AG GROWTH INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
Dated: March 7, 2023

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated comparative financial statements and accompanying notes of Ag Growth International Inc. ("AGI", the "Company", "we", "our" or "us") for the year ended December 31, 2022. Results are reported in Canadian dollars unless otherwise stated.

This MD&A is based on the Company's audited consolidated comparative financial statements for the year ended December 31, 2022 ("consolidated financial statements") based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), unless otherwise noted.

This MD&A makes reference to certain specified financial measures, including non-IFRS financial measures, non-IFRS ratios and supplementary financial measures. These specified financial measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement our financial information reported under IFRS by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. Please refer to the "NON-IFRS AND OTHER FINANCIAL MEASURES" section of this MD&A for more information on each specified financial measure.

This MD&A contains forward-looking information. Please refer to the cautionary language under the heading "Risks and Uncertainties", "Forward-Looking Information" and "Financial Outlook" in this MD&A and in our most recently filed Annual Information Form, all of which are available under the Company's profile on SEDAR [www.sedar.com].

SUMMARY OF RESULTS

	Three-months ended December 31			
	2022	2021	Change	Change
[thousands of dollars except per share amounts and percentages]	$	$	$	%
Sales	374,034	327,095	46,939	14%
Adjusted EBITDA [1][2]	50,997	44,651	6,346	14%
Adjusted EBITDA Margin % [3]	13.6%	13.7%	0.0%	(0%)
Loss before income taxes	(76,526)	(21,701)	(54,825)	253%
Loss	(67,811)	(16,350)	(51,461)	315%
Diluted loss per share	(3.59)	(0.87)	(2.72)	313%
Adjusted profit [1][4]	18,581	19,127	(546)	(3%)
Diluted adjusted profit per share [3][4]	0.92	0.89	0.03	3%

[thousands of dollars except per share amounts and percentages]	2022 $	2021 $	Year ended December 31 Change $	Change %
Sales	1,458,082	1,198,523	259,559	22%
Adjusted EBITDA [1][2]	234,683	176,266	58,417	33%
Adjusted EBITDA Margin % [3]	16.1%	14.7%	1.4%	9%
(Loss) profit before income taxes	(45,313)	9,383	(54,696)	N/A
(Loss) profit	(50,583)	10,558	(61,141)	N/A
Diluted (loss) profit per share	(2.68)	0.50	(3.18)	N/A
Adjusted profit [1][4]	75,781	63,242	12,539	20%
Diluted adjusted profit per share [3][4]	3.74	2.90	0.84	29%

[1] This is a non-IFRS measure and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each non-IFRS measure.
[2] See "DETAILED OPERATING RESULTS – Profit (loss) before income taxes and Adjusted EBITDA".
[3] This is a non-IFRS ratio and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each non-IFRS ratio.
[4] See "DETAILED OPERATING RESULTS – Diluted (loss) profit per share and diluted adjusted profit per share".

Consolidated Operating Segment Results Summary

[thousands of dollars]	2022 $	2021 $	Three-months ended December 31 Change $	Change %
Sales [1]				
Farm	180,985	145,577	35,408	24%
Commercial	193,049	181,518	11,531	6%
Total	374,034	327,095	46,939	14%

[thousands of dollars]	2022 $	2021 $	Year ended December 31 Change $	Change %
Sales [1]				
Farm	778,088	647,869	130,219	20%
Commercial	679,994	550,654	129,340	23%
Total	1,458,082	1,198,523	259,559	22%

[1] The sales information in this table are supplementary financial measures and are used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on these supplementary financial measures.

[thousands of dollars]	2022 $	2021 $	Three-months ended December 31 Change $	Change %
Adjusted EBITDA [1] [2] [3]				
Farm	32,482	31,159	1,323	4%
Commercial	30,658	24,336	6,322	26%
Other [4]	(12,143)	(10,844)	(1,299)	12%
Total	50,997	44,651	6,346	14%

[thousands of dollars]	2022 $	2021 $	Year ended December 31 Change $	Change %
Adjusted EBITDA [1] [2] [3]				
Farm	163,118	140,961	22,157	16%
Commercial	106,760	66,771	39,989	60%
Other [4]	(35,195)	(31,466)	(3,729)	12%
Total	234,683	176,266	58,417	33%

[1] See "BASIS OF PRESENTATION"
[2] This is a non-IFRS measure and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each non-IFRS measure.
[3] See "DETAILED OPERATING RESULTS – Profit (loss) before income taxes and Adjusted EBITDA" and "DETAILED OPERATING RESULTS – Profit (loss) before income taxes and Adjusted EBITDA by Segment".
[4] Included in Other is the corporate office, which is not a reportable segment, and which provides finance, treasury, legal, human resources and other administrative support to the segments.

	2022 $	2021 $	Three-months ended December 31 Change $	Change %
Adjusted EBITDA Margin % [1] [2]				
Farm	18%	21%	(3%)	(16%)
Commercial	16%	13%	2%	18%
Other [3]	(3%)	(3%)	0%	(2%)
Total	14%	14%	(0%)	(0%)

	2022 $	2021 $	Year ended December 31 Change $	Change %
Adjusted EBITDA Margin % [1] [2]				
Farm	21%	22%	(1%)	(4%)
Commercial	16%	12%	4%	29%
Other [3]	(2%)	(3%)	0%	(8%)
Total	16%	15%	1%	9%

[1] See "BASIS OF PRESENTATION"
[2] This is a non-IFRS ratio and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each non-IFRS ratio.
[3] Included in Other is the corporate office, which is not a reportable segment, and which provides finance, treasury, legal, human resources and other administrative support to the segments. The Adjusted EBITDA Margin % for Other is calculated based on total sales since it does not generate sales without the segments.

Our strong fourth quarter results were a record for both sales and Adjusted EBITDA[1], both up 14% year-over-year ('YOY'), and capped-off another year of record results that featured annual sales and Adjusted EBITDA growing by 22% and 33%, respectively. With only one relatively small acquisition made early in the year, these results highlight the strong pace of organic growth and the initial impact of a wide array of operational excellence initiatives aimed at creating a more efficient organization.

[1] This is a non-IFRS measure and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each non-IFRS measure.

The Farm segment delivered strong results in the fourth quarter, with sales and adjusted EBITDA growing by 24% and 4% YOY, respectively. In addition, full year sales and adjusted EBITDA growth of 20% and 16%, respectively, continue the trend of strong momentum over an already historic performance in 2021. This growth was fueled by the continued demand for portable grain handling equipment in Canada, the U.S., and Asia Pacific, as well as permanent grain handling and storage solutions in South America. As consumption continues to increase globally, we are seeing sustained demand for our Farm segment products as growers around the world increase production. The fourth quarter Adjusted EBTIDA margin decreased as compared to the fourth quarter of 2021 as that quarter benefited from the price increases we implemented ahead of rising input costs which peaked in 2022.

The Commercial segment delivered a solid fourth quarter with sales and adjusted EBITDA increasing 6% and 26% YOY, respectively. For the full year, sales and adjusted EBITDA grew 23% and 60%, respectively, driven by significant growth in Canada, the U.S., South America, and Asia Pacific markets. The Canadian region was a standout performer, with sales growth of 83%, or 35% net of acquisitions, indicating a strong recovery in this region that was initially hard hit by the pandemic. The improvement in this region has also been accelerated by a more unified structure and approach to our overall North America Commercial business.

Internationally, the growth in the Brazil and India regions continues to be extraordinary. Annual sales growth of 36% and 44%, respectively, and adjusted EBITDA growth of 28% and 68%, respectively, underscores the importance of our regional diversification strategy and the benefits of our investments in developing market positions within these critical agricultural regions.

On a consolidated basis, our annual Adjusted EBITDA increased by $58.4 million, driven by higher sales across all segments, including significant contributions from U.S. Farm, Canada Farm, North America Commercial, Brazil, and India. This was further boosted by an improvement in gross margin resulting from operational efficiencies, a sales mix that favored portable grain handling equipment in the Farm segment, increased volume in the Commercial segment, and the positive impact of lower steel prices compared to the previous year.

Sustained demand for agriculture equipment and infrastructure enabled AGI to cap off another record year in sales and adjusted EBITDA with excellent momentum heading into 2023. Our quoting pipelines are highly active and we continue to see strong interest from customers across all segments and regions as they continue to invest in critical infrastructure equipment and solutions. The consolidated backlog was up 10% YOY at record-levels for year-end and near record levels all-time. Of note, at year-end the backlog was up by 60% from 2020 year-end, further highlighting the step-change in the mix of our business, demand for AGI products, and our ability to expand market share.

As a result, full year 2023 adjusted EBITDA is expected to be at least $260 million[2], representing continued growth and momentum over our record 2022 results.

[2] See “BASIS OF PRESENTATION”, “RISKS AND UNCERTAINTIES”, “FORWARD-LOOKING INFORMATION” and "FINANCIAL OUTLOOK".

BASIS OF PRESENTATION

On December 29, 2022, the Company announced that it will be reorganizing its digital business to better reflect changes in its operations and management structure. As a result of this change, the Company has identified its reportable segments as Farm and Commercial, each of which are supported by the corporate office. The previously identified Digital segment has now been included within the Farm segment, and the Food platform which was a sub-segment of the Commercial segment has been amalgamated into the Commercial segment. These segments are strategic business units that offer different products and services. Certain corporate overheads are allocated to the segments based on revenue as well as applicable cost drivers. Taxes and certain other expenses are managed at a consolidated level and are not allocated to the reportable operating segments. Financial information for the comparative period has been restated to reflect the new presentation.

For the year ended December 31, 2021, the effect of foreign currency translations arising from the settlement of accounts receivables and payables recorded in a currency other than the Company's functional currency have been presented within finance income (expenses); historically, the foreign exchange impact was presented in sales and a reconciliation was made to trade sales as presented in prior MD&As.

The Company's change in presentation in its consolidated financial statements was made in accordance with IAS 1 and IFRS 8. Under IFRS 8, a change in accounting policy is permitted if the change results in the financial statements providing more reliable and relevant information about the effects of transactions on the entity's financial position. In addition, IAS 1 requires an entity to reclassify its comparative information when making such changes in presentation and therefore comparative figures have been restated accordingly.

Description of Business Segments

Farm Segment

AGI's Farm segment focuses on the needs of on-farm customers and its products offering includes grain, seed, and fertilizer handling equipment, aeration products, grain and fuel storage solutions, and grain management technologies (See "BASIS OF PRESENTATION").

Commercial Segment

AGI's Commercial segment focuses on commercial entities such as port facility operators, food processors and elevators. Its products offering includes larger diameter grain storage bins, high-capacity grain handling equipment, seed and fertilizer storage and handling systems, feed handling and storage equipment, aeration products, automated blending systems, control systems, project management services and food processing solutions.

OPERATING RESULTS and OUTLOOK [3]

Sales by Geography [4]

[thousands of dollars]	2022 $	2021 $	Three-months ended December 31 Change $	 Change %
Canada	87,725	46,730	40,995	88%
U.S.	141,676	128,050	13,626	11%
International				
EMEA	39,278	51,965	(12,687)	(24%)
Asia Pacific	50,339	42,420	7,919	19%
South America	55,016	57,930	(2,914)	(5%)
Total International	144,633	152,315	(7,682)	(5%)
Total Sales	**374,034**	**327,095**	**46,939**	**14%**

[thousands of dollars]	2022 $	2021 $	Year ended December 31 Change $	 Change %
Canada	333,353	267,755	65,598	24%
U.S.	649,905	532,443	117,462	22%
International				
EMEA	126,046	127,899	(1,853)	(1%)
Asia Pacific	158,212	128,758	29,454	23%
South America	190,566	141,668	48,898	35%
Total International	474,824	398,325	76,499	19%
Total Sales	**1,458,082**	**1,198,523**	**259,559**	**22%**

Sales by Segment and Geography [5]

Farm Segment

[thousands of dollars]	2022 $	2021 $	Three-months ended December 31 Change $	 Change %
Canada	64,098	36,106	27,992	78%
U.S.	85,739	74,876	10,863	15%
International				
EMEA	6,279	6,014	265	4%
Asia Pacific	9,168	11,053	(1,885)	(17%)
South America	15,701	17,528	(1,827)	(10%)
Total International	31,148	34,595	(3,447)	(10%)
Total Sales	**180,985**	**145,577**	**35,408**	**24%**

[3] See “BASIS OF PRESENTATION”, “RISKS AND UNCERTAINTIES”, “FORWARD-LOOKING INFORMATION” and "FINANCIAL OUTLOOK".

[4] The sales information in this section are supplementary financial measures and are used throughout this MD&A. See “NON-IFRS and OTHER FINANCIAL MEASURES” for more information on these supplementary financial measures.

[5] The sales information in this section are supplementary financial measures and are used throughout this MD&A. See “NON-IFRS and OTHER FINANCIAL MEASURES” for more information on these supplementary financial measures.

[thousands of dollars]	2022 $	2021 $	Year ended December 31 Change $	Change %
Canada	240,850	217,269	23,581	11%
U.S.	413,450	341,795	71,655	21%
International				
EMEA	12,631	15,375	(2,744)	(18%)
Asia Pacific	29,947	27,589	2,358	9%
South America	81,210	45,841	35,369	77%
Total International	123,788	88,805	34,983	39%
Total Sales	778,088	647,869	130,219	20%

Commercial Segment

[thousands of dollars]	2022 $	2021 $	Three-months ended December 31 Change $	Change %
Canada	23,627	10,624	13,003	122%
U.S.	55,937	53,174	2,763	5%
International				
EMEA	32,999	45,951	(12,952)	(28%)
Asia Pacific	41,171	31,367	9,804	31%
South America	39,315	40,402	(1,087)	(3%)
Total International	113,485	117,720	(4,235)	(4%)
Total Sales	193,049	181,518	11,531	6%

[thousands of dollars]	2022 $	2021 $	Year ended December 31 Change $	Change %
Canada	92,503	50,486	42,017	83%
U.S.	236,455	190,648	45,807	24%
International				
EMEA	113,415	112,524	891	1%
Asia Pacific	128,265	101,169	27,096	27%
South America	109,356	95,827	13,529	14%
Total International	351,036	309,520	41,516	13%
Total Sales	679,994	550,654	129,340	23%

The following table presents YOY changes in the Company's backlogs[1]:

	Region			
	Canada	United States	International	Overall
Segments	%	%	%	%
Farm	131%	(1%)	(18%)	25%
Commercial	(11%)	(15%)	6%	(3%)
Overall	79%	(6%)	3%	10%

[1] This is a supplementary financial measure and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on this supplementary financial measure.

The following table presents YOY changes in the Company's international backlogs[1] further segmented by region:

	EMEA[2]	Asia Pacific[3]	South America[4]
Farm and Commercial Segments	%	%	%
International by region	(45%)	31%	109%

[1] This is a supplementary financial measure and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on this supplementary financial measure.
[2] "EMEA" is composed of Europe, Middle East and Africa.
[3] "Asia Pacific" is composed of Southeast Asia, Australia, India and the rest of the world (other than Canada, the United States, EMEA and South America).
[4] "South America" is composed of Brazil and the rest of Latin America.

Farm Segment

The Farm Segment closed-out a successful 2022 with fourth quarter sales and Adjusted EBITDA increasing 24% and 4% YOY, respectively. On an annual basis, Farm segment sales and Adjusted EBITDA posted 20% and 16% increases due to the robust demand for portable grain handling equipment, particularly in Canada and the United States. The trend of elevated crop prices and growers monetizing crops shortly after harvest resulted in a shift in demand from permanent storage to portable handling equipment. Adjusted EBTIDA margin decreased 300 basis points and 100 basis points to 18% and 21%, for the three-months and year ended December 31,2022 respectively, as input costs continued to rise throughout 2022 peaking late in 2022.

Canada

Sales and backlogs increased by 78% and 131% YOY in the fourth quarter ("Q4") respectively, as improved crop yield in 2022 as compared to the drought impacted 2021 drove up the demand for grain handling equipment. The Canada region is expected to continue its recovery in 2023 as dealers move their inventory in the upcoming months.

United States

Sales and backlogs increased by 15% and decreased by 1% YOY in Q4 respectively, as the continued demand for portable grain handling equipment and low inventory levels in the dealer network contributed to the growth. There was a decrease in demand for grain storage equipment as growers were motivated by favourable grain prices to monetize crops. Nonetheless, the trend of larger crop sizes and increasing farmer sophistication support a positive outlook for demand for permanent grain handling equipment and storage in this large and important agricultural market.

International

Sales and backlogs decreased 10% and 18% YOY in Q4 respectively, as order intake across Asia Pacific and South America shifted more towards Commercial versus Farm during the second half of 2022, impacting the timing of shipments and sales relative to 2021. Full year sales to Asia Pacific and South America increased 9% and 77% YOY for the year ended December 31, 2022, respectively.

Sales to the Europe, Middle East, and Africa [‘EMEA’] region decreased 18% YOY for the year ended December 31, 2022 as the Russia-Ukraine conflict (See “RISKS AND UNCERTAINTIES – Russia-Ukraine Conflict”) impacted demand for grain handling equipment throughout 2022 and disrupted projects throughout the region. However, we are seeing early signs of a more stable environment in EMEA with sales increasing 4% YOY in Q4.

As agricultural production becomes more efficient globally, we expect rising crop volumes, which will drive demand for our portable handling equipment and permanent storage solutions. We see ample growth prospects across these international markets in the near future and over the long run.

Commercial Segment

The Commercial segment grew sales and Adjusted EBITDA by 6% and 26% YOY, respectively, in the fourth quarter. For the full year, the Commercial segment saw a significant boost in sales and Adjusted EBITDA in 2022 with increases of 23% and 60%, respectively. The rebound in Canadian sales, continued growth in the U.S., and strong results in international markets contributed to the 2022 performance. Our food processing equipment and solutions continue to be a key contributor to this growth, which saw full year sales increase 66% and 34% net of acquisitions (See “2022 ACQUISITION”). The increase in Adjusted EBITDA was primarily the result of scaling on a higher revenue base, capturing incremental gross margins on higher volume, and favorable steel pricing in 2022.

As we head into 2023, we expect the momentum in the Commercial segment to continue and our focus remains on bringing full solutions to our customers around the world. The outlook for the Commercial segment is particularly strong in Brazil, EMEA, and India with ongoing investments in larger scale food storage, conditioning, and processing. EMEA activity continues to be aimed at Middle East and Africa. The North America Commercial business remains strong, with the Food business expected to be soft in the first half of 2023 and strengthening across the second half of 2023.

Canada

Commercial segment sales increased 122% YOY in the fourth quarter and 83% for the full year. Specific market drivers included:

- The grain terminal and grain processing markets resumed capital spending following a temporary decrease in spending after significant build out from 2015 through 2020. We are also seeing demand return in the fertilizer equipment market.
- The increased quoting activities in the first six months of 2022 for grain terminal projects drove a recovery of this region in Q4. We continue to expect this region to perform well in 2023.
- The addition of Eastern Fabricators (“Eastern”) (See “2022 ACQUISITION”) provided the additional production capacity and resources that enabled the Canadian Commercial segment to capitalize on increasing demand.
- We are also seeing demand return in the fertilizer equipment market.

With a robust quoting pipeline, we expect the momentum to continue in this region in 2023.

United States

Commercial segment sales increased 5% YOY in the fourth quarter and up 24% for the full year. Specific market drivers included:

- The continued demand in the petfood market supported by our efforts on developing strategic relationships with key partners.
- The demand for commercial infrastructure which was supported by a positive export outlook.

With a significant quoting pipeline, we anticipate this region will continue to be a strong contributor to the overall Commercial segment performance in 2023.

International

Commercial segment sales decreased 4% YOY in the fourth quarter but were up 13% for the full year. Specific market drivers included:

- Sales in the Asia Pacific region increased 31% YOY in Q4 capping off an exceptional year with a full year sales growth of 27%. We continue to see demand in commercial infrastructure in this region and expect growth to continue in 2023.
- Sales in the EMEA region decreased 28% YOY in Q4 against a historic performance in 2021. In addition, the region continued to be impacted by the Russia-Ukraine conflict (See “RISKS AND UNCERTAINTIES – Russia-Ukraine Conflict”). Despite the regional conflict, sales in the EMEA region still managed to increase 1% for the full year as AGI was quickly able to pivot and concentrate on the Africa and Middle East regions, as well as accelerate product transfers including fertilizer equipment. With a robust quoting pipeline, we anticipate a rebound in this region in the near term.
- Sales in the South America region experienced a small decrease of 3% YOY in Q4 as a result of timing on a number of commercial projects, though sales increased 14% YOY for the full year. The backlog for this region is up 177% YOY in the fourth quarter.
- The Brazil and India regions continued their momentum in Q4 with YOY sales increases of 3% and 41%, respectively. Specific market drivers included:

    - Brazil continuing to see a strong demand for AGI products and systems in the Commercial segment, supported by a favorable macroeconomic environment. Brazil’s Commercial backlog is up 231% YOY in the fourth quarter.
    - India continues to deliver record quarterly results driven by the demand for rice milling equipment, expansion of our product portfolio in the region, and export activities. The Commercial backlog for India also increased 27% YOY.
    - We anticipate continued growth in both regions in 2023 based on their strong backlogs in a favorable macroeconomic environment.

Overall, we anticipate substantial growth prospects for our Commercial segment across various international regions in 2023, with Brazil and India being particularly promising due to favorable macroeconomic conditions and an ongoing effort to reduce the food infrastructure gap relative to more established and mature markets. We have limited visibility and expectations for sales across Russia and Ukraine due to the ongoing conflict and, as referenced above, our focus and activity will continue to shift more to other areas within the EMEA region.

Summary

The record sales and Adjusted EBITDA results we achieved in 2022 demonstrate the strength of our balanced and diversified strategy, encompassing a variety of products, regions, and customers. Our commitment to operational excellence and customer value has led to impressive efficiency improvements, particularly in the North American Commercial segment, resulting in both sales growth and margin expansion. We are confident that these efforts will continue to extend across all regions and help to drive further success and growth in the future.

Our quoting pipelines remain robust as customers across all regions continue to show strong interest in investing in essential infrastructure and equipment to meet the demands of increased crop production, promote efficiency across the supply chain, and to address food security concerns. As a result, we anticipate continued robust growth and project that our full year 2023 Adjusted EBITDA will be at least $260 million[6].

DETAILED OPERATING RESULTS

[thousands of dollars]	Three-months ended December 31 2022 $	Three-months ended December 31 2021 $	Year ended December 31 2022 $	Year ended December 31 2021 $
Sales	374,034	327,095	1,458,082	1,198,523
Cost of goods sold				
Cost of inventories	255,560	232,998	985,073	834,402
Equipment rework	6,100	10,000	6,100	10,000
Remediation	—	8,600	—	16,100
Depreciation and amortization	11,383	9,602	46,310	34,006
	273,043	261,200	1,037,483	894,508
Selling, general and administrative expenses				
Selling, general & administrative expenses [1]	74,399	64,752	263,604	213,208
Mergers and acquisitions (recovery) expense [2]	(25)	962	(144)	3,035
Transaction, transitional and other costs [3]	15,395	4,763	44,301	12,058
Depreciation and amortization	7,641	6,772	30,635	28,043
	97,410	77,249	338,396	256,344
Other operating expense (income)				
Net loss (gain) on disposal of property, plant and equipment	(13)	(60)	339	23
Net loss (gain) on settlement of leases	1	(28)	1	(17)
Net gain on financial instruments	(8,211)	(1,929)	(9,629)	(1,382)
Foreign exchange reclassification on disposal of foreign operation	—	—	—	(898)
Other	(1,914)	(1,287)	(8,722)	(5,025)
	(10,137)	(3,304)	(18,011)	(7,299)

[6] See “BASIS OF PRESENTATION”, “RISKS AND UNCERTAINTIES”, “FORWARD-LOOKING INFORMATION” and "FINANCIAL OUTLOOK".

Finance costs	17,197	11,948	61,067	43,599
Finance (income) expense	(2,309)	145	8,614	2,615
Impairment charge [4]	75,356	1,558	75,846	5,074
Share of associate's net loss [5]	—	—	—	1,077
Revaluation gains [5]	—	—	—	(6,778)
(Loss) profit before income taxes	(76,526)	(21,701)	(45,313)	9,383
Income tax expense (recovery)	(8,715)	(5,351)	5,270	(1,175)
(Loss) profit	**(67,811)**	**(16,350)**	**(50,583)**	**10,558**
(Loss) profit per share				
Basic	(3.59)	(0.87)	(2.68)	0.56
Diluted	(3.59)	(0.87)	(2.68)	0.50

[1] Includes minimum lease payments recognized as lease expense. See "Note 26 [b] – Selling, general and administrative expenses" in our consolidated financial statements.
[2] Transaction (recoveries) costs associated with completed and ongoing mergers and acquisitions activities.
[3] Includes legal expense, legal provision the net impact of sales reversal as a result of the Russia-Ukraine conflict (See "RISKS AND UNCERTAINTIES – Russia-Ukraine Conflict"), transitional costs related to the Digital segment reorganization (See BASIS OF PRESENTATION), restructuring and other acquisition related transition costs, as well as the accretion and other movement in contingent consideration and amounts due to vendors.
[4] Impairment charge is a result of impairment charges related to the reorganization of the Company's Digital segment and write-down in property, plant and equipment. See "Note 12 - Property, plant and equipment, Note 13 - Right-of-use assets, Note 14 – Goodwill, Note 15 – Intangible assets and Note 16 – Impairment testing in our consolidated financial statements.
[5] See "Share of associate's net loss and revaluation gains".

Gross Profit and Adjusted Gross Margin

	Three-months ended December 31		Year ended December 31	
	2022	2021	2022	2021
[thousands of dollars]	$	$	$	$
Sales	374,034	327,095	1,458,082	1,198,523
Cost of goods sold	273,043	261,200	1,037,483	894,508
Gross Profit	**100,991**	**65,895**	**420,599**	**304,015**
Gross Profit as a % of sales [1]	27.0%	20.1%	28.8%	25.4%
Equipment rework	6,100	10,000	6,100	10,000
Remediation	—	8,600	—	16,100
Fair value of inventory from acquisition [2]	—	—	609	—
Depreciation and amortization	11,383	9,602	46,310	34,006
Adjusted Gross Margin [3]	**118,474**	**94,097**	**473,618**	**364,121**
Adjusted Gross Margin as a % of sales [4]	31.7%	28.8%	32.5%	30.4%

[1] This is a supplementary financial measure and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each supplementary financial measure.
[2] Non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost.
[3] This is a non-IFRS measure and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each non-IFRS measure.
[4] This is a non-IFRS ratio and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each non-IFRS ratio.

AGI's gross profit as a percentage of sales for the year ended December 31, 2022, increased over the prior year as a result of the reduction in cost of equipment rework and remediation. The adjusted gross margin as a percentage of sales for the year ended December 31, 2022 also increased over the prior year, which is attributable to the performance of the Commercial segment. Specifically, the increase in sales volume, improved operational efficiencies and the improvement of steel pricing in 2022.

Impact of Foreign Exchange

Gains and Losses on Foreign Exchange

The gain and loss on foreign exchange for the three-months and year ended December 31, 2022 was a gain of $2.2 million [2021 – loss of $0.2 million] and a loss of $8.9 million [2021 – loss of $3.0 million], respectively. The gain and losses are primarily comprised of non-cash items related to the translation of the Company's U.S. dollar denominated long-term debt at the rate of exchange in effect as at December 31, 2022. See also "Financial Instruments – Foreign exchange contracts".

Sales and Adjusted EBITDA

AGI's average rate of exchange for the three-months and year ended December 31, 2022 was $1.36 [2021 - $1.27] and $1.30 [2021 - $1.25]. A weaker Canadian dollar relative to the U.S. dollar results in higher reported sales for AGI, as U.S. dollar denominated sales are translated into Canadian dollars at a higher rate. Similarly, a weaker Canadian dollar results in higher costs for U.S. dollar denominated inputs and SG&A expenses. In addition, a weaker Canadian dollar may result in higher input costs of certain Canadian dollar denominated inputs, including steel. On balance, Adjusted EBITDA increases when the Canadian dollar weakens relative to the U.S. dollar.

Remediation costs and equipment rework

Remediation costs

Over the period of 2019–2020, AGI entered into agreements to supply 35 large hopper bins for installation by third parties on two grain storage projects. In 2020, a bin at one of the customer facilities collapsed during commissioning, and legal claims related to the incident have been initiated against AGI.

AGI, in consultation with its advisors, has estimated various probability weighted scenarios, including investigation and remediation costs, at the incident site. Key assumptions included the degree of liability, if any, estimated volume of materials and materials costs, estimated internal and external labour hours, equipment costs and third-party construction costs along with the risk-adjusted weight of other liabilities as a result of the customer claim. In addition, management has considered the merits of related legal claims and has taken them into consideration in assessing its exposure. The provision may be subject to revision in the future as information becomes available, the impact of which could be material.

AGI continues to believe that any financial impact will be, at least, partially offset by insurance coverage. AGI is working with insurance providers and external advisors to determine the extent of this cost offset. Insurance recoveries, if any, will be recorded when received.

As at December 31, 2022, the warranty provision for remediation costs is $41.5 million [December 31, 2021 – $42.4 million], with $0.9 million of the provision having been utilized during the year.

Equipment rework

The provision for equipment rework relates to previously identified issues with equipment designed and supplied to one commercial facility. During the three-months ended December 31, 2022, $6.1 million was added to the provision based on revised estimated costs of completion. As at December 31, 2022, the warranty provision for the equipment rework is $12.9 million [2021 – $11.8 million], with $5.0 million of the provision having been utilized during the year.

Selling, General and Administrative Expenses [“SG&A”]

SG&A expenses for the year ended December 31, 2022 excluding merger and acquisition (recovery) expenses [“M&A”], transaction, transitional and other costs and depreciation and amortization, were $263.6 million [18.1% of sales], versus $213.2 million [17.8% of sales] in 2021. Year-to-date variances from the prior year include the following:

- $16.8 million increase in sales and marketing expenses as a result of sales and marketing activities continuing to return to pre-pandemic levels in 2022.
- $12.8 million increase in salaries, wages and share-based compensation related to performance-based awards and accelerated vesting. For the year ended December 31, 2022, SG&A excluding share-based compensation was 17.0% of sales [2021 – 17.1%].
- $4.0 million increase in IT expense to enhance support of a complex IT infrastructure.
- $3.8 million increase in insurance expense.
- $3.6 million decrease in consulting expense.
- No other individual variance was greater than $3.0 million.

Transaction, transitional and other expense is comprised of 1) legal costs related to our defense of our Farmobile PUC patent; 2) legal provision costs related to customer claims; 3) contingent consideration expected to be paid for past acquisitions; 4) one-time transitional contractual employment expenses; 5) transitional costs related to the Digital segment reorganization (see “BASIS OF PRESENTATION”); and 6) the net impact of sales reversal as a result of the Russia-Ukraine conflict (See “RISKS AND UNCERTAINTIES – Russia-Ukraine Conflict”).

Finance costs

Finance costs which represent interest incurred on all debt for the year ended December 31, 2022 were $61.1 million versus $43.6 million in 2021. Finance costs have increased in 2022 as a result of a higher effective interest rate as compared to 2021.

Finance expense (income)

Finance expense (income) which represents interest income earned and foreign exchange on long term debt for the year ended December 31, 2022, was an expense of $8.6 million versus an expense of $2.6 million in 2021. The expense in 2022 relates primarily to the effect of non-cash translation of the Company’s U.S. dollar denominated long-term debt as the exchange rate rose from 1.2678 as at December 31, 2021 to 1.3544 at December 31, 2022.

Impairment charge

On December 29, 2022, the Company announced a strategic plan to reorganize AGI’s Digital business segment to focus on core markets and products, reduce operating costs, and improve financial performance. The reorganization plan was prompted by lower-than-expected results from the Digital segment. In addition to the reorganization, the Digital segment and its CGUs is subject to an annual impairment test. As at December 31, 2022, the recoverable amount of the Digital segment’s CGUs of $21.6 million was less than their carrying value. The recoverable amount of the underlying segments was determined as follows: Farmobile using fair value less cost to sell, SureTrack and Compass using value-in-use. The overall recoverable amount calculation for value-in-use used a discount rate of 17%. Farmobile used fair value less cost to sell in calculating the recoverable amount as it exceeded its value-in-use. Farmobile's fair value less cost to sell was calculated from revenue using a multiple based on an average enterprise value over revenue of comparable companies, less transaction costs based on management estimates from past experience. The impairment amount calculated was applied on a pro rata basis over each CGUs identifiable assets and, consequently, an impairment charge related to the Digital reorganization was recorded for $34.0 million against goodwill[7], $25.8 million against intangible assets[7], $9.0 million against property, plant and equipment[7] and $3.1 million against right-of-use assets[7].

Share of associate's net loss and revaluation gains

Share of associate's net loss for the year ended December 31, 2022 was nil versus a loss of $1.1 million in 2021. The Company acquired a controlling interest in Farmobile in Q2 2021 [See 2021 Acquisition - Farmobile] and recognized a gain on remeasurement of equity investment of $6.8 million in Q2 2021 as a result of the remeasurement of its previously held equity investment at its acquisition-date fair value.

Other operating expense (income)

Other operating expense (income) for the year ended December 31, 2022, was income of $18.0 million versus income of $7.3 million in 2021. Other operating expense (income) includes non-cash gains and losses on financial instruments, including AGI's equity compensation hedge [see "Equity swap"], and interest income from customer financing arrangements. A significant portion of the increase relates to the unrealized change in fair value of the equity swap.

Profit (loss) before income taxes and Adjusted EBITDA

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

	Three-months ended December 31		Year ended December 31	
	2022	2021	2022	2021
[thousands of dollars]	$	$	$	$
Profit (loss) before income taxes	(76,526)	(21,701)	(45,313)	9,383
Finance costs	17,197	11,948	61,067	43,599
Depreciation and amortization	19,024	16,374	76,945	62,049
Share of associate's net loss [1]	—	—	—	1,077
Revaluation gains [1]	—	—	—	(6,778)
Loss (gain) on foreign exchange [2]	(2,211)	211	8,941	2,992
Share-based compensation [3]	4,910	2,553	15,620	8,551
Gain on financial instruments [4]	(8,211)	(1,929)	(9,629)	(1,382)
M&A (recovery) expense [5]	(25)	962	(144)	3,035
Change in estimate on variable considerations [6]	—	11,400	—	11,400
Transaction, transitional and other costs [7]	15,395	4,763	44,301	12,058
Net loss (gain) on disposal of property, plant and equipment	(13)	(60)	339	23

[7] Impairment charge is a result of impairment charges related to the reorganization of the Company's Digital segment and write-down in property, plant and equipment. See "Note 12 - Property, plant and equipment, Note 13 - Right-of-use assets, Note 14 – Goodwill, Note 15 – Intangible assets and Note 16 – Impairment testing in our consolidated financial statements.

Loss (gain) on settlement of lease liability	1	(28)	1	(17)
Equipment rework [8]	6,100	10,000	6,100	10,000
Remediation [8]	—	8,600	—	16,100
Foreign exchange reclassification on disposal of foreign operation	—	—	—	(898)
Fair value of inventory from acquisition [9]	—	—	609	—
Impairment charge [10]	75,356	1,558	75,846	5,074
Adjusted EBITDA [11]	50,997	44,651	234,683	176,266

[1] See “Share of associate's net loss and revaluation gains”.
[2] See “Note 26 [e] - Other expenses (income)” in our consolidated financial statements.
[3] The Company’s share-based compensation expense pertains to our equity incentive award plan (“EIAP”) and directors’ deferred compensation plan (“DDCP”). See “Note 25 – Share-based compensation plans” in our consolidated financial statements.
[4] See “Equity swap”.
[5] Transaction (recoveries) costs associated with completed and ongoing mergers and acquisitions activities.
[6] The result of a change in management estimate on variable considerations for a one-time sales concessions related to previous sales contracts.
[7] Includes legal expense, legal provision the net impact of sales reversal as a result of the Russia-Ukraine conflict (See “RISKS AND UNCERTAINTIES – Russia-Ukraine Conflict”), transitional costs related to the Digital segment reorganization (See BASIS OF PRESENTATION), restructuring and other acquisition related transition costs, as well as the accretion and other movement in contingent consideration and amounts due to vendors.
[8] See “Remediation costs and equipment rework”.
[9] Non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost.
[10] Impairment charge is a result of impairment charges related to the reorganization of the Company’s Digital segment and write-down in property, plant and equipment. See “Note 12 - Property, plant and equipment”, “Note 13 - Right-of-use assets”, “Note 14 – Goodwill”, “Note 15 – Intangible assets” and “Note 16 – Impairment testing” in our consolidated financial statements.
[11] This is a non-IFRS measure and is used throughout this MD&A. See “NON-IFRS and OTHER FINANCIAL MEASURES” for more information on each non-IFRS measure.

Profit (loss) before income taxes and Adjusted EBITDA by Segment

	Three-months ended December 31, 2022			
	Farm	Commercial	Other [13]	Total
[thousands of dollars]	$	$	$	$
Profit (loss) before income taxes	**(64,116)**	**21,194**	**(33,604)**	**(76,526)**
Finance costs	—	—	17,197	17,197
Depreciation and amortization [1]	10,580	6,469	1,975	19,024
Gain on foreign exchange [3]	—	—	(2,211)	(2,211)
Share-based compensation [4]	—	—	4,910	4,910
Gain on financial instruments [5]	—	—	(8,211)	(8,211)
M&A recovery [6]	—	—	(25)	(25)
Transaction, transitional and other costs [8]	13,669	—	1,726	15,395
Net gain on disposal of property, plant and equipment [1]	(13)	—	—	(13)
Loss on settlement of lease liability	—	1	—	1
Equipment rework [9]	—	—	6,100	6,100
Impairment charge [11]	72,362	2,994	—	75,356
Adjusted EBITDA [12]	**32,482**	**30,658**	**(12,143)**	**50,997**

[thousands of dollars]	Three-months ended December 31, 2021 Farm $	 Commercial $	 Other [13] $	 Total $
Profit (loss) before income taxes	10,898	16,917	(49,516)	(21,701)
Finance costs	—	—	11,948	11,948
Depreciation and amortization [1]	9,119	5,663	1,592	16,374
Loss on foreign exchange [3]	—	—	211	211
Share-based compensation [4]	—	—	2,553	2,553
Gain on financial instruments [5]	—	—	(1,929)	(1,929)
M&A expense [6]	—	—	962	962
Change in estimate on variable considerations [7]	11,400	—	—	11,400
Transaction, transitional and other costs [8]	—	—	4,763	4,763
Net (gain) loss on disposal of property, plant and equipment [1]	(258)	198	—	(60)
Gain on settlement of lease liability	—	—	(28)	(28)
Equipment rework [9]	—	—	10,000	10,000
Remediation [9]	—	—	8,600	8,600
Impairment charge [11]	—	1,558	—	1,558
Adjusted EBITDA [12]	31,159	24,336	(10,844)	44,651

[thousands of dollars]	Year ended December 31, 2022 Farm $	 Commercial $	 Other [13] $	 Total $
Profit (loss) before income taxes	36,676	72,716	(154,705)	(45,313)
Finance costs	—	—	61,067	61,067
Depreciation and amortization [1]	40,548	29,494	6,903	76,945
Loss on foreign exchange [3]	—	—	8,941	8,941
Share-based compensation [4]	—	—	15,620	15,620
Gain on financial instruments [5]	—	—	(9,629)	(9,629)
M&A recovery [6]	—	—	(144)	(144)
Transaction, transitional and other costs [8]	13,669	—	30,632	44,301
Net (gain) loss on disposal of property, plant and equipment [1]	(160)	479	20	339
Loss on settlement of lease liability	—	1	—	1
Equipment rework [9]	—	—	6,100	6,100
Fair value of inventory from acquisition [10]	—	609	—	609
Impairment charge [11]	72,385	3,461	—	75,846
Adjusted EBITDA [12]	163,118	106,760	(35,195)	234,683

[thousands of dollars]	Farm $	Commercial $	Other [13] $	Total $
	Year Ended December 31, 2021			
Profit (loss) before income taxes	**97,137**	**38,192**	**(125,946)**	**9,383**
Finance costs	—	—	43,599	43,599
Depreciation and amortization [1]	32,604	23,292	6,153	62,049
Share of associate's net loss [2]	—	—	1,077	1,077
Revaluation gains [2]	—	—	(6,778)	(6,778)
Loss on foreign exchange [3]	—	—	2,992	2,992
Share-based compensation [4]	—	—	8,551	8,551
Gain on financial instruments [5]	—	—	(1,382)	(1,382)
M&A expense [6]	—	—	3,035	3,035
Change in estimate on variable considerations [7]	11,400	—	—	11,400
Transaction, transitional and other costs [8]	—	—	12,058	12,058
Net loss (gain) on disposal of property, plant and equipment [1]	(191)	213	1	23
Loss (gain) on settlement of lease liability	11	—	(28)	(17)
Equipment rework [9]	—	—	10,000	10,000
Remediation [9]	—	—	16,100	16,100
Foreign exchange reclassification on disposal of foreign operation	—	—	(898)	(898)
Impairment charge [11]	—	5,074	—	5,074
Adjusted EBITDA [12]	**140,961**	**66,771**	**(31,466)**	**176,266**

[1] Allocated based on the segment of the underlying asset's cash generating unit ("CGU").
[2] See "Share of associate's net loss (gain) and revaluation gains".
[3] See "Note 26 [e] - Other expenses (income)" in our consolidated financial statements.
[4] The Company's share-based compensation expense pertains to our EIAP and DDCP. See "Note 25 – Share-based compensation plans" in our consolidated financial statements.
[5] See "Equity swap".
[6] Transaction (recoveries) costs associated with completed and ongoing mergers and acquisitions activities.
[7] The result of a change in management estimate on variable considerations for a one-time sales concessions related to previous sales contracts.
[8] Includes legal expense, legal provision the net impact of sales reversal as a result of the Russia-Ukraine conflict (See "RISKS AND UNCERTAINTIES – Russia-Ukraine Conflict"), transitional costs related to the Digital segment reorganization (See BASIS OF PRESENTATION), restructuring and other acquisition related transition costs, as well as the accretion and other movement in contingent consideration and amounts due to vendors.
[9] See "Remediation costs and equipment rework"
[10] Non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost.
[11] Impairment charge is a result of impairment charges related to the reorganization of the Company's Digital segment and write-down in property, plant and equipment. See "Note 12 - Property, plant and equipment", "Note 13 - Right-of-use assets", "Note 14 – Goodwill", "Note 15 – Intangible assets" and "Note 16 – Impairment testing" in our consolidated financial statements.
[12] This is a non-IFRS measure and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each non-IFRS measure.
[13] Included in Other is the corporate office, which is not a reportable segment, and which provides finance, treasury, legal, human resources and other administrative support to the segments.

Profit (loss) before income taxes and Adjusted EBITDA by Geography

	Three-months ended December 31, 2022				
	Canada	US	International	Other [12]	Total
[thousands of dollars]	$	$	$	$	$
Profit (loss) before income taxes	(292)	(63,167)	20,526	(33,593)	(76,526)
Finance costs	—	—	—	17,197	17,197
Depreciation and amortization [1]	4,193	8,878	3,987	1,966	19,024
Gain on foreign exchange [3]	—	—	—	(2,211)	(2,211)
Share-based compensation [4]	—	—	—	4,910	4,910
Gain on financial instruments [5]	—	—	—	(8,211)	(8,211)
M&A recovery [6]	—	—	—	(25)	(25)
Transaction, transitional and other costs [8]	1,041	12,628	—	1,726	15,395
Net loss (gain) on disposal of property, plant and equipment [1]	(2)	16	(25)	(2)	(13)
Loss on settlement of lease liability	—	—	1	—	1
Equipment rework [9]	—	—	—	6,100	6,100
Impairment charge [10]	10,934	64,422	—	—	75,356
Adjusted EBITDA [11]	15,874	22,777	24,489	(12,143)	50,997

	Three-Months Ended December 31, 2021				
	Canada	US	International	Other[12]	Total
[thousands of dollars]	$	$	$	$	$
Profit (loss) before income taxes	(1,995)	7,980	21,830	(49,516)	(21,701)
Finance costs	-	-	-	11,948	11,948
Depreciation and amortization [1]	2,112	5,787	6,883	1,592	16,374
Loss on foreign exchange [3]	-	-	-	211	211
Share-based compensation [4]	-	-	-	2,553	2,553
Gain on financial instruments [5]	-	-	-	(1,929)	(1,929)
M&A expense [6]	-	-	-	962	962
Change in estimate on variable considerations [7]	11,400	-	-	-	11,400
Transaction, transitional and other costs [8]	-	-	-	4,763	4,763
Net gain on disposal of property, plant and equipment [1]	(9)	(23)	(28)	-	(60)
Gain on settlement of lease liability [1]	-	-	-	(28)	(28)
Equipment rework [9]	-	-	-	10,000	10,000
Remediation [9]	-	-	-	8,600	8,600
Impairment charge [10]	-	1,558	-	-	1,558
Adjusted EBITDA [11]	11,508	15,302	28,685	(10,844)	44,651

[thousands of dollars]	Canada $	US $	International $	Other [12] $	Total $
					Year ended December 31, 2022
Profit (loss) before income taxes	31,799	11,347	66,225	(154,684)	(45,313)
Finance costs	—	—	—	61,067	61,067
Depreciation and amortization [1]	22,106	33,637	14,320	6,882	76,945
Loss on foreign exchange [3]	—	—	—	8,941	8,941
Share-based compensation [4]	—	—	—	15,620	15,620
Gain on financial instruments [5]	—	—	—	(9,629)	(9,629)
M&A recovery [6]	—	—	—	(144)	(144)
Transaction, transitional and other costs [8]	1,041	12,628	—	30,632	44,301
Net (gain) loss on disposal of property, plant and equipment [1]	(129)	459	(11)	20	339
Loss on settlement of lease liability	—	—	1	—	1
Equipment rework [9]	—	—	—	6,100	6,100
Fair value of inventory from acquisition [13]	609	—	—	—	609
Impairment charge [10]	10,957	64,889	—	—	75,846
Adjusted EBITDA [11]	66,383	122,960	80,535	(35,195)	234,683

[thousands of dollars]	Canada $	US $	International $	Other[12] $	Total $
					Year Ended December 31, 2021
Profit (loss) before income taxes	29,757	60,701	44,871	(125,946)	9,383
Finance costs	—	—	—	43,599	43,599
Depreciation and amortization [1]	12,487	24,832	18,577	6,153	62,049
Share of associate's net loss [2]	—	—	—	1,077	1,077
Gain on remeasurement of equity investment [2]	—	—	—	(6,778)	(6,778)
Loss on foreign exchange [3]	—	—	—	2,992	2,992
Share-based compensation [4]	—	—	—	8,551	8,551
Gain on financial instruments [5]	—	—	—	(1,382)	(1,382)
M&A expense [6]	—	—	—	3,035	3,035
Change in estimate on variable considerations [7]	11,400	—	—	—	11,400
Transaction, transitional and other costs [8]	—	—	—	12,058	12,058
Net loss on disposal of property, plant and equipment [1]	5	10	7	1	23
Loss (gain) on settlement of lease liability [1]	2	5	4	(28)	(17)
Foreign exchange reclassification on disposal of foreign operation	—	—	—	(898)	(898)
Equipment rework [9]	—	—	—	10,000	10,000
Remediation [9]	—	—	—	16,100	16,100
Impairment charge [10]	—	5,074	—	—	5,074
Adjusted EBITDA [11]	53,651	90,622	63,459	(31,466)	176,266

[1] Allocated based on the geographical region of sales with the exception of expenses noted in Other.
[2] See “Share of associate's net loss (gain) and revaluation gains”.
[3] See “Note 26 [e] - Other expenses (income)” in our consolidated financial statements.

[4] The Company's share-based compensation expense pertains to our EIAP and DDCP. See "Note 25 – Share-based compensation plans" in our consolidated financial statements.
[5] See "Equity swap".
[6] Transaction (recoveries) costs associated with completed and ongoing mergers and acquisitions activities.
[7] The result of a change in management estimate on variable considerations for a one-time sales concessions related to previous sales contracts.
[8] Includes legal expense, legal provision the net impact of sales reversal as a result of the Russia-Ukraine conflict (See "RISKS AND UNCERTAINTIES – Russia-Ukraine Conflict"), transitional costs related to the Digital segment reorganization (See BASIS OF PRESENTATION), restructuring and other acquisition related transition costs, as well as the accretion and other movement in contingent consideration and amounts due to vendors.
[9] See "Remediation costs and equipment rework"
[10] Impairment charge is a result of impairment charges related to the reorganization of the Company's Digital segment and write-down in property, plant and equipment. See "Note 12 - Property, plant and equipment", "Note 13 - Right-of-use assets", "Note 14 – Goodwill", "Note 15 – Intangible assets" and "Note 16 – Impairment testing" in our consolidated financial statements.
[11] This is a non-IFRS measure and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each non-IFRS measure.
[12] Included in Other is the corporate office which provides finance, treasury, legal, human resources and other administrative support to the geographical regions.
[13] Non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost.

AGI's Adjusted EBITDA for the year ended December 31, 2022, increased 33% over 2021. The Farm segment's Adjusted EBITDA for the year ended December 31, 2022 increased 16% over 2021, largely due to the impact of increased sales from continued demand across most regions. The Commercial segment's 60% Adjusted EBITDA increase in 2022 over 2021 was primarily the result of scaling on a higher revenue base, capturing incremental gross margins on higher volume, and favorable steel pricing in 2022 as updated procedures and countermeasures enacted by AGI have mitigated the impact of input cost inflation going forward.

Depreciation and amortization

Depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of intangible assets are categorized in the income statement in accordance with the function to which the underlying asset is related. Depreciation and amortization are consistent with the prior year.

Income tax (recovery) expense

Current income tax expense

Current tax expense for the three-months and year ended December 31, 2022, was $4.5 million and $13.3 million, respectively, versus $4.3 million and $9.4 million, respectively, in 2021.

Deferred income tax recovery

Deferred tax recovery for the three-months and year ended December 31, 2022 was a recovery of $13.2 million and $8.0 million, respectively, versus a recovery $9.6 million and $10.6 million, respectively, in 2021. The deferred tax recovery in 2022 related to the recognition of temporary differences between the accounting and tax treatment of property, plant and equipment, intangible assets, accruals and long-term provisions, and tax loss carryforwards.

[thousands of dollars]	Three-months ended December 31 2022 $	2021 $	Year ended December 31 2022 $	2021 $
Current tax expense	4,515	4,280	13,291	9,445
Deferred tax recovery	(13,230)	(9,631)	(8,021)	(10,620)
Total tax	(8,715)	(5,351)	5,270	(1,175)
Profit (loss) before income taxes	(76,526)	(21,701)	(45,313)	9,383
Effective income tax rate	11.4%	24.7%	(11.6%)	(12.5%)

The effective tax rate in 2022 was impacted by items that were included in the calculation of profit (loss) before income taxes for accounting purposes but were not included or deducted for tax purposes. The decreased effective tax rate for the year ended December 31, 2022 was specifically attributable to unrealized foreign exchange gains and (losses) as well as goodwill impairment and foreign tax rate differentials. The effective tax rate for the year ended December 31, 2021 was reduced as a result of the recognition of previously unrecognized deferred tax assets for Brazil.

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

The Company's diluted (loss) profit per share for the three-months and year ended December 31, 2022, were a loss of $3.59 and $2.68 compared to a loss of $0.87 and a profit of $0.50 in 2021, respectively. (Loss) profit per share in 2022 and 2021 has been impacted by the items enumerated in the table below, which reconciles profit (loss) to adjusted profit.

[thousands of dollars except per share amounts]	Three-months ended December 31 2022 $	2021 $	Year ended December 31 2022 $	2021 $
Profit (loss)	(67,811)	(16,350)	(50,583)	10,558
Diluted profit (loss) per share	(3.59)	(0.87)	(2.68)	0.50
Share of associate's net loss [1]	—	—	—	1,077
Revaluation gains [1]	—	—	—	(6,778)
Loss (gain) on foreign exchange [2]	(2,211)	211	8,941	2,992
Gain on financial instruments [3]	(8,211)	(1,929)	(9,629)	(1,382)
M&A (recovery) expense [4]	(25)	962	(144)	3,035
Transaction, transitional and other costs [5]	15,395	4,763	44,301	12,058
Change in estimate of variable consideration [6]	—	11,400	—	11,400
Net loss (gain) on disposal of property, plant and equipment	(13)	(60)	339	23
Loss (gain) on settlement of lease liability	1	(28)	1	(17)
Equipment rework [7]	6,100	10,000	6,100	10,000
Remediation [7]	—	8,600	—	16,100
Foreign exchange reclassification on disposal of foreign operation	—	—	—	(898)
Fair value of inventory from acquisition [8]	—	—	609	—
Impairment charge [9]	75,356	1,558	75,846	5,074
Adjusted profit [10]	**18,581**	**19,127**	**75,781**	**63,242**
Diluted adjusted profit per share [11]	0.92	0.89	3.74	2.90

[1] See “Share of associate's net loss (gain) and revaluation gains”.
[2] See “Note 26 [e] - Other expenses (income)” in our consolidated financial statements.
[3] See “Equity swap”.
[4] Transaction (recoveries) costs associated with completed and ongoing mergers and acquisitions activities.
[5] Includes legal expense, legal provision the net impact of sales reversal as a result of the Russia-Ukraine conflict (See “RISKS AND UNCERTAINTIES – Russia-Ukraine Conflict”), transitional costs related to the Digital segment reorganization (See BASIS OF PRESENTATION), restructuring and other acquisition related transition costs, as well as the accretion and other movement in contingent consideration and amounts due to vendors.
[6] The result of a change in management estimate on variable considerations for a one-time sales concessions related to previous sales contracts.
[7] See “Remediation costs and equipment rework”
[8] Non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost.
[9] Impairment charge is a result of impairment charges related to the reorganization of the Company’s Digital segment and write-down in property, plant and equipment. See “Note 12 - Property, plant and equipment", "Note 13 - Right-of-use assets", "Note 14 – Goodwill", "Note 15 – Intangible assets" and "Note 16 – Impairment testing" in our consolidated financial statements.
[10] This is a non-IFRS measure and is used throughout this MD&A. See “NON-IFRS and OTHER FINANCIAL MEASURES” for more information on each non-IFRS measure.
[11] This is a non-IFRS ratio and is used throughout this MD&A. See “NON-IFRS and OTHER FINANCIAL MEASURES” for more information on each non-IFRS ratio.

QUARTERLY FINANCIAL INFORMATION

[thousands of dollars other than per share amounts and exchange rate]:

			2022		
	Average USD/CAD Exchange Rate	Sales[1] $	Profit (Loss) $	Basic Profit (Loss) per Share $	Diluted Profit (Loss) per Share $
Q1	1.27	292,031	15,171	0.81	0.72
Q2	1.27	389,943	(4,915)	(0.26)	(0.26)
Q3	1.29	402,074	6,972	0.37	0.36
Q4	1.36	374,034	(67,811)	(3.59)	(3.59)
YTD	1.30	1,458,082	(50,583)	(2.68)	(2.68)

			2021		
	Average USD/CAD Exchange Rate	Sales[1] $	Profit (Loss) $	Basic Profit (Loss) per Share $	Diluted Profit (Loss) per Share $
Q1	1.27	255,977	12,704	0.68	0.66
Q2	1.23	301,592	14,276	0.76	0.74
Q3	1.25	313,859	(73)	—	—
Q4	1.27	327,095	(16,350)	(0.87)	(0.87)
YTD	1.25	1,198,523	10,558	0.56	0.50

[1] See “BASIS OF PRESENTATION”

The following factors impact the comparison between periods in the table above:

- AGI’s acquisitions of a controlling interest in Farmobile [Q2 2021] and Eastern [Q1 2022] impact comparisons between periods of assets, liabilities and operating results.

- Sales, gain (loss) on foreign exchange, profit (loss), and diluted profit (loss) per share in all periods are impacted by the rate of exchange between the Canadian and U.S. dollars.
- Profit (loss), basic profit (loss) per share and diluted profit (loss) per share in 2022 and 2021 were negatively impacted by the Company's estimated remediation costs [see – "Remediation costs and equipment rework"] and transitional costs related to the Digital segment reorganization (See BASIS OF PRESENTATION).

Interim period sales and profit historically reflect seasonality. The second and third quarters are typically the strongest primarily due to the timing of construction of commercial grain and fertilizer projects and higher in-season demand at the farm level. The seasonality of AGI's business may be impacted by several factors including weather and the timing and quality of harvest in North America. In the longer-term, AGI's continued expansion into the seed, fertilizer, feed and food verticals should lessen the seasonality related to annual grain volumes and harvest conditions.

LIQUIDITY AND CAPITAL RESOURCES

AGI's financing requirements are subject to variations due to the seasonal and cyclical nature of its business. Sales historically have been higher in the second and third calendar quarters compared with the first and fourth quarters and cash flow has been lower in the first half of each calendar year. Internally generated funds are supplemented, when necessary, from external sources, primarily the Company's credit facility, to fund the Company's working capital requirements, capital expenditures, acquisitions and dividends. The Company believes that the debt facilities and debentures described under "Capital Resources", together with available cash and internally generated funds, are sufficient to support its working capital, capital expenditure, dividend and debt service requirements.

CASH FLOW AND LIQUIDITY

[thousands of dollars]	Three-months ended December 31 2022 $	 2021 $	Year ended December 31 2022 $	 2021 $
Profit (loss) before tax	(76,526)	(21,701)	(45,313)	9,383
Items not involving current cash flows	101,717	19,056	218,942	73,379
Cash provided by (used in) operations	25,191	(2,645)	173,629	82,762
Net change in non-cash working capital	84,635	36,209	(38,560)	(20,951)
Transfer from (to) restricted cash	(788)	—	(858)	7,068
Non-current accounts receivable and other	(2,174)	(5,337)	(11,374)	(15,559)
Long-term payables	(252)	24	(85)	(8)
Settlement of EIAP	(157)	(48)	(2,736)	(817)
Post-combination payments	—	—	(5,462)	(4,154)
Income tax paid	(2,877)	(3,817)	(12,384)	(9,226)
Cash flows provided by operating activities	103,578	24,386	102,170	39,115
Cash used in investing activities	(15,166)	(13,306)	(85,768)	(75,318)
Cash provided by (used in) financing activities	(71,152)	1,617	(18,065)	35,054
Net increase (decrease) in cash during the period	17,260	12,697	(1,663)	(1,149)
Cash, beginning of period	42,384	48,610	61,307	62,456
Cash, end of period	**59,644**	**61,307**	**59,644**	**61,307**

The increase in cash flows provided by operating activities for the three-months ended December 31, 2022, as compared to 2021 is due to cash provided by operations and net change in non-cash working capital. The change in non-cash working capital for the three-months ended December 31, 2022 as compared to 2021 is largely due to the decrease in accounts receivables from collections as well as the decrease in inventory on-hand. The Company has taken steps to reduce its inventory level since the built up towards the end of 2021 and first half of 2022 when the Company made a decision to increase its level of inventory in order to minimize the impact of supply chain disruptions and inflationary increases.

The increase in cash flows provided by operating activities for the year ended December 31, 2022, as compared to 2021 is mainly due to cash provided by operations offset by the net change in working capital and income tax paid. The change in non-cash working capital in 2022 as compared to 2021 is largely due to the increase in accounts receivables as a result of increased sales as well as the increase in inventory on-hand. Specifically, the Company made a decision to increase the level of inventory during the first half of 2022 in order to minimize the impact of supply chain disruptions and inflationary increases. In addition, the Company is also carrying excess inventory as a result of committed purchases from delayed or cancelled projects in the Russia-Ukraine region (See “RISKS AND UNCERTAINTIES – Russia-Ukraine Conflict”). We have made significant progress in reallocating these excess inventories in other upcoming projects.

Cash used in investing activities for the three-months and year ended December 31, 2022 relates primarily to capital expenditures, internally generated intangibles and the acquisition of Eastern Fabricators.

Cash used in financing activities for the three-months and year ended December 31, 2022 was primarily related to the $60.0 million repayment of our senior credit facilities as management continues its efforts to actively manage the company’s working capital and overall debt level.

Working Capital Requirements

Interim period working capital requirements typically reflect the seasonality of the business. AGI’s collections of accounts receivable in North America are weighted towards the third and fourth quarters. This collection pattern, combined with historically high sales in the second and third quarters that result from seasonality, typically lead to accounts receivable levels in North America increasing throughout the year and peaking in the third quarter. Inventory levels in North America typically increase in the first and second quarters and then begin to decline in the third or fourth quarter as sales levels exceed production offset by the seasonality of our operations in India that is opposite of that described above. In addition, AGI’s growing business in Brazil is less seasonal due to the existence of two growing seasons in the country and the increasing importance of Commercial business in the region. Growth in overall international business which typically has longer payment terms than North America may result in an increase in the number of days accounts receivable remain outstanding and may result in increased usage of working capital in certain quarters.

Capital Expenditures

	Three-months ended December 31		Year ended December 31	
	2022	2021	2022	2021
[thousands of dollars]	$	$	$	$
Maintenance capital expenditures [1]	5,768	2,488	13,386	10,374
Non-maintenance capital expenditures [1]	8,996	7,691	19,897	18,302
Acquisition of property plant and equipment	**14,764**	**10,179**	**33,283**	**28,676**

[1] This is a supplementary financial measure and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each non-IFRS measure.

The acquisition of property, plant and equipment in the three-months and year ended December 31, 2022 was $14.8 million and $33.3 million respectively as compared to $10.2 million and $28.7 million, respectively, in 2021.

Maintenance capital expenditures in the three-months and year ended December 31, 2022, were $5.8 million [1.5% of sales] and $13.4 million [0.9% of sales], respectively versus $2.5 million [0.8% of sales] and $10.4 million [0.9% of sales], respectively, in 2021. Maintenance capital expenditures in 2022 relate primarily to purchases of manufacturing equipment and building repairs and historically have approximated 1.0% - 1.5% of sales.

AGI had non-maintenance capital expenditures in the three-months and year ended December 31, 2022, of $9.0 million and $19.9 million, respectively versus $7.7 million and $18.3 million, respectively in 2021. The 2022 expenditures were related to manufacturing capacity expansions in EMEA, Brazil and at certain plants in North America and leasehold improvements in various locations in North America.

The acquisition of property, plant and equipment and its components of maintenance and non-maintenance capital expenditures in 2022 were financed through bank indebtedness, cash on hand or through the Company's credit facility [see "Capital Resources"].

CONTRACTUAL OBLIGATIONS

The following table shows, as at December 31, 2022 the Company's contractual obligations for the periods indicated:

[thousands of dollars]	Total $	2023 $	2024 $	2025 $	2026 $	2027+ $
2019 Debentures – 1	86,250	—	86,250	—	—	—
2019 Debentures – 2	86,250	—	86,250	—	—	—
2020 Debentures	85,000	—	—	—	85,000	—
2021 Convertible Debentures	115,000	—	—	—	—	115,000
2022 Convertible Debentures	103,900	—	—	—	—	103,900
Long-term Debt[1]	445,207	28,338	428	287	211	415,943
Lease liability [1]	51,205	6,915	6,853	6,748	5,842	24,847
Short term and low value leases	12	5	3	2	1	1
Due to vendor	10,968	5,214	779	3,225	1,750	—
Purchase obligations [2]	8,883	8,883	—	—	—	—
Total obligations	992,675	49,355	180,563	10,262	92,804	659,691

[1] Undiscounted
[2] Net of deposit.

The debentures relate to the aggregate principal amount of the debentures [see "Capital Resources - Debentures"] and long-term debt is comprised of the Company's credit facility and non-amortizing notes [see "Capital Resources – Debt Facilities"].

CAPITAL RESOURCES

Assets and Liabilities

(thousands of dollars)	December 31 2022 $	December 31 2021 $
Total assets	1,646,051	1,593,654
Total liabilities	1,380,381	1,324,903

Cash

The Company's cash balance at December 31, 2022 was $59.6 million [2021 - $61.3 million].

Debt Facilities

As at December 31, 2022:

[thousands of dollars]	Currency	Maturity	Total Facility [CAD][1][2] $	Amount Drawn[1] $	Effective Interest Rate
Senior Credit Facilities	CAD / USD	2026	722,460	443,420	3.99%
Equipment Financing	various	various	1,788	1,788	NIL
Total			724,248	445,208	

[1] USD denominated amounts translated to CAD at the rate of exchange in effect on December 31, 2022 of $1.3544.
[2] Excludes the $150 million accordion available under AGI's credit facility.

On May 9, 2022, AGI amended its senior credit facilities to increase availabilities from $275.0 million to $350.0 million Canadian and $215.0 million to $275.0 million USD. AGI's senior credit facilities are inclusive of amounts that may be allocated to the Company's swing line facilities. Subsequent to the amendment, AGI has swing line facilities of $50.0 million and U.S. $10.0 million. The senior credit facilities bear interest at BA/SOFR plus 1.2% - 2.75% and prime plus 0.2% - 1.75% per annum based on performance calculations. As at December 31, 2022 there was $164.7 million and U.S. $205.8 million outstanding under the credit facilities. Concurrent with the amendment to the senior credit facilities on May 9, 2022, the series B and series C secured notes, with principal amounts owing of $25.0 million and U.S. $25.0 million, respectively, were retired through the expanded credit facilities.

Debentures

Convertible Unsecured Subordinated Debentures

The following table summarizes the key terms of the convertible unsecured subordinated debentures [the "Convertible Debentures"] of the Company that were outstanding as at December 31, 2022:

Year Issued / TSX Symbol	Aggregate Principal Amount $	Coupon	Conversion Price $	Maturity Date	Redeemable at Par [1]
2021 [AFN.DB.I]	115,000,000	5.00%	45.14	Jun 30, 2027	Jun 30, 2025
2022 [AFN.DB.J]	103,900,000	5.20%	70.50	Dec 31, 2027	Dec 31, 2025

[1] In the twelve-month period prior to the date on which the Company may, at its option, redeem any series of Convertible Debentures at par plus accrued and unpaid interest, such Convertible Debentures may be redeemed, in whole or in part, at the option of the Company at a redemption price equal to the principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the common shares of the Company during the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of redemption is given is not less than 125% of the conversion price.

On redemption or at maturity, the Company may, at its option, elect to satisfy its obligation to pay the principal amount of the Convertible Debentures by issuing and delivering common shares of the Company ("Common Shares"). The Company may also elect to satisfy its obligation to pay interest on the Convertible Debentures by delivering sufficient Common Shares to the trustee of the Convertible Debentures to be sold, with the proceeds used to satisfy the obligation to pay interest. The Company does not expect to exercise the option to satisfy its obligations to pay the principal amount or interest by delivering Common Shares. The number of Common Shares issued would be determined based on market prices at the time of issuance.

Issuance of 2022 Convertible Debentures

On April 19, 2022, AGI closed the offering of $100 million aggregate principal amount of convertible unsecured subordinated debentures [the "2022 Convertible Debentures"] at a price of $1,000 per 2022 Convertible Debenture. On May 6, 2022, pursuant to the exercise of the underwriter's over-allotment option, AGI issued an additional $3.9 million of 2022 Convertible Debentures for total gross proceeds from the offering to AGI of $103.9 million.

Redemption of 2018 Convertible Debentures

Concurrent with the announcement of the offering of the 2022 Convertible Debentures, AGI gave notice of its intention to redeem its 4.50% convertible unsecured subordinated debentures due December 31, 2022 [the "2018 Convertible Debentures"]. Upon redemption on May 22, 2022, AGI paid to the holders of the 2018 Convertible Debentures the redemption price equal to the outstanding principal amount, together with all accrued and unpaid interest thereon.

Senior Unsecured Subordinated Debentures

The following table summarizes the key terms of the Senior Unsecured Subordinated Debentures [the "Senior Debentures"] that were outstanding as at December 31, 2022:

Year Issued / TSX Symbol	Aggregate Principal Amount $	Coupon	Maturity Date
2019 March [AFN.DB.F]	86,250,000	5.40 %	June 30, 2024
2019 November [AFN.DB.G]	86,250,000	5.25 %	December 31, 2024
2020 March [AFN.DB.H]	85,000,000	5.25 %	December 31, 2026

On redemption or at maturity, the Company may, at its option, elect to satisfy its obligation to pay the principal amount of the Senior Debentures by issuing and delivering Common Shares. The Company may also elect to satisfy its obligation to pay interest on the Senior Debentures by delivering sufficient Common Shares to the trustee of the Senior Debentures to be sold, with the proceeds used to satisfy the obligation to pay interest. The number of Common Shares issued would be determined based on market prices at the time of issuance.

COMMON SHARES

The following number of Common Shares were issued and outstanding at the dates indicated:

	# Common Shares
December 31, 2021	18,793,570
Settlement of EIAP obligations	107,388
December 31, 2022	18,900,958
Settlement of EIAP obligations	38,349
March 7, 2023	18,939,307

At March 7, 2023:

- 18,939,307 Common Shares are outstanding;
- 1,565,000 Common Shares are available for issuance under the Company's equity-settled Equity Incentive Award Plan [the "EIAP"], of which 1,039,941 Common Shares have been issued under the EIAP and , 617,496 Common Shares are issuable pursuant to outstanding awards (92,437 of which are conditionally issuable subject to receipt of applicable regulatory and shareholder approvals);
- 500,000 Common Shares are available for issuance under the Company's Stock Option Plan, all of which, 500,000 remain unallocated;
- 120,000 deferred grants of Common Shares have been granted under the Company's Directors' Deferred Compensation Plan, of which 19,788 Common Shares have been issued; and
- 4,021,389 Common Shares are issuable on conversion of the outstanding Convertible Debentures, of which there are an aggregate principal amount of $218.9 million outstanding.

AGI's Common Shares trade on the TSX under the symbol AFN.

DIVIDENDS

AGI declared dividends of $2.8 million or $0.15 per common share [2021 – $2.8 million or $0.15 per common share] in the three-month period ended December 31, 2022. The dividend declared in Q4 2022 was paid on January 13, 2023 to common shareholders of record at the close of business on December 31 2022. Dividends paid to shareholders of $2.8 million [2021 – $2.8 million] during the three-month period ended December 31, 2022 were financed from cash on hand.

The Company's Board of Directors reviews financial performance and other factors when assessing dividend levels. An adjustment to dividend levels may be made at such time as the Board determines an adjustment to be appropriate. Dividends in a fiscal year are typically funded entirely through cash from operations, although due to seasonality dividends may be funded on a short-term basis by the Company's credit facilities.

CASH PROVIDED BY OPERATIONS, FUNDS FROM OPERATIONS AND PAYOUT RATIOS

	Year Ended December 31	
	2022	2021
[thousands of dollars]	$	$
Cash provided by operations	173,629	82,762
Items not involving current cashflows	(218,942)	(73,379)
Profit (loss) before income taxes	(45,313)	9,383
Combined adjustments to Adjusted EBITDA [1]	279,996	166,883
Adjusted EBITDA [2]	234,683	176,266
Interest expense	(61,067)	(43,599)
Non-cash interest	9,720	6,034
Cash taxes	(12,384)	(9,226)
Maintenance capital expenditures [3]	(13,836)	(10,374)
Funds from operations [2]	157,116	119,101
Dividends	11,315	11,261
Payout Ratio [3] from cash provided by operations	7%	14%
Payout Ratio [4] from funds from operations	7%	9%

[1] See "Profit (loss) before income taxes and Adjusted EBITDA".
[2] This is a non-IFRS measure and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each non-IFRS measure.
[3] This is a supplementary financial measure and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each supplementary financial measure.
[4] This is a non-IFRS ratio and is used throughout this MD&A. See "NON-IFRS and OTHER FINANCIAL MEASURES" for more information on each non-IFRS ratio.

FINANCIAL INSTRUMENTS

Foreign exchange contracts

Risk from foreign exchange arises as a result of variations in exchange rates between the Canadian and the U.S. dollars and to a lesser extent to variations in exchange rates between the Euro and the Canadian dollar. AGI may enter into foreign exchange contracts to partially mitigate its foreign exchange risk. AGI has no foreign exchange contracts outstanding as at December 31, 2022.

Interest Rate Swaps

The Company has entered into interest rate swap contracts to manage its exposure to fluctuations in interest rates.

	Currency	Effective	Maturity	Amount of Swap [000's] $	Fixed Rate [1]
Canadian dollar contracts	CAD	June 11, 2023	2026	75,000	3.972 %

[1] Excludes performance adjustment.

On June 16, 2022, the Company entered into a forward interest rate swap contract starting June 11, 2023 and expiring on May 11, 2026. The Company will receive interest based on the variable rates from the counterparty and pay interest based on a fixed rate of 3.972%. The notional amounts are $75 million in aggregate, resetting the last business day of each month. As at December 31, 2022, the fair value of the interest rate swap was a loss of $0.4 million. The Company has elected to apply hedge accounting for this contract and, therefore, unrealized gains (losses) are recognized in other comprehensive income (loss) to the extent that it has been assessed to be effective. During the three-months and year ended December 31, 2022, an unrealized gain of $0.2 million and loss of $0.4 million was recorded in other comprehensive income (loss).

Equity swap

The Company has an equity swap agreement with a financial institution to manage the cash flow exposure due to fluctuations in its share price related to the EIAP. As at December 31, 2022, the equity swap agreement covered 722,000 common shares of the Company at a price of $38.76, and the agreement matures on May 7, 2024. During the three-months and year ended December 31, 2022, unrealized gains of $8.0 million and $8.4 million [2021 – gains of $2.4 million and $1.4 million] were recorded in gain on financial instruments in other operating expense (income). As at December 31, 2022, the fair value of the equity swap was a gain of $3.3 million [2021 – loss of $5.0 million].

Debenture redemption options

In March 2020, the Company issued $85 million of senior unsecured subordinated debentures with an option of early redemption beginning December 31, 2023. At time of issuance, the Company's redemption option resulted in an embedded derivative with fair value of $0.8 million. During the three-months and year ended December 31, 2022, the Company recorded unrealized gains of $0.1 million and $0.3 million respectively [2021 – gains of $0.1 million and $0.3 million], on financial instruments in other operating income. As at December 31, 2022, the fair value of the embedded derivative was $0.6 million [2021 – $0.3 million].

2021 ACQUISITION

Farmobile

On April 16, 2021, AGI acquired additional outstanding shares of Farmobile pursuant to stock purchase agreements. The terms of the agreements facilitated the acquisition of all remaining outstanding shares of Farmobile, building on AGI's initial minority equity investment made in Farmobile in 2019. The acquisition was fully completed on February 1, 2022.

2022 ACQUISITION

Eastern Fabricators

On January 4, 2022, AGI acquired Eastern Fabricators ("Eastern"). Eastern specializes in the engineering, design, fabrication, and installation of high-quality stainless-steel equipment and systems for food processors. Eastern operates three facilities in Canada with two in Prince Edward Island and one in Ontario. Eastern serves a range of customers across North America and has developed strong relationships with some of the world's largest multinational food processors. Consideration for the acquisition included an upfront purchase price of $29.3 million paid on closing plus working capital adjustments of $2.9 million and the potential for an additional $7.4 million in post-closing payments based on the achievement of financial targets in future years. The acquisition was funded primarily through AGI's senior debt facilities.

OTHER RELATIONSHIPS

Burnet, Duckworth & Palmer LLP provides legal services to the Company, and a Director of AGI is a partner of Burnet, Duckworth & Palmer LLP. During the three-month period and year ended December 31, 2022, the total cost of these legal services related to the issuance of convertible unsecured debentures, the amendment of the senior credit facilities and general matters was $0.6 million and $2.5 million [2021 – $0.3 million and $1.0 million], and $0.7 million is included in accounts payable and accrued liabilities as at December 31, 2022.

These transactions are measured at the exchange amount and were incurred during the normal course of business.

CRITICAL ACCOUNTING ESTIMATES

Described in the notes to the Company's 2022 consolidated financial statements are the accounting policies and estimates that AGI believes are critical to its business. Please refer to note 4 to the 2022 consolidated financial statements for a discussion of the significant accounting judgments, estimates and assumptions. In addition, the provision for remediation [see – "Remediation Costs and equipment rework"] required significant estimates and judgments about the scope, timing and cost of work that will be required. It is based on management's assumptions and estimates at the current date and is subject to revision in the future as further information becomes available to the Company.

RISKS AND UNCERTAINTIES

The Company and its business are subject to numerous risks and uncertainties which are described in this MD&A and the Company's most recent Annual Information Form, which is available under the Company's profile on SEDAR [www.sedar.com]. These risks and uncertainties include but are not limited to the following: general economic and business conditions and changes in international, national and local macroeconomic and business conditions, as well as sociopolitical conditions in certain local or regional markets, including as a result of the conflict between Russia and Ukraine and the response thereto from other countries and institutions (including trade sanctions and financial controls), which has created volatility in the global economy and could continue to adversely impact economic and trade activity; the effects of global outbreaks of pandemics or contagious diseases or the fear of such outbreaks, such as the coronavirus (COVID-19) pandemic, including on our operations, our personnel, our supply chain, the demand for our products and services, our ability to expand and produce in new geographic markets or the timing of such expansion efforts, and on overall economic conditions and customer confidence and spending levels; the ability of management to execute the Company's business plan; fluctuations in agricultural and other commodity prices, interest rates, inflation rates and currency exchange rates; crop planting, crop conditions and crop yields; weather patterns, the timing of harvest and conditions during harvest; volatility of production costs, including the risk of production cost increases that may arise as a result of ongoing high inflation rates and/or supply chain disruptions, and the risk that we may not be able to pass along all or any portion of increased costs to customers; governmental regulation of the agriculture and manufacturing industries, including environmental and climate change regulation; actions taken by governmental authorities, including increases in taxes, changes in government regulations and incentive programs, and actions taken in connection with local or global outbreaks of pandemics or contagious diseases or the fear of such outbreaks, such as the COVID-19 pandemic; risks inherent in marketing operations; credit risk; the availability of credit for customers; seasonality and industry cyclicality; potential delays or changes in plans with respect to capital expenditures; the cost and availability of sufficient financial resources to fund the Company's capital expenditures; failure of the Company to realize the benefits of its operational excellence initiatives; incorrect assessments of the value of acquisitions, failure of the Company to realize the anticipated benefits of acquisitions, including to realize anticipated synergies and margin improvements, and the assumption of liabilities associated with acquisitions and/or the provision of indemnities to vendors in respect of any such assumed liabilities or otherwise; volatility in the stock markets including the market price of the Common Shares and in market valuations; competition for, among other things, customers, supplies, acquisitions, capital and skilled personnel; the availability of capital on acceptable terms; dependence on suppliers; changes in labour costs and the labour market, including the risk of labour cost increases that may arise as a result of ongoing high inflation rates and/or a scarcity of labour; the impact of climate change and related laws and regulations; changes in trade relations between the countries in which the Company does business, including between Canada and the United States; cyber security risks; adjustments to and delays or cancellation of backlogs; the requirement to re-supply equipment or re-complete work previously supplied or completed at AGI's cost, and the risk that AGI's assumptions and estimates made in respect of such costs and underlying the provision for warranty accrual and remediation in our consolidated financial statements related thereto and insurance coverage therefor (including for the matters disclosed herein under "Remediation costs and equipment rework") will prove to be incorrect as further information becomes available to AGI; and the risk of litigation or unsuccessful defense of litigation in respect of equipment or work previously supplied or completed or in respect of other matters and the risk that AGI incurs material liabilities in connection with such litigation that are not covered by insurance in whole or in part. These risks and uncertainties are not the only risks and uncertainties we face. Additional risks and uncertainties not currently known to us or that we currently consider immaterial also may impair operations. If any of these risks actually occur, our business, results of operations and financial condition, and the amount of cash available for dividends could be materially adversely affected.

COVID-19

The emergence of COVID-19 has had limited adverse impact on AGI's business, including the disruption of production, our supply chain, and product delivery. While AGI experienced temporary production suspensions early in the pandemic in 2020, there were no significant production suspensions or interruptions during 2022 as a result of COVID-19.

AGI operations were considered "essential services" in many regions throughout North America, highlighting the important role the Company plays in the global food supply chain. Management continues to believe post pandemic demand will be positively impacted as the world builds additional redundancy into the global food infrastructure to account for similar events in the future.

AGI is currently fully operational across all manufacturing locations globally, with no loss of productive capacity owing to COVID-19 during 2022. However, potential disruptions to the supply chain including steel supply, components, labour and logistics can cause significant delays in sales and on projects which can impact the timing of revenue recognition. Our future results remain subject to any residual effect of COVID-19 on our manufacturing facilities, markets, and customers as management continues to monitor for any remaining risks associated with COVID-19.

Russia-Ukraine Conflict

AGI's exposure to Russia and Ukraine varies year-to-year. Prior to 2022, the region generally contributed about 3% of AGI's consolidated sales annually. AGI has no production facilities in either country. Given the contributions of Brazil, India, and the rest of the EMEA region, AGI is more diversified from the region than we were in years past. While the region is important to AGI, any negative impacts have not been material to AGI overall.

CHANGES IN ACCOUNTING STANDARDS AND FUTURE ACCOUNTING CHANGES

Standards issued but not yet effective

Amendments to IAS 1 – Presentation of Financial Statements ["IAS 1"]

In January 2020, amendments were issued to IAS 1, which provide requirements for classifying liabilities as current or non-current. Specifically, the amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments must be applied retrospectively for annual periods beginning after January 1, 2024. The Company will assess the impact, if any, of adoption of the amendment.

Amendments to IAS 1 and IFRS Practice Statement ["PS"] 2 Making Materiality Judgements

In February 2021, amendments were issued to IAS 1 and IFRS PS 2, which provide guidance and examples to help entities apply materiality judgment to accounting policy disclosures. Specifically, the amendments aim to:

- Replace the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies; and
- Add guidance on how to apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective for annual periods beginning after January 1, 2023. The Company will assess the impact, if any, of adoption of the amendment.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including AGI's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. Management has concluded that disclosure controls and procedures were effective as at December 31, 2022.

Management of AGI is responsible for designing internal controls over financial reporting for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. Management has designed such internal controls over financial reporting, or caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS. Management has evaluated the design and operating effectiveness of the Company's internal controls over financial reporting as at December 31, 2022 and has concluded that they are effective.

AGI acquired Eastern in Q1 2022. Since the acquisition occurred not more than 365 days before the end of the reporting period, management has limited the scope of design, and subsequent evaluation, of disclosure controls and procedures and internal controls over financial reporting of this acquisition. For the period covered by this MD&A, management has undertaken specific procedures to satisfy itself with respect to the accuracy and completeness of the financial information of Eastern. The following is the summary financial information pertaining to Eastern that was included in AGI's consolidated financial statements as at and for the year ended December 31, 2022:

[thousands of dollars]	Eastern $
Revenue [1]	24,408
Loss[1]	(6,738)
Current assets [1]	11,262
Non-current assets [1]	29,097
Current liabilities [1]	3,419
Non-current liabilities [1]	8,786

[1] Net of intercompany

There have been no changes in AGI's internal controls over financial reporting that occurred in the three-month and twelve-month period ended December 31, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

NON-IFRS AND OTHER FINANCIAL MEASURES

This MD&A makes reference to certain specified financial measures, including non-IFRS financial measures, non-IFRS ratios and supplementary financial measures. Management uses these financial measures for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of ongoing operations and in analyzing our business performance and trends. These specified financial measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement our financial information reported under IFRS by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

We use the following (i) non-IFRS financial measures: “adjusted earnings before interest, taxes, depreciation, and amortization (“Adjusted EBITDA”)”, “adjusted gross margin”, “funds from operations”, and “adjusted profit”; (ii) non-IFRS ratios: “Adjusted EBITDA margin %”, “adjusted gross margin as a % of sales”, “gross profit as a % of sales”, “diluted adjusted profit per share” and “payout ratio”; and (iii) supplementary financial measures: “backlog”, “sales by geography”, "sales by segment and geography", “maintenance capital expenditures” and “non-maintenance capital expenditures”; to provide supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management also uses non-IFRS financial measures, non-IFRS ratios and supplementary financial measures in order to prepare annual operating budgets and to determine components of management compensation. We strongly encourage investors to review our consolidated financial statements and publicly filed reports in their entirety and not to rely on any single financial measure or ratio.

We use these specified financial measures in addition to, and in conjunction with, results presented in accordance with IFRS. These specified financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our IFRS results and, in the case of non-IFRS financial measures, the accompanying reconciliations to the most directly comparable IFRS financial measures may provide a more complete understanding of factors and trends affecting our business.

In this MD&A, we discuss the specified financial measures, including the reasons that we believe that these measures provide useful information regarding our financial condition, results of operations, cash flows and financial position, as applicable, and, to the extent material, the additional purposes, if any, for which these measures are used. Reconciliations of non-IFRS financial measures to the most directly comparable IFRS financial measures are contained in this MD&A.

The following is a list of non-IFRS financial measures, non-IFRS ratios and supplementary financial measures that are referenced throughout this MD&A:

“Adjusted EBITDA” is defined as profit (loss) before income taxes before finance costs, depreciation and amortization, share of associate’s net loss, gain on remeasurement of equity investment or revaluation gains, gain or loss on foreign exchange, non-cash share-based compensation expenses, gain on financial instruments, M&A recovery or expenses, change in estimate on variable considerations, transaction, transitional and other costs, net gain or loss on the sale of property, plant & equipment, gain or loss on settlement of right-of-use assets, gain or loss on settlement of lease liability, gain on disposal of (foreign) operation, equipment rework, remediation, non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost and impairment. Adjusted EBITDA is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our consolidated financial statements is profit (loss) before income taxes. Management believes Adjusted EBITDA is a useful measure to assess the performance and cash flow of the Company as it excludes the effects of interest, taxes, depreciation, amortization and expenses that management believes are not reflective of the Company's underlying business performance. Management cautions investors that Adjusted EBITDA should not replace profit or loss as indicators of performance, or cash flows from operating, investing, and financing activities as a measure of the Company's liquidity and cash flows. See "Detailed Operating Results – Profit (loss) before income taxes and Adjusted EBITDA" for the reconciliation of Adjusted EBITDA to profit (loss) before income taxes for the current and comparative periods. Adjusted EBITDA guidance is a forward-looking non-IFRS financial measure. We do not provide a reconciliation of such forward-looking measure to the most directly comparable financial measure calculated and presented in accordance with IFRS due to unknown variables and the uncertainty related to future results. These unknown variables may include unpredictable transactions of significant value that may be inherently difficult to determine without unreasonable efforts. Guidance for Adjusted EBITDA is calculated in the same manner as described above for historical Adjusted EBITDA, as applicable.

"Adjusted EBITDA margin %" is defined as Adjusted EBITDA divided by sales. Adjusted EBITDA margin % is a non-IFRS ratio because one of its components, Adjusted EBITDA, is a non-IFRS financial measure. Management believes Adjusted EBITDA margin % is a useful measure to assess the performance and cash flow of the Company.

"Adjusted gross margin" is defined as gross profit less equipment rework and remediation, non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost and depreciation and amortization. Adjusted gross margin is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our consolidated financial statements is gross profit. Management believes that adjusted gross margin is a useful measure to assess the performance of the Company as it excludes the effects of equipment rework and remediation, non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost and depreciation and amortization. See "Detailed Operating Results – Gross Profit and Adjusted Gross Margin" for the reconciliation of adjusted gross margin to gross profit for the current and comparative periods.

"Adjusted Gross Margin as a % of sales" is defined as adjusted gross margin divided by sales. Adjusted gross margin as a % of sales is a non-IFRS ratio because one of its components, adjusted gross margin, is a non-IFRS financial measure. Management believe adjusted gross margin as a % of sales is a useful measure to assess the performance of the Company.

"Adjusted profit" is defined as profit or loss adjusted for the share of associate's net loss, revaluation gains, gain or loss on foreign exchange, gain on financial instruments,
M&A recovery or expenses, change in estimate of variable consideration, transaction, transitional and other costs, net gain or loss on the sale of property, plant & equipment, gain or loss on settlement of lease liability, gain on disposal of operation, equipment rework, remediation, non-cash expenses related to the sale of inventory that acquisition accounting required be recorded at a value higher than manufacturing cost and impairment. Adjusted profit is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our consolidated financial statements is profit or loss. Management believes adjusted profit is a useful measure to assess the performance of the Company as it provides more meaningful operating results by excluding the effects of expenses that are not reflective of our underlying business performances. See "Detailed Operating Results – Diluted (loss) profit per share and diluted adjusted profit per share" for the reconciliation of adjusted profit to profit (loss) for the current and comparative periods.

"Backlogs" are defined as the total value of committed sales orders that have not yet been fulfilled that: (a) have a high certainty of being performed as a result of the existence of a purchase order, an executed contract or work order specifying job scope, value and timing; or (b) has been awarded to the Company or its divisions, as evidenced by an executed binding letter of intent or agreement, describing the general job scope, value and timing of such work, and where the finalization of a formal contract in respect of such work is reasonably assured. Backlog is a supplementary financial measure.

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

“Funds from operations” is defined as cash provided by operations adjusted for items not involving current cashflows, combined adjustments to Adjusted EBITDA, interest expense, non-cash interest, cash taxes and maintenance capital expenditures. Funds from operations is a non-IFRS financial measure and its most directly comparable financial measure that is disclosed in our consolidated financial statements is cash provided by operations. Management believes that, in addition to cash provided by operations, funds from operations provide a useful supplemental measure in evaluating the Company's performance and liquidity. The definition excludes changes in working capital as they are necessary to drive organic growth and have historically been financed by the Company’s operating facility [See “Capital Resources”]. Funds from operations should not be construed as an alternative to cash flows from operating, investing, and financing activities as a measure of the Company’s liquidity and cash flows. See “CASH PROVIDED BY OPERATIONS, FUNDS FROM OPERATIONS AND PAYOUT RATIOS” for the reconciliation of funds from operations to cash provided by operations for the current and comparative periods and see also “Adjusted EBITDA” above and “Detailed Operating results – Profit (loss) before income taxes and Adjusted EBITDA” for the "combined adjustments to Adjusted EBITDA" for the current and comparative periods.

"Gross Profit as a % of sales" is defined as gross profit divided by sales. Gross profit as a % of sales is a supplementary financial measure.

“Maintenance capital expenditures” and “non-maintenance capital expenditures” are both components of the Company’s "Acquisition of property, plant and equipment". Management defines maintenance capital expenditures as cash outlays required to maintain plant and equipment at current operating capacity and efficiency levels and non-maintenance capital expenditures as other investments, including cash outlays required to increase operating capacity or improve operating efficiency. Both “maintenance capital expenditures” and “non-maintenance capital expenditures” are supplementary financial measures. Management believes that in addition to acquisition of property, plant and equipment, maintenance capital expenditures and non-maintenance capital expenditures provide a useful supplemental measure in evaluating the Company's performance. See “Cash Flow and Liquidity - Capital Expenditures” for the reconciliation of maintenance capital expenditures and non-maintenance capital expenditures to acquisition of property plant and equipment for the current and comparative periods.

“Payout ratio” is defined as either cash provided by operations or funds from operations for the relevant year divided into the dividends declared during such financial year. "Payout ratio from cash provided by operations" is a supplementary financial measure. "Payout ratio from funds from operations" is a non-IFRS ratio because one of its components, funds from operations, is a non-IFRS financial measure. Management believes payout ratio is a useful measure to assess the performance and liquidity of the Company and as an indicator of the sustainability of AGI's dividend.

"Sales by Geography" and "Sales by Segment and Geography": The sales information presented under "Sales by Geography" and "Sales by Segment and Geography" are supplementary financial measures used to present the Company's sales by geography and by segment and geography.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements and information [collectively, "forward-looking information"] within the meaning of applicable securities laws that reflect our expectations regarding the future growth, results of operations, performance, business prospects, and opportunities of the Company. All information and statements contained herein that are not clearly historical in nature constitute forward-looking information, and the words “anticipate”, “estimate”, “believe”, “continue”, “could”, “expects”, “intend”, "trend", “plans”, “will”, “may” or similar expressions suggesting future conditions or events or the negative of these terms are generally intended to identify forward-looking information. Forward-looking information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. In addition, this MD&A may contain forward-looking information attributed to third party industry sources. Undue reliance should not be placed on forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which it is based will occur. In particular, the forward-looking information in this MD&A includes information relating to: our business and strategy; our outlook for our financial and operating performance in fiscal 2023 and beyond, including by segment, product type and geographic region, and including our expectations for our future financial results (including our forecast for full year 2023 Adjusted EBITDA), industry demand and market conditions, our robust organic growth prospects, and the anticipated ongoing impacts of the COVID-19 pandemic on our business, operations and financial results; the ability of our operational excellence initiatives to create a more efficient organization that will extend across all regions and help drive further success and growth; the estimated costs to the Company that may result from the remediation work associated with the bin collapse incident described herein, including the costs of remediation, and the availability of insurance coverage to at least partially offset such costs; matters relating to litigation, including litigation arising as a result of the bin collapse incident; the estimated costs to the Company from ongoing equipment rework; our ability to mitigate the impact of inflation; our ability to lessen the seasonality of our business; the factors that may impact our working capital requirements; the sufficiency of our liquidity and capital resources; long-term fundamentals and growth drivers of our business; and the future payment of dividends and the amount thereof. Such forward-looking information reflects our current beliefs and is based on information currently available to us, including certain key expectations and assumptions concerning: anticipated crop yields and production in our market areas; the financial and operating attributes of acquired businesses and the anticipated future performance thereof; the value of acquired businesses and assets and the liabilities assumed (and indemnities provided) by AGI in connection therewith; anticipated financial performance; future debt levels; business prospects and strategies, including the success of our operational excellence initiatives; product and input pricing; the scope, nature, timing and cost of re-supplying certain equipment and re-completing certain work that has previously been supplied or completed pursuant to warranty obligations or otherwise; regulatory developments; tax laws; the sufficiency of budgeted capital expenditures in carrying out planned activities; currency exchange rates, inflation rates and interest rates; the cost of materials, labour and services and the impact of inflation rates and/or supply chain disruptions thereon; the impact of competition; the general stability of the economic and regulatory environment in which the Company operates; the timely receipt of any required regulatory and third party approvals; the ability of the Company to obtain and retain qualified staff and services in a timely and cost efficient manner; the amount and timing of the dividends that we expect to pay; the ability of the Company to obtain financing on acceptable terms; the regulatory framework in the jurisdictions in which the Company operates; the ability of the Company to successfully market its products and services; and that the COVID-19 pandemic will not have a material impact on our business, operations, and financial results going forward. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual results to differ materially from results discussed in the forward-looking information. These risks and uncertainties are described under “Risks and Uncertainties” in this MD&A and in our most recently filed Annual Information Form, all of which are available under the Company's profile on SEDAR [www.sedar.com]. These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking information. We cannot assure readers that actual results will be consistent with this forward-looking information. Further, AGI cannot guarantee that the anticipated revenue from its backlogs will be realized or, if realized, will result in profits or Adjusted EBITDA. Delays, cancellations and scope adjustments occur from time-to-time with respect to contracts reflected in AGI's backlogs, which can adversely affect the revenue and profit that AGI actually receives from its backlogs. Readers are further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. These estimates may change, having either a negative or positive effect on profit, as further information becomes available and as the economic environment changes. Without limitation of the foregoing, the provision for remediation related to the bin collapse incident disclosed herein required significant estimates and judgments about the scope, nature, timing and cost of work that will be required. It is based on management's assumptions and estimates at the current date and is subject to revision in the future as further information becomes available to the Company. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. The forward-looking information included in this MD&A is made as of the date of this MD&A and AGI undertakes no obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

FINANCIAL OUTLOOK

Also included in this MD&A is an estimate of AGI's 2023 Adjusted EBITDA, which is based on, among other things, the various assumptions disclosed in this MD&A including under "Forward-Looking Information" and including our assumptions regarding the Adjusted EBITDA contribution that AGI anticipates receiving from revenue growth in 2023 in part as a result of the 10% YOY increase in AGI's backlogs at December 31, 2022. To the extent such estimate constitutes a financial outlook, it was approved by management on March 7, 2023 and is included to provide readers with an understanding of AGI's anticipated 2023 Adjusted EBITDA based on the assumptions described herein and readers are cautioned that the information may not be appropriate for other purposes.

ADDITIONAL INFORMATION

Additional information relating to AGI, including AGI's most recent Annual Information Form, is available under the Company's profile on SEDAR [www.sedar.com].