

BEVO AGRO INC.

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(Langley, BC.)

NEWS RELEASE

BEVO AGRO INC. REPORTS FISCAL 2018 RESULTS

Bevo Agro Inc. (TSXV: BVO) is pleased to report our financial results for the fiscal year ending June 30, 2018.

Major 2018 Highlights

- Revenues totaling \$32,791,722
- Record EBITDA of \$7,710,527, a 9% increase.
- Net earnings of \$2,699,154 compared to \$3,056,232 last year.
- Earnings per share of \$0.10 compared to \$0.12 last year.

Net earnings were \$2,699,154 for the year ending June 30, 2018 compared to the previous year earnings of \$3,056,232. Increased income taxes was the main cause of lower earnings. Net earnings for the fourth quarter were \$1,620,207, compared to \$1,881,623 in Q4 last year.

Sales for the year ending June 30, 2018 of \$32,791,772, compared to sales of \$33,351,285 for the year ended June 30, 2017. Sales for the fourth quarter were \$16,048,168, on par with sales of \$16,151,587 in Q4 last year.

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 9% to \$7,710,527 for the year ending June 30, 2018, compared to \$7,048,609 of EBITDA for the previous year. EBITDA for Q4 of fiscal 2018 was \$3,918,979, a 16% improvement over \$3,374,501 of EBITDA for the same quarter last year.

Operating expenses were lower than the previous year with depreciation expenses approximately \$309,000 higher because of increases in fixed assets.

Financial Summary

| at June 30 | 2018 | 2017 |
|-------------------------|----------------------|--------------|
| Working Capital | \$ 6,351,321 | \$5,793,784 |
| Land Greenhouse & Equip | \$ 47,731,363 | \$42,810,896 |
| Total Debt | \$25,539.696 | \$27,002,590 |
| Shareholder Equity | \$30,140,553 | \$23,646,951 |
| Working Capital Ratio | 2.14 | 2.2 |
| Debt to Equity ratio | 0.81 | 1.15 |

Readers are encouraged to view the Company's audited financial statements at June 30, 2018 and accompanying MD&A at www.sedar.com.

Consolidated Interim Condensed Statements of Operations and Comprehensive Income

| 12 months ending | June 30. '18 | | June 30. '17 | | Variance | Chge |
|---------------------------------|---------------------|------|---------------------|------|-----------------|-------------|
| Sales | \$32,791,772 | 100% | \$33,351,285 | 100% | -\$559,513 | -2% |
| Cost of Sales | \$22,866,868 | 70% | \$23,074,545 | 69% | | |
| Gross Margin | \$9,924,904 | 30% | \$10,276,740 | 31% | -\$351,836 | -3% |
| Expenses | | | | | | |
| General Operating | \$1,224,189 | 4% | \$2,260,107 | 7% | \$1,035,918 | -46% |
| Employee Benefits | \$1,478,668 | 5% | \$1,480,053 | 4% | -\$1,385 | 0% |
| Amortization | \$2,383,416 | 7% | \$2,073,452 | 6% | \$309,964 | 15% |
| Interest expenses | \$798,726 | 2% | \$827,284 | 2% | -\$28,558 | -3% |
| Total expenses | \$5,884,999 | 18% | \$6,640,896 | 20% | -\$755,897 | -11% |
| Earnings (loss) from operations | \$4,039,905 | 12% | \$3,635,844 | 11% | \$404,061 | 11% |
| Other | \$488,480 | | \$27,706 | | \$460,774 | 1663% |
| Earnings before taxes | \$4,528,385 | | \$3,663,550 | | \$864,835 | 24% |
| Income taxes-current | \$1,229,025 | | \$0 | | \$1,229,025 | |
| Income taxes-future | \$600,206 | | \$1,091,641 | | -\$491,435 | -45% |
| Net earnings for period | \$2,699,154 | 8% | \$2,571,909 | 9% | \$127,245 | 5% |
| Loss attributed to CubicFarms | | | \$484,323 | | | |
| Net earnings for period | \$2,699,154 | | \$3,056,232 | | | |
| EBITDA | \$7,710,527 | 24% | \$7,048,609 | 21% | \$661,918 | 9% |

**Consolidated Interim
Condensed Statements of
Operations and Comprehensive
Income for 3 months**

| 3 months ending | June 30. '18 | | June 30. '17 | | Variance | Chge |
|------------------------|---------------------|------|---------------------|------|-----------------|-------------|
| Sales | \$16,048,168 | 100% | \$16,151,587 | 100% | -\$103,419 | -1% |
| Cost of Sales | \$11,735,075 | 73% | \$11,388,874 | 71% | \$346,201 | 3% |
| Gross Margin | \$4,313,093 | 27% | \$4,762,713 | 29% | -\$449,620 | -9% |
| Expenses | | | | | | |
| General Operating | \$260,063 | 2% | \$1,276,767 | 8% | \$1,016,704 | -80% |
| Employee Benefits | \$622,531 | 4% | \$623,474 | 4% | -\$943 | 0% |
| Amortization | \$632,346 | 4% | \$598,020 | 4% | \$34,326 | 6% |

| | | | | | | |
|-------------------------------|-------------|-----|-------------|-----|------------|-------|
| Interest expenses | \$216,295 | 1% | \$215,817 | 1% | \$478 | 0% |
| Total expenses | \$1,731,235 | 11% | \$2,714,078 | 17% | -\$982,843 | -36% |
| Earnings from operations | \$2,581,858 | 16% | \$2,048,635 | 13% | \$533,223 | 26% |
| Other | \$488,480 | | \$27,706 | | \$460,774 | 1663% |
| Earnings before taxes | \$3,070,338 | | \$2,076,341 | | \$993,997 | 48% |
| Income taxes-future | \$221,106 | | \$679,041 | | | 5% |
| Income taxes-current | \$1,229,025 | | | | | |
| Net earnings for period | \$1,620,207 | 15% | \$1,397,300 | 9% | \$222,907 | 69% |
| Loss attributed to CubicFarms | 0 | | \$ 484,323 | | | |
| Net Income & Comprehensive | \$1,620,207 | 10% | \$1,881,623 | 12% | -\$261,416 | -14% |
| EBITDA | \$3,918,979 | 24% | \$3,374,501 | 18% | \$544,478 | 16% |

Bevo Agro maintains a balance of fixed and floating rates on borrowings as a hedge against interest rate fluctuations. From a balance sheet perspective, the Company maintains enough working capital to manage its business and to maintain conservative financial ratios.

Bevo's sales fluctuate by quarter depending on type of crop and client demands. Typically, the third and fourth quarters account for most sales. Bevo accounts for sales as "when goods are shipped" and believes the following 12-month trailing summary of financial performance is more indicative of financial performance.

Bevo's trailing twelve months results are summarized below

| 12 months ending | June 30. '18 | June 30. '17 | June 30. '16 | June 30. '15 |
|--------------------------|---------------------|--------------|--------------|--------------|
| Sales | \$32,791,772 | \$33,351,285 | \$31,167,250 | \$26,221,677 |
| Gross Margin | \$9,924,904 | \$10,276,740 | \$8,610,294 | \$6,801,354 |
| Earnings from operations | \$4,039,905 | \$3,635,844 | \$3,219,358 | \$1,441,805 |
| Net earnings for period | \$2,699,154 | \$3,056,232 | \$2,825,603 | \$1,197,556 |
| EBITDA | \$7,710,527 | \$7,048,609 | \$5,806,890 | \$4,078,579 |
| Cash Flow | \$6,911,801 | \$6,221,325 | \$5,030,578 | \$3,222,765 |

Bevo Agro is North America's leading supplier of propagated agricultural plants, operating approximately 53 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.

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