Management's Discussion and Analysis

Year ended December 31, 2020
(Expressed in U.S. dollars)

AgJunction Inc.
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The following discussion and analysis are effective as of March 24, 2021 and should be read together with our audited annual consolidated financial statements and accompanying notes. Additional information related to AgJunction Inc., including the Company's Annual Information Form, can be obtained from documents filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") on the internet at www.sedar.com. All amounts stated in this Management Discussion and Analysis ("MD&A") are in US thousand dollars unless otherwise stated.

Overview

References throughout this document to AgJunction or the "Company" all refer to AgJunction Inc. and its subsidiaries.

AgJunction Inc. is a public company listed on the Toronto Stock Exchange that develops, sells, and licenses automation modules for off-road vehicles.

Management Change

On January 31, 2020, the Company announced that M. Brett McMickell was appointed President and Chief Executive Officer and appointed to the Board. Peter Newton was announced as the Interim Chief Financial Officer on May 15, 2020.

Foreign Private Issuer Status

As reported at December 31, 2014, as of June 30, 2014, the Company determined that a majority of its outstanding shares were held directly or indirectly by US residents. As a result, AgJunction lost its "foreign private issuer" status effective January 1, 2015 as defined in Rule 3b-4 of the Securities and Exchange Act of 1934. AgJunction will however continue to be governed by Canadian securities laws and reporting obligations and is not required to register with the Securities and Exchange Commission or make any filings under the Securities and Exchange Act of 1934.

COVID-19

In March 2020, the World Health Organization declared the COVID-19 a global pandemic. COVID-19 impacted the Company's financial results primarily as a result of delayed, reduced, or canceled partner development. Reductions in original equipment manufacturer ("OEM") research and development spending resulted in lower non-recurring engineering revenue, delayed integration of our products, delayed production release of new vehicles, and cancelation of some new vehicle releases altogether. Although OEMs and Value-Added Resellers invested in development programs and testing during the summer of 2020, they delayed, reduced, and canceled such development programs once COVID-19 resurged in the United States and Europe. Some OEM and Value-Added Resellers have started planning on reinvesting in development and testing starting in the second quarter of 2021, with some new production releases expected in late 2021. These incurred delays and cancelations may negatively impact revenues, profitability and cash flows for the Company as compared with historical results. The Company has taken proactive steps to prevent the spread of COVID-19 amongst employees. On March 16, 2020, the Company implemented a work from home mandate for non-essential personnel, which has been extended through June 2021. The Company has also implemented a business continuity plan that may result in temporary higher inventory in order to mitigate supply chain risks caused by the COVID-19 pandemic.

In response to the COVID-19 pandemic, the Company has aggressively focused on reducing operational, administrative, and general expenses. The Company did this without sacrificing our R&D budget or furloughing employees. We are driving for growth when the economy recovers and positioning ourselves to take advantage of the growing number of farmers using ecommerce.

The COVID-19 pandemic continues to create uncertainty in future financial performance due to factors such as: uncertainty around governmental policies (health, monetary, and fiscal), supply disruptions, delays and cancellations of customer programs, continued travel restrictions and geopolitical tensions in the regions in which we do business. The Company continues to follow all protocols issued by the government at local, state and federal levels. We are unable to quantify all potential impacts this pandemic may have on our future financial performance. Despite these difficult times, the Company has been able to execute on its strategy as evidenced by recent press releases regarding intellectual property, new product launches and new customer onboarding.

Economic and Market Trends

Sales in the Company's direct channel are affected by U.S. net farm income and farmer sentiment toward capital investment. According to the latest reports from the United States Department of Agriculture ("USDA") on February 5, 2021, forecast inflation-adjusted net farm income is forecast to decrease by 9.7% in 2021. This forecast decrease comes after increasing 44.2% in 2020, which was the highest level since 2013. The average net cash farm income is forecast to decrease 6.2% to $91,800 per farm in 2021. Contributing to the 2021 forecast declines is a forecast increase of 2.5% increase in production expenses over the course of 2021, but a forecast decrease in direct Government farm payments are driving most of the forecast declines. Despite the forecast downturn in 2021 net farm income, Purdue's Farm Capital Investment Index, which is a measure of farmer willingness to buy equipment, is at a record high of 93, as of January 21, 2021, which is more than double its April 2020 value. The high Farm Capital Investment Index indicates farmer’s optimism in investing in equipment purchases using the increased net farm income from 2020.

In addition to income and sentiment, the continued expansion of rural broadband in the U.S. provides an indication of the growing market for the Company's cloud-based products and services. According to the USDA, 25% of U.S. farms have no access to the internet. On January 7, 2021, the USDA announced the Reconnect Program is investing another $4.6 million in funding for rural broadband development in the U.S. Sales in the Company's indirect channel are related to overall agricultural production growth and more directly by manufacturing sales in the regions in which the Company operates. The Company's biggest markets by sales are North America and Europe.

Global agriculture production is reported on by the OECD Food and Agriculture Organization (FAO) of the United Nations. In the OECD-FAO report titled, OECD-FOA Agriculture Outlook 2020-2029, agricultural and fishery production will grow globally by 1.4% per year over the decade. Approximately 85% of global crop output growth will come from yield improvements primarily resulting from increased global adoption of precision agricultural technology. Countries are creating policies to increase adoption of precision agricultural technology and creating a food security plan.

North America farm tractor and combine sales are showing a significant year-over-year increase in sales for the month of January 2021. The Association of Equipment Manufactures (AEM) reported that for the month of January 2021, total farm tractor sales were up by 24.7% and 39.0% year-over-year for the U.S. and Canada, respectively. Self-propelled combines sales were reported up 76.8% and 52.2% year-over-year for the U.S. and Canada, respectively.

Europe's agriculture machinery market is covered by the Conveyor Equipment Manufacturers Association ("CEMA"), European Agricultural Machinery Association. In January 2021, CEMA reported that the general business climate forecast for Europe is increasing with incoming orders significantly increasing from December 2020. They also reported that dealer stock levels are considered to be below average across most EU markets.

Although demand for agricultural machinery is strong in North America and Europe, the Company anticipates challenges in the indirect-to-farmer channel will carry on through mid-2021 due to the delayed release of new machines and postponed research and development in our indirect business channel. Although the indirect channel will be challenging, the Company expects strong demand for ecommerce sales due to strong farmer net income, positive farmer statement, and strong sales of new tractors in North America.

Although the factors driven by the effects of COVID-19 have had a negative overall impact on the Company's financial results and may negatively impact financial results through the first half of 2021, the economic drivers for long-term growth remain strong. Long-term growth is being driven by population growth, limitations on arable land, increases in rural connectivity, relatively low global penetration of machine automation solutions for precision agriculture, and other untapped off-road applications. The Company is committed to advancing off-road machine automation with our portfolio of flexible automation modules for developing configurable solutions for our customers.

Results of Operations

(000's)	Years Ended December 31		
	2020	2019	2018
Revenue	$ 16,307	$ 39,246	$ 64,515
Gross Profit	7,991	14,685	23,810
Expenses:			
Research and development	4,797	6,077	8,487
Sales and marketing	2,153	4,535	7,096
General and administrative	6,245	10,529	10,103
Total Operating Expenses	13,195	21,141	25,686
Operating (loss)	(5,204)	(6,456)	(1,876)
Interest and other income	(94)	(289)	(122)
Foregin Exchange (gain) loss	56	(19)	(43)
(Gain) loss on sale of property, plant, and equipment	139	50	(13)
(Gain) on sale of divisions	-	-	(3,157)
Income (loss) before income taxes	(5,305)	(6,198)	1,459
Income tax benefit	-	-	(5)
Net (loss) income	$ (5,305)	$ (6,198)	$ 1,464
Net income (loss) per common share:			
Basic and diluted (loss) per share	$ (0.04)	$ (0.05)	$ 0.01

Selected Statement of Financial Position Information

(000's)	Years Ended December 31		
	2020	2019	2018
Total Assets	$ 31,339	$ 38,493	$ 49,847

Year Ended December 31, 2020 and 2019

Revenue

For the year ended December 31, 2020, Revenue was $16,307 representing a decrease of 58.4% from $39,246 in 2019. This decrease was driven by $23,954 reduction of Bulk Purchase Order (BPO) revenue which ended September 30, 2019.

(000's)	**2020**	**2019**	**Change**
Agriculture	$ 16,307	$ 39,246	(58.4%)

Revenue by geographic region

(000's)	2020	2019	Change
Americas	$ 11,851	$ 13,554	(12.6%)
APAC	1,436	582	146.7%
EMEA	3,020	25,110	(88.0%)
	$ 16,307	$ 39,246	(58.4%)

Revenue in the Americas decreased by 12.6% or $1,703 compared to 2019. Revenue decrease of $1,703 is primarily due to reduced revenue volume with one major customer. Revenue in APAC increased by 146.7% or $854 compared to 2019. Continued expansion efforts into APAC resulted in increases within Japan and China of $497 and $347, respectively. Revenue in EMEA decreased 88.0% or $22,090 compared to 2019 due primarily to a decrease in demand which is due to the BPO completion.

Revenue from customers in the Americas represented 72.7% of total revenue in 2020 compared to 34.5% in 2019. Revenue in APAC accounted for 8.8% and 1.5% of total revenue in 2020 and 2019, respectively. EMEA revenue represents 18.5% and 64.0% of 2020 and 2019 revenue, respectively.

Gross Profit

Gross profit of $7,991 for the year, declined by $6,694 or 45.6% from gross profit of $14,685 in 2019. Gross profit as a percentage of revenue was 49.0% in 2020 compared to 37.4% in 2019 with the increase being attributable to higher margin product mix and improved manufacturing efficiencies in 2020.

Operating Expenses

Operating expenses totaled $13,195 in 2020, a decrease of $7,946 or 37.6% from $21,141 in 2019. A summary of expenses by line item follows.

Research and development expenses were $4,797 in 2020, a decrease of $1,280 or 21.1% from $6,077 in 2019. This decrease is predominately due to cost savings resulting from the closure of the Brisbane, Australia and Fremont, California locations in 2019, compensation expense reduction, and travel cost reductions.

Sales and marketing expenses of $2,153 decreased by $2,382 or 52.5% from $4,535 in 2019. The decrease is related to cost savings in compensation resulting from the departmental consolidation and a reduction in travel costs.

General and administrative expenses of $6,245 decreased by $4,284 or 40.7% from $10,529 in 2019. This decrease is related to cost savings in compensation, site closures, travel cost reductions, and IT expenditure reductions.

Goodwill Impairment

In accordance with IFRS, goodwill must be assessed for impairment annually or more often if an event or circumstance indicates that impairment may have occurred. The Company has one cash generating unit (“CGU”) to evaluate for impairment.

Management completed the annual assessment of the carrying value of the goodwill reported in the Consolidated Statement of Financial Position at December 31, 2020 and 2019 and concluded that the goodwill balance associated with the Agriculture CGU of $143 was not impaired. Goodwill carried on the Company’s balance sheet arose in the course of the following Agriculture CGU acquisitions:

- Beeline Technologies Pty Ltd. – December 2007
- AgJunction business assets – January 2012
- Novariant, Inc. – October 2015

The Company determined the fair value of the Agriculture CGU at December 31, 2020 and 2019 using a discounted cash flow model consistent with recognized valuation methods. The most significant assumptions underlying the model prepared by management included: revenue, revenue growth, gross profit, operating expenses, income taxes, weighted average cost of capital, and capital expenditures. Significant factors impacting these assumptions include estimates of future market share, competition, technological developments, interest rates, and market trends. The assumptions incorporated into the discounted cash flow model reflect management's long-term view of the Company's business and the markets in which it competes.

In formulating its conclusions, management also considered a variety of related information, including:

- Market capitalization;
- Seasonal factors impacting the Company's share price at particular periods;
- the impact on share prices of reduced liquidity in the public markets, particularly in Canada;
- the expected impact of economic conditions on the Company's long-term business activities.

Interest, Foreign Exchange and Other Income

In 2020, the Company recorded net interest and other income of $94 a decrease of $195 or 67.5% from $289 in 2019. The Company earns interest income on cash balances and loan receivable which is offset by interest paid.

The Company incurred a foreign exchange loss of $56 in 2020, compared to gain of $19 in 2019. Foreign exchange gains/losses reported in the Consolidated Statement of Profit or Loss arise primarily from the impact of the fluctuating Canadian dollar and Euro on the translation and settlement of foreign currency denominated working capital.

Loss on sale of property, plant and equipment

The Company recorded a net loss on the disposal of property, plant and equipment totaling $139 in 2020 compared to a net gain of $50 in 2019. These disposals relate to assets no longer needed to support ongoing operations.

Income taxes

As of December 31, 2020, the Company has Canadian tax loss carry forwards of $12,520 that can be used to reduce Canadian taxable income in future years, as well as research and development in the amount of $2,312 that can be used to reduce Canadian federal taxes otherwise payable in future years.

The Company's US operating subsidiaries, AgJunction Corporation, AgJunction LLC and Novariant, Inc. file as a combined entity for US federal tax purposes. At December 31, 2020, the Company has cumulative US net operating losses of $56,525 that can be used to reduce US taxable income in future years, as well as $5,753 of research and development tax credits that can be used to reduce federal taxes otherwise payable in future years.

The Company's Australian subsidiaries, AgJunction Pty Ltd. and AgJunction AUS Pty Ltd., file as a combined entity for Australian income tax purposes. At December 31, 2020, the Company has losses of approximately $7,578 available to reduce Australian taxable income in future years.

The Company does not recognize or carry any deferred tax assets on its financial statements.

Income (Loss)

Amounts in the table below have been updated to reflect errors identified in the quarter ended December 31, 2020 related to research and development expenses, resulting in corrections to reduce research and development expenses in the quarters ended March 31, 2020 and June 30, 2020 of $143 and $246, respectively, and to increase research and development expenses for the quarter ended September 30, 2020 of $389. Total operating expenses, operating income (loss), net income (loss) before taxes, and net income (loss), have been revised to reflect the revisions for the respective periods.

(000's)	31-Mar 2019	30-Jun 2019	30-Sep 2019	31-Dec 2019	31-Mar 2020	30-Jun 2020	30-Sep 2020	31-Dec 2020
Revenue	$ 14,013	$ 13,301	$ 8,641	$ 3,291	$ 5,201	$ 4,601	$ 3,821	$ 2,684
Gross Profit	5,763	4,624	2,787	1,511	2,943	1,856	1,899	1,293
	41.1%	34.8%	32.3%	45.9%	56.6%	40.3%	49.7%	48.2%
Expenses:								
Research and development	1,752	1,984	1,901	440	1,054	1,110	1,250	1,383
Sales and marketing	1,357	1,285	1,186	707	840	302	503	508
General and administrative	2,608	2,099	2,233	3,589	1,601	1,758	1,360	1,526
Total Operating Expenses	5,717	5,368	5,320	4,736	3,495	3,170	3,113	3,417
Operating income (loss)	46	(744)	(2,533)	(3,225)	(552)	(1,314)	(1,214)	(2,124)
Interest and other (income) loss	(60)	(61)	(83)	(85)	(59)	(19)	(11)	(5)
Foreign exchange (gain) loss	(18)	(39)	86	(48)	28	4	54	37
Loss (gain) on sale of property, plant and equipment	8	37	(9)	14	-	-	67	72
(Gain) on sale of divisions	-	-	-	-	-	-	-	-
Total Other (Income) Expenses	(70)	(63)	(6)	(119)	(31)	(15)	43	104
Net income (loss) before income taxes	116	(681)	(2,527)	(3,106)	(521)	(1,299)	(1,257)	(2,228)
Income tax expense (benefit)	1	1	(2)	-	-	-	-	-
Net income (loss)	115	(682)	(2,525)	(3,106)	(521)	(1,299)	(1,257)	(2,228)
Earnings (loss) per common share:								
Basic and diluted (a)	$ -	$ (0.01)	$ (0.02)	$ (0.03)	$ -	$ (0.01)	$ (0.01)	$ (0.02)
Weighted Average Diluted Shares	*126,366*	*125,952*	*120,280*	*122,047*	*117,117*	*120,543*	*121,475*	*123,340*

In 2020, the Company generated a net loss of $5,305 or ($0.04) per share (basic and diluted), compared to net loss of $6,198 or ($0.05) per share (basic and diluted) in 2019.

(a) The 2020 earnings per share for quarter ended March 31 has been corrected to Nil from ($0.01) per share. Earnings per share for quarters ending June 30, 2020, and September 30, 2020 did not change.

Summary of Quarterly Results

Revenue by region on a quarterly basis are as follows:

For the Quarters Ended

(000's)	31-Mar 2019	30-Jun 2019	30-Sep 2019	31-Dec 2019	31-Mar 2020	30-Jun 2020	30-Sep 2020	31-Dec 2020
Americas	$ 4,706	$ 3,151	$ 2,790	$ 2,907	$ 4,016	$ 3,807	$ 2,717	$ 1,311
APAC	311	1	181	89	494	257	530	155
EMEA	8,996	10,149	5,670	295	691	537	574	1,218
	$ 14,013	$ 13,301	$ 8,641	$ 3,291	$ 5,201	$ 4,601	$ 3,821	$ 2,684

Quarterly revenue results have varied during the past eight quarters due, in part, to the following factors:

1. A large component of the Company's revenue is derived from North American and EMEA agriculture markets which are subject to the seasonality of the agricultural buying season with substantial variations and product mix sold during the year. Normally this leads to the first half of the year being the stronger and the second half being the weaker. The EMEA revenue drop in Q4 2019 is a result of the BPO contract being completed in Q3 2019. Initiatives to mitigate the Company's revenue seasonality include securing revenue in the Southern Hemisphere which is counter-seasonal to the Northern Hemisphere and strategies focused on increasing sources of recurring revenue.

2. The adoption of advanced technology as it relates to precision farming is transitioning from historically being an aftermarket business to a manufacturer and supplier business. The outlook for the Company's products includes uncertainty regarding the speed with which each region will adopt autosteering and machine automation.

Quarter Ended December 31, 2020 compared to Quarter Ended December 31, 2019

Revenue

Revenue in the fourth quarter was as follows:

(000's)	2020	2019	Change
Agriculture	$ 2,684	$ 3,291	(18.4%)

Revenue by region for the fourth quarter of 2020 and 2019 was as follows:

(000's)	2020	2019	Change
Americas	$ 1,311	$ 2,907	(54.9%)
APAC	155	89	74.2%
EMEA	1,218	295	312.9%
	$ 2,684	$ 3,291	(18.4%)

In the fourth quarter of 2020, revenue in the Americas decreased by 54.9% or $1,596 versus the same quarter of 2019. Revenue decrease of $1,596 is primarily due to reduced revenue volume with one major customer. Revenue in APAC increased by 74.2% driven by efforts to expand further into China complimented by higher demand in Japan. Revenue in the EMEA region increased 312.9% or $923 due to revenue earned from product software access requirements.

Revenue to customers in the Americas represented 48.8% of total revenue in the fourth quarter of 2020 compared to 88.3% in the fourth quarter of 2019. APAC revenue represented 5.8% of total revenue in the fourth quarter of 2020, an increase from 2.7% for the same period in 2019. EMEA revenue accounted for 45.4% of fourth quarter 2020 total revenue, increase from 9.0% in the same period in 2019.

During the fourth quarter of 2020, the Company reached a mutually agreeable business resolution that resulted in the dismissal of the lawsuit and all counterclaims. Under the terms of the settlement, the Company has granted the customer a non-exclusive license in the U.S. and Canada to its extensive patent portfolio in exchange for undisclosed royalty payments. The parties also signed a memorandum of understanding to begin discussions about one or more definitive agreements relating to the development and/or supply by the Company of autosteer and autonomous solutions for the customer's products around the world.

Gross profit

Gross profit in the fourth quarter of 2020 was $1,293, a decrease of $217 or 14.4% from gross profit of $1,510 in the fourth quarter of 2019. The decrease in gross profit was partially offset by an increase in gross margin percentage to 48.2% from 45.9% in 2019.

Operating Expenses

Operating expenses were $3,417 in the fourth quarter of 2020, a decrease of $1,319 or 27.8% from $4,736 in the fourth quarter of 2019. A detailed discussion of operating expenses by financial statement line item follows.

Research and development expenses totaled $1,383 in the fourth quarter of 2020 compared to $440 in the fourth quarter of 2019, an increase of $943 or 214.4%. The increase in the fourth quarter of 2020 compared to 2019 is primarily related to 2019 fourth quarter savings in compensation and facility related costs related to the closure of the Brisbane and Fremont facilities. Year to date research and development expenses in 2020 are down 21.1% from 2019.

Sales and marketing expenses of $508 in the fourth quarter of 2020 decreased by $199 or 28.2% from $707 in 2019 related to decreases in activities resulting from lower compensation costs, consultant costs and travel expense.

General and administrative expenses of $1,526 in the fourth quarter of 2020 decreased by $2,063 or 57.5% from $3,589 in the fourth quarter of 2019. The decrease is primarily related to 2019 site closure costs of $1,890 plus additional reductions of $173 for compensation, facility, and travel costs.

Interest and Foreign Exchange

The Company recognized interest and other income of $6 in the fourth quarter of 2020 and of $85 in 2019.

The Company reported a foreign exchange loss in the fourth quarter of 2020 of $37, compared to a gain of $48 in 2019. Foreign exchange gains/losses reported in the Consolidated Statement of Profit or Loss arise primarily from the impact of the fluctuating Canadian dollar and Euro on the translation and settlement of foreign currency denominated working capital.

Loss on sale of property, plant and equipment

The Company incurred a loss on the disposal of property, plant and equipment in the fourth quarter of 2020 of $72 (2019 - $14). The Company completed the closure of the Fremont California office on June 30, 2020 as a result of this closure of this site, $339 of property, plant and equipment was disposed of during the quarter ended December 31, 2020.

Income taxes

The Company recognized no income tax benefit during the fourth quarters of 2020 and 2019.

Income (Loss)

In the fourth quarter of 2020, the Company generated a net loss of $2,228 or ($0.02) per share (basic and diluted), compared to net loss of $3,106 or ($0.03) per share (basic and diluted) in 2019.

Paycheck Protection Program Loan

On April 30, 2020, the Company entered into a Paycheck Protection Program Loan (the "PPP Note") sponsored by the Small Business Administration (the "SBA") through the company's bank. The PPP Note was issued pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). On April 30, 2020, the Company received $1,540 under the Federal Government's Small Business Paycheck Protection Program ("PPP"). In response to additional guidance issued by the SBA on April 23, 2020 that cast doubt on the ability of public companies to qualify for loans under the PPP, the Company fully repaid the PPP Note on May 11, 2020. A new Paycheck Protection Program Loan was issued on February 24, 2021 in the amount of $1,466.

Share Capital

Following approval by the shareholders at the Company's Annual General Meeting held on June 4, 2020, the stated capital of the Company's common shares was reduced to $23,495 effective June 4, 2020. The reduction of share capital was applied to the deficit which was reduced by $125,000.

Liquidity and Capital Resources

Working Capital

The Company held cash of $6,773 at December 31, 2020 compared to $17,248 at the end of 2019. Working capital was $13,717 at December 31, 2020, a decrease of $5,476 from $19,193 at December 31, 2019.

Accounts receivable, net of allowance, at December 31, 2020 was $2,051 compared to $2,793 at December 31, 2019. The Company's standard terms on accounts receivable are net 30, however, programs offering extended terms may be executed throughout the year in order to promote sales. The Company employs established credit approval and regular account monitoring practices to mitigate the credit risk associated with accounts receivable. At December 31, 2020 and 2019, the Company had a reserve for accounts receivable totaling $69 and $56, respectively.

Inventories consist of components, raw materials, work in process and finished goods related to the products sold by the Company. Inventory was $8,694 at December 31, 2020 compared to inventory of $3,743 at December 31, 2019. Prior inventory commitments in addition to the impact of COVID-19 has increased inventory levels.

The Company reviews inventory movement on a quarterly basis using the previous eighteen (18) months history to make adjustments to the net realizable value of the total inventory.

Provisions for warranties on products sold are generally recorded based on historical warranty data and a weighting of all possible outcomes against their associated probabilities. In February 2019, the Company identified performance issues with a single model of a high-volume product which is produced under an OEM supply agreement. A Root Cause Analysis determined that a single connector could fail in certain circumstances once the product was put into use in the field. During the quarter ended March 2019 an additional $77 provision was recorded for warranty costs related to units that were manufactured and shipped late 2018 and in 2019. During the fourth quarter of 2020 an agreement was reached with a third-party company that had supplied previous warranty work in which they agreed to absorb all remaining warranty issues related to this issue and any other warranty issues with this product.

Provisions at December 31, 2020 were $352 versus $826 at December 31, 2019.

The primary items impacting cash during the year were:

- Cash used in continuing operations was $8,461 for 2020 compared to cash used of $1,079 in 2019. Of this $7,382 change, $4,951 relates to the increase of inventory throughout 2020. $639 relates to reduction of accounts payable and accrued liabilities, and $474 change in provisions.
- Cash used in financing activities was $429 compared to $694 in 2019. During 2020 cash used of $386 included principal payments on leases.
- Cash used in investing activities was $1,585 compared to cash from investing activities of $2,377 in 2019. This decrease is primarily due to reduced spending on Intangibles research and development and Property, Plant and Equipment additions of $139 and $489 respectively.
- Total tangible capital spending was $123 and $641 in 2020 and 2019, respectively. Property and equipment purchased during 2020 included primarily computer equipment, computer software, and production equipment.
- Accounts receivable at December 31, 2020 was $2,051 versus $2,793 at December 31, 2019.
- Inventory was $8,694 at December 31, 2020 versus $3,743 at December 31, 2019. Prior inventory commitments in addition to the impact of COVID-19 has increased inventory levels.
- Accounts payable and accrued liabilities at December 31, 2020 were $2,901 versus $3,540 at December 31, 2019. This decrease in accounts payable and accrued liabilities is primarily attributed to the reduced accrual required for the short-term incentive program in 2020.

Foreign Currency Risk Management Program

The Company has adopted the US dollar as the reporting and measurement currency under IFRS. As a result, fluctuations in the foreign exchange rates affect Canadian dollar and Euro denominated operating expenses - giving rise to foreign currency gains and losses.

The Board of Directors has approved the execution of financial instruments with a maximum notional value of $40,000 which have the objective of offsetting the foreign exchange exposure.

There were no outstanding financial instruments in 2020.

Property and Equipment

The Company’s property and equipment is comprised of computer hardware and software, equipment for production and research purposes, furniture and fixtures, vehicles, and building and leasehold improvements.

During 2020, the Company invested $123 in property and equipment (2019 - $641). Capital additions included computer equipment and software, and production equipment.

Intangible Assets

Intangible assets include assets acquired through acquisition including trademarks and brands, customer relationships, marketing and distribution assets and technology as well as internally developed technology. The Company’s acquired intangible assets derive from the following acquisitions:

- Beeline Technologies Pty Ltd. – December 2007
- Novariant, Inc. – October 2015

Intangible asset additions comprised internally developed intangible assets of $1,720 and $2,024 for the year ended December 31, 2020 and 2019, respectively.

Borrowings and Credit Facilities

In February 2014, the Company entered into an agreement for a credit facility, which provides up to a maximum of $3,500 operating line of credit. No amount has been drawn from the facility. The operating line of credit is secured by a commercial security agreement covering all accounts and general intangibles and bears interest at the bank’s prime rate minus 0.5%.

The operating line of credit matures May 14, 2021. The agreement also includes an accordion loan feature, with an additional $3,500 line of credit at the sole discretion of the lender. The interest rate on the accordion loan is the bank's prime rate minus 0.5%, and if enacted would carry an unused commitment fee of 0.2% per annum.

Share Capital

At December 31, 2020, there were 121,092 common shares, 4,271 restricted stock awards, and 2,374 stock options outstanding.

During 2020, no stock options were exercised; there were 5 stock options exercised during 2019.

There were 4,318 RSAs granted during 2020 and 636 RSAs were exercised or cancelled. The company did not grant RSAs in 2019.

Contractual Obligations

The following table quantifies the Company's contractual obligations as of December 31, 2020:

	Within 1 year	1 to 5 years	After 5 years
Accounts payable and accrued liabilities	$ 2,901	$ -	$ -
Operating Leases	368	334	-
	$ 3,269	**$ 334**	**$ -**

Subsequent Events

The Company evaluated subsequent events through March 24, 2021, the date the consolidated financial statements were available to be issued and has determined the following subsequent event merit disclosure.

On February 24, 2021, the Company entered into a Paycheck Protection Program Loan (the "PPP Note") sponsored by the Small Business Administration (the "SBA") through the company's bank. The PPP Note was issued pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). On February 24, 2021, the Company received $1,466 under the Federal Government's Small Business Paycheck Protection Program ("PPP").

The Company agreed to a customer's request to participate in non-binding mediation in the lawsuit the Company filed against the farm machinery distributor in November of 2020. On March 10, 2021, the Arizona District Court granted a 90-day stay to allow the parties to participate in the mediation and otherwise engage in discussions that could lead to a resolution of this matter.

Critical Accounting Policies and Estimates

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The preparation of these financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates are based on Management's historical experience and various other assumptions that are believed by Management to be reasonable under the circumstances. Such assumptions are evaluated on an ongoing basis and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

The following critical accounting policies affect our more significant estimates and assumptions used in preparing our consolidated financial statements:

1. The Company maintains an allowance for doubtful accounts for estimated losses that may occur if customers are unable to pay balances owing to the Company. This allowance is determined based on a review of specific customers, historical experience, and economic circumstances.

2. Inventories are carried at the lower of cost and net realizable value. Provisions for excess or obsolete inventory are recorded based on Management's assessment of the estimated net realizable value of component, work in process, and finished goods inventory.
3. Intangible assets are measured at cost less accumulated amortization and impairments. The carrying value of intangible assets is amortized over the estimated useful lives based on management's best estimates. Estimates of the useful lives are reassessed annually and any change in estimate is taken into account in the determination of the remaining amortization charges.

4. The Company performs the required test for goodwill impairment annually in the fourth quarter, or more frequently if events or changes in circumstances indicate that the asset might be impaired. In performing the required test, Management determines the recoverable amount, which is the greater of the fair value less cost to sell and value in use. An impairment loss would be measured as the difference between the carrying amount of the goodwill and its recoverable amount. Fair value less cost to sell takes into consideration the market capitalization of the Company as there is only one cash generating unit, relevant multiples, and peer transactions. Value in use is determined using a detailed discounted cash flow analysis using Management's estimates.
5. The Company evaluates its deferred tax assets and recognizes deferred tax assets to the extent there is available taxable income. At December 31, 2020, the Company did not recognize any deferred tax assets on the Condensed Consolidated Statement of Financial Position.
6. The Company accrues reserves for product warranty expenses as it relates to the repair or replacement of defective products sold in the current period. The warranty reserve is based on historical information of warranty claims compared to revenue. Any expenses directly relating to warranty claims are expected to offset the provision in period.

Business and Market Risks

The nature of the Company's business gives rise to certain risks that may impact future financial results. In addition to risks described elsewhere in this report, the Company identifies the following risks to currently be the most significant:

1. *Financial Results*
   The Company was unprofitable for the 2020 fiscal year as well as unprofitable during the years ended December 31, 2001 to 2019 except for during the years ended December 31, 2004, 2008, 2013 and 2018.

   It is possible that losses will occur in any of the four quarters of 2021 and that a loss could be realized for the full 2021 year. This could arise from the impact of current negative macro-economic conditions, or the Company could fail to execute on its business strategy. Future revenue, gross profit and expenses are subject to many factors beyond the Company's control, including:

   - the liquidity and business plan execution of customers;
   - general industry conditions;
   - the rate of acceptance of the Company's products;
   - new technologies in the marketplace;
   - the development and timing of the introduction of new products;
   - price and product competition from competitors;
   - the product mix of the Company's revenue;
   - possible delays in shipment of the Company's products;
   - possible delays or shortages in component supplies;
   - other risk factors described in this MD&A; and
   - other risk factors not foreseen at this time.

2. *Foreign Currency Valuation Fluctuations*
   Revenue of the Company's products are transacted primarily in US dollars. Expenses are incurred in US dollars, Canadian dollars and Euros, and as a result, the Company is exposed to risk associated with US, Canadian and Euro fluctuations. A strengthening in the US dollar relative to the Canadian dollar, as was seen in 2019 resulting in lower relative US dollar expenses for the Company when compared to a weaker US dollar in 2020.

The Company denominates a large majority of its revenue in US dollars. A stronger US dollar, compared to the currencies of countries where the Company is selling its products, makes the Company's products more expensive to customers in those countries. As a result, a strong US dollar, as was seen during 2019 could have a negative impact on revenue to such countries. As the Company expands with increased global revenue, it is expected that it may be necessary to transact a larger volume of revenue in foreign currencies other than US dollars, thus exposing the Company to additional foreign currency risk.

3. *General Economic and Financial Market Conditions*
Changes in regional conditions in market and business environments could have a negative impact on the Company's 2021 performance. The Company's agricultural product revenue have typically been affected to some extent each year by changes in growing season due to drought, commodity prices affecting net farm income, and other conditions in certain markets. Should negative weather conditions arise in any of the Company's key markets in 2021, the Company could realize lower-than-expected Revenue in the impacted market areas.

The COVID-19 pandemic continues to create uncertainty in future financial performance due to factors such as: uncertainty around governmental policies (health, monetary, and fiscal), supply disruptions, delays and cancellations of customer programs, continued travel restrictions and geopolitical tensions in the regions in which we do business.

4. *Dependence on Key Personnel*
The Company's success is largely dependent upon the performance of key personnel. The unexpected loss or departure of any key officers or employees could be detrimental to the future operations. The success of the Company will depend, in part, upon the ability to attract and retain qualified personnel, as they are needed. The competition for highly skilled technical, research and development, management, and other employees is high in the Precision Agriculture industry. There can be no assurance that we will be able to engage the services of such personnel or retain our current personnel.

5. *Competition*
The Company is competing in a highly competitive industry that is constantly evolving and changing. The Corporation expects this competition to increase as new competitors enter the market. Many of our competitors may have greater financial, technical, revenue, production and marketing resources. We compete with companies that also have established customer bases and greater name recognition. This may allow competitors to respond more quickly to the autosteering market and to better implement technological developments. There is no assurance that the Company will be able to compete on the same scale as these companies. Such competition may result in reduced revenue, reduced margins or increased operating expenses.

6. *Third Party Dependence*
Many of the Company's products rely on signals from satellites, and other ground support systems, that it does not own or operate. Such satellites and their ground support systems are complex electronic systems subject to electronic and mechanical failures and possible sabotage. The satellites have limited design lives and are subject to damage by the hostile space environment in which they operate. If a significant number of satellites were to become inoperable, there could be a substantial delay before they are replaced with new satellites. A reduction in the number of operating satellites would impair the current utility of the GNSS and/or the growth of current and additional market opportunities, which would adversely affect our results of operations. In addition, there is no assurance that governments will remain committed to the operation and maintenance of GNSS satellites over a long period of time or that the policies of governments for the commercial use of GNSS satellites without charge will remain unchanged.

7. *Dependence on New Products*
The Company must continue to make significant investments in research and development to develop new products, enhance existing products and achieve market acceptance for such products. However, there can be no assurance that development-stage products will be successfully completed or, if developed, will achieve significant customer acceptance. If the Company is unable to successfully define, develop and introduce competitive new products, and enhance existing products, future results would be adversely affected.

8. *Intellectual Property*
The industry in which we operate has many participants that own, or claim to own, proprietary intellectual property. In past years we have received, and may receive in the future, claims from third parties alleging that the Company has infringed the intellectual property rights of others and we have and may in the future commence lawsuits against others whom the Company believes are infringing upon its rights. Determination of the rights to intellectual property is very complex and costly litigation may be required to establish if we have violated the intellectual property rights of others or if others have violated the Company's intellectual property rights. The Company's involvement in intellectual property litigation could result in significant expense, adversely affecting the development of its assets or intellectual property or diverting the efforts of its technical and management personnel, whether or not such litigation is resolved in the Company's favour. In the event of an adverse outcome as a defendant in any such litigation, the Company may, among other things, be required to: (a) pay substantial damages and third party litigation costs; (b) cease the development, use, sale or importation of products that infringe upon other patented intellectual property; (c) expend significant resources to develop, license or acquire non-infringing intellectual property; (d) discontinue products incorporating infringing technology; (e) obtain licences to the infringing intellectual property; and/or (f) incur legal and other costs. The Company may not be successful in such development or acquisition, or such licences may not be available on reasonable terms. Any such development, acquisition or licence could require the expenditure of substantial time and other resources and could have a material adverse effect on the Company's business and financial results.

We license the software, technologies and intellectual property underlying some of our software from third parties. These third-party licenses may not continue to be available to us on commercially reasonable terms, or at all, and the software and technologies may not be appropriately supported, maintained or enhanced by the licensors. Some of our software licenses are subject to annual renewals at the discretion of the licensors. In some cases, if we were to breach a provision of these license agreements, the licensor could terminate the agreement immediately. The loss of licenses to, or inability to support, maintain and enhance, any such third-party software or technology could result in increased costs, or delays in software releases or updates, until such issues have been resolved. This could have a material adverse effect on our business, financial condition, results of operations, cash flows and future prospects.

We also incorporate open source software into our products. Although we monitor our use of open source software, the terms of many open source licenses have not been interpreted by U.S. and Canadian courts, and there is a risk that such licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to market or sell our products or to develop new products. In that case, we could be forced to seek licenses from third-parties in order to continue offering our products, to disclose and offer royalty-free licenses in connection with our own source code, to re-engineer our products or to discontinue the sale of our products in the event re-engineering cannot be accomplished on a timely basis, any of which could materially adversely affect our business.

9. *Government Regulation*
The Company’s products are subject to government regulation in the United States, Canada and other regions in which we operate. Although the Company believes that it has obtained the necessary approvals for the products that it currently sells, it may not be able to obtain approvals for future products on a timely basis, or at all. In addition, regulatory requirements may change or the Company may not be able to obtain regulatory approvals from countries in which it may desire to sell products in the future. In addition, the China market has been impacted the last few years by regulatory changes, and US/China trade relations are currently strained due to tariff impositions, which has weakened farm incomes in the US.

10. *Availability of Key Suppliers*
The Company is reliant upon certain key suppliers for raw materials, components and manufacturing services, and no assurances can be given that we will not experience delays or other difficulties in obtaining supplies, as a result of trade disputes, financial failures impacting suppliers, COVID-19 or from a variety of other potential issues. The raw materials used in certain operations are available only through a limited number of vendors. Although the Company believes there are alternative suppliers for most of its key requirements, if current suppliers are unable to provide the necessary raw materials or fail to deliver products in the quantities required on a timely basis, then the related delays in the manufacture or distribution of products could have a material adverse effect on the Company's results of operations and its financial condition.

11. *Credit Risk*
The Company has an increasing exposure to credit risk related to trade balances owing from customers. In the normal course of business, the Company monitors the financial condition of its customers and reviews the credit history of new customers to establish credit limits. The Company establishes an allowance for doubtful accounts that corresponds to the credit risk of its customers, historical trends and economic circumstances. Losses could be realized by the Company if customers default on their balances owing.

12. *Technology Risk*
The Company's success may depend in part on our ability to develop products that keep pace with the continuing changes in technology, evolving industry standards and changing customer and end-user preferences and requirements. The Company's products embody complex technology that may not meet those standards, changes and preferences. The Company may be unable to successfully address these developments on a timely basis or at all. Failure to respond quickly and cost-effectively to new developments through the development of new products or enhancements to existing products could cause the Company to be unable to recover significant research and development expenses and could reduce its Revenue.

13. *Future Acquisitions*
The Company may seek to expand its business and capabilities through the acquisition of compatible technology, products or businesses. There can be no assurance that suitable acquisition candidates can be identified and acquired on favorable terms, or that the acquired operations can be profitably operated or integrated into the Company. In addition, any internally generated growth experienced by the Company could place significant demands on Management, thereby restricting or limiting the Company's available time and opportunity to identify and evaluate potential acquisitions. To the extent Management is successful in identifying suitable companies or products for acquisition, the Company may deem it necessary or advisable to finance such acquisitions through the issuance of Common Shares, securities convertible into Common Shares, debt financing, or a combination thereof. In such cases, the issuance of Common Shares, Preferred Shares or convertible securities could result in dilution to the holders of Common Shares at the time of such issuance or conversion. The issuance of debt to finance acquisitions may result in, among other things, the encumbrance of certain assets, impeding the Company's ability to obtain bank financing, decreasing its liquidity, and adversely affecting its ability to declare and pay dividends to its shareholders.

14. *Proprietary Protection*
The Company's success will depend, in part, on its ability to obtain patents, maintain trade secrets and unpatented know-how protection, and to operate without infringing on the proprietary rights of third parties or having third parties circumvent its rights. The Company relies on a combination of contract, copyright, patent, trademark and trade secret laws, confidentiality procedures and other measures to protect its proprietary information. There can be no assurance that the steps taken will prevent misappropriation of its proprietary rights. The Company's competitors also could independently develop technology similar to its technology. Although the Company does not believe that its products or services infringe on the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against the Company, or that any such assertions or prosecutions will not materially adversely affect its business, financial condition or results of operations. Irrespective of the validity or the successful assertion of such claims, the Company could incur significant costs and diversion of resources with respect to the defense thereof, which could have a material adverse effect on its business.

15. *Product Liability*
The sale and use of the Company’s products entail risk of product liability. Although the Company has product liability insurance, there is no assurance that such insurance will be sufficient or will continue to be available on reasonable terms.

16. *New and Emerging Markets*
Many of the markets for the Company’s products are new and emerging. The Company’s success will be significantly affected by the outcome of the development of these new markets.

17. *Physical Facilities*
The Company consolidated its operational locations to one facility during 2019 however the Company continues to hold component inventory, finished goods and capital assets at third-party manufacturing facilities. Tangible property at each location is subject to risk of fire, earthquake, flood, and other natural acts of God. In the event of such acts, there could be delays in production and shipments of product due to both the loss of inventory and/or capacity to produce.

18. *Legal Risks*
In common with other companies, the Company is subject to legal risks related to operations, contracts, relationships and otherwise under which it may be served with legal claims. Whether or not the claims are legally valid, such claims may result in legal fees, damages, settlement costs and other costs as well as significant time and distraction of Management and employees – which could negatively impact the Company’s ability to execute its business plans. Management believes the Company carries appropriate insurance coverage to sufficiently mitigate related financial risk.

19. *Technology Failures or Cyber-Attacks*
We rely on information technology systems to process, transmit and store electronic information. In addition, a significant portion of internal communications, as well as communication with customers and suppliers depends on information technology. Further, certain of our products depend upon GPS and other systems through which our products interact with government computer systems and other centralized information sources. We are exposed to the risk of cyber incidents in the normal course of business. Cyber incidents may be deliberate attacks for the theft of intellectual property or other sensitive information or may be the result of unintentional events. Like most companies, our information technology systems may be vulnerable to interruption due to a variety of events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. Further, attacks on centralized information sources could affect the operation of our products or cause them to malfunction. We have technology security initiatives and disaster recovery plans in place to mitigate our risk to these vulnerabilities, but these measures may not be adequate or implemented properly to ensure that our operations are not disrupted. Potential consequences of a material cyber incident include damage to our reputation, litigation and increased cyber security protection and remediation costs. Such consequences could adversely affect our results of operations.

20. *Foreign Private Issuer Status*
As of June 30, 2014, AgJunction determined that a majority of its outstanding shares were held directly or indirectly by US residents. As a result, AgJunction lost its “foreign private issuer” status effective January 1, 2015 as defined in Rule 3b-4 of the Securities and Exchange Act of 1934. AgJunction however continues to be governed by Canadian securities laws and reporting obligations and is not required to register with the Securities and Exchange Commission or make any filings under the Securities and Exchange Act of 1934.

21. *Business Focus*
AgJunction Inc. is a global leader in the development, revenue and licensing of off-road machine automation technology. The Company's products are critical components in over 30 of the world's leading precision agricultural manufacturers and solution providers and it holds over 200 patents and patents pending in vehicle automation worldwide. The Company markets its solutions under leading brand names including Novariant®, HandsFreeFarm®, Wheelman® and Whirl™. The Company is ISO 9001:2015 certified and continues to use the standards as its guidelines for success.
The Company’s products and software solutions offer advanced accurate guidance and positioning, autosteering and machine control systems for the agriculture markets and are used throughout a farming operation during tilling, planting, spraying and harvesting. These products and software

solutions enable an off-road machine to precisely follow a pre-planned path and then control the vehicle along the path with little additional input from the operator. This requires a substantial expertise in technologies like GNSS, position and motion sensors, situational awareness technologies like lidar, radar and cameras etc., understanding hydraulics and machine control, and various types of vehicle communication protocols.

On January 31, 2020, the Company announced a plan to implement a refined strategy in which the Company will deliver flexible automation modules that integrate seamlessly into our customers' systems. This strategy will deliver long term value and extraordinary service to our customers as well as maximize shareholder value

Disclosure Controls and Procedures

Our Management is responsible for establishing and maintaining adequate disclosure controls and procedures for the Company. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in our reports filed with securities regulatory authorities is recorded, processed, summarized and reported within prescribed time periods and is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

An evaluation was carried out under the supervision of, and with the participation of, our Management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of December 31, 2020. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports we file or submit under applicable securities laws and regulations is recorded, processed, summarized, and reported within the time periods specified thereby.

It should be noted that while the Company's Chief Executive Officer and Chief Financial Officer believe that the Company's disclosure controls and procedures have been designed with the objective to provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls and procedures or internal controls over financial reporting would prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control procedures, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. We considered these limitations during the development of our disclosure controls and procedures and will periodically re-evaluate them to ensure they provide reasonable assurance that such controls and procedures are effective.

Internal Controls Over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for designing disclosure controls and internal controls over financial reporting as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("52-109"), or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company is currently under the Internal Control - Integrated Framework: 2013 released by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management identified a control affecting research and development cost capitalization that was not operating effectively due to organizational restructuring, resulting in corrections to the previously issued quarterly financial information. The control environment has been enhanced in this area to eliminate this control issue.

Under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, Management has conducted an evaluation of the effectiveness of our internal controls over financial reporting as of December 31, 2020 for all locations consolidated in the financial statements and has concluded there are no concerns regarding internal controls.

Forward-Looking Information

The information in the Management's Discussion and Analysis ("MD&A") contains certain forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. We believe the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A and except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements.

In particular, this MD&A contains forward-looking statements pertaining to the following:

- the Company's plans, objectives and focus and the benefits to be derived therefrom;
- the impacts of the COVID-19 pandemic;
- timing associated with the work from home mandate;
- expected economic and market trends and conditions for 2021;
- expected challenges the Company will face in late 2020 and through 2021;
- the components of long-term growth in the industry and the benefits to be derived therefrom;
- impact of market conditions;
- changes in foreign currency rates;
- financial results;
- industry conditions; forecast crop exports; customer adoption of technology and products.
- technological developments; and
- research and development programs.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A:

- competition;
- departure of key personnel or consultants;
- inability to introduce new technology and new products in a timely manner;
- changes in the Global Navigation Satellite System (“GNSS”) and other systems outside of our control;
- costs to purchase GNSS and other components could increase significantly;
- the COVID-19 pandemic and its impacts on demand for our products, our supply chain and our ability to receive products timely from our global suppliers;
- A prolonged economic downturn from the negative effects of COVID-19 pandemic may result in reduction of revenue, cash flows and negatively affect our profitability;
- misappropriation of proprietary information;
- legal claims for the infringement of intellectual property and other claims;
- other legal risks;
- incorrect assessments of the value of acquisitions;
- successful development of new and emerging markets that we serve;
- fluctuation in foreign exchange or interest rates;
- uncertainties in the global economy;
- negative conditions in general economic and financial markets;

- reliance on key suppliers and third parties;
- availability of key supplies and components;
- dependence on major customers;
- losses from credit exposures;
- product liability;
- damage or loss of use of physical facilities;
- cyber-security risks;
- stock market volatility and market valuations;
- conflicts of interest;
- changes in income tax laws and other government regulations;
- political uncertainty and tariffs; and
- the risks and uncertainties described in the Corporation’s Annual Information Form which is available at www.sedar.com.

With respect to forward-looking statements contained in this document, we have made assumptions regarding, among other things: impact (and duration thereof) that the COVID-19 pandemic will have on demand for the Company's products; the Company's supply chain; future technological developments; availability of key supplies, components, services, networks and developments; future exchange rates; the cost of expanding the Company’s product lines; effects of regulation by governmental agencies; the impact of increasing competition; the nature and outcome of legal proceedings; that the Company's conduct and results of operations will be consistent with its expectations; the continuity of existing business relationships; conditions in general economic and financial markets; and our ability to obtain financing on acceptable terms.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this MD&A in order to provide shareholders and readers with a more complete perspective on the Company's current and future operations and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.