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**FOR IMMEDIATE RELEASE
MARCH 28, 2019**

SYMBOL: TSX: AGT

AGT Food and Ingredients Inc. Announces Fourth Quarter and Year End 2018 Results

REGINA, MAR 28, 2019 - AGT Food and Ingredients Inc. (TSX:AGT) ("**AGT**" or the "**Company**") has announced its financial results for the three and twelve months ended December 31, 2018.

Highlights include:

- **Adjusted EBITDA*** was \$72.1 million for the year ended December 31, 2018 compared to \$64.9 million for the year ended December 31, 2017.
- **Food ingredients and packaged foods** Adjusted EBITDA* per metric tonne ("**mt**") improved to \$145.54 per mt for the year ended December 31, 2018 compared to \$110.88 per mt for the year ended December 31, 2017.
- **Food ingredients and packaged foods** contributed 62.3% of Adjusted EBITDA* for the year months ended December 31, 2018 with 14.9% of mt invoiced.
- **Net Debt*** increased to \$554.8 million at December 31, 2018 when compared to \$473.3 million at December 31, 2017 and increased from \$510.6 million at September 30, 2018.
- **Dividends** on AGT shares have ceased until further notice.

The financial statements and notes thereto for the twelve months ended December 31, 2018, as well as the related management's discussion and analysis, have been filed under AGT's profile on www.sedar.com and have been posted on AGT's website at www.agtfoods.com. All amounts are reported in Canadian dollars.

With respect to AGT's previously announced transaction pursuant to a statutory plan of arrangement under the *Business Corporations Act* (Ontario) (the "**Plan of Arrangement**") with a group of investors led by AGT's President and Chief Executive Officer, Murad Al-Katib, and including Fairfax Financial Holdings Limited and Point North Capital Inc. (the "**Buyer Group**") to provide for the indirect acquisition by the Buyer Group of all of the issued and outstanding common shares of AGT (the "**AGT Shares**") not already held by the Buyer Group for \$18.00 per share in cash (the "**Transaction**"), subject to obtaining all required approvals and satisfying all required conditions, the Transaction is expected to close early in the second quarter of 2019. Following closing of the Transaction, the AGT Shares will be de-listed from the Toronto Stock Exchange.



“The process related to the Plan of Arrangement to privatize AGT is on pace after the affirmative shareholder vote of February 5, 2019 and court approval which was obtained on February 11, 2019. We are continuing to work through the conditions and requirements under the Plan of Arrangement. Necessary regulatory approvals have been received with the exception of South Africa which is underway. We are working through customary closing matters and expect the closing of the Transaction to be completed on or near the timelines as previously indicated,” said Mr. Murad Al-Katib, President and CEO of AGT.

With the pending completion of the Transaction, a conference call for shareholders to discuss Fourth Quarter and Year End 2018 results has not been scheduled.

AGT Food and Ingredients Inc. Profile

AGT Food and Ingredients Inc. 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. In particular, this press release contains forward looking statements with respect to, among other things, market conditions, anticipated disclosures with respect to the Proposed Transaction, including but not limited to the completion of, and expected timing for the completion of, the Transaction. 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 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.

Non-IFRS Financial Measures

AGT provides some non-IFRS measures as supplementary information that management believes may be useful to investors to explain AGT's financial results. These non-IFRS measures include Adjusted Gross Profit (gross profit plus depreciation in cost of sales), Adjusted EBITDA* (earnings before finance expense, income taxes, depreciation and amortization, restructuring costs and any effects of non-cash, non-recurring and other costs and foreign exchange adjustment), Adjusted Net Earnings*, Adjusted Basic Net Earnings* per share and Adjusted Diluted Net Earnings* per share (earnings before any effects of non-cash, non-recurring and other costs, restructuring costs and foreign exchange adjustments), Net Debt* (bank indebtedness, short term financing and long term debt less cash) and Net Working Capital* (current assets less current liabilities). Adjusted Net Earnings*, Adjusted Basic Net Earnings* per share and Adjusted Diluted Net Earnings* per share do not include the tax effect of non-cash, non-recurring and other costs and foreign exchange. Management believes that Adjusted EBITDA*, Adjusted Net Earnings*, Adjusted Basic Net Earnings* per share and Adjusted Diluted Earnings* per share, Net Debt* and Net Working Capital* are important indicators of AGT's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures and uses the metric for this purpose. The exclusion of non-cash and foreign exchange adjustments eliminates the non-cash impact on Adjusted EBITDA*, Adjusted Net Earnings*, Adjusted Basic Net Earnings* per share and Adjusted Diluted Earnings* per share. Adjusted EBITDA* and Adjusted Net Earnings*, Adjusted Basic Net Earnings* per share, Adjusted Diluted Net Earnings* per share, Net Debt* and Net Working Capital* are also used by investors and analysts for the purpose of valuing AGT. The intent of these measures is to provide additional useful information to investors and analysts and the measure does not have any standardized meaning under IFRS. Adjusted Gross Profit*, Adjusted EBITDA* and Adjusted Net Earnings*, Adjusted Basic Net Earnings* per share, Adjusted Diluted Net Earnings* per share, Net Debt* and Net Working Capital* should therefore not be considered in isolation or used as a substitute for measures of performance prepared in accordance with IFRS. For a reconciliation of net earnings (loss) determined in accordance with IFRS to Adjusted EBITDA*, Adjusted Net Earnings* and Adjusted Basic Net Earnings* per share and Adjusted Diluted Earnings* per share please see the table on page 39 in the related management's discussion and analysis for the three and twelve months ended December 31, 2018.

For further information:

Investor Relations

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