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FOR IMMEDIATE RELEASE
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SYMBOL: TSX: AGT

Fairfax to Make C\$190 Million Investment into AGT Food and Ingredients Inc.

REGINA, JULY 25, 2017 – AGT Food and Ingredients Inc. (TSX: AGT) (“**AGT**” or the “**Company**”) today announced that it has entered into a letter agreement pursuant to which Fairfax Financial Holdings Limited, through certain subsidiaries (collectively, “**Fairfax**”), will make an investment of C\$190 million in AGT in exchange for the issuance by AGT of 5.375% interest bearing securities (the “**Preferred Securities**”) and common share purchase warrants (the “**Warrants**”).

Fairfax has agreed to subscribe, on a private placement basis and subject to certain conditions, for Preferred Securities in a maximum aggregate amount of C\$190 million. The Preferred Securities will be unsecured obligations, will mature in 99 years and will be guaranteed by certain of AGT’s subsidiaries. AGT has also agreed to issue a maximum of 5,714,286 Warrants, each exercisable into one common share in the capital of AGT and exercisable at C\$33.25 per share. Each Warrant will be exercisable within 7 years. AGT can also elect to require early exercise of the Warrants if the five day volume weighted average closing price of its common shares reaches C\$53.20 at any time after the fifth anniversary of the closing.

Fairfax will have the right to nominate one independent director to the board of directors of AGT and will become entitled to nominate an additional independent director upon the exercise of all of the Warrants. The proceeds raised from the Fairfax transaction will be used by AGT for immediate repayment of debt, future growth initiatives and general corporate purposes.

AGT has entered into an exclusivity agreement with Fairfax pursuant to which it has agreed that it will not solicit interest from any other party in relation to any potential capital raising or financial transaction involving debt or equity of AGT until September 15, 2017.

“Fairfax, with their exceptional track record in global emerging markets is an ideal partner for AGT as we look to grow our business and pursue our long-term goals. We are very excited about this new relationship for AGT, and look forward to working with the Fairfax team as we explore new strategic growth opportunities. The transaction significantly improves our balance sheet by providing attractively priced and near-permanent strategic capital. Management views this as a material de-levering event that equips the company with the necessary liquidity for its current and future growth needs,” commented Murad Al-Katib, AGT’s President and Chief Executive Officer.

“We are very pleased to partner with Murad and Huseyin and the entire AGT team to build a Canadian-based, global champion in the agriculture and food sector,” added Paul Rivett, President of Fairfax. “From very humble beginnings in Regina, Saskatchewan and Mersin, Turkey, AGT has established the



leading global platform in the value added pulses and food and ingredients sector. Our partnership will leverage the best of our broader capabilities and expertise in infrastructure and agriculture to pursue mutually beneficial opportunities for both organizations globally.”

“The experience of the Fairfax team and the network of Fairfax relationships and opportunities for collaboration with other Fairfax investee companies around the globe, with particular focus on India and Africa, are exciting for us,” added Huseyin Arslan, AGT’s Executive Chairman. “We are focused on building our bulk handling business, transportation and supply chain infrastructure and food ingredient and processing businesses to seize the opportunities for growth that are ahead of us as markets stabilize. AGT is well positioned to capitalize on the long term growth trajectory that we see from population and income growth in emerging markets. Fairfax is the right partner for us in the next stage of development of a strong and diversified AGT.”

Cormark Securities Inc. is acting as financial advisor to AGT.

Closing of the transaction is subject to the settlement of mutually agreeable definitive documentation, and other customary closing conditions, including the approval of the TSX and receipt of all other requisite third party approvals.

About AGT Food and Ingredients Inc.

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 and information in this press release are forward-looking statements. In particular, this press release contains forward looking statements with respect the anticipated closing and closing date of the transaction and anticipated use of proceeds. 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 inability of AGT and Fairfax reach agreement on the terms of definitive documentation, the failure to obtain any required regulatory approvals to complete the transaction, 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.

Neither TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.

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