



Ceapro Inc. Provides Corporate Update

- *Company well poised to transition to its next phase of growth for expansion into the profitable nutraceutical sector over the next 12 months -*
- *Data expected from the bioavailability study of CoQ10-beta glucan and results of the avenanthramides in exercise-induced inflammation in Q2 2018 -*

EDMONTON, ALBERTA – April 23, 2018 – [Ceapro Inc.](#) (TSX-V: 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 provided a summary of 2017 key accomplishments and recent highlights.

“We have made significant progress in 2017 on all fronts. Our de-risked business model through the offering of active ingredients to the cosmeceuticals market has once again proven to be fruitful. This base business has enabled us to maintain a solid balance sheet even while initiating the diversification of Ceapro’s business model from a contract manufacturer (CMO) to a biopharmaceutical company that requires significant investment in Research and Development (R&D). Moving forward, we have a clear strategic path. While we will continue to leverage on our base business and get closer to the customer in cosmeceuticals market through the offering of Juvente^{DC}, we will further invest in clinically validating new product applications for our value drivers, avenanthramides and beta glucan, in the high value creation nutraceutical and pharmaceutical markets. It takes time and patience to transform a business model, but I remain convinced this is the way to create value by getting our unique technologies recognized in a fair manner,” stated [Gilles Gagnon, M.Sc., MBA, President and CEO](#) of Ceapro.

2017 Key Accomplishments and Recent Highlights

- Announced positive results from the first phase of a project to develop a functional energy drink presented at the 16th European Meeting on Supercritical Fluid Technologies held in Lisbon, Portugal;
- Achieved the first major milestone with the PGX Enabling Technology – completion PGX pilot scale facility, installation of custom-designed process equipment, and formation of expert PGX team;
- Signed agreement with University of Alberta, utilizing \$332K grant from Canadian Government, to conduct impregnation studies using PGX Technology;
- Initiated bioavailability study in animals for a new and unique water soluble chemical entity CoQ10-beta glucan to be used in a functional drink;
- Conducted human bioavailability and bioefficacy studies using Ceapro’s unique high concentration formulation of avenanthramides;

- Expanded bioefficacy study evaluating avenanthramides in exercise-induced inflammation to evaluate additional biomarkers;
- Launched Ceapro's Proprietary Line of Cosmeceutical Products, Juvente^{DC}, following the successful execution of the Juvente^{DC} Inc. acquisition, marking an important step in Ceapro's strategic market diversification business plan of being closer to the customer;
- Pursued research program initiated with McMaster University for testing of materials using PGX Technology; a scientific paper has been submitted for publication in 2018;
- Pursued research collaboration with prestigious German based research organization, Fraunhofer, for the development and testing of unique membranes to be used with the PGX Technology; and
- Received Intent to Grant Letter from European Patent Office for Ceapro's unique and disruptive enabling PGX Technology covering proprietary methods and use of micro- and nano-sized particles generated by applying PGX Supercritical Fluid Technology.

Subsequent to Year End

- Announced the acceptance of abstract for presentation at the Nutrition 2018 conference for bioefficacy study with avenanthramides in exercise-induced inflammation;
- Filed a Clinical Trial Agreement with Health Canada for pilot clinical study to develop beta glucan as a cholesterol reducer; and
- Signed a Master Service Agreement with prestigious Montreal Heart Institute.

Programs Updates

- **Research & Development:** Advanced Company's pipeline with new powder formulations for its value drivers beta glucan and avenanthramides.

1. Beta Glucan

Functional Drink

Following successful impregnation studies using PGX-processed dried beta glucan with the well-known co-enzyme Q10 (CoQ10) as an energy booster and the first time a successful demonstration of the newly formed chemical complex could be uniformly dispersed in water, the Company developed an energy drink and initiated a ground-breaking research protocol with University of Alberta researchers to test its bioavailability and confirm if beta glucan is acting as an effective delivery system to bring more Co-enzyme Q10 to targeted cells. The first qualitative "visual" phase of the project is completed, and Ceapro expects the

quantitative phase to be completed within a few weeks. Quantification of CoQ10 in tissues required the development of new analytic standards. It is expected that positive results would prompt partnering discussions with major players in the functional food/drink industry and new product could then be on the market within the next twelve months.

This program is innovative on many fronts. First, the successful development of a new chemical complex with stable physico chemical properties, second the fact that it is water soluble and third, the development of new procedures to draw CoQ10 from tissues as well as the development of standards to measure the concentration of CoQ10 in the tissues. These innovations have triggered the acceptance of three scientific articles that are being published in peer review journals.

Nutraceutical Program (Cholesterol Reducing Product)

Several formulations and morphologies of dried beta glucan have been developed using Ceapro's new pilot scale PGX unit. These formulations have been tested by a Montreal based specialty pharma company and a 500mg tablet was recommended. These tablets will be manufactured and packed by another pharmaceutical company for the supply of material for clinical trials.

A Master Service Agreement has been signed with the prestigious Montreal Heart Institute as our partner to manage our clinical program; the first project being the evaluation of the safety and the efficacy of beta glucan as a cholesterol reducer. The group of experts at the Montreal Heart Institute have reviewed the protocol that has been filed with Health Canada. Upon approval, the Company expects to initiate this 18-24 month placebo-controlled study during the summer 2018. This study will enroll a minimum of 240 patients who will be recruited through the Montreal Heart Institutes' research centers network; each center necessitating approval from their ethics committee before initiating the study. Given beta glucan's recognized health claims, Ceapro is pioneering the development of a natural product to be positioned as a nutraceutical that will have been developed according to the highest pharmaceutical standards.

2. Avenanthramides

Functional Food

Ceapro successfully produced significant amounts of highly concentrated avenanthramides back in 2016. This new generation of avenanthramides was used in a human bioavailability study conducted at the University of Minnesota under the guidance of avenanthramide expert, Dr. Lili Ji.

Results from the bioavailability study prompted the initiation of a bio-efficacy study in 2017 using low and high doses of avenanthramides with young men and women. The goal of this study being to further demonstrate the efficacy of avenanthramides in alleviating exercise-induced inflammation as evidenced by a significant decrease of inflammation biomarkers in the blood. The study was completed at the end of 2017. An abstract was accepted for a podium presentation at the prestigious upcoming American Society of Nutrition Conference “Nutrition 2018” to be held in Boston from June 12-15, 2018.

Positive results would support the possibility of adding avenanthramides into some existing food products and support a claim of anti-inflammatory benefits for these products. Discussions have been held with potential interested companies. Should results be convincing, a new formulation of high purity avenanthramides could be on the market within the next 12 months.

Pharmaceutical Program (Anti-Inflammatory Product)

Encouraging results obtained from the bioavailability and bio-efficacy studies with the first generation of powdered avenanthramides would pave the way for the initiation of similar studies using a new pharmaceutical grade tablet of avenanthramides for further clinical studies to test avenanthramides as a potential treatment for some inflammation-based diseases. Such long-term clinical program would be conducted with a pharmaceutical partner.

3. Technology

The Company’s engineering team has successfully developed and implemented its innovative Pressurized Gas eXpanded (PGX) Technology in the new facility in South Edmonton. PGX is being used to produce the beta glucan powder for clinical trial.

The PGX Technology was issued U.S. and Canada patents in 2016. An Intent to Grant letter has been received from the European Patents Office. Formal granting of patent from Europe will enable for more open partnering discussions since most of the samples that were analysed through PGX came from large European based companies. Given the results obtained from these analyses, we believe that PGX becomes an extraordinary and unique enabling technology to produce innovative delivery systems. We expect PGX to be a game-changing technology.

Drs. Feral Temelli and Bernhard Seifried, co-inventors of PGX will present on April 25, 2018 at a prestigious international conference on supercritical fluids to be held in France. The presentation will be available on Ceapro’s [website](#).



- **Production Operations:** Ceapro produced approximately 200 metric tons of active ingredients to respond to market demand as well as to comply with strict requirements from two major customers for the maintenance of high inventory levels during the transition period to a new manufacturing site. To date, the outcomes and recommendations from first audits of the new site by these customers are very positive. Final audits are planned until the end of Q2 2018 by these customers who expect to accept products from this new site in the second half of 2018.
- **Marketing and Sales:** As per the Company's vision to diversify from a CMO business model, we wish to get closer to the customer. In that sense, Ceapro helped a start-up company, Juvente^{DC} to develop their own cosmeceutical formulations using Ceapro's active ingredients. Ceapro acquired the company on October 25, 2017. Online sales have recently been initiated through a newly launched [website](#). The strategy with the Juvente^{DC} line of products is consistent with Ceapro's delivery platform strategy utilizing beta glucan as a carrier for other bioactives. This is a line of cosmeceutical products, not cosmetics.

“Given the significant investments made in our beta glucan and avenanthramides product portfolio and the encouraging results obtained so far, I believe that we are well poised to transition to the next phase of growth for expansion into the profitable nutraceutical sector over the next 12 months,” added Mr. Gagnon. “We anticipate final data from the bioavailability study with the chemical entity CoQ10-beta glucan and results of the avenanthramides in exercise-induced inflammation in the coming quarter. Additionally, we believe our unique and disruptive enabling technologies including PGX will continue to play a key role in Ceapro's success. I believe that Ceapro has all the key ingredients in place for success and is positioned for another solid year in 2018. We are very grateful to our customers and shareholders for continued support and confidence.”

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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