

November 14, 2014



# Ceapro Inc. Reports Third Quarter 2014 Financial Results

**- Company delivers strongest quarterly financial performance in its history -**

**- Further increased revenue generation and market expansion expected in 2015 -**

EDMONTON, ALBERTA -- (Marketwired) -- 11/14/14 -- [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, announced today its financial results for the third quarter and nine-months ended September 30, 2014.

## ***Third Quarter 2014 Financial Highlights***

- Total sales of \$2,445,000 for the third quarter 2014, an increase of 22% over third quarter 2013 and the highest quarterly revenue to date.
- Total sales of \$6,831,000 for the nine-month period ended September 30, 2014, an increase of 36% over the same period in 2013. Sales for the first nine-month of 2014 surpassed sales of the previous full 12 month record year of 2013.
- Third quarter 2014 income from operations of \$731,000, an increase of \$533,000 from third quarter 2013.
- Net profit for third quarter 2014 of \$690,000 versus \$123,000 in third quarter 2013.

Gilles Gagnon, M.Sc., MBA, President and CEO of Ceapro, stated, "I am extremely pleased to report that we delivered another solid quarter, and importantly, the third quarter represents Ceapro's best financial performance of any quarter to date. It is particularly noteworthy that we surpassed all previous sales and profit results, especially given the Company's major relocation project to a new state-of-the-art facility. All of this could not have been accomplished without the dedication and professionalism of our employees. The record revenue numbers for the third quarter reflect our continuing commitment to drive operational excellence and innovation and provide a solid foundation as we approach the end of 2014 and prepare for even greater success in 2015."

Mr. Gagnon concluded, "Moving forward, our goal is to build significantly on this momentum, and we are preparing to execute on multiple fronts in 2015. We believe this is just the beginning of an exciting road ahead for Ceapro and look forward to realizing the Company's full potential in the near- and long-term."

***Financial Results for the Three and the Nine Month Period Ended September 30, 2014***

Total revenue of \$2,455,000 and \$6,831,000 for third quarter 2014 and nine-months ending September 30, 2014 respectively compared to \$1,997,000 for third quarter 2013 and \$5,022,000 for the nine-month period ending September 30, 2013, an increase of 22% for the quarter to quarter comparison and 36% over the nine-month period primarily as a result of higher sales volume of the Company's flagship product, avenanthramides.

Net income of \$690,000 and \$1,497,000 for the third quarter 2014 and for the nine months ending September 30, 2014 respectively compared to a net income of \$123,000 and of \$280,000 for the same periods in 2013.

Research and Development investments of \$179,000 and \$593,000 for the third quarter 2014 and the nine-month period ended September 30, 2014 respectively compared to \$203,000 and \$568,000 in 2013 periods.

General and Administration expenses of \$492,000 and \$1,376,000 for the third quarter 2014 and for the nine-months ending September 30, 2014 respectively compared to \$393,000 and \$1,266,000 for the same periods in 2013 as result of consulting engineer fees related to the relocation project.

Sales and Marketing expenses of only \$6,000 and \$13,000 for third quarter 2014 and nine-months ending September 30, 2014 respectively compared to \$5,000 and \$74,000 in the 2013 periods, as a result of a strategic change in sales and marketing strategy related to distribution partnering.

The Company has cash and cash equivalents of \$390,609 as of September 30, 2014 as compared to \$402,519 as of September 30, 2013.

| <b>CEAPRO INC.</b>  |                             |           |                             |            |
|---|-----------------------------|-----------|-----------------------------|------------|
| <b>Consolidated Statements of Net Income and Comprehensive Income</b> |                             |           |                             |            |
| <b>Unaudited</b>  |                             |           |                             |            |
|   | Quarters                    |           | Nine Months                 |            |
|   | Ended September 30,<br>2014 | 2013      | Ended September 30,<br>2014 | 2013       |
|   | \$                          | \$        | \$                          | \$         |
| Revenue (note 14)   | 2,444,956                   | 1,997,398 | 6,831,039                   | 5,021,999  |
| Cost of goods sold  | 970,410                     | 1,155,535 | 2,852,316                   | 2,551,124  |
| Gross margin  | 1,474,546                   | 841,863   | 3,978,723                   | 2,470,875  |
| Research and product development                                      | 178,870                     | 203,191   | 592,837                     | 567,640    |
| General and administration  | 491,580                     | 393,163   | 1,375,647                   | 1,266,149  |
| Sales and marketing   | 6,063                       | 4,850     | 12,730                      | 73,773     |
| Finance costs (note 13)   | 67,055                      | 42,361    | 219,415                     | 117,004    |
| Income from operations  | 730,978                     | 198,298   | 1,778,094                   | 446,309    |
| Other operating loss (note 12)  | (40,981 )                   | (75,115 ) | (280,702 )                  | (166,670 ) |
| Net income for the period   | 689,997                     | 123,183   | 1,497,392                   | 279,639    |

|   |            |            |            |            |
|---|------------|------------|------------|------------|
| Other comprehensive loss                                      |            |            |            |            |
| Actuarial loss on employee future benefit obligation (note 8) | -          | -          | -          | (16,916)   |
| Total comprehensive income for the period                     | 689,997    | 123,183    | 1,497,392  | 262,723    |
| Net income per common share (note 19):                        |            |            |            |            |
| Basic   | 0.01       | 0.00       | 0.02       | 0.00       |
| Diluted   | 0.01       | 0.00       | 0.02       | 0.00       |
| Weighted average number of common shares outstanding          | 61,228,948 | 60,278,948 | 60,725,817 | 60,278,948 |
| Weighted average number of the dilutive shares outstanding    | 62,996,492 | 60,278,948 | 61,762,838 | 60,278,948 |

### **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](http://www.ceapro.com).

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