Unaudited interim condensed consolidated financial statements

Ag Growth International Inc.

September 30, 2021

Ag Growth International Inc.

Unaudited interim condensed consolidated statements of financial position

[in thousands of Canadian dollars]

As at

	September 30, 2021 $	December 31, 2020 $
Assets		
Current assets		
Cash and cash equivalents	48,610	62,456
Cash held in trust and restricted cash	2,441	9,616
Accounts receivable	223,524	176,316
Inventory	245,155	178,904
Prepaid expenses and other assets	52,583	36,457
Current portion of notes receivable	5,454	5,457
Income taxes recoverable	9,001	6,950
	586,768	476,156
Non-current assets		
Property, plant and equipment, net *[note 7]*	350,349	354,533
Right-of-use assets, net	16,910	14,342
Goodwill	362,413	350,669
Intangible assets, net *[note 8]*	259,153	249,459
Investment in associate *[note 5]*	—	12,878
Non-current accounts receivable	29,405	19,183
Notes receivable	364	475
Derivative instruments *[note 18]*	133	—
Deferred tax asset	5,820	964
	1,024,547	1,002,503
Assets held for sale	—	520
Total assets	1,611,315	1,479,179
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	212,897	139,098
Customer deposits	84,964	46,013
Dividends payable	2,819	2,808
Derivative instruments *[note 18]*	353	6,386
Income taxes payable	5,869	4,825
Current portion of due to vendor	5,161	7,164
Current portion of lease liability	4,636	3,027
Current portion of long-term debt *[note 10]*	372	475
Current portion of convertible unsecured subordinated debentures *[note 18]*	84,920	—
Current portion of optionally convertible redeemable preferred shares *[note 18]*	11,541	17,943
Provisions *[note 9]*	48,326	83,361
	461,858	311,100
Non-current liabilities		
Other financial liabilities	1,967	2,754
Derivative instruments *[note 18]*	7,483	771
Due to vendor	1,371	2,247
Optionally convertible redeemable preferred shares *[note 18]*	—	11,028
Lease liability	15,005	13,815
Long-term debt *[note 10]*	448,969	408,898
Convertible unsecured subordinated debentures *[note 18]*	84,591	167,319
Senior unsecured subordinated debentures *[note 18]*	250,421	249,079
Deferred tax liability	58,865	49,031
	868,672	904,942
Total liabilities	1,330,530	1,216,042
Shareholders' equity *[note 11]*		
Common shares	4,955	1,730
Accumulated other comprehensive loss	(16,122)	(10,262)
Equity component of convertible debentures	4,427	4,427
Contributed surplus	489,514	487,540
Deficit	(201,989)	(220,298)
Total shareholders' equity	280,785	263,137
Total liabilities and shareholders' equity	1,611,315	1,479,179

See accompanying notes

On behalf of the Board of Directors:

(signed) Bill Lambert
Director

(signed) David A. White, CA, ICD.D
Director

Ag Growth International Inc.

Unaudited interim condensed consolidated statements of income (loss)

[in thousands of Canadian dollars, except per share amounts]

	Three-month period ended		Nine-month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	$	$	$	$
Sales *[note 6]*	313,693	281,408	870,070	768,453
Cost of goods sold *[note 13[a]]*	228,187	234,553	633,308	593,087
Gross profit	85,506	46,855	236,762	175,366
Expenses				
Selling, general and administrative *[note 13[b]]*	60,699	55,288	179,095	170,126
Other operating expense (income) *[notes 13[c] and 18[c]]*	6,159	(1,117)	(3,995)	13,859
Impairment *[note 8]*	3,516	5,111	3,516	5,111
Finance costs *[note 13[d]]*	11,004	11,740	31,651	34,754
Finance expense (income) *[note 13[e]]*	7,357	(6,510)	1,113	6,065
Share of associate's net loss *[note 5]*	—	1,060	1,077	3,367
Gain on remeasurement of equity investment *[note 5]*	—	—	(6,778)	—
	88,735	65,572	205,679	233,282
Profit (loss) before income taxes	(3,229)	(18,717)	31,083	(57,916)
Income tax expense (recovery) *[note 15]*				
Current	1,087	1,521	5,165	3,496
Deferred	(4,243)	(7,977)	(989)	(14,779)
	(3,156)	(6,456)	4,176	(11,283)
Profit (loss) for the period	(73)	(12,261)	26,907	(46,633)
Profit (loss) per share *[note 16]*				
Basic	0.00	(0.66)	1.43	(2.49)
Diluted	0.00	(0.66)	1.40	(2.49)

See accompanying notes

Ag Growth International Inc.

Unaudited interim condensed consolidated statements of comprehensive income (loss)

[in thousands of Canadian dollars]

	Three-month period ended		Nine-month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	$	$	$	$
Profit (loss) for the period	(73)	(12,261)	26,907	(46,633)
Other comprehensive income (loss)				
Item that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	7,997	(11,030)	(7,465)	(13,965)
	7,997	(11,030)	(7,465)	(13,965)
Items that will not be reclassified to profit or loss				
Actuarial gain (loss) on defined benefit plans	184	91	2,184	(734)
Income tax effect on defined plans	(49)	(25)	(579)	198
	135	66	1,605	(536)
Other comprehensive income (loss) for the period	8,132	(10,964)	(5,860)	(14,501)
Total comprehensive income (loss) for the period	8,059	(23,225)	21,047	(61,134)

See accompanying notes

Ag Growth International Inc.

Unaudited interim condensed consolidated statement of changes in shareholders' equity

[in thousands of Canadian dollars]

Nine-month period ended September 30, 2021

	Common shares $	Equity component of convertible debentures $	Contributed surplus $	Deficit $	Foreign currency reserve $	Equity investment $	Defined benefit plan reserve $	Total shareholders' equity $
As at January 1, 2021	1,730	4,427	487,540	(220,298)	(8,938)	(900)	(424)	263,137
Profit for the period	—	—	—	26,907	—	—	—	26,907
Other comprehensive income (loss)	—	—	—	—	(7,465)	—	1,605	(5,860)
Share-based payment transactions *[note 11[a] and [b]]*	3,225	—	1,974	—	—	—	—	5,199
Dividends paid to shareholders *[note 11[c]]*	—	—	—	(8,453)	—	—	—	(8,453)
Dividends on share-based compensation awards *[note 11[c]]*	—	—	—	(145)	—	—	—	(145)
As at September 30, 2021	4,955	4,427	489,514	(201,989)	(16,403)	(900)	1,181	280,785

See accompanying notes

Ag Growth International Inc.

Unaudited interim condensed consolidated statement of changes in shareholders' equity

[in thousands of Canadian dollars]

Nine-month period ended September 30, 2020

	Common shares $	Equity component of convertible debentures $	Contributed surplus $	Deficit $	Foreign currency reserve $	Equity investment $	Defined benefit plan reserve $	Total shareholders' equity $
As at January 1, 2020	455,857	6,707	27,113	(138,657)	23,337	(900)	(62)	373,395
Loss for the period	—	—	—	(46,633)	—	—	—	(46,633)
Other comprehensive loss	—	—	—	—	(13,965)	—	(536)	(14,501)
Share-based payment transactions *[note 11]*	5,239	—	(2,462)	—	—	—	—	2,777
Dividends paid to shareholders *[note 11[c]]*	—	—	—	(16,827)	—	—	—	(16,827)
Dividends on share-based compensation awards *[note 11[c]]*	—	—	—	(312)	—	—	—	(312)
Redemption of convertible unsecured subordinated debentures *[note 11[b]]*	—	(2,280)	2,304	—	—	—	—	24
Reduction in stated capital *[note 11[a]]*	(459,769)	—	459,769	—	—	—	—	—
As at September 30, 2020	1,327	4,427	486,724	(202,429)	9,372	(900)	(598)	297,923

See accompanying notes

Ag Growth International Inc.

Unaudited interim condensed consolidated statements of cash flows

[in thousands of Canadian dollars]

	Three-month period ended		Nine-month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	$	$	$	$
Operating activities				
Profit (loss) before income taxes	(3,229)	(18,717)	31,083	(57,916)
Add (deduct) items not affecting cash				
Depreciation of property, plant and equipment	6,379	6,443	18,441	19,222
Depreciation of right-of-use assets	1,213	920	3,241	2,908
Amortization of intangible assets	8,919	6,457	23,993	19,185
Loss (gain) on sale of property, plant and equipment	(16)	(10)	83	119
Loss (gain) on settlement of lease liability	(7)	(3)	11	(5)
Share of associate's net loss *[note 5]*	—	1,060	1,077	3,367
Gain on remeasurement of equity investment *[note 5]*	—	—	(6,778)	—
Foreign exchange reclassification on disposal of foreign operation	(898)	—	(898)	—
Impairment *[note 8]*	3,516	5,111	3,516	5,111
Loss on redemption of convertible debentures	—	—	—	746
Non-cash component of interest expense	1,334	1,250	3,988	3,709
Non-cash movement in derivative instruments	7,845	(290)	547	15,731
Non-cash investment tax credits	(58)	295	(447)	(110)
Share-based compensation expense	2,155	3,299	5,998	8,115
Defined benefit plan expense	36	33	108	99
Employer contributions to defined benefit plan	—	—	(9)	—
Due to vendor and OCRPS	621	3,000	2,680	8,243
Translation loss (gain) on foreign exchange	6,367	(10,622)	(1,227)	(3,864)
	34,177	(1,774)	85,407	24,660
Net change in non-cash working capital balances related to operations *[note 17]*	8,658	32,962	(57,160)	16,816
Non-current accounts receivable	(1,011)	741	(10,222)	(1,197)
Long-term payables	24	28	(32)	189
Settlement of EIAP obligation	(412)	(917)	(769)	(2,796)
Post-combination payments	(18,916)	—	(21,552)	—
Income taxes paid	(2,599)	(1,526)	(5,409)	(3,278)
Cash provided by (used in) operating activities	19,921	29,514	(9,737)	34,394
Investing activities				
Acquisition of property, plant and equipment	(4,756)	(5,252)	(18,497)	(23,308)
Acquisitions, net of cash acquired *[note 5]*	—	—	(12,865)	(7,301)
Transfer from (to) restricted cash	3,884	(3,201)	7,068	(4,150)
Proceeds from sale of property, plant and equipment	108	91	273	239
Development and purchase of intangible assets	(3,200)	(1,958)	(13,525)	(7,227)
Transaction costs	—	(2,179)	—	(11,295)
Cash used in investing activities	(3,964)	(12,499)	(37,546)	(53,042)
Financing activities				
Issuance of long-term debt, net of issuance costs	(27)	7,266	39,761	182,329
Repayment of long-term debt	(101)	(121)	(397)	(128,006)
Change in swing line	(24,040)	—	(43)	—
Repayment of obligation under lease liabilities	(967)	(683)	(2,713)	(2,379)
Change in interest accrued	5,430	5,423	5,424	4,911
Issuance of senior unsecured subordinated debentures	—	—	(153)	80,979
Redemption of convertible unsecured subordinated debentures	—	—	—	(75,031)
Dividends paid in cash *[note 11[c]]*	(2,817)	(2,806)	(8,442)	(17,751)
Cash provided by (used in) financing activities	(22,522)	9,079	33,437	45,052
Net increase (decrease) in cash during the period	(6,565)	26,094	(13,846)	26,404
Cash and cash equivalents, beginning of period	55,175	48,731	62,456	48,421
Cash and cash equivalents, end of period	48,610	74,825	48,610	74,825
Supplemental cash flow information				
Interest paid	3,940	3,354	22,751	24,131

See accompanying notes

September 30, 2021

1. Organization

Ag Growth International Inc. [“AGI” or the “Company”] is a provider of solutions for the global food infrastructure, including seed, fertilizer, grain, feed, and food processing systems. AGI is a listed company incorporated and domiciled in Canada, whose shares are publicly traded on the Toronto Stock Exchange. The registered office is located at 198 Commerce Drive, Winnipeg, Manitoba, Canada.

2. Statement of compliance and basis of presentation

[a] Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard [“IAS”] 34, Interim Financial Reporting [“IAS 34”] as issued by the International Accounting Standards Board [“IASB”] and using the same accounting policies and methods as were used for the Company’s consolidated financial statements and the notes thereto for the year ended December 31, 2020.

The unaudited interim condensed consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company, Ag Growth International Inc. All values are rounded to the nearest thousand. They are prepared on the historical cost basis, except for derivative financial instruments, assets held for sale, contingent consideration resulting from business combinations, optionally convertible redeemable preferred shares [“OCRPS”] and previously held investment in associate disposed of at the point control was obtained, which are measured at fair value.

These unaudited interim condensed consolidated financial statements include only significant events and transactions occurring since the Company’s last fiscal year-end and do not include all the information and notes required by IFRS for annual financial statements and therefore should be read in conjunction with the audited annual consolidated financial statements and notes for the Company’s fiscal year ended December 31, 2020, which are available on SEDAR at www.sedar.com.

The unaudited interim condensed consolidated financial statements of AGI for the three- and nine-month periods ended September 30, 2021 were authorized for issuance in accordance with a resolution of the directors on November 10, 2021.

[b] Adoption of new accounting standards and policies

Interest Rate Benchmark Reform – Phase 2

In August 2020, the IASB published amendments to IFRS 9, *Financial Instruments*, IAS 39, *Financial Instruments: Recognition and Measurement* ["IAS 39"], IFRS 7, *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts* and IFRS 16, *Leases*.

The amendments address issues that arise from implementation of IBOR reform, where IBORs are replaced with alternative benchmark rates. For financial instruments at amortized cost, the amendments introduce a practical expedient such that if a change in the contractual cash flows is as a result of IBOR reform and occurs on an economically equivalent basis, the change will be accounted for by updating the effective interest rate with no immediate gain or loss recognized. The amendments also provide additional temporary relief from applying specific IAS 39 hedge accounting requirements to hedging relationships affected by IBOR reform.

The amendments are effective for fiscal years beginning on or after January 1, 2021. The Company adopted the amendment on January 1, 2021, electing to apply the practical expedient; the adoption of this standard had no impact on the Company's unaudited interim condensed consolidated financial statements.

3. 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, 2023. 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 Judgments*

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.

4. Seasonality of business

Interim period sales and earnings historically reflect some seasonality as the agricultural equipment business is highly seasonal, which causes the Company’s quarterly results and its cash flow to fluctuate during the year. Farmers generally purchase agricultural equipment in the spring and fall in conjunction with the major planting and harvesting seasons; as a result, the second and third quarters are typically the strongest primarily due to the timing of construction projects and higher in-season demand at the farm level. The Company’s collections of accounts receivable are weighted towards the third and fourth quarters. This collection pattern, combined with seasonally high sales in the second and third quarters, results in accounts receivable levels increasing throughout the year and normally peaking in the second and third quarter. In addition, the Company’s products include various materials and components purchased from others, some or all of which may be subject to wide price variation. Consistent with industry practice, the Company seeks to manage its exposure to material and component price volatility by planning and negotiating significant purchases on an annual basis and through the alignment of material input pricing with the terms of contractual sales commitments resulting in significant working capital requirements in the first and second quarters. Historically, the Company’s use of its operating facilities is typically highest in the first and second quarters, begins to decline in the third quarter as collections of accounts receivable increase, and is repaid in the third or fourth quarter of each year.

[in thousands of Canadian dollars, except where otherwise noted and per share data]

Impact of COVID-19 pandemic

While AGI experienced temporary production suspension early in the pandemic in 2020, there has not been any significant production suspension or interruptions to date in 2021 as a result of COVID-19. Management continues to believe post-crisis 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 the nine-month period ended September 30, 2021. However, headwinds stemming from the pandemic have impacted the availability and cost of raw materials required for production. Various disruptions in the supply chain including steel supply and logistics have caused significant delays on a number of projects. In addition, potential restrictions and lockdowns in countries such as Brazil and India that have been severely impacted by COVID-19 may cause supply chain disruptions and temporary production suspensions. Therefore, although AGI operations were captured as essential services and management has undertaken appropriate steps to mitigate the disruptions, the full extent, depth, and trailing impacts of COVID-19 are unknown at this time, including the impact on the consolidated financial results and condition of the Company in future periods.

5. Business combination

Effective April 16, 2021, AGI acquired additional outstanding shares of Farmobile, Inc. [“Farmobile”] for approximately $11 million USD pursuant to the preferred share and common share stock purchase agreements. The terms of the agreements facilitate the acquisition of all outstanding shares of Farmobile, building on AGI’s initial equity investment made in Farmobile in 2019. The investment was financed by cash on hand.

Farmobile, headquartered in Leawood, Kansas, is an agriculture technology company. The Farmobile PUC™ is a two-way, field data management device with a platform for data standardization and management; it enables the real-time automation and standardization of critical data collection from equipment used in the field. This acquisition builds on AGI’s Internet of Things [“IoT”] product portfolio as an addition to the AGI SureTrack platform.

	$
Fair value of consideration transferred, net of cash acquired	12,865
Cash acquired	884
Fair value of consideration transferred	13,749
Fair value of equity investment prior to control	18,755
Purchase price	32,504

[in thousands of Canadian dollars, except where otherwise noted and per share data]

AGI’s investment in its associate was accounted for using the equity method. For the nine-month period ended September 30, 2021, the Company share of associate’s net loss was $1,077. The additional purchase of shares resulted in control being obtained and has been accounted for by the acquisition method, with the results of Farmobile included in the Company’s net earnings subsequent to control being obtained. Immediately before obtaining control, the Company remeasured its previously held equity investment at its acquisition-date fair value and recognized a gain of $6,778 in profit and loss.

The fair value of the assets acquired and the liabilities assumed have been determined on a provisional basis utilizing information available at the time the unaudited interim condensed consolidated financial statements were prepared. Additional information is being gathered to finalize these provisional measurements, particularly with respect to intangible assets, inventory and deferred taxes. Accordingly, the measurement of assets acquired and liabilities assumed may change upon finalization of the Company’s valuation and completion of the purchase price allocation, both of which are expected to occur no later than one year from the acquisition date.

The following table summarizes the fair values of the identifiable assets and liabilities as at the date of acquisition:

	$
Cash	884
Accounts receivable	178
Inventory	412
Prepaid expenses and other assets	642
Property, plant and equipment	45
Right-of-use assets	1,671
Intangible assets	
Technology	24,078
Patents	274
Goodwill	13,913
Accounts payable and accrued liabilities	(1,245)
Customer deposits	(977)
Lease liability	(1,671)
Deferred tax liability	(5,700)
Purchase consideration	32,504

The goodwill of $13,913 comprises the value of the assembled workforce and other expected synergies arising from the acquisition.

[in thousands of Canadian dollars, except where otherwise noted and per share data]

The fair value of the accounts receivable acquired is $178. This consists of the gross contractual value of $241 less the estimated amount not expected to be collected of $63.

From the date of acquisition, Farmobile contributed to the results $703 of revenue and $7,309 of net loss. If the acquisition had taken place as at January 1, 2021, revenue would have increased by an additional $458 and profit would have decreased by $4,708.

The components of the purchase consideration are as follows:

	$
Cash paid	13,749
Fair value of equity investment prior to control	18,755
Purchase price	32,504

Additional contingent consideration, dependent on the outcome of future events, may be payable to certain selling shareholders of Farmobile and AGI. No amount has been accrued as the outcome of the future events is not yet determinable and any payments will be limited to proceeds received from the future events.

Transaction costs related to the Farmobile acquisition in the nine-month period ended September 30, 2021 of $1,388 are included in selling, general and administrative expenses.

6. Reportable business segment

On January 1, 2021, the Company reorganized its business segments to better reflect changes in its operations and management structure. As a result of those changes, the Company identified three reportable segments: Farm, Commercial, and Technology, each supported by the corporate office. These segments are strategic business units that offer different products and services, and each is managed separately. Certain corporate overheads are included in the segments based on revenue. 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.

The operating segments are being reported based on the financial information provided to the Chief Executive Officer, who has been identified as the Chief Operating Decision Maker ["CODM"] in monitoring segment performance and allocating resources between segments. The CODM assesses segment performance based on adjusted earnings before income tax, depreciation, and amortization ["Adjusted EBITDA"], which is measured differently than profit (loss) from operations in the unaudited interim condensed consolidated financial statements.

[in thousands of Canadian dollars, except where otherwise noted and per share data]

The Company's reportable segments:

- Farm: AGI's Farm business includes the sale of grain and fertilizer handling equipment, aeration products and storage bins, primarily to farmers where on-farm storage practices are conducive to the sale of portable handling equipment and smaller diameter storage bins for grain and fertilizer.

- Commercial: AGI's Commercial business includes the sale of larger diameter storage bins, high-capacity stationary grain handling equipment, fertilizer storage and handling systems, feed handling and storage equipment, aeration products, hazard monitoring systems, automated blending systems, control systems and food processing solutions. AGI's Commercial customers include large multi-national agri-businesses, grain handlers, regional cooperatives, contractors, food and animal feed manufacturers, and fertilizer blenders and distributors. Commercial equipment is used at port facilities for both the import and export of grains, inland grain terminals, corporate farms, fertilizer distribution sites, ethanol production, oilseed crushing, commercial feed mills, rice mills and flour mills.

- Technology: AGI's Technology business is built on a foundation of IoT products that are designed to monitor, operate, and automate the Company's equipment including the collection of key operation data. The Technology business offers monitoring, operation, measurement and blending controls, automation, hazard monitoring, embedded electronics, farm management, grain marketing and tools for agronomy, and Enterprise Resource Planning for agriculture retailers and grain buyers. These products are available both as standalone offerings, as well as in combination with larger farm or commercial systems from AGI.

The following tables sets forth information by segment:

	Three-month period ended		Nine-month period ended	
	September 30, 2021 $	September 30, 2020 $	September 30, 2021 $	September 30, 2020 $
Farm	**173,181**	156,256	**476,252**	418,334
Commercial	**129,926**	118,566	**369,136**	336,878
Technology	**10,752**	7,628	**26,040**	17,533
Trade sales[1]	**313,859**	282,450	**871,428**	772,745
Foreign exchange loss	**(166)**	(1,042)	**(1,358)**	(4,292)
Sales	**313,693**	281,408	**870,070**	768,453

[in thousands of Canadian dollars, except where otherwise noted and per share data]

September 30, 2021

	Three-month period ended		Nine-month period ended	
	September 30, 2021 $	September 30, 2020 $	September 30, 2021 $	September 30, 2020 $
Farm	36,050	38,991	112,779	96,809
Commercial	16,520	20,352	42,435	43,926
Technology	321	(405)	(2,977)	(3,426)
Other[2]	(6,593)	(7,169)	(20,623)	(15,796)
Adjusted EBITDA[1]	46,298	51,769	131,614	121,513
Gain (loss) on foreign exchange	(7,639)	5,333	(2,781)	(10,663)
Share-based compensation	(2,155)	(389)	(5,998)	(5,205)
Gain (loss) on financial instruments	(7,845)	290	(547)	(16,477)
Mergers and acquisitions expense	(52)	(75)	(2,073)	(1,346)
Other transaction and transitional costs	(1,726)	(3,927)	(7,295)	(11,077)
Gain (loss) on sale of property, plant and equipment	16	10	(83)	(119)
Gain (loss) on settlement of lease liability	7	3	(11)	5
Foreign exchange reclassification on disposal of foreign operation	898	—	898	—
Equipment rework and remediation	—	(40,000)	(7,500)	(50,000)
Impairment *[note 8]*	(3,516)	(5,111)	(3,516)	(5,111)
EBITDA	24,286	7,903	102,708	21,520
Finance costs	(11,004)	(11,740)	(31,651)	(34,754)
Depreciation and amortization	(16,511)	(13,820)	(45,675)	(41,315)
Share of associate's net loss	—	(1,060)	(1,077)	(3,367)
Gain on remeasurement of equity investment *[note 5]*	—	—	6,778	—
Profit (loss) before income taxes	(3,229)	(18,717)	31,083	(57,916)

[1] The CODM uses Trade Sales and Adjusted EBITDA as a measure of financial performance for assessing the performance of each of the Company's segments. Trade Sales are gross sales excluding impact of foreign exchange. Adjusted EBITDA is defined as net income before depreciation and amortization, financial expenses, operational restructuring costs and other, income taxes and share of income (loss) of associates. Trade Sales and Adjusted EBITDA as defined above are not a measure of results that is consistent with IFRS.

[2] 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.

[in thousands of Canadian dollars, except where otherwise noted and per share data]

The Company operates primarily within three geographical areas: Canada, United States and International. The following details the sales by geographical area, reconciled to the Company's unaudited interim condensed consolidated financial statements:

	Three-month period ended		Nine-month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	$	$	$	$
Sales				
Canada	**79,116**	79,644	**221,025**	223,444
United States	**147,416**	131,353	**403,036**	340,273
International	**87,161**	70,411	**246,009**	204,736
	313,693	281,408	**870,070**	768,453

The sales information above is based on the location of the customer. The Company has no single customer that represents 10% or more of the Company's sales.

7. Property, plant, and equipment

	September 30, 2021	December 31, 2020
	$	$
Balance, beginning of period	**354,533**	363,678
Additions	**18,497**	28,063
Leasehold improvements received	**—**	2,086
Acquisition	**45**	63
Disposals	**(356)**	(610)
Transfer to inventory	**(140)**	—
Transfer from assets held for sale	**527**	—
Transfer to right-of-use assets	**—**	375
Depreciation	**(18,441)**	(25,642)
Impairment	**—**	(1,957)
Exchange differences	**(4,316)**	(11,523)
Balance, end of period	**350,349**	354,533

[in thousands of Canadian dollars, except where otherwise noted and per share data]

8. Intangible assets

	September 30, 2021 $	December 31, 2020 $
Balance, beginning of period	**249,459**	264,858
Internal development	**13,525**	12,064
Acquisition *[note 5]*	**24,352**	3,322
Amortization	**(23,993)**	(25,694)
Impairment	**(3,516)**	(3,154)
Exchange differences	**(674)**	(1,937)
Balance, end of period	**259,153**	249,459

Subsequent to the three-month period ended September 30, 2021, AGI announced that the operations of AGI Solutions, a division of the Company, will cease effective November 30, 2021. The Company is in the process of reorganizing its AGI Fertilizer group to better serve its customers in the fertilizer market and to support their growth. As a result, management concluded to close AGI Solutions and during the three-month period ended September 30, 2021, an impairment charge of $3,516 against intangible assets was recorded in the unaudited interim condensed consolidated financial statements.

9. Provisions

Provisions consist of the Company's warranty provision. A provision is recognized for expected claims on products sold based on past experience of the level of repairs and returns. It is expected that most of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns, with the exception of the equipment rework and remediation costs.

	September 30, 2021 $	December 31, 2020 $
Balance, beginning of period	**83,361**	17,539
Additional provisions recognized	**14,756**	88,386
Amounts written off and utilized	**(49,791)**	(22,564)
Balance, end of period	**48,326**	83,361

Remediation costs

As previously disclosed, in September 2020, a commercial grain storage bin at one of our customer's facilities collapsed during commissioning. While the cause of, and the responsibility for, the collapse has not yet been determined, the Company is proceeding on the basis of providing full remediation to the affected customer sites at considerable cost to AGI. In 2020, AGI recorded a provision of $70 million and during the nine-month ended September 30, 2021, the Company recorded an additional provision of $7.5 million for remediation costs in the unaudited interim condensed consolidated financial statements.

As at September 30, 2021, the warranty provision for remediation costs is $36.2 million [December 31, 2020 – $69.7 million], with $41.0 million of the provision having been utilized during the nine-month ended September 30, 2021 as the remediation is underway.

The provision for remediation costs in the unaudited interim condensed consolidated financial statements related to the remediation work requires 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.

In 2021, two legal claims related to the bin collapse have been initiated against the Company for a cumulative amount in excess of $190 million. The investigation into the cause of and responsibility for the collapse remains ongoing. The Company is in the process of assessing these claims and no further provisions have been recorded for these claims at this time. The Company has legal and contractual defenses to the legal claims and will fully and vigorously defend itself. In addition, the Company continues to believe that any financial impact will be 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.

Equipment rework

The provision for equipment rework relates to previously identified issues with equipment designed and supplied to the one commercial facility. As at September 30, 2021, the warranty provision for the equipment rework is $2.1 million [December 31, 2020 – $4.5 million], with $2.4 million of the provision having been utilized during the period.

[in thousands of Canadian dollars, except where otherwise noted and per share data]

10. Long-term debt

During the nine-month ended September 30, 2021, the Company drew $40 million from its Canadian revolver and as at September 30, 2021, there was nil outstanding under the Company's swinglines.

11. Equity

[a] Common shares

	Shares #	Amount $
Balance, January 1, 2020	18,658,479	455,857
Settlement of EIAP obligation	59,936	5,642
Reduction in stated capital	—	(459,769)
Balance, December 31, 2020	18,718,415	1,730
Settlement of EIAP obligation	**71,767**	**3,225**
Balance, September 30, 2021	**18,790,182**	**4,955**

[b] Contributed surplus

	September 30, 2021 $	December 31, 2020 $
Balance, beginning of period	**487,540**	27,113
Equity-settled director compensation *[note 12[b]]*	**335**	626
Dividends on EIAP	**145**	358
Obligation under EIAP *[note 12[a]]*	**5,459**	5,802
Settlement of EIAP obligation	**(3,965)**	(8,432)
Redemption of convertible unsecured subordinated debentures	—	2,304
Reduction in stated capital	—	459,769
Balance, end of period	**489,514**	487,540

[c] Dividends paid and proposed

In the three-month period ended September 30, 2021, the Company declared dividends of $2,819 or $0.15 per common share [2020 – $2,807 or $0.15 per common share] and dividends on share compensation awards of $75 [2020 – $81]. In the nine-month period ended September 30, 2021, the Company declared dividends of $8,453 or $0.45 per common share [2020 – $16,827 or $0.90 per common share] and dividends on share compensation awards of $145 [2020 – $312]. In the three- and nine-month periods ended September 30, 2021, dividends paid to shareholders of $2,817 and $8,442 [2020 – $2,806 and $17,751] were financed from cash on hand.

On April 14, 2020, the Company announced a reduction of its dividend to an annual level of $0.60 per common share. At the same time, the dividend moved from monthly to quarterly payments, and accordingly the dividend of $0.15 per share relates to the months of July, August, and September 2021. The dividend is payable on October 15, 2021 to common shareholders of record at the close of business on September 30, 2021.

12. Share-based compensation plans

[a] Equity Incentive Award Plan [“EIAP”]

During the nine-month period ended September 30, 2021, 146,487 [2020 – 136,626] Restricted Awards [“RSUs”] were granted and 125,036 [2020 – 60,178] Performance Awards [“PSUs”] were granted and nil cancelled [2020 – 58,502]. The fair values of the RSUs and the PSUs were based on the share price as at the grant date and the assumption that there will be no forfeitures. As at September 30, 2021, 1,462,571 shares have been granted under the EIAP.

During the nine-month period ended September 30, 2021, AGI expensed $5,459 for the EIAP [2020 – $7,642].

[in thousands of Canadian dollars, except where otherwise noted and per share data]

A summary of the status of the options under the EIAP is presented below:

	EIAP	
	Restricted Awards #	Performance Awards #
Balance, January 1, 2020	244,408	109,497
Granted	224,578	60,178
Vested	(70,582)	(7,108)
Forfeited	(6,724)	(892)
Modified	(82,952)	—
Cancelled	—	(58,501)
Balance, December 31, 2020	308,728	103,174
Granted	146,487	125,036
Vested	(60,615)	(18,878)
Forfeited	(6,597)	(26,145)
Balance, September 30, 2021	388,003	183,187

There is no exercise price on the EIAP awards.

[b] Directors' deferred compensation plan ["DDCP"]

For the three- and nine-month periods ended September 30, 2021, expenses of $205 and $539 [2020 – $152 and $473] were recorded for the share grants, and corresponding amounts has been recorded to contributed surplus. The share grants were measured with the contractual agreed amount of service fees for the respective period.

The total number of common shares issuable pursuant to the DDCP shall not exceed 120,000, subject to adjustment in lieu of dividends, if applicable. For the nine-month period ended September 30, 2021, 6,987 [2020 – 19,896] common shares were granted under the DDCP, and as at September 30, 2021, a total of 120,000 [December 31, 2020 – 113,013] common shares had been granted under the DDCP and 19,788 [December 31, 2020 – 18,436] common shares had been issued.

[in thousands of Canadian dollars, except where otherwise noted and per share data]

13. Other expenses (income)

	Three-month period ended		Nine-month period ended	
	September 30, 2021 $	September 30, 2020 $	September 30, 2021 $	September 30, 2020 $
[a] Cost of goods sold				
Depreciation of property, plant and equipment	5,546	5,747	16,100	17,159
Depreciation of right-of-use assets	302	334	895	1,093
Amortization of intangible assets	3,234	1,100	7,409	3,035
Warranty expense	3,020	42,316	14,756	56,078
Cost of inventory recognized as an expense	216,085	185,056	594,148	515,722
	228,187	234,553	633,308	593,087
[b] Selling, general and administrative expenses				
Depreciation of property, plant and equipment	833	696	2,341	2,063
Depreciation of right-of-use assets	911	586	2,346	1,815
Amortization of intangible assets	5,685	5,357	16,584	16,150
Minimum lease payments recognized as lease expense	13	42	43	143
Transaction costs	1,778	4,002	9,368	12,423
Selling, general and administrative	51,479	44,605	148,413	137,532
	60,699	55,288	179,095	170,126
[c] Other operating expense (income)				
Net loss (gain) on disposal of property, plant and equipment	(16)	(10)	83	119
Net loss (gain) on settlement of lease liability	(7)	(3)	11	(5)
Loss (gain) on financial instruments	7,845	(290)	547	16,477
Foreign exchange reclassification on disposal of foreign operation	(898)	—	(898)	—
Other	(765)	(814)	(3,738)	(2,732)
	6,159	(1,117)	(3,995)	13,859
[d] Finance costs				
Interest on overdrafts and other finance costs	653	1,175	955	1,828
Interest on lease liabilities	268	327	760	619
Interest, including non-cash interest, on debts and borrowings	3,471	3,732	10,156	13,569
Interest, including non-cash interest, on senior and convertible unsecured subordinated debentures *[notes 18[b]]*	6,612	6,506	19,780	18,738
	11,004	11,740	31,651	34,754
[e] Finance expense (income)				
Interest income from banks	(116)	(135)	(310)	(306)
Loss (gain) on foreign exchange	7,473	(6,375)	1,423	6,371
	7,357	(6,510)	1,113	6,065

[in thousands of Canadian dollars, except where otherwise noted and per share data]

14. Retirement benefit plans

During the three- and nine-month periods ended September 30, 2021, the expenses associated with the Company's defined pension benefit were $36 and $108, [2020 – $33 and $99] respectively. As at September 30, 2021, the accrued pension benefit asset (liability) was $1,313 [December 31, 2020 – $(771)], which is included in other assets (liabilities) on the unaudited interim condensed consolidated statements of financial position.

15. Income taxes

The Company's effective tax rate for the nine-month period ended September 30, 2021 was 13.4% [2020 – 19.5%]. The difference between the effective tax rate and the Company's domestic statutory tax rate of 26.5% [2020 – 27%] is attributable to unrealized foreign exchanges gains (losses), non-deductible expenses, recognition of previously unrecognized deferred tax assets for Brazil, as well as differences in tax rates and deductions allowed in foreign tax jurisdictions.

16. Profit (loss) per share

The following reflects the profit (loss) and share data used in the basic and diluted profit (loss) per share computations:

	Three-month period ended		Nine-month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	$	$	$	$
Profit (loss) attributable to shareholders for basic and dilutive profit (loss) per share	(73)	(12,261)	26,907	(46,633)
Basic weighted average number of shares	18,784,659	18,711,013	18,774,006	18,700,449
Dilutive effect of DDCP	—	—	111,578	—
Dilutive effect of RSUs	—	—	370,985	—
Diluted weighted average number of shares	18,784,659	18,711,013	19,256,569	18,700,449
Profit (loss) per share				
Basic	0.00	(0.66)	1.43	(2.49)
Diluted	0.00	(0.66)	1.40	(2.49)

[in thousands of Canadian dollars, except where otherwise noted and per share data]

The 2017 and 2018 debentures were excluded from the calculation of diluted profit (loss) per share in the three- and nine-month periods ended September 30, 2021 and September 30, 2020, because their effect is anti-dilutive. The DDCP and RSUs were excluded from the calculation of diluted profit (loss) per share in the three-month period ended September 30, 2021, and in the three- and nine-month periods ended September 30, 2020, because their effect is anti-dilutive.

17. Statement of cash flows

The net change in the non-cash working capital balances related to operations is calculated as follows:

	Three-month period ended		Nine-month period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	$	$	$	$
Accounts receivable	**3,785**	(17,947)	**(47,082)**	(74,444)
Inventory	**(33,875)**	11,373	**(65,790)**	1,377
Prepaid expenses and other assets	**(355)**	8	**(14,075)**	4,072
Accounts payable and accrued liabilities	**33,798**	5,489	**66,849**	49,281
Customer deposits	**22,108**	(266)	**37,975**	266
Provisions	**(16,803)**	34,305	**(35,037)**	36,264
	8,658	32,962	**(57,160)**	16,816

18. Financial instruments and financial risk management

The Company's financial assets and liabilities recorded at fair value in the unaudited interim condensed consolidated financial statements have been categorized into three categories based on a fair value hierarchy. Financial assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant inputs are based on observable market data, either directly or indirectly. Level 3 valuations are based on inputs that are not based on observable market data. During the nine-month period ended September 30, 2021 and year ended December 31, 2020, there were no transfers between Level 1, Level 2, and Level 3 fair value measurements.

[in thousands of Canadian dollars, except where otherwise noted and per share data]

The following methods and assumptions were used to estimate the fair value of financial instruments:

[a] Short-term financial instruments

Cash and cash equivalents, cash held in trust and restricted cash, accounts receivable, notes receivable, dividends payable, accounts payable and accrued liabilities, and due to vendor approximate their carrying amounts largely due to the short-term maturities of these instruments.

[b] Long-term debt financial instruments

The fair value of unquoted instruments and loans from banks is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation is determined using Level 2 inputs, which are observable inputs or inputs that can be corroborated by observable market data for substantially the full term of the liability. The carrying amount and fair value of the Company's long-term debt are as follows:

	September 30, 2021		December 31, 2020	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Interest-bearing loans and borrowings	**449,341**	**449,529**	409,373	405,907
Convertible unsecured subordinated debentures	**169,511**	**176,507**	167,319	171,366
Senior unsecured subordinated debentures	**250,421**	**252,348**	249,079	253,498

[c] Derivative financial instruments

Derivatives are marked-to-market at each reporting period and changes in fair value are recognized as a gain (loss) on financial instruments in other operating expense (income). The fair values of interest rate swaps, equity swaps and foreign exchange contracts are determined using discounted cash flow techniques, using Level 2 inputs including interest rate swap curves, the Company's stock price and foreign exchange rates respectively. The fair value of the embedded derivative related to the senior unsecured subordinated debentures is determined by the Company's consultants using valuations models, which incorporate various Level 2 inputs including the contractual contract terms, market interest rates and volatility.

Interest rate swap contract

The Company enters into interest rate swap contracts to manage its exposure to fluctuations in interest rates on its core borrowings. Through these contracts, the Company agreed to receive interest based on the variable rates from the counterparty and pay interest based on a fixed rate of 4.1%. The notional amounts are $40,000 in aggregate, resetting the last business day of each month. The contract expires in May 2022. During the three- and nine-month periods ended September 30, 2021, an unrealized gain of $136 and $418 [2020 – gain (loss) of $266 and $(1,206)] were recorded in gain (loss) on financial instruments in other operating expense (income). As at September 30, 2021, the fair value of the interest rate swap was $(353) [December 31, 2020 – $(771)].

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 September 30, 2021, 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- and nine-month periods ended September 30, 2021, an unrealized loss of $7,387 and $1,098 [2020 – $159 and $13,964] were recorded in loss on financial instruments in other operating expense. As at September 30, 2021, the fair value of the equity swap was $(7,483) [December 31, 2020 – $(6,386)].

Foreign exchange contracts

To mitigate exposure to the fluctuating rate of exchange, AGI may enter into foreign exchange forward contracts and denominate a portion of its debt in U.S. dollars. As at September 30, 2021, AGI's U.S. dollar denominated debt totaled $205 million. The Company had no outstanding foreign exchange contracts at September 30, 2021.

Debenture put options

On March 5, 2020, the Company issued the 2020 Debentures with an option of early redemption beginning on and after December 31, 2022. At time of issuance, the Company's redemption option resulted in an embedded derivative with fair value of $754. During the three- and nine-month periods ended September 30, 2021, a gain (loss) of $(594) and $133 [2020 – $183 and $(561)] were recorded in loss (gain) on financial instruments in other operating expense (income). As at September 30, 2021, the fair value of the embedded derivative was $133 [December 31, 2020 – nil].

[in thousands of Canadian dollars, except where otherwise noted and per share data]

[d] Other liabilities at fair value through profit (loss)

OCRPS are recorded at fair value at each reporting period, and changes in fair value are recognized as a gain (loss) on financial instruments in other operating expense (income). The fair value of the OCRPS are valued using Level 3 inputs using a discounted cash flow technique, which incorporates various inputs including the probability of meeting set performance targets.

Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy:

	September 30, 2021 $	December 31, 2020 $
Balance, beginning of period	**28,971**	31,590
Fair value change	**1,060**	3,872
Amounts paid	**(17,504)**	—
Reclassification to due to vendor	—	(5,270)
Exchange differences	**(986)**	(1,221)
Balance, end of period	**11,541**	28,971

Set out below are the significant unobservable inputs to valuation as at September 30, 2021:

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
OCRPS	Discounted cash flow method	• Probability of achieving earnings target	100% achievement	Increase (decrease) in the probability would increase (decrease) the fair value
		• Weighted average cost of capital [“WACC”]	8.5%–9.5%	Increase (decrease) in the WACC would result in decrease (increase) in fair value

19. Related party disclosures

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- and nine-month periods ended September 30, 2021, the total cost of these legal services related to general matters was $118 and $667 [2020 – $150 and $839], and $206 is included in accounts payable and accrued liabilities as at September 30, 2021.

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

20. Commitments and contingencies

[a] Contractual commitment for the purchase of property, plant and equipment

As of the reporting date, the Company has commitments to purchase property, plant and equipment of $5,397 [December 31, 2020 – $5,673].

[b] Letters of credit

As at September 30, 2021, the Company has outstanding letters of credit in the amount of $23,358 [December 31, 2020 – $23,421].

[c] Legal actions

The Company is involved in various legal matters arising in the ordinary course of business. Except as otherwise disclosed in these unaudited interim condensed consolidated financial statements, the resolution of these matters is not expected to have a material adverse effect on the Company's consolidated financial position, consolidated results of operations or consolidated cash flows.

21. Subsequent event

Convertible Unsecured Subordinated Debentures

On October 14, 2021, AGI entered into an agreement with a syndicate of underwriters pursuant to which AGI issued on November 3, 2021 on a "bought deal" basis $100 million aggregate principal amount of convertible unsecured subordinated debentures [the "Debentures"] at a price of $1,000 per Debenture [the "Offering"]. On November 9, 2021, AGI issued an additional $15 million aggregate principal amount of Debentures at the same price pursuant to the exercise of the over-allotment option granted by AGI to the Underwriters. With the full exercise of the over-allotment option, the total gross proceeds from the Offering to AGI were $115 million.

The Debentures bear interest from the date of issue at 5.00% per annum, payable semi-annually in arrears on June 30 and December 31 each year, commencing June 30, 2022. The Debentures will have a maturity date of June 30, 2027 [the “Maturity Date”].

The Debentures are convertible at the holder’s option at any time prior to the close of business on the earlier of the business day immediately preceding the Maturity Date and the date specified by AGI for redemption of the Debentures into fully paid and non-assessable common shares [“Common Shares”] of the Company at a conversion price of $45.14 per Common Share [the “Conversion Price”], being a conversion rate of approximately 22.1533 Common Shares for each $1,000 principal amount of Debentures.

The Debentures are not redeemable by the Company before June 30, 2025. On and after June 30, 2025 and prior to June 30, 2026, the Debentures may be redeemed in whole or in part from time to time at AGI’s option at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange for the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of the redemption is given is not less than 125% of the Conversion Price. On and after June 30, 2026, the Debentures may be redeemed in whole or in part from time to time at AGI’s option at a price equal to their principal amount, plus accrued and unpaid interest, regardless of the trading price of the Common Shares.

The net proceeds of the Offering will be used to partially repay outstanding indebtedness under the Company’s revolving credit facilities, a portion of which will then be redrawn to fund the redemption of the Company's 4.85% convertible unsecured subordinated debentures due June 30, 2022 [the “June 2022 Debentures”] and for general corporate purposes.

Redemption of June 2022 Debentures

Concurrent with the Offering, AGI announced that it has given notice of its intention to redeem its June 2022 Debentures in accordance with the terms of the supplemental trust indenture governing the June 2022 Debentures. The redemption of the June 2022 Debentures will be effective on November 16, 2021 [the "Redemption Date"]. Upon redemption, AGI will pay to the holders of June 2022 Debentures the redemption price equal to the outstanding principal amount of the June 2022 Debentures to be redeemed, together with all accrued and unpaid interest thereon up to but excluding the Redemption Date, less any taxes required to be deducted or withheld.

Production reorganization

Subsequent to the nine-month period ended September 30, 2021, the Company announced plans to reorganize and consolidate a number of its commercial production facilities resulting in the closure of two production plants. Management is in the process of assessing the impact of this reorganization on the consolidated financial results of the Company in future periods and no provision has been recorded as at September 30, 2021.