



Epicore BioNetworks Inc.

NEWS RELEASE
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FOR IMMEDIATE RELEASE

Epicore BioNetworks Inc. Reports First Quarter Results for Fiscal Year 2017 for the Quarter ended 30 September 2016, in US dollars

Eastampton, NJ – Epicore BioNetworks Inc. (TSXV EBN) reported first quarter revenue of \$2.5 million and net income of \$0.2 million or \$0.009 per share for the period ended September 30, 2016.

First quarter revenue was 20% higher than last year's Q1. Net income was the same as last year. Shrimp diseases such as Early Mortality Syndrome (EMS) and a new microsporidian disease called enterocytozoon hepatopenaei (EHP) affected several Southeast Asian (SEA) producing regions. In SEA, low prices combined with the risk of disease have resulted in a curtailment in shrimp stocking. Despite this situation, sales resumed to Vietnam and increased in Indonesia and India. Sales were especially strong to newer sales areas like Australia and Singapore and to Africa.

Results versus prior fiscal year quarter one were as follows:

- Revenue increased by 20% to \$2.5 million
- Gross profit increased by 12% to \$1.4 million
- Operating expenses increased by 5% to \$0.9 million
- Income before taxes increased 23% to \$0.4 million
- Net income remained at \$0.2 million
- EBITDA¹ increased 15% to \$0.5 million
- Achieved basic earnings per share of \$0.009
- Increased shareholders' equity to \$9.7 million
- Year-over-year cash increased 35% to \$3.7 million
- Year-to-date cash flow from operations of \$0.3 million

Gross profit increased 12% in Q1 due to the increase in revenues.

Operating expense increased by 5%.

Higher revenues with relatively higher COGS expenses and a modest increase in operational expense combined to produce earnings on par with Q1 earnings prior year. Taxes were \$0.2 compared to prior year's \$0.1 because of the lack of equipment tax credits. The following table summarizes the Q1 results (rounded to thousands of US dollars):

	For the Quarter ended September 30			
	2016	2015	Increase (Decrease)	
Revenue	\$2,488	\$2,079	\$409	20%
Gross profit	\$1,389	\$1,235	\$154	12%
Operating expenses	\$941	\$893	\$48	5%
Net income	\$230	\$231	\$(1)	-
Earnings per share	\$0.009	\$0.009	-	-
Shareholders' equity	\$9,653	\$8,407	\$1,246	15%
Cash balance	\$3,720	\$2,753	\$967	35%

Epicore continues to generate positive net income from operating activities. In fiscal 2016, working capital increases and investments in plant and equipment decreased cash balances but by Q1 the majority of planned capital spending is completed. Cash at the end of the quarter was \$3.7 million versus \$3.4 million at the end of fiscal 2016. 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.

Over the last two years, Epicore has invested materially in a second building and automated packaging equipment. This added space is critical to our ability to increase production levels. All automated packaging equipment was in place and operational in Q1. The board has approved an ongoing capital program to enhance efficiencies and ensure redundancies in critical applications of our operations.

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, that investments now in place and planned for new plant and equipment will result in production efficiencies and increased capacities and the expectation by management that there will be sufficient cash to meet the fiscal year's financial requirements. We can provide no assurance 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.

¹EBITDA is a non-GAAP financial measure. For the Company, It is defined as earnings before interest, taxes, depreciation, and amortization. Management believes that EBITDA is a better indicator of operational performance than net income because it ignores interest, taxes, depreciation, and amortization.

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