed in Section 5.7) other than, in each case, *di minimis* infractions that do not adversely impact the operations or financial condition of the Business, since January 1, 2010.

(b) Neither Seller nor any of its directors, officers, employees or agents have directly or indirectly, overtly or covertly, in violation of any applicable Law in each case in connection with the Business (i) made, or agreed to make, any unlawful contribution, gift, bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any Person (including, in the case of an individual, any family members of such Person and in the case of an entity, any Affiliates of such entity), regardless of form, whether in money, property or services, including (A) to obtain favorable treatment in securing business, (B) to pay for favorable treatment for business secured, or (C) to obtain special concessions or pay for special concessions already obtained for or in respect of either Seller, or (ii) established or maintained any fund or asset that has not been recorded in the books and records of either Seller.

(c) Neither Seller nor any of its directors, officers or employees have at any time in connection with the Business (i) provided, offered or promised any direct or indirect unlawful contribution, gift, entertainment or other unlawful expense, relating to political activity or to influence official action by any Governmental Authority, (ii) provided, offered or promised any direct or indirect unlawful payment of money, gifts or other benefits to any foreign or domestic government official (as defined in the United States Foreign Corrupt Practices Act (the "***Foreign Corrupt Practices Act***") or other applicable Law) or (iii) provided, offered or promised any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment. Each Seller is and has been in compliance with the Foreign Corrupt Practices Act, the U.K. Bribery Act and any other Law applicable to Sellers concerning corrupt payments or bribery in connection with the Business and neither Seller has been investigated by any Governmental Authority with respect to, or been given written notice by a Governmental Authority of, any violation or potential violationby either Seller of the Foreign Corrupt Practices Act, the U.K. Bribery Act or any other Law applicable to Sellers concerning corrupt payments of bribery in connection with the Business. Each Seller maintains policies and procedures reasonably sufficient to prevent, detect and deter violations of the Foreign Corrupt Practices Act or any other Law concerning corrupt payments or bribery in connection with the Business.

(d) With respect to the Business, to the Knowledge of the Sellers and except as set forth in Section 5.10(d) of the Disclosure Schedule, (i) neither Seller nor any of its directors, nor any of its officers, employees or agents associated with the Business has been convicted of, charged in writing with, or, investigated for, any violation of Laws related to fraud, theft, embezzlement, breach of fiduciary responsibility, financial misconduct, or obstruction of an investigation, and (ii) none of Sellers' employees associated with the Business has been convicted of, charged in writing with, or investigated for, any violation of Laws related to controlled substances.

(e) Neither Seller (i) has any reporting obligations pursuant to any settlement agreement entered into with any Governmental Authority in connection with the Business, (ii) has received written notice that it is or has been the subject of any inspection, investigation, audit or other form of review by any Governmental Authority or accrediting organization, in each case in connection with the Business (iii) has been a defendant in any qui tam or False Claims Act litigation in connection with the Business, or (iv) has been served with or received any written search warrant, subpoena (other than those related to actions against third parties), civil investigative demand or contact letter from any Governmental Authority in connection

with the Business. For purposes hereof, a "contact letter" shall mean a letter from a Governmental Authority notifying a Seller of a potential violation under a Law which allows a Seller an opportunity to respond prior to the Governmental Authority taking further action.

5.11. Environmental Matters. Except as set forth in Section 5.11 of the Disclosure Schedule, (a) neither Seller has at any time generated, used, treated or stored Hazardous Substances on, or transported or arranged for the transportation of any Hazardous Substances to or from, the Leased Premises or any property adjoining or adjacent to the Leased Premises and, to the Knowledge of Sellers, the Sellers' immediate predecessor as lessee at the Leased Premises did not take such actions on or with respect to the Leased Premises, other than in each case in compliance with all Environmental Laws and in a manner as has not or would not reasonably be expected to give rise to any Liability in excess of $50,000 against the Business or Sellers pursuant to Environmental Law, (b) neither Seller has at any time released or disposed of Hazardous Substances on the Leased Premises or any property adjoining or adjacent to the Leased Premises, and, to the Knowledge of the Sellers, the Sellers' immediate predecessor as lessee at the Leased Premises did not take any such actions on the Leased Premises, other than in each case in compliance with all Environmental Laws and in a manner as has not or would not reasonably be expected to give rise to any Liability in excess of $50,000 against the Business or Sellers pursuant to Environmental Law, (c) each Seller has at all times been in compliance with all Environmental Laws and the Laws of any Governmental Authorizations issued under such Environmental Laws with respect to the Leased Premises, the Purchased Assets and the operation of the Business (except where any such non-compliance would not reasonably be expected to give rise to Liability in excess of $50,000), (d) there are no past, pending or, to the Knowledge of the Sellers, threatened environmental claims against either Seller relating to the Leased Premises, any of the Purchased Assets or the Business, (e) to the Knowledge of the Sellers, there are no facts or circumstances, conditions or occurrences regarding either Seller, the Leased Premises, any of the Purchased Assets or the Business that would reasonably be anticipated to form the basis of an environmental claim against either Seller, any of the Purchased Assets or the Business under any Environmental Law or to cause the Leased Premises, the Purchased Assets or the Business to be subject to any Governmental Order, in each case that would reasonably be expected to result in a Material Adverse Effect, (f) to the Knowledge of the Sellers, there are not now and there have never been any underground storage tanks located on the Leased Premises, (g) since July 15, 2007, neither Seller has operated the Business at any location other than the Leased Premises, (h) each Seller has taken all actions required under applicable Environmental Laws to register any products or materials required to be registered thereunder in connection with the Business, other than any failure to so register as would not reasonably be expected to give rise to any Liability in excess of $50,000 against the Business or Sellers pursuant to Environmental Law, and (i) Sellers have provided to Purchaser all environmental reports, studies, data and analyses in Sellers' possession, custody or control relating to the Leased Premises, any of the Purchased Assets or the Business.

5.12. Litigation. Except as set forth in Section 5.12 of the Disclosure Schedule: (a) there is no Proceeding pending or, to the Knowledge of the Sellers, threatened (i) against either Seller affecting the Purchased Assets or the Business or (ii) which seeks to prohibit, restrict or delay consummation of the transactions contemplated by this Agreement or any of the conditions to consummation of such transactions and, (b) there is no Governmental Order outstanding or, to the Knowledge of the Sellers, threatened (i) against either Seller affecting the

Purchased Assets or the Business, or (ii) which seeks to prohibit, restrict or delay consummation of the transactions contemplated by this Agreement or any of the conditions to consummation of such transactions.

5.13. Adequacy of Assets. Except for the Excluded Assets, the services to be provided to Purchaser pursuant to the Transition Services Agreement, working capital and personnel, the Purchased Assets comprise all of the assets, properties, Contractual Obligations and rights necessary for Purchaser to operate the Business substantially in the manner operated by Sellers prior to the Closing.

5.14. Employees; Employee Plans.

(a) Section 5.14(a) of the Disclosure Schedule contains: (i) a list of all employees or commission salespersons of either Seller who are associated with the Business as of the date hereof, including their respective hire dates, current job titles, and current annual or hourly compensation and/or commission rate, (ii) a list of the fringe benefits provided to such employees or commission salespersons; (iii) a list of all such employees or commission salespersons who have given notice to the Sellers of their intention to terminate their employment or commission salesperson relationship with either Seller; and (iv) a list of any increase, effective after December 31, 2016, in the rate of compensation of such employees or the commission rate of such commission salespersons.Except as otherwise provided in this Agreement, the execution of and consummation of the transactions contemplated by this Agreement do not constitute a triggering event under any Employee Plan or other arrangement or agreement which shall or may result in any payment, acceleration, vesting or increase in benefits to any employee or former employee of either Seller associated with the Business, except that the vesting of the options held by those of Sellers' employees being terminated in connection with the transactions contemplated by this Agreement shall be accelerated in full, and the Sellers' PTO liability to such employees will become payable upon such termination (which PTO liability shall be borne at the sole cost and expense of Sellers).

(b) Neither Sellers nor any of their ERISA Affiliates maintains, participates in or contributes to, or has ever maintained, participated in or contributed to (i) an Employee Plan subject to Title IV of ERISA; (ii) a multiemployer plan within the meaning of Section 3(37) of ERISA; or (iii) an Employee Plan subject to the minimum funding standards of Section 412 of the Code or Section 302 of ERISA. No Purchased Asset is subject to any lien under Section 430(k) of the Code or Sections 303(k) or 4068 of ERISA or arising out of any action filed under Section 4301(b) of ERISA.

5.15. Employee Relations.

(a) Except as set forth on Section 5.15(a) of the Disclosure Schedule, since January 1, 2010, with respect to employees associated with the Business, each Seller has complied with all Laws applicable to labor and employment, including but not limited to prices, wages, hours, overtime compensation, civil rights, safety and health, workers' compensation, termination of employment, immigration, working conditions, meal and break periods, discrimination in employment and collective bargaining and is not liable for any arrears of wages, Taxes, or penalties for failure to comply with any of the foregoing, other than, in each

case, *de minimis* infractions that do not adversely impact the operations or financial condition of the Business. There are no pending workers' compensation claims involving either Seller with respect to any employee associated with the Business. Sellers have delivered or made available to Purchaser a true, correct, and complete list of all workers' compensation claims made over the two (2) years immediately preceding the Closing Date with respect to any employee associated with the Business. Neither Seller has any outstanding obligation to indemnify any employee associated with the Business for violation of Laws and standards set forth in this Section 5.15(a).

(b) Since January 1, 2010, all individuals who have performed services for either Seller associated with the Business or who otherwise have claims for compensation from either Seller associated with the Business have been properly classified as an employee or an independent contractor and as exempt or non-exempt pursuant to all applicable Laws (including with respect to eligibility for minimum wage and overtime under the Fair Labor Standards act of 1938, as amended), other than, in each case, *de minimis* infractions that do not adversely impact the operations or financial condition of the Business.

(c) With respect to any employee associated with the Business, since January 1, 2014, neither Seller has received any correspondence from the Social Security Administration advising of a "non-match" between an employee's name and social security number.

(d) No employee of either Seller associated with the Business is a party to a collective bargaining agreement or any similar contract or agreement with a union. Neither Seller is a party to or, to the Knowledge of the Sellers, threatened with any dispute with a union. To the Knowledge of the Sellers, none of the Sellers' employees relating to the Business have, while employed by a Seller, been engaged in any union organizing or election activities. Since January 1, 2014, there has not been, nor, to the Knowledge of the Sellers, has there been any threat of, any strike, slowdown, work stoppages, walkouts, lockouts, employee grievances, unfair labor practice charges and/or complaints related to the Business.

(e) Within the past year, neither Seller has incurred any Liability under the Worker Adjustment and Retraining Notification Act of 1988, as amended (the "***WARN Act***") or any similar state or local Law that remains unsatisfied, no terminations prior to the Closing Date relating to the Business shall result in unsatisfied Liability under the WARN Act, and neither Seller has plans to undertake any action in the future with respect to the Business that would trigger the WARN Act or any similar state or local Law.

5.16. Contractual Obligations.

(a) Section 5.16(a) of the Disclosure Schedule contains a list of each oral or written Contractual Obligation (other than Contractual Obligations listed on Schedule 2.2(e)) to which either Seller is a party or by which either Seller is bound and which relates (i) solely to the Purchased Assets or the Business (the "***Business Contracts***") and (ii) to the Purchased Assets or the Business and to other businesses of the Sellers (the "***Joint Contracts***", and collectively with the Business Contracts, the "***Assigned Contracts***").

(b) Except as disclosed in Section 5.16(b) of the Disclosure Schedule, none of the Assigned Contracts is: (i) a Contractual Obligation providing annual revenues to a Seller in excess of $25,000 (all such Assigned Contracts that are listed in subparagraph (i) of Section 5.16(b) of the Disclosure Schedule are referred to herein as "***Assigned Customer Contracts***"); (ii) a Contractual Obligation relating to the borrowing of money or the mortgaging, pledging or otherwise placing of an Encumbrance on any asset of a Seller involving an amount in excess of $10,000; (iii) a guarantee of any obligation of any other Person; (iv) a Contractual Obligation under which a Seller has made advances (which shall not include trade credit in the Ordinary Course of Business) or loans to any Person; (v) a Contractual Obligation pursuant to which a Seller is lessor of any property, real or personal, owned or controlled by a Seller; (vi) an employment, consulting, sales, commissions, advertising or marketing Contractual Obligation which provide for annual payments in excess of $25,000, excluding bonuses and commissions; (vii) a Contractual Obligation providing for "*take or pay*" or similar unconditional purchase or payment obligations; (viii) a Contractual Obligation containing covenants not to compete, non-solicitation clauses or other restrictive covenants which limit the freedom of a Seller to engage in any line of business or solicit or hire any Person in any geographical area or granting any "*most favored nations*" or similar rights;(ix) a Contractual Obligation that provides for an express undertaking by a Seller to be responsible for consequential, incidental or punitive damages; (x) a joint venture, partnership or Contractual Obligation involving a sharing of profits, losses, costs or Liabilities with any other Person; (xi) a power of attorney; (xii) a Contractual Obligation providing for any payment upon the consummation of the transactions contemplated by this Agreement; (xiii) any Contractual Obligation granting to any Person a right of first refusal or option to purchase or acquire any assets of a Seller; (xiv) any Contractual Obligation with any present or former officer, management level employee, director, shareholder, or any of their Affiliates, or any of their parents, spouses, children, or siblings, other than employment agreements entered into in the Ordinary Course of Business; (xv) a Contractual Obligation entered into outside the Ordinary Course of Business that involves the payment or receipt of an amount in excess of $25,000 per annum; or (xvi) a Contractual Obligation requiring annual expenditures by a Seller in excess of $25,000. Each of the Contractual Obligations listed under items (i) through (xvi) above being referred to individually as a "***Material Contract***" and collectively as the "***Material Contracts.***"

(c) Each of the Assigned Contracts is in full force and effect and constitutes a valid, legal, binding and enforceable obligation of a Seller and, to the Knowledge of the Sellers, the other parties thereto, subject to (i) Laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (ii) rules of Laws governing specific performance, injunctive relief and other equitable remedies. Sellers have delivered or made available to Purchaser true, correct, and complete copies of each of the Assigned Contracts. Neither Seller is in material breach or default under and, to the Knowledge of the Sellers, no other party to any of the Assigned Contracts has materially breached or defaulted thereunder, and no breach or default by either Seller has been alleged under the Assigned Contracts. As of the Closing Date, Sellers shall have made all required payments under the Existing Lease. Except as set forth in Section 5.16(c) of the Disclosure Schedule, (i) each Assigned Contract is assignable to Purchaser without the consent of the other party(ies) thereto and (ii) neither Seller leases from any Affiliate any real property or personal property used in connection with the Business.

5.17. No Broker. No broker, finder or intermediary acting on behalf of Sellers or any Person acting on behalf of Sellers shall be entitled, directly or indirectly, to any broker's fee or

finder's fee or other commission or similar fee from Purchaser on account of the transactions contemplated by this Agreement.

5.18. Customer List. Section 5.18 of the Disclosure Schedule (a) sets forth an accurate and complete list of the customers of the Business who have received services provided by Sellers during the 2015, 2016 and 2017 calendar years (the "***Customer List***") and (b) designates each customer on the Customer List which represents more than two percent (2%) of the aggregate annual revenue of the Business during the 2015, 2016 and 2017 calendar years (each a "***Large Customer***"). Since January 1, 2017, neither Seller has received written notice from any such Large Customer, and to the Knowledge of the Sellers, no such Large Customer has any intent to cease doing business with Purchaser, or intent to materially decrease the volume or value of its business with Purchaser, in each case under the Assigned Contracts.

5.19. Accounts Receivable. All accounts receivable reflected on the Interim Balance Sheet and all accounts receivable of the Business arising subsequent to the date of the Interim Balance Sheet and on or prior to the Closing Date have arisen or shall arise in the Ordinary Course of Business out of bona fide sales and deliveries of goods, performance of services or other business transactions, and, to the Knowledge of the Seller Parties, represent or shall represent legal, valid, binding and enforceable obligations to Sellers. Except as set forth in Section 5.19 of the Disclosure Schedule, neither Seller has any prepayments of any kind whatsoever from any customer included on the Customer List.

5.20. Transactions with Related Parties. Except (a) for standard confidentiality, assignment of invention and non-competition agreements, employment agreements, offer letters and other compensation and benefit arrangements and (b) as set forth in Section 5.20 of the Disclosure Schedule, neither any present officer or director or shareholder of Sellers nor any other Person that, to the Knowledge of the Sellers, is an Affiliate of any of the foregoing, is currently a party to any transaction or Contractual Obligation with either Seller relating to the Business, including without limitation, any loan, extension of credit or arrangement for the extension of credit, any Contractual Obligation providing for the employment of, furnishing of services by, rental or sale of assets from or to, or otherwise requiring payments to or from, any such officer, director, shareholder or Affiliate.

5.21. Privacy and Data Protection.

(a) Sellers have established, implemented, updated, maintained and diligently enforced such policies, programs, procedures, contracts and systems with respect to the collection, use, storage, transfer, retention, deletion, destruction, disclosure and other forms of processing of any and all data and information ("***Company Data***") in connection with the Business including, without limitation, any and all data or information collected, used, stored, transferred, retained, deleted, destroyed, disclosed or processed with respect to any of their customers or prospective customers in connection with the Business ("***Customer Data***") so as to be consistent and compliant in all material respects withall Laws relating to privacy and data protection applicable to the Business.

(b) Neither Seller is a party to or the subject of any pending or, to the Knowledge of the Sellers, threatened Proceeding, which involves or relates to a claim against

either Seller of any breach, misappropriation, unauthorized disclosure, access, use, dissemination, modification or any similar violation or infringement of any Company Data including, without limitation, any Customer Data.

(c) No Seller has any Knowledge of any actual, suspected or threatened (i) material breach, misappropriation, or unauthorized disclosure, access, use, dissemination or modification of any Company Data including, without limitation any Customer Data; or (ii) material breach or violation of any of the policies, programs, procedures, contracts and systems described in Section 5.21(a) above in connection with the Business.

5.22. Warranties. No service or product provided, sold, leased, licensed or delivered by Sellers in connection with the Business since January 1, 2014 is subject to any guaranty, warranty, right of return, right of credit or other indemnity other than, in each case, (a) warranties arising by operation of law and (b) Sellers' then-existing standard express written warranty and then-existing standard terms and conditions of sale or lease. To the Knowledge of the Sellers, each product or service sold, leased or provided by Sellers in connection with the Business since January 1, 2014 has been sold, leased or provided in conformity in all material respects with all such warranties and other contractual commitments.

5.23. Accreditations. Except as set forth in Section 5.23 of the Disclosure Schedule, neither Seller is in breach or violation of, or default under, or since January 1, 2014, has been in breach or violation of, or default under, the International Standard ISO/IEC 17025:2005 (the "***Accreditation Standards***") of the ANSI-ASQ National Accreditation Board applicable to the Business, Sellers and their laboratories in connection with the operation of such laboratories in connection with the Business (the "***Accrediting Entity***"). Since January 1, 2014, neither Seller has received any written notice asserting a failure, or possible failure, to comply with such Accreditation Standards in any material respect, the subject of which notice has not been resolved as required thereby or otherwise to the satisfaction of the party sending the notice. There is no proceeding by the Accrediting Entity pending or, to the Knowledge of the Sellers, threatened against Sellers. Sellers hold all certificates, approvals and authorizations required to be obtained to maintain accreditation by the Accrediting Entity ("***Accreditation***") in connection with the Business. Since January 1, 2014, neither Seller has received written notice to the effect that the Accrediting Entity was considering the amendment, suspension, restriction, termination, revocation or cancellation of any Accreditation. The consummation of this Agreement and the transactions contemplated hereby, in and of themselves, will not cause the termination, revocation or cancellation of such Accreditation.

5.24. Export Controls and Foreign Sales.

(a) Section 5.24(a) of the Disclosure Schedule sets forth a true and correct list of the contracts under which, since July 15, 2012, Sellers have manufactured "defense articles," exported, re-exported or transferred "defense articles" or furnished "defense services" or "technical data" to foreign nationals in the United States or abroad as those terms are defined in 22 C.F.R. Section 120.6, 120.9 and 120.10, respectively.

(b) To the Knowledge of the Sellers, each Seller has been in compliance with all requirements of Law relating to U.S. export control and economic sanctions during the past

three (3) years in connection with the Business. Neither Seller has received any written notice asserting a failure, or possible failure, to comply with any such Law in any material respect in connection with the Business, the subject of which notice has not been resolved as required thereby or otherwise to the satisfaction of the party sending the notice. To the Knowledge of the Sellers, during the past three (3) years, neither Seller has directly or indirectly sold any product to or performed any services in connection with the Business in a transaction involving, or on behalf of, Cuba, Crimea, Iran, North Korea, Sudan or Syria.

5.25. No Reciprocal Dealing. With respect to the Business, neither Seller is, and at no point since January 1, 2014 has been, a party to or participant in any reciprocal dealing arrangements (written or oral) with any suppliers, distributors, agents or customers of such Seller pursuant to which such Seller agreed to purchase products or services from any such party on the condition that such party purchase products or services from such Seller in a manner violative of any applicable Laws.

5.26. No Employee Referrals. No employee of Sellers and, to the Knowledge of the Sellers, no family member of an employee of Sellers is employed by, provides services through or owns equity in any business (other than the direct or indirect ownership of up to two percent (2%) of the securities of any entity whose securities are publicly traded) or enterprise that refers business to Sellers and from whom such employee or family member of an employee receives compensation in connection with such referral. No employee of Sellers who makes referrals to Sellers and no family member of an employee of Sellers who makes referrals to Sellers shall receive or share in, directly or indirectly, any of the Aggregate Purchase Price.

5.27. Intellectual Property.

(a) Except for the Services (as defined in the Transition Services Agreement), the Trademark, the JQMS Agreement, the Seagull Software License Agreement, COTS (as defined in Section 5.27(b)) that are not otherwise incorporated into a tangible asset that is a Purchased Asset, and as set forth in Section 5.27(a) of the Disclosure Schedule, the Purchased Assets contain all Intellectual Property Rights owned by or licensed to Sellers and used by Sellers to conduct the Business as it is currently conducted.

(b) Sellers either: (i) own the entire right, title and interest in and to the Intellectual Property Rights that are included in the Purchased Assets and the Trademark, free and clear of any Encumbrance (other than Permitted Liens and other than claims of third parties under the Assigned Contracts based on, related to or in connection with circumstances occurring prior to the Closing Date, which the parties acknowledge and agree are Excluded Liabilities); or (ii) have a standard non-exclusive "shrink wrap" or "clickwrap" software license to commercially available off the shelf software ("***COTS***"). Section 5.27(b) of the Disclosure Schedule sets forth a complete and accurate list of all Contractual Obligations that relate to any Intellectual Property Rights which are Purchased Assets.

(c) Except as disclosed in Section 5.27(c) of the Disclosure Schedule: (i) the Trademark is subsisting, and is valid and enforceable; (ii) to the Knowledge of the Sellers, there are no pending Proceedings that challenge the validity of the Trademark or any Intellectual Property Rights included in the Purchased Assets and, to the Knowledge of the Sellers, there are

no pending Proceedings that form the basis for the Trademark or such Intellectual Property Rights being adjudicated invalid or unenforceable; and (iii) Sellers have the sole and exclusive right to bring actions for infringement or unauthorized use of the Intellectual Property Rights owned by Sellers that are included in the Purchased Assets or the Trademark, and to the Knowledge of the Sellers, there are no facts or circumstances that would, or would reasonably be likely to, provide a basis for any such action.

(d) No infringement, misappropriation, or violation of any trademarks, patents or any other intellectual property rights of any other Person has occurred or resulted in any way from: (i) Sellers' operation of the Business as it has been conducted since January 1, 2010 and is currently conducted; or (ii) the Intellectual Property Rights that are included in the Purchased Assets or the Trademark. Sellers have not received any written, or to the Knowledge of the Sellers, oral, claim of any infringement, misappropriation or violation of any trademarks, patents or any other intellectual property rights of any other Person in respect of Sellers' operation of the Business as it has been conducted since January 1, 2010 or the Intellectual Property Rights that are included in the Purchased Assets or the Trademark. No Seller Party has received written notice of, nor, to the Knowledge of the Sellers, are there any facts or circumstances that would, or would reasonably be likely to, provide any basis for, a claim of infringement, misappropriation or violation of any trademarks, patents, or any other intellectual property rights of any other Person against either Seller that arises from or is related to: (A) the Sellers' operation of the Business as it has been conducted since January 1, 2010; (B) the Intellectual Property Rights that are included in the Purchased Assets; or (C) the Trademark.

(e) All employees, agents, consultants or contractors of Sellers and, to the Knowledge of the Sellers, all employees, agents, consultants or contractors of any predecessor to any part of the Business acquired by either Seller, in each case who have contributed to or participated in the creation or development of any patentable or trade secret material, or copyrightable material, in each case relating to the Business on behalf of Sellers or, to the Knowledge of the Sellers, any predecessor to any part of the Business acquired by either Seller, either (whether directly by an agreement with a Seller or because of an assignment of an agreement entered into with any such predecessor to any Seller): (i) is a party to a "work-for-hire" agreement under which a Seller is deemed to be the original owner/author of all property rights therein; or (ii) has executed an assignment or an agreement to assign in favor of a Seller all right, title and interest in such material.

(f) To the Knowledge of the Sellers, none of the Intellectual Property Rights that are Purchased Assets contain or are derived from any "freeware," "shareware" or software obtained pursuant to any open source, community course, copyleft or similar license arrangement or any other software that requires the Intellectual Property Rights in the current or contemplated conduct of the Business to be (i) disclosed or distributed in source code form, (ii) licensed for the purpose of making derivative works, or (iii) redistributable at no charge (collectively the software described in this Section 5.27(f)(i) through (iii), "***OSS***"). To the Knowledge of the Sellers, no rights are obligated to be waived against, or licensed or provided to any Person as a result of either Seller's use of OSS code or as a result of the execution of this Agreement or the consummation of the transactions contemplated herein.

ARTICLE VI.

Representations and Warranties of Purchaser.

In order to induce the Seller Parties to enter into and perform this Agreement and to consummate the transactions contemplated hereunder, Purchaser hereby makes the following representations and warranties to the Seller Parties as of the date hereof and as of the Closing Date.

6.1. Organization and Good Standing. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the full corporate right, power and authority to own, lease, and operate its properties and to carry on its business as it is presently conducted.

6.2. Due Authorization; No Conflict.

(a) Purchaser has the full corporate power and authority to execute and deliver this Agreement and all other agreements, certificates, and documents executed or to be executed by Purchaser in connection herewith, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Purchaser of this Agreement and all other agreements, certificates and documents executed or to be executed by Purchaser in connection herewith have been duly authorized by all necessary corporate action of Purchaser.

(b) This Agreement has been duly executed and delivered by Purchaser. Upon delivery to Purchaser on the Closing Date of the General Assignment and Bill of Sale and the Assumption Agreement, the Joint Contract Assumption Agreement and any Material Consents required for assignment of any of the Assigned Contracts, Purchaser shall assume the Assumed Liabilities. This Agreement, and all other agreements, certificates and documents executed or to be executed by Purchaser in connection herewith, constitute or, when executed and delivered, shall constitute, a legal, valid and binding Contractual Obligation of Purchaser enforceable against Purchaser in accordance with its terms, subject to (i) Laws of general application relating to bankruptcy, insolvency and the relief of debtors, and (ii) Laws governing specific performance, injunctive relief and other equitable remedies.

(c) The execution and delivery by Purchaser of the Transaction Documents to which Purchaser is a party, the performance by Purchaser of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby, shall not (i) contravene the Organizational Documents of Purchaser, (ii) violate, conflict with, result in a breach of the terms or conditions of, or constitute a default, an event of default or an event creating rights of acceleration, termination or cancellation or a loss of rights under, (A) any material Contractual Obligation to which Purchaser is a party or (B) any Law, Governmental Authorization or Governmental Order applicable to Purchaser, (iii) require Purchaser to make any declaration, filing or registration with, or provide any notice to, any Governmental Authority or obtain any Governmental Authorization, or (iv) require any consent, approval or authorization of, declaration, filing or registration with, or notice to, any other Person.

6.3. No Brokers. Neither Purchaser nor any Person acting on behalf of Purchaser has paid or become obligated to pay any fee or commission to any broker, finder or intermediary for or on account of the transactions contemplated by this Agreement.

6.4. Litigation. There is no Proceeding pending or, to the knowledge of Purchaser, threatened against Purchaser which seeks to prohibit, restrict or delay consummation of the transactions contemplated by this Agreement or any of the conditions to consummation of such transactions and there is no Governmental Order outstanding or, to the knowledge of Purchaser, threatened against Purchaser which seeks to prohibit, restrict or delay consummation of the transactions contemplated by this Agreement or any of the conditions to consummation of such transactions.

ARTICLE VII.

Covenants and Agreements.

7.1. Purchaser's Investigation.

(a) Prior to the Closing Date, Purchaser shall be entitled, upon reasonable request and at its own expense, through its employees and representatives, including without limitation, its attorneys to perform a due diligence investigation of the Business, Purchased Assets, and related properties and operations of Sellers. Purchaser shall be permitted reasonable access to Sellers' premises, the Leased Premises, books and records of Sellers related to the Business, including, without limitation, the opportunity to observe and verify the Purchased Assets. Any such investigation and review shall be conducted at reasonable times and under reasonable circumstances. Purchaser agrees that any such investigation or review shall not unreasonably interfere with the ongoing operations of Sellers. Sellers shall cooperate with all reasonable requests and shall use reasonable efforts to cause their officers, employees, consultants, agents, accountants and attorneys to cooperate with such review and investigation.

(b) Prior to the Closing Date, Purchaser shall be entitled to (i) meet with customers listed on the Customer List in order to introduce such customers to Purchaser and educate such customers on using Purchaser's services, provide requisitions, supplies, etc. and (ii) meet with employees of the Business identified in Section 5.14(a) of the Disclosure Schedule in order to introduce such employees to Purchaser, complete paperwork for background checks and provide employee benefits orientation (collectively, the "***Pre-Closing Activities***"). Purchaser shall coordinate the conduct of the Pre-Closing Activities with Sellers and the Pre-Closing Activities shall be conducted at mutually agreeable times. Meetings with employees of the Business identified in Section 5.14(a) of the Disclosure Schedule shall be conducted so as to minimize interference with the performance of such employees' duties to Sellers. The Sellers shall use commercially reasonable efforts to cooperate with Purchaser in completing the Pre-Closing Activities prior to the Closing Date.

(c) The parties shall adhere to the terms and conditions of the Confidentiality Agreement; provided, however, Purchaser's obligations under the Confidentiality Agreement with respect to Information (as defined in the Confidentiality Agreement) concerning or related to the Business, the Purchased Assets, or the Assumed Liabilities shall terminate upon the

Closing. In the event this Agreement is terminated for any reason, upon the written request of Sellers, Purchaser shall promptly return to Sellers, or destroy, any Information in its possession and certify in writing to Sellers that it has done so. The provisions of this Section 7.1(c) shall survive the termination of this Agreement.

7.2. Consents of Third Parties. Sellers shall diligently seek, before the Closing Date, each of the consents to the assignment of the Assigned Contracts set forth in Section 5.16(c) of the Disclosure Schedule (the "***Material Consents***"), in form and substance reasonably satisfactory to Purchaser.

7.3. Operations of the Business Prior to the Closing. During the period prior to the Closing Date, except as contemplated by this Agreement, Sellers shall operate and carry on the Business only in the Ordinary Course of Business. Consistent with the foregoing, Sellers shall, unless otherwise agreed in writing by Purchaser (a) keep and maintain the Purchased Assets in good operating condition and repair subject to normal wear and tear; (b) use their commercially reasonable efforts consistent with good business practice to maintain the Business intact and to preserve the goodwill of the suppliers, licensors, employees, customers, distributors and others having business relations with Sellers in connection with the Business; (c) maintain (except for expiration due to lapse of time) all Material Contracts in effect without change,except those Material Contracts which expire or terminate by their terms or as otherwise expressly provided herein; (d) comply with the provisions of all Laws applicable to Sellers in connection with the Purchased Assets and the conduct of the Business; (e) not cancel, release, waive or compromise any Debt in its favor other than in connection with returns for credit or replacement or receipt of payment on trade receivables in the Ordinary Course of Business; (f) not alter the rate or basis of compensation of any of its officers, directors or employees associated with the Business other than in the Ordinary Course of Business; (g) not enter into any new Material Contract; provided however, that Purchaser's written consent to either Seller entering into any new Material Contract with any customer in the Ordinary Course of Business shall not be unreasonably withheld, conditioned or delayed; (h) not sell, lease or otherwise dispose of any properties or assets associated with the Business, except in the Ordinary Course of Business; (i) not enter into any Contractual Obligation with any Affiliate;and (j) not take any action to change accounting policies, estimates or procedures (including, without limitation, procedures with respect to revenue recognition, payments of accounts payable and collection of accounts receivable); and (k) take or omit to take any action that would cause the representations and warranties in Section 5.4 to be untrue at, or as of any time prior to, the Closing Date.

7.4. Notification of Certain Matters; Interim Financials.

(a) From the date of this Agreement until the Closing Date, the Sellers shall give Purchaser prompt written notice upon becoming aware of any event or circumstance that could reasonably be expected to result in a breach of, or inaccuracy in, any representation or warranty contained in Article V; *provided, however*, that no such disclosure of any event or circumstance occurring or arising prior to the date of this Agreement shall be deemed to prevent or cure any such breach of, or inaccuracy in, amend or supplement any Schedule to, or otherwise disclose any exception to, any of the representations and warranties of the Seller Parties set forth in this Agreement;*further provided, however*, that no such disclosure of any event or circumstance occurring or arising during the Interim Period shall be deemed to prevent

or cure any such breach of, or inaccuracy in, amend or supplement any schedule to, or otherwise disclose any exception to, any of the representations and warranties of the Seller Parties set forth in this Agreement for purposes of the termination rights contained in Article X or determining whether or not the conditions set forth in Article VIII have been satisfied, or, if the event or circumstance disclosed and the related breach of, or inaccuracy in, any representation or warranty contained in Article V and made as of the Closing Date results from or is related to any breach or failure to perform any of the Seller Parties' covenants or agreements contained in this Agreement, the indemnification rights of any Purchaser Indemnitee contained in Article XI with respect to breaches of, or inaccuracies in, representations and warranties contained in Article V and made as of the Closing Date.

(b) Sellers shall prepare and furnish to Purchaser, promptly after becoming available and in any event within thirty (30) days of the end of the applicable calendar month, the unaudited balance sheet for the Business as of the end of each month and the related unaudited P&L statement for the Business for the year-to-date period then ended, commencing with the month of July 2017 and for each month ending thereafter through the Closing Date.

7.5. No Solicitation. From the date of this Agreement until the earlier of the Closing Date or the date of the termination of this Agreement pursuant to Article X, the Sellers shall not, nor shall either of them authorize or permit any officer, director, employee, investment banker, attorney or other adviser or representative of the Sellers to: (a) solicit, initiate or encourage the submission of, any Acquisition Proposal (as hereinafter defined), (b) enter into any agreement with respect to any Acquisition Proposal, or (c) participate in any discussions or negotiations regarding, or furnish to any Person any information for the purpose of facilitating the making of, or take any other action to facilitate any inquiries or the making of, any proposal that constitutes, or may reasonably be expected to lead to, any Acquisition Proposal. The Sellers shall promptly advise Purchaser of any Acquisition Proposal and any inquiries with respect to any Acquisition Proposal. For purposes of this Section 7.5, "***Acquisition Proposal***" means any proposal for a merger or other business combination involving Sellers, the Business or the Purchased Assets or any proposal or offer to acquire in any manner, directly or indirectly, an equity interest in Sellers, any voting securities of Sellers, a substantial portion of the assets of Sellers, the Business or the Purchased Assets (but not including proposals for sales of inventory in the Ordinary Course of Business); provided, that nothing in this Section 7.5 will prohibit Sellers or their Affiliates from taking any of the actions described in this Section 7.5 with respect to any actual or proposed change of control transaction involving ChromaDex Corporation where any Person would acquire all or substantially all of the assets of ChromaDex Corporation or more than fifty percent (50%) of the common stock of ChromaDex Corporation.

7.6. Satisfaction of Closing Conditions. The Seller Parties and Purchaser shall, and shall cause their respective representatives to, use commercially reasonable efforts to take all of the actions necessary to consummate the transactions hereunder, including delivering all the various certificates, documents and instruments described in Article VIII and Article IX hereto, as the case may be.

7.7. Employee Matters.

(a) Purchaser shall have the right, but not the obligation, to offer employment, on an at will basis, with such employment to commence effective on the Closing Date, to any or all employees associated with the Business. In no event shall Purchaser be obligated to hire or retain any employee associated with the Business for any period following the Closing. No later than five (5) Business Days prior to the Closing, Purchaser and Sellers shall mutually agree upon a list of Sellers' employees associated with the Business that Purchaser will offer employment (such listed employees, the "***Business Employees***"). Upon reasonable request by Purchaser, the Sellers shall cooperate with and shall not impair Purchaser's efforts to obtain the employment of such Business Employees.

(b) Sellers, at the time of Closing, shall terminate all of the Business Employees and shall pay to all such Business Employees all amounts earned or accrued for wages, commissions, salaries, bonuses, holiday and vacation pay, and past service claims as of (but not including) the Closing Date, and shall make and remit, for all periods through but not including the Closing Date, all proper deductions, remittances and contributions for employees' wages, commissions and salaries required under all Contractual Obligations and Laws (including, without limitation, for health, hospital and medical insurance, group life insurance, pension plans, workers' compensation, unemployment insurance, income tax, FICA tax and the like) and, wherever required by such Contractual Obligations and/or Laws, all proper deductions and contributions from its own funds for such purposes, including making all matching contributions to the Sellers' 401(k) plan(s) on account of any contributions made by the Business Employees prior to Closing and for which matching contributions by Sellers have not yet been made, as required by Sellers' 401(k) plan(s), if applicable, in each case with respect to the Business Employees. Sellers shall be responsible for all Liabilities arising out of or based upon such termination of the Business Employees, including, without limitation, any severance pay obligations of Sellers or their Affiliates. For the avoidance of doubt, Sellers shall provide continuation coverage under Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA, and any similar applicable state law, to each current and former employee of the Sellers associated with the Business, and each eligible beneficiary thereof, who has a "qualifying event" (as defined in Section 4980B(f)(3) of the Code) on or prior to the Closing Date, to the extent such continuation coverage is elected by such individual.

(c) At the request of Purchaser prior to the Closing, Sellers shall continue their health care coverage for a period not to exceed the remainder of the calendar month in which the Closing occurs for those Business Employees hired by Purchaser. Sellers shall bear the insurance premiums for such period and Purchaser shall pay Sellers within five (5) Business Days of receiving any invoice or other statement the amount of such premiums and other liabilities, obligations, costs and expenses incurred by Sellers arising out of or based upon such continued coverage for such Business Employees and shown on such invoice or other statement.

(d) No provision of this Agreement shall create any third party beneficiary rights in any Business Employee, or any beneficiary or dependent thereof, with respect to the compensation, terms and conditions of employment and benefits that may be provided to such Business Employee by Purchaser or under any Employee Plan that Purchaser may maintain. No provision of this Agreement shall be deemed to be the adoption of, or an amendment to, any

employee benefit plan, as that term is defined in Section 3(3) of ERISA, or otherwise to limit the right of the Purchaser to amend, modify or terminate any such employee benefit plan.

7.8. Further Assurances. From and after the Closing Date, upon the request of either Sellers or Purchaser, each of the parties hereto shall do, execute, acknowledge and deliver all such further acts, assurances, deeds, assignments, transfers, conveyances and other instruments and papers as may be commercially reasonable to carry out the transactions contemplated hereunder. Sellers shall refer all customer inquiries relating to the Business to Purchaser for the period commencing on the Closing Date and ending on the date two (2) years following the Closing Date.

7.9. Customer Records. From and after the Closing, Sellers shall retain at their sole cost correspondence of Sellers pertaining to the customers on the Customer List and copies of the records of Sellers pertaining to the customers listed on the Customer List. Following the Closing, Sellers shall afford Purchaser and its representatives and agents access to such correspondence and copies of records upon reasonable notice during normal business hours to the extent that such access may be required by Purchaser in connection with matters relating to or affected by the operations of Purchaser following the Closing Date.

7.10. Bulk Transfer Laws. It is understood and agreed that Sellers and Purchaser shall not comply with the provisions of the "***Bulk Sales Law***" or similar provisions of the laws of any state insofar as they may be applicable to the transactions contemplated by this Agreement, and the parties each hereby waive, as among themselves, all rights and remedies relating to such noncompliance except to the extent of Purchaser's indemnification rights relating to such noncompliance as set forth in Article XI. Sellers agree to indemnify Purchaser for any Losses in connection with such noncompliance in accordance with Article XI.

7.11. Continuation of Professional Liability Insurance. For a period of three (3) years following the Closing Date, Sellers shall maintain in effect a professional liability insurance policy or shall purchase a "tail" policy of professional liability insurance with respect to matters occurring prior to the Closing Date, which tail insurance shall contain terms and conditions no less advantageous than are contained in Sellers' current professional insurance policy. Upon the request of Purchaser, Sellers shall provide reasonable evidence of the existence of such insurance policy.

7.12. Prorations. Assessments, common area maintenance charges, utility charges and rental payments with respect to the Leased Premises (collectively, "Charges") shall be prorated on a per diem basis and apportioned on a calendar year basis between Sellers, on the one hand, and Purchaser, on the other hand, as of the date of the Closing. Sellers shall be liable for that portion of such Charges relating to, or arising in respect of, periods on or prior to the Closing Date, and Purchaser shall be liable for that portion of such Charges relating to, or arising in respect of, any period after the Closing Date.

7.13. Tax Matters.

(a) Subject to Section 3.4, all real property Taxes, personal property Taxes and similar ad valorem obligations levied with respect to the Purchased Assets or the Business

for a taxable period which includes (but does not end on) the Closing Date (collectively, the "***Apportioned Obligations***") shall be apportioned between Sellers and Purchaser as of the Closing Date based on the number of days of such taxable period ending on but not including the Closing Date (the "***Pre-Closing Apportioned Period***") and the number of days of such taxable period beginning from the Closing Date through the end of such taxable period (the "***Post-Closing Apportioned Period***"). Sellers shall be liable for the proportionate amount of Apportioned Obligations that is attributable to the Pre-Closing Apportioned Period. Purchaser shall be liable for the proportionate amount of the Apportioned Obligations that is attributable to the Post-Closing Apportioned Period. Within ninety (90) days after the Closing, Purchaser and Sellers shall jointly prepare a statement to Sellers setting forth the amount of the respective shares of any Apportioned Obligations, including a statement of any reimbursement to which Sellers are entitled from Purchaser under this Section 7.13(a) (which shall take into account any Taxes previously overpaid by Sellers) together with such supporting evidence as is reasonably necessary to calculate such amount to be reimbursed. Thereafter, each party shall notify the other parties upon receipt of any bill for any Apportioned Obligations, part or all of which are attributable to the Pre-Closing Apportioned Period, or, if an Apportioned Obligation attributable to a Post-Closing Apportioned Period is paid by Sellers or otherwise billed to Sellers, upon receipt by Sellers of such bill. If such bill relates solely to the Pre-Closing Apportioned Period and is received by Purchaser, Purchaser shall promptly deliver such bill to Sellers who shall pay the same to the appropriate Governmental Authority. If such bill relates to the Post-Closing Apportioned Period, the party receiving such bill shall promptly deliver such bill to the other parties and Sellers shall remit, prior to the due date of assessment, to Purchaser payment only for the proportionate amount of such bill that is attributable to the Pre-Closing Apportioned Period. If either Sellers or Purchaser shall make a payment for which it is entitled to reimbursement under this Section 7.13(a), the party that is liable for such payment pursuant to this Section 7.13(a) shall make such reimbursement promptly but in no event later than ten (10) Business Days after the presentation of a statement setting forth the amount of reimbursement to which the presenting party is entitled along with such supporting evidence as is reasonably necessary to calculate the amount of reimbursement. Any Tax refunds, credits or overpayments attributable to any Apportioned Obligations shall be apportioned between Purchaser and Sellers in accordance with the apportionment provided in this Section 7.13(a). Any reimbursement by one party to any other party shall be treated as adjustments to the Aggregate Purchase Price.

(b) Each of Sellers, on one hand, and Purchaser, on the other, shall cooperate fully, as and to the extent reasonably requested by the other parties, in connection with the filing of Tax Returns, and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon any other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Each party shall provide to the others, within ten (10) Business Days of the receipt thereof, any Tax related communications and notices it receives which may impact the other parties' Tax Liability or filing responsibilities.

(c) Purchaser and Sellers agree to utilize or cause their respective Affiliates to utilize, the standard procedure set forth in Revenue Procedure 2004-53, 2004-2 C.B. 320, with respect to wage reporting.

7.14. Accounts Receivable; Accounts Payable.

(a) Sellers shall retain all accounts receivable arising out of the operation of the Business prior to the Closing and Purchaser shall retain all accounts receivable arising out of the operation of the Business on and after the Closing. After the Closing, Purchaser and Sellers shall forward to the other party any funds which are received by such party but relate to the accounts receivable of the other party. Notwithstanding anything to the contrary stated herein, neither party shall have any responsibility to collect any of the other party's accounts receivable. Sellers shall be responsible for any negative account receivable balances of customers that exist as of the Closing Date (including but not limited to those arising from overpayments, duplicate payments and credit memos as listed in Section 5.19 of the Disclosure Schedule). If a customer requests or requires Purchaser to honor any such Closing Date negative account receivable balance by crediting an amount due Purchaser for services rendered post-Closing, Purchaser shall promptly forward such information to Sellers, and Purchaser and Sellers shall cooperate in good faith in addressing such circumstances (e.g., by Sellers satisfying such negative account receivable balance through payment to the customer or Purchaser, or through some other mutually agreed on resolution). If the parties cannot agree on a mutually acceptable resolution and Purchaser reasonably believes that the negative account receivable balance is due the customer, then Purchaser shall have the right to credit the customer against amounts due Purchaser for services rendered post-Closing and, in addition to any other rights or remedies of Purchaser set forth herein (including rights to indemnification set forth in Article XI), Purchaser shall have the right to offset the amount of such bona fide negative account receivable balance from any funds that are received by Purchaser post-Closing in respect of accounts receivable arising out of the operation of the Business prior to the Closing that would otherwise be forwarded to Sellers by Purchaser pursuant to this Section 7.14(a).

(b) After the Closing Date, Purchaser shall promptly forward to Sellers any invoices, bills, notices or requests for payments relating to any accounts payable or other accruals (other than Taxes) related to the Business arising prior to the Closing ("***Pre-Closing Payables***"). Promptly upon receipt, and in any event no later than the expiration of the period of time during which such Pre-Closing Payables may be paid by Sellers without the incurrence of any interest, penalty, late fee or other charge thereon (the "***Penalty Date***"), Sellers shall pay all such bona fide Pre-Closing Payables (it being understood that where any such Pre-Closing Payable is the subject of a bona fide good faith dispute between Sellers and the third party claiming such amount, Sellers may delay payment of such Pre-Closing Payable until such dispute is resolved). In the event Sellers shall fail to pay any bona fide Pre-Closing Payable (including any interest penalties, late fees or other charges thereon) within thirty (30) days after the Penalty Date (other than in the event of a bona fide good faith dispute as described above), upon thirty (30) days prior written notice to Sellers, if Purchaser reasonably believes that the ongoing failure to pay such bona fide Pre-Closing Payables is reasonably likely to result in damages to the operation of the Business, then Purchaser shall have the right to pay such bona fide Pre-Closing Payable on behalf of Sellers (including any interest, penalties, late fees or other charges thereon) and, in addition to any other rights or remedies of Purchaser set forth herein (including rights to indemnification set forth in Article XI), Purchaser shall have the right to offset the amount of such bona fide Pre-Closing Payable (including any interest penalties, late fees or other charges thereon) from any funds which are received by Purchaser post-Closing in

respect of accounts receivable arising out of the operation of the Business prior to the Closing which would otherwise be forwarded to Sellers by Purchaser pursuant to Section 7.14(a).

7.15. Minimum Purchase Obligation. Purchaser and its Affiliates (including but not limited to Laboratory Corporation of America Holdings) shall purchase from Sellers at least $[…***…] in the aggregate of analytical reference standards (before discount), during each of the two (2) twelve (12) month periods immediately following the Closing Date, at prices that are discounted by […***…] percent ([…***…]%) from the prices that Sellers otherwise charge independent third parties for such analytical reference standards. Compliance with such minimum purchase obligation shall be determined by multiplying (A) the sum of the actual amounts paid by Purchaser or any of its Affiliates (including but not limited to Laboratory Corporation of America Holdings) to Sellers for orders made during the applicable twelve (12) month period by (B) […***…]. The parties hereby agree that the purchase and sale of the analytical reference standards required by this Section 7.15 shall be subject to Sellers' standard terms and conditions set forth in Schedule 7.15 attached hereto, and that Article XI of this Agreement shall not apply with respect to such purchase and sale of analytical reference standards or any non-fulfillment, non-performance or other breach by any of the parties of this Section 7.15.

7.16. Exclusive Provider. During the two (2) year period following Closing, Seller Parties and their majority-owned Subsidiaries shall engage only Purchaser, as the exclusive provider, for all third party ingredient test work ("***Test Services***") that Seller Parties and their majority-owned Subsidiaries require and that Purchaser has the ability to perform. Seller Parties and Purchaser agree that the price for such Test Services shall be discounted by […***…] percent ([…***…]%) from the price that Purchaser otherwise charges independent third parties for such Test Services, provided, however, such discount shall not apply to any Test Services (a) conducted by third-parties, (b) conducted at Purchaser's Anaheim facility, (c) involving monographs, (d) involving client-specific methods, or (d) involving any non-routine testing. Purchaser's engagement to perform Test Services shall be subject to Purchaser's standard terms and conditions set forth in Schedule 7.16 attached hereto, and that Article XI of this Agreement shall not apply with respect to such engagement or any non-fulfillment, non-performance or other breach by any of the parties of this Section 7.16. At such time as Seller Parties or their majority-owned Subsidiaries require Test Services, Seller Parties shall, or shall cause their majority-owned Subsidiaries to, make a written request to Purchaser describing the requested Test Services and the requested completion date, and Purchaser shall notify Seller Parties or Seller Parties' majority-owned Subsidiaries, as applicable, in writing within ten (10) days following its receipt of such written request whether Purchaser has the ability to timely perform the requested Test Services; provided, however, if the requested completion date is not within Purchaser's standard time frame for completing Test Services, the performance of those Test Services shall be subject to an upcharge for expedited service. If Purchaser does not provide such written notice to Seller Parties or Seller Parties' majority-owned Subsidiaries, as applicable, within such ten (10) day period or notifies Seller Parties or Seller Parties' majority-owned Subsidiaries, as applicable, within such ten (10) day period that it is unable to timely perform the requested Test Services, Seller Parties and their majority-owned Subsidiaries may thereafter purchase such Test Services from one or more third parties free of any obligation to Purchaser pursuant to this Section 7.16. If Purchaser does notify Seller Parties or Seller Parties' majority-owned Subsidiaries, as applicable, within such ten (10) day period, that it has the ability to timely perform the requested Test Services, but thereafter does not complete such Test Services

within the time agreed by Seller Parties or Seller Parties' majority-owned Subsidiaries, as applicable, Seller Parties and their majority-owned Subsidiaries may thereafter purchase the specific Test Services for the instant case with respect to which the Test Services were not completed within the time agreed from one or more third parties free of any obligation to Purchaser pursuant to this Section 7.16.

7.17. JQMS Services.

(a) During the two (2) year period following Closing for so long as the JQMS Agreement remains in effect, Sellers shall provide Purchaser with auditing services for the Business that are of the same nature and caliber of auditing services that JQMS has provided to Sellers pursuant to the JQMS Agreement prior to the date of this Agreement (the "***JQMS Services***"), which may be performed by JQMS on behalf of Sellers, at Sellers' cost for such JQMS Services pursuant to the JQMS Agreement. Sellers' engagement to perform JQMS Services shall be subject to Sellers' standard terms and conditions set forth in Schedule 7.15 attached hereto.

(b) In the event that, during the two (2) year period following the Closing, Sellers acquire JQMS or substantially all of JQMS' assets associated with the JQMS Services, Sellers and Purchaser shall negotiate in good faith and enter into a separate agreement between Sellers and Purchaser for the provision of the JQMS Services, and such agreement shall contain commercially reasonable terms that are no less favorable to Purchaser than the standard terms and conditions set forth in Schedule 7.15 attached hereto and the business terms set forth in Section 7.17(a). In the event that, during the two (2) year period following the Closing, either Sellers or JQMS desire to terminate, or not to renew, the JQMS Agreement (and Sellers have not previously acquired JQMS or substantially all of JQMS' assets associated with the JQMS Services), Sellers shall (i) provide Purchaser with written notice at least six (6) months' prior to termination of the JQMS Agreement (or promptly following receipt of any termination notice from JQMS) or (ii) provide Purchaser with written notice at least ninety (90) days' prior to the expiration of the JQMS Agreement in the case of non-renewal (or promptly following receipt of any non-renewal notice from JQMS); provided that, in the event of any termination of the JQMS Agreement by either JQMS or Sellers pursuant to Section 9.2.2 or 9.2.3 of the JQMS Agreement, Sellers shall provide Purchaser with prompt written notice of such termination, in any event no later than ten (10) Business Days following the date of receipt or delivery of notice of such termination. In each such case, Sellers shall continue to provide Purchaser with the JQMS Services through the date of termination or expiration of the JQMS Agreement, as applicable. Upon Purchaser's written request, during the period after any such Sellers' notice of termination or expiration of the JQMS Agreement until sixty (60) days after the termination or expiration of the JQMS Agreement, as applicable, Sellers shall use commercially reasonable efforts to assist Purchaser in identifying another third-party vendor capable of providing auditing services comparable to the JQMS Services.

ARTICLE VIII.

Conditions to Performance by Purchaser.

The obligation of Purchaser to consummate the Closing is subject to the fulfillment of each of the following conditions (unless waived by Purchaser in accordance with Section 12.4):

8.1. Representations and Warranties. Each of the representations and warranties of the Seller Parties contained in this Agreement shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or true and correct in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect), in either case, as of the date hereof and the Closing Date, other than representations and warranties that expressly speak only as of a specific date or time, which shall be true and correct (or true and correct in all material respects, as the case may be) as of such specified date or time.

8.2. Covenants and Agreements. Each Seller Party shall have performed and complied in all material respects with all of its respective obligations under this Agreement which are to be performed or complied with by them prior to or at the Closing.

8.3. Compliance Certificate. Sellers shall have delivered to Purchaser a certificate dated as of the Closing Date, duly executed by an officer of each Seller Party, certifying as to the satisfaction or the conditions set forth in Sections 8.1 and 8.2.

8.4. Absence of Litigation. No Proceeding shall be initiated, pending, or threatened in writing, nor shall there be any formal or informal written inquiry by a Governmental Authority, which may result in a Governmental Order (nor shall there be any Governmental Order in effect) (a) which would prevent consummation of any of the transactions contemplated hereunder, (b) which would result in any of the transactions contemplated hereunder being rescinded following consummation, (c) which would limit or otherwise adversely affect the right of Purchaser to operate all or any portion of either the Business or the Purchased Assets or of the business or assets of Purchaser or any of its Affiliates, or (d) would compel Purchaser or any of its Affiliates to dispose of all or any portion of either the Business or the Purchased Assets or the business or assets of Purchaser or any of its Affiliates.

8.5. No Material Adverse Effect. There shall not have occurred after the date of this Agreement any event, change, effect or development that has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

8.6. Material Consents. All Material Consents shall have been obtained and shall be in full force and effect and Sellers shall have delivered to Purchaser evidence thereof reasonably satisfactory to Purchaser.

8.7. Release of Encumbrances on the Purchased Assets. Purchaser shall have received evidence reasonably satisfactory to it that all Encumbrances on the Purchased Assets, other than Permitted Liens (and other than claims of third parties arising under the Assigned Contracts based on, related to or in connection with circumstances occurring prior to the Closing Date, which the parties acknowledge and agree are Excluded Liabilities), shall have been released and

that termination statements with respect to all UCC financing statements relating to such Encumbrances have been, or shall be promptly following the Closing, filed at the expense of Sellers;*provided, however*, that an amendment rather than a termination statement shall be required to be filed with respect to the UCC financing statement filed by Bridge Bank, a division of Western Alliance Bank pursuant to its loan agreement with Sellers, excluding the Purchased Assets.

8.8. Other Closing Deliveries. The Seller Parties shall deliver to Purchaser the following:

(a) Sellers' Customer List, updated as of the Closing Date;

(b) the Assumption Agreement and the Joint Contract Assumption Agreement, duly executed by Sellers;

(c) the General Assignment and Bill of Sale, substantially in the form of Exhibit 8.8(c) attached hereto, duly executed by Sellers;

(d) the Non-Competition Agreement, substantially in the form of Exhibit 8.8(d) attached hereto (the "***Non-Competition Agreement***"), duly executed by Sellers and the Shareholder;

(e) the Non-Competition Agreement, substantially in the form of Exhibit 8.8(e) attached hereto ("***Non-Competition Agreement for Management***"), duly executed by each of Frank L. Jaksch, Jr. and Troy Rhonemus;

(f) the Transition Services Agreement, substantially in the form of Exhibit 8.8(f) attached hereto (the "***Transition Services Agreement***"), duly executed by Sellers;

(g) the Trademark License Agreement, substantially in the form of Exhibit 8.8(g) attached hereto (the "***License Agreement***"), duly executed by Sellers;

(h) the Escrow Agreement, duly executed by Sellers and the Escrow Agent;

(i) a certificate of the secretary of each Seller, in form and substance reasonably satisfactory to Purchaser, certifying that (i) attached thereto is a true, correct and complete copy of (A) the articles or certificate of incorporation of such Seller, certified as of a recent date by the Secretary of State of such Seller's state of incorporation and the bylaws of such Seller, (B) to the extent applicable, resolutions duly adopted by the board of directors and the shareholders authorizing the performance of the transactions contemplated by this Agreement and the execution and delivery of the Transaction Documents to which it is a party and (C) a certificate of existence or good standing as of a recent date of Seller from such Seller's state of incorporation, (ii) the resolutions referenced in subsection (i)(B) are still in effect and (iii) nothing has occurred since the date of the issuance of the certificate(s) referenced in subsection (i)(C) that would adversely affect such Seller's existence or good standing in such jurisdiction;

(j) a certificate of each Seller's non-foreign status as set forth in Treasury Regulation Section 1445-2(b);

(k) an offer letter and a confidentiality, non-solicitation and non-competition agreement, in a form reasonably satisfactory to Purchaser, duly executed by Tony Nguyen as of the date hereof and effective as of the Closing Date (and delivered to Purchaser on or prior to the date hereof);

(l) the Closing Statement, duly executed by the Seller Parties; and

(m) such other bills of sale, assignments and other instruments of transfer or conveyance, duly executed by the Sellers, as may be reasonably requested by Purchaser to effect the sale, conveyance and delivery of the Purchased Assets to Purchaser, and a Form W-9, duly executed by the Sellers.

ARTICLE IX.

Conditions to Performance by the Seller Parties.

The obligations of the Seller Parties to consummate the Closing are subject to the fulfillment of each of the following conditions (unless waived by the Seller Parties in accordance with Section 12.4):

9.1. Representations and Warranties. Each of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all respects (in the case of any representation or qualified by materiality) or true and correct in all material respects (in the case of any representation or warranty not qualified by materiality), in either case, as of the date hereof and as of the Closing Date, other than representations and warranties that expressly speak only as of a specific date or time, which shall be true and correct (or true and correct in all material respects, as the case may be) as of such specified date or time.

9.2. Covenants and Agreements. Purchaser shall have performed and complied in all material respects with all of its obligations under this Agreement which are to be performed or complied with by it prior to or at the Closing.

9.3. Compliance Certificate. Purchaser shall have delivered to Sellers a certificate dated as of the Closing Date, duly executed by an officer of Purchaser, certifying as to the satisfaction or the conditions set forth in Sections 9.1 and 9.2.

9.4. Absence of Litigation. No Proceeding shall be initiated, pending, or threatened in writing, nor shall there be any formal or informal written inquiry by a Governmental Authority which may result in a Governmental Order (nor shall there be any Governmental Order in effect) (a) which would prevent consummation of any of the transactions contemplated hereunder, or (b) which would result in any of the transactions contemplated hereunder being rescinded following consummation.

9.5. Material Consents. All Material Consents shall have been obtained or made in a manner reasonably satisfactory to Sellers.

9.6. Other Closing Deliveries. Subject to the fulfillment or waiver of the conditions set forth in Article VIII, at Closing, Purchaser shall (a) pay the Initial Purchase Price to Sellers pursuant to Section 3.2(a), (b) the Initial Escrow Amount and the Special Escrow Amount to the Escrow Agent, and (c) execute and deliver to Sellers (i) the certificate contemplated by Section 9.3, (ii) the General Assignment and Bill of Sale, (iii) the Assumption Agreement and the Joint Contract Assumption Agreement, (iv) the Closing Statement, (v) the Escrow Agreement, (vi) the Non-Competition Agreement, (vii) the Non-Competition Agreements for Management, (viii) the License Agreement, and (ix) the Transition Services Agreement.

ARTICLE X.

Termination.

10.1. Termination. Notwithstanding anything contained in this Agreement to the contrary, this Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of Purchaser and the Seller Parties;

(b) by either Purchaser or Seller Parties, if (i) any Governmental Authority having competent jurisdiction over any party hereto shall have issued a final Governmental Order restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such Governmental Order is or shall have become nonappealable or (ii) there shall be adopted any Law that makes the transactions contemplated by this Agreement illegal or otherwise prohibited;*provided*, *however,* that the party seeking to terminate this Agreement pursuant to clause (i) above shall not have initiated such Proceeding or taken any action in support of such Proceeding and shall have used its reasonable best efforts to challenge such order or other action;

(c) by Purchaser, in the event of the inaccuracy in or breach of any representation or warranty of the Seller Parties contained in this Agreement or if any Seller Party breaches or fails to perform any of its respective covenants or agreements contained in this Agreement and such inaccuracy, breach or failure to perform (i) would reasonably be expected to give rise to the failure of a condition set forth in Article VIII, (ii) cannot be or has not been cured within twenty (20) Business Days after the receipt of written notice thereof, and (iii) has not been waived by Purchaser;*provided*, that, the right of Purchaser to terminate this Agreement pursuant to this Section 10.1(c) shall not be available if, at the time of such purported termination, Purchaser has breached or failed to perform in any respect any of its representations, warranties, covenants or agreements contained in this Agreement;

(d) by Purchaser, in the event the Shareholder is acquired pursuant to a merger, consolidation, stock sale or similar change in control transaction;

(e) by the Seller Parties, in the event of the inaccuracy in or breach of any representation or warranty of Purchaser contained in this Agreement or if Purchaser breaches or fails to perform any of its covenants or agreements contained in this Agreement and such inaccuracy, breach or failure to perform (i) would reasonably be expected to give rise to the failure of a condition set forth in Article IX, (ii) cannot be or has not been cured within twenty

(20) Business Days after the receipt of written notice thereof, and (iii) has not been waived by the Seller Parties;*provided*, that, the right of the Seller Parties to terminate this Agreement pursuant to this Section 10.1(e) shall not be available if, at the time of such purported termination, any Seller Party has breached or failed to perform in any respect any of its respective representations, warranties, covenants or agreements contained in this Agreement; or

(f) by either Purchaser or the Seller Parties, if the Closing has not been consummated on or before September 29, 2017 (the "***Closing Date Deadline***");*provided*, that no party may terminate this Agreement pursuant to this Section 10.1(f) if such party's breach or failure to perform any of such party's representations, warranties, covenants or agreements contained in this Agreement shall have been a principal cause of or resulted in the failure of the Closing to be consummated on or before the Closing Date Deadline;*provided, however*, that in the event the Closing has not occurred solely by reason of Section 8.6 or Section 9.5, the Closing Date Deadline shall automatically be extended by an additional ninety (90) days, and the parties hereto shall continue their efforts pursuant to Sections 7.2 to fulfill the conditions in Section 8.6 and Section 9.5 by the earliest practicable date.

10.2. Notice of Termination; Effect of Termination.

(a) The party desiring to terminate this Agreement pursuant to Sections 10.1(b) through 10.1(f) shall give written notice of such termination to the other party in accordance with Section 12.7, specifying the provision or provisions hereof pursuant to which such termination is effected. The right of any party to terminate this Agreement pursuant to Section 10.1 shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any party hereto, whether prior to or after the execution of this Agreement.

(b) In the event of termination of this Agreement pursuant to Section 10.1, this Agreement shall be of no further force or effect; provided, however, (i) the provisions of Section 7.1(c), Article X and Article XII shall survive termination and (ii) any termination pursuant to Section 10.1 shall not relieve any party of any liability for breach of any representation, warranty, covenant or agreement hereunder occurring prior to such termination.

10.3. Return of Documentation. Following termination of this Agreement, (a) all filings, applications and other submissions made pursuant to this Agreement or prior to the execution of this Agreement in contemplation hereof shall, to the extent practicable, be withdrawn from the Governmental Authority to which made and (b) Purchaser shall return or destroy (and provide proof of such destruction of) all agreements, documents, contracts, instruments, books, records, materials and other information (in any format) regarding Sellers provided to Purchaser or its representatives in connection with the transactions contemplated hereunder other than as reasonably necessary to enforce its rights under this Agreement. Notwithstanding the foregoing, Purchaser shall be permitted to retain one (1) copy of all such information and materials in its law department or with its outside legal counsel, and Purchaser shall be permitted to retain such electronic copies of all such information and materials that have become embedded in its electronic data systems through programmed backup procedures.

ARTICLE XI

Indemnification.

11.1. Survival of Representations and Warranties. All representations and warranties contained in this Agreement shall survive the Closing until, and shall terminate on the date that is eighteen (18) months after the Closing Date; provided, however, that the representations and warranties in (a) Sections 5.1(a) (*ChromaDex Organization*), 5.1(b) (*ChromaDex Analytics' Organization*), 5.2(a) (*Due Authorization*), 5.2(b) (*Binding Agreement*) and 5.17 (*No Broker*) (collectively, the "***Fundamental Reps***") shall survive the Closing until, and shall terminate on, the date that is the sixth (6th) anniversary of the Closing Date, (b) the representations and warranties in Section 5.7 (*Taxes*) shall survive the Closing until, and shall terminate on, the sixtieth (60th) day following the expiration of the applicable statute of limitations, and (c) the representations and warranties in Section 5.11 (*Environmental Matters*) shall survive the Closing until, and shall terminate on, May 1, 2024, and provided further, however, that any claims for common law fraud shall survive the Closing until, and shall terminate on, the date that is the sixth (6th) anniversary of the Closing Date. All covenants and agreements contained in this Agreement or any other Transaction Document that are to be performed prior to or as of the Closing shall terminate upon the Closing, and all covenants and agreements contained in this Agreement or any other Transaction Document that are to be performed in whole or in part after the Closing Date shall survive in accordance with their respective terms until fully performed. No claim for indemnification hereunder for breach, inaccuracy, non-fulfillment or non-performance of any representations or warranties or covenants or agreements contained in this Agreement or any other Transaction Document may be made after the expiration of the applicable survival period indicated in the two preceding sentences (each, an "***Indemnification Period***");*provided* that, if a Claim Notice is given on or prior to the expiration of the applicable Indemnification Period in accordance with Section 11.4, then, notwithstanding that such Indemnification Period shall have expired, the representations, warranties, covenants and agreements relating to such claim, including but not limited, to any attendant indemnification rights or obligations associated therewith in accordance with the terms and conditions of this Agreement, shall continue to survive until the claim is finally resolved. The right to indemnification, reimbursement or other remedy based upon the representations and warranties of Seller Parties shall not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of any such representation or warranty.

11.2. Indemnification by the Seller Parties. Subject to the terms and conditions of Section 11.4, the Seller Parties, jointly and severally, agree to indemnify, defend and hold harmless Purchaser and its successors and assigns (each a "***Purchaser Indemnitee***") from or against, for and in respect of, any and all damages, losses, obligations, Liabilities, demands, judgments, injuries, penalties, claims, actions or causes of action, amounts paid in settlement, costs, and expenses (including, without limitation, reasonable attorneys', experts', and consultants' fees, but not including (i) any damages that are not reasonably foreseeable arising from a breach, inaccuracy, non-fulfillment or non-performance of a representation, warranty, covenant or agreement contained in this Agreement or any other Transaction Document and (ii) any punitive or exemplary damages, except, in the case of each of clause (i) and (ii), to the extent

paid or payable by an Indemnified Party to a third party in connection with a Third Party Claim) (collectively, "***Losses***") suffered, sustained, incurred or required to be paid by any Purchaser Indemnitee arising out of, based upon, in connection with or as a result of:

(a) any inaccuracy in or breach of any representation or warranty made by any Seller Party (i) in any Transaction Document other than this Agreement, (ii) in this Agreement as of the date hereof, and (iii) with respect to any inaccuracy in or breach of any representation or warranty made by any Seller Party in this Agreement as of the Closing Date, to the extent such breach or inaccuracy results from or relates to the breach or failure to perform of any of the Seller Parties' covenants or agreements contained in this Agreement during the Interim Period;

(b) any allegation contained in any Third Party Claim that, if true, would be a breach or inaccuracy of any representation or warranty made by any Seller Party under any Transaction Document;

(c) the non-fulfillment, non-performance or other breach of any covenant or agreement required to be performed by any Seller Party pursuant to any Transaction Document;

(d) any Excluded Liabilities;

(e) the noncompliance by the parties of the provisions of any applicable bulk sales laws;

(f) any arrangements or agreements made or alleged to have been made by any Seller Party with any broker, finder or other agent in connection with the transactions contemplated by this Agreement that result in Purchaser being liable on account thereof;

(g) any Transfer Taxes required to be borne by Sellers pursuant to Section 3.4 or Apportioned Obligations allocated to Sellers pursuant to Section 7.13; and

(h) any matter, item, condition or circumstance listed, contained or otherwise referred in Sections 5.12 or 5.15 of the Disclosure Schedule.

11.3. Indemnification by Purchaser. Subject to the terms and conditions of Section 11.4, Purchaser hereby agrees to indemnify, defend and hold harmless the Seller Parties and their respective successors and assigns (each a "***Seller Indemnitee***") from or against, for and in respect of, any and all Losses suffered, sustained, incurred or required to be paid by any Seller Indemnitee arising out of, based upon, in connection with or as a result of:

(a) any inaccuracy in or breach of any representation or warranty made by Purchaser (i) in any Transaction Document other than this Agreement, (ii) in this Agreement as of the date hereof, and (iii) with respect to any inaccuracy in or breach of any representation or warranty made by Purchaser in this Agreement as of the Closing Date, to the extent such breach or inaccuracy results from or relates to the breach or failure to perform of any of Purchaser's covenants or agreements contained in this Agreement during the Interim Period;

(b) any allegation contained in any Third Party Claim that, if true, would be a breach or inaccuracy of any representation or warranty made by Purchaser under any Transaction Document;

(c) the non-fulfillment, non-performance or other breach of any covenant or agreement required to be performed by Purchaser pursuant to this Agreement or any other Transaction Document;

(d) any Assumed Liabilities;

(e) any arrangements or agreements made or alleged to have been made by Purchaser with any broker, finder or other agent in connection with the transactions contemplated by this Agreement that result in any Seller Party being liable on account thereof; and

(f) any Transfer Taxes required to be borne by Purchaser pursuant to Section 3.4 or any Apportioned Obligations allocated to Purchaser pursuant to Section 7.13.

11.4. Indemnification Procedures.

(a) Delivery of Claim Notice. Any Purchaser Indemnitee or Seller Indemnitee seeking indemnification hereunder (the "***Indemnified Party***") shall promptly notify the party or parties hereto against whom indemnification is sought (the "***Indemnifying Party***", which term shall include all Indemnifying Parties if there be more than one) of any claim for indemnification hereunder (a "***Claim***" and such notice, a "***Claim Notice***"), *provided* that failure of the Indemnified Party to give such Claim Notice shall not relieve the Indemnifying Party of its obligations under this Article XI except to the extent, if at all, that such Indemnifying Party shall have been actually prejudiced thereby. Each Claim Notice shall state that such Indemnified Party believes that there is or has been a breach, inaccuracy, non-fulfillment or non-performance of a representation, warranty, covenant or agreement contained in this Agreement or any other Transaction Document or that such Indemnified Party is otherwise entitled to indemnification or reimbursement under Article XI of this Agreement, and contain a description of the circumstances supporting such Indemnified Party's belief that there is or has been such a breach or that such Indemnified Party is so entitled to indemnification or reimbursement and shall, to the extent possible, contain a good faith, non-binding, preliminary estimate of the amount of Losses such Indemnified Party claims to have so incurred or suffered (the "***Claimed Amount***"), which estimate shall include a reasonable amount of detail showing how the Claimed Amount was determined.

(b) Response Notice; Uncontested Claims. Within twenty (20) days after receipt by the Indemnifying Party of a Claim Notice, the Indemnifying Party may deliver to the Indemnified Party who delivered the Claim Notice a written response (the "***Response Notice***") in which the Indemnifying Party: (i) agrees that the Indemnified Party is entitled to the full Claimed Amount (the "***Uncontested Amount***"); (ii) agrees that the Indemnified Party is entitled to part, but not all, of the Claimed Amount (the "***Agreed Amount***"); or (iii) indicates that the Indemnifying Party disputes the entire Claimed Amount. Any part of the Claimed Amount that is not agreed to pursuant to the Response Notice shall be the "***Contested Amount.***" If a

Response Notice is not received by the Indemnitee within such 20-day period, then the Indemnifying Party shall be conclusively deemed to have agreed that the Indemnitee is entitled to the full Claimed Amount (also, the "***Uncontested Amount***"). If the Indemnifying Party and the Indemnitee are unable to resolve the dispute relating to any Contested Amount within thirty (30) days after the delivery of the Response Notice, then the Indemnified Party and Indemnifying Party may resolve the claim described in the Claim Notice in accordance with Section 12.10 of this Agreement. To the extent that the Indemnified Party and the Indemnifying Party resolve the Claim described in the Claim Notice in accordance with Section 12.10 of this Agreement and the Seller Parties are found liable for all or any portion of the Contested Amount or any other damages, such portion of the Contested Amount and such other damages shall also be deemed an "***Uncontested Amount***" for purposes of this Agreement. The Indemnifying Party shall pay (subject to Section 11.6, to the extent applicable) the Indemnified Party for any Uncontested Amount within fifteen (15) days of the applicable amount being determined to be an Uncontested Amount in accordance with this Section 11.4.

(c) Defense of Third Party Claims. In the event a Claim described in a Claim Notice relates to any Proceeding instituted or asserted against the Indemnified Party by a third party with respect to which the Indemnifying Party may become obligated to indemnify or reimburse an Indemnified Party pursuant to this Article XI (a "***Third Party Claim***"), the Indemnifying Party shall have the right, at its election by giving notice to the Indemnified Party within twenty (20) days of receipt of such Claim Notice for such Third Party Claim, to proceed with the defense of such Third Party Claim on its own with counsel reasonably satisfactory to the Indemnified Party. After notice from the Indemnifying Party to the Indemnified Party of its election so to assume the defense thereof, the Indemnifying Party will not, subject to the immediately succeeding sentence, be liable to such Indemnified Party under this Article XI for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation. In any such Third Party Claim where the Indemnifying Party timely elects to assume the defense against such Third Party Claim, an Indemnified Party shall have the right to participate in such defense and retain its own counsel, but the reasonable fees and expenses of such counsel shall be at the sole cost and expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel, (ii) the Indemnifying Party has assumed the defense of such Proceeding and has failed within a reasonable time to retain counsel reasonably satisfactory to such Indemnified Party or (iii) the named parties to any such Third Party Claim (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party and representation of both parties by the same counsel would be inappropriate due to actual or potential conflicts of interests between them based on the advice of counsel to the Indemnified Party. It is agreed that the Indemnifying Party shall not, in connection with any Third Party Claim or related Proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate law firm (in addition to local counsel where necessary) for all such Indemnified Parties. If the Indemnifying Party timely elects to assume the defense of a Third Party Claim and is actively engaged in such defense or in circumstances where the reasonable fees and expenses of the Indemnified Party's counsel are not at the Indemnified Party's sole cost and expense pursuant to clauses (i) or (iii) of the second preceding sentence, the Indemnifying Party shall not be liable for any settlement of any Third Party Claim effected without its prior written consent (which shall not be unreasonably withheld, conditioned or delayed), but, if settled with such consent or if there be a final judgment for the

plaintiff, the Indemnifying Party agrees to indemnify the Indemnified Party from and against any Loss by reason of such settlement or judgment in accordance with and subject to the terms and conditions of this Agreement. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement, compromise or discharge of any pending or threatened Third Party Claim in respect of which any Indemnified Party is or could have been a party and indemnity could be sought under this Article XI by such Indemnified Party, unless such settlement, compromise or discharge, as the case may be, (1) includes an unconditional, full written release of such Indemnified Party, in form and substance reasonably satisfactory to the Indemnified Party, from all liability on claims that are the subject matter of such claim or proceeding, (2) does not include any statement as to an admission of fault, culpability or failure to act by or on behalf of any Indemnified Party and (3) does not impose on such Indemnified Party any continuing obligations or restrictions other than customary and reasonable confidentiality obligations relating to such claim, settlement or compromise.

11.5. Limitations.

(a) Notwithstanding anything to the contrary contained in this Agreement, an Indemnifying Party shall not be liable for any claim for indemnification pursuant to Section 11.2(a) or Section 11.3(a) unless and until the amount of indemnifiable Losses which may be recovered from the Indemnifying Party with respect to such claim equals or exceeds $50,000 (such amount, the "***Deductible***"), after which the Indemnifying Party shall be liable for the full amount of all Losses from the first dollar, subject to the other limitations contained in this Article XI;*provided*, *however*, that the foregoing limitations set forth in this Section 11.5(a) shall not apply to (i) breaches or inaccuracies of the Fundamental Reps, (ii) breach or inaccuracies of the representations and warranties in Section 5.11 (*Environmental Matters*), or (iii) claims based upon common law fraud. Claims for indemnification pursuant to any other provision of Section 11.2 or Section 11.3 are not subject to the monetary limitations set forth in this Section 11.5(a).

(b) To the fullest extent permitted by applicable Law, the indemnities and other obligations set forth in this Article XI shall be the exclusive remedies of the Purchaser Indemnitees against Seller Parties and the Seller Indemnitees against Purchaser, as applicable, to collect any Losses for which they are entitled to indemnification under this Agreement (including with respect to non-fulfillment, non-performance or breach of any covenant or agreement included in any other Transaction Document or breaches of or inaccuracies in representations and warranties in any other Transaction Document) or any monetary remedy pursuant to this Agreement or any other Transaction Document under any theory of liability, except in the case of common law fraud. For the sake of clarity, nothing in this Section 11.5(b) shall operate to limit the Purchaser's right to injunctive relief with respect to breaches of any post-Closing covenants contained in any of the Transaction Documents.

(c) The maximum amount of indemnifiable Losses for which the Seller Parties shall be liable pursuant to this Article XI (other than (i) with respect to Section 11.2(d), (ii) Environmental Losses, (iii) for claims based on non-fulfillment, non-performance or other breaches by any of the Seller Parties of any covenant or agreement in the Non-Competition Agreement, (iv) for claims based on breaches of or inaccuracies in any of the Fundamental Reps, and (v) for claims based on common law fraud, which, with respect to each of clauses (i) through (v), the monetary limitation set forth in this Section 11.5(c) shall not apply) shall not

exceed an aggregate amount equal to 100% of the sum of (A) the Initial Purchase Price plus (B) the amount of the Earnout Payment actually paid by Purchaser to the Sellers or deposited with the Escrow Agent to be held by the Escrow Agent pursuant to the Escrow Agreement, inclusive of the aggregate amount of all other indemnity claims paid to Purchaser Indemnitees hereunder;*provided, however*, that the maximum amount of indemnifiable Losses for which the Seller Parties shall be liable pursuant to Sections 11.2(a) and 11.2(b), other than with respect to Fundamental Reps, the representations and warranties in Section 5.11 (*Environmental Matters*), and for claims based on common law fraud, shall not exceed an amount equal to two (2) times the General Escrow Amount, inclusive of the aggregate amount of all other indemnity claims paid to Purchaser Indemnitees pursuant to Sections 11.2(a) and 11.2(b), other than with respect to the Fundamental Reps, the representations and warranties in Section 5.11 (*Environmental Matters*), and for claims based on common law fraud.

(d) The amount of any Losses that are subject to indemnification under this Article XI shall be calculated net of the amount of any insurance proceeds, indemnification payments, contribution payments or reimbursements actually received by the Indemnified Party in respect of such Losses or any of the events or circumstances giving rise to such Losses (net of any reasonable out-of-pocket costs or expenses actually incurred in obtaining such insurance, indemnification, contribution or reimbursement).

(e) For the sole purpose of determining Losses (and not for determining whether or not any breaches of or inaccuracies in representations or warranties have occurred), the representations and warranties shall not be deemed qualified by any references to materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty.

11.6. Release of Escrow Funds.

(a) Subject to the further terms and conditions of the Escrow Agreement and this Article XI, on the first Business Day after the expiration of the General Escrow Period, Purchaser and Sellers shall execute a joint instruction to the Escrow Agent directing the Escrow Agent to release to Sellers any remaining General Escrow Funds on such date, minus any Claimed Amount relating to any Claim Notice given by any Purchaser Indemnitee with respect to the General Escrow Funds for which a Response Notice from Sellers is not then due and has not been given and any Contested Amount relating to the General Escrow Funds then outstanding (the "***Pending General Claim Reserve***"). The Pending General Claim Reserve shall remain in escrow until the resolution, in accordance with the terms of this Agreement, of the applicable claim or claims to which such reserve relates. Upon resolution of such claim or claims, Purchaser and Sellers shall promptly execute a joint instruction to the Escrow Agent directing the Escrow Agent to deliver to (i) Purchaser, any amount which Purchaser is entitled to receive as a result of the resolution of such claim or claims and (ii) Sellers, any remaining balance of the General Escrow Amount.

(b) In the event, prior to Closing, Sellers have not delivered to Purchaser a Regulatory Letter or the Landlord Acknowledgement pursuant to Section 3.2(c)(i) above, but following Closing, Sellers deliver to Purchaser (i) either a Regulatory Letter (provided no Regulatory Letter was delivered prior to Closing), which may be conditioned upon (1) no

changes in conditions, laws or property uses, (2) no new contamination caused by Purchaser, (3) a reservation of the Colorado Governmental Authority's authority should new information come to light, and (4) no submission of materially misleading information to the Colorado Governmental Authority (the parties acknowledge and agree that the conditions in (1), (2), (3) and (4) shall not be a basis for Purchaser or its counsel to deem any Regulatory Letter not reasonably satisfactory) or the Landlord Acknowledgement (provided no Landlord Acknowledgement was delivered prior to Closing), in either case in a form reasonably satisfactory to Purchaser and its counsel, it being agreed by the parties that Purchaser shall provide written notice to Sellers indicating whether the Regulatory Letter or Landlord Acknowledgement or both, as applicable, is or are reasonably satisfactory to Purchaser and its counsel within twenty-one (21) days after Purchaser's receipt of such Regulatory Letter or Landlord Acknowledgement or both, as applicable. In the event Purchaser has provided Sellers with written notice within such period indicating that such Regulatory Letter or Landlord Acknowledgement or both, as applicable, is or are reasonably satisfactory to Purchaser and its counsel, or has failed to notify Sellers of Purchaser's determination within such period, Sellers shall be entitled to a distribution from the Special Escrow Funds of an amount equal to the lesser of […***…] Dollars ($[…***…]) and the remaining Special Escrow Funds, or (ii) both a Regulatory Letter and a Landlord Acknowledgement, in each case in a form reasonably satisfactory to Purchaser and its counsel, Sellers shall be entitled to a distribution from the Special Escrow Funds of an amount equal to the lesser of […***…] Dollars ($[…***…]) and the remaining Special Escrow Funds. In the event Sellers satisfy the foregoing condition in either subsections (i) or (ii) above and are entitled to a distribution from the Special Escrow Funds, on the first Business Day after Sellers satisfy the condition in either subsections (i) or (ii), Purchaser and Sellers shall execute a joint instruction to the Escrow Agent directing the Escrow Agent to release to Sellers the applicable amount pursuant to this Section 11.6(b). Prior to Sellers' submission to the applicable Colorado Governmental Authority of any information regarding the environmental condition of the Leased Premises, including any application or request for a Regulatory Letter, Sellers shall provide to Purchaser, for Purchaser's approval, which approval shall not be unreasonably withheld, delayed or conditioned, a copy of such information, application or request; provided, further, that upon Sellers' receipt of such written approval, or, if Purchaser has not provided Sellers with either a written approval or objection to such information, application or request within fifteen (15) Business Days of Purchaser's receipt of such information, application or request, Sellers may proceed with their submission to the applicable Colorado Governmental Authority, and if a written objection is delivered to Sellers within such period, Sellers and Purchaser agree to negotiate in good faith to resolve such objection as soon as practicable. Sellers shall further afford Purchaser a reasonable opportunity to participate in any telephone call or meeting with such Colorado Governmental Authority arising out of any such submission, application or request.

(c) Subject to the further terms and conditions of the Escrow Agreement and this Article XI, on the first Business Day after the expiration of the Special Escrow Period, Purchaser and Sellers shall execute a joint instruction to the Escrow Agent directing the Escrow Agent to release to Sellers any remaining Special Escrow Funds on such date, minus any Claimed Amount relating to any Claim Notice given by any Purchaser Indemnitee with respect to the Special Escrow Funds for which a Response Notice from Sellers is not then due and has not been given and any Contested Amount relating to the Special Escrow Funds then

outstanding (the "***Pending Special Claim Reserve***"). The Pending Special Claim Reserve shall remain in escrow until the resolution, in accordance with the terms of this Agreement, of the applicable claim or claims to which such reserve relates. Upon resolution of such claim or claims, Purchaser and Sellers shall promptly execute a joint instruction to the Escrow Agent directing the Escrow Agent to deliver to (i) Purchaser, any amount which Purchaser is entitled to receive as a result of the resolution of such claim or claims and (ii) Sellers, any remaining balance of the Special Escrow Amount.

11.7. Tax Treatment. The parties will treat any payment received pursuant to this Article XI as an adjustment to the Aggregate Purchase Price for Tax and financial reporting purposes to the extent permitted by applicable Law.

11.8. Non-Reliance. Neither Purchaser nor Seller Parties are relying on any representations or warranties whatsoever regarding the subject matter of this Agreement, express or implied, except for the representations and warranties expressly set forth in this Agreement and the other Transaction Documents. Such representations and warranties by Seller Parties constitute the sole and exclusive representations and warranties of Seller Parties in connection with the transactions contemplated hereunder and thereunder, and Purchaser understands, acknowledges and agrees that all other representations and warranties of any kind or nature whatsoever and whether, express, implied or statutory are expressly disclaimed by the Seller Parties.

ARTICLE XII

General Provisions.

12.1. Expenses. Whether or not the transactions contemplated herein shall be consummated, except as otherwise expressly provided herein, the parties hereto shall pay their own respective expenses incident to the preparation of this Agreement and to the consummation of the transactions provided for herein.

12.2. Entire Agreement; No Third Party Beneficiaries; Amendment. This Agreement, the other Transaction Documents, the Exhibits and Schedules hereto and thereto and the Confidentiality Agreement contain the entire agreement among the parties hereto with respect to the subject matter hereof and thereof, and all prior understandings, agreements, representations and warranties (whether oral or written) by or amongthe parties with respect to such matters are superseded. Nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the parties hereto any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. This Agreement may not be amended, modified, waived, discharged or orally terminated except by an instrument in writing signed by a duly authorized officer of a party against whom enforcement of the change, waiver, discharge or termination is sought.

12.3. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted. Furthermore, in lieu of such illegal, invalid or unenforceable provisions the parties shall add, as a part of this

Agreement, a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

12.4. Waiver. Any party to this Agreement may, by written notice to the other parties hereto, waive any provision of this Agreement from which such party is entitled to receive a benefit. The waiver by any party hereto of a breach by another party of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by such other party of such provision or any other provision of this Agreement.

12.5. Public Announcements. Prior to the Closing Date, no public announcement or other publicity regarding the existence of this Agreement or any agreements contemplated hereby or their contents or the transactions contemplated hereby or thereby shall be made by any party or any of their respective Affiliates, officers, directors, employees, representatives or agents, without the prior written agreement of the other parties as to form, content, timing and manner of distribution or publication. On and after the Closing Date, each party shall maintain confidential the terms and provisions of this Agreement and the agreements contemplated hereby and the terms of the transactions contemplated hereby and thereby. Notwithstanding the foregoing, nothing in this Section 12.5 shall prevent any party or its Affiliates or any other Person from (a) issuing such press releases, public announcements or disclosures or making such SEC filings (including disclosing this Agreement or any of the agreements contemplated hereby), in each case as it determines are reasonably necessary to comply with applicable Law (including disclosure requirements of the SEC) or the rules of any stock exchange on which securities issued by a party or its Affiliates are traded or to the extent such disclosure is substantially consistent with previous public disclosures made in compliance with this Section 12.5, (b) disclosing this Agreement or any of the agreements contemplated hereby or their contents or the transactions contemplated hereby or thereby to (i) current and future officers, directors, employees, representatives and agents of such party and its Affiliates, (ii) current and potential lenders to, investors in and purchasers of such party and its Affiliates, or (iii) any Governmental Authority in order to provide notice, transfer any permits or licenses or obtain such Governmental Authority's consent in order to consummate the transactions contemplated by this Agreement, (c) disclosing the tax treatment and tax structure of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to such party relating to such tax treatment and tax structure except to the extent maintaining confidentiality of such information is necessary to comply with any applicable securities Laws, or (d) enforcing its rights hereunder.

12.6. Successors and Assigns. This Agreement shall not be assignable by any party hereto without the prior written consent of the other parties; provided, however, Purchaser may, upon written notice to the Seller Parties, assign this Agreement in whole or in part to any Affiliate of Purchaser, provided that such assignment shall not relieve Purchaser of its obligations hereunder; and provided further, however that each Seller Party may, without the consent of Purchaser, assign this Agreement to any Person with whom such Seller Party engages in a merger, consolidation, stock sale or similar change in control transaction or to whom such Seller Party sells or transfers or otherwise disposes all or substantially all of its assets provided that such assignee under such assignment agrees to be bound by the terms of this Agreement and has, at the time of such assignment (giving effect to such merger, consolidation, stock sale or similar change in control transaction, or sale, transfer or other disposition), a book net worth

(calculated in accordance with GAAP as in effect at the time of determination) of at least $25,000,000. This Agreement shall be binding upon, and shall inure to the benefit of, and be enforceable by, the parties and their respective permitted successors and assigns.

12.7. Notice. All notices or other communications required or permitted hereunder shall be in writing and shall be delivered personally or sent by registered or certified mail, by reputable overnight delivery or courier or by facsimile transmission or email, addressed as follows:

To Seller Parties:	ChromaDex, Inc. ChromaDex Analytics, Inc. 10005 Muirlands Blvd., Suite G Irvine, CA 92618 Facsimile No.: (949) 419-0294 Attention: Tom Varvaro Email: tom.varvaro@chromadex.com
With a copy to:	Cooley LLP 4401 Eastgate Mall San Diego, CA 92121 Facsimile No.: (858) 550-6420 Attention: Matthew T. Browne Email: mbrowne@cooley.com
To Purchaser:	Covance Laboratories Inc. 531 South Spring Street Burlington, North Carolina 27215 Facsimile No.: (336) 436-4177 Attention: General Counsel Email: Ebertss@LabCorp.com
With a copy to:	Kelley Drye & Warren LLP 3050 K Street, NW Suite 400 Washington, DC 20007 Facsimile No.: (202) 342-8451 Attention: Joseph B. Hoffman Email: jhoffman@kelleydrye.com

and in any case at such other address as the advisee shall have specified by written notice provided pursuant to this Section 12.7. Notice of change of address shall be effective only upon receipt thereof. All such other notices and communications shall be deemed effective (a) if by personal delivery, upon receipt, (b) if by registered or certified mail, on the third (3rd) Business Day after the date of mailing thereof, (c) if by reputable overnight delivery or courier, on the first (1st) Business Day after the date of mailing, or (d) if by facsimile transmission or email, immediately upon receipt of a transmission or email confirmation, provided notice is sent on a

Business Day between the hours of 9:00 a.m. and 5:00 p.m., recipient's time, but if not then upon the following Business Day.

12.8. Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the same instrument. The exchange of executed copies of this Agreement by facsimile transmission or other electronic transmission shall constitute effective execution and delivery of this Agreement.

12.9. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without regard to conflicts-of-laws principles that would require application of any other law.

12.10. Jurisdiction. Each Seller Party and Purchaser hereby (a) agrees that any Proceeding in connection with or relating to this Agreement, any agreement contemplated hereby or any matters contemplated hereby or thereby, shall be brought in the United States District Court for the District of Delaware, or in an appropriate Delaware state court if there is no federal jurisdiction; (b) agrees that in connection with any such Proceeding, such party shall consent and submit to personal jurisdiction in any such court described in clause (a) of this Section 12.10 and to service of process upon it in accordance with the rules and statutes governing service of process; (c) agrees to waive to the full extent permitted by Law any objection that it may now or hereafter have to the venue of any such Proceeding in any such court or that any such Proceeding was brought in an inconvenient forum; (d) agrees as a method of service to service of process in any such Proceeding by mailing of copies thereof to such party at its address set forth in Section 12.7; (e) agrees that any service made as provided herein shall be effective and binding service in every respect; and (f) agrees that nothing herein shall affect the rights of any party to effect service of process in any other manner permitted by applicable Law. Each Seller Party and Purchaser shall not, and shall cause its Affiliates not to, file, initiate or bring, or participate in, any Proceeding in connection with or relating to this Agreement or any matters contemplated hereby in or before any Governmental Authority other than that specified in clause (a) of this Section 12.10.

12.11. Interpretation. The use of the masculine, feminine or neuter gender or the singular or plural form of words used herein (including defined terms) shall not limit any provision of this Agreement. The terms "include," "includes" and "including" are not intended to be limiting and shall be deemed to be followed by the words "without limitation" (whether or not they are in fact followed by such words) or words of like import. The term "or" has the inclusive meaning represented by the phrase "and/or." Reference to a particular Person includes such Person's successors and assigns to the extent such successors and assigns are permitted by the terms of any applicable agreement. Reference to a particular agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof. The terms "dollars" and "$" mean United States Dollars. The Exhibits and Disclosure Schedule identified in this Agreement are incorporated into this Agreement by reference and made a part hereof. The Article, Section, paragraph, Exhibit and Schedule headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. References to Articles, Sections, paragraphs, clauses, Exhibits

or Schedules shall refer to those portions of this Agreement. The use of the terms "hereunder," "hereof," "hereto" and words of similar import shall refer to this Agreement as a whole and not to any particular Article, Section, paragraph or clause of, or Exhibit or Schedule to, this Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

PURCHASER:

COVANCE LABORATORIES INC.

By: /s/ F. Samuel Eberts III
Name: F. Samuel Eberts III
Its: Secretary and SVP

SELLERS:

CHROMADEX, INC.

By: /s/ Frank Jaksch
Name: Frank Jaksch
Its: CEO

CHROMADEX ANALYTICS, INC.

By: /s/ Frank Jaksch
Name: Frank Jaksch
Its: CEO

SHAREHOLDER:

CHROMADEX CORPORATION

By: /s/ Frank Jaksch
Name: Frank Jaksch
Its: CEO

EXHIBITS AND SCHEDULES

Exhibits:

Exhibit 2.3(i) - Form of Assumption Agreement
Exhibit 2.3(ii) - Form of Joint Contract Assumption Agreement
Exhibit 3.2(b) - Form of Escrow Agreement
Exhibit 8.8(c) - Form of General Assignment and Bill of Sale
Exhibit 8.8(d) - Form of Non-Competition Agreement
Exhibit 8.8(e) - Form of Non-Competition Agreement for Management
Exhibit 8.8(f) - Form of Transition Services Agreement
Exhibit 8.8(g) - Form of License Agreement

Schedules:

Schedule A - Disclosure Schedule
Schedule 1.1 - Permitted Liens
Schedule 2.1(a)(i) - Personal Property Assets at Leased Premises
Schedule 2.1(a)(ii) - Personal Property Assets located in California
Schedule 2.1(b) - Inventory and Supplies
Schedule 2.1(c) - Governmental Authorization
Schedule 2.2(e) - Excluded Assets
Schedule 2.2(i) - Excluded Assets – Governmental Authorizations
Schedule 3.2 - Debt Paid By Purchaser at Closing On Behalf of Sellers
Schedule 3.5 - Allocation Schedule
Schedule 7.15 - Sellers' Terms and Conditions
Schedule 7.16 - Purchaser's Terms and Conditions

Exhibit 2.3

AMENDMENT
TO ASSET PURCHASE AGREEMENT

THIS AMENDMENT TO ASSET PURCHASE AGREEMENT (this "***Amendment***") is made and entered into as of September 5, 2017, by and among (i) **COVANCE LABORATORIES INC.**, a Delaware corporation ("***Purchaser***"); (ii) CHROMADEX, INC., a California corporation ("***ChromaDex***"); (iii) **CHROMADEX ANALYTICS, INC.**, a Nevada corporation and wholly-owned subsidiary of ChromaDex ("***ChromaDex Analytics***"); and (iv) **CHROMADEX CORPORATION**, a Delaware corporation and the sole shareholder of ChromaDex and the ultimate parent company of ChromaDex Analytics (the "***Shareholder***").

WHEREAS, Purchaser, ChromaDex, ChromaDex Analytics, and the Shareholder are parties to that certain Asset Purchase Agreement dated August 21, 2017 (the "***Purchase Agreement***"). Capitalized terms used in this Amendment and not otherwise defined herein shall have the respective meanings ascribed to them in the Purchase Agreement.

WHEREAS, the parties desire to amend Section 5.16(a) of the Disclosure Schedule, contained in Schedule A to the Purchase Agreement to reflect the addition of the following agreements: (i) Client Agreement dated August 30, 2017 by and between ChromaDex Analytics and The Job Store, Inc. and (ii) Third Amendment to ChromaDex Quality Verification Program Services Agrement dated August 30, 2017 by and between BPI Sports, LLC and ChromaDex.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter set forth, the parties hereby agree as follows:

ARTICLE 1

1.1 Amendment to the Disclosure Schedule. Section 5.16(a) of the Disclosure Schedule is hereby deleted in its entirety and replaced with Section 5.16(a) of the Disclosure Schedule attached hereto.

ARTICLE II

2.1 No Other Changes. Except as specifically amended by the terms of this Amendment, all of the terms and conditions of the Purchase Agreement remain in full force and effect.

2.2 Governing Law. This Amendment shall be governed by and construed in accordance with the internal laws of the State of Delaware, without regard to conflicts-of-laws principles that would require the application of any other law.

2.3 Counterparts; Facsimile Signatures. This Amendment may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the same instrument. The exchange of executed copies of this Amendment by facsimile transmission or other electronic transmission shall constitute effective execution and delivery of this Amendment.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment on the day and year first written above.

COVANCE LABORATORIES INC.

By: /s/ F. Samuel Eberts III

F. Samuel Eberts III
Secretary and SVP

CHROMADEX, INC.

By: /s/ Frank Jaksch

Frank Jaksch
CEO

CHROMADEX ANALYTICS, INC.

By: /s/ Frank Jaksch

Frank Jaksch
CEO

CHROMADEX CORPORATION

By: /s/ Frank Jaksch

Frank Jaksch
CEO

[Signature page to Amendment to Asset Purchase Agreement]

Section 5.16
Contractual Obligations

The disclosure under clause (a) is amended and restated in its entirety as follows:

(a)

1) The Existing Lease.

2) See attached Amended and Restated Annex 5.16(a), which is incorporated by reference herein.*

*All references in the Disclosure Schedule to Annex 5.16(a) shall be deemed to be references to Amended and Restated Annex 5.16(a).

Exhibit 10.2

FIFTH BUSINESS FINANCING MODIFICATION AGREEMENT

This Fifth Business Financing Modification Agreement (this "***Agreement***") is entered into as of August 21, 2017, by and among CHROMADEX CORPORATION, a Delaware corporation, CHROMADEX, INC., a California corporation, CHROMADEX ANALYTICS, INC., a Nevada corporation, HEALTHSPAN RESEARCH LLC, a Delaware limited liability company (each, a "***Borrower***" and collectively, "***Borrowers***"), and WESTERN ALLIANCE BANK, an Arizona corporation ("***Lender***").

Borrower desires to sell certain assets (such assets, defined in the Asset Purchase Agreement and defined herein, the "***Purchased Assets***") pursuant to the Asset Purchase Agreement by and among COVANCE LABORATORIES INC. (" ***Purchaser***"), CHROMADEX, INC., CHROMADEX ANALYTICS, INC., and CHROMADEX CORPORATION, dated as of August 21, 2017 and attached hereto as Exhibit A (the " ***Asset Purchase Agreement***", and the transactions contemplated in Asset Purchase Agreement, the "***Asset Sale***"). Borrower has requested that Lender consents to (i) Borrower entering into the Asset Purchase Agreement; and (ii) the Asset Sale by Borrower to Purchaser. Lender has agreed to such request, subject to the terms and conditions hereof.

1. DESCRIPTION OF EXISTING INDEBTEDNESS: Among other indebtedness which may be owing by Borrowers to Lender, Borrowers are indebted to Lender pursuant to, among other documents, a Business Financing Agreement, dated November 4, 2016, by and among Borrowers and Lender, as may be amended from time to time, including, without limitation, by that certain First Business Financing Modification Agreement dated as of February 16, 2017, that certain Second Business Financing Modification Agreement dated as of March 12, 2017, that certain Third Business Financing Modification Agreement dated as of April 19, 2017 and that certain Fourth Business Financing Modification Agreement dated as of July 13, 2017 (collectively, the "***Business Financing Agreement***"). Capitalized terms used without definition herein shall have the meanings assigned to them in the Business Financing Agreement.

Hereinafter, all indebtedness owing by Borrowers to Lender under the Existing Documents (defined herein) shall be referred to as the "Obligations" and the Business Financing Agreement and any and all other Loan Documents executed by Borrowers in favor of Lender in connection therewith shall be referred to as the "Existing Documents."

2. CONSENT.

A. Subject to the terms of this Agreement, Lender hereby consents to (i) Borrower entering into the Asset Purchase Agreement and the Borrower performing its obligations thereunder; and (ii) the Asset Sale, and the Borrower performing its obligations thereunder, in each case on the terms and conditions as set forth in the Asset Purchase Agreement attached hereto in Exhibit A. Further, Lender agrees that, upon the closing of the Asset Sale, all security interests of Lender in the Purchased Assets shall immediately terminate with no further action on the part of Borrower, Lender or the Purchaser. Notwithstanding the preceding sentence, promptly following Borrower's notification to Lender of the consummation of the Asset Sale, Lender shall file an amendment to any UCC-1 Financing Statements filed by Lender with respect to the Collateral to exclude the Purchased Assets from the collateral description therein. Notwithstanding Lender's release of its liens on the Purchased Assets, Lender's liens on all other Collateral shall remain in full force and effect. For the avoidance of doubt, Borrower is not required to prepay any obligations under the Business Financing Agreement with proceeds received pursuant to the Asset Purchase Agreement.

B. The consent set forth in this Section 2 is effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any other amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Lender may now have or may have in the future under or in connection with any Loan Document

3. DESCRIPTION OF CHANGE IN TERMS.

A. Modifications to Business Financing Agreement and all Existing Documents:

(i) Section 12.1 of the Business Financing Agreement hereby is amended by amending and restating the definition of "Collateral" in its entirety to read as follows:

"**Collateral**" means all of each Borrower's rights and interest in any and all personal property, whether now existing or hereafter acquired or created and wherever located, and all products and proceeds thereof and accessions thereto, including but not limited to the following (collectively, the "***Collateral***"): (a) all accounts (including health care insurance receivables), chattel paper (including tangible and electronic chattel paper), inventory (including all goods held for sale or lease or to be furnished under a contract for service, and including returns and repossessions), equipment (including all accessions and additions thereto), instruments (including promissory notes), investment property (including securities and securities entitlements), documents (including negotiable documents), deposit accounts, letter of credit rights, money, any commercial tort claim of a Borrower which is now or hereafter identified by a Borrower or Lender, general intangibles (including payment intangibles and software), goods (including fixtures) and all of each Borrower's books and records with respect to any of the foregoing, and the computers and equipment containing said books and records; and (b) any and all cash proceeds and/or noncash proceeds thereof, including without limitation, insurance proceeds, and all supporting obligations and the security therefore or for any right to payment. Notwithstanding the foregoing, the Collateral shall not include (i) more than sixty-five percent (65.0%) of the presently existing and hereafter arising issued and outstanding shares of capital stock owned by any Borrower of any subsidiary not organized under the laws of the United States or any state or territory thereof or the District of Columbia which shares entitle the holder thereof to vote for directors or any other matter; and (ii) the Purchased Assets (as defined in that certain Asset Purchase Agreement by and among COVANCE LABORATORIES INC., CHROMADEX, INC., CHROMADEX ANALYTICS, INC., and CHROMADEX CORPORATION, dated as of August 21, 2017).

4. CONSISTENT CHANGES. The Existing Documents are each hereby amended wherever necessary to reflect the changes described above.

5. PAYMENT OF DOCUMENTATION FEE . Borrowers are in compliance with all covenants under the Business Financing Agreement, and all fees incurred and due to Lender prior to the date of this Agreement have been satisfied by Borrower. Borrowers shall pay Lender all out-of-pocket expenses (including but not limited to reasonable legal fees and due diligence fees (if any) incurred by Lender in connection with the execution of this Agreement, which fees are estimated to be $5,000), and which may be debited from any of Borrowers' accounts after the execution of this Agreement.

6. NO DEFENSES OF BORROWERS/GENERAL RELEASE. Each Borrower agrees that, as of this date, it has no defenses against the obligations to pay any amounts presently due under the Obligations. Each Borrower (each, a "***Releasing Party***") acknowledges that Lender would not enter into this Agreement without Releasing Party's assurance that it has no claims against Lender or any of Lender's officers, directors, employees or agents. Except for the obligations arising hereafter under this Agreement, each Releasing Party releases Lender, and each of Lender's and entity's officers, directors and employees from any known or unknown claims that Releasing Party now has against Lender of any nature, including any claims that Releasing Party, its successors, counsel, and advisors may in the future discover they would have now had if they had known facts not now known to them, whether founded in contract, in tort or pursuant to any other theory of liability, including but not limited to any claims arising out of or related to the Agreement or the transactions contemplated thereby. Releasing Party waives the provisions of California Civil Code section 1542, which states:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The provisions, waivers and releases set forth in this section are binding upon each Releasing Party and its shareholders, agents, employees, assigns and successors in interest. The provisions, waivers and releases of this section shall inure to the benefit of Lender and its agents, employees, officers, directors, assigns and successors in interest. The provisions of this section shall survive payment in full of the Obligations, full performance of all the terms of this Agreement and the Business Financing Agreement, and/or Lender's actions to exercise any remedy available under the Business Financing Agreement or otherwise.

7. **CONTINUING VALIDITY**. Borrowers understand and agree that in modifying the existing Business Financing Agreement, Lender is relying upon Borrowers' representations, warranties, and agreements, as set forth in the Existing Documents. Except as expressly modified pursuant to this Agreement, the terms of the Existing Documents remain unchanged and in full force and effect. Lender's agreement to modifications to the existing Business Financing Agreement pursuant to this Agreement in no way shall obligate Lender to make any future modifications to the Business Financing Agreement. Nothing in this Agreement shall constitute a satisfaction of the Obligations. It is the intention of Lender and Borrowers to retain as liable parties all makers and endorsers of Existing Documents, unless the party is expressly released by Lender in writing. No maker, endorser, or guarantor will be released by virtue of this Agreement except in accordance with the terms of this Agreement. The terms of this paragraph apply not only to this Agreement, but also to any subsequent Business Financing modification agreements.

8. **REFERENCE PROVISION**.

A. In the event the Jury Trial waiver is not enforceable, the parties elect to proceed under this Judicial Reference Provision.

B. With the exception of the items specified in Section 8(c) below, any controversy, dispute or claim (each, a "***Claim***") between the parties arising out of or relating to this Agreement or any other document, instrument or agreement between the undersigned parties (collectively in this Section, the "***Loan Documents***"), will be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("***CCP***"), or their successor sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether the Claim is subject to the reference proceeding. Except as otherwise provided in the Loan Documents, venue for the reference proceeding will be in the state or federal court in the county or district where the real property involved in the action, if any, is located or in the state or federal court in the county or district where venue is otherwise appropriate under applicable law (the "***Court***").

C. The matters that shall not be subject to a reference are the following: (i) nonjudicial foreclosure of any security interests in real or personal property, (ii) exercise of self-help remedies (including, without limitation, set-off), (iii) appointment of a receiver and (iv) temporary, provisional or ancillary remedies (including, without limitation, writs of attachment, writs of possession, temporary restraining orders or preliminary injunctions). This reference provision does not limit the right of any party to exercise or oppose any of the rights and remedies described in clauses (i) and (ii) or to seek or oppose from a court of competent jurisdiction any of the items described in clauses (iii) and (iv). The exercise of, or opposition to, any of those items does not waive the right of any party to a reference pursuant to this reference provision as provided herein.

D. The referee shall be a retired judge or justice selected by mutual written agreement of the parties. If the parties do not agree within ten (10) days of a written request to do so by any party, then, upon request of any party, the referee shall be selected by the Presiding Judge of the Court (or his or her representative). A request for appointment of a referee may be heard on an ex parte or expedited basis, and the parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP § 170.6, each party shall have one peremptory challenge to the referee selected by the Presiding Judge of the Court (or his or her representative).

E. The parties agree that time is of the essence in conducting the reference proceedings. Accordingly, the referee shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within fifteen (15) days after the date of selection of the referee, (ii) if practicable, try all issues of law or fact within one hundred twenty (120) days after the date of the conference and (iii) report a statement of decision within twenty (20) days after the matter has been submitted for decision.

F. The referee will have power to expand or limit the amount and duration of discovery. The referee may set or extend discovery deadlines or cutoffs for good cause, including a party's failure to provide requested discovery for any reason whatsoever. Unless otherwise ordered based upon good cause shown, no party shall be entitled to "priority" in conducting discovery, depositions may be taken by either party upon seven (7) days written notice, and all other discovery shall be responded to within fifteen (15) days after service. All disputes relating to discovery which cannot be resolved by the parties shall be submitted to the referee whose decision shall be final and binding.

G. Except as expressly set forth herein, the referee shall determine the manner in which the reference proceeding is conducted including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter, except that when any party so requests, a court reporter will be used at any hearing conducted before the referee, and the referee will be provided a courtesy copy of the transcript. The party making such a request shall have the obligation to arrange for and pay the court reporter. Subject to the referee's power to award costs to the prevailing party, the parties will equally share the cost of the referee and the court reporter at trial.

H. The referee shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. The rules of evidence applicable to proceedings at law in the State of California will be applicable to the reference proceeding. The referee shall be empowered to enter equitable as well as legal relief, enter equitable orders that will be binding on the parties and rule on any motion which would be authorized in a court proceeding, including without limitation motions for summary judgment or summary adjudication. The referee shall issue a decision at the close of the reference proceeding which disposes of all claims of the parties that are the subject of the reference. Pursuant to CCP § 644, such decision shall be entered by the Court as a judgment or an order in the same manner as if the action had been tried by the Court and any such decision will be final, binding and conclusive. The parties reserve the right to appeal from the final judgment or order or from any appealable decision or order entered by the referee. The parties reserve the right to findings of fact, conclusions of laws, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial, if granted, is also to be a reference proceeding under this provision.

I. If the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by reference procedure will be resolved and determined by arbitration. The arbitration will be conducted by a retired judge or justice, in accordance with the California Arbitration Act § 1280 through § 1294.2 of the CCP as amended from time to time. The limitations with respect to discovery set forth above shall apply to any such arbitration proceeding.

J. THE PARTIES RECOGNIZE AND AGREE THAT ALL CONTROVERSIES, DISPUTES AND CLAIMS RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS, HIS OR HER OWN CHOICE, EACH PARTY KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, AGREES THAT THIS REFERENCE PROVISION WILL APPLY TO ANY CONTROVERSY, DISPUTE OR CLAIM BETWEEN OR AMONG THEM ARISING OUT OF OR IN ANY WAY RELATED TO, THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.

9. **CONDITIONS**. The effectiveness of this Agreement is conditioned upon Lender's receipt of the following, in form and substance satisfactory to Lender:

(a) this Agreement, duly executed by Borrowers; and

(b) such other documents, and completion of such other matters, as Lender may reasonably deem necessary or appropriate.

10. **NOTICE OF FINAL AGREEMENT** . BY SIGNING THIS DOCUMENT EACH PARTY REPRESENTS AND AGREES THAT: (A) THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES, (B) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES, AND (C) THIS WRITTEN AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.

11. **COUNTERSIGNATURE**. This Agreement shall become effective only when executed by Lender and Borrowers.

[Balance of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Borrowers and Lender have executed this Agreement on the date and year above written.

BORROWERS:

CHROMADEX CORPORATION,

a Delaware corporation

By: /s/ Frank Jaksch

Name: Frank Jaksch

Title: Chief Executive Officer

CHROMADEX, INC.,

a California corporation

By: /s/ Frank Jaksch

Name: Frank Jaksch

Title: Chief Executive Officer

CHROMADEX ANALYTICS, INC.,

a Nevada corporation

By: /s/ Frank Jaksch

Name: Frank Jaksch

Title: Chief Executive Officer

HEALTHSPAN RESEARCH LLC,

a Delaware limited liability company

By: /s/ Frank Jaksch

Name: Frank Jaksch

Title: Chief Executive Officer

[Signatures continued on the next page]

IN WITNESS WHEREOF, Borrowers and Lender have executed this Agreement on the date and year above written.

LENDER:

WESTERN ALLIANCE BANK,

an Arizona corporation

By: /s/ Justin Vogel

Name: Justin Vogel

Title: Vice President

Exhibit 31.1

Certification of the Chief Executive Officer
Pursuant to
Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Frank L. Jaksch, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10−Q of ChromaDex Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ FRANK L. JAKSCH, JR.
Frank L. Jaksch, Jr.
Chief Executive Officer

Exhibit 31.2

Certification of the Chief Financial Officer
Pursuant to
Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended,
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kevin M. Farr, certify that:

1. I have reviewed this Quarterly Report on Form 10−Q of ChromaDex Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ KEVIN M. FARR
Kevin M. Farr
Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350
(as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002)

In connection with this Quarterly Report of ChromaDex Corporation (the "Company") on Form 10–Q for the quarter ended September 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Frank L. Jaksch, Jr., Chief Executive Officer of the Company, and Kevin M. Farr, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes–Oxley Act of 2002, that, to our knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2017

/s/ FRANK L. JAKSCH, JR.
Frank L. Jaksch, Jr.
Chief Executive Officer

/s/ KEVIN M. FARR
Kevin M. Farr
Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.