

May 27, 2014



Ceapro Reports First Quarter 2014 Financial Results

- Total sales of \$1,954,000
- Income from operations of \$320,000
- Net profit of \$177,000
- Record volume forecasts for 2014

EDMONTON, ALBERTA -- (Marketwired) -- 05/27/14 -- **Ceapro Inc. (TSX VENTURE:CZO)** ("**Ceapro**" or the "**Company**") today announced financial results for the first quarter ended March 31, 2014.

"We are very pleased with these solid financial results today. The fact that they were achieved during a period requiring high levels of non-recurrent expenses for the construction of a new state-of-the-art manufacturing facility and the acquisition and installation of customized equipment is even more impressive. While the successful implementation and commissioning of the new facility remains our top priority for the first half of 2014, we expect to fulfill the forecasted increased demand for 2014, especially for our flagship product, avenanthramides," said Gilles Gagnon, President & CEO of Ceapro. "Also, we will actively pursue the development of new dry formulations, especially for beta glucan for which we have recently licensed a new technology from the University of Alberta. This technology should enable us to transit to other large potential markets like functional foods, nutraceuticals and/or pharmaceuticals," he added.

FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2014

- Total sales of \$1,954,000 compared to \$2,012,000 in Q1 2013, a decrease of 3.0%. The first quarter of 2013 included carryover orders from year end 2012 due to orders that had been rescheduled at that time.
- Net profit of \$177,000 compared to \$408,000 in Q1 2013. The lower net profit is due to additional non-recurrent costs of \$143,000 for operating costs and rent for the new facility and foreign exchange losses primarily on our Euro denominated long term debt, increased financial costs of \$42,000 due to higher levels of long term debt, higher royalty costs for third party license agreements, and higher non-cash accretion costs for the CAPP obligation, and higher R&D expenses.
- Research and Development investments of \$225,000 compared to \$138,000 in Q1 2013. The increase of 63% is due to higher recognition of government grants in Q1 2013.
- General and Administration expenses of \$422,000 compared to \$436,000 in Q1 2013

- Sales and Marketing expenses of \$1,000 compared to \$22,000 in Q1 2013 due to a change in marketing and sales strategy.

The Company has cash and cash equivalents of \$1,213,000 as of March 31, 2014 as compared to \$253,000 as of March 31, 2013.

SUBSEQUENT TO FIRST QUARTER 2014

- Signing of a licensing and development agreement with the University of Alberta for an innovative process technology to produce dry formulations.
- Issuance of Canadian Patent No. 2,522,739 "Pharmaceutical Compositions Comprising Cereal Beta (1-3) Beta (1-4) Glucan."

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 growth-stage biotechnology company. Primary business activities relate to the development and commercialization of active ingredients for personal care and cosmetic industries using proprietary technology and natural, renewable resources. To learn more about Ceapro, visit www.ceapro.com.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

CEAPRO INC.

Consolidated Statements of Net Income and Comprehensive Income

Unaudited

	Three months Ended March 31,	
	2014	2013
	\$	\$
Revenue (note 14)	1,954,347	2,012,279
Cost of goods sold	894,303	962,385
Gross margin	1,060,044	1,049,894
Research and product development	224,506	137,711
General and administration	422,259	436,513
Sales and marketing	1,167	22,353
Finance costs (note 13)	92,123	50,506
Income from operations	319,989	402,811
Other operating (loss) income (note 12)	(142,560)	5,360
Net income for the period	177,429	408,171
Other comprehensive loss		
Actuarial loss on employee future benefit obligation (note 8)	-	(16,916)
Total comprehensive income for the period	177,429	391,255
Net income per common share (note 19):		
Basic	0.00	0.01
Diluted	0.00	0.01
Weighted average number of common shares outstanding	60,355,337	60,278,948

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Source: Ceapro Inc.