

AGI ANNOUNCES STRATEGIC ACQUISITION OF GLOBAL INDUSTRIES, INC.

- *Complementary product catalogue adds grain dryer line and strong on farm stationary handling capabilities*
- *Improves grain bin and handling distribution reach across the U.S. and internationally*
- *Broadens geographic reach with access to new offshore customers*
- *Transaction expected to be immediately accretive and provide significant synergy opportunities*
- *Balance sheet expected to remain strong following concurrent convertible debenture offering*

Winnipeg, MB, April 4, 2017 – Ag Growth International Inc. (TSX: AFN) (“AGI” or the “Company”) is pleased to announce it has acquired 100% of the outstanding shares of Global Industries, Inc. (“Global”) for U.S. \$100 million. Global is a diversified manufacturer of grain storage bins, portable and stationary grain handling equipment, grain drying and aeration equipment, structural components, and steel buildings. Global has four divisions located in Nebraska and Kansas, production capacity in South Africa, and warehouses in the U.S., Europe, Australia and Africa. Global’s product catalogue and domestic and offshore geographic sales are highly complementary to AGI’s existing footprint, and are expected to substantially expand AGI’s North American and international grain handling, drying and storage platforms in both Farm and Commercial segments.

“We are excited today to announce that we have acquired the Global family of companies. This highly strategic transaction brings key products, very talented people, and great brands into the AGI group, and significantly increases our U.S. manufacturing capabilities and distribution channels,” said Tim Close, President and Chief Executive Officer of AGI. “The U.S. grain market continues to be a core supplier of the world’s food and AGI is committed to our dealers and customers in this important market. Jack Henry has built four strong businesses within Global which have benefited immensely from the leadership of Doug Fargo and his teams in Nebraska, Kansas and internationally as they pushed to grow their business both domestically and abroad. AGI and Global share very similar cultures and values that are focused on employees, customers, and achieving success. We are proud to welcome all Global employees to AGI, and look forward to working together to continue to partner with our combined suppliers and dealers to excel at earning our customers’ respect and business.”

“It was a very difficult decision for me to decide to sell Global Industries,” said Jack Henry, Chairman and Chief Executive Officer of Global. “However, the culture and the way AGI does business were a great fit for Global and I’m very excited for Global’s future prospects as part of AGI. I would also like to thank each and every current and former employee of Global for everything they have done for Global, and for me personally, over the past 15 years. Without their support and contributions, Global would not be the great company that it is today.”

The U.S. \$100 million purchase price for Global (subject to customary post-closing adjustments), was financed by cash on hand and AGI’s revolving credit facility. Global’s normalized EBITDA¹ averaged approximately U.S. \$11.5 million over the three years ended November 30, 2016. In the four years prior to 2015, being the years before the current downturn in the U.S. farm market, Global’s normalized EBITDA¹ averaged approximately U.S. \$17 million. AGI expects the transaction to be immediately accretive to profit per share and funds from operations¹.

Transaction Rationale

Management believes the acquisition of Global is highly strategic and enhances AGI’s competitive position as a manufacturer of grain handling, storage, and conditioning equipment in Farm and Commercial markets, both

¹ See “Non-IFRS Measures” below.

domestically and internationally. Management also believes the combination provides the following benefits to AGI:

- **Expanded U.S. Presence:** Global's well-established, high quality brands in key U.S. markets expand AGI's existing product lines and add new product categories, which are expected to significantly grow AGI's manufacturing and distribution capabilities.
- **Enhanced Geographic Positioning:** The combination with Global provides AGI with additional scale to compete against large, global peers in an environment of industry consolidation.
 - Pro forma annual revenue increases by approximately 27% to approximately \$700 million for 2016
 - The combined company's product catalogue and geographic footprint is expected to materially enhance AGI's ability to serve a broad customer base and provide complete solutions across North American and international markets
 - Global's customer and geographic focus in offshore markets is largely complementary to AGI's, providing the combined company with potential sales synergies and an enhanced global footprint. International sales represented approximately 27% of Global's total sales in 2016
- **Broader Product Offering:** Global's grain drying and stationary handling products are a strong addition to AGI's existing Farm product catalogue.
 - Global's strength in stationary handling equipment provides AGI with access to new dealers and customers that are not currently addressed by AGI's core portable grain handling offering
 - Global's grain dryer is an important addition to AGI's Canadian product offering, especially in light of management's anticipation of increased acres of corn and soybeans in western Canada. Offshore, AGI had previously purchased dryers from third parties when selling bundled projects, and going forward will be able to include Global dryers in some of these projects
- **Diversification of Customers, Dealers and Geography:** Global has over fifty years of experience selling storage bins in the U.S. market and provides AGI with a high quality and well established bin dealer network.
 - Pro forma the transaction, approximately 45% of 2016 revenue was generated in the U.S. as compared to 38% for AGI standalone, providing additional opportunities in the important U.S. market, and 20% was generated outside of North American as compared to 19% for AGI standalone
- **Significant Potential Sales, Manufacturing and SG&A Synergies:** AGI has identified several opportunities for sales, operational and financial synergies, including marketing AGI products through Global's U.S. and international sales force, shared product design and manufacturing, and the centralized procurement of production materials.
- **Purchase Price:** The transaction is being completed at a compelling valuation relative to Global's longer term financial performance, and is backed by a significant asset base.

Overview of Global Industries' Operating Divisions

MFS, York, Stormor and Brownie: Based in Grand Island, Nebraska, these brands design and manufacture storage bins, stationary grain handling equipment, and structural components for both Farm and Commercial applications. Bin sales are primarily in the U.S. Great Plains region, which has minimal geographic overlap with AGI's Westeel bin sales, and the stationary on-farm grain handling equipment is a new addition to AGI's product portfolio.

Hutchinson and Mayrath: Produces portable and stationary grain handling equipment, including bin unloads, augers, conveyors, and grain loop systems in Clay Center, Kansas. Bin unloading systems are the division's

largest product line, and grain loop products, which enable the connection of several bins into one storage system, are a new addition to AGI's product portfolio.

NECO: Based in Omaha, Nebraska, NECO produces grain dryers, aeration, and handling equipment. A new product line for AGI, grain dryers are increasingly important in Canadian markets as management expects corn and soybean acreage to increase.

Sentinel Building Systems: Designs and builds all-steel and wood-steel buildings in Albion, Nebraska. The buildings are primarily for agricultural uses, such as poultry buildings and partially enclosed storage structures for feed, as well as commercial and self-storage applications. Sentinel also produces a line of light-duty tower and catwalk systems.

Financing

AGI today also announced a \$75 million, plus 15% over-allotment option, convertible unsecured subordinated debenture bought-deal offering, the proceeds of which will be used to reduce indebtedness and for general corporate purposes. In connection with the acquisition, AGI's credit facilities have been amended to extend the maturity to 2021 and enhance AGI's financial flexibility. AGI's pro forma 2016 senior debt to EBITDA, reflecting the Global acquisition and the net anticipated convertible debenture proceeds before the over-allotment option, is approximately 2.6x.

Company Profile

Ag Growth International Inc. is a leading manufacturer of portable and stationary grain and fertilizer handling, storage and conditioning equipment, including augers, belt conveyors, grain storage bins, grain handling accessories, grain aeration equipment and grain drying systems. AGI has manufacturing facilities in Canada, the United States, Italy, Brazil and the United Kingdom, and distributes its products globally.

For More Information Contact:

Investor Relations
Steve Sommerfeld
204-489-1855
steve@aggrowth.com

Non-IFRS Measures

In analyzing our and Global's results, we supplement our use of financial measures that are calculated and presented in accordance with International Financial Reporting Standards ("IFRS"), with a number of non-IFRS financial measures. A non-IFRS financial measure is a numerical measure of a company's historical performance, financial position or cash flow that excludes (includes) amounts, or is subject to adjustments that have the effect of excluding (including) amounts, that are included (excluded) in the most directly comparable measures calculated and presented in accordance with IFRS. Non-IFRS financial measures are not standardized; therefore, it may not be possible to compare these financial measures with other companies' non-IFRS financial measures having the same or similar businesses. 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.

In particular, this news release refers to: "normalized EBITDA" of Global for certain financial periods, which is earnings of Global before income taxes, finance costs, depreciation and amortization and certain normalization adjustments including owner/manager compensation structure, related party transactions,

rationalizations and one-time events; "funds from operations" of AGI, which is adjusted EBITDA (defined as profit before income taxes, finance costs, depreciation, amortization and impairment charges related to discontinued operations, before the Company's gain or loss on foreign exchange, gains or losses on the sale of property, plant & equipment, non-cash share based compensation expenses, gains or losses on financial instruments, non-cash contingent consideration expenses, provisions related to the cancellation of a U.S. distributor and an international customer, and expenses related to corporate acquisition activity) less cash taxes, cash interest expense, realized losses on foreign exchange and maintenance capital expenditures; and AGI's "EBITDA" as defined in AGI's credit facilities, which is earnings before interest charges, income taxes, depreciation and amortization and certain prescribed adjustments.

In addition, the financial information in this news release relating to Global including normalized EBITDA is derived from Global's financial statements, which are prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"), which differ in some material respects from IFRS, and accordingly may not be comparable to the financial statements of AGI or other Canadian public companies.

Management believes that, in addition to sales, profit or loss and cash flows from operating, investing, and financing activities, normalized EBITDA and funds from operations are useful supplemental measures in evaluating Global's and AGI's performance. Management cautions investors that normalized EBITDA and funds from operations should not replace sales or profit or loss as indicators of performance, or cash flows from operating, investing, and financing activities as a measure of a company's liquidity and cash flows. AGI's method of calculating normalized EBITDA and funds from operations may differ from the methods used by other issuers.

Pro Forma Information

Pro forma financial and operating information included in this news release is for information purposes only and is unaudited. Pro forma information should not be considered indicative of actual financial position or financial or operating results that would have been achieved had the Global acquisition occurred on January 1, 2016, or of results which may occur in the future. Pro forma financial information should be read in conjunction with AGI's historical financial results.

Forward-Looking Information

This news release contains forward-looking information within the meaning of applicable securities laws that reflects our expectations regarding the future growth, results of operations, performance, business prospects, and opportunities of the Company. Forward-looking information may contain such words as "anticipate", "believe", "continue", "could", "expect", "intend", "plan", "will" or similar expressions suggesting future conditions or events. In particular, the forward looking information in this news release includes information relating to our business and strategy and our outlook for our financial and operating performance, including statements with respect to: the timing and completion of the offering of convertible unsecured subordinated debentures; our ability to achieve the expected benefits of the Global acquisition including our expectations with respect to the acquisition being accretive to profit per share and funds from operations; our ability to realize sales, operational, financial and other synergies from the Global acquisition; the combined company's enhanced competitive position; certain pro forma financial and operating information after giving effect to the Global acquisition and the offering of convertible unsecured subordinated debentures; and the anticipated impact of the Global acquisition on AGI's business.

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 grain production in our market areas, contributions from the Global and other recent acquisitions, financial performance, business prospects, strategies, product pricing, regulatory developments, political events, tax laws, the sufficiency of budgeted capital expenditures in carrying out planned activities, currency exchange rates and the cost of

materials, labour and services. 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, including changes in international, national and local macroeconomic and business conditions, weather patterns, crop planting, crop yields, crop conditions, the timing of harvest and conditions during harvest, seasonality, industry cyclicality, volatility of production costs, agricultural commodity prices, the cost and availability of capital, currency exchange rates, the availability of credit for customers, competition and AGI's failure to achieve the expected benefits of the Global and other recent acquisitions. Further, there can be no assurance that the offering of convertible unsecured subordinated debentures will occur or occur on the terms set forth herein, or that any of the anticipated strategic and other benefits and operational, competitive and cost synergies of the Global acquisition will be realized. These and other risks and uncertainties are described under "Risks and Uncertainties" and "Forward-Looking Information" in our most recently filed Management's Discussion and Analysis and Annual Information Form. 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 these forward-looking information and we undertake no obligation to update such information except as expressly required by law.