

# BEVO AGRO INC.

7170 Glover Road,  
Langley, BC V0X 1T0  
(www.bevoagro.com)

## NEWS RELEASE

(Langley, BC.)

May 27, 2015

### BEVO AGRO INC. ANNOUNCES RESULTS FOR THE THIRD QUARTER OF FISCAL 2015.

Bevo Agro Inc. (BVO:TSXV) reports sales totaled \$4,850,303 for the third quarter ending March 31, 2015, compared to sales of \$5,126,084 for the three months ending March 31, 2014. Year-to-year timing differences in deliveries to customers was the main cause of the lower sales in Q3.

Sales for the nine months ending March 31, 2015 have increased 22% to \$15,221,099, compared to sales of \$12,482,497 for the same nine months last year. Sales for the nine months represent a 50% increase over sales for the same nine month period ending March 31, 2013

Even with lower third-quarter sales, the gross profit for the three months increased to \$1,996,074 compared to \$1,875,260 for the same three months last year.

The third and fourth quarters are typically Bevo's best performing quarters as propagation and flower order deliveries to customers peak in those quarters.

The gross profit for the nine months totals \$4,147,818 compared to the gross profit of \$3,690,281 for the nine months the previous year.

Operating expenses for the three months were \$1,314,941 compared to \$1,243,602 in the same period last year, primarily as a result of increased depreciation expense.

EBITDA (Earnings before interest, taxes, depreciation and amortization) showed increases to \$1,351,420 and \$2,315,015 for the three and nine month periods ending March 2015 respectively. EBITDA for the same periods last year were \$1,243,602 for three months and \$1,954,293 for the nine months

The company has not provided for any bad debt write offs in the second quarter, since all accounts receivable are current and collectable.

Net comprehensive income after allowance for income taxes was \$504,043 (\$.02/share) for the three months and \$315,588 for the nine months, increases of 14% and 198% over the same periods last year

Readers are encouraged to view the Company's unaudited financial statements at March 31, 2015, and accompanying MD&A at www.sedar.com.

### **Summary- Consolidated Interim Condensed Statements of Operations and Comprehensive Income (Loss)**

<u>3 months ending</u>	<u>Mar 31 ,2015</u>		<u>Mar 31 ,2014</u>		<u>Change</u>
Sales	\$4,850,303	100%	\$5,126,084	100%	-5.4%
Cost of Sales	\$2,854,229	59%	\$3,250,724	63%	-12.2%
Gross Margin	\$1,996,074	41%	\$1,875,360	37%	6.4%
Expenses					
Operating & administrative	\$335,129	7%	\$323,050	6%	3.7%

Administrative fees, wages & benefits	\$309,525	6%	\$302,124	6%	2.4%
Amortization	\$448,245	9%	\$402,916	8%	11.3%
Interest expenses	\$222,042	5%	\$215,512	4%	3.0%
Total	\$1,314,941	27%	\$1,243,602	24%	5.7%
Earnings from operations	\$681,133	14%	\$631,758	12%	7.8%
Other	\$0	0%	\$0	0%	
Earnings before taxes	\$681,133	14%	\$631,758	12%	7.8%
Income taxes-current					
Income taxes-future	\$177,090	4%	\$190,140	3%	-6.9%
Net earnings for period	\$504,043	10%	\$441,618	9%	14.1%
Earnings per share	\$0.02		\$0.02		
EBITDA	\$1,351,420	28%	\$1,250,186	24%	

**Income Statement for the 9 months ending March 31, 2015**  
**9 months ending**

	<b><u>Mar 31 ,2015</u></b>		<b><u>Mar 31 ,2014</u></b>		<b><u>Change</u></b>
Sales	\$15,221,099	100%	\$12,482,497	100%	21.9%
Cost of Sales	\$11,073,281	73%	\$8,792,216	70%	25.9%
Gross Margin	\$4,147,818	27%	\$3,690,281	30%	12.4%
Operating & administrative	\$979,267	6%	\$890,594	7%	10.0%
Administrative fees, wages & benefits	\$921,487	6%	\$864,783	7%	6.6%
Amortization	\$1,253,628	8%	\$1,166,425	9%	7.5%
Interest expenses	\$634,919	4%	\$636,992	5%	-0.3%
Total	\$3,789,301	25%	\$3,558,794	29%	
Earnings from operations	\$358,517	2%	\$131,487	1%	172.7%
Other	\$67,951		\$19,389		250.5%
Earnings before taxes	\$426,468	3%	\$150,876	1%	182.7%
Income taxes-current		0%		0%	
Income taxes-future	\$110,880	1%	\$45,300	0%	144.8%
Net earnings for period	\$315,588	2%	\$105,576	1%	198.9%
Earnings per share	\$0.01		\$0.00		
EBITDA	\$2,315,015	15%	\$1,954,293	16%	18.5%

Because revenue is accounted as “when goods are shipped”, the Company provides the following 12 month trailing summary of financial performance.

On an annualized basis, sales have increased 27% since March 2013, EBITDA 41% and net comprehensive income by 69% in the same period.

**Bevo's trailing twelve months results are summarized below**

<b>12 months ending</b>	<b>Mar. 31, 2015</b>	<b>Sept. 30, 2014</b>	<b>Mar 31 ,2014</b>	<b>Sept. 30, 2013</b>	<b>Mar 31 ,2013</b>
Sales	<b>\$26,047,687</b>	\$25,107,314	\$22,567,284	\$20,654,497	\$20,539,020
Gross Margin	<b>\$6,376,278</b>	\$6,433,695	\$5,755,745	\$5,103,183	\$4,838,147
EBITDA	<b>\$3,720,432</b>	\$3,832,196	\$3,178,335	\$2,641,111	\$2,632,729
Net earnings for period	<b>\$948,757</b>	\$1,051,085	\$587,124	\$197,667	\$561,997

Bevo Agro is North America's leading supplier of propagated agricultural plants, operating 45 acres of greenhouse facilities on 98 acres of land in Langley, BC and 20 acres of land in Pitt Meadows, BC. The Company's main products are the propagation of vegetable plants such as tomatoes, peppers, cucumbers, and other plants such as bedding plants, flowers and grasses. The Company markets its products to established greenhouse growers, nurseries and retail outlets throughout North America. The majority of Bevo's sales result from repeat orders through recurring multiyear contracts.

For further information contact;  
Jack Benne, President  
Bevo Agro Inc.  
Phone: (604) 888-0420  
Fax: (604) 888-8048  
Email: [jackbenne@bevofarms.com](mailto:jackbenne@bevofarms.com)

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