

April 14, 2016



Ceapro Inc. Reports 2015 Financial Results, Best Financial Year in Company's History

Ceapro posts highest revenues, profits and cash flows reported in Company's history for both Q4 2015 and FY 2015

EDMONTON, ALBERTA -- (Marketwired) -- 04/14/16 -- [Ceapro Inc. \(TSX VENTURE:CZO\)](#) ("**Ceapro**" or the "**Company**"), a growth-stage biotechnology company focused on the development and commercialization of active ingredients for healthcare and cosmetic industries, today announced its financial results for the twelve-months ended December 31, 2015. The Company's 2015 Financial Results reveal the best year in Ceapro's history.

Financial Highlights for the Full Year 2015

- Highest full year revenue in Company's history; all main financial indicators exceeded the previous records set in 2014;
- Total sales of \$10,667,000 for the full year 2015 compared to \$8,890,000 in 2014, an increase of 20% year-over-year revenue performance;
- Record income from operations of \$3,630,000 for the full year 2015 compared to \$2,000,000 in 2014;
- Tax adjusted net profit of \$4,922,000 or \$0.08 per share for the full year 2015 compared to a net profit of \$1,594,000 or \$0.03 per share for 2014; and
- Cash flows generated from operations for the year ended December 31, 2015 of \$3,982,000 compared to \$2,135,000 in 2014.

"The continued year-over-year revenue performance of our high-value, de-risked base business in cosmeceuticals represents a significant achievement for Ceapro. In 2015, we delivered the best financial results, by a substantial margin, in Ceapro's history for a second year in a row, underscoring the effectiveness of our business strategy and enhanced unique competitive position," Gilles Gagnon, M.Sc., MBA, President and CEO of Ceapro, stated.

2015 Key Financial Highlights

- Closed a non-brokered private placement of \$960,000 under the form of convertible debenture;
- Signed a financing agreement with Agriculture Financial Services Corporation for a commercial financing of up to \$900,000;
- Received a funding contribution of \$800,000 from Alberta Innovates Bio Solutions for the scale-up of the PGX Technology at the commercial and demonstration level;
- Awarded a research grant from the National Research Council of Canada-Industrial

Research Assistance Program (NRC-IRAP) for non-repayable funding contribution of up to a maximum of \$350,000 for the design, implementation and testing of a demonstration skid for its proprietary PGX platform technology; and

- Strengthened the Company's balance sheet pursuant to debt settlement agreements with each Director and issued 273,540 common shares to fully settle the debt.

"We are enormously proud of ending the year with these results, despite a challenging economic environment, and credit it to our remarkable team who continues to rise to the challenge, the strength of our highly innovative projects and our gradual expansion into personal care markets worldwide," added Mr. Gagnon. "The success of our two pharmaceutical grade active ingredients, beta glucan and avenanthramides, affords us the opportunity to expand development into nutraceutical and pharmaceutical formulations and brings us another step closer to advance our long-term strategic vision and unlock shareholder value in both the near and long-term."

Financial Results for Twelve Month Period Ended December 31, 2015

- Total revenue of \$10,667,000 for the twelve-months ended December 31, 2015 respectively compared to \$8,890,000 for the twelve-month period ended December 31, 2014, an increase of 20% primarily as a result of higher sales volumes of beta glucan in Asia. Total revenues were also positively impacted by a stronger U.S. dollar relative to the Canadian dollar.
- Net income before tax was \$3,834,000 for the twelve months ended December 31, 2015 compared to a net income of \$1,594,000 for the same period in 2014.
- Tax adjusted net profit amounts to \$4,922,000 or \$0.08 per share in 2015 compared to \$1,594,000 or \$0.03 per share in 2014.
- Research and Development investments of \$625,000 for the twelve-month period ended December 31, 2015 compared to \$578,000 in the 2014 period.
- General and Administration expenses of \$2,519,000 for the twelve-months ended December 31, 2015 compared to \$1,984,000 for the same period in 2014. The increase in G&A in 2015 compared to 2014 is mostly due to higher depreciation expense and higher share based compensation costs due to the granting of options to all employees at a time when the Company's share price was higher. Share based expense is an accounting charge that does not impact cash flows as no actual payment is made. Although it decreases net profit, it also increases the Company's equity component.
- Sales and Marketing expenses for the twelve-months ending December 31, 2015 of only \$8,000 compared to \$14,000 in 2014, due to the Company's sales strategy to sell mostly through a distribution network.
- As of December 31, 2015, the Company had cash and cash equivalents of \$1,681,125 as compared to \$272,845 as of December 31, 2014.

CEAPRO INC.

Consolidated Statements of Net Income and Comprehensive Income

Year Ended December 31,	2015 \$	2014 \$
Revenue (note 14)	10,667,442	8,890,256
Cost of goods sold	3,638,845	4,126,484
Gross margin	7,028,597	4,763,772

Research and product development	625,214	578,361
General and administration	2,519,119	1,984,025
Sales and marketing	7,624	13,700
Finance costs (note 17)	246,586	187,969
Income from operations	3,630,054	1,999,717
Other operating income (loss) (note 16)	203,974	(405,922)
Income before tax	3,834,028	1,593,795
Income taxes		
Current tax expense (note 18)	(95,180)	-
Deferred tax recovery (note 18)	1,183,303	-
Income tax recovery	1,088,123	-
Total comprehensive income for the year	4,922,151	1,593,795
Net income per common share (note 26):		
Basic	0.08	0.03
Diluted	0.08	0.03
Weighted average number of common shares outstanding (note 26):		
Basic	61,804,259	60,901,619
Diluted	65,200,006	62,533,647

CEAPRO INC.

Consolidated Balance Sheets

	December 31, 2015	December 31, 2014
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	1,681,125	272,845
Trade receivables	538,995	423,567
Other receivables	124,132	210,904
Inventories (note 4)	1,242,417	679,265
Prepaid expenses and deposits	259,560	61,502
	3,846,229	1,648,083
Non-Current Assets		
Investment tax credits receivable (note 16)	603,302	-
Deposits	93,264	36,903
Licenses (note 5)	33,329	36,292
Property and equipment (note 6)	9,868,676	5,961,951
Deferred tax assets (note 18)	1,258,674	-
	11,857,245	6,035,146
TOTAL ASSETS	15,703,474	7,683,229
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	2,005,611	1,791,145
Deferred revenue (note 10)	1,172,198	162,279
Current portion of long-term debt (note 7)	984,318	768,345
Convertible debentures (note 8)	872,355	-
Current portion of employee future benefits obligation (note 11)	-	127,009
Current portion of CAAP loan (note 13)	72,942	72,942
Income tax payable (note 18)	95,180	-
Royalties interest payable (note 9b)	-	43,075
	5,202,604	2,964,795

Non-Current Liabilities		
Long-term debt (note 7)	2,277,186	2,361,326
CAAP loan (note 13)	235,529	265,075
Deferred tax liabilities (note 18)	111,621	-
	2,624,336	2,626,401
TOTAL LIABILITIES	7,826,940	5,591,196
Equity		
Share capital (note 12b)	6,800,018	6,565,927
Equity component of convertible debentures (note 8)	106,200	-
Contributed surplus (note 12c)	1,029,564	507,505
Accumulated other comprehensive loss (note 11)	-	(16,916)
Deficit	(59,248)	(4,964,483)
	7,876,534	2,092,033
TOTAL LIABILITIES AND EQUITY	15,703,474	7,683,229

The complete financial statements are available for review on SEDAR at <http://sedar.com/Ceapro> and on the Company's website at www.ceapro.com.

About Ceapro Inc.

Ceapro Inc. is a Canadian biotechnology company involved in the development of proprietary extraction technology and the application of this technology to the production of extracts and "active ingredients" from oats and other renewable plant resources. Ceapro adds further value to its extracts by supporting their use in cosmeceutical, nutraceutical and therapeutics products for humans and animals. The Company has a broad range of expertise in natural product chemistry, microbiology, biochemistry, immunology and process engineering. These skills merge in the fields of active ingredients, biopharmaceuticals and drug-delivery solutions. For more information on Ceapro, please visit the Company's website at www.ceapro.com.

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