

BEVOAGRO INC.

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NEWS RELEASE

BEVO AGRO INC REPORTS ON SECOND QUARTER OF FISCAL 2017

Bevo Agro Inc. (TSXV: BVO) is pleased to announce results for the second quarter and for the six months ending December 31, 2016. For the 5th consecutive quarter, sales, earnings and EBITDA exceeded the comparables for quarters in previous periods.

Second Quarter Highlights (versus Q2 last year)

- Q2 sales of \$6,847,115, compared to sales of \$6,776,711 in Q2 last year.
- Net earnings of \$476,809, increased by 31% over \$364,948 in the same quarter last year.
- EBITDA totaling \$1,319,967, a 16% increase over EBITDA of \$1,136,051 last year.

Year to date highlights (versus the first six months last year)

- Sales for the six months totaled \$11,347,268 compared to \$11,288,378, the same period last year.
- Net earnings of \$366,335, a 31% increase from \$241,479 for the same six month period last year.
- EBITDA of \$1,798,748 compared to \$1,604,574, a 12% increase over last year.

Sales for the three months ending December 31, 2016 totaled \$6,847,115, compared to sales of \$6,776,711 for the same period the year earlier. Six months revenue totaled \$11,347,268 at December 31, 2016 compared to \$11,288,378 in sales last year.

Unit sales (# of plants) increased as a result of additional acreage available this year. Unit sales are an important measure in our planning as sale and gross margin dollars can be affected by clients supplying their unique plant seeds.

Gross profit was \$1,970,771 for the three months ending Dec. 31, 2016 a 15% increase, compared to \$1,709,775 for the same three month period the year earlier. For the six months ending December 31, 2016 gross profit was \$3,019,883 compared to 2,820,345 for the same quarter last year, a 7% increase.

Operating expenses totaled \$1,325,647 for Q2 compared to \$1,216,607 for the same quarter last year. Total operating expenses were \$2,524,048 for the six months ending December 31, 2016, compared to \$2,494,026 during Q2 last year.

Earnings before interest, taxes, depreciation and amortization (EBITDA) totaled \$1,798,748 for the six months ending Dec. 31, 2016 compared to EBITDA of \$1,604,574 for the same six months last year. EBITDA for Q2 of fiscal 2017 was \$1,319,967, a 16% improvement over \$1,136,051 of EBITDA last year.

Net earnings were \$476,809 for the three months, versus \$364,948 last year, a 31% improvement. Six months net earnings of \$366,335 represent a 52% increase over the net earnings of \$241,479 in the previous year.

Bevo Agro maintains a balance of fixed and floating rates on borrowings as a hedge against interest rate fluctuations. Our balance sheet remains strong, with over \$2.0 million of working capital and \$6.0 million in unused lines of credit available to us. EBITDA, Debt Service and Debt to Equity ratios are well within objectives.

Readers are encouraged to view the Company's financial statements at December 31, 2016, and accompanying MD&A at www.sedar.com.

Summary- Consolidated Condensed Statements of Operations and Comprehensive Income

3 months ending	Dec 31, 2016		Dec 31, 2015		Change
Sales	\$6,847,115	100%	\$6,776,711	100%	1%
Cost of Sales	\$4,876,344	71%	\$5,066,936	75%	
Gross Margin	\$1,970,771	29%	\$1,709,775	25%	15%
Expenses					
Operating & administrative	\$353,322	5%	\$279,042	4%	
Administrative fees, wages & benefits	\$297,482	4%	\$294,682	4%	
Amortization	\$474,811	7%	\$447,394	7%	
Interest expenses	\$200,032	3%	\$195,489	3%	
Total	\$1,325,647	19%	\$1,216,607	18%	9%
Earnings before taxes	\$645,124	9%	\$493,168	7%	31%
Income taxes-future	\$168,315		\$128,220		31%
Net earnings for period	\$476,809	7%	\$364,948	5%	31%
Earnings per share	\$0.02		\$0.01		
EBITDA	\$1,319,967	19%	\$1,136,051	17%	16%
EBITDA per share	\$0.05		\$0.04		

6 months ending	Dec 31, 2016		Dec 31, 2015		Change
Sales	\$11,347,268	100%	\$11,288,378	100%	1%
Cost of Sales	\$8,327,385	73%	\$8,468,033	75%	
Gross Margin	\$3,019,883	27%	\$2,820,345	25%	7%
Expenses					
Operating & administrative	\$641,357	6%	\$611,879	5%	
Administrative fees, wages & benefits	\$579,778	5%	\$603,892	5%	
Amortization	\$904,885	8%	\$886,365	8%	
Interest expenses	\$398,028	4%	\$391,890	3%	
Total	\$2,524,048	22%	\$2,494,026	22%	1%
Earnings before taxes	\$495,835	4%	\$326,319	3%	52%
Income taxes-future	\$129,500	1%	\$84,840	1%	
Net earnings for period	\$366,335	3%	\$241,479	2%	52%
Earnings per share	\$0.01		\$0.01		
EBITDA	\$1,798,748	16%	\$1,604,574	14%	
EBITDA per share	\$ 0.07		\$ 0.06		

Since revenues are cyclical with the majority of sales occurring in the third and fourth quarters, readers are encouraged to view our results on a twelve month trailing basis.

Bevo's Trailing Twelve Months comparative results are summarized below

12 months ended	Dec 31, '14	June 30. '15	Dec 31, '15	June 30. '16	Dec 31, '16
Sales	\$26,323,468	\$26,221,677	\$27,139,259	\$31,167,250	\$31,226,140
Gross Margin	\$6,255,564	\$6,801,354	\$7,469,955	\$8,610,294	\$8,809,832
Earnings before taxes	\$1,149,462	\$1,509,756	\$2,090,740	\$3,219,358	\$3,388,874
Net earnings for period	\$886,332	\$1,197,556	\$1,627,490	\$2,825,603	\$2,950,459
EBITDA	\$3,619,198	\$4,078,579	\$4,719,558	\$5,806,890	\$6,001,064
Earnings Per Share	\$0.03		\$0.06		\$0.12
EBITDA per Share	\$0.14		\$0.18		\$0.23

Bevo Agro is North America's leading supplier of propagated agricultural plants, operating greenhouse facilities in Langley, BC and 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 customer orders through recurring multiyear contracts.

Bevo achieved a ranking in the 2015 TSX Venture 50® which recognized the strongest companies on TSXV by share price, trading volume, market capitalization and analyst coverage. The winning companies achieved impressive growth over the subject year, offered strong returns to their shareholders and were actively traded in the market.

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