



CEO C F O

Interviews & News!

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With The Demand For Dietary Supplements And Nutraceutical Type Products Going Up And FDA Stepping In To Regulate The Industry, ChromaDex Is In The Right Place By Establishing Reference Standards And Analytical Test Methods To Accurately Identify And Test For Quality



**Medicinal Chemicals &
Botanical Products
(CDXC-OTC: BB)**

ChromaDex Corp.

**10005 Muirlands Boulevard, Suite G
Irvine, CA 92618
Phone: 949-419-0288**

**Frank L. Jaksch Jr.
Co-Founder, Co-Chairman
Co-Founder, Co-Chairman,
CEO and President**

BIO:

Frank Jaksch is a co-founder of ChromaDex, Inc™. With more than 15 years of general management, sales, marketing, and business development experience, Frank provides strategic, operations, and marketing leadership to ChromaDex, Inc™.

He is responsible for the vision and leadership of ChromaDex's operations, with key focus on the sales and marketing efforts. Frank has management experience in analytical chemistry, diagnostics, sales and marketing, and general management experience with global industry leaders such as ICN Pharmaceutical and Phenomenex.

Jaksch provides the overall vision and leadership to the group, as well as significant technical, sales and marketing experience in scientific products, pharmaceutical and nutraceutical markets. Most recently, he managed the in-

ternational subsidiary and international business development divisions at Phenomenex, a \$100 million global business representing 30% of the global market for analytical chemistry supplies.

Jaksch was focused on developing new international subsidiaries for Phenomenex. Between 1993 and 1999 Frank setup sales and marketing offices Australia, England, Germany and New Zealand. He returned to the US from New Zealand in July 1999 and started ChromaDex™ in September 1999.

Jaksch has a BS in Chemistry and Biology, from Valparaiso University.

Company Profile:

ChromaDex is a world leader in the development of Phytochemical and Botanical Reference Standards and the creation of associated intellectual property. ChromaDex is committed to sustainable "Green chemistry" and provides the dietary supplement, food, beverage, nutraceutical and cosmetic industries with the analytical tools and services to meet product regulatory, quality, efficacy and safety standards.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEO C F O interviews.com**

CEO C F O: What is your vision at ChromaDex?

Mr. Jaksch: "We saw a niche going back to the mid-1990's and noticed that there was a lack of available tools to be able to accurately test dietary supplement or nutraceutical type products. There was also a growing trend toward the addition

of these same types of ingredients into food-based products moving towards functional foods. Similarly, there was that same group into the cosmetics area where there was more of a trend toward the addition of functional ingredients into those products. The problem was there was a lack of available tools to be able to accurately test or identify the quality of those products."

CEO C F O: What is ChromaDex about to do?

Mr. Jaksch: "We basically set up ChromaDex to produce the tools necessary to test dietary supplements, nutraceuticals, food, beverages and cosmetics. We largely focused on one specific segment of those areas, largely in the area of natural products, which is what we focus on. We produce the reference standards and reference materials, analytical test methods that were needed or necessary to be able to accurately test those products."

CEO C F O: Will you give us an example of what you provide and who is using your products today?

Mr. Jaksch: "Our products are used widely today compared to when we started the company. We are a business-to-business company, so we don't sell to the consumer. We are selling to businesses who acquire these products so that they can use them to test their products or to perform research and development of new potential products."

The types of companies we sell to are dietary supplement, nutraceutical, cosmetic, food and beverage companies. We sell to the smallest of the small compa-

nies and the largest of the large manufacturers. We cover the entire supply chain; everything from the ingredient manufacturers all the way up to the companies who are selling consumer products. It could be anything from food or beverage companies such as Pepsi, Kraft Food or Starbuck's, cosmetic companies like Estee Lauder. It could also be pharmaceutical companies or dietary supplement companies like Nutralite(Amway), Pfizer and GNC."

CEOCFO: How do we know that you have come up with something that does the job?

Mr. Jaksch: "That is a good question. It is hard for us to hide if we don't produce products the way that they are supposed to be. We are selling these to a very discriminating crowd. Our customers are typically chemists or biochemists, and they are technically qualified people within each of those types of organizations that are buying our products to use them for scientific purposes. If our products were dysfunctional or not produced properly or if they weren't what we said they were, it would be pretty hard for us to hide it from that kind of qualified person that we are selling to."

CEOCFO: When you started there seems to have been no competition, what about today; is there much competition or are you the standard?

Mr. Jaksch: "We are pretty much still the standard. There is very little in line of direct competition. We do have some indirect competitors, they don't necessarily compete specifically in our space, but they have a small niche of a company that may serve this market just not to the same capacity that we do."

CEOCFO: Do you distribute internationally?

Mr. Jaksch: "We do. We have our direct sales force here that covers the United States and Canada and then we also have a sales team here that also focuses on international and that is split into two areas. We serve some international markets directly from our headquarters here

in Irvine and we also use international distributors to sell both our products and services into specific international markets."

CEOCFO: How is business these days?

Mr. Jaksch: "It is pretty good, but the market has been a little soft this year compared to what we wanted it to be."

CEOCFO: You recently became a public company; why the move now?

Mr. Jaksch: "We have been waiting on this for a while, and for the right timing. Why now? The FDA implemented good manufacturing practices and is going to be more heavily regulating our market place over the next three to four years. Right now, we are in the best position to

"Long-term, the picture is bright for us, increased regulations are good for our business, and there is definitely not going to be a decrease of regulation over the next three to five years. The FDA's new regulations on Good Manufacturing Practices are going to be very positive for us in the long-run. The increased demand for natural products is also something that, you see in the press almost every day, everybody wants organic, clean, green sustainable products and that is really, where we operate. As the need and demand for these types of products continues to grow it is really going to keep driving the market for us long-term." - Frank L. Jaksch Jr.

capitalize on that regulatory gap as the FDA starts to integrate the good manufacturing practices. ChromaDex stands to benefit the most, probably more than any other company. We wanted to have access to the resources, the capital necessary to continue to grow the company beyond the bounds of cash flow."

CEOCFO: Aside from products, please tell us about the service segment of the ChromaDex,

Mr. Jaksch: "We are a full contract research organization, as well as a contract service organization, meaning that these same groups of companies that are our clients can contract with us to do research projects as well as routine product testing. They can also contract with us to do very simple testing services."

CEOCFO: What about the recent agreement with the Research Foundation of SUNY?

Mr. Jaksch: "We licensed the technology from SUNY that we believe has a strong applicability to all of the markets that we serve. We have been following the anthocyanins, which are natural pigments for years and we have actually produced some of those compounds already and offered them in our catalogue. We have been following and talking to the group over in the SUNY Buffalo Group and the principle investigator who was the inventor on this technology, for several years. We strongly believe that the technology that they created is going to unlock the ability to supply and market with these compounds."

CEOCFO: What do you see the next couple of years down the line for ChromaDex?

Mr. Jaksch: "We are going to continue on the same path that we are on right now which is continuing to grow our core business which is the reference standards and the contract services and research business. Now with greater access to capital the goal is to continue to spin off intellectual property or license intellectual property to the same customers that we have at a faster rate."

CEOCFO: What is the financial picture of the company?

Mr. Jaksch: "The financial picture for us now is obviously very much the same as everybody else. Our customers are cutting back on spending and we are seeing that affecting us as well, just like it is affecting most everybody else. However, it ultimately hasn't been all that negative for us. Hopefully we will still be able to show some positive growth during 2008. Long-term, the picture is bright for us, increased regulations are good for our business, and there is definitely not going to be a decrease of regulation over the next three to five years. The FDA's new regulations on Good Manufacturing Practices are going to be very positive for us in the long-run. The increased demand for natural products is also something that, you see in the press almost every day, every-

body wants organic, clean, green sustainable products and that is really, where we operate. As the need and demand for these types of products continues to grow it is really going to keep driving the market for us long-term.”

CEOCFO: You have a couple of industries combined that are on the move!

Mr. Jaksch: “That is definitely true!”

CEOCFO: Why should potential investors show interest in ChromaDex, and what might people not understand that they should realize about the company?

Mr. Jaksch: “The part that has drawn the most excitement to investors is that we are not a company that has all its eggs in one basket. We have a very strong core business, which is the phytochemical

reference standards and the contract testing services. This area will continue to be a strong growth business for the next five to ten years, but that is only the base of our business. The most exciting part of our business is the intellectual property development and licensing that we are going to be focusing on over the next few years. These green and sustainable types of natural product technology are going to be the ingredients found in future products. In addition, if we see the success that we predict we are going to be have, the upside potential of the IP licensing is really where the biggest growth of the company is going to be coming from over the next few years. We have a limited risk model, a split business model where we have a sustainable core business that is underlying a business that is

going to be spinning off intellectual property.”

CEOCFO: Final thoughts, what should readers remember most about ChromaDex?

Mr. Jaksch: “Ultimately what we want to be positioned as the one company out there that is currently helping clean up a marketplace that is sometimes seen in the press as being fraught with quality problems. Right now, we are one of the only companies that are doing that. By working closely with the manufacturers, we are trying to make sure that the products on the shelf contain what they say they do.”



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