## AGI Announces First Quarter 2023 Results

**Winnipeg, MB, May 8, 2023** – Ag Growth International Inc. (TSX: AFN) (“AGI”, the “Company”, “we” or “our”) today announced its financial results for the three-months ended March 31, 2023.

**First Quarter 2023 Highlights**

- Record first quarter results for sales and adjusted EBITDA
- Sales increased 19% to $347 million on a year-over-year (‘YOY’) basis
- Adjusted EBITDA[1] increased 16% to $48 million on a YOY basis
- Adjusted EBITDA margin[2] of 13.9% vs 14.2% on a YOY basis
- Net debt leverage ratio[2] of 3.6x at March 31, 2023 vs 3.7x at December 31, 2022 and 5.2x at March 31, 2022

**Outlook**

- Management is raising full year 2023 adjusted EBITDA guidance to be at least $265 million[1], up from our previous guidance of at least $260 million
- Order book[3] is up 7% YOY as of March 31, 2023, supporting the prospect of continued growth through 2023

“We are pleased to see the momentum from a banner 2022 carryover into a strong start for 2023,” noted Paul Householder, President & CEO of AGI. “With several of our key operational excellence initiatives and growth strategies gaining traction, we are optimistic about the potential to continue our growth trajectory in 2023. Supported by a strong order book, clear strategic priorities, and the organization settling into a more disciplined operating cadence, we have increased our full year guidance for 2023. We look forward to tackling new challenges and enjoying more successes through the year.”

“The first quarter was a major success for several of our most important balance sheet priorities,” added Jim Rudyk, CFO of AGI. “Our adjusted EBITDA growth and prudent use of credit facilities combined to help the net debt leverage ratio tick downwards again. We are on-track to get this metric towards the three-times level by the end of 2023. In addition, our initiatives targeted at optimizing working capital have shown tremendous progress versus last year, particularly in terms of managing our inventory. The year is off to a great start and we look forward to continuing the trend throughout the year.”

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[1] Historical or forward-looking non-IFRS financial measure. See "Non-IFRS and Other Financial Measures".
- First quarter 2023 profit before income taxes of $22 million vs first quarter 2022 profit before income taxes of $21 million.

[2] Non-IFRS ratio. See "Non-IFRS and Other Financial Measures".

[3] Supplementary financial measure. See "Non-IFRS and Other Financial Measures".

**SUMMARY OF FIRST QUARTER 2023 RESULTS**

| | | | Three-months ended March 31 | |
|---|---|---|---|---|
| | **2023** | **2022** | **Change** | **Change** |
| [thousands of dollars] | **$** | **$** | **$** | **%** |
| **Sales by Operating Segment** [1] | | | | |
| Farm | 182,382 | 150,828 | 31,554 | 21% |
| Commercial | 164,634 | 141,203 | 23,431 | 17% |
| **Total** | **347,016** | **292,031** | **54,985** | **19%** |

| | | | Three-months ended March 31 | |
|---|---|---|---|---|
| | **2023** | **2022** | **Change** | **Change** |
| [thousands of dollars] | **$** | **$** | **$** | **%** |
| **Adjusted EBITDA** [2] [3] | | | | |
| Farm | 38,452 | 28,749 | 9,703 | 34% |
| Commercial | 21,878 | 19,844 | 2,034 | 10% |
| Other [4] | (12,218) | (7,270) | (4,948) | 68% |
| **Total** | **48,112** | **41,323** | **6,789** | **16%** |

| | | | Three-months ended March 31 | |
|---|---|---|---|---|
| | **2023** | **2022** | **Change** | **Change** |
| [percentages] | **%** | **%** | **Basis Points** | **%** |
| **Adjusted EBITDA Margin %** [2] [3] | | | | |
| Farm | 21.1% | 19.1% | 200 | 10% |
| Commercial | 13.3% | 14.1% | (80) | (6%) |
| Other [4] | (3.5%) | (2.5%) | (100) | 40% |
| Consolidated | 13.9% | 14.2% | (30) | (2%) |

| **Sales by Geography** [1] | | | Three-months ended March 31 | |
|---|---|---|---|---|
| | **2023** | **2022** | **Change** | **Change** |
| [thousands of dollars] | **$** | **$** | **$** | **%** |
| Canada | 87,143 | 56,713 | 30,430 | 54% |
| U.S. | 150,345 | 139,055 | 11,290 | 8% |
| International | | | | |
| EMEA | 30,439 | 28,817 | 1,622 | 6% |
| Asia Pacific | 38,914 | 31,934 | 6,980 | 22% |
| South America | 40,175 | 35,512 | 4,663 | 13% |
| Total International | 109,528 | 96,263 | 13,265 | 14% |
| **Total Sales** | **347,016** | **292,031** | **54,985** | **19%** |

[1] Supplementary financial measure. See "Non-IFRS and Other Financial Measures".
[2] See "BASIS OF PRESENTATION".
[3] Non-IFRS financial measure or non-IFRS ratio. See "Non-IFRS and Other Financial Measures".
[4] Included in Other is the corporate office, which is not a reportable segment, and which provides finance, treasury, legal, human resources and other administrative support to the segments. The adjusted EBITDA Margin % for Other is calculated based on total sales since it does not generate sales without the segments.

**Farm Segment**
The Farm segment delivered strong results in Q1 with sales and adjusted EBITDA growing by 21% and 34% YOY, respectively, and continuing the strong momentum of a record performance in 2022. In Canada, the U.S., and Asia Pacific, sales increased for both portable grain handling and permanent equipment as the strengthening of demand from last year continued into 2023. Adjusted EBITDA margin increased to 21% from 19% YOY, primarily reflecting a mix tilted towards portable equipment, higher margins in permanent equipment due to lower steel prices, and overall higher volumes in North America.

**Commercial Segment**
For the Commercial segment, Q1 sales and adjusted EBITDA increased 17% and 10% YOY, respectively. Sales growth was driven by significant activity in our Asia Pacific and South America markets. Adjusted EBITDA margin was impacted by the anticipated slow down in our Food platform as well as a larger than usual mix of buy-resell third-party components on a number of large commercial projects which typically have lower margins. We anticipate these trends to return to normalized levels towards the end of 2023 based on our ongoing efforts to strengthen the order book.

Internationally, the growth in the Brazil and India regions continued to be robust in Q1. Annual sales growth of 9% and 19% YOY, respectively, highlights the importance of our regional diversification strategy and the benefits of our investments in developing market positions within these critical agricultural regions.

## OUTLOOK

The Company's quoting pipelines remain active as customers across all regions continue to show strong interest in capital investments to meet the demands of increased crop production, promote efficiency across the supply chain, and address food security concerns. Our record Q1 sales and adjusted EBITDA mark the sixth consecutive quarter of record results and demonstrate the strength of our balanced and diversified business strategy that has enabled us to capitalize on the demands from a wide variety of products, regions, and customers. As we continue to focus on our strategic priorities which include profitable organic growth, operational excellence, and balance sheet discipline, we are excited about the long-term growth potential of our business.

With a record Q1 performance and an order book up 7% YOY, we are raising full year guidance for 2023 adjusted EBITDA to be at least $265 million, up from our previous guidance of at least $260 million.

**Order book**

The following tables presents YOY changes in the Company's order books[1]:

| | Region | | | |
|---|---|---|---|---|
| | Canada | United States | International | Overall |
| **Segments** | % | % | % | % |
| Farm | 66% | 11% | (11%) | 25% |
| Commercial | (50%) | 5% | (3%) | (7%) |
| **Overall** | **22%** | **9%** | **(4%)** | **7%** |

The following table presents YOY changes in the Company's international order book[1] further segmented by region:

| | EMEA | Asia Pacific | South America |
|---|---|---|---|
| **Farm and Commercial Segments [1]** | % | % | % |
| **International by region [2]** | **(23%)** | **5%** | **34%** |

[1] Supplementary financial measure. See "Non-IFRS and Other Financial Measures".

[2] "EMEA" is composed of Europe, Middle East and Africa. "Asia Pacific" is composed of Southeast Asia, Australia, India and the rest of the world (other than Canada, the United States, EMEA and South America). "South America" is composed of Brazil and the rest of Latin America.

**MD&A and Financial Statements**

AGI's unaudited interim condensed consolidated financial statements ("consolidated financial statements") and management's discussion and analysis (the "MD&A") for the three-months ended March 31, 2023 can be obtained electronically on SEDAR (http://www.sedar.com) and on AGI's website (http://www.aggrowth.com).

**Conference Call**

AGI management will hold a conference call on Tuesday, May 9, 2023, at 8:00am EDT to discuss its results for the three-months ending March 31, 2023. To participate in the conference call, please dial 1-800-319-4610 if joining from Canada or the U.S. and 1-604-638-5340 internationally. An audio replay of the call will be available for seven days. To access the audio replay, please dial 1-800-319-6413 if calling from Canada or the U.S. and 1-604-638-9010 internationally. Please quote passcode 0006 for the audio replay.

**AGI Company Profile**

AGI is a provider of the equipment and solutions required to support the efficient storage, transport, and processing of food globally. AGI has manufacturing facilities in Canada, the United States, Brazil, India, France, and Italy and distributes its product worldwide.

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Further information can be found in the disclosure documents filed by AGI with the securities regulatory authorities, available at www.sedar.com and on AGI's website www.aggrowth.com.

## BASIS OF PRESENTATION

On December 29, 2022, the Company announced that it would be reorganizing its digital business to better reflect changes in its operations and management structure. As a result of this change, the Company has identified its reportable segments as Farm and Commercial, each of which are supported by the corporate office. The previously identified Digital segment is now included within the Farm segment, and the Food platform which was a sub-segment of the Commercial segment is amalgamated into the Commercial segment. These segments are strategic business units that offer specific products and services to their respective markets. Certain corporate overheads are allocated to the segments based on revenue as well as applicable cost drivers. Taxes and certain other expenses are managed at a consolidated level and are not allocated to the reportable operating segments. Financial information for the comparative period has been restated to reflect the new presentation.

## NON-IFRS AND OTHER FINANCIAL MEASURES

This press release makes reference to certain specified financial measures, including non-IFRS financial measures, non-IFRS ratios and supplementary financial measures. Management uses these financial measures for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of ongoing operations and in analyzing our business performance and trends. These specified financial measures are not recognized measures under International Financial Reporting Standards ("IFRS"), do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement our financial information reported under IFRS by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

We use the following (i) non-IFRS financial measures: “adjusted earnings before interest, taxes, depreciation, and amortization (“adjusted EBITDA”)” and "net debt"; (ii) non-IFRS ratios: “adjusted EBITDA margin %” and “net debt leverage ratio”; and (iii) supplementary financial measures: “order book”, “sales by operating segment” and “sales by geography”; to provide supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management also uses non-IFRS financial measures, non-IFRS ratios and supplementary financial measures in order to prepare annual operating budgets and to determine components of management compensation. We strongly encourage investors to review our consolidated financial statements and publicly filed reports in their entirety and not to rely on any single financial measure or ratio.

We use these specified financial measures in addition to, and in conjunction with, results presented in accordance with IFRS. These specified financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our IFRS results and, in the case of non-IFRS financial measures, the accompanying reconciliations to the most directly comparable IFRS financial measures, may provide a more complete understanding of factors and trends affecting our business.

In this press release, we discuss the specified financial measures, including the reasons that we believe that these measures provide useful information regarding our financial condition, results of operations, cash flows and financial position, as applicable, and, to the extent material, the additional purposes, if any, for which these measures are used. Reconciliations of non-IFRS financial measures to the most directly comparable IFRS financial measures are contained in this press release.

The following is a list of non-IFRS financial measures, non-IFRS ratios and supplementary financial measures that are referenced throughout this press release:

“Adjusted EBITDA” is defined as profit (loss) before income taxes before finance costs, depreciation and amortization, gain or loss on foreign exchange, non-cash share -based compensation expenses, gain on financial instruments, M&A recovery or expenses, transaction, transitional and other costs, net gain or loss on the sale of property, plant & equipment, non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost and impairment. Adjusted EBITDA is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our consolidated financial statements is profit (loss) before income taxes. Management believes adjusted EBITDA is a useful measure to assess the performance and cash flow of the Company as it excludes the effects of interest, taxes, depreciation, amortization and expenses that management believes are not reflective of the Company’s underlying business performance. Management cautions investors that adjusted EBITDA should not replace profit or loss as indicators of performance, or cash flows from operating, investing, and financing activities as a measure of the Company’s liquidity and cash flows. See “Profit (loss) before income taxes and adjusted EBITDA” and “Profit (loss) before income taxes and Adjusted EBITDA by Segment” below for the reconciliation of adjusted EBITDA to profit (loss) before income taxes for the current period, the year ended December 31, 2022, and the comparative periods. Adjusted EBITDA guidance is a forward-looking non-IFRS financial measure. We do not provide a reconciliation of such forward-looking measure to the most directly comparable financial measure calculated and presented in accordance with IFRS due to unknown variables and the uncertainty related to future results. These unknown variables may include unpredictable transactions of significant value that may be inherently difficult to determine without unreasonable efforts. Guidance for adjusted EBITDA is calculated in the same manner as described above for historical Adjusted EBITDA, as applicable.

“Adjusted EBITDA margin %” is defined as adjusted EBITDA divided by sales. Adjusted EBITDA margin % is a non-IFRS ratio because one of its components, adjusted EBITDA, is a non-IFRS financial measure. Management believes adjusted EBITDA margin % is a useful measure to assess the performance and cash flow of the Company.

“Order book” is defined as the total value of committed sales orders that have not yet been fulfilled that: (a) have a high certainty of being performed as a result of the existence of a purchase order, an executed contract or work order specifying job scope, value and timing; or (b) has been awarded to the Company or its divisions, as evidenced by an executed binding letter of intent or agreement, describing the general job scope, value and timing of such work, and where the finalization of a formal contract in respect of such work is reasonably assured. Order book is a supplementary financial measure. AGI previously used the term "backlogs" instead of "order book", however there has been no change to the definition or underlying calculation.

"Sales by Operating Segment" and "Sales by Geography": The sales information presented under "Sales by Operating Segment" and "Sales by Geography" are supplementary financial measures used to present the Company's sales by segment and geography.

“Net Debt Leverage Ratio” is a non-IFRS ratio and is defined as net debt divided by adjusted EBITDA for the last twelve month ("LTM") period. Net debt leverage ratio is a non-IFRS ratio because its components, net debt and adjusted EBITDA, are non-IFRS financial measures. Management believes net debt leverage ratio is a useful measure to assess AGI’s leverage position.

“Net Debt” is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our consolidated financial statements is long-term debt. Net debt is defined as the sum of long-term debt, convertible unsecured subordinated debentures, senior unsecured subordinated debentures, and lease liabilities less cash and cash equivalents. Management believes that net debt is a useful measure to evaluate AGI's capital structure and to provide a measurement of AGI's total indebtedness. See "Net Debt" below for a reconciliation of long-term debt to net debt as at March 31, 2023, December 31, 2022, and March 31, 2022.

**Profit (loss) before income taxes and Adjusted EBITDA**

The following table reconciles profit (loss) before income taxes to Adjusted EBITDA.

| | Three-months ended March 31 | |
|---|---|---|
| | 2023 | 2022 |
| [thousands of dollars] | $ | $ |
| **Profit (loss) before income taxes** | 21,626 | 20,590 |
| Finance costs | 17,681 | 11,493 |
| Depreciation and amortization | 16,040 | 19,397 |
| Gain on foreign exchange [1] | (2,617) | (10,728) |
| Share-based compensation [2] | 4,268 | 2,718 |
| Gain on financial instruments [3] | (13,204) | (8,680) |
| Mergers and acquisitions expense [4] | 50 | 694 |
| Transaction, transitional and other costs [5] | 3,879 | 5,597 |
| Net loss (gain) on disposal of property, plant and equipment | 199 | (86) |
| Fair value of inventory from acquisition [6] | — | 305 |
| Impairment charge [7] | 190 | 23 |
| **Adjusted EBITDA** | **48,112** | **41,323** |

[1] See “Note 10[e] - Other expenses (income)” in our consolidated financial statements.
[2] The Company’s share-based compensation expense pertains to our equity incentive award plan (“EIAP”) and directors’ deferred compensation plan (“DDCP”). See “Note 9 – Share-based compensation plans” in our consolidated financial statements.
[3] See “Equity swap”.
[4] Transaction costs associated with completed and ongoing mergers and acquisitions activities.
[5] Includes legal expense, legal provision, transitional costs related to reorganizations and other acquisition related transition costs, as well as the accretion and other movement in contingent consideration and amounts due to vendors.
[6] Non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost.
[7] Impairment charge related to assets held for sale. See “Note 5 – Assets held for sale" in our consolidated financial statements.

**RECONCILIATION OF ADJUSTED EBITDA TO PROFIT (LOSS) BEFORE INCOME TAXES FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

The following table reconciles profit (loss) before income taxes to Adjusted EBITDA for the years ended December 31, 2022 and 2021:

| | Year ended December 31 | |
|---|---|---|
| | 2022 | 2021 |
| [thousands of dollars] | $ | $ |
| **Profit (loss) before income taxes** | **(45,313)** | **9,383** |
| Finance costs | 61,067 | 43,599 |
| Depreciation and amortization | 76,945 | 62,049 |
| Share of associate's net loss [1] | — | 1,077 |
| Revaluation gains [1] | — | (6,778) |
| Loss (gain) on foreign exchange [2] | 8,941 | 2,992 |
| Share-based compensation [3] | 15,620 | 8,551 |
| Gain on financial instruments [4] | (9,629) | (1,382) |

| | | |
|---|---|---|
| M&A (recovery) expense [5] | (144) | 3,035 |
| Change in estimate on variable considerations [6] | — | 11,400 |
| Transaction, transitional and other costs [7] | 44,301 | 12,058 |
| Net loss (gain) on disposal of property, plant and equipment | 339 | 23 |
| Loss (gain) on settlement of lease liability | 1 | (17) |
| Equipment rework [8] | 6,100 | 10,000 |
| Remediation [8] | — | 16,100 |
| Foreign exchange reclassification on disposal of foreign operation | — | (898) |
| Fair value of inventory from acquisition [9] | 609 | — |
| Impairment charge [10] | 75,846 | 5,074 |
| **Adjusted EBITDA [11]** | **234,683** | **176,266** |

[1] See "Share of associate's net loss and revaluation gains" in our MD&A and consolidated financial statements for the year ended December 31, 2022 ("2022 Statements").
[2] See "Note 26 [e] - Other expenses (income)" in our 2022 Statements.
[3] The Company's share-based compensation expense pertains to our equity incentive award plan ("EIAP") and directors' deferred compensation plan ("DDCP"). See "Note 25 – Share-based compensation plans" in our 2022 Statements.
[4] See "Equity swap" in our 2022 Statements.
[5] Transaction (recoveries) costs associated with completed and ongoing mergers and acquisitions activities.
[6] The result of a change in management estimate on variable considerations for a one-time sales concessions related to previous sales contracts.
[7] Includes legal expense, legal provision, the net impact of sales reversal as a result of the Russia-Ukraine conflict, transitional costs related to the Digital segment reorganization, restructuring and other acquisition related transition costs, as well as the accretion and other movement in contingent consideration and amounts due to vendors.
[8] See "Remediation costs and equipment rework" in our 2022 Statements.
[9] Non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost.
[10] Impairment charge is a result of impairment charges related to the reorganization of the Company's Digital segment and write-down in property, plant and equipment. See "Note 12 - Property, plant and equipment", "Note 13 - Right-of-use assets", "Note 14 – Goodwill", "Note 15 – Intangible assets" and "Note 16 – Impairment testing" in our 2022 Statements.
[11] This is a non-IFRS measure and is used throughout this press release. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each non-IFRS measure.

### Profit (loss) before income taxes and Adjusted EBITDA by Segment

| | **Three-months ended March 31, 2023** | | | |
|---|---|---|---|---|
| | **Farm** | **Commercial** | **Other [9]** | **Total** |
| [thousands of dollars] | **$** | **$** | **$** | **$** |
| **Profit (loss) before income taxes** | 31,646 | 14,447 | (24,467) | **21,626** |
| Finance costs | — | — | 17,681 | **17,681** |
| Depreciation and amortization [1] | 6,538 | 7,310 | 2,192 | **16,040** |
| Gain on foreign exchange [2] | — | — | (2,617) | **(2,617)** |
| Share-based compensation [3] | — | — | 4,268 | **4,268** |
| Gain on financial instruments [4] | — | — | (13,204) | **(13,204)** |
| Mergers and acquisitions expense [5] | — | — | 50 | **50** |
| Transaction, transitional and other costs [6] | — | — | 3,879 | **3,879** |
| Net loss on disposal of property, plant and equipment [1] | 78 | 121 | — | **199** |
| Impairment charge [8] | 190 | — | — | **190** |
| **Adjusted EBITDA** | **38,452** | **21,878** | **(12,218)** | **48,112** |

| | | | Three-months ended March 31, 2022 | |
|---|---|---|---|---|
| | **Farm** | **Commercial** | **Other [9]** | **Total** |
| [thousands of dollars] | **$** | **$** | **$** | **$** |
| **Profit (loss) before income taxes** | 19,170 | 9,786 | (8,366) | **20,590** |
| Finance costs | — | — | 11,493 | **11,493** |
| Depreciation and amortization [1] | 9,606 | 9,789 | 2 | **19,397** |
| Gain on foreign exchange [2] | — | — | (10,728) | **(10,728)** |
| Share-based compensation [3] | — | — | 2,718 | **2,718** |
| Gain on financial instruments [4] | — | — | (8,680) | **(8,680)** |
| Mergers and acquisitions expense [5] | — | — | 694 | **694** |
| Transaction, transitional and other costs [6] | — | — | 5,597 | **5,597** |
| Net gain on disposal of property, plant and equipment [1] | (50) | (36) | — | **(86)** |
| Fair value of inventory from acquisition[7] | — | 305 | — | **305** |
| Impairment charge [8] | 23 | — | — | **23** |
| **Adjusted EBITDA** | **28,749** | **19,844** | **(7,270)** | **41,323** |

[1] Allocated based on the segment of the underlying asset's cash generating unit ("CGU").
[2] See "Note 10 [e] - Other expenses (income)" in our consolidated financial statements.
[3] The Company's share-based compensation expense pertains to our EIAP and DDCP. See "Note 9 – Share-based compensation plans" in our consolidated financial statements.
[4] See "Equity swap".
[5] Transaction costs associated with completed and ongoing mergers and acquisitions activities.
[6] Includes legal expense, legal provision, transitional costs related to reorganizations and other acquisition related transition costs, as well as the accretion and other movement in contingent consideration and amounts due to vendors.
[7] Non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost.
[8] Impairment charge related to assets held for sale. See "Note 5 – Assets held for sale" in our consolidated financial statements.
[9] Included in Other is the corporate office, which is not a reportable segment, and which provides finance, treasury, legal, human resources and other administrative support to the segments.

**Profit (loss) before income taxes and Adjusted EBITDA for the LTM Periods Ending March 31, 2023 and 2022**

| | Last twelve months March 31, | |
|---|---|---|
| | **2023** | **2022** |
| [thousands of dollars] | **$** | **$** |
| **Profit (loss) before income taxes** | (44,277) | 11,806 |
| Finance costs | 67,255 | 44,772 |
| Depreciation and amortization | 73,588 | 67,937 |
| Revaluation gains [1] | — | (6,778) |
| Loss (gain) on foreign exchange [2] | 17,052 | (8,213) |
| Share-based compensation [3] | 17,170 | 9,338 |
| Gain on financial instruments [4] | (14,153) | 596 |
| Mergers and acquisition expense (recovery) [5] | (788) | 3,293 |
| Transaction, transitional and other costs [6] | 42,583 | 13,948 |
| Change in estimate on variable consideration [7] | — | 11,400 |
| Net loss (gain) on disposal of property, plant and equipment | 624 | (182) |

| | | |
|---|---|---|
| Loss (gain) on settlement of lease liability | 1 | (17) |
| Equipment rework [8] | 6,100 | 10,000 |
| Remediation [8] | — | 16,100 |
| Foreign exchange reclassification on disposal of foreign operation | — | (898) |
| Fair value of inventory from acquisition [9] | 304 | 305 |
| Impairment charge [10] | 76,013 | 5,097 |
| **Adjusted EBITDA** | **241,472** | **178,504** |

[1] See "Share of associate's net loss and revaluation gains" in our MD&A and 2022 Statements.

[2] See "Note 10 [e] - Other expenses (income)" in our unaudited interim condensed consolidated financial statements for the three-month period ended March 31, 2023 ("2023 Statements") and "Note 26 [e] - Other expenses (income)" in our 2022 Statements.

[3] The Company's share-based compensation expense pertains to our equity incentive award plan and directors' deferred compensation plan. See "Note 9 – Share-based compensation plans" in our 2023 Statements and "Note 25 – Share-based compensation plans" in our 2022 Statements.

[4] See "Equity swap" in our 2023 Statements and 2022 Statements.

[5] Transaction costs associated with completed and ongoing mergers and acquisitions activities.

[6] Includes restructuring and other acquisition related transition costs, as well as the accretion and other movement in contingent consideration and amounts due to vendors.

[7] The result of a change in management estimate on variable considerations for a one-time sales concessions related to previous sales contracts.

[8] See "Remediation costs and equipment rework" in our 2023 Statements and 2022 Statements.

[9] Non-cash expense related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost.

[10] Impairment is a result of a write-down in fixed assets and intangible assets.

**Net Debt**

| **Net Debt** | | | |
|---|---|---|---|
| | **Q1/22** | **Q4/22** | **Q1/23** |
| (thousands of dollars) | **31-Mar-22** | **31-Dec-22** | **31-Mar-23** |
| Long Term Debt | 520,465 | 440,938 | 468,857 |
| Convertible Unsecured Subordinated Debentures | 181,293 | 183,481 | 185,168 |
| Senior Unsecured Subordinated Debentures | 251,330 | 252,750 | 253,239 |
| Leases | 33,734 | 39,147 | 40,872 |
| Less: Cash & Cash Equivalents | 60,234 | 59,644 | 72,852 |
| **Net Debt** | **926,588** | **856,672** | **875,284** |

**FORWARD-LOOKING INFORMATION**

This press release contains forward-looking statements and information [collectively, "forward-looking information"] within the meaning of applicable securities laws that reflect our expectations regarding the future growth, results of operations, performance, business prospects, and opportunities of the Company. All information and statements contained herein that are not clearly historical in nature constitute forward-looking information, and the words "anticipate", "estimate", "believe", "continue", "could", "expects", "intend", "trend", "plans", "will", "may" or similar expressions suggesting future conditions or events or the negative of these terms are generally intended to identify forward-looking information. Forward-looking information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. In addition, this press release may contain forward-looking information attributed to third party industry sources. Undue reliance should not be placed on forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which it is based will occur. In particular, the forward-looking information in this press release includes information relating to: our robust organic growth prospects; the ability of our operational excellence initiatives to create a more efficient organization; our expectations for continued growth in 2023; our expectation for certain costs to normalize over coming quarters as several one-time expenses are processed; our anticipation for certain trends to return to normalized levels towards the second half of 2023; our ability to strengthen our order book; our outlook for our financial and operating performance in fiscal 2023, including by segment, product type and geographic region, and including our expectations for our future financial results (including our forecast for full year 2023 Adjusted EBITDA), industry demand, market conditions, and industry and market trends; our business strategies and strategic priorities; the long-term fundamentals and growth drivers of our business; our view that there are ample growth prospects across international markets in the near future and over the long-run; our belief that our recent financial and operating results confirm our long-term growth potential and the benefits of our current strategic priorities which include profitable organic growth, operational excellence, and balance sheet discipline; the estimated costs to the Company that may result from the remediation work associated with the bin collapse incident described herein, including our belief that any financial impact will be at least partially offset by insurance coverage; the estimated costs to the Company from ongoing equipment rework; that we expect SG&A to be lower as a percentage of sales by the end of the year; that in the longer-term we will be able to lessen the seasonality of our business; our belief that our debt facilities and debentures, together with available cash and internally generated funds, are sufficient to support our working capital, capital expenditure, dividend and debt service requirements; the factors that may impact our working capital requirements; and our dividend policy and how dividend payments may be funded. Such forward-looking information reflects our current beliefs and is based on information currently available to us, including certain key expectations and assumptions concerning: anticipated crop yields and production in our market areas; the financial and operating attributes of acquired businesses and the anticipated future performance thereof; the value of acquired businesses and assets and the liabilities assumed (and indemnities provided) by AGI in connection therewith; anticipated financial performance; future debt levels; business prospects and strategies, including the success of our operational excellence initiatives; product and input pricing; the scope, nature, timing and cost of re-supplying certain equipment and re-completing certain work that has previously been supplied or completed pursuant to warranty obligations or otherwise; regulatory developments; tax laws; the sufficiency of budgeted capital expenditures in carrying out planned activities; currency exchange rates, inflation rates and interest rates; the cost of materials, labour and services and the impact of inflation rates and/or supply chain disruptions thereon; the impact of competition; the general stability of the economic and regulatory environment in which the Company operates; the timely receipt of any required regulatory and third party approvals; the ability of the Company to obtain and retain qualified staff and services in a timely and cost efficient manner; the amount and timing of the dividends that we expect to pay; the ability of the Company to obtain financing on acceptable terms; the regulatory framework in the jurisdictions in which the Company operates; the ability of the Company to successfully market its products and services; and that the COVID-19 pandemic will not have a material impact on our business, operations, and financial results going forward. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual results to differ materially from results discussed in the forward-looking information. These risks and uncertainties are described under “Risks and Uncertainties” in this press release and in our most recently filed Annual Information Form, all of which are available under the Company's profile on SEDAR [www.sedar.com]. These factors should be considered carefully, and readers should not place undue reliance on the Company’s forward-looking information. We cannot assure readers that actual results will be consistent with this forward-looking information. Further, AGI cannot guarantee that the anticipated revenue from its order book will be realized or, if realized, will result in profits or Adjusted EBITDA. Delays, cancellations and scope adjustments occur from time-to-time with respect to contracts reflected in AGI’s order book, which can adversely affect the revenue and profit that AGI actually receives from its order book. Readers are further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. These estimates may change, having either a negative or positive effect on profit, as further information becomes available and as the economic environment changes. Without limitation of the foregoing, the provision for remediation related to the bin collapse incident disclosed herein required significant estimates and judgments about the scope, nature, timing and cost of work that will be required. It is based on management's assumptions and estimates at the current date and is subject to revision in the future as further information becomes available to the Company. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. The forward-looking information included in this press release is made as of the date of this press release and AGI undertakes no obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

**FINANCIAL OUTLOOK**

Also included in this press release is an estimate of AGI's 2023 adjusted EBITDA, which is based on, among other things, the various assumptions disclosed in this news release including under "Forward-Looking Information" and including our assumptions regarding the adjusted EBITDA contribution that AGI anticipates receiving from revenue growth in 2023 in part as a result of the 7% YOY increase in AGI's order books at March 31, 2023. To the extent such estimate constitutes a financial outlook, it was approved by management on May 8, 2023 and is included to provide readers with an understanding of AGI's anticipated 2023 adjusted EBITDA based on the assumptions described herein and readers are cautioned that the information may not be appropriate for other purposes.