

February 15, 2018

Vegalab Provides Business Update on Recently Acquired M&G Packing

PALM BEACH, Fla., Feb. 15, 2018 /PRNewswire/ -- Vegalab, Inc. ("the Company" or "Vegalab"), (OTCQB: VEGL) today provided a business update on M&G Packing, which was purchased on October 18, 2017. The facility consists of approximately 11 acres of real property and 30,000 sq. ft. of buildings. M&G packing had approximately \$8.6 million in fruit sales during the fiscal year ended September 30, 2017. Net income from operations for the period was \$83,128 and net cash provided by operating activities during the fiscal year ended September 30, 2017 was \$301,257. After the acquisition of M&G the Company has received orders and shipped product at a level it believes to be consistent with M&G operations in its fiscal year 2017.

David Selakovic, CEO of Vegalab, Inc. stated, "With the acquisition of the M&G business, we sought to increase revenue and improve operational efficiencies. We believe we are off to a good start with citrus sales in the fourth quarter of 2017, despite officially taking over 17 days into the quarter. Our entire Vegalab produce team, led by Ryan Sweeney, has done a great job in a short amount of time. This is the slow time of year, so we expect our sales to increase in the next couple of quarters. Our focus is to accelerate the volume of fruit packed and the resulting sales."

Vegalab has worked to expand the capacity of its newly acquired facility. The Company has invested over \$150,000 in repairs and expansion to increase capacity. The Company believes it has substantially increased the rate of packing and production for the facility, which will enable the Company to develop the opportunity to process and sell more produce. Cold storage space has been increased from 12,000 box capacity to 22,000 box capacity with the addition of a third cold storage room and additional racks for storage.

Ryan Sweeney, Vegalab's Director of Produce, remarked, "When we took over M&G Packing, we knew that expanding capacity was critical to increase sales. We have increased the pack line efficiency and cold storage, so we can handle about twice the fruit volume as before. Currently, the team is visiting navel orange growers to introduce them to Vegalab and our packing facility. They are excited to hear about the Company's offerings, and they have shown significant interest in our environmentally friendly products. We look forward to building strong relationships with growers and believe we can offer them better service and up to date information, while working to get them the best prices for their fruit."

About Vegalab, Inc.

Vegalab, Inc. is the exclusive distributor in North and South America of a line of all-natural, biologically derived pesticides, fertilizers, and specialty agricultural products. Vegalab's pesticides are highly effective against targeted organisms, non-toxic to beneficial organisms, and safe for the environment. Vegalab products support a healthy soil biome

and are cost competitive with synthetic chemicals that do just the opposite.

Safe Harbor for Forward-looking Statements

This news release may contain forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. While these statements are made to convey to the public the company's progress, business opportunities, and growth prospects, they are based on management's current beliefs and assumptions as to future events. However, since the company's operations and business prospects are always subject to risk and uncertainties, the forward-looking events and circumstances discussed in this news release might not occur, and actual results could differ materially from those described, anticipated, or implied. For a more complete discussion of such risks and uncertainties, please refer to the company's filings with the Securities and Exchange Commission.

Contact:

Sean Leous
Media Relations
Vegalab Inc
636 US Highway 1, suite 110
North Palm Beach, FL 33408, US
T + 800 208 1680 ext 714
190466@email4pr.com
<http://vegalab.us>

📄 View original content:<http://www.prnewswire.com/news-releases/vegalab-provides-business-update-on-recently-acquired-mg-packing-300599191.html>

SOURCE Vegalab, Inc.