

**2006 Frost & Sullivan
Product Innovation Award
Award Recipient: Ceapro Inc**

2006

FROST & SULLIVAN

Product Innovation Award

AWARD DESCRIPTION

The Frost & Sullivan Award for Product Innovation is presented each year to the company that has demonstrated excellence in new products and technologies within their industry. The recipient company has shown innovation by launching a broad line of emerging products and technologies.

RESEARCH METHODOLOGY

To choose a recipient of this Award, the analyst team tracks all new product launches, R&D spending, products in development, and new product features and modifications. This is accomplished through interviews with the market participants and extensive secondary and technology research. All new product launches and new products in development in each company are compared and evaluated based on degree of innovation and customer satisfaction. Companies are then ranked by number of new product launches and new products in development.

MEASUREMENT CRITERIA

In addition to the methodology describe above, there are specific criteria used to determine final competitor rankings in this industry. The recipient of this Award has excelled based on one or more of the following criteria:

- Significance of new product(s) in their industry
- Competitive advantage of new product(s) in their industry
- Product innovation in terms of unique or revolutionary technology
- Product acceptance in the marketplace
- New product value-added services provided to customers
- Number of competitors with similar product(s)



Frost & Sullivan confers the 2006 Product Innovation Award on Ceapro Inc for the innovation behind its successful point of care detection of type 2 diabetes and pre-diabetes diagnostic product. Ceapro Inc are actively working towards providing solutions to improve its technological abilities and product portfolio.

Since 1997, Ceapro Inc has dedicated itself to the discovery and commercialisation of new technology that captures nature's vitality to enhance general health. The company has become one of the worlds leading innovators and have recently gained recognition in the field of diabetes screening diagnosis and monitoring with its breakthrough CeaProve™.

CeaProve™ is novel, innovative and one of its kind on the market and is able to identify diabetes at an early stage or pre-diabetes. The basis to the development of CeaProve™ is that early detection means earlier intervention (modification of lifestyle, diet, and/or medication) to better manage, prevent, or delay diabetes, and mitigate the effects of diabetes and associated complications. Nowadays governments are concerned about the costs of diabetes treatment so early intervention and prevention is cheaper than treatment.

CeaProve™ consists of calibrated wafers made from a proprietary formulation of proteins, fats, and complex carbohydrates that are consumed after an overnight fast.

Feedback has shown that 15-20% of patients that use the product and change their lifestyle have seen dramatic results. The speed of turning around from pre-diabetic blood sugar levels to normal blood sugar levels occur in 6-8 weeks which illustrates that pre diabetes can be reversed.

Ceapro Inc supplies these diabetes diagnostic products to hospital laboratories and clinics, doctors' offices, pharmacies and other professional outlets offering a point-of-care testing service.

Frost & Sullivan believe that the increased use of POC testing, particularly in the primary care sector will improve the delivery of healthcare in the long-term. This is expected to be achieved by increasing the speed of result turnaround times and therefore diagnosis, thus enabling treatment for many conditions to begin more quickly. POC testing has already been seen to

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have reduced the strain on resources in secondary care resulting in reducing outpatient clinic time which benefits both the healthcare provider and patient alike. Any POC system must fulfil a need, demonstrate benefit, be rapid, and cost-effectively produce clearly presented results. It must also be simple and intuitive to use, with few operator dependent steps.

Frost & Sullivan believes that Ceapro Inc are well positioned to maintain their position at the centre of scientific discovery by developing innovative concepts, which permit the company to offer an innovative solution, particularly for diabetes diagnostic customers. Licensing their products is the cornerstone of Ceapro's distribution strategy. The success of Ceapro's product distribution depends on strong relationships with their partners, which involves numerous licensing arrangements.

Frost & Sullivan research has shown that Ceapro Inc has leveraged their core expertise in POC testing, particularly in the diabetes POC segment. They are in assistance with initiatives such as diabetes screening in conjunction with local and central government, which is widely anticipated to result in significant cost benefits in the long term. Recommendations by physician associations are known to represent a powerful influence on the willingness of physicians to incorporate new tests and screenings into a routine standard of care. As a result Ceapro Inc has played a key role in the promotion of the POC diabetes testing concept and the development of the POC market as a whole.

Ceapro Ltd has gathered an impressive novel product and has achieved an excellence in marketing the quality product that meet the demands of the diabetes diagnostics market. This is an advantage as the well-known heavyweight IVD competitors focus mainly on conventional laboratory based tests. Given that the company is based in Canada, they are believed to be in negotiations in establishing important

channels of distribution for point of care diabetes diagnostics to an ever-growing end-user base throughout Europe, while awaiting CE approval.

In the UK, as seen throughout many parts of Europe, there has been a resistance to the conversion from lab-based testing to performing diagnostic tests at the POC. However, Frost & Sullivan has found that there has been a gradually-changing attitude for the acceptance of primary care diagnostic tests on lab-based tests. Our research suggests that end users' reliance on lab based tests will decrease in the future. This will result in the development of the POC testing market especially with the introduction of new UK government backed initiatives which are likely to stimulate the rise of both the consumer and the pharmacy. Indeed, our research has found that the pharmacy represents an ideal location for POC testing due to its accessibility to a wide population, including people who do not consult health professionals regularly.

By capitalising on its leading roles in both existing and niche markets, Frost & Sullivan believes that Ceapro Inc is well positioned to maintain itself at the centre of the diabetes diagnostic POC segment, by supplying innovative concepts which will cater for the expected growing demand for point-of-care solutions.

Frost & Sullivan believes that Ceapro Inc has already capitalised on the opportunities present in the POC diagnostic diabetes diseases, with a clear understanding of the business and medical needs of the end user.