AGI Announces Acquisition of Brazilian Manufacturer Entringer S.A.

Winnipeg, MB, March 9, 2016 – Ag Growth International Inc. (TSX: AFN) ("AGI" or the "Company") is very pleased to announce the acquisition of Entringer S.A. ("Entringer"), a Brazilian based manufacturer of grain bins, bucket elevators, dryers and cleaners. Founded in 1988 and strategically located in Brazil's Sao Paulo province, Entringer provides AGI with a measured entry into the rapidly expanding agricultural sector in Brazil.

Entringer sales in 2015 were R$43 million and normalized EBITDA over the previous six years has averaged approximately R$5.6m, with peak normalized EBITDA of R$9.9m in 2013 and negative EBITDA of approximately R$1.3 million in 2015. Terms of the transaction included payment of R$30 million upon closing which represents a multiple of 5.4x against the previous six year average EBITDA. The agreement includes a R$15 million earn-out provision based on Entringer meeting certain EBITDA thresholds.

"We are very pleased to announce the acquisition of Entringer, said Tim Close, President and CEO of AGI. "Despite the economic and political turmoil in Brazil the agriculture sector has remained a positive point for the country. The issues facing the country have had a substantial impact on the currency, creating, what we believe to be, an opportunistic time to enter the market and establish a platform for growth."

"The Brazilian agriculture market continues to gain momentum as the soy and corn crops benefit from double cropping and as new acres are converted to grain, new seed technology is deployed and producers make better use of fertilizer to impact crop yields. Brazil has a substantial deficit in the infrastructure and equipment required to properly store, condition, and handle the growing grain crop. The combination of the growing crop and the lack of infrastructure create an excellent market for AGI. Historically, taxes and tariffs that exist in Brazil have restricted our ability to compete in this exciting market and with today's announcement we now have manufacturing capabilities within Brazil. This expanding footprint is a continuation of our global growth strategy and forms a key element of our efforts to mitigate the risks inherent from the variability of regional events in agriculture."

"The acquisition of Entringer marks the beginning of what we have termed our "Greenfield Plus" strategy to grow our business in Brazil. With Entringer, we are acquiring a Brazilian focused product line including grain dryers and grain cleaners which are new to AGI, an excellent team with an established track record of outstanding customer service, installation capabilities, a distribution network, customer relationships, an excellent operations team, a robust pipeline, and well situated land for a greenfield facility."

"We have spent more than three years developing and pursuing a measured and responsible strategy to enter the Brazilian market. The combination of a small acquisition which provides the products and people required to grow our local business along with the construction of a new, state of the art facility provides a truly unique strategic position in the Brazil marketplace. While the impact on 2016 EBITDA will be marginal, we will spend approximately $25 million USD to establish a new facility and we expect this facility to contribute starting in 2017."

"We would like to welcome the entire team at Entringer to the AGI family and we look forward to working together to build Entringer and AGI Brazil."

Conference Call Details

Management will host a conference call at 9:00 am (ET) on Thursday, March 10, 2016 to review the Company's results for the three and twelve month periods ended December 31, 2015. To participate in the conference call, please dial 1-866-303-8430 or for local access dial 416-641-6103. An audio replay of the call will be available for seven days. To access the audio replay, please dial 1-800-408-3053 or for local access dial 905-694-9451. Please quote passcode 8198193.

Company Profile

Ag Growth International Inc. is a leading manufacturer of portable and stationary grain 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, the United Kingdom and Finland, and distributes its products globally.

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NON-IFRS MEASURES

Financial information relating to Entringer is prepared in accordance with Brazilian generally accepted accounting principles ("Brazilian 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.

References to “normalized EBITDA” are to Entringer’s unaudited earnings before income taxes, finance costs, depreciation and amortization and include certain normalization adjustments including owner/manager compensation structure and related party transactions. Management believes that, in addition to sales, profit or loss and cash flows from operating, investing, and financing activities, normalized EBITDA is a useful supplemental measure in evaluating a company's performance. Normalized EBITDA is not a financial measure recognized by International Financial Reporting Standards (“IFRS”) or Brazilian GAAP and does not have standardized meanings prescribed by IFRS or Brazilian GAAP. Management cautions investors that normalized EBITDA 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 may differ from the methods used by other issuers.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements that reflect our expectations regarding the future growth, results of operations, performance, business prospects, and opportunities of the Company. Forward-looking statements 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 statements in this press release includes statements relating to our business and strategy, including our outlook for our financial and operating performance including our expectations with respect to our ability to achieve the expected benefits of the Entringer acquisition, the anticipated impact of the Entringer acquisition on our business and the timing thereof and our estimate of the costs of a new facility in Brazil and the timing of completion thereof. Such forward-looking statements reflect our current beliefs and are based on information currently available to us, including certain key expectations and assumptions concerning anticipated grain production in our market areas, 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, the cost of materials, labour and services and the value of Entringer's business and assets and liabilities assumed pursuant to the acquisition. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from results discussed in the forward-looking statements, including changes in international, national and local 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, and competition. These risks and uncertainties are described under “Risks and Uncertainties” in our most recently filed Annual Information Form. These factors should be considered carefully, and readers should not place undue reliance on the Company’s forward-looking statements. There can be no assurance that any of the anticipated benefits of the Entringer acquisition will be realized. We cannot assure readers that actual results will be consistent with these forward-looking statements and we undertake no obligation to update such statements except as expressly required by law.