

AgJunction Reports Fourth Quarter and Full Year 2018 Earnings Results

SCOTTSDALE, AZ, March 20, 2019 – AgJunction Inc. (TSX: AJX) ("AgJunction" or the "Company"), the Autosteering Company™, is reporting financial results for the fourth quarter and full year ended December 31, 2018. All currency amounts are expressed in U.S. dollars.

Fourth Quarter 2018 Financial Highlights vs. Fourth Quarter 2017

- Revenue up 73% to \$17.1 million versus \$9.9 million.
- Gross margin was 30.9% compared to 38.9%.
- Net income improved to \$3.1 million or \$0.03 per share, versus a net loss of \$2.7 million or \$(0.02) per share.
- EBITDA increased to \$3.7 million versus \$(2.5) million.

Full Year 2018 Financial Highlights vs. 2017

- Revenue up 38% to \$64.5 million versus \$46.8 million.
- Gross margin was 36.9% compared to 41.5%.
- Net income improved to \$1.5 million or \$0.01 per share, versus a net loss of \$2.7 million or \$(0.02) per share.
- EBITDA increased to \$3.4 million versus \$(1.0) million.

Management Commentary

"2018 was a transformative year for AgJunction as we shifted our entire focus to providing autosteering solutions that are effective, easy-to-use and affordable for all farmers," said Dave Vaughn, president and CEO of AgJunction. "To deliver on this objective, we introduced our revolutionary new Wheelman™ product in the third quarter. This product delivers a complete and affordable autosteering system designed to be installed by a farmer in less than one hour and is powered by our proprietary Whirl™ software, which precisely steers farming equipment while providing data to better inform farmers on improving efficiency practices.

"Given our sharpened focus, we sold our Outback Guidance® and Satloc® businesses in the latter half of 2018 to ensure all our resources were being dedicated to providing farmers with the most affordable and highest-quality autosteering solutions. We also licensed a portion of our technology to Hemisphere GNSS and Raven Industries earlier in the year as the commercialization of our extensive patent portfolio remains an important component of our strategy going forward.

"During the fourth quarter, several headwinds and uncertainties remained in the worldwide agriculture market given higher tariffs and lower grain prices. Amid these market challenges, it has become imperative for all farms to have the necessary tools to remain profitable. Autosteering is the foundation of precision agriculture and is a critical device necessary to reduce input costs and increase crop yields. It is our goal to provide millions of small farms with an inexpensive solution to bolster harvest profitability.

"In effort to expand our offerings to more farmers, in the fourth quarter we signed a long-term agreement with Mahindra, the world's largest tractor company by volume. This agreement gives Mahindra access to our world-class engineering team and technology, while providing AgJunction the opportunity to significantly expand into Asia and other strategic markets through Mahindra's supply

chain and extensive global presence.

“Looking to 2019, we will continue to benefit from the bulk purchase order, announced in March 2018, through the end of the second quarter. We also remain committed to marketing the new lineup of Wheelman products launched in early February 2019 and will continue to invest in R&D to enhance our portfolio of products available to all farmers at an affordable price.”

Fourth Quarter 2018 Financial Results

Total revenue in the fourth quarter of 2018 increased 73% to \$17.1 million compared to \$9.9 million in the fourth quarter of 2017. This was primarily driven by an increase in sales in the Europe, Middle East and Africa (EMEA) region associated with the previously disclosed bulk purchase order.

Gross profit in the fourth quarter of 2018 increased 37% to \$5.3 million compared to \$3.9 million in the fourth quarter of 2017. Gross margin was 30.9% compared to 38.9% in the fourth quarter of 2017. The margin decline was primarily due to a lower margin mix of products associated with the bulk purchase order.

Total operating expenses in the fourth quarter of 2018 improved to \$4.4 million compared to \$6.8 million in the fourth quarter of 2017, primarily driven by the capitalization of development costs and a decrease in employee compensation costs. As a percentage of revenue, operating expenses declined significantly to 26.0% compared to 69.2% in the fourth quarter of 2017 due to the increase in revenue.

Net income in the fourth quarter of 2018 increased significantly to \$3.1 million or \$0.03 per share, compared to a net loss of \$2.7 million or \$(0.02) per share in the fourth quarter of 2017. The improvement was driven by the aforementioned increase in revenue, along with the decrease in total operating expenses.

EBITDA in the fourth quarter of 2018 increased to \$3.7 million compared to \$(2.5) million in the fourth quarter of 2017.

Cash and cash equivalents at the end of the fourth quarter of 2018 totaled \$21.4 million compared to \$13.9 million at the end of 2017. Working capital was \$26.7 million compared to \$20.3 million at the end of 2017. The Company continues to carry no debt and has access to its full \$3.0 million line of credit.

Full Year 2018 Financial Results

Total revenue in 2018 increased 38% to \$64.5 million compared to \$46.8 million in 2017. This was driven by an increase in sales in the EMEA region associated with the bulk purchase order.

Gross profit in 2018 increased 25% to \$23.8 million compared to \$19.4 million in 2017. Gross margin was 36.9% compared to 41.5% in 2017. The decrease was primarily due to a lower margin mix of products sold versus the prior period.

Total operating expenses in 2018 increased slightly to \$25.7 million compared to \$25.4 million in the prior year, primarily due to greater R&D costs associated with the Company investing in improving and developing new products. As a percentage of revenue, operating expenses in 2018 improved to 39.8% compared to 54.2% in 2017.

Net income in 2018 improved to \$1.5 million or \$0.01 per share, compared to a net loss of \$2.7 million or \$(0.02) per share in 2017.

EBITDA in 2018 increased to \$3.4 million compared to \$(1.0) million in 2017.

Conference Call

AgJunction will hold a conference call tomorrow at 11:00 a.m. Eastern time to discuss its fourth quarter and full year 2018 results, followed by a question-and-answer session.

Date: Thursday, March 21, 2019

Time: 11:00 a.m. Eastern time (8:00 a.m. Pacific time)

Toll-free dial-in number: 1-888-231-8191

International dial-in number: 1-647-427-7450

Conference ID: 1395243

Please call the conference telephone number 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Liolios at 1-949-574-3860.

The conference call will be broadcast live and available for replay via the investor center section of the Company's website at <http://www.corp.agjunction.com/>.

A replay of the conference call will be available after 2:00 p.m. Eastern time on the same day through April 4, 2019.

Toll-free replay number: 1-855-859-2056

International replay number: 1-416-849-0833

Replay ID: 1395243

About AgJunction

AgJunction Inc., the Autosteering Company™ is a global leader of advanced guidance and autosteering solutions for precision agriculture applications. Its technologies are critical components in over 30 of the world's leading precision Ag manufacturers and solution providers and it holds over 130 fundamental steering and machine control patents. AgJunction markets its solutions under leading brand names including Novariant®, Wheelman™, and Whirl™ and is committed to advancing its vision by bringing affordable hands-free farming to every farm, regardless of terrain or size. AgJunction has locations in California, Arizona, and Australia, and is listed on the Toronto Stock Exchange (TSX) under the symbol "AJX." For more information, please go to AgJunction.com.

Non-IFRS Measures

This press release uses EBITDA, which is a financial measure that does not have any standardized meaning prescribed under International Financial Reporting Standards ("IFRS"). EBITDA is defined as net income before interest, income tax, depreciation and amortization. The Company believes that this non-IFRS measure provides useful information to both management and investors in measuring financial performance. As this measure, does not have a standard meaning prescribed by IFRS, it may not be comparable to similarly titled measures presented by other publicly traded companies, and should not

be construed as an alternative to other financial measures determined in accordance with IFRS. This non-IFRS measure is provided as additional information to complement IFRS measures by providing further understanding of operations from management's perspective. Accordingly, non-IFRS measures should never be considered in isolation nor as a substitute to using net income as a measure of profitability or as an alternative to the IFRS consolidated statements of income or other IFRS statements. See " Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) Reconciliation" herein for additional information.

Forward-Looking Statements

This press release contains forward-looking information and forward-looking statements (collectively, "forward-looking information") within the meaning of applicable securities laws and is based on the expectations, estimates and projections of management of AgJunction as of the date of this news release, unless otherwise stated. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information. Such forward-looking information is provided for the purpose of providing information about management's current expectations and plans relating to its current and future operations. These statements are only predictions and actual events or results may differ materially. Although the Company's management believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, performance or achievement since such expectations are inherently subject to significant business, economic, competitive and political uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by the Company. In particular, forward-looking statements in this press release include, but are not limited to statements with respect to: the Company's strategy, plans, objective and focus; expectations of the agricultural market; benefits to be derived by AgJunction from its agreement with Mahindra; timing of marketing certain products; and benefits of the large bulk purchase order and the associated timing thereof. Investors are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Accordingly, readers should not place undue reliance on such forward-looking information contained in this press release.

In respect of the forward-looking information, AgJunction has provided such information in reliance on certain assumptions that it believes are reasonable at this time, including, but not limited to, the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labor and services; that AgJunction's future results of operations will be consistent with management expectations in relation thereto; the continued availability of capital at attractive prices to fund future capital requirements relating to existing and future assets and/or projects; future operating costs; that counterparties to material agreements will continue to perform in a timely manner; that there are no unforeseen events preventing the performance of contracts; availability of key supplies, components, services, networks and developments; the impact of increasing competition; conditions in general economic, agricultural and financial markets; demand for the Company's products; and the continuity of existing business relationships.

Since forward-looking information addresses future events and conditions, such information by its very nature involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks associated with the industries in which AgJunction operates; ability to access sufficient capital from

internal and external sources; changes in legislation; departure of key personnel or consultants; competition; inability to introduce new technology and new products in a timely manner; legal claims for the infringement of intellectual property and other claims; fluctuation in foreign exchange or interest rates; uncertainties in the global economy; negative conditions in general economic, agricultural and financial markets; availability of key supplies and components; product liability; reduced demand for the Company's products; and changes in the Global Navigation Satellite System and other systems outside of our control. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the Company's operations or financial results, are included in reports of AgJunction on file with applicable securities regulatory authorities, including but not limited to, AgJunction's Annual Information Form which may be accessed on its SEDAR profile at www.sedar.com.

The forward-looking information contained in this press release is made as of the date hereof and AgJunction undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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AgJunction Inc.

Consolidated Statements of Financial Position
(Expressed in U.S. dollars)

(\$000s)	December 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 21,398	\$ 13,893
Accounts receivable, net	8,508	4,185
Current portion of note receivable, net	320	-
Inventories	5,743	7,627
Contract assets, net	58	-
Prepaid expenses and deposits	1,286	990
	37,313	26,695
Contract assets, net	185	-
Note receivable, less current portion, net	1,083	-
Property, plant and equipment, net	1,434	2,899
Intangible assets, net	9,689	9,856
Goodwill	143	143
	\$ 49,847	\$ 39,593
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 8,500	\$ 5,649
Provisions	999	629
Contract liabilities, net	84	-
Current portion of deferred revenue	1,048	149
	10,631	6,427
Contract liabilities, net	96	-
Deferred revenue, less current portion	4,177	100
Total liabilities	14,904	6,527
Shareholders' equity:		
Share capital	148,475	146,896
Equity reserve	4,892	5,805
Accumulated deficit	(118,424)	(119,635)
	34,943	33,066
	\$ 49,847	\$ 39,593

AgJunction Inc.

Consolidated Statements of Profit or Loss

Three and twelve months ended December 31, 2018 and 2017

(Expressed in U.S. dollars)

(\$000s)	Three months ended December 31,		Twelve months ended December 31,	
	2018	2017	2018	2017
Sales	\$ 17,103	\$ 9,889	\$ 64,515	\$ 46,781
Cost of sales	11,815	6,039	40,705	27,360
Gross profit	5,288	3,850	23,810	19,421
Expenses:				
Research and development	1,157	2,514	8,487	8,210
Sales and marketing	1,090	1,796	7,096	7,776
General and administrative	2,196	2,529	10,103	9,391
	4,443	6,839	25,686	25,377
Operating (loss)	845	(2,989)	(1,876)	(5,956)
Foreign exchange (gain) loss, net	13	(13)	(43)	4
Interest and other income	(92)	-	(122)	(18)
Other income	-	-	-	(3,000)
Loss (gain) on sale of property, plant and equipment	-	-	(13)	19
Gain on sale of division	(2,214)	-	(3,157)	-
	(2,293)	(13)	(3,335)	(2,995)
Net (loss) income before income tax	3,138	(2,976)	1,459	(2,961)
Income tax benefit	(5)	(309)	(5)	(290)
Net (loss)	\$ 3,143	\$ (2,667)	\$ 1,464	\$ (2,671)
Earnings per share:				
Basic and diluted (loss) per share	\$ 0.03	\$ (0.02)	\$ 0.01	\$ (0.02)

AgJunction Inc.

Consolidated Statements of Cash Flows
 Years ended December 31, 2018 and 2017
 (Expressed in U.S. dollars)

(\$000s)	2018	2017
Cash flows from operating activities:		
Net (loss)	\$ 1,464	\$ (2,671)
Items not involving cash:		
Depreciation	603	681
Amortization	1,237	1,267
Share-based payment transactions	666	812
Allowance on trade receivables	(181)	172
Write down of inventory to net realizable value	(7)	601
Loss on disposal of property, plant and equipment	(13)	19
Gain on sale of divisions	(3,157)	-
Change in non-cash operating working capital:		
Accounts receivable	(4,285)	419
Inventories	(2,213)	(2)
Contract assets	(54)	-
Prepaid expenses and deposits	(341)	(16)
Accounts payable and accrued liabilities	2,884	1,969
Provisions	601	84
Contract liabilities	(262)	-
Deferred revenue	5,142	(115)
Cash flows from operating activities	2,084	3,220
Cash flows from (used in) financing activities:		
Purchase and cancellation of common shares	-	(1,767)
Cash flows from (used in) financing activities	-	(1,767)
Cash flows from (used in) investing activities:		
Notes receivable, net	19	-
Proceeds from the sale of property, plant, and equipment	107	1
Purchase of property, plant and equipment	(777)	(424)
Intangible asset addition	(1,763)	-
Proceeds from the sale of divisions	7,835	-
Cash flows from (used in) investing activities	5,421	(423)
Increase (decrease) in cash position	7,505	1,030
Cash and cash equivalents, beginning of year	13,893	12,863
Cash and cash equivalents, end of period	\$ 21,398	\$ 13,893
Supplemental Schedule of Noncash Investing and Financing Activities:		
Notes receivable received in connection with sale of division	\$ 1,422	\$ -

AgJunction Inc.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) Reconciliation
Three and twelve months ended December 31, 2018 and 2017
(Expressed in U.S. dollars)

(\$000s)	Three months ended December 31,		Twelve months ended December 31,	
	2018	2017	2018	2017
Net income (loss)	\$ 3,143	\$ (2,667)	\$ 1,464	\$ (2,671)
Interest income	119	–	89	–
Income tax benefit, net	–	(309)	–	(290)
Depreciation	105	173	603	681
Amortization	291	318	1,237	1,267
EBITDA	\$ 3,658	\$ (2,485)	\$ 3,393	\$ (1,013)