Epicore BioNetworks Inc.

NEWS RELEASE
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FOR IMMEDIATE RELEASE

Epicore BioNetworks Inc. Reports Second Quarter Results for Fiscal Year 2016

for the Quarter ended 31 December 2015,in US dollars

Eastampton, NJ – Epicore BioNetworks Inc. (TSXV EBN) reported second quarter revenue of $2.2 million and net income of $0.1 million or $0.004 per share for the period ended December 31, 2015.

Revenue declined 9% from last year's Q2. Net income decreased by 65%. Sales increases were achieved in some areas but declines outnumbered gains. Shrimp diseases such as Early Mortality Syndrome (EMS) and a new microspordian disease called enterocytozoon hepatopenaei (EHP) affected several Southeast Asian (SEA) producing regions where Epicore sales have declined. Regions free of EMS and EHP increased shrimp production in fiscal Q2. Epicore sales increased in these regions but not enough to counteract the drop in SEA sales. In SEA, low prices combined with the risk of disease have resulted in a curtailment in shrimp stocking. These factors and the effects of a strong US dollar have combined to negatively affect revenues in the second quarter.

Results versus prior fiscal year quarter two were as follows:

- Revenue decreased by 9% to $2.2 million
- Gross profit decreased by 21% to $1.2 million
- Operating expenses increased by 5% to $1.0 million
- Income before taxes decreased 68% to$0.2 million
- Net income decreased 65% to $0.1 million
- EBITDA[1] decreased 58% to $0.2 million
- Achieved basic earnings per share of $0.004
- Increased shareholders' equity to $8.5 million
- Year-over-year cash decreased 37% to $1.7 million
- Year-to-date cash flow from operations of ($0.2) million

Gross profit decreased 21% in Q2 due to the decrease in revenues and an 11% increase in cost of goods sold (COGS). The Q2 sales mix included a higher than normal proportion of lower priced sales items. Most of the COGS increase was due to a move of leased equipment expense to COGS.

Operating expense increased by 5%even though leased equipment expense was moved to COGS. While consulting, outside research and supplies expenses were lower in Q2, selling expense increased due to extra sales staff added in Asia and higher advertising costs. Depreciation, director fees and property tax expense also increased. Payroll expenses in Ecuador increased due to a new law on severance and retirement compensation.

Higher COGS and operating expenses combined with lower revenues to produce lower Q2earnings before tax than prior year Q2. Even with reduced tax expense, Q2 net income was 65% lower than prior year Q2. EBITDA (earnings before interest, taxes, depreciation and amortization) decreased 58% over prior year from $0.5 million to $0.2million. The following table summarizes the Q2 results (rounded to thousands of US dollars):

	For the Quarter ended December 30			
	2015	2014	Increase (Decrease)	
Revenue	$2,178	$2,398	($220)	(9%)
Gross profit	$1,184	$1,506	($322)	(21%)
Operating expenses	$1.022	$978	$44	5%
Net income	$99	$283	($184)	(65%)
Earnings per share	$0.004	$0.012	($0.008)	(67%)
Shareholders' equity	$8,528	$7,524	$1,004	13%
Cash balance	$1,693	$2,682	($989)	(37%)

Epicore continues to generate positive net income from operating activities although changes in non-cash operating assets and liabilities, and investments in plant and equipment decreased cash balances. Cash at the end of the quarter was $1.7million versus $2.8 million at the end of fiscal 2016 Q1.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. As previously reported the new building was completed and is occupied. This added space is critical to our ability to increase production levels. Liquid packaging equipment was installed in Q1 and is operating well. Automated dry packaging equipment is on order and will be operational in Q3. 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.

[1]*EBITDA 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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