AGI Announces Third Quarter 2022 Results

Winnipeg, MB, November 8, 2022 – Ag Growth International Inc. (TSX: AFN) ("AGI", the "Company", "we" or "our") today announced its financial results for the three- and nine-month periods ended September 30, 2022[1].

	Three-months ended September 30			
	2022	2021	Change	Change
[thousands of dollars except per share amounts and percentages]	$	$	$	%
Sales	402,074	313,859	88,215	28%
Adjusted EBITDA [1][2]	76,287	46,298	29,989	65%
Adjusted EBITDA Margin % [3]	19.0%	14.8%	4.2%	29%
Profit (loss) before income taxes	12,885	(3,229)	16,114	N/A
Profit (loss)	6,972	(73)	7,045	N/A
Diluted profit (loss) per share	0.36	(0.00)	0.36	N/A
Adjusted profit [1][4]	29,746	19,784	9,962	50%
Diluted adjusted profit per share [3][4]	1.41	1.02	0.39	38%

	Nine-months ended September 30			
	2022	2021	Change	Change
[thousands of dollars except per share amounts and percentages]	$	$	$	%
Sales	1,084,048	871,428	212,620	24%
Adjusted EBITDA [1][2]	183,686	131,614	52,072	40%
Adjusted EBITDA Margin % [3]	16.9%	15.1%	1.8%	12%
Profit before income taxes	31,213	31,083	130	0%
Profit	17,228	26,907	(9,679)	(36%)
Diluted profit per share	0.89	1.40	(0.51)	(36%)
Adjusted profit [1][4]	57,200	44,114	13,086	30%
Diluted adjusted profit per share [3][4]	2.81	2.29	0.52	23%

[1] This is a non-IFRS measure. See the "NON-IFRS and OTHER FINANCIAL MEASURES" section of this press release for more information on each non-IFRS measure.
[2] See "Profit (loss) before income taxes and Adjusted EBITDA".
[3] This is a non-IFRS ratio. See the "NON-IFRS and OTHER FINANCIAL MEASURES" section of this press release for more information on each non-IFRS ratio.
[4] See "Diluted profit (loss) per share and diluted adjusted profit per share".

1 This press release makes reference to certain specified financial measures, including non-IFRS financial measures (historical and forward-looking), non-IFRS ratios and supplementary financial measures. See the "NON-IFRS and OTHER FINANCIAL MEASURES" section of this press release for more information on each specified financial measure.

Consolidated Segment Results Summary [2]

[thousands of dollars]	2022 $	2021 $	Change $	Change %
		Three-months ended September 30		
Sales [1]				
Farm	207,937	173,181	34,756	20%
Commercial	182,411	129,926	52,485	40%
Digital	11,726	10,752	974	9%
Total	**402,074**	**313,859**	**88,215**	**28%**

[1] The sales information in this section are supplementary financial measures. See the "NON-IFRS and OTHER FINANCIAL MEASURES" section of this press release for more information on these supplementary financial measures.

[thousands of dollars]	2022 $	2021 $	Change $	Change %
		Three-months ended September 30		
Adjusted EBITDA [1] [2]				
Farm	54,646	36,050	18,596	52%
Commercial	32,473	16,520	15,953	97%
Digital	(4,009)	321	(4,330)	(1,349%)
Other [3]	(6,823)	(6,593)	(230)	3%
Total	**76,287**	**46,298**	**29,989**	**65%**

[1] This is a non-IFRS measure. See the "NON-IFRS and OTHER FINANCIAL MEASURES" section of this press release for more information on each non-IFRS measure.
[2] See "Profit (loss) before income taxes and Adjusted EBITDA" in this press release and " DETAILED OPERATING RESULTS – Profit (loss) before income taxes and Adjusted EBITDA by Segment" in our Management's Discussion and Analysis for the three- and nine-month periods ended September 30, 2022 ("MD&A").
[3] 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.

	2022 $	2021 $	Change $	Change %
		Three-months ended September 30		
Adjusted EBITDA Margin % [1]				
Farm	26%	21%	5%	26%
Commercial	18%	13%	5%	40%
Digital	(34%)	3%	(37%)	(1245%)
Total	**19%**	**15%**	**4%**	**29%**

[1] This is a non-IFRS ratio. See the "NON-IFRS and OTHER FINANCIAL MEASURES" section of this press release for more information on each non-IFRS ratio.

AGI continued its strong performance in the third quarter with another record for sales and Adjusted EBITDA, which increased 28% and 65% year-over-year ('YOY') for the three-months ended September 30, 2022 ("Q3"), respectively. "Our all-time record quarterly results for sales and Adjusted EBITDA continue to highlight the strength and growth of AGI," commented Paul Householder, President and CEO of AGI. "Taking over CEO

[2] All sales information in this press release that is presented on a segment or geographic basis is a supplementary financial measure. All Adjusted EBITDA information in this press release that is presented on a segment or geographic basis is a non-IFRS measure. See the "NON-IFRS and OTHER FINANCIAL MEASURES" section of this press release for more information on each supplementary financial measure and each non-IFRS measure.

responsibilities during a time with significant momentum across our global Farm and Commercial businesses, including many opportunities for further growth, is an ideal setup to drive continued success. Our backlog[3] provides solid visibility into the fourth quarter and the start of 2023. We've increased our full year Adjusted EBITDA guidance for 2022 to at least $228 million[4] which represents another record year in sales and Adjusted EBITDA for AGI, meaningful growth over 2021, and a strong setup for 2023."

Farm segment sales and Adjusted EBITDA increased 20% and 52% YOY in Q3 with strong results from Canada, U.S., Asia Pacific, and South America. In particular, sales of our portable grain handling equipment remain robust as rising crop sizes and low dealer inventories combined to create solid demand. Commercial segment sales and Adjusted EBITDA increased 40% and 97% YOY in Q3 with significant growth in North America, Europe, Middle East and Africa ("EMEA"), South America, and Asia Pacific markets. The Brazil region continues to experience significant growth in both sales and Adjusted EBITDA achieving 30% and 67% YOY increases in Q3. With strong macroeconomic fundamentals, we expect the momentum in the Brazil region to continue in the fourth quarter ("Q4") of 2022. The India region reached an all-time quarterly record in Q3 with sales and Adjusted EBITDA growing 59% and 101% YOY.

The Digital segment sales increased 9% YOY in Q3 as a result of continued demand and strong order intake. Adjusted EBITDA was a loss of $4.0 million in Q3 2022 as compared to a gain of $0.3 million in Q3 2021. The loss was primarily due to the increase of subscription sales in proportion to retail sales in Q3 YOY as a new subscription program was introduced late in Q4 2021. This increase in proportion of subscription sales has a negative impact on the short-term performance of the Digital segment as sales and associated variable costs are deferred and spread out over the term of the subscription.

On a consolidated basis, the $30 million increase in our Adjusted EBITDA for Q3 was led by a significant increase in sales across all segments with notable contributions from U.S. Farm, Canada Farm, North America Commercial as well as Brazil and India. This was complemented by a notable improvement in gross margin driven by operational efficiencies, sales mix favoring portable grain handling equipment in the Farm segment, increased volume within the Commercial segment, and the benefit of lower steel prices YOY.

The demand for AGI equipment, systems, and solutions continues to grow across our segments and geographies. Consolidated backlog was up 4% YOY, just above the record level from the prior year which itself was up 99% from Q3 2020 levels. The moderation of backlog growth was expected as the backlog resets at higher levels relative to historic amounts given our increased mix of project-based work.

In recent years, our organization has adopted an operational excellence mindset and undertaken a number of initiatives with the goal of creating value for our customers. We strive to improve our customers' experience by further integration of our business teams and processes for all equipment in the AGI portfolio. By building this capability, we have vastly improved the efficiency of the business across the Commercial segment and are beginning to realize the benefits of our investments, most notably, the sales growth and margin expansion of our Canadian and U.S. Commercial segments.

Our pipelines remain robust and we are continuing to see strong interest from customers across all segments and regions as they continue to invest in critical infrastructure equipment and solutions. We now expect full year 2022 Adjusted EBITDA of at least $228 million which represents another very strong year, driven primarily by organic growth. Our ability to capture the ongoing demand for agriculture equipment, infrastructure and solutions has positioned us to cap off another record year in sales and Adjusted EBITDA with good momentum heading into 2023.

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[3] Backlog is a supplementary financial measure. See the "NON-IFRS and OTHER FINANCIAL MEASURES" section of this press release for more information on each supplementary financial measure.

[4] Increased from our previous guidance of full year 2022 Adjusted EBITDA of at least $215 million. Adjusted EBITDA for the year ended December 31, 2021 was $176.3 million. See "Reconciliation of Adjusted EBITDA to profit (loss) before income taxes for the years ended December 31, 2021 and 2020".

BASIS OF PRESENTATION

For the year ended December 31, 2021, the effect of foreign currency translations arising from the settlement of accounts receivables and payables recorded in a currency other than the Company's functional currency have been presented within finance income (expenses); historically, the foreign exchange impact was presented in sales and a reconciliation was made to trade sales as presented in prior management's discussion and analysis. This change in presentation effectively eliminates the need for trade sales and therefore sales is presented in this press release with the reclassification of comparative information.

The Company's change in presentation in its unaudited interim condensed consolidated comparative financial statements for the three- and nine-month periods ended September 30, 2022 ("consolidated financial statements") was made in accordance with IAS 1 and IFRS 8. Under IFRS 8, a change in accounting policy is permitted if the change results in the financial statements providing more reliable and relevant information about the effects of transactions on the entity's financial position. In addition, IAS 1 requires an entity to reclassify its comparative information when making such changes in presentation and therefore comparative figures have been restated accordingly.

Description of Business Segments and Platforms

AGI's demand drivers are closely linked to crop production volumes, global grain movement, and global food and feed consumption levels. A relative lack of investment in food infrastructure in developing regions along with required ongoing maintenance capital requirements in developed regions provide positive demand dynamics for AGI. These core demand drivers are further augmented by increasing population, changing dietary trends, and increased focus on food security infrastructure.

Farm Segment

AGI's Farm segment includes the sale of grain, seed, and fertilizer handling equipment. Our two main categories of products include portable grain handling solutions as well as permanent grain handling solutions including storage, drying, material handling, and conditioning equipment.

Commercial Segment

AGI's Commercial segment includes the sale of larger diameter grain storage bins, high-capacity grain handling equipment, seed and fertilizer storage and handling systems, feed handling and storage equipment, aeration products, automated blending systems, control systems, and food processing solutions.

Food Platform

The AGI Food platform falls within AGI's Commercial segment and it provides full process design engineering, overall project engineering, project management services, and equipment supply for our customers in the food and beverage processing industry.

Digital Segment

AGI's Digital segment designs, manufactures, and supplies IoT (Internet of Things) hardware that monitors, operates, and automates our equipment and the collection of key operational data for our customers. These products are available both as standalone offerings, as well as in combination with larger farm or commercial systems from AGI.

OPERATING RESULTS and OUTLOOK [5]

Farm Segment

Farm segment sales and Adjusted EBITDA increased 20% and 52% YOY in Q3 with strong results from Canada, the U.S., and South America. Robust demand for portable grain handling equipment in North America continued as many dealers report low inventory levels. Elevated crop prices generally leads growers to monetize crops shortly after harvest which resulted in lower overall demand for storage equipment and solutions throughout the 2022 season. Adjusted EBITDA benefited from the sales mix favoring higher margin portable grain handling equipment over lower margin permanent grain handling and storage products. In addition, there was some benefit of lower input costs associated with improved steel pricing YOY. Looking ahead, we anticipate Farm Segment's Q4 performance to be in line with Q4 2021.

Canada

Sales increased 6% and backlog increased 16% YOY in Q3 as improved crop yield drove demand for our grain handling equipment. Management expects that the Canadian Farm segment will continue to rebound in Q4 2022 as dealers continue to move their inventory in the upcoming months.

United States

Sales increased 26% in Q3 over a very strong Q3 2021 result as demand for portable grain handling equipment remains strong and inventory levels continue to remain low throughout our dealer network. This was offset by a decrease in demand for grain storage equipment as grain producers are generally motivated by high crop prices to monetize crops after harvest versus utilizing on-farm storage capacity. However, the trend of generally larger crop sizes and increasing farmer sophistication continues, providing an optimistic outlook for customer demand for permanent grain handling equipment and storage over time.

International

Farm segment sales increased 34% YOY in Q3, with continued growth in South America supported by strong demand for permanent grain handling equipment and storage as a result of increasing crop volumes and rising investment in critical grain handling infrastructure. Sales to Asia Pacific decreased 11% mainly due to timing of planned shipments being delayed into Q4 2022. EMEA's Q3 results were consistent with the prior year despite the impact of the Russia-Ukraine conflict (see "Russia-Ukraine Conflict"). Our ability to temporarily pivot away from the Russia-Ukraine region without significantly impacting our overall results highlights the benefit of our diversified growth strategy.

Commercial Segment

Commercial segment sales and Adjusted EBITDA increased 40% and 97% YOY in Q3 with a significant rebound in Canadian sales, continued growth in the U.S., and strong results in our international markets. Key contributors to the growth included the Food platform which continues to grow in response to strong customer demand with sales increasing 61% YOY, and 33% net of acquisitions in Q3. The increase in Adjusted EBITDA is primarily due to scaling on an increased revenue base which helped capture incremental gross margin as well as a favorable steel pricing trend in 2022. In addition, the Canadian Commercial platform continued to rebound with sales and backlog up 34% and 6% YOY.

Looking ahead, we anticipate the momentum in the Commercial segment to continue into Q4 2022. A key focus remains on securing components on a timely and cost-effective basis amid supply chain disruptions which have been challenging. Many of AGI's Commercial segment contracts include provisions to pass along some

[5] See "BASIS OF PRESENTATION" and "FORWARD-LOOKING INFORMATION" in this press release and "RISKS AND UNCERTAINTIES" in our MD&A.

or all of the key raw material cost increases and open sales quotes are continuously reviewed and updated for changes in market conditions.

Overall, the Commercial segment is seeing continued demand with backlogs up 6% YOY in Q3.

Canada

Commercial segment sales increased 31% YOY for the three-months ended September 30, 2022. Specifically:

- Commercial platform sales in Canada increased 34% YOY as increased quoting activities in Q4 2021 and the first six months of 2022 for grain terminal projects drove a recovery of this sector in 2022. We continue to expect the Canadian Commercial platform to perform well in Q4 2022.
- The grain terminal and grain processing markets resumed capital spending following a temporary decrease in spending after significant build out from 2015 through 2020. We are also seeing demand return in the fertilizer equipment market. Consequently, the Canadian Commercial platform's backlog is up 6% YOY in Q3.
- Food platform sales increased 20% YOY, with continued strong demand in Q3 2022 and the acquisition of Eastern Fabricators ("Eastern") which provided additional production capacity and resources to support the Food platform's sales growth trajectory.

Management anticipates the momentum will continue in Q4 2022 for the Canadian Commercial platform. We also anticipate strong Q4 2022 results from the Canadian Food platform driven by the significant backlog in this region, which is up 88% YOY in Q3.

United States

Commercial segment sales increased 34% YOY for the three-months ended September 30, 2022. Specifically:

- Commercial platform sales in the U.S. increased 24% YOY, with sales growth driven by the demand in commercial infrastructure and supported by a positive export outlook.
- Food platform sales in the U.S. increased 64% YOY, as a result of continued demand in the petfood market and our efforts to develop strategic relationships with key partners.

Overall, we anticipate the U.S. Commercial Segment's Q4 performance to be in line with Q4 2021.

International

Commercial segment sales increased 48% YOY for the three-months ended September 30, 2022. Specifically:

- Commercial platform sales increased 45% YOY with solid growth in all areas including EMEA despite the impact of the Russia-Ukraine conflict. We were able to replace lost volumes with other projects within the EMEA region given the broad demand for investment in food infrastructure globally. Additional information on the potential impact of the conflict between Russia and Ukraine can be found in "Russia-Ukraine Conflict".
- Results from Brazil and India continued their momentum in Q3 as sales increased 30% and 59% YOY, respectively.
    - Brazil continued to see a strengthening demand for AGI products and systems in the Commercial segment, supported by a favorable macroeconomic environment and their backlog is up 79% YOY.
    - India delivered a record quarterly result in Q3 as demand for rice milling equipment continued to increase throughout 2022; the backlog for India increased 39% YOY.
    - We continue to anticipate both regions will be strong contributors to our Q4 2022 performance as well as going forward into 2023.
- Food platform sales increased 92% YOY in Q3, driven by growth across all regions. As noted in Q2 2022, both Asia Pacific and South America are relatively new markets for the Food platform and we

expect their performance to fluctuate. However, we anticipate momentum to build in these regions given our sustained focus on pipeline building and quoting activities.

Overall, we continue to expect significant growth opportunities within the various international regions for our Commercial segment in Q4 2022, particularly Brazil and India, supported by favorable macroeconomic conditions. While the Russia-Ukraine conflict may impact our performance in the EMEA region, we anticipate the impact will be temporary as we have the ability to refocus our sales efforts to other regions.

Digital Segment

The Digital segment continues to make progress in market development with sales up 9% YOY in Q3, despite continued industry-wide component shortages of critical chips required for production. Initiatives to support Digital growth continued including adding dealer channels for Digital products, expanding direct sales channels, automating areas of production, and increasing capacity. Clear benefits from these efforts are materializing with the Digital segment securing record order intake in Q3 2022.

Digital segment Adjusted EBITDA was a loss of $4.0 million in Q3 2022 primarily due to the increase of subscription sales in proportion to retail sales in Q3 YOY as a new subscription program was introduced late in Q4 2021. This increase in proportion of subscription sales has a negative impact on the short-term performance of the Digital segment as sales and associated variable costs are deferred and spread out over the term of the subscription.

A clear trend of increasing demand for our Digital offerings is expected to continue in Q4 2022, as more end customers realize the value and efficiencies of digitizing aspects of their operations. However, the ongoing chip availability issues will continue to be a risk to our ability to produce some pieces of IoT hardware. Management is working on several initiatives to help proactively reduce the impact of supply chain bottlenecks on Digital's ability to grow and meet customer demand.

Summary

Our record third quarter results in sales and Adjusted EBITDA reflect our significant market share in North American portable grain handling equipment, the strength in our Commercial capabilities and product offerings as well as the continued growth in various international regions. Our strategy of product, geographic, and customer diversification has provided us with stability and resilience during the trade wars of 2019, the COVID crisis in 2020, the extreme supply chain environment in 2021, and the inflationary pressure and Russia-Ukraine conflict in 2022. Our focus on achieving operational excellence and creating value for our customers has led us to various efficiency improvements, particularly in the North America Commercial segment, resulting in sales growth and margin expansion. We expect the momentum and success from these efforts to carry across the organization more broadly and to further support our results going forward.

Our pipelines remain robust and we are continuing to see strong interest from customers across all segments and regions as they continue to invest in critical infrastructure equipment and solutions. We expect full year 2022 Adjusted EBITDA of at least $228 million which represents another very strong organic growth year. Our ability to capture the ongoing demand of agriculture equipment, infrastructure and solutions has positioned us to cap off another record year in sales and Adjusted EBITDA with good momentum heading into 2023.

See "RISKS AND UNCERTAINTIES" in our MD&A and "FORWARD-LOOKING INFORMATION" and "FINANCIAL OUTLOOK" in this press release for, among other things, a description of the risks, uncertainties and other factors to which the Company, its business and our full year 2022 Adjusted EBITDA guidance are subject and that may cause our actual results to differ materially from those anticipated in our guidance.

The following table presents YOY changes in the Company's backlogs[1] as at September 30, 2022:

	Region			
	Canada	United States	International	Overall
Segments and Platforms[2]	%	%	%	%
Farm	16%	(3%)	(8%)	0%
Commercial				
Commercial Platform	6%	12%	13%	12%
Food Platform	88%	(35%)	19%	(17%)
Total Commercial Segment	23%	(10%)	13%	6%
Overall	**18%**	**(8%)**	**10%**	**4%**

[1] This is a supplementary financial measure and is used throughout this press release. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on this supplementary financial measure.
[2] Backlog for our Digital segment has been excluded as products and services are delivered on a just-in-time basis and therefore backlog is not a relevant indicator of committed sales.

The following table presents YOY changes in the Company's international backlogs[1] as at September 30, 2022 further segmented by region:

	EMEA[3]	Asia Pacific[4]	South America[5]
Farm and Commercial Segments [2]	%	%	%
International by region	(27%)	44%	41%

[1] This is a supplementary financial measure and is used throughout this press release. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on this supplementary financial measure.
[2] Backlog for our Digital segment has been excluded as products and services are delivered on a just-in-time basis and therefore backlog is not a relevant indicator of committed sales.
[3] "EMEA" is composed of Europe, Middle East and Africa.
[4] "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).
[5] "South America" is composed of Latin America and Brazil.

Profit (loss) before income taxes and Adjusted EBITDA

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

	Three-months ended September 30		Nine-months ended September 30	
	2022	2021	2022	2021
[thousands of dollars]	$	$	$	$
Profit (loss) before income taxes	**12,885**	**(3,229)**	**31,213**	**31,083**
Finance costs	16,195	11,004	43,870	31,651
Depreciation and amortization	19,338	16,511	57,921	45,675
Share of associate's net loss [1]	—	—	—	1,077
Revaluation gains [1]	—	—	—	(6,778)
Loss on foreign exchange [2]	9,515	7,639	11,152	2,781
Share-based compensation [3]	5,095	2,155	10,710	5,998
(Gain) loss on financial instruments [4]	(2,173)	7,845	(1,418)	547
M&A (recovery) expense [5]	(786)	52	(119)	2,073
Transaction, transitional and other costs [6]	15,695	1,726	28,906	7,295

Net loss (gain) on disposal of property, plant and equipment	56	(16)	352	83
(Gain) loss on settlement of lease liability	—	(7)	—	11
Equipment rework	—	—	—	7,500
Net gain on disposal of foreign operation	—	(898)	—	(898)
Fair value of inventory from acquisition [7]	—	—	609	—
Impairment [8]	467	3,516	490	3,516
Adjusted EBITDA [9]	**76,287**	**46,298**	**183,686**	**131,614**

[1] See "Share of associate's net loss and revaluation gains" in our MD&A.
[2] See "Note 13 [e] - Other expenses (income)" in our consolidated financial 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 12 – Share-based compensation plans" in our consolidated financial statements.
[4] See "Equity swap" in our MD&A.
[5] Transaction costs associated with completed and ongoing mergers and acquisitions activities.
[6] Includes legal expense, legal provision, movements in contingent considerations and due to vendors, and transitional contractual employment expenses.
[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 is a result of a write-down in fixed assets and intangible assets.
[9] This is a non-IFRS measure. See the "NON-IFRS and OTHER FINANCIAL MEASURES" section of this press release for more information on each non-IFRS measure.

Diluted profit (loss) per share and diluted adjusted profit per share

The Company's diluted adjusted profit per share for the three-months ended September 30, 2022 was a profit of $1.41 compared to a profit of $1.02 in 2021. Profit per share in 2022 and 2021 has been impacted by the items enumerated in the table below, which reconciles profit (loss) to adjusted profit.

[thousands of dollars except per share amounts]	**Three-months ended September 30**		**Nine-months ended September 30**	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Profit (loss)	6,972	(73)	17,228	26,907
Diluted profit (loss) per share	0.36	(0.00)	0.89	1.40
Share of associate's net loss [1]	—	—	—	1,077
Revaluation gains [1]	—	—	—	(6,778)
Loss on foreign exchange [2]	9,515	7,639	11,152	2,781
(Gain) loss on financial instruments [3]	(2,173)	7,845	(1,418)	547
M&A (recovery) expense [4]	(786)	52	(119)	2,073
Transaction, transitional and other costs [5]	15,695	1,726	28,906	7,295
Net loss (gain) on disposal of property, plant and equipment	56	(16)	352	83
(Gain) loss on settlement of lease liability	—	(7)	—	11
Equipment rework	—	—	—	7,500
Net gain on disposal of foreign operation	—	(898)	—	(898)
Fair value of inventory from acquisition [6]	—	—	609	—
Impairment [7]	467	3,516	490	3,516
Adjusted profit [8]	**29,746**	**19,784**	**57,200**	**44,114**
Diluted adjusted profit per share [9]	**1.41**	**1.02**	**2.81**	**2.29**

[1] See “Share of associate's net loss and revaluation gains” in our MD&A.
[2] See “Note 13 [e] - Other expenses (income)” in our consolidated financial statements.
[3] See “Equity swap” in our MD&A.
[4] Transaction costs associated with completed and ongoing mergers and acquisitions activities.
[5] Includes legal expense, legal provisions, movements in contingent considerations and due to vendors, and transitional contractual employment expenses.
[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 is a result of a write-down in fixed assets and intangible assets.
[8] This is a non-IFRS measure. See the “NON-IFRS and OTHER FINANCIAL MEASURES” section of this press release for more information on each non-IFRS measure.
[9] This is a non-IFRS ratio. See the “NON-IFRS and OTHER FINANCIAL MEASURES” section of this press release for more information on each non-IFRS ratio.

MD&A and Financial Statements

AGI's consolidated financial statements and MD&A for the three- and nine-month periods ended September 30, 2022 can be obtained at https://www.newswire.ca/news-releases/ and will also be available 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 Wednesday, November 9, 2022, at 8:00am EST to discuss its results for the three- and nine-month periods ended September 30, 2022. 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 9386 for the audio replay.

Company Profile

AGI is a provider of the physical equipment and digital technology solutions required to support global food infrastructure including grain, fertilizer, seed, feed, and food processing systems. AGI has manufacturing facilities in Canada, the United States, the United Kingdom, Brazil, India, France, and Italy and distributes its product globally.

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.

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NON-IFRS AND OTHER FINANCIAL MEASURES

This press release makes reference to certain specified financial measures, including non-IFRS financial measures (historical and forward-looking), 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 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”) (historical and forward-looking) and “Adjusted Profit”; (ii) non-IFRS ratios: “Adjusted EBITDA margin %” and “diluted Adjusted Profit per share”; and (iii) supplementary financial measures: "backlog", "sales by 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, share of associate’s net loss, revaluation gains, gain or loss on foreign exchange, non-cash share-based compensation expenses, gain or loss on financial instruments, M&A (recovery) expenses, transaction, transitional and other costs, net loss or gain on the sale of property, plant & equipment, loss or gain on settlement of lease liability, equipment rework, gain on disposal of operation, fair value of inventory from acquisition 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” for the reconciliation of Adjusted EBITDA to profit (loss) before income taxes for the current and 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 excludes the impacts of finance costs, depreciation and amortization, share of associate’s net loss, revaluation gains, gain or loss on foreign exchange, non-cash share-based compensation expenses, gain or loss on financial instruments, M&A (recovery) expenses, transaction, transitional and other costs, net loss or gain on the sale of property, plant & equipment, loss or gain on settlement of lease liability, equipment rework, gain on disposal of operation, fair value of inventory from acquisition and impairment.

“**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.

“**Adjusted profit**” is defined as profit or loss adjusted for the share of associate’s net loss, revaluation gains, gain or loss on foreign exchange, gain or loss on financial instruments, M&A (recovery) expenses, transaction, transitional and other costs, net gain or loss on sale of property, plant and equipment, loss or gain on settlement of lease liability, equipment rework, gain on disposal of operation, fair value of inventory from acquisition and impairment. Adjusted profit is a non-IFRS financial measures and its most directly comparable financial measure that is disclosed in our consolidated financial statements is profit or loss. Management believes adjusted profit is a useful measure to assess the performance of the Company as it provides more meaningful operating results by excluding the effects of expenses that are not reflective of our underlying business performances. See "Diluted profit (loss) per share and diluted adjusted profit per share” for the reconciliation of adjusted profit to profit (loss) for the current and comparative periods.

“**Backlogs**” are 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. Backlog is a supplementary financial measure.

“**Diluted Adjusted Profit Per Share**” is defined as Adjusted Profit divided by the total weighted average number of outstanding diluted shares of AGI at the end of the most recently completed quarter for the relevant period. Diluted Adjusted Profit Per Share is a non-IFRS ratio because one of its components, Adjusted Profit, is a non-IFRS financial measure. Management believes Diluted Adjusted Profit Per Share is a useful measure to assess the performance of the Company.

"**Sales by Segment and Geography**": The sales information in this press release that is presented on a segment or geographic basis (including under "Consolidated Segment Results Summary") are supplementary financial measures and are used to present the Company's sales by segment, product group and geography.

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 business and strategy; our outlook for our financial and operating performance in Q4 2022 and fiscal 2022 and 2023, including by segment and by geographic region, and including our expectations for our future financial results (including our forecast for full year 2022 Adjusted EBITDA and our belief that fiscal 2022 will be another record year with good momentum heading into 2023), industry demand and market conditions, growth prospects, and the anticipated ongoing impacts of the COVID-19 pandemic on our business (including potential supply chain disruptions and temporary production suspensions), operations and financial results; the estimated costs to the Company that may result from the remediation work disclosed in our MD&A under “Remediation costs and equipment rework”, including the costs of remediation, and the availability of insurance coverage to offset such costs; matters relating to litigation arising as a result of the matters disclosed in our MD&A under “Remediation costs and equipment rework”; the estimated costs to the Company from ongoing equipment rework; our ability to mitigate the impact of inflation; our ability to lessen the seasonality of our business; the factors that may impact our working capital requirements; the sufficiency of our liquidity and capital resources; long-term fundamentals and growth drivers of our business; future payment of dividends and the amount thereof; and with respect to our ability to achieve the expected benefits of recent acquisitions and the contribution therefrom. Such forward-looking information reflects our current beliefs and is based on information currently available to us, including certain key expectations and assumptions concerning: the anticipated impacts of the COVID-19 pandemic on our business, operations and financial results; future debt levels; anticipated grain production in our market areas; financial performance; the financial and operating attributes of recently acquired businesses and the anticipated future performance thereof and contributions therefrom; business prospects; strategies; product and input pricing; regulatory developments; tax laws; the sufficiency of budgeted capital expenditures in carrying out planned activities; political events; currency exchange and interest rates; the cost of materials, labour and services; the value of businesses and assets and liabilities assumed pursuant to recent acquisitions; 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 timing and payment of dividends; the ability of the Company to obtain financing on acceptable terms; the regulatory framework in the jurisdictions in which the Company operates; and the ability of the Company to successfully market its products and services. 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, including the effects of global outbreaks of pandemics or contagious diseases or the fear of such outbreaks, such as the recent COVID-19 pandemic, including the effects on the Company's operations, personnel, and supply chain, the demand for its products and services, its ability to expand and produce in new geographic markets or the timing of such expansion efforts, and on overall economic conditions and customer confidence and spending levels, changes in international, national and local macroeconomic and business conditions, as well as sociopolitical conditions in certain local or regional markets, including as a result of the conflict between Russia and Ukraine and the response thereto from other countries and institutions (including trade sanctions and financial controls), which could adversely impact economic and trade activity across Europe and perhaps worldwide, weather patterns, crop planting, crop yields, crop conditions, the timing of harvest and conditions during harvest, the ability of management to execute the Company’s business plan, seasonality, industry cyclicality, volatility of production costs, agricultural commodity prices, the cost and availability of capital, currency exchange and interest rates, the availability of credit for customers, competition, AGI’s failure to achieve the expected benefits of recent acquisitions including to realize anticipated synergies and margin improvements; changes in trade relations between the countries in which the Company does business including between Canada and the United States; cyber security risks; the risk that the assumptions and estimates underlying the provision for remediation related to the matters disclosed in our MD&A under “Remediation costs and equipment rework” and insurance coverage for such matters will prove to be incorrect as further information becomes available to the Company; and the risk of litigation or unsuccessful defense of litigation in respect of equipment or work previously supplied or completed or in respect of other matters and the risk that AGI incurs material liabilities in connection with such litigation that are not covered by insurance in whole or in part. These and other risks and uncertainties are described under “Risks and Uncertainties” in our MD&A 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 backlogs 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 backlogs, which can adversely affect the revenue and profit that AGI actually receives from its backlogs. 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 matters disclosed in our MD&A under "Remediation costs and equipment rework" 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.

RUSSIA-UKRAINE CONFLICT

AGI's exposure to Russia and Ukraine varies year-to-year, but the region generally contributes about 3% of AGI's consolidated sales annually. AGI has no production facilities in either country. Given the contributions of Brazil, India, and the rest of the EMEA region, AGI is more diversified from the region than we were in years past. While the region is important to AGI, any negative impacts would not be material to AGI overall.

FINANCIAL OUTLOOK

Also included in this press release is an estimate of AGI's 2022 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 (i) the Adjusted EBITDA contribution that AGI anticipates receiving in 2022 from Eastern, which was acquired by AGI on January 4, 2022 (see "2022 ACQUISITION – Eastern Fabricators" in our MD&A for further details regarding the acquisition of Eastern), and (ii) the Adjusted EBITDA contribution that AGI anticipates receiving from revenue growth in 2022 in part from the YOY increase in AGI's backlogs at September 30, 2022. To the extent such estimate constitutes a financial outlook, it was approved by management on November 8, 2022 and is included to provide readers with an understanding of AGI's anticipated 2022 Adjusted EBITDA based on the assumptions described herein and readers are cautioned that the information may not be appropriate for other purposes.

RECONCILIATION OF ADJUSTED EBITDA TO PROFIT (LOSS) BEFORE INCOME TAXES FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

The following table reconciles profit (loss) before income taxes to Adjusted EBITDA for the years ended December 31, 2021 and 2020:

	Year Ended December 31	
	2021	2020
[thousands of dollars]	$	$
Profit (loss) before income taxes	**9,383**	**(80,966)**
Finance costs	43,599	46,692
Depreciation and amortization	62,049	55,271
Share of associate's net loss [1]	1,077	4,314
Gain on remeasurement of equity investment [1]	(6,778)	—
Loss on foreign exchange [2]	2,992	1,730
Share-based compensation [3]	8,551	6,428
(Gain) loss on financial instruments [4]	(1,382)	14,502
M&A expense [5]	3,035	1,736
Change in estimate on variable considerations [6]	11,400	—
Other transaction and transitional costs [7]	12,058	14,326
Net loss on disposal of property, plant and equipment	23	187
Gain on settlement of right-of-use assets	(17)	(3)

Gain on disposal of foreign operation	(898)	—
Equipment rework and remediation [8]	26,100	80,000
Impairment [9]	5,074	5,111
Adjusted EBITDA [10]	**176,266**	**149,328**

[1] See “Share of associate's net loss (gain)” in our management's discussion and analysis and consolidated financial statements for the year ended December 31, 2021 (“2021 Statements”).
[2] See “Note 25 [e] - Other expenses (income)” in our 2021 Statements.
[3] The Company’s share-based compensation expense pertains to our equity incentive award plan and directors’ deferred compensation plan. See “Note 24 – Share-based compensation plans” in our 2021 Statements.
[4] See “Equity swap” in our 2021 Statements.
[5] Transaction 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 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 2021 Statements.
[9] Impairment is a result of a write-down in property, plant and equipment ($1,558) and intangible assets ($3,516). See “Note 12 - Property, plant and equipment” and “Note 15 – Intangible assets” in our 2021 Statements.
[10] This is a non-IFRS measure. See the “NON-IFRS and OTHER FINANCIAL MEASURES” section of this press release for more information on each non-IFRS measure.