

June 1, 2015



# Ceapro Inc. Reports First Quarter 2015 Financial and Operations Results

EDMONTON, ALBERTA -- (Marketwired) -- 06/01/15 -- [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 three-months ended March 31, 2015 and provided an overview of recent operational highlights.

Gilles Gagnon, M.Sc., MBA, President and CEO of Ceapro, stated, "The first quarter reflects key operational advancements required to move Ceapro forward with the expressed goal of becoming a near-term competitive player with dry beta glucan in the functional food/nutraceutical space and the longer-term objective of entering the nutraceutical and/or pharmaceutical markets with dry formulations of avenanthramides. Also, encouraging results obtained from the use of our unique proprietary PGX technology led to a decision to develop this enabling technology at the commercial level. Ceapro is thereby entering into a major development phase expanding its base business from a private label manufacturing company in cosmetics to a fully integrated biotech company. This business strategy, which expands well beyond a quarter to quarter mindset, reflects our confidence in the potential of our technology to deliver significant growth on a long term basis."

## ***First Quarter 2015 and Recent Operational Highlights***

- Expanded our License Agreement with the University of Alberta to include worldwide rights to develop and commercialize PGX Technology in all industrial fields;
- Received a \$800,000 non-reimbursable grant from Alberta Innovates Bio Solutions for the scale-up of PGX platform technology at commercial and demonstration scale levels;
- Appointed accomplished finance and accounting executive, Stacy Prefontaine, CA, as Chief Financial Officer;
- Appointed international pharmaceutical industry expert, Ulrich Kosciessa, Ph.D., to the Board of Directors;
- Signed a loan Agreement with Agriculture Financial Services Corporation for a commercial financing of up to \$900,000;
- Completed a non-brokered private placement totaling \$960,000;
- Initiated a research program with the University of Alberta for the development of a prototype functional drink using Ceapro's dried beta glucan formulation obtained through the use of PGX Technology;
- Obtained encouraging results for avenanthramides with a unique malting technology used at commercial scale level; and
- Initiation by a USA based researcher of a clinical trial using Ceapro's high avenanthramide material to assess bioavailability and pharmacokinetics.



"Further, in an effort to continue to mitigate operational risk, we have made arrangements to extend production at our current Leduc Alberta facility through the end of the year. We are appreciative to the Government of Alberta for its sustained support. Earlier this year, we deliberately improved production at the Leduc facility to ensure the steady supply of inventory to our cosmeceutical customer base through year-end. Finally, following obtention of global rights for all industrial applications with our PGX enabling platform and following encouraging results obtained with various biopolymers samples, we have reviewed our global strategy to integrate the PGX enabling platform in our expressed biopharmaceutical growth plans and decided to extend it to various sectors with a goal of being recognized as a major player in the local and international bio-industrial business."

### ***Financial Results for the Three Month Period Ended March 31, 2015***

Total revenue for the three-months ending March 31, 2015 was \$1,714,000 as compared to \$1,954,000 for the three-month period ending March 31, 2014. This decrease being primarily due to the timing of a significant order of avenanthramides. The impact of lower sales on revenue was offset partly by the positive impact of a stronger U.S. dollar relative to the Canadian dollar.

Net loss was \$194,000 for the three-months ending March 31, 2015 compared to a net income of \$177,000 for the same period in 2014. This loss being mainly due to increased G&A expenses.

Research and Development investments net of grants for the three-month period ended March 31, 2015 were \$106,000 compared to \$225,000 in 2014 period.

General and Administration expenses were \$802,000 for the three-months ending March 31, 2015 compared to \$422,000 for the same period in 2014 primarily due to higher salaries, non-cash share based compensation costs, legal expenses, cost associated with being a public company, and depreciation.

Sales and Marketing expenses for the three-months ending March 31, 2015 are negligible due to Company's strategy to sell mostly through a distribution network instead of selling directly to end-users.

As of March 31, 2015, the Company had cash and cash equivalents totaling \$538,000 as compared to \$273,000 as of December 31, 2014.

CEAPRO INC.

Consolidated Statements of Net Income (Loss) and Comprehensive Income (Loss)

Unaudited

	Three Months Ended March 31	
	2015	2014
	\$	\$
Revenue	1,714,485	1,954,347
Cost of goods sold	922,386	894,303
Gross margin	792,099	1,060,044



Research and product development	105,907	224,506
General and administration	801,933	422,259
Sales and marketing	3,167	1,167
Finance costs (note 14)	106,750	92,123
Income (loss) from operations	(225,658 )	319,989
Other operating loss (note 13)	(4,430 )	(142,560 )
Income (loss) before tax	(230,088 )	177,429
Income taxes		
Deferred tax recovery	36,250	
Total comprehensive income (loss) for the period	(193,838 )	177,429
Net income (loss) per common share (note 20):		
Basic	0.00	0.00
Diluted	0.00	0.00
Weighted average number of common shares outstanding	61,543,874	60,355,337

### **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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