

July 30, 2014



Ceapro Reports Record Second Quarter 2014 Financial Results

Laying The Ground For New Heights

EDMONTON, ALBERTA -- (Marketwired) -- 07/30/14 -- **Ceapro Inc. (TSX VENTURE:CZO)** -

- Total sales of \$2,432,000 in Q2, 2014, an increase of 140% over Q2, 2013. Highest quarterly revenue in Ceapro's history
- Income from operations of \$727,000 vs a loss of \$155,000 in 2013
- Net profit of \$630,000 vs net loss of \$252,000 in 2013
- Record volume forecasts for 2014 for flagship product, *avenanthramides*
- *BIOTEC*Canada Gold Leaf Award as Emerging Company of The Year-Industry and Agriculture

Ceapro Inc. ("Ceapro" or the "Company") today announced its financial results for the three-month and six-month periods ended June 30, 2014.

"Keeping the business up and running, while implementing a major relocation project to a new state-of-the-art facility is always a challenge. Growing our business and delivering our best ever results during such a critical time was even more impressive! We are particularly pleased with this record setting financial performance in 2014 and we would like to thank our dedicated employees who once again delivered superior results as well as our research and commercial partners who are deploying tremendous efforts in successfully raising the awareness of our products, especially our flagship compound, *avenanthramides*," said Gilles Gagnon, President & CEO of Ceapro.

"We are now looking forward to the successful implementation and commissioning of our new manufacturing facility in South Edmonton during the second half of 2014, while fulfilling the continuing increased product demand for 2014," he added.

FINANCIAL RESULTS FOR THE THREE AND THE SIX MONTH PERIOD ENDED JUNE 30, 2014

- Total sales of \$2,432,000 and \$4,386,000 in Q2 and H1 2014 respectively compared to \$1,012,000 and \$3,025,000 in 2013. These represent increases of 140.2% and 45% which are mostly due to an increase in the sales of flagship product, *avenanthramides*.
- Net profit of \$630,000 and \$807,000 in Q2 and H1 2014 respectively compared to a net loss of \$252,000 and profit of \$157,000 in 2013. These net profits in 2014 were obtained despite non-recurrent cost of \$115,000 and \$193,000 due to the relocation project.
- Research and Development investments of \$189,000 and \$414,000 in Q2 and H1 2014 respectively compared to \$227,000 and \$364,000 in 2013.

- General and Administration expenses of \$462,000 and \$884,000 in Q2 and H1 2014 respectively compared to \$436,000 and \$873,000 in 2013.
- Sales and Marketing expenses of only \$6,000 and \$7,000 in Q2 and H1 2014 respectively compared to \$47,000 and \$69,000 in 2013, due to a change in marketing and sales strategy.

The Company has cash and cash equivalents of \$708,000 as of June 30, 2014 as compared to \$358,000 as of June 30, 2013.

HIGHLIGHTS

- 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".
- Pursuance of impregnation studies to test dry formulations of our value driver, beta glucan, as a potential delivery system.
- Six podium presentations on avenanthramides from independent researchers at the American Chemical Society meeting held in Dallas.
- Publication in June 2014 in peer reviewed "Journal of Nutrition" on the benefits of avenanthramides supplementation to attenuate exercise-induced inflammation in postmenopausal women.
- Engagement of Alberta oat growers to grow and scale up a new variety of oat in-licensed from Agriculture and Agri-Foods Canada.
- Highly successful presentation on Ceapro's drying technology platform ("PGX") at the premier Bio World Congress on Industrial Biotechnology conference held in Philadelphia in May 2014.
- BIOTEC Canada Gold Leaf Award as Emerging Company of The Year-Industry and Agriculture.

"Our R&D program with dry formations of our value drivers will be conducted over a 24-month period. We also have multiple high value opportunities, especially with our avenanthramides franchise, and transitioning to pharmaceutical or nutraceutical sectors will represent a significant opportunity for Ceapro," Mr. Gagnon commented. "Ceapro entered 2014 with an aggressive agenda of growth and financial targets and the transformational pace has definitely exceeded expectations. Riding this positive momentum, I fully anticipate that 2014 will be an exciting year for Ceapro stakeholders."

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 healthcare 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 (Loss) and Comprehensive Income (Loss)

Unaudited

	Quarters Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Revenue (note 14)	2,431,736	1,012,322	4,386,083	3,024,601
Cost of goods sold	987,603	433,204	1,881,906	1,395,589
Gross margin	1,444,133	579,118	2,504,177	1,629,012
Research and product development	189,461	226,738	413,967	364,449
General and administration	461,808	436,473	884,067	872,986
Sales and marketing	5,500	46,570	6,667	68,923
Finance costs (note 13)	60,496	24,137	152,360	74,643
Income (loss) from operations	726,868	(154,800)	1,047,116	248,011
Other operating loss (note 12)	(96,902)	(96,915)	(239,721)	(91,555)
Net income (loss) for the period	629,966	(251,715)	807,395	156,456
Other comprehensive loss				
Actuarial loss on employee future benefit obligation (note 8)	-	-	-	(16,916)
Total comprehensive income (loss) for the period	629,966	(251,715)	807,395	139,540
Net income (loss) per common share (note 19):				
Basic	0.01	(0.00)	0.01	0.00
Diluted	0.01	(0.00)	0.01	0.00
Weighted average number of common shares outstanding	60,591,860	60,278,948	60,474,252	60,278,948

Ceapro Inc.

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Source: Ceapro Inc.