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FOR IMMEDIATE RELEASE
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SYMBOL: TSX: AGT

AGT Food and Ingredients Announces Receipt of a Proposal to Effect a Management Buyout

REGINA, July 26, 2018 - AGT Food and Ingredients Inc. ("**AGT**" or the "**Company**") (TSX:AGT) today announced that it has received a non-binding proposal (the "**Proposal**") from a group comprised of certain members of its management group, led by President and Chief Executive Officer, Murad Al-Katib (the "**Management Group**"), to privatize AGT.

Under the Proposal, the Management Group would acquire all of the issued and outstanding Common Shares of AGT (the "**Common Shares**") pursuant to a plan of arrangement, other than those held by the Management Group and certain other significant shareholders, for consideration of C\$18 in cash for each Common Share, which would represent approximately a 37% premium to the closing price of the Common Shares on July 25, 2018. The Proposal contemplates that Fairfax Financial Holdings Limited ("**Fairfax**") and Point North Capital Inc. ("**Point North**") will retain their equity interests in AGT and current members of the senior management team will remain in their current management positions with AGT after completion of the transaction. The Management Group has advised that the Proposal has the financial support of Fairfax to provide financing to the Management Group for the transaction. Completion of the transaction pursuant to the Proposal will not be subject to any due diligence but will be subject to (i) all necessary actions of the Company's board of directors (the "**Board**") shall have been taken, (ii) the transaction being in compliance with applicable laws, rules and regulations for business combinations, including receipt of a formal valuation of the Company prepared under the supervision of an Independent Committee (as defined below), (iii) receipt by the Company of any required regulatory and/or stock exchange approvals, (iv) completion of definitive documentation concerning the transaction, and (v) approval of the transaction at a special meeting of shareholders of the Company.

Mr. Al-Katib and other members of the Management Group, collectively, beneficially own or exercise control or direction over approximately 4,116,008 Common Shares, representing approximately 17% of the outstanding Common Shares of AGT. Fairfax beneficially owns or exercises control or direction over 183,700 Common Shares and Point North beneficially owns or exercises control over 2,362,070 Common Shares, collectively, representing approximately 10.5% of the outstanding Common Shares of AGT. As well, Fairfax, through certain subsidiaries, also holds 5,714,286 common share purchase warrants of AGT, which were issued in connection with Fairfax's C\$190 million investment in AGT through the purchase of the 5.375% interest bearing securities on August 31, 2017.

The Board has agreed to establish a committee comprised of independent directors (the "**Independent Committee**") to consider the Proposal and to conduct all aspects of the Company's response to the Proposal. There is no set timetable with respect to the Independent Committee's review, and AGT does



not expect to make further public comment regarding these matters unless and until the Independent Committee approves a specific action or otherwise concludes its review.

Shareholders of AGT do not need to take any action at this time in respect of the Proposal and should await further information and guidance from the Independent Committee and the Board.

There is no assurance that the Proposal will proceed and as a result of this announcement, no further purchases of Common Shares will be made under AGT's normal course issuer bid, pending completion of the transaction.

AGT Food and Ingredients Inc. Profile

AGT Food and Ingredients Inc. (AGT) is a processor of value-added pulses, staple foods and ingredients for export and domestic markets as well as a supplier of retail packaged and canned foods to retail and food service sectors. Through its offices and processing facilities located in some of the best agricultural growing regions in Canada, the U.S., Turkey, China, Australia and South Africa, merchandising and sales offices in the U.K., the Netherlands, Spain, Switzerland and India and origination offices in Russia, AGT produces a full range of pulses and specialty crops including lentils, peas, chickpeas, beans and canary seed as well as food ingredients such as pulse flours, proteins, starches and fibres. Through its subsidiaries in Turkey, the Arbel Group, AGT also produces staple foods such as Arbella Pasta, rice, and milled wheat products, including bulgur and semolina.

Cautionary Statements

Certain statements in this press release are forward-looking statements. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by AGT at the time of preparation, may prove to be incorrect. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of AGT (including its operating subsidiaries) to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the risk that the proposed transaction will not proceed, that the proposal may be withdrawn or altered, the actual results of harvests, fluctuations in the price of lentils and other crops, failure of plant, equipment or processes to operate as anticipated, accidents or labour disputes, risks relating to the integration of acquisitions or to international operations, as well as those factors referred to in the section entitled "Risk Factors" in the Annual Information Form of AGT which is available on SEDAR at www.sedar.com, and which should be reviewed in conjunction with this document. Although AGT has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue



reliance on forward-looking statements. AGT expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

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