

EPICORE BI NETWORKS INC.

Initiating coverage: monetizing the science of sustainable survival...

INVESTMENT THESIS

We are initiating coverage on Epicore BioNetworks Inc. ("Epicore" or "EBN"), an innovator, manufacturer and promoter of specialty feed and biological products for the aquaculture industry. Epicore's solutions are based on natural microbes/enzymes that address key challenges faced by shrimp farmers in today's world. Our investment thesis is based upon:

- **Growing demand for sustainable sources of higher value proteins:** secular growth trend driven by growing middle-class in developing markets.
- **A need for sustainable solutions to deal with supply shocks:** shrimp farmers globally are struggling with disease epidemics and poor growing conditions.
- **Market share growth opportunity with transitional year well underway:** hiring and investing activities paving the way for continued growth.
- **New plant expansion is key growth driver and will streamline operations:** new capacity will allow the Company to monetize its growing backlog of specialized feed and microbial products.
- **Exceptional growth profile and profitability:** 15-year sales CAGR of 20% and 11 consecutive years of profitability; FY2014 exhibited triple digit EBITDA and EPS growth (year-over-year).
- **In-house R&D to fuel new growth opportunities:** exciting pipeline of microbial candidates addresses new target areas and industries.

VALUATION

Epicore is in a transitional year as it aims to complete its plant expansion and invest in productivity-enhancing equipment. Exiting 2015, EBN will be well-positioned to gain market share with its expanded capacity and should recognize enhanced profitability from its operating leverage. Epicore's peer group of global specialty feed and chemical companies trade at a median forward P/E multiple of 20x (we apply a discount to this multiple to reflect EBN's risk profile – see *Key Risks* section). Our 12-month target price of C\$1.65 is based on 15x our CY2016 exit (run rate) EPS estimate of \$0.09.

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See disclosure and a description of our recommendation structure at the end of this report.

Recommendation:

BUY

Symbol/Exchange:	EBN/TSXV
Sector:	Agriculture Technology
<i>All dollar values in US\$ unless otherwise noted.</i>	
Current price:	C\$0.85
One-year target:	C\$1.65
Total return:	94%

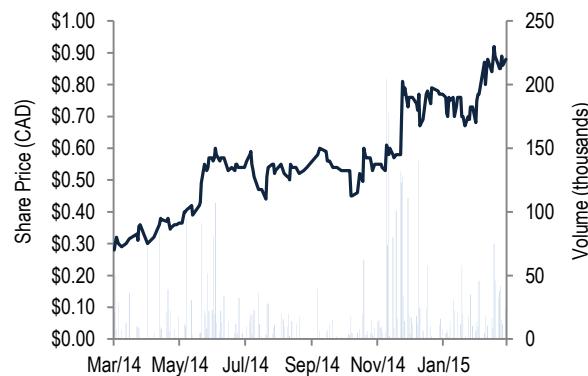
Financial Summary*

	Shares O/S (M)	26.0	52-Week Range	C\$0.30 - C\$0.95
	Market Cap (C\$M)	22.1	Avg. Daily Volume	16,741
	Market Float (C\$M)	13.0	Net Cash (US\$M)	2.7
	US\$ millions (Jun-30)	F2014A	F2015E	F2016E
Revenue		7.6	9.0	10.3
Revenue growth (YoY)		36%	18%	14%
Adjusted EBITDA		2.0	2.2	3.2
EBITDA margin (%)		27%	24%	31%
GAAP EPS (Diluted)		0.05	0.05	0.07
EPS growth (YoY)		137%	5%	35%
EV/EBITDA		7x	7x	5x
P/E		15x	14x	10x
ROE		17%	16%	18%
				20%

Note: EBN estimates are in US\$ and share price in C\$

Source: Company documents, Cantor Fitzgerald Canada

* Shares O/S and cash at December 31, 2014



Company profile: Epicore develops, manufactures and markets biological products and specialty feeds based on natural microbes and enzymes primarily for the aquaculture industry. Its products also have applications in other industries such as agriculture, waste water treatment, bioremediation and cleaning.

TABLE OF CONTENTS

Investment Thesis.....	3
Industry Overview	5
Emergence of Aquaculture Industry.....	5
Emergence of Disease	6
Shrimp Prices Have Skyrocketed.....	7
Demand for Productivity Enhancement	7
Shrimp Farming: A Quick Overview	8
Market Opportunity: World Shrimp Cultivation.....	9
Competitive Landscape	10
Company Overview.....	10
Strong Roots in Americas Support Global Reach	11
Strategic Marketing & Distribution	12
Strong Track Record of Growth.....	12
Impressive Product Portfolio	13
Business Strategy.....	13
Increase Market Share in New and Existing Markets.....	14
Expand Non-Aquaculture Markets	15
Fuel Product Pipeline with R&D.....	15
Build a Global Brand from “Quality” Product.....	15
Explore Strategic Acquisition Opportunities.....	15
Product Portfolio	16
Leveraging the Power of Probiotics.....	16
Growth Promoters.....	17
Specialty Feeds for Larval and Post Larval Shrimp	17
Financial Forecasts.....	18
Market and Growth Assumptions	18
Increased Sales Variability in the Short Term.....	18
Operating Leverage.....	18
Financial Projections.....	19
Valuation	19
Comparable Companies	19
Valuation Conclusion.....	20
Summary.....	21
Key Risks.....	22
Appendix 1: Product Portfolio	23
Appendix 2: Management and Board of Directors	24
Appendix 3: Comparable Companies.....	25
Appendix 4: Financial Statements	26

INVESTMENT THESIS

When looking for new investment ideas, we begin with the identification of a clear macro theme that is benefiting from a secular trend. Once identified, we shift gears to a bottom-up approach to select the investment vehicle that we feel provides the best exposure to this theme. In our view, this style of stock selection de-risks the investment in the long run by ensuring each idea is underpinned by a fundamentally strong theme positioned for long term growth.

Growing demand for sustainable sources of higher value proteins

The aquaculture industry is undergoing a secular growth trend due to the “perfect storm” of accelerated demand and constrained supply:

- **Demand Pressures:** a growing middle-class in developing economies (particularly in Asia) is consuming higher value proteins such as seafood.
- **Constrained Supply:** Traditional ocean catch of fish and crustaceans is not increasing; growth in worldwide production will rely solely on the aquaculture market.

A need for sustainable solutions to deal with supply shocks

Farmers worldwide are dealing with an array of challenges that are hindering their ability to meet demand and turn a profit.

Exhibit 1. Epicore Addresses Key Challenges

Present Challenges	The Epicore Solution
<input checked="" type="checkbox"/> Crop crashes <input checked="" type="checkbox"/> Low survival <input checked="" type="checkbox"/> Poor quality animals <input checked="" type="checkbox"/> Poor feed conversation ratio <input checked="" type="checkbox"/> Antibiotic residues	<input checked="" type="checkbox"/> Improved growing environments <input checked="" type="checkbox"/> Reduced pollution <input checked="" type="checkbox"/> Disease minimization <input checked="" type="checkbox"/> Replacement of antibiotics <input checked="" type="checkbox"/> Improved nutrition

Source: Company documents

Market share growth opportunity with transitional year well underway

Epicore has made key hires and investments that will drive its market share in existing and new markets. Its recently assembled sales team in Asia will focus on rapidly expanding its market share in the largest shrimp producing regions – given its Asian market share is ~1%, we see this as an exciting growth opportunity.

Plant expansion to increase capacity and drive efficiencies

Epicore’s plant expansion (estimated to be completed by June/15) will add 6,000 square feet to its facility and allow for the installment of automatic packing equipment; this will remove a bottleneck from its assembly line, allowing for faster order fulfillment and improved operational efficiency.

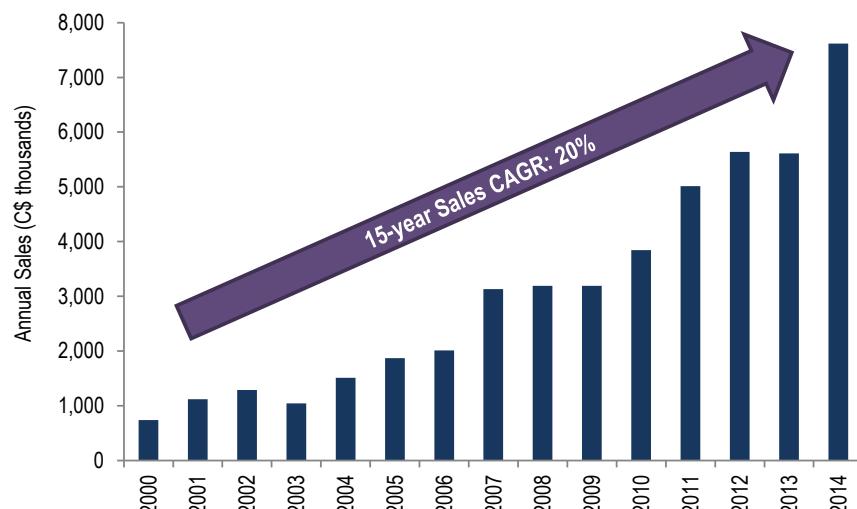
Epicore is capacity constrained at the moment (presently all production is pre-sold) – after this expansion the Company will be able to support annualized sales of ~\$20 million.

Exceptional growth profile and profitability

Epicore has demonstrated an impressive ability to grow sales and drive shareholder returns; it achieved a sales CAGR of 20% over the past 15 years. In addition, it has delivered 11 consecutive years of profitable operation. Its FY14 results emphasize EBN's remarkable operating leverage:

- Sales increased 36% (year-over-year)
- Record sales for all four quarters (five in a row)
- EBITDA increased 133% (\$0.9M to \$2.1M)
- Net Income increased 144% (\$0.5M to \$1.2M)

Exhibit 2. Sales Growth: FY2000 – FY2014



Source: Company documents

In-house R&D to fuel new growth opportunities

EBN prides itself as a science-driven company and is constantly researching new potential products that solve unique challenges for its customers; it now has full-time resources devoted to its internal R&D activities and is pursuing six new candidates at the moment (with many more in the pipeline) that address new market opportunities.

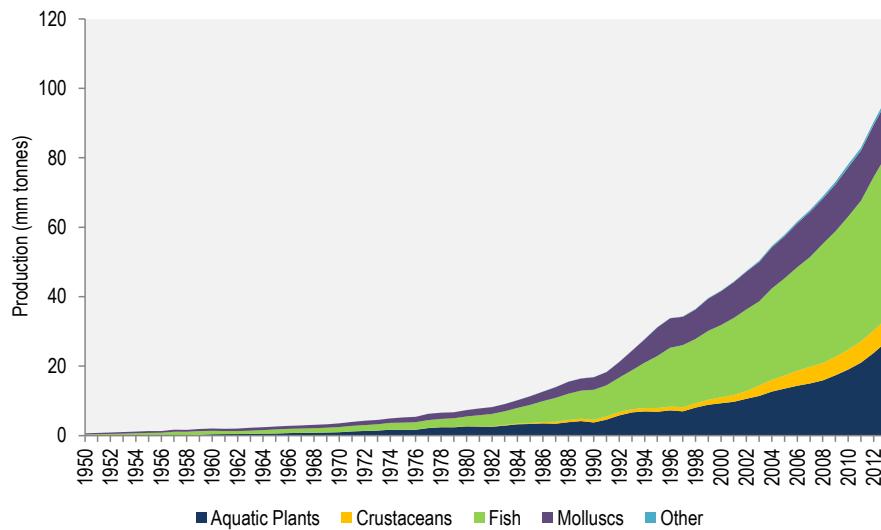
INDUSTRY OVERVIEW

Today nearly 50% of fishery production is derived from aquaculture – farming of fish will account for all future growth in supply.

Emergence of Aquaculture Industry

Brief History. In the 1970's, the cultivation of aquatic animals in controlled environments (otherwise known as "aquaculture") represented an immaterial percentage of global production by fisheries. Today, fisheries rely heavily on aquaculture to meet global demand – aquaculture accounts for nearly 50% of fishery production and continues to outpace world population growth. In 2013, aquaculture produced 97 million metric tons of food representing a value of \$157 billion. **All future growth in world fish production will be derived from aquaculture as traditional catch fishing has reached a ceiling in output.**

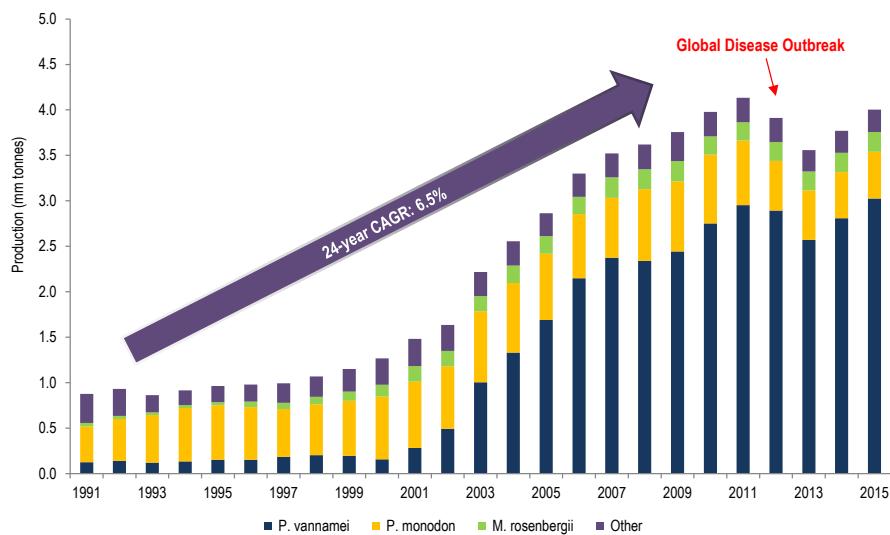
Exhibit 3. World Aquaculture Production



Source: Food and Agriculture Organization of the United Nations (FAO)

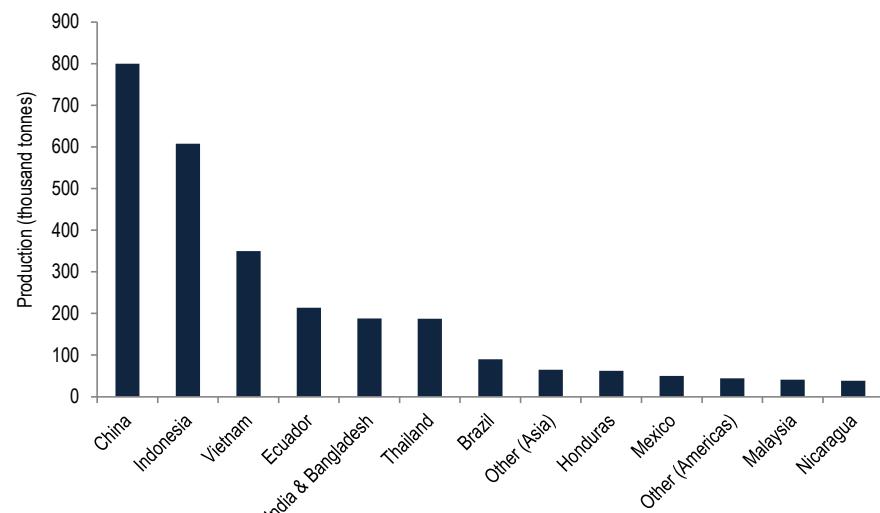
Shrimp Production. The farming of shrimp has grown tremendously in the last 25 years with China leading the pack in overall shrimp production. Since 1991, global shrimp production has grown at an impressive CAGR of 6.5% and is expected to continue to grow at a similar pace. The key players in the shrimp farming industry have operations in regions that are close to the equator because shrimp prefer warmer climates (between 25° to 35° Celsius). For this reason the top producing countries are found in Asia and Latin America.

Exhibit 4. World Shrimp Production – By Species



Source: FAO (2013) for 1991-2011; GOAL (2013) for 2012-2015

Exhibit 5. World Shrimp Production (2013) – By Country



Source: FAO (2013)

Emergence of Disease

The aquaculture industry is vulnerable to disease and global epidemics and has put an emphasis on biosecurity: the protection of farming tanks and ponds from outside carriers of potential disease (such as fresh feed). The most recent epidemic erupted in China in 2009 and is known as Early Mortality Syndrome (EMS); it is caused by bacteria that colonizes the GI tract and causes tissue destruction. If left untreated, the disease can cause mortality in up to 90% of a given crop within 30 days. EMS has been responsible for numerous farm closures as it has wiped out entire crops across Asia and recently Mexico. This has dramatically reduced worldwide production of shrimp and has elevated shrimp prices to record levels. Although some regions have managed to control

the disease, several key producing regions are still affected; Thailand, Malaysia and Mexico in particular are struggling at the moment.

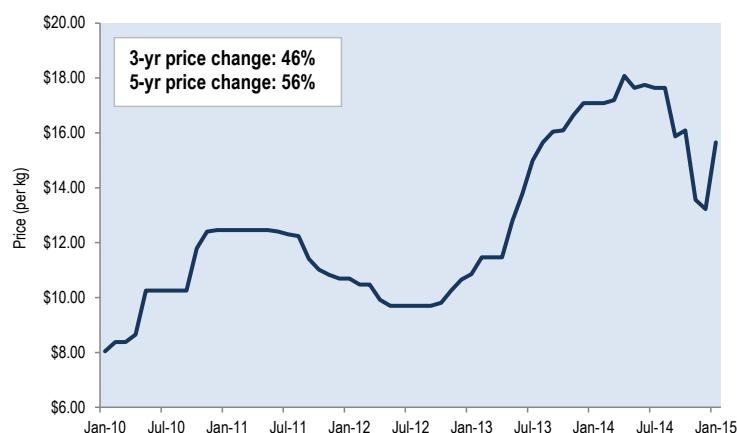
Shrimp Prices Have Skyrocketed

Farm closures from the EMS outbreak have constrained supply while consumer demand has remained buoyant (even with higher shrimp prices). This has skewed the supply-demand equation and has resulted in dramatic increases in the shrimp price:

Supply side shocks + increased consumer demand = higher shrimp prices

Shrimp prices peaked in 2014 but still remain 46% higher than 3 years ago; it is expected prices will ease further from here as the threat of EMS recedes but the price will always remain vulnerable to other supply shocks and is biased upwards as demand remains in a secular growth trend.

Exhibit 6. Historical Shrimp Price

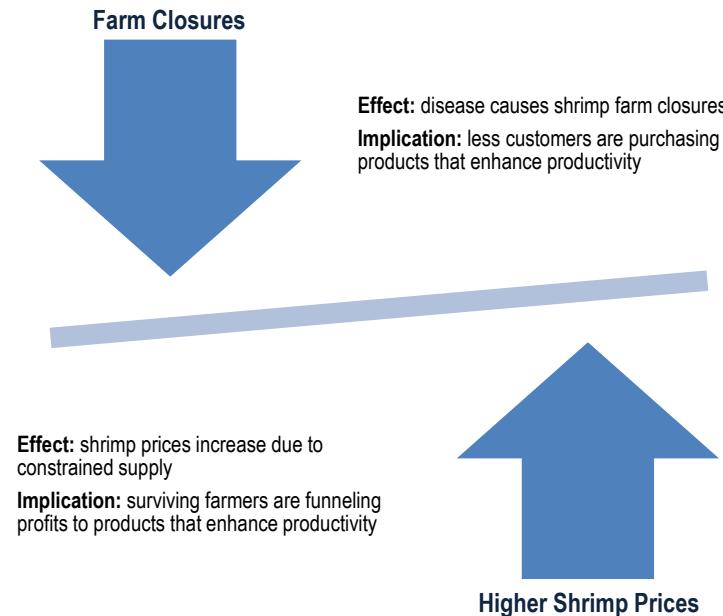


Source: IMF Fund
Note: No.1 shell-on headless, 26-30 count per pound, Mexican origin, New York port

Demand for Productivity Enhancement

The combination of disease outbreak and higher shrimp prices has created an interesting dynamic in the shrimp farming industry. Generally speaking, shrimp farmers are very cost conscious and are reluctant to spend additional money on products that they perceive to have no immediate impact on their bottom line. However, with the recent rise in shrimp prices, farmers that managed to survive the disease outbreak are realizing higher profits; a material cohort of this group are spending some of these profits on higher quality products that enhance productivity in several areas: better feed conversion, cleaner water, healthier animals, etc. This increased demand is partially offset by a reduction in the pool of potential customers. **However, the net result has been an increase in overall demand for Epicore's products; in addition, we feel these farmers will remain customers even with lower shrimp prices due to the significant cost savings and improved economics they are presently realizing.**

Exhibit 7. Overall Impact on Demand for Productivity Enhancement



Overall net demand has *increased* for Epicore's products as demand created by higher shrimp prices has more than offset farm closures

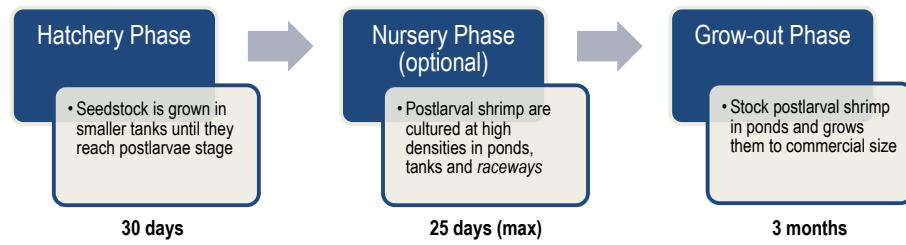
Source: Cantor Fitzgerald Canada

Shrimp Farming: A Quick Overview

The practice of shrimp farming, or the cultivation of marine shrimp in man-made enclosures, has grown dramatically over the last 40 years – today over 50 countries are actively involved in the industry. The shrimp farming process involves three major stages:

- **Hatcheries:** Most hatcheries start with broodstock (mature males and females) and breed them to produce eggs; these eggs are hatched into shrimp larvae (known as nauplii in the first stage) and are grown to the postlarval stage. Hatchery shrimp require a combination diet of fresh feeds (such as algae and brine shrimp), dry feeds and specialty feeds.
- **Nurseries:** this optional stage is designed to acclimatize postlarvae shrimp to grow-out pond conditions; postlarvae shrimp are cultured at high densities in ponds, tanks and raceways. These can be used to get a head start on the growing season in certain climates and have been known to produce a more robust animal (this cycle lasts no more than 25 days).
- **Grow-out ponds:** large ponds are stocked with postlarval shrimp and are grown for 3 to 6 months to produce a shrimp of commercial size. Grow-out operations vary in stocking density (number of seedstock per hectare) – increased densities reduces the pond size in exchange for higher costs with the objective of enhancing productivity (per unit of volume).

Exhibit 8. Shrimp Farming Process



The entire farming cycle on average takes 4 – 5 months

Source: Cantor Fitzgerald Canada, Company Documents

Market Opportunity: World Shrimp Cultivation

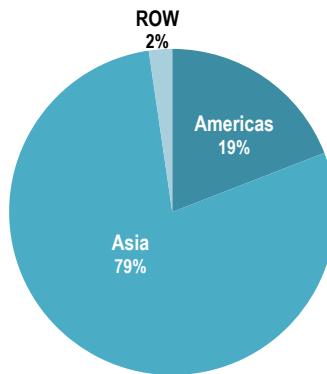
Estimating the market for shrimp farming feed and biological products is difficult due to the lack of reliable information of production numbers and growing conditions (eg. pond densities). There are severable factors that determine consumption of these products and they vary immensely across different regions:

- **Pond area:** Larger ponds will have more potential soil and waste build-up, requiring larger volumes of bio-product for treatment.
- **Cycle frequency:** certain regions like Ecuador produce year around which allows for three growing cycles per year; regions further from the equator only allow for one or two crops per year (eg. Florida).
- **Stocking densities:** refers to the number of seedstock per hectare; high stocking density ponds produce more pollution per area so need more probiotics than low intensity ponds.
- **Aeration:** used in intensive (ie. high stocking density) systems to allow for more animals per pond area; the use of pumping air into the water enhances circulation and may reduce the need for specialized feed and microbial products.

Based on management estimates, the worldwide market for hatchery and pond products is \$220 million – Asia accounts for nearly 80% of this market. This is a hugely important growth market for Epicore, where it presently only has a ~1% market share.

Exhibit 9. Worldwide Potential Market

Region	Ponds			Hatcheries			Total Aquaculture		
	Total Potential	FY14 Sales	Market Share	Total Potential	FY14 Sales	Market Share	Total Potential	FY14 Sales	Market Share
Americas	\$35.4	\$2.2	6%	\$6.8	\$3.7	54%	\$42.2	\$5.9	14%
Asia	\$152.5	\$0.6	0%	\$21.1	\$0.9	4%	\$173.6	\$1.5	1%
ROW	\$4.3	\$0.1	2%	\$0.8	\$0.2	21%	\$5.1	\$0.2	5%
World	\$192.1	\$2.9	1%	\$28.8	\$4.8	17%	\$220.9	\$7.6	4%



Asia accounts for nearly 80% of the estimated \$221 million market – Epicore only has a 1% market share.

Source: Management estimates (based on current EBN products/pricing and world shrimp culturing practices)

Competitive Landscape

Epicore offers a wide range of probiotic-based solutions for both hatcheries and grow-out ponds and faces competition on this front from global specialty chemical and animal nutrition companies. Epicore at this moment only offers specialized feeds for the hatchery business but has biological products for both hatcheries and ponds. The Company has built a formidable presence in its niche by leveraging in-house expertise and R&D to offer highly specialized products at a reasonable price point. It faces material competition from a handful of liquid feed competitors and a dozen granular hatchery feed competitors. Its fiercest competitors for both feed and microbial products are:

- **Novozymes Biologicals, Inc. (microbial products):** a subsidiary of Novozymes A/S, a diversified industrial biotechnology company based out of Denmark; it supplies biological products to the aquaculture industry.
- **Inve Aquaculture NV (specialized feeds & microbial products):** Belgium-based company that manufactures and distributes both feeds and microbial products for fish and shrimp farms.
- **Cargill, Inc. (liquid feed):** Cargill offers liquid feed solutions that are effective but costly; EBN's liquid feeds achieve the same results at a better price point.

COMPANY OVERVIEW

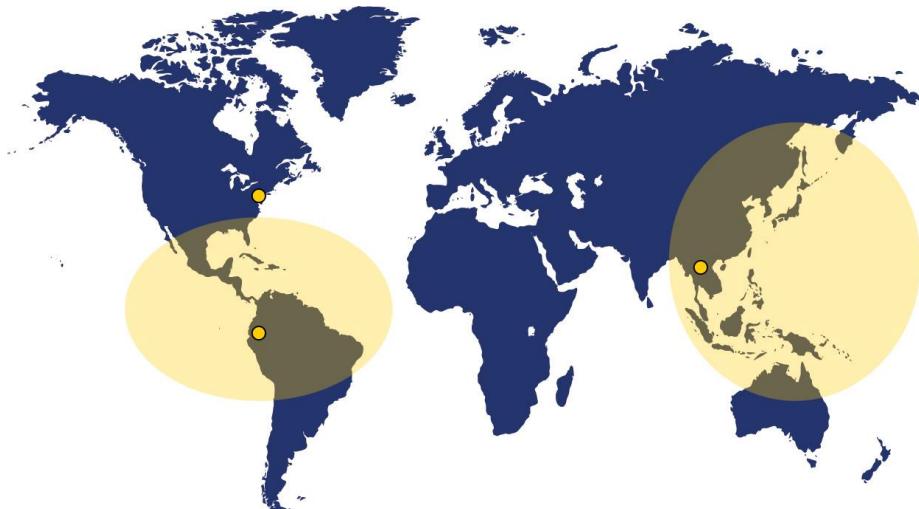
Corporate Background. Epicore BioNetworks Inc. (“Epicore” or the “Company”) develops, manufactures and markets biological products and specialty feeds based on natural microbes and enzymes primarily for the

aquaculture industry. Its products also have applications in other industries such as agriculture, waste water treatment, bioremediation and cleaning. Its product portfolio helps farmers overcome the challenges of being able to successfully and sustainably harvest shrimp. It markets its products globally through direct and indirect sales channels. It has a strong presence in Latin America and caters to that market through a subsidiary based out of Ecuador. The Company was incorporated in 1987 as Argonaut Investments Corp. and changed its name in 2000 to Epicore BioNetworks Inc. Epicore's head office and production facility is located in New Jersey and the Company maintains a registered office in Alberta.

Strong Roots in Americas Support Global Reach

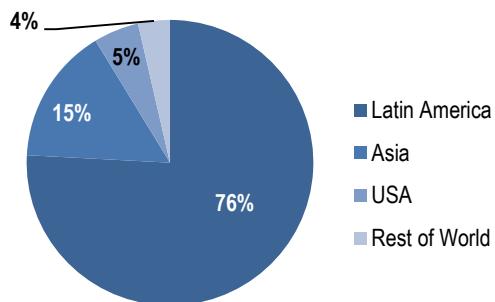
Epicore is a global aquaculture company with a strong presence in the Americas and an emerging presence in Asia. More than 90% of its sales take place outside of North America and it has customers in 24 countries. The Company's head office and production facility is located in New Jersey. It has a significant satellite office in Latin America, which houses its sales and marketing force (including customer support) for the region. It is starting to tap into the Asian market, and has a small team on the ground in Southeast Asia (Vietnam & Thailand) focused solely on customer acquisition and technical support.

Exhibit 10. Global Footprint



Source: Company documents

Exhibit 11. Geographic Diversification (FY14 Sales)



Source: Company documents

Strategic Marketing & Distribution

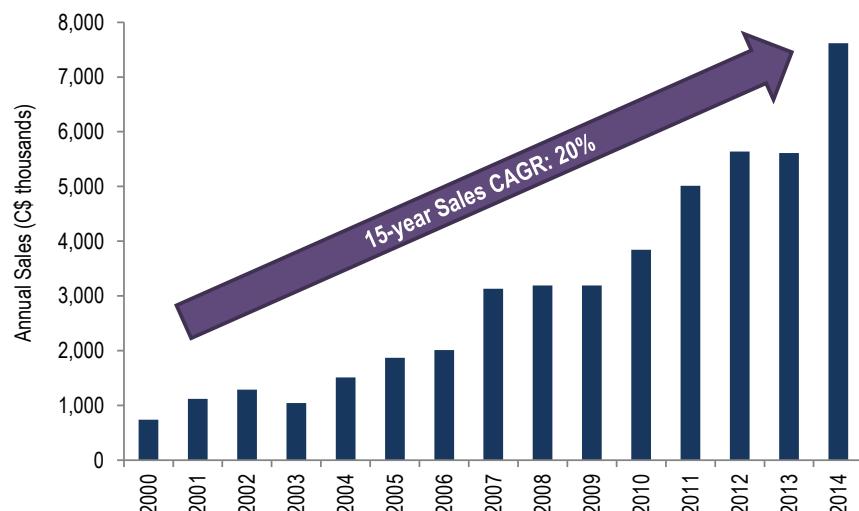
Consultation-based Selling Process. Successfully marketing aquaculture products is not a trivial process and requires a highly technical sales team that has years of “first-hand” farming experience. Epicore recognizes that its customers are looking for value beyond a specific product; fundamentally they are seeking solutions to overcome unique challenges. To this end, Epicore has assembled a marketing team that has a strong pedigree in shrimp farming. This technical knowledge makes them extremely capable at problem-solving and ultimately offering consulting services to drive product sales.

Distribution Partners. Epicore’s products are sold in over 20 countries; due to language barriers and cultural differences it relies on exclusive distribution partners to promote its products in certain markets (distributors account for ~60% of sales). For example, certain markets tend to be dominated by many “mom-and-pop” operations that buy product through retail outlets; Epicore is targeting these points of distribution to stimulate demand of its products and engage in promotional activities such as hosting seminars. Asia is going to be a key growth opportunity in the near future and the Company has established key Chinese distribution with an existing partner.

Strong Track Record of Growth

Epicore has demonstrated an impressive ability to grow sales and drive shareholder returns; it achieved a sales CAGR of 20% over the past 15 years. In addition, it has delivered 11 consecutive years of profitable operation. Its FY14 (ended June 30th) was a banner year on all metrics and emphasizes its remarkable operating leverage:

- FY14 Sales increased 36% (year-over-year)
- Record sales for all four quarters (five in a row)
- EBITDA increased 133% (\$0.9M to \$2.1M)
- Net Income increased 144% (\$0.5M to \$1.2M)

Exhibit 12. Sales Growth: FY2000 – FY2014

Source: Company documents

Impressive Product Portfolio

Epicore has assembled an impressive portfolio that addresses three of the four key customers in the aquaculture industry: feed mills, hatcheries and grow-out ponds. Its feed mill customers rely on the Company's biological products (essentially probiotic "cocktails") and vitamin supplements as a feed additive to support nutrition and animal health. Epicore has formulated a suite of standalone products used to address a variety of needs in shrimp hatcheries and grow-out ponds. Its hatchery offerings are further broadened by its unique line of specialty feeds and chemicals that in combination represent a complete product line for shrimp farmers.

Exhibit 13. Target Markets

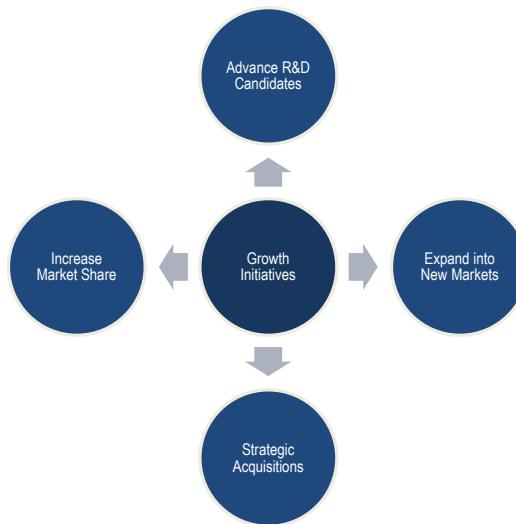
	Feed Mills	Processing Plants	Hatcheries	Grow-out Ponds
Biological (Probiotics)	•		•	•
Specialty Feeds			•	
Specialty Chemicals			•	

Source: Cantor Fitzgerald Canada

BUSINESS STRATEGY

As mentioned earlier, Epicore is a science-driven company and relies heavily on its R&D efforts (primarily focused on microbiological innovation) to support growth and business development opportunities. Although its current product portfolio is impressive, we expect the Company to continually augment its product line-up as it strives to be a technology leader in the space. Epicore's defensibility stems from the proprietary nature of both its biological products and manufacturing process; EBN is well protected from competition and this is reflected in its high gross margins (~60%).

Exhibit 14. Growth Initiatives



Source: Cantor Fitzgerald Canada

Increase Market Share in New and Existing Markets

Capture Asian Market Share. Presently Epicore only has a ~1% market share in Asia. Given that China is the largest global producer of shrimp, it is clear that capturing market share in this market is a key growth initiative for the Company. Epicore is presently trialing its product with a large shrimp farming organization in China that is 10x larger than Epicore's largest customer in Latin America. **Based on current sales to its Latin American customer, this Asian customer could represent \$5 million in annual sales and would soak up ~50% of Epicore's new production capacity.**

Epicore's sales process is highly consultation-based so establishing a distribution network with key local players is essential to its success; management is strategically building upon its network of regional distributors.

New Markets. Epicore is expanding its reach across the globe to secure new customers in areas such as Madagascar, Saudi Arabia, Australia and Florida.

Raceway Program. Epicore has been a strong supporter of an interim shrimp farming stage known as a “raceway”; the raceway is an intensive nursery that prepares post larval shrimp for optimum survival and growth in a grow-out pond. Transporting shrimp directly from a hatchery to a grow-out pond environment can have severe effects on the growth, health and survival of shrimp. It is important to note that the average overall survival rate of farmed shrimp is 25% (50% in hatchery phase and 50% in grow-out phase); even an incremental improvement in survival can drastically increase the yield and overall economics of a shrimp farming operation. Farmers around the world are having a lot of success with raceways and Epicore is supporting its adoption. **Epicore directly benefits from the emergence of raceways through increased demand for feed and probiotic that is incremental to current sales.**

Expand Non-Aquaculture Markets

Although Epicore is highly-focused on aquaculture, it does have products that address challenges in the agriculture and municipal markets. EBN is actively trying to diversify its revenue by pursuing a variety of applications in these markets:

- **Municipal Market:** investigating new biologic products to treat waste water and composting.
- **Agriculture:** EBN is exploring bioremediation applications in livestock farming such as slurry treatment and poultry bedding treatment.

Fuel Product Pipeline with R&D

Epicore is a science-driven company and has committed permanent resources to its R&D activities (most recently with the hiring of its Research Manager in Q4/14). It has a docket of over 20 research initiatives with 6 candidates either under development or currently in field testing. These products address a range of unmet needs in the aquaculture and agriculture industries:

- Disease protection
- New species (eg. specialized feed for smaller farmed fish)
- Agriculture applications (eg. poultry bedding treatment)

The successful development of products for any of these markets could be transformational for EBN's revenue and profitability.

Exhibit 15. Development Cycle



Source: Cantor Fitzgerald Canada

Build a Global Brand from “Quality” Product

Epicore is building a global brand within the aquaculture community; it has trademark registrations of all its major brands in all significant markets. In addition, the Company is ensuring its products meets high quality standards as dictated by certain global organizations. The Company's ISO 9001:2008 quality system certification and most recently Global G.A.P. (good agricultural practices) certification demonstrate its commitment to delivering high-quality product to its global customers and are of high value to customers concerned with raw material traceability – this has allowed EBN to absorb some business from its competitors. Also, many government aquaculture product registration authorities require some sort of quality certification as part of their approval process.

Explore Strategic Acquisition Opportunities

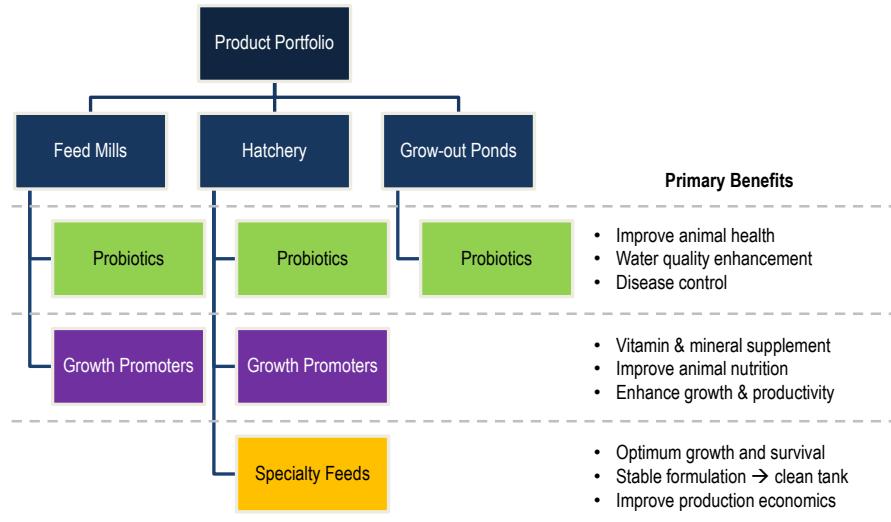
Epicore has C\$1.3 million of net operating losses (NOLs) residing in its Canadian entity; presently the Company is not able to leverage these NOLs as

its income flows through its US subsidiary. In addition, these NOLs are growing each year due to the booking of material corporate expenses. The Company is actively pursuing a strategic acquisition in Canada that could diversify its product portfolio and exploit these NOLs, bringing a key source of accretive revenue.

PRODUCT PORTFOLIO

Epicore has developed a comprehensive portfolio of products that are designed to provide sustainable solutions to a variety of challenges presently faced by shrimp farmers.

Exhibit 16. Product Portfolio



All of Epicore's Products support a sustainable environment for animals and a sustainable business for farmers

Source: Cantor Fitzgerald Canada

Leveraging the Power of Probiotics

Disease Control. Disease is a significant issue in the shrimp farming industry – the latest EMS outbreak has wiped out entire operations across the globe. Epicore has a suite of probiotic-based products that combat disease through three modes of action:

1. **Overwhelm:** compete with harmful bacteria (such as *Vibrio*) for space and exclude the bad bacteria from the environment.
2. **Hinder Growth:** production of antimicrobial peptides that inhibit growth.
3. **Render the Environment:** lower the pH of the water to hinder harmful bacteria growth.

Water Quality Enhancement. In intensive farming, waste (uneaten feeds, animal feces, etc.) accumulates on the bottom of the pond and can overload the ecosystem with harmful toxicants; this “pond soil” can lead to economic crop losses for the farmer. Epicore’s *EPICIN®* and *EPIZYM®-PST* product line accelerates the natural decomposition of highly fouled aquaculture pond soil using specially selected microbes.

Direct Economic Benefits:

- Less costs: no machinery needed to remove pond soil; reduced water exchange decreases diesel and machine maintenance expense
- Better animal growth rate and survival rates → enhanced yield
- Increased stocking densities → improves production efficiency

Growth Promoters

Vitamin & Mineral Supplements. Epicore has produced a liquid vitamin mineral concentrate (*EPIZYM®-VMCE*) designed to enhance the nutritional value of shrimp feed and other aquatic animals. This formulation contains fish oil and a complex of water soluble vitamins. It is specifically designed to be added to raw feed to support animal nutrition and improve feed conversion (through reduced consumption).

Algae Growth Promoters (“AGP”). Larval shrimp require optimal nutrition to remain healthy and grow; algae and phytoplankton are key part of a diet enriched with nutrients. Epicore’s AGP formula (*EPIZYM®-AGP*) stimulates algae growth through the use of specific minerals and inorganic nutrients. It has also been shown to improve the shrimp’s immune response to potential pathogens.

Specialty Feeds for Larval and Post Larval Shrimp

Epicore’s feed products (*EPIFEED®*) focus on providing nourishment to larval shrimp that is cost effective and doesn’t contaminate the tank. Traditional feeds (a combination of fresh and dry feed) jeopardize water quality and are not very stable; contamination of the tank forces hatchery managers to keep stocking densities low, eroding the productivity of a given hatchery operation. Less reliance on fresh feed is particularly important as it improves biosecurity - brine shrimp and marine worms are suspected as potential carriers of disease. EBN has developed a liquid feed technology that provides superior hatchery nutrition and causes fewer contamination problems than traditional dry feeds; ultimately this results in a cleaner environment and more robust animal. It also markets granular hatchery feeds and broodstock (mature shrimp) feed for enhanced spawning performance.

Benefits:

- Reduce fresh feed (eg. brine shrimp) requirements by more than 50%
- Increases larval survival rate by 5 – 10%
- Direct cost benefits (less water exchanges, less wasted feed)

FINANCIAL FORECASTS

Market and Growth Assumptions

Growth. We assume a growth-rate of 6% which is supported by forecasted 2015 growth estimates worldwide shrimp production (GOAL); this is also grounded by the historical 24-year CAGR of 6.5% (*see Exhibit 4*).

Market Size. Our market size data is based on management estimates which take into consideration a variety of factors in each region that have been shown to provide guidance on annual demand:

Exhibit 17. Estimated Market Size

Region	Ponds			Hatcheries			Total Aquaculture		
	Total Potential	FY14 Sales	Market Share	Total Potential	FY14 Sales	Market Share	Total Potential	FY14 Sales	Market Share
Americas	\$35.4	\$2.2	6%	\$6.8	\$3.7	54%	\$42.2	\$5.9	14%
Asia	\$152.5	\$0.6	0%	\$21.1	\$0.9	4%	\$173.6	\$1.5	1%
ROW	\$4.3	\$0.1	2%	\$0.8	\$0.2	21%	\$5.1	\$0.2	5%
World	\$192.1	\$2.9	1%	\$28.8	\$4.8	17%	\$220.9	\$7.6	4%

Source: Management guidance

Increased Sales Variability in the Short Term

Epicore's plant is currently running at full capacity and has a backlog of 6 weeks or more; we expect the next few quarters to have more variability than usual as there may be delay in fulfilling larger orders. The fact that Epicore is unable to meet demand is a good sign and will ensure there is sufficient demand once its plant expansion is completed (expected by June/15).

Operating Leverage

New Plant Expansion. The expansion of Epicore's production facility will replace labour-intensive packaging activities with automatic filling lines; this will dramatically accelerate this stage of production and will enhance productivity per unit of labour. We expect Epicore to begin to realize gross margin expansion in H2/15 once it has installed its two automated filling lines. Also the expansion eliminates the current need for outside and offsite storage which will help with inventory management.

Lean Overhead. Epicore does not plan to materially increase its spending on SG&A over the next few years due to recent hires and a disciplined approach to cost management; this will drive operating leverage as these fixed costs are absorbed by additional sales from existing fixed assets.

Scalability. The Company's key systems, formulations units, refrigeration and steam production can all be scaled up dramatically with minimal or no additional capex which has the potential to further drive operating leverage and total profitability.

Financial Projections

It is our expectation that the second half of FY2015 will be reflective of a continued transition period as the Company completes its plant expansion by the end of June. Recognizing that EBN is running near capacity at the moment, we do not expect dramatic growth in revenue at the moment. We are more fixated on the Company's growth profile exiting the summer of 2015; at this point EBN should be able to support a run-rate of \$20 million in sales and will begin to realize gross margin expansion as the new packing lines come on stream.

Exhibit 18. Forecasted Performance



Source: Cantor Fitzgerald Canada & Company documents

VALUATION

Comparable Companies

Given Epicore's ability to deliver earnings (11 consecutive years of profitability) and its EPS growth profile we feel the Company is best valued on a P/E basis. We screened for global animal nutrition and specialty chemical companies to assemble a peer group for comparable valuation analysis.

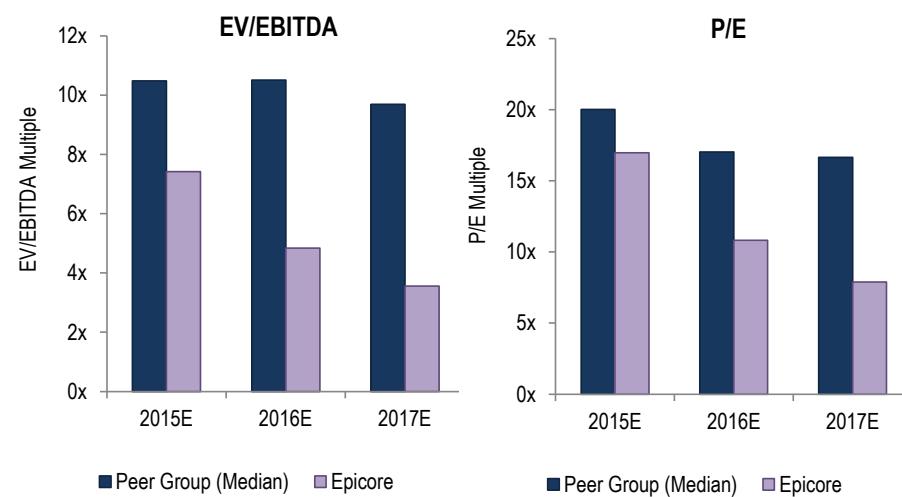
Exhibit 19. Comparable Valuation Multiples

Company Name	Ticker	Market Cap	EV	EV / EBITDA			P/E		
				2015E	2016E	2017E	2015E	2016E	2017E
Novozymes A/S	CPSE:NZYM B	\$18,125	\$17,992	21x	19x	17x	35x	31x	27x
Koninklijke DSM N.V.	ENXTAM:DSM	\$12,311	\$15,990	10x	9x	9x	20x	17x	15x
Chr. Hansen Holding A/S	CPSE:CHR	\$7,614	\$8,205	21x	19x	17x	35x	30x	26x
Nutreco N.V.	ENXTAM:NUO	\$4,165	\$4,765	10x	10x	10x	18x	17x	17x
C.P. Pokphand Co. Ltd.	SEHK:43	\$3,500	\$4,615	7x	6x	6x	11x	11x	10x
Balchem Corp.	NASDAQ:BCPC	\$2,192	\$2,546	13x	11x	-	22x	19x	-
Phibro Animal Health Corporation	NASDAQ:PAHC	\$1,678	\$2,013	15x	14x	13x	22x	20x	18x
Austevoll Seafood ASA	OB:AUSS	\$1,392	\$2,669	6x	5x	5x	8x	6x	6x
Omega Protein Corporation	NYSE:OME	\$369	\$411	5x	-	-	12x	9x	-
Mean				12x	12x	11x	20x	18x	17x
Median				10x	11x	10x	20x	17x	17x

Source: Capital IQ (see Appendix 2)

Epicore's peer group is presently valued at a forward EV/EBITDA and P/E multiple of 12x and 20x, respectively. Based on our estimates, EBN is presently undervalued relative to its peers.

Exhibit 20. Valuation Multiples



Source: Capital IQ (see Appendix 2)

Valuation Conclusion

We are comfortable with a forward P/E multiple of 15x, representing a 25% discount to its peers to reflect Epicore's size, liquidity and risk profile; specifically, EBN is almost exclusively focused on the shrimp farming industry where its peers are generally more diversified businesses (inside and outside of aquaculture). Applying this multiple to our CY2016 exit (run rate) EPS estimate of \$0.09 yields a 12-month target price of C\$1.65.

SUMMARY

We are initiating coverage of Epicore with a **BUY recommendation** and a one-year price target of C\$1.65 per share. The aquaculture industry has grown tremendously in the last few decades as supply growth from traditional catch fishing has come to a halt. Demand for seafood is forecast to exceed population growth for many years to come largely due to a rising middle class in developing regions; this supply-demand imbalance is fueling aquaculture demand as it provides the only sustainable source of fishery products. Epicore is focused almost exclusively on the shrimp farming market and has carved itself a niche as a provider of specialized solutions that overcome challenges for its customers and drive productivity and economic return. Epicore's growth profile is well-positioned to benefit from favourable industry dynamics and provides a unique investment opportunity to play the exciting macro-theme of aquaculture. We believe investors will be rewarded in the near-term and long-term as the Company's exits this transitional year and ramps up its market share in the Asian market.

KEY RISKS

Increased regulation

The number of importing countries requiring registration for aquaculture products is increasing; in addition, certain markets are requiring an elevated level of technical information which could cause material delays before marketing is approved in these regions.

Concentration

Epicore derives 99% of its sales from the shrimp market. Demand for its products is sensitive to the profitability of shrimp farmers – when shrimp prices trend lower, farmers are less likely to budget for specialized/microbial products. Robustness of the shrimp market is also sensitive to other uncontrollable variables such as disease and weather.

Competition amongst existing players

EBN faces competition from other companies that market similar products; emergence of new technology could displace one or more of Epicore's products. Many customers rely on the technical advice of EBN's sales staff and have built deep relationships – this enhances customer loyalty and dilutes this risk.

Threat of New Entrants

Epicore's products and processes are proprietary and involve a substantial degree of "know-how"; this prevents new entrants from mimicking its products and technology. Also, successfully marketing aquaculture products requires a technical team that has many years of direct farming experience in addition to promotion skills; finding these individuals is not an easy task.

Sensitivity to Input Prices

Epicore's feed products are based on certain agricultural commodities and synthetic chemicals; rising input prices will impact gross margins providing the cost increase is not passed on to customers.

Supply risk

The Company manufactures all of its products from a single production facility in New Jersey; any adverse event to the equipment or building will delay production and order fulfillment.

Credit risk

Epicore markets its products in developing markets that have a higher degree of credit risk due to the decreased likelihood of collecting upon receivables; presently the Company has no material issues with its customers.

APPENDIX 1: PRODUCT PORTFOLIO

Exhibit 21. Product Portfolio

Product	Type	Targeted Environment	Benefits
Epizym® AGPC / Epizym® AGP	Algae Growth Promoter	Shrimp Hatcheries	Algae essential in larviculture (especially zoea and mysis stages); improve nutrition and simplify management
Epizym®-VMCE	Liquid Vitamin Mineral Concentrate	Shrimp Hatcheries	Supplement feed during the manufacturing process with a broad range of vitamins and nutrients (including fish oil); enhances growth and feed conversion
Epizym®-PST	Probiotic (Pond Soil treatment)	Growout Pond	Natural microbial ecosystem inoculates foul waste and starts bioremediation process; speeds microbial action
Epifeed® LHF / Epilite® (lower concentration)	Liquid Hatchery Feed (Larval)	Shrimp Hatcheries	Reduce need to use Artemia by 50-60%; traditional feeds not stable in water (nutrients leached away quickly) and pose contamination issues
EPIBAL	Dry Feed (Large Larval Stages)	Shrimp Hatcheries	High quality granular hatchery feeds for post larval shrimp (compliments liquid feeds)
Epifeed® MBF (maturation broodstock feed)	Dry Feed (Adult Shrimp)	Shrimp Hatcheries	Reduce need for fresh feed; results in reduced production costs and increased biosecurity
Epicin® 3W	Probiotic (Detox)	Broodstock (Spawners) Facilities	Treats Zoa-II Syndrome - big problem in hatcheries worldwide; Controls Vibrios (causes seafood sickness); eliminates waste, improves health and disease resistance
Epicin® D (Eastern Hemisphere), Epicin® G2 (Western Hemisphere)	Probiotic	Shrimp Hatcheries	Does not require brewing (activation); simplifies management and reduces human error; also attacks Vibrios and improves water quality
Epicin® Hatcheries	Probiotic (Water Quality)	Shrimp Hatcheries	Reduces organics, ammonium and nitrates
Epicin® Ponds	Probiotic (Water Quality)	Shrimp Hatcheries	Eliminates waste; improves animal health and disease resistance
Epicin® PST	Probiotics (Pond Soil Treatment)	Growout Ponds	Removes organics and improves bottom conditions (breeding ground for Vibrios)
Epicin® G2 or D	Probiotic (Gut Protection)	Growout Ponds	Removes organics and improves bottom conditions (breeding ground for Vibrios)
Epicin® Pills	Probiotic	Growout Ponds	Used in tanks that transport postlarvae, in raceways and in trouble spots in ponds that have organic-rich areas

Source: Company documents

APPENDIX 2: MANAGEMENT AND BOARD OF DIRECTORS

Exhibit 22. Board of Directors

Name	Position	Director Since	Ownership ³	Present Occupation and Prior Positions
Robert S. Poulton ⁽¹⁾⁽²⁾ Philadelphia, USA	Chairman	April 2011	1.3%	<ul style="list-style-type: none"> ▪ Retired businessman ▪ VP, Technical Operations and prior thereto Senior VP and Global Head of Quality, Dendreon Corp. (2010 – 2013) ▪ Senior VP and Integration Team Leader, Pfizer Medical (2009 – 2010) ▪ Senior VP, CMC, Wyeth Pharmaceuticals (2007 – 2009)
William P. Long ⁽¹⁾⁽²⁾ New Jersey, USA	Director, CEO & COO	February 1997	3.3%	<ul style="list-style-type: none"> ▪ Chief Executive Officer and Chief Operating Officer, Epicore BioNetworks Inc. (1997 to present)
Fred N. Boulos ⁽¹⁾⁽²⁾ Quebec, Canada	Director	March 2007	2.3%	<ul style="list-style-type: none"> ▪ Principal, FNB Consulting Inc., a management consulting firm (2003 to present)
Alan Savage ⁽¹⁾⁽²⁾ Vancouver, BC	Director	January 2013	14.9%	<ul style="list-style-type: none"> ▪ President, Southern Gold Resources Limited
Philip A.D. Secretan ⁽¹⁾⁽²⁾ East Sussex, England	Director	June 2006	5.9%	<ul style="list-style-type: none"> ▪ Managing Director, AUMS Ltd., an aquaculture insurance consulting company

(1) Member of the Audit Committee

(2) Member of Compensation Committee

(3) Fully diluted basis

Source: Company documents

Exhibit 23. Management Team

Name	Position	Experience
William P. Long	Chief Executive Officer	<ul style="list-style-type: none"> ▪ More than 40 years of experience in the biotech and specialty chemical industries ▪ Joined Epicore BioNetworks in October 1995 as VP, Operations; named CEO and COO in 1997 ▪ Previous experience includes several management and business development positions at specialty chemical company, Zeneca Inc. ▪ MBA from Widener University and a Bachelor of Chemical Engineering from the University of Delaware
Russell J. Rosenzweig	Chief Financial Officer & Corporate Secretary	<ul style="list-style-type: none"> ▪ Joined Epicore BioNetworks as CFO in November 2012 ▪ Previously experience included Director of Finance with Foamex International and various positions with Campbell Soup Company ▪ MBA and Bachelor of Business Administration from Rutgers University
Dr. Russell J .Jerusik	Research Manager	<ul style="list-style-type: none"> ▪ 20+ years of laboratory and business management experience ▪ Developed patent-pending test methods for rapid detection of bacterial spores ▪ Earned microbiology degrees from Upsala College and the University of Georgia
William R. Castner	Plant Manager	<ul style="list-style-type: none"> ▪ Plant manager with EBN since 1994 ▪ Previous experience in specialty chemical industry with National Starch & Chemical and in the Environmental discipline with Safety Kleen ▪ Master's degree in Chemical Engineering from New Jersey Institute of Technology and BA in Chemistry (minor in Physics) from Rutgers
Fernando Garcia Abad	Aquaculture Business Development Director	<ul style="list-style-type: none"> ▪ Seasoned aquaculture expert (both academically and in practice); joined EBN 20 years ago ▪ Vast experience as a private consultant for all levels of shrimp farming industry ▪ Bachelor degree in Aquaculture at ESPOL (Ecuador); subsequently studied biotechnology with a focus on genetics and bacteria (Vancouver)

Source: Company documents

APPENDIX 3: COMPARABLE COMPANIES

Exhibit 24. Valuation Analysis

Global Animal Nutrition & Specialty Chemical Companies						all dollar amounts stated in CAD millions (ex cept per share data)					
Company Name	Ticker	Market Cap	Cash	Total Debt	EV	EV / EBITDA			P/E		
						2015E	2016E	2017E	2015E	2016E	2017E
Novozymes A/S	CPSE:NZYB	\$18,125	\$2,535	\$338	\$17,992	21x	19x	17x	35x	31x	27x
Koninklijke DSM N.V.	ENXTAM:DSM	\$12,311	\$675	\$4,399	\$15,990	10x	9x	9x	20x	17x	15x
Chr. Hansen Holding A/S	CPSE:CHR	\$7,614	\$50	\$684	\$8,205	21x	19x	17x	35x	30x	26x
Nutreco N.V.	ENXTAM:NUO	\$4,165	\$138	\$772	\$4,765	10x	10x	10x	18x	17x	17x
C.P. Pokphand Co. Ltd.	SEHK:43	\$3,500	\$456	\$1,303	\$4,615	7x	6x	6x	11x	11x	10x
Balchem Corp.	NASDAQ:BCPC	\$2,192	\$50	\$385	\$2,546	13x	11x	-	22x	19x	-
Phibro Animal Health Corporation	NASDAQ:PAHC	\$1,678	\$21	\$333	\$2,013	15x	14x	13x	22x	20x	18x
Austevoll Seafood ASA	OB:AUSS	\$1,392	\$2,198	\$953	\$2,669	6x	5x	5x	8x	6x	6x
Omega Protein Corporation	NYSE:OME	\$369	\$1	\$41	\$411	5x	-	-	12x	9x	-
Mean						12x	12x	11x	20x	18x	17x
Median						10x	11x	10x	20x	17x	17x
Epicore BioNetworks Inc.	TSXV:EBN	\$22	\$3	\$1	\$19	7x	5x	4x	17x	11x	8x

Source: Capital IQ, Cantor Fitzgerald Canada

APPENDIX 4: FINANCIAL STATEMENTS

Exhibit 25. Income Statement

Epicore BioNetworks Inc. Year-End Jun 30 (US\$M, IFRS)	F2013A Jun-13	F2014A Jun-14	Q1/F15A Sep-14	Q2/F15A Dec-14	Q3/F15E Mar-15	Q4/F15E Jun-15	F2015E Jun-15	F2016E Jun-16	F2017E Jun-17
Sales	5.6	7.6	2.3	2.4	2.0	2.3	9.0	10.3	12.4
COGS	2.0	2.7	1.0	0.9	0.8	0.9	3.6	3.7	4.4
Gross profit	3.6	4.9	1.4	1.5	1.2	1.4	5.4	6.6	8.0
SG&A	2.4	2.5	0.7	0.7	0.6	0.7	2.6	2.7	2.9
Bad debts	0.0	0.0	0.0	(0.0)	0.0	0.0	(0.0)	0.0	0.0
R&D	0.2	0.3	0.1	0.3	0.1	0.1	0.6	0.6	0.6
Depreciation	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Income from operations	0.8	2.0	0.6	0.5	0.5	0.6	2.2	3.2	4.4
Interest expense	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income before taxes	0.8	2.1	0.6	0.5	0.5	0.6	2.2	3.2	4.4
Income taxes	0.4	0.9	0.2	0.2	0.2	0.3	0.9	1.4	1.9
Net income	0.5	1.2	0.4	0.3	0.3	0.3	1.3	1.8	2.5
EPS (Diluted)	\$0.02	\$0.05	\$0.02	\$0.01	\$0.01	\$0.01	\$0.05	\$0.07	\$0.09
EBITDA	0.9	2.1	0.6	0.5	0.5	0.6	2.3	3.4	4.5
Gross margin	63%	64%	59%	63%	60%	60%	60%	64%	65%
EBITDA margin	17%	28%	26%	23%	26%	27%	25%	33%	37%
Net income margin	14%	24%	29%	19%	23%	24%	23%	27%	31%

Source: Cantor Fitzgerald Canada, Company documents

Exhibit 26. Balance Sheet

Epicore BioNetworks Inc. Year-End Jun 30 (US\$M, IFRS)	F2013A Jun-13	F2014A Jun-14	Q1/F15A Sep-14	Q2/F15A Dec-14	Q3/F15E Mar-15	Q4/F15E Jun-15	F2015E Jun-15	F2016E Jun-16	F2017E Jun-17
ASSETS									
Cash & cash equivalents	1.9	3.0	3.3	2.7	3.4	3.2	3.2	4.2	6.2
Accounts receivable	1.3	1.2	1.5	2.0	1.4	1.6	1.6	1.9	2.3
Inventories	0.8	1.0	0.9	1.0	0.9	1.0	1.0	1.1	1.3
Other assets	0.3	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Prepaid expenses	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
PP&E	2.1	2.2	2.3	2.7	2.8	2.9	2.9	3.3	3.3
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-current assets	2.1	2.2	2.3	2.7	2.8	2.9	2.9	3.3	3.3
TOTAL ASSETS	6.4	7.9	8.6	8.8	8.8	9.1	9.1	10.9	13.5
LIABILITIES & SHAREHOLDERS' EQUITY									
Accounts payable and accrued liabilities	0.4	0.5	0.7	0.8	0.5	0.4	0.4	0.5	0.6
Current portion of mortgage payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income taxes payable	0.0	0.1	0.1	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Current liabilities	0.4	0.6	0.8	0.7	0.4	0.4	0.4	0.4	0.5
Mortgage payable	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Derivative financial instrument	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax liability	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Non-current liabilities	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5
Share capital	1.7	1.8	1.8	1.9	1.9	1.9	1.9	1.9	1.9
Contributed surplus	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
CTA	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Retained earnings / (deficit)	3.6	4.7	5.1	5.4	5.7	6.0	6.0	7.8	10.3
Shareholders' equity	5.5	6.7	7.2	7.5	7.8	8.1	8.1	9.9	12.4
TOTAL LIABILITIES + EQUITY	6.4	7.9	8.6	8.8	8.8	9.1	9.1	10.9	13.4
Return on equity (ROE)	9%	17%	22%	15%	14%	16%	16%	18%	20%
Return on assets (ROA)	8%	15%	19%	13%	12%	14%	14%	17%	18%

Source: Cantor Fitzgerald Canada, Company documents

Exhibit 27. Cash Flow Statement

Epicore BioNetworks Inc. Year-End Jun 30 (US\$M, IFRS)	F2013A Jun-13	F2014A Jun-14	Q1/F15A Sep-14	Q2/F15A Dec-14	Q3/F15E Mar-15	Q4/F15E Jun-15	F2015E Jun-15	F2016E Jun-16	F2017E Jun-17
OPERATING ACTIVITIES									
Net income (loss) for the period	0.5	1.2	0.4	0.3	0.3	0.3	1.3	1.8	2.5
D&A	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Stock-based compensation	0.1	0.1	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
Deferred income tax expense	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income taxes payable	0.0	0.0	0.1	(0.2)	0.0	0.0	0.0	0.0	0.0
Net change in working capital	(0.1)	(0.2)	(0.0)	(0.4)	0.5	(0.4)	(0.3)	(0.4)	(0.5)
Net cash provided by operating activities	0.7	1.2	0.5	(0.3)	0.8	(0.0)	1.1	1.6	2.2
INVESTING ACTIVITIES									
Additions to PP&E	(0.4)	(0.2)	(0.2)	(0.3)	(0.1)	(0.1)	(0.8)	(0.6)	(0.1)
Proceeds from sale of equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash used in investing activities	(0.4)	(0.2)	(0.2)	(0.3)	(0.1)	(0.1)	(0.8)	(0.6)	(0.1)
FINANCING ACTIVITIES									
Proceeds from mortgage	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of mortgage	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
NCIB share cancellations	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share capital / option exercises	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities	0.0	0.0	(0.0)	0.1	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Forex loss on cash held in foreign currency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash beginning of period	1.6	1.9	3.0	3.3	2.7	3.4	3.0	3.2	4.2
Increase / (Decrease) in Cash	0.3	1.0	0.3	(0.6)	0.7	(0.2)	0.3	1.0	2.0
Cash end of period	1.9	3.0	3.3	2.7	3.4	3.2	3.2	4.2	6.3

Source: Cantor Fitzgerald Canada, Company documents

DISCLAIMERS AND DISCLOSURES

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