



Epicore BioNetworks Inc.

NEWS RELEASE
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FOR IMMEDIATE RELEASE

Epicore BioNetworks Inc. Reports Results for Fiscal Year 2015 for the year ended 30 June 2015, in US dollars

Fiscal 2015 was another strong year for Epicore. Sales records were set in every quarter and net income (without exceptional adjustments) broke the million dollar mark for the second time. Epicore's productivity enhancing products were in high demand as shrimp producers readily accepted new tools and techniques to fight the ravages of a deadly disease. Our marketing program increased usage of Epicore products in several new regions. Our ISO 9001:2008 quality system certification contributed to operational reliability and provided the foundation for our achievement of Global G.A.P. certification. Net income increased by 6% and delivered earnings per share of \$0.05.

After more than a decade of growth, world farm production of shrimp peaked in 2011 at 4.1 million metric tons but declined in 2012 and 2013 to 3.8 million metric tons because of disease problems. Production has begun to recover but has not reached the 2011 peak level. The supply shortage caused by the disease forced shrimp prices to record levels in 2014. Consumers reacted to high prices in 2015 with subsequent reduction in demand followed by reduced prices. The net effect of EMS has been positive for Epicore. Sales have been lost where EMS has closed farms but higher prices have encouraged people to try shrimp farming.

Some highlights (in US\$) versus prior fiscal year were:

- Increase in revenue from \$7.6 million to \$9.7 million (a 27% increase)
- Increase in gross profit from \$4.9 million to \$5.6 million (a 16% increase)
- Increase in operating expenses from \$2.8 to \$3.6 million (a 28% increase)
- Increase in net income from \$1.17 million to \$1.24 million (a 6% increase)
- EBITDA was unchanged at \$2.1 million
- Increase in shareholders' equity from \$6.7 million to \$8.2 million (a 21% increase)
- Decrease in cash from \$3.0 million to \$2.3 million (a 23% decrease)
- Basic and diluted earnings per share unchanged at \$0.05

Gross profit grew 16% mainly due to higher sales. Gross margin decreased mainly due to product sales mix but also due to unrealized production efficiencies, higher raw material costs and the need for expensive air shipments.

Total operating expenses increased by 28% in fiscal 2015 to increased staff in Asia and Ecuador, higher commission expense and increased research and development expense. The research and development expense increase stemmed from an increase in personnel, higher use of consultants and increased contract research and a change in accounting for R&D production overhead.

Epicore generated positive net income of \$1.24 million to give Epicore its twelfth consecutive year of profitable operation. Versus prior year, net income increased by \$0.1 million (6%) and generated earnings per share of \$0.05, as the following results (rounded to thousands of US dollars) show:

	2015	2014	Increase (Decrease)	
Revenue	\$9,707	\$7,617	\$2,090	27%
Gross profit	\$5,638	\$4,879	\$758	16%
Operating expenses	\$3,632	\$2,847	\$785	28%
Net income	\$1,242	\$1,174	\$68	6%
Earnings per share	\$0.05	\$0.05	\$0	0%
Shareholders' equity	\$8,161	\$6,746	\$1,415	21%
Cash balance	\$2,262	\$2,976	(\$714)	(23%)

Epicore continues to generate positive cash flows from operating activities with \$0.8 million generated in fiscal 2015 but invested in a new building. The building expands our production and warehouse area and utilizes adjacent land purchased in 2011. Cash at the end of the year was \$2.3 million versus beginning cash of \$3.0 million. With these funds, expected sales revenue growth and continued relatively low operating costs, management expects there will be sufficient cash to meet the fiscal year's financial requirements, to fund expansion of aquaculture and environmental remediation marketing efforts and to pursue new strategies for enhancing shareholder value.

Fiscal 2015 was a successful year not only on a financial basis, but it saw major progress on several operational and strategic issues. Epicore achieved Global G.A.P. compound feed certification in fiscal 2015. This hazard analysis (HACCP) based food safety program is required for farmed shrimp sold into Europe. Shrimp producers prefer their suppliers to be Global G.A.P. certified. Epicore is the first USA feed producer to achieve this certification, which puts us in a preferred position with shrimp feed buyers. The Global G.A.P. certification supplements Epicore's ISO 9001:2008 quality system certification. We are pleased to report that Epicore also passed a Food and Drug audit of its feed manufacturing facility.

Epicore was named one of the TSX Venture Exchange's 50 strongest performers in 2015.

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards. Epicore BioNetworks Inc. is a public corporation with a registered office in Calgary, Alberta, Canada and with shares listed on the TSX Venture Exchange (symbol EBN). [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.]

This press release contains forward-looking statements that involve significant risks and uncertainties. The actual results, performance or achievements of the company might differ materially from the results, performance or achievements of the company expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, those regarding the future growth of the Company, expected sales revenue growth and continued low operating cash, and the expectation by management that there will be sufficient cash to meet the fiscal year's financial requirements and to fund expansion of aquaculture and environmental remediation marketing efforts and to pursue new strategies for enhancing shareholder value. We can provide no assurance that such development will proceed as currently anticipated, that the expected timing or results of such development will be realized or that the company will be able to generate sufficient cash to meet its obligations. We are subject to various risks, including the uncertainties of product development, markets for our products and regulatory review, our need for additional capital to fund our operations, our reliance on collaborative partners, our history of losses, and other risks inherent in the biotechnology industry.

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