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**AGT Food and Ingredients Announces Definitive Agreement
for Going Private Transaction at C\$18.00 per Share**

REGINA, DEC 4, 2018 - AGT Food and Ingredients Inc. (“**AGT**” or the “**Company**”) (TSX: AGT) today announced that it has entered into an arrangement agreement (the “**Arrangement Agreement**”) pursuant to which a group of investors led by President and Chief Executive Officer, Murad Al-Katib, and including Fairfax Financial Holdings Limited and Point North Capital Inc. (the “**Buyer Group**”), will indirectly acquire all of the issued and outstanding common shares of AGT (“**Common Shares**”) not already held by the Buyer Group for C\$18.00 per share in cash (the “**Transaction**”).

The purchase price of C\$18.00 per Common Share represents a premium of 36.7% to the closing price of AGT common shares on the Toronto Stock Exchange on July 26, 2018, the last trading day prior to public announcement of the Buyer Group’s proposal with respect to the Transaction. Effective immediately, AGT will cease paying any further dividends on its Common Shares, whether or not the Transaction is ultimately consummated.

In light of the composition of the Buyer Group, a Special Committee, comprised entirely of the directors of AGT who are independent of management and other representatives of the Buyer Group, has conducted all negotiations of the Transaction on behalf of the Company. After receiving advice from independent financial and legal advisors (including the formal valuation and fairness opinion of TD Securities described below), the Special Committee has unanimously recommended that the Board of Directors approve the Transaction and recommend that AGT’s shareholders (other than members of the Buyer Group) (the “**AGT Public Shareholders**”) approve the Transaction. Based on the Special Committee’s recommendation, the Board of Directors (with interested and non-independent directors abstaining) has determined that the Transaction is in the best interests of the Company (considering the interests of all stakeholders) and that the purchase price of \$18.00 per Common Share is fair to the AGT Public Shareholders, and is unanimously recommending that AGT Public Shareholders vote in favour of the Transaction.

TD Securities has provided the Special Committee with an updated opinion that, as of December 3, 2018, subject to certain assumptions, limitations and qualifications to be set out in TD Securities’ written valuation report, the fair market value of the AGT’s common shares was between \$17.00 and \$21.00 per share. TD Securities has also provided an opinion that, as of December 3, 2018, subject to certain assumptions, limitations and qualifications to be set out in TD Securities’ written fairness opinion, the purchase price of C\$18.00 per share is fair, from a financial point of view, to the AGT Public Shareholders. Copies of TD Securities’ written valuation report and fairness opinion will be included in the information circular to be sent to AGT’s shareholders in connection with the special meeting of AGT’s shareholders to be held early in 2019 to vote on the Transaction.



“This transaction represents an opportunity for public shareholders of AGT to monetize 100% of their investment in AGT at a cash price that represents fair market value for their common shares and a significant premium to the unaffected trading price of AGT’s common shares,” commented Mr. Geoffrey Belsher, Chairman of the Special Committee.

“Following a fairly lengthy process to consider the interests of all stakeholders of AGT and the future of the Company, the management group, together with the other members of the Buyer Group, are excited at the prospect of a new chapter of AGT,” stated Mr. Al-Katib. “We look forward to a positive outcome of the shareholders vote to continue our journey with our employees and the Buyer Group.”

Transaction Details

The Transaction is being structured as an arrangement under the *Business Corporations Act* (Ontario) and therefore requires approval of at least two-thirds of the votes cast by all holders common shares who vote at a meeting of AGT’s shareholders, as well as a simple majority of AGT Public Shareholders. All of the members of the Buyer Group as well as all of the other directors and executive officers of AGT have agreed to vote in favour of the Transaction.

The Transaction is also subject to certain additional closing conditions, including the following (among others), which may be waived in whole or in part in the sole discretion of the Buyer Group:

- Alliance Pulse Processors Inc., a wholly-owned subsidiary of AGT, consummating amended credit facilities contemplated by a binding debt commitment letter provided by a syndicate of senior Canadian financial institutions arranged by The Bank of Nova Scotia, subject to the terms and conditions set forth in such commitment letter (the “**Debt Financing**”), and holders of AGT’s outstanding 5.875% senior notes due 2021 tendering their notes to an offer to be made by AGT with respect thereto;
- AGT’s net debt (as defined in the Arrangement Agreement) not exceeding a specified threshold; and
- no material adverse effect having occurred in respect of AGT, which is deemed to include events that cause, or that are reasonably likely to cause within the 12 months following closing of the Transaction, a specified decrease in AGT’s consolidated revenues or consolidated net assets (as defined in the Arrangement Agreement), or an event of default under AGT’s credit facility following closing.

The Transaction is subject to various other closing conditions, including approval of the Ontario courts as well as certain regulatory approvals in Canada, the United States and certain foreign jurisdictions where AGT operates or owns assets.

The Arrangement Agreement prohibits AGT from soliciting competing acquisition proposals, subject to the ability of AGT to respond to certain cash acquisition proposals that are financially superior to the Transaction. AGT must pay the Buyer Group a termination fee of \$11.5 million in certain circumstances, including if AGT pursues a superior proposal or changes its recommendation to shareholders with respect to



the Transaction. The Arrangement Agreement does not require the Buyer Group to pay AGT a reverse termination fee under any circumstances.

Fairfax has provided AGT with a binding commitment letter pursuant to which Fairfax has committed to, among other things, provide the purchaser entity with the funds necessary to allow the Buyer Group to acquire all of the outstanding Common Shares (other than Common Shares held by the Buyer Group), subject to the terms and conditions set forth therein (the “**Sponsor Financing**”).

Subject to satisfaction of all of the conditions to the Transaction, closing of the Transaction is expected to occur in the first quarter of 2019. However, given the conditions in the Arrangement Agreement and the Debt Financing, there can be no assurance that the Transaction will be completed on the terms set forth in the Arrangement Agreement or otherwise, or, if successfully completed, the timing thereof.

The summary of the Transaction contained in this news release is qualified by reference to the Arrangement Agreement, a copy of which has been filed under AGT’s profile at www.sedar.com. Additional details regarding the Transaction will be set forth in the information circular to be mailed to AGT’s shareholders in advance of the special shareholders meeting to vote on the Transaction. Shareholders and prospective shareholders are encouraged to review the Arrangement Agreement and the information circular in their entirety.

Advisors

TD Securities acts as independent valuator and financial advisor to the Special Committee and Goodmans LLP serves as legal counsel to the Special Committee. Torys LLP acts as legal counsel to the Buyer Group and Cassels Brock & Blackwell LLP acts as legal counsel to AGT.

About AGT

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 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 Transaction will not proceed and the timing thereof, that AGT and/or the Buyer Group will be unable to obtain the financing required for the Transaction, that AGT's shareholders will not support the Transaction, that any of the other conditions to completion of the Transaction will not be satisfied or waived (where permitted), and significant transaction costs or unknown liabilities, 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. In addition, if the Transaction is not completed, and AGT continues as a publicly-traded entity, there are risks that the announcement of the Transaction and the dedication of substantial resources of AGT to the completion of the Transaction could have an impact on its business and strategic relationships (including with future and prospective employees, customers, suppliers and partners), operating results and activities in general, and could have an adverse effect on its current and future operations, financial condition and prospects. Furthermore, the failure of AGT to comply with the terms of the Arrangement Agreement may, in certain circumstances, result in it being required to pay a fee to the Buyer Group, the result of which could have an adverse effect on its financial position and results of operations and its ability to fund growth prospects and current operations. 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.

No Offer or Solicitation

This announcement is for informational purposes only and does not constitute an offer to purchase or a solicitation of an offer to sell Common Shares or AGT's 5.875% senior notes due 2021.

For further information:

Investor Relations

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