ANNUAL INFORMATION FORM

For the fiscal year ended
December 31, 2019

March 30, 2020

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this annual information form ("**Annual Information Form**") constitute forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. We believe the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Annual Information Form should not be unduly relied upon. These statements speak only as of the date of this Annual Information Form.

In particular, this Annual Information Form contains forward-looking statements pertaining to, but not limited to, the following:

- AgJunction's plans, strategies and focus and the benefits to be derived therefrom;
- expectation on financial results in 2020 from changes in contractual relationships;
- new and emerging markets;
- customer adoption of technology and products;
- technological developments;
- plans to develop existing and create new customer relationships;
- plans to invest in relationships with manufacturers and suppliers;
- sources of competition;
- expectations in respect of HandsFreeFarm.com;
- opportunities to reduce customer costs;
- drivers of future success;
- market drivers of product innovation;
- adequacy of facilities;
- dividend policy;
- plans to invest resources in research and product development;
- focus on expansion and its anticipated effect on growth opportunities;
- opportunities to mitigate seasonality;
- competition from new market entrants;
- expectations regarding the ability to raise capital;
- statements and outlook relating to the agricultural industry; and
- research and capital expenditures programs.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of, but not limited to, the risk factors set forth below and elsewhere in this Annual Information Form:

- negative conditions in the agricultural, general economic and financial markets;
- inability to introduce new technology and new products in a timely manner;
- departure of key personnel;
- competition;
- reliance on key suppliers and third parties;
- availability of key supplies and components;
- the spread of COVID-19 outbreak could impact our supply chain and our ability to receive products timely from our global suppliers;
- a prolonged economic downturn from the negative effects of COVID-19 could result in reduction or loss of revenue;
- changes in the Global Navigation Satellite System ("**GNSS**") and other systems outside of our control;
- costs to purchase GNSS and other components could increase significantly;
- misappropriation of proprietary information;
- changes in income tax laws and other government regulations;

- political uncertainty, tariffs and other trade barriers;
- losses from credit exposures;
- product liability;
- incorrect assessments of the value of acquisitions;
- fluctuation in foreign exchange or interest rates;
- conflicts of interest;
- successful development of new and emerging markets that we serve;
- damage or loss of use of physical facilities;
- legal claims for the infringement of intellectual property and other claims;
- other legal risks;
- stock market volatility and market valuations;
- cyber security risks;
- impact on our business caused by epidemics and pandemics; and
- other factors discussed under "Risk Factors".

With respect to forward-looking statements contained in this document, we have made assumptions regarding, among other things: future technological developments; availability of key supplies, components, services, networks and developments; future exchange rates; the cost of expanding AgJunction's product lines; the impact of increasing competition; the nature and outcome of legal proceedings; the continuity of existing business relationships; conditions in general economic and financial markets; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services; that AgJunction's future results of operations will be consistent with past performance and management expectations in relation thereto; the continued availability of capital at attractive prices to fund future capital requirements relating to existing assets and projects; ability to obtain financing on acceptable terms; future operating costs; that counterparties to material agreements will continue to perform in a timely manner; and that there are no unforeseen events preventing the performance of contracts.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this Annual Information Form in order to provide shareholders with a more complete perspective on AgJunction's current and future operations and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement. Readers should also carefully consider the matters discussed under the heading "*Risk Factors*" in this Annual Information Form. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements.

GENERAL MATTERS

This Annual Information Form contains company names, product names, trade names, trademarks and service marks of AgJunction and other organizations, all of which are the property of their respective owners.

CORPORATE STRUCTURE

AgJunction Inc. (the "**Company**", "**AJX**", "**AgJunction**", "**us**", "**we**", or "**our**", and where the context requires, also includes our predecessors and our subsidiaries) was incorporated as Canadian Systems International Inc. pursuant to the *Business Corporations Act* (Alberta) (the "**ABCA**") on July 31, 1990. On October 26, 1992, the Company changed its name to Communication Systems International Inc. On June 21, 2000, the Company changed its name to CSI Wireless Inc. On May 9, 2007, the Company changed its name to Hemisphere GPS Inc. On May 24, 2013, the Company changed its name to AgJunction Inc.

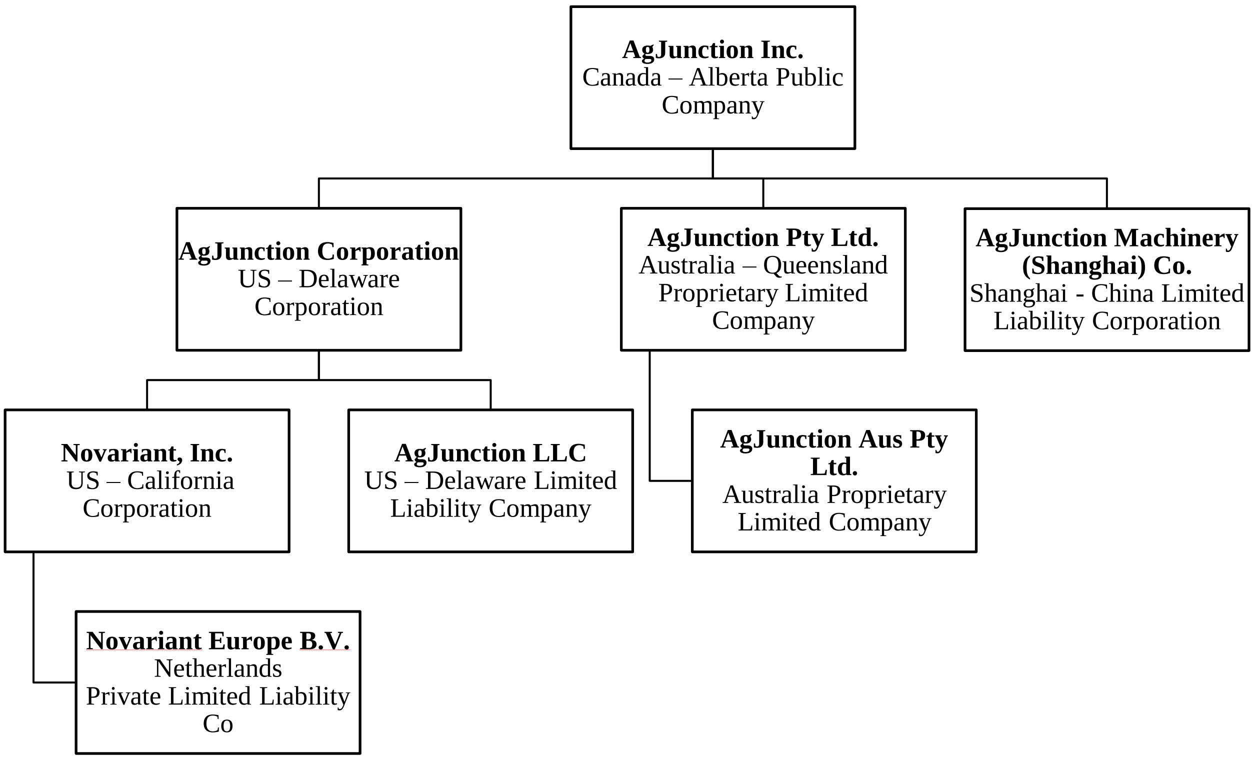
Effective April 30, 1996, the Company amended its articles to effect, among other things, a re-designation of the Company's Class A common shares to common shares of the Company ("**Common Shares**"), a stock split of the Common Shares on a 12,500 to 1 basis and to delete the "private company" share transfer restrictions. On May 23, 2013, the Company amended the "Other Provisions" contained in the articles of the Company to allow the Company to hold meetings of shareholders at any place within or outside of the Province of Alberta.

Our corporate office is located at 9105 E Del Camino #115, Scottsdale, Arizona, 85258. The Company's registered office is located at 2400, 525-8th Avenue S.W., Calgary, Alberta T2P 1G1.

The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "AJX".

Inter-Corporate Relationships

The following chart sets forth, as of the date hereof, the name of each of our active subsidiaries and the jurisdiction of incorporation and laws of incorporation of each. Each of the subsidiary companies is a wholly owned subsidiary of its parent.



GENERAL DEVELOPMENT OF THE BUSINESS

Recent Developments

In March 2020, after completing an extensive evaluation of our business over several months, AgJunction implemented a refined strategy which it believes best suits the evolving needs of its manufacturing and supplier customer base adapting to a rapidly transforming market. The three key priorities in AgJunction's refined strategy are:

1. Refocus on manufacturing and supplier customers;
2. Offering flexibility through modularization; and
3. Realignment of capital resources.

For additional disclosure on our business strategy see "*Description of Our Business – Business Strategy*".

On March 31, 2020, we are launching a new Generation 5 High-Torque Mechanical Drive Unit, MDU-G5 TORQUE which is a high-torque, weatherproof autosteering solution designed for a wide variety of off-road machines, including agriculture vehicles such as tractors, combines and sprayers.

On March 18, 2020, we announced we agreed with Kubota Corporation ("**Kubota**") to a 60-day stay in the patent infringement lawsuit we filed against the tractor-maker on August 30, 2019.

On March 11, 2020, we reported that we had been informed by one of our largest customers that it will not be renewing its supply agreement with AgJunction when it expires at the end of 2020. The Company does not expect this to impact the financial results for 2020.

On January 31, 2020, we announced that our Board and senior leadership team reviewed, among other things, the Company's strategy. As a result of this review, the Company made the following management changes: M. Brett McMickell was appointed President and Chief Executive Officer and appointed to our Board and Deborah Mack was appointed Interim Chief Financial Officer, replacing Scott Steinman who departed as Chief Financial Officer. Further the Company announced the departure of Jeff Morris, Senior Vice President and Chief Marketing Officer.

Three-Year History

This section discusses the major events or conditions that have influenced the general development of the Company over the last three completed financial years, as applicable, including significant acquisitions and dispositions that have occurred. All financial information referenced in this Annual Information Form is denominated in US dollars, unless otherwise indicated.

2019

On December 5, 2019, we announced that Lori Ell, the Chair of our Board, was appointed Interim President and Chief Executive Officer, following the departure of David E. Vaughn as President and Chief Executive Officer.

On August 30, 2019, we filed a patent infringement lawsuit in the Northern District of Georgia against Kubota and several of its subsidiaries. The lawsuit alleges that Kubota products violate three of our patents related to automated machine control and implement steering.

On May 9, 2019, we announced the partnership with Swift Navigation to combine our autosteering technology with the Duro® RTK GNSS receiver from Swift Navigation. It is anticipated that the research resulting from this partnership will ultimately result in lower cost near-autonomous small tractor solutions for agricultural applications.

On April 10, 2019, we announced the future closings of our facilities in Fremont, California and Brisbane, Australia, as part of our ongoing consolidation strategy. The closing of these facilities resulted in a 23% reduction in workforce to the end of 2019 and an approximate 10% decrease in our operating expenses. Our facilities in California and Australia closed effective December 31, 2019.

On March 19, 2019, we announced the Whirl™ mobile app, an autosteering mobile app that eliminates the need for an expensive display. The Whirl™ mobile app, is used to control Wheelman® products and is available on iOS and Android mobile devices.

On February 12, 2019, we announced the expansion of the Wheelman® product line to include Wheelman Flex, a portable version of Wheelman® that can be moved easily between farm equipment, further reducing the overall cost of outfitting a farming operation with autosteering. Additionally, the Wheelman® product line offers install kits to work on over 850 makes and models of existing farm equipment.

2018

On November 15, 2018, we closed the sale of our SATLOC® aerial guidance and flow control business to Texas Transland, LLC. The sale included all of the SATLOC assets and the SATLOC trademark.

On November 8, 2018, we announced the relocation of our corporate headquarters from Hiawatha, Kansas to Scottsdale, Arizona as part of our overall strategy to align our costs with our business strategy.

On September 4, 2018, we closed the sale of our Outback Guidance business and assets to Hemisphere GNSS, Inc. ("**Hemisphere**"), which included the sale of the Outback Guidance® brand, the REBEL™ autosteering products, and our Hiawatha, Kansas and Winnipeg, Canada facilities. As part of the transaction, we entered into a technology licensing agreement with Hemisphere whereby Hemisphere received a non-exclusive license to certain of our patents associated with the Outback business. The sale terms included a long-term royalty-bearing, license agreement with Hemisphere whereby Hemisphere receives a non-exclusive license to certain of our intellectual property used in other Hemisphere products.

On August 13, 2018, we introduced Wheelman®, a complete, do-it-yourself autosteering system for farm equipment for under $4,000. Wheelman® is available online and is designed to allow for installation in less than an hour on most equipment.

On April 12, 2018, we launched our online store, HandsFreeFarm.com, a web marketplace which provides low-cost precision agriculture solutions to U.S. farmers, opening a new market to smaller farms for our products. In conjunction with launching our online store, we released a new product, RANGER™ which is a complete low-cost GPS guidance solution.

On March 13, 2018, we entered into a bulk purchase order with a customer to deliver products for an aggregate purchase price of approximately $55 million. Deliveries and payments under the purchase order occurred between July 1, 2018, and August 31, 2019.

On January 8, 2018, we launched REBEL™, an affordable, all-in-one autosteering solution that is simple-to-use and simple-to-buy. Launched under the Outback Guidance® brand, REBEL was the first step in AgJunction's commitment to expand the hands-free revolution to every farmer through its commitment to make autosteering more affordable.

On January 2, 2018, we filed a patent infringement lawsuit in the Western District of Texas against Raven Industries, Inc. ("**Raven**"). The lawsuit alleged that Raven products violated three of our patents related to automated mechanical steering, implement steering, and system calibration technologies. On July 11, 2018, we reached a mutually agreeable business solution with Raven, whereby Raven was granted a non-exclusive license to a significant portion of our extensive patent portfolio in exchange for upfront and ongoing royalty payments.

2017

On June 27, 2017, we announced that we had repurchased and returned to treasury for cancellation 7,852,989 of our Common Shares under an arm's length private transaction for consideration of $1,766,923.

On March 20, 2017, we announced that we entered into a new strategic agreement with Hemisphere. For a one-time payment received by AgJunction and a new long-term supply agreement, AgJunction agreed to release Hemisphere from a license restriction that prevented them from selling their GNSS products directly into the global agricultural market. Supply and market restriction agreements previously created between AgJunction and Hemisphere ended in 2016 while the market restriction agreements continued indefinitely.

SIGNIFICANT ACQUISITIONS

We did not complete any significant acquisitions during our most recently completed financial year for which disclosure is required under Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

DESCRIPTION OF OUR BUSINESS

General

The Company is a global leader in the development, sale and licensing of flexible modular solutions for off-road automation applications. Its technologies are critical components in over 30 of the world's leading precision agricultural manufacturers and solution providers and it holds over 200 patents and patents pending in vehicle automation. The Company's markets its solutions under leading brand names including Novariant®, Wheelman® and Whirl™.

The Company's products and solutions offer precision guidance and positioning, autosteering and machine automation for the agriculture markets and are used throughout a farming operation during tilling, planting, spraying and harvesting. The Company's products and solutions automates a farmer's machine to require as little additional input from the farmer as possible. This requires a substantial expertise in technologies like GNSS, position and motion sensors, situational awareness technologies like LiDAR, radar and cameras etc., understanding hydraulics and machine automation, and various types of vehicle communication protocols.

Industry Growth

The fourth agricultural revolution parallels the fourth industrial revolution, which combines connectivity, machine learning, and automation to increase productivity. Agriculture is rapidly transitioning into a more automated, connected, and data driven market. The first agricultural revolution involved new crop rotation techniques that led to increases in agricultural yield. The second agricultural revolution arrived during the advent of increased mechanization, from 1900 to 1930. The average farmer produced enough food to feed about 26 people during this time. The 1990s prompted the third agricultural revolution, or the Green Revolution, with new methods of genetic modification, which led to the average farmer producing enough food to feed about 155 people. It is expected that by 2050, the global population will reach about 9.6 billion, and food production must effectively double from current levels in order to feed that population. With new technological advancements in precision, automation, and machine learning, it is estimated that the average farmer will be able to produce enough food to feed 265 people on the same acreage.[1]

At the heart of precision agriculture is autosteering, and the majority of the 200,000 largest farms in the world (those greater than 1,000 acres/400 hectares) have adopted autosteering technology. The penetration into large farms and the adoption of autosteering in this segment has now created an opportunity to introduce such products to the world's 10 million smaller annual crop farms (between 10 – 1,000 acres/4 - 400 hectares), where autosteering is relatively rare due to the expense and complexity of systems available to date.[2] As autosteering allows farmers to focus on farming, not steering, it reduces the dependence on expert labor and thus improves the efficiency of farm machinery and as a result crop yields and revenue and profits per acre.

In addition to continuing to provide autosteering technology to our customers with complex, high value requirements, the Company sees the smaller farm market as an untapped opportunity to help all farmers prosper with precision agriculture and a market where we have established first mover advantage, by providing not just all of the benefits of our more complex solutions, but by packaging our product into a self-installed generic solution (Wheelman®, Ranger™ and Whirl®.) delivered through the autosteering industries first ever web marketplace (Handfreefarm.com).

Business Strategy

In March 2020, after completing an extensive evaluation of our business over several months, AgJunction implemented a refined strategy which it believes best suits the evolving needs of its manufacturing and supplier customer base adapting to a rapidly transforming market. The three key priorities in AgJunction's refined strategy are:

1. Refocus on manufacturing and supplier customers;
2. Offering flexibility through modularization; and
3. Realignment of capital resources.

AgJunction's first priority of refocusing on manufacturers and suppliers is intended to provide long term sustainable growth designed to drive shareholder value. The Company regards increasing levels of automation creating a demand that can be uniquely supplied by AgJunction as, in our view, most manufacturers and suppliers do not want to develop the automation by themselves. Accordingly, AgJunction believes that manufacturers and suppliers will seek partners to help them get automated applications to market quickly and fill in technology gaps that they do not possess. While some manufacturers and suppliers have strong internal software development capabilities and others may have exceptional hardware components, AgJunction believes it has the ability to fill in these gaps and offer products that align with the needs of its customers.

The second key refinement in AgJunction's corporate strategy is to meet its customer's demands by offering flexibility through modularization. AgJunction offers its hardware and software functionality as individual modules in addition

[1] https://en.wikipedia.org/wiki/Precision_agriculture
[2] http://ageconsearch.tind.io/record/249773/err-217.pdf

to offering complete automation solutions to its customers. AgJunction's modules are designed from inception with flexibility allowing each module to be seamlessly integrated into AgJunction's customer's systems. By doing so, the intention is to reduce cost, expand saleability and improve the customer experience. In addition, AgJunction's strong patent protected portfolio of products and solutions in advanced path planning, headland automation, implement control and predictive algorithms, gives it a competitive advantage versus others who lack such patent protected solutions and products. AgJunction has also developed a powerful cloud platform and mobile applications with Whirl™ that provide connectivity to remote management data, analysis, support and updates.

AgJunction believes that its modular approach enables it to partner with a wider range of manufacturers and suppliers than providing a full system such as a fully autonomous platform. Current examples include AgJunction's new electronic steering system, the MDU-G5 High Torque, which is available as a capable steering actuator or it can be combined with AgJunction's ECU-S1 to provide a more complete autosteering solution. By combining AgJunction's display, automation software, ECU-S1 and MDU-G5 High Torque, AgJunction's customers can purchase a full precision agriculture system, or they can "pick-and-choose" the modules that fit their unique needs.

Realignment of our capital resources is AgJunction's third key priority. In 2020, AgJunction will significantly reduce spending on its e-Store and is focusing on regions and technologies that are intended to grow AgJunction's revenue and profit. In 2019, AgJunction completed several important internal priorities that were designed to set the Company up for success going forward, including right-sizing the organization and consolidating all facilities to AgJunction's current corporate headquarters in Scottsdale, Arizona. Consolidating the Company's development allows AgJunction to reduce costs, gets AgJunction closer to its key customers and markets and increases the agility of the Company's development team.

Looking ahead, AgJunction is regionalizing its sales and customer support in an effort to significantly expand the Company's customer base. Regional general managers are now in place in North America, European, Middle East and Africa ("**EMEA**") and Asia-Pacific regions. Sales representatives and field service engineers in those regions report directly to AgJunction's regional general managers. By aligning the Company's sales and customer service teams regionally, AgJunction believes it will be able to better provide customer responsiveness and better response to regional markets. AgJunction has identified many potential customers that are interested in AgJunction's capabilities and have a need for flexible modules, including solutions outside of autosteering such as obstacle detection and implement control. The Company is currently at various stages of onboarding with these potential customers. The recent announcement of AgJunction's deal with Big Data Industrial Technology Research Institute Co. Ltd. to provide an autosteering system is a direct result of the Company's regionalization approach.

In 2018 and 2019, AgJunction allocated significant resources towards its direct-to-consumer efforts through HandsFreeFarm.com, selling the Company's two Wheelman® products and its Whirl™ software application. AgJunction is satisfied with its e-Store platform and the award winning Wheelman® products designed for this channel and is now focusing its resources on expanding the Company's market outreach by meeting the needs of manufacturers and suppliers. The Company anticipates that its e-Store will continue to operate efficiently.

The Wheelman® products at HandsFreeFarm.com are viewed by the Company as another channel for our overall modularization approach as the Wheelman® products and the Whirl™ platform were designed with modularization in mind. AgJunction recently announced that GeoSurf Corporation ("**GeoSurf**") is launching a precision agricultural solution for rice and onion transplanters based upon the Company's Wheelman® technology and are using Whirl™ cloud infrastructure. AgJunction's engineering team has developed features in Whirl™ cloud specifically designed for manufactures and suppliers, such as support access to their customers with over-the-air updates. GeoSurf is the Company's first customer to utilize its Wheelman® based technology and new Whirl™ cloud features.

AgJunction's refined strategy of building and providing modules for our customers takes advantage of AgJunction's technical foundation and provides us with a competitive advantage in a rapidly transforming market. By positioning the Company as a partner to manufacturers and suppliers, AgJunction provides advanced automation that is flexible to customer needs. As AgJunction continues to identify new customers and meet their evolving needs, the Company intends to further invest in research and development to continue producing state of the art technology that aligns with the Company's new strategy. The combination of AgJunction's personnel, intellectual property portfolio, balance sheet and technological capabilities support AgJunction's refined strategy which is designed to grow AgJunction and provide value to shareholders.

Autosteering Solutions

The Company provides a portfolio of software and hardware autosteering solutions built off a modular architecture. In 2018, the Company extended that architecture to include native iOS and Android mobile applications integrated with a cloud-hosted infrastructure along with continuing innovations in guidance and machine control to enable our customers to autosteer more cost-effectively.

The Company's product portfolio supports its direct-to-farmer and indirect-to-farmer business strategies.

Indirect-to-Farmer Products:

For the indirect-to-farmer solutions, the Company needs to service the unique requirements of strategic manufactures and suppliers seeking to standardize with the Company's autosteering across their product line as well as manufacturer and suppliers new to autosteering who want to autosteer-enable their existing equipment.

For strategic manufacturers and suppliers, the Company's platform includes customized solutions that can be delivered on modular hardware, software, or a combination of both. The modular architecture allows the Company to customize solutions to meet our customers requirements and provide them with a unique competitive advantage.

For manufacturers and suppliers seeking to add automation hardware to their existing equipment, the Company provides three hardware controllers:

- **Wheelman® "white-label"** easy to use, low-cost autosteering solution for manufacturers and suppliers. The Wheelman® system provides low-cost, simple autosteering that is easy to integrate with nearly any equipment with a wheel. Through the Company's platform, Wheelman® autosteering systems and Whirl™ can be configured and rebranded to match the manufacturers and suppliers' standards.

- **ECU controller family** of sophisticated electronic controller unit for vehicle integration by manufacturers and suppliers. The award-winning ECU-S1 family includes the ECU-S1 autosteering controller, the SimpleSteer™ web browser-based autosteering display.. The ECU-S1 family includes support for over 1,000 install kits and a variety of GNSS inputs.

- **MDU electronic steering family of advanced mechanical drive units.** The MDU-G4 steering actuator, and the MDU-G5 high torque steering actuator is the next generation of mechanical drive units developed for manufacturers and suppliers. The MDU-G4 is designed for flexibility and allows users to move the actuator from vehicle to vehicle. The new MDU-G5 High Torque combines the actuator capability of the Wheelman® with the award-winning capability of the ECU-S1 family.

- **Software modules for easy integration into manufacturer and supplier system.** AgJunction has flexible software modules with application program interfaces that provide advanced automation to manufactures and suppliers that have their own electronic hardware. Software modules provide features such as: autosteering, path planning, headland automation, and visualization.

Direct-to-Farmer Products:

The direct-to-farmer products sold online through HandsFreeFarm.com need to be low-cost, simple-to-use, easy-to-install, reliable, and remotely supportable. The products on HandsFreeFarm.com were designed with these requirements in mind.

- **RANGER™ guidance solution** was released in April 2018 and is a complete low-cost GPS guidance solution. RANGER™ is ready to use right out of the box and generally installs in just minutes. The intuitive, patented steering guide shows visual cues in advance, affording farmers the time to focus on farming instead of focusing on a map display. The system provides the essential accuracy for spraying, spreading, tilling and planting crops like soybeans and supports both straight line and free-form contours useful for terraces and irregular fields.

- **Wheelman® autosteering systems** (Wheelman Pro and Wheelman Flex) and Whirl™ software were released in the second half of 2018 as a new way for farmers to automatically and accurately steer farm equipment. These new products are sold direct-to-farmer, and deliver a complete, affordable do-it-yourself autosteering system that can be ordered online and installed in less than an hour on most equipment. The Wheelman® autosteering systems are powered by our Whirl™ software making it easy to operate the Wheelman® autosteering systems, collect and store farming data, and inform farmers about their farming efficiency. The Whirl™ mobile app is a free download for iOS and Android devices. The Whirl™ mobile app allows farmers to use their existing smart devices (phone, tablet, etc.) as the display, eliminating the need for an expensive custom display.

Research and Product Development and Specialized Skills and Knowledge

The focus of the Company's research and development team is the expansion of our modular automation solutions and on developing new products and applications. We believe that our research and product development capabilities are critical factors contributing to our success and are primary barriers to potential competitors' entry into the off-road manufacturing and supplier markets. Accordingly, we intend to continue investing significant resources in research and product development.

Our research and development team includes individuals with specialized skills in the following disciplines, among others: electrical engineering, mobile application design, machine learning, vision engineering, mechanical design, system architecture, software design, simulation engineering, and cloud computing. Although the availability of these resources is limited, we have not experienced significant problems accessing the required skill and knowledge required for our research and development activities.

Intellectual Property and Intangible Properties

We have developed a significant portfolio of intellectual property, including: trade secrets, technology, product designs, software, patents, trademarks and brand names, among others. As of December 31, 2019, on a consolidated basis, we hold approximately 200 patents and patents pending in the USA, Canada, Europe and Australia in addition to a few other international filings.

Marketing, Sales and Distribution

Our strategy for sales and distribution of our flexible modular automation modules is through large manufactures, suppliers, on our online store HandsFreeFarm.com..

The Company serves global markets. Of our 2019 sales, 34% (2018 – 33%) occurred in North America, 64% (2018 – 64%) occurred in EMEA, 2% (2018 – 3%) occurred in Asia and the Pacific, including Australia. From a customer's perspective, the primary benefits provided by our products are increased accuracy in navigation, improvements in productivity, increased safety and savings in costs and time. For example, in farming applications, our autosteering products result in savings to users through reduced overlap and reduced driver fatigue. In addition, our products can be used in conjunction with precision farming techniques focused on improved efficiency, productivity and yields such as "strip-till" farming which requires highly accurate planting and application of fertilizer and other chemicals. Significant cost savings can be achieved by using these types of precision farming techniques.

Market Conditions

According to the OECD Food and Agriculture Organization of the United Nations report titled, *OECD-FOA Agriculture Outlook 2019-2028*, agricultural production will grow globally by 15% with broadly flat agricultural land use. This implies a global increase in yield improvements primarily resulting from increased global adoption of precision agricultural technology. Countries are creating policies to increase adoption of precision agricultural technology. For example, China supported a new subsidy policy released in 2018, which added imported agricultural machinery to its subsidy list.

According to the Conveyor Equipment Manufacturers Association ("**CEMA**"), European Agricultural Machinery Association and their member companies, the dealer stock levels for new and used machines has continued to grow above the 3-year average in most regions of Europe. The pessimistic outlook for agriculture development that had been viewed across Europe has now reversed for two thirds of the regions. On December 16, 2019 CEMA reported that the general business climate forecast for both the European and United States markets are expected to perform above average.

Ongoing market access issues continued to be detrimental to North American farmers, which has hurt farmer confidence. According to the Association of Equipment Manufacturers, U.S. sales of total 4-wheel drive tractors sales was down by 2.8% year over year with an important class of lower power tractors (40-100 hp) dropping 4.9% year over year. Although trade relations have shown signs of stabilization, U.S. farmer confidence remains low with only modest year-over -year growth in agricultural tractors of 4.7% forecasted for 2020.

Expansion of rural broadband in the U.S. supports adoption of precision agricultural technology. According to the *2019 American Broadband Initiative Report*, published by the National Telecommunications and Information Administration, 32% of rural Americans lack access to fixed terrestrial broadband. The United States Department of Agriculture (USDA) Reconnect Pilot Program provides a second round of $550 million in funding for rural broadband development in the U.S.

According to the latest reports from the USDA on February 5, 2020, forecasted total farm cash receipts are expected to increase by 2.7%, from $374.3 billion in 2019 to $384.4 billion in 2020, while cash expenses are expected to increase by 3.1%, from $311.8 billion in 2019 to $321.3 billion in 2020. Total farm expenses are expected to rise by 3% over the course of 2020. Additionally, net farm income is expected to increase to $96.7 billion from $93.6 billion, 3.3% growth. This is coming from a 2019 result, which is expected to yield a 11.7% gain in net farm income.

The macro-economic outlook for our markets over time is positive, driven by population growth, limited arable land, and a relatively low global penetration of advanced guidance, autosteering, and machine automation solutions for precision agriculture and other off-road applications. The Company is committed to advancing off-road machine automation with our portfolio of flexible automation modules for developing configurable solutions for our customers.

Competition

We have competitors in each of our target markets and expect competition to intensify as acceptance and awareness of machine control technology increases. Among our largest competitors are Trimble Navigation Limited ("**Trimble**") and Topcon Positioning Systems Inc (“Topcon”). Trimble's products currently address the survey and mapping, tracking and communications, navigation, precision agriculture, construction, and military systems markets. Topcon offers products similar to those of AgJunction. In addition to the aforementioned competitors, we expect to face competition from new market entrants over time.

The Company's direct-to-farmer and indirect-to-farmer channels position the Company favorably versus our traditional competitors. Historically, the clear return-on-investment for autosteering has led to wide adoption by the 200,000 large farm operators who can justify the high price and can deal with the complexity by summoning dealer support. Our direct-to-farmer channel enable us to bring autosteering to 10 million more farmers globally that are underserved today.

For the secondary market, with the introduction of Wheelman® at under $4,000 in the U.S., the Company puts autosteering in reach economically to 1 million more U.S. farmers. Unlike our competitors who depend on expensive dealer channels with limited reach to sell their complex products, the Company sells Wheelman® through the HandsFreeFarm.com online store.

For our indirect channel, the Company's product architecture allows our technology to be readily integrated into our manufacturer and supplier partner's offerings. Unlike our competitors who require manufacturers to purchase complete systems, our modular packaging allows our partners to adopt our technology and incorporate it more broadly in their product line.

Manufacturing

We utilize outsourced manufacturing partners in lower cost regions in the procurement of materials per our specification, applying highly skilled labour and best in class manufacturing practices to manufacture, test and directly ship products to our customers. We utilize our third-party logistics facilities for some product configuration activities as needed and utilize outsourced service and repair centers in Europe and North America.

Our operations organization provides production engineering services internally and for our external manufacturing partners to ensure that our products can be manufactured at the highest level of quality and test coverage, technical production problems are corrected and averted, and alternative production methodologies are introduced to remain competitive. In addition, vendor and subcontractor qualifications are reviewed by the operations engineering and quality group whilst test engineering provides test methodologies, equipment and software and guides our internal engineering and our external manufacturing partners in achieving specifications and ensuring product integrity. We carefully select, classify and qualify our suppliers. Achieving multiple supply sources for all components used in our assemblies is our ultimate and desired goal, and is evaluated on a regular basis, but currently is not available in all circumstances. However, we do apply various risk mitigation solutions in dealing with single sourced components.

The continued utilization of our Enterprise Resource Planning system has assisted us to improve the effectiveness and efficiency of our operations, including inventory management and manufacturing. In addition, we have undertaken several initiatives focused on improving our effectiveness in quality, procurement, inventory management, design cost, product life-cycle management, among others.

Optimize Product Cost:

We will continue to aggressively pursue opportunities to reduce costs through product design, manufacturing efficiencies, procurement and logistics strategies, with an objective to balance functionality, performance and quality with customer needs.

Enhance Manufacturing Quality and Capacity:

All manufacturing activities have been outsourced to trusted partners that procure materials and manufacture our products to our specification. These outsourcing partners carry the highest level of quality certifications required by us and expected by our customers. This strategy allows us to reduce costs, gives us flexibility to both increase and decrease capacity according to demand and continue to provide a high-level of continuous process and quality improvements.

Quality Certification:

In respect to our internal quality process and procedures, the Company is in the process of completing re-certification of ISO 9001:2015 for our facilities in Scottsdale, Arizona, confirming our commitment to improving customer satisfaction in all aspects of its operations. The Company expects to receive its ISO 9001:2015 certification in 2020 from an accredited registrar that performs assessments of management systems against requirements of national and international standards for quality. The certification ISO 9001:2015 is applicable to all facets of the Company's operations - design, development, production and distribution of its precision agriculture hardware solutions and associated components.

Facilities

The Company conducts operations from its leased facility in Scottsdale, Arizona where we assemble certain of our products, carry out research and development, sales and marketing, and finance and administration activities.

Cyclicality

The cyclical nature and competitiveness of the industry in which we sell and distribute our products may have an effect on the Company's ability to generate revenue and earnings. Our business tends to peak during the first six months of the year, drop off significantly in the third quarter and then demand for our products and services increases again in the fourth quarter. This volatility can create fluctuating demand for our products and services, which can have an adverse effect on the Company's business, financial condition, cash flow and results of operations.

Personnel

At December 31, 2019, we had 65 employees in total, with 24 in research and development, 16 in sales and marketing, 7 in operations and 18 in administrations. At December 31, 2019, we had 6 contractors in total working in various divisions.

Anticipated Changes in the Business

As at the date hereof and other than as disclosed herein, we do not anticipate that any material change in our business will occur during the balance of the 2020 financial year. See "*General Development of the Business*" and "*Recent Developments*".

Foreign Operations

A large component of the Company's revenue is derived from North American and EMEA agriculture markets which are subject to the seasonality of the agricultural buying season. Initiatives to mitigate the Company's seasonality include revenue efforts in the Southern Hemisphere which is counter-seasonal to the Northern Hemisphere agricultural seasons and strategies focused on increasing sources of recurring revenue.

Dependence on Key Suppliers

The Company is reliant upon certain key suppliers for raw materials and components, and no assurances can be given that we will not experience delays or other difficulties in obtaining supplies, as a result of trade disputes, financial failures impacting suppliers, pandemics such as coronavirus (COVID-19), or from a variety of other potential issues. The raw materials used in certain operations are available only through a limited number of vendors. Although the Company believes there are alternative suppliers for most of its key requirements, if current suppliers are unable to provide the necessary raw materials or fail to deliver products in the quantities required on a timely basis, then the related delays in the manufacture or distribution of products could have a material adverse effect on the Company's results of operations and its financial condition.

In March 2020, the World Health Organization declared COVID-19 a pandemic. There is significant uncertainty as to the effects of this outbreak which may, among other things, affect our supply chain and may negatively impact the global agriculture market. At the current time, we are unable to quantify the potential impact this pandemic may have on our future operational and financial performance. See "*Risk Factors – Epidemics and Pandemics*".

Reorganizations

As at the date hereof and other than as disclosed herein, there have been no material reorganizations of the Company and or any of our subsidiaries within the three most recently completed financial years or proposed for the current financial year. See "*General Development of the Business*".

CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares, an unlimited number of first preferred shares, issuable in series (the "**First Preferred Shares**") and an unlimited number of second preferred shares, issuable in series ("**Second Preferred Shares**"). As a March 30, 2020, an aggregate of 117,072,573 Common Shares, no First Preferred Shares and no Second Preferred Shares were issued and outstanding.

The following is a summary of the rights, privileges, restrictions and conditions attaching to each class of shares.

Common Shares

The holders of Common Shares are entitled to one vote at all meetings of our shareholders except at meetings of which only holders of a specified class of shares are entitled to vote. The holders of Common Shares are entitled to receive, subject to the prior rights and privileges attaching to any other class of our shares, such dividends as may be declared by us. Holders of Common Shares are entitled upon any liquidation, dissolution or winding-up of the Company, subject to the prior rights and privileges attaching to any other class of shares of the Company, to receive the remaining property and assets of the Company.

First Preferred Shares

Our Board may at any time and from time to time issue First Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board. The Company has no outstanding First Preferred Shares at this time.

The First Preferred Shares of each series rank on a parity with the First Preferred Shares of every other series with respect to accumulated dividends and return of capital. The First Preferred Shares shall be entitled to a preference over the Second Preferred Shares and the Common Shares and over any other shares of the Company ranking junior to the First Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of our assets among our shareholders for the purpose of winding-up our affairs.

The rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the First Preferred Shares given as specified in our articles.

Second Preferred Shares

Our Board may at any time and from time to time issue Second Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board. The Company has no outstanding Second Preferred Shares at this time.

The Second Preferred Shares of each series rank on a parity with the Second Preferred Shares of every other series with respect to accumulated dividends and return of capital. The Second Preferred Shares shall be entitled to a preference over the Common Shares and over any other shares of the Company ranking junior to the Second Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of our assets among our shareholders for the purpose of winding-up our affairs.

The rights, privileges, restrictions and conditions attaching to the Second Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the Second Preferred Shares given as specified in our articles.

Prior Sales

During the year ended December 31, 2019, the Company did not issue any securities, other than 49,741 Common Shares under the restricted share plan of the Company.

DIVIDEND POLICY

We have not paid any dividends on the Common Shares during the last three financial years. The future payment of dividends will be determined by the Board, and will depend on the financial needs of the Company to fund future growth, the general financial condition of the Company, capital expenditure requirements, potential acquisition opportunities, debt position and other conditions that the Board may consider relevant at such future time, including the satisfaction of the liquidity and solvency tests imposed by the ABCA for the declaration and payment of dividends. The amount of future cash dividends, if any, may also vary depending on a variety of factors, including capital expenditure requirements, general and administrative costs and foreign exchange rates.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To our knowledge, as of March 30, 2020, the only Common Shares held in escrow or subject to contractual restriction on transfer are the following:

Designation of class	**Number of securities held in escrow or that are subject to a contractual restriction on transfer**	**Percentage of class**
Common Shares (restricted shares[1])	3,339,459	2.85%

Note:

(1) These Common Shares are issued to directors, officers and other service providers of ours and are subject to vesting and risk of forfeiture under the terms of our restricted share plan.

MARKET FOR SECURITIES

Our Common Shares are listed and posted for trading on the TSX under the symbol "AJX".

The following table shows the price range and trading volume of the Common Shares as reported by the TSX for the periods indicated:

Period	**High (Cdn$)**	**Low (Cdn$)**	**Volume**
2019			
January	0.86	0.75	342,163
February	0.79	0.67	434,326
March	0.75	0.63	482,933
April	0.74	0.60	507,376
May	0.73	0.63	408,308
June	0.70	0.57	731,522
July	0.59	0.455	5,945,148
August	0.50	0.43	1,546,818
September	0.58	0.465	2,364,892
October	0.56	0.465	118,998
November	0.46	0.27	713,649
December	0.42	0.305	630,454
2020			
January	0.365	0.275	313,023
February	0.31	0.245	259,422
March 1 – March 27	0.26	0.085	12,297,270

DIRECTORS AND OFFICERS

The names, provinces/states and countries of residence, positions with the Company and principal occupation during the last five-years of the directors and officers of the Company as at March 30, 2020 are set out below and in the case of directors, the period each has served as a director of the Company.

Name, State/Province and Country of Residence	Position	Principal Occupation During the Last Five-Years
Scott B. Edmonds[(1)(2)(3)] British Columbia, Canada	Director since December 2016 and Chair of the	Interim Chief Financial Officer at Stemcell Technologies Inc. since March 16, 2020. Prior thereto, Mr. Edmonds was an independent consultant. Mr. Edmonds has served on a variety

Name, State/Province and Country of Residence	Position	Principal Occupation During the Last Five-Years
	Audit Committee and Compensation Committee	of public company boards since the early 2000's. Mr. Edmonds was formerly the CEO of two high tech hardware companies, Photon Control Inc. (TSX:PHO) and Webtech Wireless Inc. (TSX:WEW) and spent ten years with The Walt Disney Company in France and Asia. Mr. Edmonds qualified as a Chartered Accountant, holds a BBA in Finance, has completed the Executive Development Program at the Kellogg School and holds an ICD.D designation from the Institute of Corporate Directors.
Lori S. Ell(1)(2)(3) Alberta, Canada	Director since December 2016 and Chair of the Board since December 2019	Interim President and Chief Executive Officer from December 5, 2019 to January 30, 2020. President of Growing Ideas, a business consulting practice located in Calgary, Alberta. From 2004 to 2012, Ms. Ell was the President of Agristar Inc., an agri-food manufacturing company. Prior thereto, Ms. Ell was CFO for Quortech Solutions Ltd. a technology company. Ms. Ell is a Certified Public Accountant, holds a Bachelor of Management degree, and holds an ICD.D designation from the Institute of Corporate Directors. Ms. Ell sits on the board of directors for the Calgary Co-op, Wild Rose Brewery and Sawridge Group. She is a director on two Canadian Federal Departmental Audit Committees – Crown-Indigenous Relations and Northern Affairs Canada and Indigenous Services Canada.
Jonathan W. Ladd(3) New Hampshire, USA	Director since October 2015 and Chair of the Corporate Governance Committee since December 2018	Independent Business Consultant, a Board Member and Senior Strategic Advisor for AgJunction from October 2015 to January 31, 2020. Director of Novariant Inc. from October 2012 to October 2015. Prior thereto, over 35 years of senior management experience in the GPS/GNSS and wireless industries, including Chief Executive Officer and Chair at Brilliant Telecommunications, President and Chief Executive Officer at NovAtel Inc., senior executive positions at Thales Navigation, Magellan Inc. and Ashtech Inc. and board positions at Hemisphere, Trusted Positioning Inc., Nexteq Navigation Corporation, RF Monolithics and Ashtech A/O.
Jose F. Suarez(1)(2) California, USA	Director since October 2015	Managing Director of Patricia Industries (formerly, Investor Growth Capital, Inc.). Prior thereto, based in Investor Growth Capital, Inc.'s Asian office managing a broad range of investments both in the public markets and in privately negotiated situations.
Dr. M. Brett McMickell, Ph.D. Arizona, USA	Director, President and Chief Executive Officer since January 31, 2020	President and Chief Executive Officer since January 31, 2020, prior thereto Senior Vice President and Chief Operating Officer since September 30, 2019 and prior thereto Senior Vice President of Global Product Development since August of 2017. Prior to joining AgJunction, Dr. McMickell served as Senior Director of Engineering in charge of Actuation Systems at Honeywell Aerospace. He brings experience from leading electrical, software, and mechanical system development companies. He was awarded the American Institute of Aeronautics and Astronautics (AIAA) Lawrence Sperry Award for his achievement in the advancement of small satellite technology. Dr. McMickell holds a Masters in

Name, State/Province and Country of Residence	Position	Principal Occupation During the Last Five-Years
		Business Administration in Global Management from the Thunderbird School of Global Management. He received his Masters in Science and PhD in Aerospace and Mechanical Engineering from the University of Notre Dame. He also received a Bachelor of Science in Mechanical Engineering from the University of Utah.
Bobac (Bob) A. Barjesteh Colorado, USA	Vice President, Mergers and Acquisitions, Intellectual Property and General Counsel (US) since January 2016	Vice President, Mergers and Acquisitions, Intellectual Property and General Counsel (US) of AgJunction since January 2016. Managing Director and Chief Legal Officer with ClaroVia Technologies LLC from November 2012 to December 2015. Other roles included executive and management positions at 3M Company and Arthur Anderson LLC.
Deborah Mack Arizona, USA	Interim Chief Financial Officer since January 31, 2020	Interim Chief Financial Officer since January 31, 2020, prior thereto Senior Director of FP&A and Financial Reporting. Bringing over 25 years of experience in financial management roles primarily with publicly traded companies. Ms. Mack holds a Masters in Business Administration in Financial Management and a Bachelor of Science in Accounting from Goldey Beacom College Business School.

Notes**:**

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Corporate Governance Committee.

Our directors will hold office until the next annual general meeting of our shareholders or until each director's successor is appointed or elected pursuant to the ABCA.

As of March 30, 2020, our directors and officers as a group, beneficially owned or controlled or directed, directly or indirectly, 21,971,101 Common Shares or approximately 18.8% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No current director or executive officer of the Company has, within the last ten years prior to the date of this document, been a director, chief executive officer or chief financial officer of any issuer (including the Company) that: (i) while the person was acting in the capacity as director, chief executive officer or chief financial officer, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days; or (ii) was subject to an order that was issued, after the director or executive officer ceased to be a director, chief executive officer or chief financial officer of an issuer, and which resulted in the issuer being subject to a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation, for a period of more than thirty (30) consecutive days, which resulted from an event that occurred while that person was acting as a director, chief executive officer or chief financial officer of the issuer.

Other than disclosed below, no current director or executive officer or security holder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the last ten years prior to the date of this document, been a director or executive officer of any company (including the Company) that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- Mr. Ladd acted as chief executive officer and a director of Brilliant Telecommunications, Inc. ("**Brilliant**"). On February 18, 2011, Brilliant reached an agreement regarding the sale of substantially all of its assets to Juniper Networks. Such sale was conducted via an assignment for the benefit of creditors' process under the laws of the State of California. As part of this process, all of Brilliant's assets were transferred to a trustee who then distributed the proceeds of the sale. Mr. Ladd resigned from his positions with Brilliant shortly after the agreement with Juniper Networks was reached. On or about August 9, 2011, one of Brilliant's former customers filed a lawsuit against Brilliant and Juniper Networks alleging breach of contract and unfair business practice. On or about September 28, 2011, a default judgment was entered by the court against Brilliant. No director or executive officer of Brilliant was ever named in such law suit and Mr. Ladd had no involvement nor any liability in connection with such law suit or any other proceeding.

No current director or executive officer or security holder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the last ten years prior to the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

No current director or executive officer or security holder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors and officers of the Company may, from time to time, be involved in the business and operations of other issuers, in which case a conflict may arise. See "*Risk Factors*".

The ABCA provides that in the event a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the ABCA. To the extent that conflicts of interests arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of our directors or executive officers, any person or company who beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company. See "*Directors and Officers*".

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 – *Continuous Disclosure Obligations* by us during, or related to, our most recently completed financial year other than RSM US LLP, AgJunction's auditors appointed on April 8, 2015. RSM US LLP has confirmed that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

In addition, neither RSM US LLP, nor any director, officer or employee of RSM US LLP, is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

MATERIAL CONTRACTS

As of December 31, 2019, we have no material contracts in place that were entered into outside of the ordinary course of business.

AUDITORS, TRANSFER AGENT AND REGISTRAR

RSM US LLP, 2375 E Camelback Road, Suite 300, Phoenix, Arizona are the auditors of the Company.

Computershare Trust Company of Canada, 600, 530 – 8th Avenue S.W., Calgary, Alberta, is the Transfer Agent and Registrar of the Company.

AUDIT COMMITTEE INFORMATION

Our audit committee (the "**Audit Committee**") is appointed by the Board to assist the Board in fulfilling its oversight responsibilities. The Audit Committee is composed of three external, independent directors. All three are financially literate, meaning they are able to read and understand financial statements that present a breadth and level of complexity at accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of AgJunction. The Audit Committee's Charter is available in Appendix "A" to this Annual Information Form.

Audit Committee Members

Scott B. Edmonds, Vancouver, British Columbia

Mr. Edmonds has over 30 years' experience in various operational, strategic and financial leadership roles in both large and small companies in Canada, Europe and Asia and currently is an independent consultant and corporate director who has served on a variety of public company boards since the early 2000's. Mr. Edmonds is currently the Interim Chief Financial Officer at Stemcell Technologies Inc. and was formerly the CEO of two high tech hardware companies, Photon Control Inc. (TSX:PHO) and Webtech Wireless Inc. (TSX:WEW) and spent ten years with The Walt Disney Company in France and Asia. Mr. Edmonds qualified as a Chartered Accountant, holds a BBA in Finance, has completed the Executive Development Program at the Kellogg School and holds an ICD.D designation from the Institute of Corporate Directors.

Lori S. Ell, Calgary, Alberta

Ms. Ell has over 25 years of broad-based executive experience working with multi-billion dollar, start-up, and mid-market companies in diverse industries including oil & gas, technology, and food manufacturing. Her most recent position is President of Growing Ideas, a business consulting practice located in Calgary, Alberta. From 2004 to 2012, Ms. Ell was the President of Agristar Inc., an agri-food manufacturing company. Prior thereto, Ms. Ell was CFO for Quortech Solutions Ltd. a technology company. Ms. Ell is a Certified Public Accountant, holds a Bachelor of Management degree, and holds an ICD.D designation from the Institute of Corporate Directors. Ms. Ell sits on the board of directors for the Calgary Co-op, Wild Rose Brewery and Sawridge Group. She is a director on two Canadian Federal Departmental Audit Committees – Crown-Indigenous Relations and Northern Affairs Canada and Indigenous Services Canada.

Jose F. Suarez, Atherton, California

Jose Suarez is the managing director of Patricia Industries (formerly, Investor Growth Capital, Inc.). Prior thereto, based in Investor Growth Capital, Inc.'s Asian office managing a broad range of investments both in the public markets and in privately negotiated situations.

Pre-approval Policies and Procedures – Audit and Non-Audit Services

We have adopted policies and procedures with respect to the pre-approval of audit and permitted non-audit services to be provided by RSM US LLP as set forth in the Audit Committee charter, which is reproduced in Appendix "A" to this Annual Information Form. The Audit Committee has approved the provision of a specified list of audit and permitted non-audit services that the Audit Committee believes to be typical, reoccurring or otherwise likely to be provided by RSM US LLP during the current fiscal year. The list of services is sufficiently detailed as to the particular services to be provided to ensure that the Audit Committee knows precisely what services it is being asked to pre-approve and it is not necessary for any member of management to make a judgment as to whether a proposed service fits within pre-approved services.

Auditor Service Fees

The following fees are for services provided by RSM US LLP for the years ended December 31, 2018 and December 31, 2019.

Type of Service Provided	Year ended December 31, 2018	Year ended December 31, 2019
Audit and Quarterly Review Fees	$215,157	$220,763
Tax Fees (compliance related)	$78,125	$70,000
All Other Fees	$16,265	$14,000
Total	$309,547	$304,763

Audit and quarterly review fees consist of fees for the audit of the Company's annual financial statements, including the aggregate fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements, which include services that are normally provided in connection with statutory and regulatory filings or engagements and include fees related to the application of International Financial Reporting Standards. Tax Fees consist of the aggregate fees billed for professional services rendered by the Company's external auditor for tax compliance, tax advice, and tax planning. There were no Audit Related Fees paid in 2018 and 2019. All Other Fees listed for the year ended December 31, 2019, relate to adoption of new IFRS standards. All Other Fees listed for the year ended December 31, 2018, relate to adoption of new IFRS standards, consultation regarding the sale of our Outback Guidance business and AgJunction's subsidiary in China.

RISK FACTORS

The following is a summary of certain risk factors relating to our business. The information is only a summary of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Information Form. An investment in the Common Shares of the Company involves a significant degree of risk. Prospective investors should carefully consider the following factors, together with other information contained in this Annual Information Form.

Dependence on Farming Operations

Our end-user customer (farmers) face constant risk in their farming operations. The uncertainties inherent in weather, yields, prices, government policies, global markets, and other factors that impact farming can cause wide swings in farm income and impact their ability to buy our products. There are five general types of risk related to farmers: production risk, price or market risk, financial risk, institutional risk, and human or personal risk.

Production risk derives from the uncertain natural growth processes of crops and livestock. Weather, disease, pests, and other factors affect both the quantity and quality of commodities produced. Price or market risk refers to uncertainty about the prices producers will receive for commodities or the prices they must pay for inputs. The nature of price risk varies significantly from commodity to commodity. Financial risk results when the farm business borrows money and creates an obligation to repay debt. Rising interest rates, the prospect of loans being called by lenders, and restricted credit availability are also aspects of financial risk. Institutional risk results from uncertainties surrounding government actions. Tax laws, regulations for chemical use, rules for animal waste disposal, and the level of price or income support payments are examples of government decisions that can have a major impact on the farm business.

Rollout of Direct-to-Farmer Products through Online Store

There can be no assurance that HandsFreeFarm.com will be successful or will achieve significant customer acceptance on a timely basis or at all. If we are unable to continue to enhance existing products, our future results would be adversely affected.

Dependence on New Products

We must continue to make significant investments in research and development to develop new products, enhance existing products and achieve market acceptance for such products. However, there can be no assurance that development-stage products will be successfully completed or, if developed, will achieve significant customer acceptance. If we are unable to successfully define, develop and introduce competitive new products, and enhance existing products, our future results would be adversely affected.

The software industry is characterized by rapidly changing customer preferences which require us to address multiple delivery platforms, new mobile devices and cloud computing. Life cycles of software products can be short and this can exacerbate the risks associated with developing new products. The introduction of third-party solutions embodying new, disruptive technologies and the emergence of new industry standards could make our existing and future software solutions and other products obsolete or non-competitive. If we are not able to develop software and other solutions that address the increasingly sophisticated needs of our customers, or if we are unable to adapt to new platforms, technologies or new industry standards that impact our markets, our ability to retain or increase market share and operating results could be materially adversely affected.

Dependence on Key Personnel

Our success is largely dependent upon the performance of key personnel. The unexpected loss or departure of any of the key officers or employees could be detrimental to our future operations. Our success will depend, in part, upon our ability to attract and retain qualified personnel, as they are needed. The competition for highly skilled technical, research and development, management, and other employees is high in the GNSS, precision steering and machine control industry. There can be no assurance that we will be able to engage the services of such personnel or retain our current personnel. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of our management.

Competition

We are in a highly competitive industry that is constantly evolving and changing. We expect this competition to increase as new competitors enter the market. Many of our competitors have greater financial, technical, sales, and production and marketing resources. We compete with companies that also have established customer bases and greater name recognition. This may allow competitors to respond more quickly and better implement technological developments. There is no assurance that we will be able to compete on the same scale as these companies. Such competition may result in reduced sales, reduced margins or increased operating expenses.

Third-Party Dependence

Many of our products rely on signals from satellites and other ground support systems that we do not own or operate. Such satellites and their ground support systems are complex electronic systems subject to electronic and mechanical failures and possible sabotage. The satellites have limited design lives and are subject to damage by the hostile space environment in which they operate. If a significant number of satellites were to become inoperable, there could be a substantial delay before they are replaced with new satellites. A reduction in the number of operating satellites would impair the current utility of the GNSS and/or the growth of current and additional market opportunities, which would adversely affect our results of operations and customer satisfaction may suffer which may result in loss of customers as well as litigation. In addition, there is no assurance that the US government will remain committed to the operation and maintenance of GPS satellites over a long period of time; or, that the policies of the US government for the commercial use of GPS without charge will remain unchanged. Our products are dependent on radio frequency spectrum and products may be subject to harmful interference from modified spectrum uses or intentional jamming.

We are also largely dependent on the ability of farmers and agricultural subcontractors known as custom operators to purchase agricultural equipment, which includes our products. Agricultural income levels are affected by agricultural commodity prices and input costs. As a result, changes in commodity prices that reduce agricultural income levels could have a negative effect on the ability of growers and their contractors to purchase our products.

Availability of Key Suppliers

We are reliant upon certain key suppliers for raw materials and components and no assurances can be given that we will not experience delays or other difficulties in obtaining supplies, as a result of trade disputes or other matters. Flextronics International Europe B.V. currently supplies more than 80% of the raw materials used by us, the raw materials used in certain operations are available only through a limited number of vendors. Hemisphere, and Flextronics Technologies Corporation provide over 10% of our direct material purchases used in our operations. Although we believe there are alternative suppliers for most of our key requirements, if our current suppliers are unable to provide the necessary raw materials or otherwise fail to timely deliver products in the quantities required, any resulting delays in the manufacture or distribution of existing products could have a material adverse effect on our results of operations and our financial condition. Further, unusual supply disruptions, such as disruptions caused by natural disasters, could cause suppliers to invoke "force majeure" clauses in their supply agreements, causing shortages of material. Success in offsetting higher raw material costs with price increases is largely influenced by competitive and economic conditions and could vary significantly. If we are not able to fully offset the effects of material availability and costs, financial results could be adversely affected.

We consume significant amounts of raw materials, the costs of which reflect in certain instances market prices for natural gas, oil and other market forces. These prices are subject to worldwide supply and demand as well as other factors beyond our control. Although we are sometimes able to pass such price increases to our customers, significant variations in the cost of raw materials can affect our operating results from period to period.

Intellectual Property

The industry in which we operate has many participants that own, or claim to own, proprietary intellectual property. In past years we have received, and may receive in the future, claims from third parties alleging that the Company has infringed the intellectual property rights of others and we have and may in the future commence lawsuits against others whom the Company believes are infringing upon its rights. Determination of the rights to intellectual property is very complex and costly litigation may be required to establish if we have violated the intellectual property rights of others or if others have violated the Company's intellectual property rights. The Company's involvement in intellectual property litigation could result in significant expense, adversely affecting the development of its assets or intellectual property or diverting the efforts of its technical and management personnel, whether or not such litigation is resolved in the Company's favour. In the event of an adverse outcome as a defendant in any such litigation, the Company may, among other things, be required to: (a) pay substantial damages and third party litigation costs; (b) cease the development, use, sale or importation of products that infringe upon other patented intellectual property; (c) expend significant resources to develop, license or acquire non-infringing intellectual property; (d) discontinue products incorporating infringing technology; (e) obtain licences to the infringing intellectual property; and/or (f) incur legal and other costs. The Company may not be successful in such development or acquisition, or such licences may not be available on reasonable terms. Any such development, acquisition or licence could require the expenditure of substantial time and other resources and could have a material adverse effect on the Company's business and financial results.

We license the software, technologies and intellectual property underlying some of our software from third parties. These third-party licenses may not continue to be available to us on commercially reasonable terms, or at all, and the software and technologies may not be appropriately supported, maintained or enhanced by the licensors. Some of our software licenses are subject to annual renewals at the discretion of the licensors. In some cases, if we were to breach a provision of these license agreements, the licensor could terminate the agreement immediately. The loss of licenses to, or inability to support, maintain and enhance, any such third-party software or technology could result in increased costs, or delays in software releases or updates, until such issues have been resolved. This could have a material adverse effect on our business, financial condition, results of operations, cash flows and future prospects.

We also incorporate open source software into our products. Although we monitor our use of open source software, the terms of many open source licenses have not been interpreted by U.S. and Canadian courts, and there is a risk that such licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to market or sell our products or to develop new products. In that case, we could be forced to seek licenses from third-parties in order to continue offering our products, to disclose and offer royalty-free licenses in connection with our own source code, to re-engineer our products or to discontinue the sale of our products in the event re-engineering cannot be accomplished on a timely basis, any of which could materially adversely affect our business.

Climate Change

AgJunction is committed to responsibly managing the regulatory and physical impacts of climate change on its business. It is not possible to predict with certainty the impact of climate change or the regulatory responses to it, on our business although we recognize that they could be significant. The most direct impacts are likely to be increased financial and regulatory burdens on industries to which AgJunction's products are sold, which could impact demand for our products. Furthermore, AgJunction's products are sold to participants in farming industries in regions which are vulnerable to the effects of climate change, including long-term changes in temperature levels and water availability. If climate change has a significantly negative impact on farming industries in the regions in which we operate, it may have a material adverse effect on our business and financial results. Demand for our products in those regions may be materially adversely affected and the costs of shifting our operational focus to new regions with a larger customer base may be substantial, if such regions can be found at all. It is too soon for us to predict with any certainty the ultimate impact of climate change or additional regulation regarding it, either directionally or quantitatively, on our overall business, results of operations or financial condition.

Further, our suppliers and customers are subject to increasingly stringent environmental laws and regulations in the countries in which they operate. These regulations govern, among other things, emissions into the air, discharges into water, the use, handling and disposal of hazardous substances, waste disposal and the remediation of soil and groundwater contamination. The costs of compliance with these or any other current or future environmental regulations may be significant. For example, several countries have adopted more stringent environmental regulations regarding emissions into the air, and it is possible that new emissions-related legislation or regulations will be adopted in connection with concerns regarding such emissions. The regulation of emissions from certain stationary or mobile sources could result in additional costs to us in the form of taxes or emission allowances, facilities improvements and energy costs, which would increase our operating costs through higher utility, transportation and materials costs. Increased input costs, such as fuel and fertilizer, and compliance-related costs also could impact retail customer operations and demand for our equipment. Because the impact of any future environmental legislative, regulatory or product standard requirements on our global businesses and products is dependent on the timing and design of mandates or standards, we are unable to predict or quantify its potential impact at this time.

Government Regulation

Our products are subject to government regulation in the regions in which we operate. Although we believe that we have obtained the necessary approvals for the products that we currently sell, we may not be able to obtain approvals for future products on a timely basis, or at all. In addition, regulatory requirements may change, or we may not be able to obtain regulatory approvals from countries in which we may desire to sell products in the future.

Credit Risk

We have an increasing exposure to credit risk related to trade balances owing from customers. In the normal course of business, we monitor the financial condition of our customers and review the credit history of new customers to establish credit limits. We establish an allowance for doubtful accounts that corresponds to the credit risk of our customers, historical trends and economic circumstances. Losses could be realized by us if customers default on their balances owing. To the extent that any of such third parties go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in the Company being unable to collect all or portion of any money owing from such parties. Any of these factors could materially adversely affect the Company's financial and operational results.

Major Customers

In 2019, two customers accounted for approximately 87% of the Company's total revenue. One customer approximated 62% of 2019 total revenue and is included in the EMEA geographic region. The other customer approximated 25% of 2019 total revenue and is in North America. A portion of the above sales were related to the previously disclosed bulk purchase order. See "*Recent Developments*". Loss of existing major customers could have an adverse effect on our revenue.

Technology Risk

Our success in the off-road automation market may depend in part on our ability to develop products that keep pace with the continuing changes in technology, evolving industry standards and changing customer and end-user preferences and requirements. Our products embody complex technology that may not meet those standards, changes and preferences. We may be unable to successfully address these developments on a timely basis or at all. Failure to respond quickly and cost-effectively to new developments through the development of new products or enhancements to existing products could cause us to be unable to recover significant research and development expenses and could reduce our revenue.

Further, technological advancements across off-road automation are undergoing massive transformations because of digitization, creating market dynamics that are difficult to predict and keep pace with. The first technology trend shaping the next agricultural revolution is farm robotics. Robotics are improving, and their viability is being explored across the agricultural value chain, from planting to harvesting, to meat processing and grocery logistics. John Deere spent a significant amount of money last year to acquire Blue River Technology Inc., a startup company making robots capable of identifying unwanted plants and spraying them with high-precision herbicide, reducing input costs and increasing efficiency.

The second technology trend shaping the next agricultural revolution is remote sensing. A myriad of remote sensing techniques, from in-field sensors to drones to satellite imagery, are allowing farmers to view their crops from multiple perspectives. With advances in computing and sensor technology, farmers can now get access to high-cadence, broad area coverage with field-level detail. All these provide farmers up-to-date information in real-time, so changes can be made accordingly to their crops. The final technology trend shaping the next agricultural revolution is machine learning and analytics which is being used to mine data for trends in every sector, and agriculture is no exception. These can be applied before seed planting with plant breeders. Machine learning can predict which traits and genes will be best for crop production, giving farmers the best breed for their location and climate. At the field-level, machine learning techniques that use satellite data to distinguish between crops, like corn and soy, providing valuable information for crop insurance, logistics, and commodity markets. The intersection of robotics and data from an increasingly connected farm will accelerate this trend even further.

Our software products, are highly technical and complex and, when deployed, may contain errors, defects or security vulnerabilities. We must develop our products to keep pace with the rapidly changing market, and we have a history of introducing new products. Products and services as sophisticated as ours could contain undetected errors or defects, especially when first introduced or when new models or versions are released. Such occurrences could result in damage to our reputation, lost revenue, diverted development resources, increased customer service and support costs, warranty claims, and litigation. Errors, viruses or bugs may be present in software or hardware that we acquire or license from third parties and incorporate into our products or in third party software or hardware that our customers use in conjunction with our products. Our customers' proprietary software and network firewall protections may corrupt data from our products and create difficulties in implementing our solutions. Changes to third party software or hardware that our customers use in conjunction with our software could also render our applications inoperable. Any errors, defects or security vulnerabilities in our products or any defects in, or compatibility issues with, any third party hardware or software or customers' network environments discovered after commercial release could result in loss of revenues or delay in revenue recognition, loss of customers, theft of trade secrets, data or intellectual property and increased service and warranty cost, any of which could adversely affect our business, financial condition, and results of operations. Undiscovered vulnerabilities in our products alone or in combination with third party hardware or software could expose them to hackers or other unscrupulous third parties who develop and deploy viruses, and other malicious software programs that could attack our products. Actual or perceived security vulnerabilities in our products could harm our reputation and lead some customers to return products, to reduce or delay future purchases, or use competitive products.

Radio Frequency Spectrum Risks

Some of our hardware modules depends on satellite signals and on terrestrial communication bands. International allocations of radio frequency are made by the International Telecommunications Union ("**ITU**"), a specialized technical agency of the United Nations. The ITU's allocations are governed by radio regulations that have treaty status and which may be subject to modification every two to three-years by the World Radio Communication Conference. Each country regulates how each band is used in the country. In the United States, the Federal Communications Commission ("**FCC**") and the National Telecommunications and Information Administration share responsibility for radio frequency allocations and spectrum usage regulations.

Any ITU or local reallocation of radio frequency bands, including radio frequency band segmentation and sharing of spectrum, or other modifications of the permitted uses of relevant frequency bands, may materially and adversely affect the utility and reliability of our products and have significant negative impacts on our customers, both of which could reduce demand for our products. For example, the FCC is currently considering proposals to repurpose spectrum adjacent to the GPS bands for terrestrial broadband wireless operations throughout the United States. If the FCC implements such proposals, or similar proposals, terrestrial broadband wireless operations could create harmful interference to GPS receivers within range of such operations and impose costs to retrofit or replace affected receivers.

Many of our products use other radio frequency bands, such as the public land mobile radio bands, together with the GNSS signal, to provide enhanced GNSS capabilities, such as real-time kinematics precision. Continued access to these non-GNSS radio frequencies is essential to provide enhanced GNSS products to our customers. In addition, transmissions and emissions from other services and equipment operating in adjacent frequency bands or in-band may impair the utility and reliability of our products. Any regulatory changes in spectrum allocation or in allowable operating conditions could have a material adverse effect on our business, results of operations, and financial condition.

Other countries, including China and India, are in the process of creating their own GNSS systems. The European community has developed an independent radio navigation satellite system, known as Galileo, which is scheduled to be fully operational in 2020. National or European authorities may provide preferential access to signals to companies associated with their markets, including our competitors, which could harm our competitive position. Use of non-US GNSS signals may also be subject to FCC waiver requirements and to restrictions based upon international trade or geopolitical considerations. If we are unable to develop timely and competitive commercial products using these systems, or obtain timely and equal access to service signals, this could result in lost revenue. These authorities may also adopt protectionist measures favoring national companies who make use of their GNSS systems, to the detriment of AgJunction products using the U.S. GPS system, which would harm our business.

Future Acquisitions

We may seek to expand our business and capabilities through the acquisition of compatible technology, products or businesses. There can be no assurance that suitable acquisition candidates can be identified and acquired on favourable terms, or that the acquired operations can be profitably operated or integrated in our operations. In addition, any internally generated growth experienced by us could place significant demands on our management, thereby restricting or limiting our available time and opportunity to identify and evaluate potential acquisitions. To the extent management is successful in identifying suitable companies or products for acquisition, we may deem it necessary or advisable to finance such acquisitions through the issuance of Common Shares, securities convertible into Common Shares, debt financing, or a combination thereof. In such cases, the issuance of Common Shares, First or Second Preferred Shares or convertible securities could result in dilution to the holders of Common Shares at the time of such issuance or conversion. The issuance of debt to finance acquisitions may result in, among other things, the encumbrance of certain of our assets, impeding our ability to obtain bank financing, decreasing our liquidity, and adversely affecting our ability to declare and pay dividends to our shareholders.

To the extent acquisitions occur, we expect to realize strategic and other benefits as a result of such acquisitions and expansions including, among other things, the opportunity to extend our reach in the agricultural industry and provide our customers with a wider range of products and services. However, it is impossible to predict with certainty whether, or to what extent, these benefits will be realized. Further, there can be no assurance that AgJunction will be able to identify, acquire, develop or profitably manage additional products, or successfully integrate any acquired business, products, or technologies into our business, or increase the scope or change the nature of operations at existing facilities without substantial expenses, delays or other operational or financial difficulties. Our ability to increase the scope, or change the nature of, our operations or acquire or develop additional businesses may be impacted by the cost of capital and access to credit.

Acquisitions and expansions, may involve a number of special risks including diversion of management's attention, failure to retain key personnel, unanticipated events or circumstances, unanticipated market dynamics in new agricultural markets, added political and economic risk in other jurisdictions, risks associated with new market development outside of North America, and legal liabilities, some or all of which could have a material adverse effect on AgJunction's performance. In emerging markets, some of these (and other) risks can be greater than they might be elsewhere. In addition, there can be no assurance that an increase in the scope or a change in the nature of operations at existing facilities or that acquired, or newly developed businesses, products, or technologies will achieve anticipated revenues and income. There is a risk that some or all of the expected benefits will fail to materialize or may not occur within the time periods anticipated by management. The realization of some or all of such benefits may be affected by a number of factors, many of which are beyond the control of AgJunction.

Proprietary Protection

Our success will depend, in part, on our ability to obtain patents, maintain trade secrets and unpatented know-how protection and to operate without infringing on the proprietary rights of third parties or having third parties circumvent our rights. We rely on a combination of contract, copyright, patent, trademark and trade secret laws, confidentiality procedures and other measures to protect our proprietary information. There can be no assurance that the steps taken will prevent misappropriation of our proprietary rights. Our competitors could also independently develop technology similar to our technology. Although we do not believe that our products or services infringe on the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against us, or that any such assertions or prosecutions will not materially adversely affect our business, financial condition or results of operations. Irrespective of the validity or the successful assertion of such claims, we could incur significant costs and diversion of resources with respect to the defence thereof, which could have a material adverse effect on our business.

Additional Funding Requirements

The Company's cash flow from its operations may not be sufficient to fund its ongoing activities at all times and from time to time, the Company may require additional financing in order to carry out its activities. Failure to obtain financing on a timely basis could cause the Company to miss certain acquisition opportunities and reduce or terminate its operations. Due to global economic and political volatility, the Company may from time to time have restricted access to capital and increased borrowing costs.

To the extent that external sources of capital become limited, unavailable or available on onerous terms, the Company's ability to make capital investments and maintain existing operations may be impaired, and its assets, liabilities, business, financial condition and results of operations may be affected materially and adversely as a result. In addition, the future development of the Company's business may require additional financing and there are no assurances that such financing will be available or, if available, will be available upon acceptable terms. Alternatively, any available financing may be highly dilutive to existing shareholders.

Foreign Currency Exchange Rate Fluctuations

Sales of our products are transacted primarily in US dollars. Expenses are incurred in US dollars, Australian dollars, Canadian dollars, Chinese RMB and European euro and currencies of non-European Union members, and as a result, we are exposed to risk associated with those currency fluctuations.

The majority of our sales are denominated in US dollars. A stronger US dollar, compared to the currencies of countries where AgJunction is selling its products, makes our products more expensive to customers in those countries. As a result, a strengthening US dollar could have a negative impact on sales to such countries. As our operations are expanding with increased global sales, it is expected that it may be necessary to transact sales in foreign currencies other than US dollars, thus exposing us to additional foreign currency risk.

Political Uncertainty and Tariffs

In the last several years, the United States and certain European countries have experienced significant political events that have cast uncertainty on global financial and economic markets. Since the 2016 U.S. presidential election, the American administration has withdrawn the United States from the Trans-Pacific Partnership In addition, the North American Free Trade Agreement ("**NAFTA**") has been renegotiated and on November 30, 2018, Canada, the U.S. and Mexico signed the Canada-United States-Mexico Agreement ("**USMCA**") which has replaced NAFTA. The USMCA was ratified by Mexico's Senate in June 2019 and by the United States' Senate in January 2020 and by the Canadian Parliament in March 2020. The U.S. administration has also taken action with respect to reduction of regulation which may also affect relative competitiveness of other jurisdictions. It is unclear exactly what other actions the U.S. administration will implement, and if implemented, how these actions may impact the United States and Canada and in particular our industry. Any actions taken by the current U.S. administration may have a negative impact on the Canadian economy and on the businesses, financial conditions, results of operations and the valuation of Canadian companies, including the Company.

In addition to the political uncertainty in the United States, the impact of the United Kingdom exit from the European Union remains to be determined. Some European countries have also experienced the rise of anti-establishment political parties and public protests held against open-door immigration policies, trade and globalization. Conflict and political uncertainty also continues to progress in the Middle East. To the extent that certain political actions taken in North America, Europe and elsewhere in the world result in a marked decrease in free trade, access to personnel and freedom of movement it could have an adverse effect on the Company's ability to market its products internationally, increase costs for goods and services required for the Company's operations, reduce access to skilled labour and negatively impact the Company's business, operations, financial conditions and the market value of the Common Shares.

There remains uncertainty related to the trade talks between the United States and China. Depending upon the outcome of those negotiations, tariffs may be imposed by the Chinese government on goods originating from that country. This could have a negative impact on the United States and in particular, our industry.

Conflicts of Interest

Certain of our directors may be serving as directors of our suppliers or competitors and some are engaged and will continue to be engaged in the design, manufacture and marketing of electronic products and situations may arise where the directors may be in direct competition with our business. Conflicts of interest, if any, which arise will be subject to and governed by the procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with us to disclose his interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

Product Liability

The sale and use of our products entail risk of product liability. Although we have product liability insurance, there is no assurance that such insurance will be sufficient or will continue to be available on reasonable terms.

New and Emerging Markets

Many of the markets for our products are new and emerging. Our success will be significantly affected by the outcome of the development of these new markets.

Physical Facilities

In addition to our facility in Scottsdale, Arizona, we have component inventory, finished goods and capital assets at a number of third-party manufacturing facilities. Tangible property at each location is subject to risk of fire, earthquake, flood and other natural acts of God. In the event of such events or acts, there could be delays in production and shipments of product due to both the loss of inventory and/or capacity to produce.

Litigation

In the normal course of the Company's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions. Potential litigation may develop in relation to personal injuries (including resulting from property damage, property taxes, patent infringement and contract disputes). The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Company and could have a material adverse effect on the Company's assets, liabilities, business, financial condition and results of operations. Even if the Company prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from business operations, which could have an adverse affect on the Company's financial condition.

Volatility of Market Price of Common Shares

The market price of our Common Shares may be volatile. This volatility may affect the ability of holders to sell the Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to the downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by us or by our competitors, along with a variety of additional factors, including, without limitation, those set forth in this "*Risk Factors*" section or in the section titled "*Special Note Regarding Forward Looking Statements*".

Dilution

We may make future acquisitions or enter into financings or other transactions involving the issuance of Common Shares of the Company which may be dilutive to current and future holders of our Common Shares.

Forward Looking Information May Prove Inaccurate

Shareholders and prospective investors are cautioned not to place undue reliance on forward looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on risks, assumptions and uncertainties are found in the section "*Special Note Regarding Forward Looking Statements*".

Breach of Confidentiality

While discussing potential business relationships or other transactions with third parties, the Company may disclose confidential information relating to the business, operations or affairs of this Company. Although confidentiality agreements are generally signed by third parties prior to the disclosure of any confidential information, a breach could put the Company at competitive risk and may cause significant damage to its business. The harm to the Company's business from a breach of confidentiality cannot presently be quantified but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, the Company will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

Income Taxes

The Company files all required income tax returns and believes that it is in full compliance with the provisions of the *Income Tax Act* (Canada), the *Internal Revenue Code* (US) and all other applicable provincial/state tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Company, such reassessment may have an impact on current and future taxes payable.

Technology Failures or Cyber-Risks

We rely on information technology systems to process, transmit and store electronic information. In addition, a significant portion of internal communications, as well as communication with customers and suppliers depends on information technology. Further, certain of our products depend upon GPS and other systems through which our products interact with government computer systems and other centralized information sources. The Company is subject to a variety of information technology and system risks as a part of its normal course operations, including: potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach and destruction or interruption of the Company's information technology systems by third parties or insiders. Cyber risks may be deliberate attacks for the theft of intellectual property or other sensitive information or may be the result of unintentional events. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations, disruption to our business activities or our competitive position. The Company applies technical and process controls in line with industry-accepted standards to protect our information assets and systems; however, these controls may not be adequate or implemented properly to prevent cyber security breaches and to ensure that our operations are not disrupted. Potential consequences of a material cyber incident include damage to our reputation, litigation and increased cyber security protection and remediation costs. The significance of any such event is difficult to quantify but may in certain circumstances be material and could have a material adverse effect on the Company's business, financial condition and results of operations. The Company uses an external specialist to run both intrusion detection system and intrusion prevent system analysis, which then takes actions based on received results. The Company has developed an incident response plan.

It is also possible that unauthorized access to customer data or confidential information may be obtained through inadequate use of security controls by customers, vendors, or business partners. Efforts to prevent bad actors from disrupting our services or otherwise accessing our systems are expensive to develop, implement, and maintain. Such efforts require ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated and may limit the functionality of, or otherwise negatively impact, our service offering and systems.

Growth Management

The Company may be subject to growth related risks including pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this potential growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Epidemics and Pandemics

The Company's business, operations and financial condition could be adversely affected by the outbreak of epidemics or pandemics or other health crises. In December 2019, COVID-19 was reported to have surfaced in Wuhan, China and by March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The outbreak has spread globally and is impacting worldwide economic activity. Governments of many countries, including Canada and the United States, are taking certain actions to reduce the spread of the virus. Such actions have included declaring states of emergency, imposing quarantines, border closures, cancelling public gatherings, temporary business closures for companies and industries deemed non-essential, significant travel restrictions, school closures and mandated social distancing. Additionally, companies around the world, including in Canada and the United States have been taking measures to reduce the spread of the virus including reducing hours of operation, having employees work remotely from home and cancelling all in person meetings. Actions taken to reduce the spread of COVID-19 can result in volatility and disruptions in regular business operations, supply chains and financial markets, as well as declining trade and market sentiment. A pandemic, including COVID-19, poses the risk that we or our employees, contractors, suppliers, customers and other partners may be restricted or prevented from conducting business activities for undetermined periods of time. While it is not possible at this time to estimate the impact that COVID-19 could have on our business, the Company's business, operations and financial condition could be adversely affected by COVID-19 and other pandemics.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

We are not aware of any proceeding that involves a claim for damages, exclusive of interest and costs, of more than 10% of our current assets. We are not aware of any (i) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority in the year ended December 31, 2019; (ii) any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority during the year ended December 31, 2019.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under our equity compensation plans, as applicable, is contained in our information circular for the most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in our financial statements and management discussion and analysis for the year ended December 31, 2019, which are available on SEDAR at www.sedar.com and are set forth in our 2019 Annual Report. Documents affecting the rights of security holders, along with additional information relating to us, may also be found on SEDAR at www.sedar.com.

APPENDIX "A"

Audit Committee Mandate

1. **Establishment of Audit Committee:** The board of directors (the "**Board**") hereby establishes a committee to be called the Audit Committee (the "**Committee**").

2. **Membership:** The Committee shall be composed of three members or such greater number as the Board may from time to time determine, of whom the majority shall be "independent" directors as defined in National Instrument 52-110 – *Audit Committees*. Members shall be appointed periodically from among the members of the Board.

3. **Mandate:** The Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities relating to the following:

   (a) gain reasonable assurance that risk management, Board risk oversight and internal control systems are in place and monitor their effectiveness, including those risks that could affect the reliability of financial reporting;

   (b) the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;

   (c) the independence, selection, compensation, and performance of the Corporation's external auditors;

   (d) adequate communication among the external auditors, management and the Board, including the resolution of disagreements between management and the external auditors regarding financial reporting;

   (e) compliance with legal and regulatory requirements; and

   (f) ensure that effective procedures are in place for the anonymous submission, receipt, retention and treatment of complaints and concerns regarding accounting, internal control and auditing matters.

4. **Authority:** The Committee has the authority to:

   (a) conduct any investigation appropriate to fulfilling its responsibilities;

   (b) approve, on behalf of the Board, the Corporation's quarterly financial results and related documents, including the quarterly press releases and MD&A prior to their release;

   (c) have direct access to the external auditors as well as anyone in the organization; and

   (d) retain, at the Corporation's expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties.

5. **Duties and Responsibilities**

   (a) Accounting Policies:

      (i) review the appropriateness of accounting policies to ensure completeness and acceptability with IFRS as part of the approval of the financial statements;

      (ii) review with management and the external auditor any significant changes to the Corporation's accounting policies that might be material to financial reporting prior to their adoption; and

(iii) review with management and the external auditor the extent to which changes or improvements in financial or accounting practices, as previously reported to the Audit Committee, have been implemented.

(b) Financial Information and Reporting:

(i) review the Corporation's annual audited financial statements and related documents, including the press release and MD&A, prior to filing or distribution and recommend their approval by the Board. Review should include discussion with management and external auditors of significant issues regarding accounting policies, practices, and significant management estimates and judgments;

(ii) review with financial management and the external auditors, and approve, the Corporation's quarterly financial results and related documents, including the quarterly press releases and MD&A, prior to the public release;

(iii) review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas; and

(iv) review issues related to liquidity, plans for treasury operations, all material off-balance-sheet transactions, contingent liabilities and transactions with related parties.

(c) External Auditor:

(i) following completion of the annual audit, review separately with each of management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

(ii) facilitate the resolution of any significant disagreements among management and the external auditors in connection with the preparation of the financial statements;

(iii) the external auditors are ultimately accountable to the Committee and the Board, as representatives of the shareholders. The Committee shall be responsible for the selection, appointment, compensation, retention, termination and oversight of the external auditors and in such regard recommend to the board the nomination of the external auditor for approval by the shareholder;

(iv) on an annual basis, the Committee should review and discuss with the external auditors all significant relationships they have with the Corporation that could impair the auditors' independence;

(v) review the external auditors' audit plan - discuss and approve audit scope, staffing, locations, reliance upon management, and general audit approach;

(vi) approve all non-audit services to be provided to the Corporation by the external auditors' firm, prior to such services being performed;

(vii) meet regularly with the external auditors in the absence of management to determine that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee;

(viii) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present or former auditors;

(ix) when there is to be a change in external auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and

(x) ensure the significant findings and recommendations made by the external auditors and management's proposed responses are received, discussed and appropriately acted on.

(d) Internal Controls:

(i) periodically, in consultation with management and external auditors, consider the effectiveness of internal and disclosure controls as they relate to the Corporation's financial reporting processes. Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures; and

(ii) approve the Chair of the Board and the Chief Executive Officer expenses to ensure compliance with the Corporation's expense policy.

(e) Risk Oversight:

(i) review risk management policies and procedures of the Corporation, including litigation and insurance coverage;

(ii) review enterprise risk and in doing so, recognizing the responsibilities delegated to other committees by the Board and understanding that the other committees may emphasize specific risk monitoring through their respective activities;

(iii) review the development and implementation of appropriate systems to identify, monitor and mitigate significant business risks; and

(iv) endeavor to implement an effective system for the Board to approve, in conjunction with executive management, risk tolerances and appetites for strategic objectives.

(f) Laws & Regulations:

(i) on at least an annual basis, review with the Corporation's counsel any legal matters that could have a significant impact on the organization's financial statements, the Corporation's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies; and

(ii) Review the status of the Corporation's tax returns and those of its subsidiaries.

(g) Personnel:

(iii) annually consider and satisfy itself of the appropriateness of the expertise and experience of the CFO and the adequacy of the resources of the finance function; and

(iv) review financial and accounting personnel succession planning within the organization.

(h) Other:

(i) annually review the Committee's Mandate;

(ii) periodically assess the effectiveness of the Committee against its Mandate and report the results of the assessment to the Board;

(iii) annually review a summary of all related party transactions and potential conflicts of interest;

(iv) review the confidential, anonymous submission of employees of the Corporation, received from the whistleblowing hotline, of concerns regarding questionable accounting, internal accounting controls, or audit matters; and

(v) perform any other activities consistent with this Mandate, the Corporation's By-laws, and governing laws that the Board or Auditor Committee determines are necessary or appropriate.