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AGT Food and Ingredients Provides Update on Special Committee Process for Management Buyout Proposal

REGINA, OCT 1, 2018 – AGT Food and Ingredients Inc. (“**AGT**” or the “**Company**”) (TSX:AGT) is providing an update regarding the previously announced non-binding proposal from a group (the “**Buyer Group**”) comprised of certain members of AGT’s management group, led by President and Chief Executive Officer, Murad Al-Katib, and that includes Fairfax Financial Holdings Limited and Point North Capital Inc., to privatize AGT at a price of C\$18 per share (the “**Proposed Transaction**”). As previously announced, the Board of Directors of the Company formed a special committee of independent directors (the “**Special Committee**”) to evaluate (and, if appropriate, negotiate) the Proposed Transaction. At this time, no binding agreement for the Proposed Transaction has been entered into by the Company or the Buyer Group.

TD Securities Inc., the Special Committee’s financial advisor and independent valuator, has advised the Special Committee that, subject to the assumptions, limitations and qualifications to be set forth in its written formal valuation, the fair market value of AGT’s common shares as of October 1, 2018 is between C\$17.50 and C\$21.50 per share. Based on all of the information reviewed and analysis undertaken by the Special Committee and its advisors (including TD’s formal valuation), and after considering the advice of its independent financial and legal advisors, the Special Committee has unanimously determined that it would be prepared to support the going private transaction from the Buyer Group at a price of C\$18 per share and would recommend that the shareholders of AGT vote in favour of the Proposed Transaction, subject to negotiation of a definitive agreement in form and substance satisfactory to the Special Committee and receipt of a fairness opinion from TD Securities at the time a definitive agreement is entered into.

The Buyer Group has reaffirmed to the Special Committee that it is prepared to proceed with the Proposed Transaction at a price of \$18 per share, subject to negotiation of a definitive agreement in form and substance satisfactory to the Buyer Group and finalizing financing arrangements.

The Company and the Buyer Group have agreed to extend the previously announced cooperation agreement to facilitate continued negotiation of a definitive agreement for the Proposed Transaction and to allow the Buyer Group to finalize its financing arrangements for the Proposed Transaction.



Neither the Special Committee nor the Board of Directors of AGT has approved the Proposed Transaction. The Buyer Group's proposal remains non-binding, and there can be no assurance that the Proposed Transaction will proceed. Neither AGT nor the Special Committee expect to make further public comment regarding these matters until an agreement for the Proposed Transaction is reached or the Proposed Transaction is abandoned.

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

All references in this press release to TD Securities' formal valuation are qualified in their entirety by the full text of TD Securities' written formal valuation, including the assumptions, limitations and qualifications to be set forth therein. TD Securities has not, and has not yet been requested to, deliver a fairness opinion to the Company, the Special Committee or the Board of Directors. Any such opinion, if, as and when delivered by TD Securities, will be subject to the assumptions, limitations and qualifications set forth in TD Securities' written fairness opinion, a copy of which would be included in the information circular for the Proposed Transaction if it proceeds.

Certain information in this press release is forward-looking information. The reader is cautioned that assumptions used in preparing such information, although considered reasonable by AGT at the time of preparation, may prove to be incorrect. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks and uncertainties include, among others, the risk that the Proposed Transaction will not proceed, that the Buyer Group's



proposal may be withdrawn or altered, the Buyer Group will be unable to obtain the financing required for the Proposed Transaction, TD Securities (or any other financial advisor) will be unable to provide a fairness opinion in respect of the Proposed Transaction, the Buyer and the Special Committee will be unable to agree on the terms of a definitive agreement for the Proposed Transaction, the Company's shareholders (other than members of the Buyer Group) will not support the transaction, or that any of the other conditions to completion of the Proposed Transaction will not be satisfied or waived (where permitted), 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 information, 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 information 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 information. 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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