

AgJunction Reports Second Quarter 2017 Earnings Results

HIAWATHA, KS, August 10, 2017 – AgJunction Inc. (TSX: AJX) ("AgJunction" or the "Company"), a leading provider of innovative hardware and software solutions for precision agriculture worldwide, reported financial results for the second quarter ended June 30, 2017. All currency amounts are expressed in U.S. dollars.

Second Quarter 2017 Financial Summary vs. Second Quarter 2016

- Revenue was up 12% to \$13.3 million.
- Gross margin increased 110 basis points to 41.3%.
- Operating loss improved to \$0.5 million compared to a loss of \$1.3 million.
- Net loss improved to \$0.5 million or \$0.00 per share, compared to a loss of \$1.2 million or \$(0.01) per share.
- Adjusted EBITDA improved to \$(0.0) million from \$(0.7) million.

Management Commentary

"Our second quarter marked the return to organic revenue growth on the back of strong sales to our large OEM customers in France and Germany," said Dave Vaughn, President and CEO of AgJunction. "While we remain cautious about the near-term industry growth dynamics, we are ahead of our plan for the year and continue to effectively manage working capital and increase free cash flow. We grew cash on a consecutive quarter basis by approximately \$3 million, while investing \$1.8 million to repurchase our own stock (US\$0.225 per share; CA\$0.297, representing a 50% discount to the closing price of CA\$0.60 on the date of the transaction). Given our overall business outlook, we are confident this will prove to be an accretive use of our Company's capital.

"Looking to the remainder of 2017, we believe the steps we have taken to strategically invest in intellectual property, innovate our product portfolio and improve our balance sheet has positioned AgJunction for further growth as our markets strengthen."

Second Quarter 2017 Financial Results

Total sales in the second quarter of 2017 increased 12% to \$13.3 million compared to \$11.9 million in the second quarter of 2016. This was driven by 51% sales growth in the Europe, Middle East and Africa (EMEA) region due to strong OEM business.

Gross profit in the second quarter of 2017 increased 15% to \$5.5 million compared to \$4.8 million in the second quarter of 2016. Gross margin increased 110 basis points to 41.3% compared to 40.2% in the second quarter of 2016. The increase was primarily due to the absorption of production overhead by the higher sales volumes.

Total operating expenses declined to \$6.0 million compared to \$6.1 million in the second quarter of 2016. As a percentage of sales, operating expenses were 45.3% compared to 50.9% in the second quarter of 2016.

Net loss in the second quarter was \$0.5 million or \$0.00 per share, compared to a net loss of \$1.2 million or \$(0.01) per share in the second quarter of 2016.

EBITDA in the second quarter of 2017 improved to \$(0.0) million compared to \$(0.7) million in the second quarter of 2016.

Cash and cash equivalents at the end of the second quarter of 2017 totaled \$18.8 million compared to \$12.9 million at the end of 2016. Working capital was \$24.8 million, up from \$22.4 million at the end of 2016. The Company continues to carry no debt and has access to its full \$3.0 million line of credit.

Conference Call

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

Date: Friday, August 11, 2017

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

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

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

Conference ID: 55184625

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

The conference call will be broadcast live and available for replay via the investor center section of the company's website at www.corp.agjunction.com.

A replay of the conference call will be available after 2:00 p.m. Eastern time on the same day through August 25, 2017.

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

International replay number: 1-416-849-0833

Replay ID: 55184625

About AgJunction

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

Non-IFRS Measures

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

amortization. The Company believes that this non-IFRS measure provides useful information to both management and investors in measuring financial performance. As this measure, does not have a standard meaning prescribed by IFRS, it may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with IFRS. This non-IFRS measure is provided as additional information to complement IFRS measures by providing further understanding of operations from management's perspective. Accordingly, non-IFRS measures should never be considered in isolation nor as a substitute to using net income as a measure of profitability or as an alternative to the IFRS consolidated statements of income or other IFRS statements. See "Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) Reconciliation" herein for additional information.

Forward-Looking Statements

This press release contains forward-looking information and forward-looking statements (collectively, "forward-looking information") within the meaning of applicable securities laws and is based on the expectations, estimates and projections of management of AgJunction as of the date of this news release, unless otherwise stated. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information. More particularly and without limitation, this press release contains forward-looking information concerning, but not limited to: the Company's plans to manage working capital and increase free cash flow, as well as the Company's belief that given its innovative product development, investment in intellectual property, and its balance sheet, it is well-positioned for future growth. Such forward-looking information is provided for the purpose of providing information about management's current expectations and plans relating to its current and future operations. Investors are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Accordingly, readers should not place undue reliance on such forward-looking information contained in this press release.

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

Since forward-looking information addresses future events and conditions, such information by its very nature involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks associated with the industries in which AgJunction operates; ability to access sufficient capital from internal and external sources; changes in legislation; departure of key personnel or consultants; competition; inability to introduce new technology and new products in a timely manner; legal claims for the infringement of intellectual property and other claims; fluctuation in foreign exchange or interest rates; uncertainties in the global economy; negative conditions in general economic, agricultural and financial markets; availability of key supplies and components;

product liability; reduced demand for the Company's products; and changes in the Global Navigation Satellite System and other systems outside of our control. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the Company's operations or financial results, are included in reports of AgJunction on file with applicable securities regulatory authorities, including but not limited to, AgJunction's Annual Information Form which may be accessed on its SEDAR profile at www.sedar.com.

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

Contact

AgJunction

Michael Manning, CFO

1-785-742-5149

MManning@agjunction.com

Investor Relations

Liolios

Cody Slach, Managing Director

1-949-574-3860

AJX@liolios.com

AgJunction Inc.

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

(000s)	June 30, 2017 (Unaudited)	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 18,768	\$ 12,863
Accounts receivable, net of bad debt provisions of \$60 and \$74 as of June 30, 2017 and December 31, 2016, respectively	5,438	4,776
Inventories	5,613	8,226
Prepaid expenses and deposits	1,161	974
	30,980	26,839
Property, plant and equipment, net	3,030	3,176
Intangible assets, net	10,490	11,123
Goodwill	143	143
	\$ 44,643	\$ 41,281
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,320	\$ 3,680
Provisions	664	545
Current portion of deferred revenue	166	206
	6,150	4,431
Deferred revenue, less current portion	149	158
	6,299	4,589
Shareholders' equity:		
Share capital	146,792	148,391
Equity reserve	5,438	5,265
Accumulated deficit	(113,886)	(116,964)
	38,344	36,692
	\$ 44,643	\$ 41,281

AgJunction Inc.

Condensed Consolidated Statements of Profit or Loss

Three and six months ended June 30, 2017 and 2016

(Unaudited - expressed in U.S. dollars)

(000s)	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Sales	\$ 13,341	\$ 11,894	\$ 27,914	\$ 27,384
Cost of sales	7,826	7,114	15,572	15,929
Gross profit	5,515	4,780	12,342	11,455
Expenses:				
Research and development	1,861	2,028	3,944	3,976
Sales and marketing	1,960	1,809	3,863	3,728
General and administrative	2,218	2,221	4,444	4,761
	6,039	6,058	12,251	12,465
Operating income (loss)	(524)	(1,278)	91	(1,010)
Foreign exchange (gain)	(22)	(60)	(27)	(36)
Interest and other expense (income)	1	(40)	3	(40)
Other income	-	-	(3,000)	-
Loss on sale of property, plant and equipment	18	29	18	30
	(3)	(71)	(3,006)	(46)
Net income (loss) before income tax	(521)	(1,207)	3,097	(964)
Income tax	19	-	19	-
Net income (loss)	\$ (540)	\$ (1,207)	\$ 3,078	\$ (964)
Earnings per share:				
Basic and diluted income (loss) per share	\$ 0.00	\$ (0.01)	\$ 0.02	\$ (0.01)

AgJunction Inc.

Condensed Consolidated Statements of Cash Flows

Six months ended June 30, 2017 and 2016

(Unaudited - expressed in U.S. dollars)

(000s)	2017	2016
Cash flows from operating activities:		
Net income (loss)	\$ 3,078	\$ (964)
Items not involving cash:		
Depreciation	339	365
Amortization	633	631
Share-based payment transactions	341	382
Allowance on trade receivables	2	—
Net realizable value write down of inventory	427	443
Loss on disposal of property, plant and equipment	18	30
Change in non-cash operating working capital:		
Accounts receivable	(665)	1,550
Inventories	2,186	1,905
Prepaid expenses and deposits	(187)	57
Accounts payable and accrued liabilities	1,640	(1,628)
Provisions	119	(443)
Deferred revenue	(49)	(57)
Cash flows from operating activities	7,882	2,271
Cash flows from (used in) financing activities:		
Payment of finance lease liability	—	(1)
Purchase and cancellation of common shares	(1,766)	—
Issue of common shares	—	66
Cash flows from (used in) financing activities	(1,766)	65
Cash flows (used in) investing activities:		
Proceeds from the sale of property, plant, and equipment	1	1
Purchase of property, plant and equipment	(212)	(275)
Cash flows (used in) investing activities	(211)	(274)
Increase in cash position	5,905	2,062
Cash and cash equivalents, beginning of year	12,863	13,048
Cash and cash equivalents, end of period	\$ 18,768	\$ 15,110

AgJunction Inc.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) Reconciliation

Three and six months ended June 30, 2017 and 2016

(Unaudited - expressed in U.S. dollars)

(000s)	Three months ended		Six months ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Net income (loss)	\$ (540)	\$ (1,207)	\$ 3,078	\$ (964)
Interest expense (income)	1	(40)	3	(40)
Income tax	19	—	19	—
Depreciation	168	181	339	365
Amortization	316	318	633	631
Adjusted EBITDA	\$ (36)	\$ (748)	\$ 4,072	\$ (8)