

AgJunction Reports Third Quarter 2017 Earnings Results

HIAWATHA, KS, November 8, 2017 – AgJunction Inc. (TSX: AJX) ("AgJunction" or the "Company"), a leading provider of innovative hardware and software solutions for precision agriculture worldwide, reported financial results for the third quarter ended September 30, 2017. All currency amounts are expressed in U.S. dollars.

Highlights

- Third quarter revenue up 35% year-over-year to \$9.0 million; up 8% year-to-date to \$36.9 million.
- Third quarter gross margin increased 310 basis points to 36.0%; up 210 basis points year-to-date to 42.2%.
- Third quarter net loss improved to \$3.1 million (\$0.02 per share) versus a loss of \$14.4 million (\$0.12 per share) in the year-ago quarter; year-to-date net loss of nil (\$0.00 per share) versus a loss of \$15.3 million ((\$0.12) per share) year-to-date 2016.
- Third quarter adjusted EBITDA was unchanged at \$(2.6) million; up year-to-date to \$1.4 million versus \$(2.6) million year-to-date 2016.
- Cash at September 30, 2017 was \$16.0 million, up \$3.2 million since December 31, 2016.

Management Commentary

"Our third quarter marked the second consecutive quarter of double-digit year-over-year revenue growth, driven by healthy OEM demand in two of our three major regions," said Dave Vaughn, president and CEO of AgJunction. "We remain ahead of our operating plan and see signs of market optimism as more of our customers are realizing the benefits of Precision Ag to drive profits. Given our progress and this recent optimism, we have begun to increase our investment in R&D and marketing in preparation for several new projects kicking off early next year."

Third Quarter 2017 Financial Results

Total sales in the third quarter of 2017 increased 35% to \$9.0 million compared to \$6.7 million in the third quarter of 2016. This was driven by strong OEM business growth in the Europe, Middle East and Africa (EMEA) and Americas regions.

Gross profit in the third quarter of 2017 increased 47% to \$3.2 million compared to \$2.2 million in the third quarter of 2016. Gross margin increased 310 basis points to 36.0% compared to 32.9% in the third quarter of 2016. The increase was primarily due to the absorption of production overhead by the higher sales volumes.

Total operating expenses increased to \$6.3 million compared to \$5.3 million in the third quarter of 2016 primarily due to higher employee compensation costs. As a percentage of sales, operating expenses declined to 70.0% compared to 79.1% in the third quarter of 2016.

Net loss in the third quarter was \$3.1 million or \$(0.02) per share, compared to a net loss of \$14.4 million or \$(0.12) per share in the third quarter of 2016. The year-ago quarter included an \$11.3 million non-cash goodwill impairment charge

Adjusted EBITDA in the third quarter of 2017 was unchanged compared to the year-ago quarter at \$(2.6) million.

Cash and cash equivalents at the end of the third quarter of 2017 totaled \$16.0 million compared to \$12.9 million at the end of 2016. Working capital was unchanged from the end of 2016 at \$22.4 million. The Company continues to carry no debt and has access to its full \$3.0 million line of credit.

Conference Call

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

Date: Thursday, November 9, 2017

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: 99333720

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 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 November 23, 2017.

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

International replay number: 1-416-849-0833

Replay ID: 99333720

About AgJunction

AgJunction is a leading provider of innovative hardware and software solutions for precision agriculture worldwide. AgJunction holds numerous patents and markets its products and services under leading brand names including Outback Guidance[®] and Satloc[®], and its autosteering and machine control solutions are critical components in over 30 of the world's leading implement and precision product manufacturers. AgJunction is headquartered in Hiawatha, Kansas, with facilities in Silicon Valley, Arizona, Canada, and Australia, and is listed on the Toronto Stock Exchange (TSX) under the symbol "AJX." For more information, please go to www.agjunction.com.

Non-IFRS Measures

This press release uses adjusted EBITDA, which is a financial measure that does not have any standardized meaning prescribed under International Financial Reporting Standards ("IFRS"). Adjusted EBITDA is defined as net income before interest, income tax, depreciation, amortization and goodwill write off. 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 "Adjusted 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. 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 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

each of 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.

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

(000s)	September 30, 2017 (Unaudited)	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 16,042	\$ 12,863
Accounts receivable, net of bad debt provisions of \$179 and \$74 as of September 30, 2017 and December 31, 2016, respectively	4,532	4,776
Inventories	5,921	8,226
Prepaid expenses and deposits	798	974
	27,293	26,839
Property, plant and equipment, net	2,934	3,176
Intangible assets, net	10,174	11,123
Goodwill	143	143
	\$ 40,544	\$ 41,281
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,156	\$ 3,680
Provisions	620	545
Current portion of deferred revenue	149	206
	4,925	4,431
Deferred revenue, less current portion	136	158
	5,061	4,589
Shareholders' equity:		
Share capital	146,886	148,391
Equity reserve	5,565	5,265
Accumulated deficit	(116,968)	(116,964)
	35,483	36,692
	\$ 40,544	\$ 41,281

AgJunction Inc.

Condensed Consolidated Statements of Profit or Loss

Three and nine months ended September 30, 2017 and 2016

(Unaudited - expressed in U.S. dollars)

(000s)	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Sales	\$ 8,978	\$ 6,657	\$ 36,892	\$ 34,041
Cost of sales	5,749	4,467	21,321	20,396
Gross profit	3,229	2,190	15,571	13,645
Expenses:				
Research and development	1,752	1,756	5,696	5,732
Sales and marketing	2,117	1,570	5,980	5,298
General and administrative	2,418	1,939	6,862	6,700
	6,287	5,265	18,538	17,730
Operating (loss)	(3,058)	(3,075)	(2,967)	(4,085)
Goodwill impairment	—	11,301	—	11,301
Foreign exchange (gain) loss	43	7	17	(30)
Interest and other expense (income)	(20)	(21)	(18)	(61)
Other income	—	—	(3,000)	—
Loss (gain) on sale of property, plant and equipment	1	(5)	19	25
	24	11,282	(2,982)	11,235
Net (loss) income before income tax	(3,082)	(14,357)	15	(15,320)
Income tax	—	—	19	—
Net (loss)	\$ (3,082)	\$ (14,357)	\$ (4)	\$ (15,320)
Earnings per share:				
Basic and diluted (loss) per share	\$ (0.02)	\$ (0.12)	\$ 0.00	\$ (0.12)

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Condensed Consolidated Statements of Cash Flows

Nine months ended September 30, 2017 and 2016

(Unaudited - expressed in U.S. dollars)

(000s)	2017	2016
Cash flows from operating activities:		
Net (loss)	\$ (4)	\$ (15,320)
Items not involving cash:		
Depreciation	507	539
Amortization	949	949
Share-based payment transactions	562	579
Allowance on trade receivables	171	86
Net realizable value write down of inventory	510	686
Loss on disposal of property, plant and equipment	19	24
Goodwill write off	—	11,301
Change in non-cash operating working capital:		
Accounts receivable	73	3,873
Inventories	1,795	2,414
Prepaid expenses and deposits	176	114
Accounts payable and accrued liabilities	476	(2,263)
Provisions	75	(364)
Deferred revenue	(79)	(117)
Cash flows from operating activities	5,230	2,501
Cash flows from (used in) financing activities:		
Payment of finance lease liability	—	(1)
Purchase and cancellation of common shares	(1,767)	—
Issue of common shares	—	87
Cash flows from (used in) financing activities	(1,767)	86
Cash flows (used in) investing activities:		
Proceeds from the sale of property, plant, and equipment	1	12
Purchase of property, plant and equipment	(285)	(326)
Cash flows (used in) investing activities	(284)	(314)
Increase in cash position	3,179	2,273
Cash and cash equivalents, beginning of year	12,863	13,048
Cash and cash equivalents, end of period	\$ 16,042	\$ 15,321

AgJunction Inc.

Earnings Before Interest, Taxes, Depreciation, Amortization and Goodwill Write Off (Adjusted EBITDA) Reconciliation

Three and nine months ended September 30, 2017 and 2016

(Unaudited - expressed in U.S. dollars)

(000s)	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Net income (loss)	\$ (3,082)	\$ (14,357)	\$ (4)	\$ (15,320)
Interest income	(20)	(21)	(18)	(61)
Income tax	—	—	19	—
Depreciation	168	173	507	539
Amortization	315	318	949	949
Goodwill write off	—	11,301	—	11,301
Adjusted EBITDA	\$ (2,619)	\$ (2,586)	\$ 1,453	\$ (2,592)