AGT FOOD AND INGREDIENTS INC.

FOR IMMEDIATE RELEASE **SYMBOL: TSX: AGTF**
August 10, 2026

AGT Food and Ingredients Inc. Announces Financial Results for Q2 2026

REGINA, SASKATCHEWAN, August 10, 2026 – AGT Food and Ingredients Inc. (TSX:AGTF) ("**AGT**" or the "**Company**") announces its financial results for the three and six months ended June 30, 2026.

Quarter Highlights

Adjusted Free Cash Flow $23.4 million
Adjusted Free Cash Flow conversion 52.0%
Adjusted EBITDA $45.1 million
Adjusted Net Earnings $8.2 million
Net Earnings of $9.6 million or per diluted share $0.14
Adjusted Net Debt to Adjusted EBITDA 0.49x
Quarterly Common Share Dividend of $0.05 declared

Overview

AGT Food and Ingredients Inc. reported solid second quarter 2026 results highlighted by continued growth in its Packaged Foods and Ingredients ("PFI") segment and improved free cash flow generation leveraging its strengthened balance sheet following the Company's Initial Public Offering ("IPO") and Fairfax Private Placement. Adjusted EBITDA was $45.1 million, consistent with the prior year, while Adjusted Free Cash Flow increased 39% to $23.4 million. Growth in Turkish pasta, packaged foods and "Better for You" pasta in the U.S. in Q2 2026 was strong in the PFI segment – revenue up 18% to $207 million and Adjusted EBITDA up 42% to $27 million compared to the prior year. This was primarily offset by lower Value Added Processing ("VAP") results due to higher shipping costs and delays resulting from the ongoing geopolitical challenges in the Middle East affecting global logistics. Food security programs have a strong order book for the back half of 2026 and margins are expected to be consistent with 2025.

"We are thrilled with another quarter of resilient and consistent operating performance in a time of continuing challenges in the global landscape," said Murad Al-Katib, Chief Executive Officer. "Our focus on bringing high quality and affordable staple foods is showing good results with strong order books in our branded, private label and B2B food ingredients, and for the first time our Packaged Foods and Ingredients segment was the Company's largest contributor to Adjusted EBITDA on a year-to-date basis. This remains our focus: improving our free cash flow by improving sales and enhancing the returns being generated from investments we have made in recent years in pasta in Türkiye and the "Better For You" segment in the U.S. Our capital expansion projects, including India set to begin commissioning in late 2026, are progressing on schedule and on budget and our balance sheet remains strong. We remain optimistic about the second half of 2026 even with continuing challenges in global geopolitical conditions. Let's not forget that food security, nutrition and affordability are high on the minds of consumers and governments around the world. AGT is uniquely positioned to continue to capitalize on these opportunities in both food security sales and packaged food sales in the coming quarters."

The table below highlights the key metrics utilized by management to operate the business.

Second Quarter Financial Summary

(Stated in thousands of Canadian dollars excluding earnings per share)	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Adjusted Free Cash Flow	$ 23,430	$ 16,870	$ 39,786	$ 30,577
Adjusted EBITDA	45,063	44,457	84,193	84,450
Adjusted Net Earnings	8,245	7,542	15,361	9,887
Net Earnings (Loss)	9,623	(5,286)	(87,314)	(10,242)
Gross profit including net monetary gain	81,684	64,601	150,404	125,951
Adjusted Gross Profit	72,008	65,112	134,878	128,493
Revenues	634,173	623,575	1,194,835	1,483,736
Net Earnings (Loss) per basic and diluted common share	0.14	(0.25)	(1.73)	(0.48)
Adjusted Net Earnings per diluted share	0.12	0.18	0.26	0.24

Second Quarter Highlights

- **Adjusted Free Cash Flow** was $23.4 million, representing an Adjusted Free Cash Flow Conversion rate of 52.0% (2025 – 37.9%), compared to $16.9 million in the prior year period. The improvement reflected good operating performance together with lower financing costs following debt repayment from the IPO and Fairfax Private Placement in Q1 2026.
- **Adjusted EBITDA** was $45.1 million in the second quarter of 2026, consistent with the prior year. Growth in higher-margin PFI products, including pasta, packaged foods and "Better for You" pasta and snacks resulted in improved gross profits. This was offset by higher expenses and delayed shipments due to the Middle East War in the VAP segment.
- **Adjusted Net Earnings** were $8.2 million, or $0.12 per diluted share, compared to $7.5 million, or $0.18 per diluted share, in the second quarter of 2025. The increase year-over-year was due to strong operating performance combined with reduced interest expense in the current year. Net earnings includes $15.3 million in adjustments from favourable tax changes in Türkiye and tax planning which will reduce future cash taxes payable by the Company.
- **Gross profit including net monetary gain** was $81.7 million, up from $64.6 million in the prior year, including approximately $9.7 million of positive impacts related to hyperinflation accounting (2025 - $0.5 million expense), and the margin expansion in PFI form higher-margin pasta and packaged food products in Türkiye and the U.S. and strong Distribution results, partly offset by impacts from the Middle East conflict in the VAP segment. **Adjusted Gross Profit** increased to $72.0 million from $65.1 million.

- **Adjusted Net Debt to Adjusted EBITDA Ratio** was 0.49x for the twelve months ended June 30, 2026, an improvement from 0.54x at March 31, 2026 and 3.35x at December 31, 2025, primarily reflecting debt repayments following the IPO and Fairfax Private Placement.
- **Revenues** were $634.2 million, up 2% from $623.6 million in the prior year, driven by higher shipment volumes and a more favourable product mix in the PFI segment, partly offset by lower global commodity pricing.
- **Dividend**: The Company declared its second quarterly cash dividend for Q3 2026 of $0.05 per common Share, payable on October 15, 2026 to shareholders of record as of the close of business on September 30, 2026.
- **NCIB**: AGT's normal course issuer bid ("**NCIB**") was approved by the TSX and will allow AGT to repurchase up to approximately 3 million shares on an opportunistic basis. During the quarter, AGT purchased and cancelled 28,500 common shares at a weighted average price of $17.31 per share for a total consideration of $0.5 million.

This press release contains certain measures and ratios, such as Adjusted EBITDA, Adjusted Gross Profit, Adjusted Free Cash Flow, Adjusted Net Earnings, Adjusted Net Earnings per diluted common share, Adjusted Free Cash Flow conversion and Adjusted Net Debt to Adjusted EBITDA Ratio that do not have any standardized meanings as prescribed by GAAP and, therefore, are considered non-GAAP measures. The method of calculating these measures may differ from other entities and accordingly, may not be comparable to measures used by other entities. For further details, see the sections titled "Non-GAAP Financial Measures" in this release and in the Company's MD&A for the three and six months ended June 30, 2026.

Additional Information

A copy of AGT's Unaudited Condensed Consolidated Interim Financial Statements ("Financial Statements") for the three and six months ended June 30, 2026 and 2025 and related Management's Discussion and Analysis ("MD&A") have been filed with the Canadian Securities Regulatory authorities and are available on SEDAR at sedarplus.ca and AGT's website at agtfoods.com. The Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting using accounting policies that are consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**") and the reporting currency is in Canadian dollars.

Conference Call

A conference call to discuss the Second Quarter 2026 results is scheduled for Tuesday, August 11, 2026 at 8:30 a.m. Eastern time. To join the conference, please dial 1-833-821-0163 (toll free from Canada & the U.S.) or +1-647-846-7232 (from outside Canada & the U.S.). An audio replay of the conference call will be available on AGT's website after the conference call by visiting www.agtfoods.com.

About AGT

AGT is a globally diversified food company that produces high-quality, nutritious products for everyday consumption. Our products reach consumers in 127 countries, and our global footprint consists of 39 stateof-the-art, highly efficient manufacturing facilities operating across 5 continents. These facilities are strategically located near critical freight and logistics infrastructure and in close proximity to key agricultural growing regions, which provides us with the ability to efficiently source, process, and produce healthy plant-based food products that are both tasty and affordable. Our integrated supply chain utilizes the latest manufacturing technologies, allowing us to produce a growing portfolio of packaged food brands in everyday categories including pasta, pulses, rice, and cereals. In addition, AGT is an integral partner to many global packaged food companies and international retailers through production, supply, and innovation partnership agreements to manufacture proprietary, value-added products for their owned global and store brands.

To learn more, please visit: www.agtfoods.com.

Non-GAAP Performance Measures

This press release makes reference to certain non-GAAP measures, including non-GAAP ratios. These measures are not recognized measures under IFRS Accounting Standards and do not have a standardized meaning under IFRS Accounting Standards and are therefore unlikely to be comparable to similar measures presented by other companies Rather, these measures are provided as additional information to complement those IFRS Standards measures by providing further understanding of AGT's results of operations from management's perspective. These non-GAAP measures are used to provide investors with supplemental measures of our operating performance and to highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS Accounting Standards measures. AGT also believes that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers. Our management also uses non-GAAP measures in order to review operating performance and comparisons from period to period, prepare annual operating budgets, and assess AGT's ability to meet future capital expenditure and working capital requirements.

Non-GAAP Measures

(a) Adjusted Gross Profit is used to evaluate operating performance. It is calculated by adjusting for the non-cash impacts of hyperinflation accounting and revaluation depreciation from gross profit including net monetary gain. The most comparable IFRS Accounting Standards financial measure for Adjusted Gross Profit is gross profit including net monetary gain. Management uses Adjusted Gross Profit to measure the underlying operating performance of the business, excluding the effects of inflation-related accounting adjustments, to provide a clearer view of the Issuer's operating results.

(b) Adjusted EBITDA is used to evaluate performance and profitability of segments, ability to create value and ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures. Adjusted EBITDA is calculated by taking net (loss) earnings and adding or subtracting depreciation and amortization, finance expense, income taxes, unrealized foreign exchange loss (gain), share-based payment arrangements, unusual items and the impact of hyperinflation. Adjusted EBITDA for a trailing twelve-month period is calculated by deriving the last twelve months of Adjusted EBITDA calculated in the manner identified above. The most comparable IFRS Accounting Standards financial measure to Adjusted EBITDA is net (loss) earnings.

(c) Free Cash Flow is used to evaluate the ability to generate liquidity to fund future working capital needs, capital expenditures, pay dividends, repay supply chain arrangements and repurchase shares as appropriate. Free Cash Flow is calculated by taking net (loss) earnings and adding or subtracting non-cash items including the impacts of hyperinflation, interest paid on the Sponsor Notes, cash taxes paid and maintenance capital expenditures. The most comparable IFRS Accounting Standards financial measure is net (loss) earnings. Adjusted Free Cash Flow is calculated by taking Free Cash Flow and adding back interest on debt repaid in connection with the IPO and Fairfax Private Placement in Q1 2026, non-recurring draws by Fibreco on AGT's letter of credit that occurred in 2025 and other unusual items. The most comparable IFRS Accounting Standards financial measure is net (loss) earnings.

(d) Adjusted Net Earnings is calculated by taking net (loss) earnings and adding or subtracting share-based payment arrangements expense, accretion interest expense on the Sponsor Notes, interest expense on debt repaid in connection with the IPO and Fairfax Private Placement in Q1 2026, unrealized foreign exchange (gain) loss and other unusual items. The most comparable IFRS Accounting Standards financial measure is net (loss) earnings.

(e) Adjusted Net Debt is used to evaluate existing borrowings and amounts available to fund future working capital needs and fund future capital expenditures. Adjusted Net Debt is calculated by taking the sum of bank indebtedness plus current and long-term debt and lease liabilities less Sponsor Notes payable and cash.

Non-GAAP Ratios

(a) Adjusted Free Cash Flow Conversion is used to evaluate the ongoing ability to generate liquidity to fund future working capital needs, service outstanding debt, fund future capital expenditures and pay dividends. Adjusted Free Cash Flow Conversion is calculated by dividing Adjusted Free Cash Flow by Adjusted EBITDA.

(b) Adjusted Net Debt to Adjusted EBITDA Ratio is used to evaluate existing borrowings and amounts available to fund future working capital needs and fund future capital expenditures. Adjusted Net Debt to Adjusted EBITDA Ratio is calculated by dividing Adjusted Net Debt by the trailing twelve months Adjusted EBITDA.

The following provides a reconciliation of non-GAAP measures and non-GAAP ratios presented throughout the press release to the nearest measure under GAAP:

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Reconciliation of Net Loss to Adjusted Free Cash Flow

(Stated in thousands of Canadian dollars)	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Net earnings (loss)	$ 9,623	$ (5,286)	$ (87,314)	$ (10,242)
Adjustments:				
Depreciation in cost of sales	11,052	8,982	21,338	18,748
Depreciation and amortization in general and administration	1,677	1,280	3,035	2,815
Unrealized foreign exchange loss	18,219	12,556	34,571	11,784
Share-based payment arrangements[1]	2,001	277	68,114	4,162
Amortization of discounts and accretion expense on long-term debt and lease liability	227	420	3,123	848
Accretion expense on Sponsor Notes[2]	-	3,251	19,185	6,383
Sponsor note interest[3]	-	5,100	3,745	10,200
Income tax expense (recovery)	(2,634)	(13,880)	(2,041)	(14,299)
Cash taxes paid	(4,199)	(4,800)	(10,516)	(5,016)
Hyperinflation & revaluation depreciation impact[4]	(13,570)	(2,873)	(24,109)	(5,086)
Maintenance capital expenditures[5]	(869)	(571)	(1,402)	(1,088)
Other[6]	(97)	(650)	3,613	(1,696)
Free Cash Flow	21,430	3,806	31,343	17,513
Interest on debt repaid in connection with the IPO	-	-	6,443	-
Non-recurring supply chain disruptions	2,000	-	2,000	-
Fibreco's draws on AGT's letter of credit[7]	-	13,064	-	13,064
Adjusted Free Cash Flow	$ 23,430	$ 16,870	$ 39,786	$ 30,577
Adjusted Free Cash Flow conversion	52.0%	37.9%	47.3%	36.2%

Note: Figures may not add due to rounding.

[1] Share-based payment arrangements expense related to the IPO was recorded in the first quarter of 2026.

[2] Includes accretion interest on Sponsor Notes recorded in the first quarter of 2026.

[3] Sponsor Note interest has historically been excluded as this payment is deemed a distribution to the Sponsor similar to a dividend. During 2026, the Sponsor Notes were settled at the time of the IPO and the 2026 amount represents the amount paid during the first quarter prior to settlement.

[4] Hyperinflation and revaluation depreciation adjustment increased when compared to the prior year primarily due to the tax rate change in Türkiye in June 2026 that reduced the average rate from 25.0% to an estimated effective tax rate for 2027 and forward of approximately 17.5% impacting AGT's deferred tax balances related to hyperinflation. Additionally, the hyperinflation and revaluation depreciation impact on property, plant and equipment resulting from inflation being applied to capital additions in recent years partly offset by a reduced impact on inventory in the current year. The impact on Free Cash Flow differs from the impact on adjusted EBITDA as the impacts from certain non-cash items are excluded from Free Cash Flow and not from adjusted EBITDA.

[5] Maintenance capital expenditures exclude capital expenditures of a non-recurring nature.

[6] Includes gain and loss on disposal of property, plant and equipment excluding Mobil sale that occurred in the first quarter of 2025, bad debt expense and other items.

[7] These represent charges related to legal proceedings with Fibreco in 2025.

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Reconciliation of Net Loss to Adjusted EBITDA

(Stated in thousands of Canadian dollars)	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Net earnings (loss)	$ 9,623	$ (5,286)	$ (87,314)	$ (10,242)
Adjustments:				
Finance expense	18,386	26,095	49,347	62,002
Accretion interest on Sponsor Notes	-	3,251	19,185	6,383
Income tax recovery	(2,634)	(13,880)	(2,041)	(14,299)
Depreciation and amortization	12,729	10,262	24,373	21,563
Unrealized foreign exchange loss	18,219	12,556	34,571	11,784
Hyperinflation & revaluation depreciation impact	(14,148)	(3,218)	(24,815)	(5,568)
Share-based payment arrangements[1]	2,001	277	68,114	4,162
Non-recurring supply chain disruptions	2,000	-	2,000	-
Other	(1,114)	14,400	773	8,665
Adjusted EBITDA	$ 45,063	$ 44,457	$ 84,193	$ 84,450

Note: Figures may not add due to rounding.

[1] Additional share-based payment arrangements were recorded during the first quarter of 2026 related to execution of the public offering.

Reconciliation of Net Earnings (Loss) to Adjusted Net Earnings

	Three months ended June 30,					
	Pre-tax		Tax		After tax	
(Stated in thousands of Canadian dollars)	2026	2025	2026	2025	2026	2025
Net earnings (loss)	$ 6,989	$ (19,166)	$ 2,634	$ 13,880	$ 9,623	$ (5,286)
Adjustments:						
Share-based payment arrangements	2,001	277	-	-	2,001	277
Accretion interest on Sponsor Notes	-	3,251	-	-	-	3,251
Unrealized foreign exchange loss (gain)	18,219	12,556	(4,919)	(3,390)	13,300	9,166
Hyperinflation, revaluation depreciation impact and other[1]	(7,590)	14,563	(10,549)	(14,427)	(18,139)	135
Non-recurring supply chain disruptions	2,000	-	(540)	-	1,460	-
Adjusted Net Earnings	$ 21,620	$ 11,480	$ (13,374)	$ (3,937)	$ 8,245	$ 7,542

	Six months ended June 30,					
	Pre-tax		Tax		After tax	
(Stated in thousands of Canadian dollars)	2026	2025	2026	2025	2026	2025
Net (loss) earnings	$ (89,355)	$ (24,541)	$ 2,041	$ 14,299	$ (87,314)	$ (10,242)
Adjustments:						
Share-based payment arrangements	68,114	4,162	-	-	68,114	4,162
Accretion interest on Sponsor Notes	19,185	6,383	-	-	19,185	6,383
Unrealized foreign exchange loss (gain)	34,571	11,784	(9,334)	(3,182)	25,237	8,602
Hyperinflation, revaluation depreciation impact and other[1]	(13,082)	11,280	(5,676)	(10,298)	(18,758)	981
Add back interest on debt repaid in connections with the IPO[2]	10,188	-	(2,751)	-	7,437	-
Non-recurring supply chain disruptions	2,000	-	(540)	-	1,460	-
Adjusted Net Earnings	$ 31,621	$ 9,068	$ (16,260)	$ 820	$ 15,361	$ 9,887

[1] The hyperinflation and revaluation depreciation impact includes the hyperinflation on net income as shown in the section "Financial Reporting in Hyperinflationary Economies" adjusted for hyperinflation on unrealized foreign exchange gains and losses which is excluded from this metric. Other items in the prior year include the removal of the gain on sale of AGT's rail assets that closed in January 2025, the Fibreco draws on AGT's

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letter of credit in the second quarter of 2025 and the removal of the impact of non-recurring tax adjustments such as the Turkish tax rate change that occurred in June 2026.

[2] Includes both interest on repaid Syndicated Credit Facilities and settled Sponsor Notes.

Calculation of Adjusted Gross Profit

(Stated in thousands of Canadian dollars)	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Revenue	$ 634,173	$ 623,575	$ 1,194,835	$ 1,483,736
Cost of sales	(592,891)	(575,470)	(1,122,892)	(1,397,058)
Net monetary gain	40,402	16,496	78,461	39,273
Gross profit including net monetary gain	81,684	64,601	150,404	125,951
Impacts of hyperinflation and revaluation depreciation	(9,676)	511	(15,526)	2,542
Adjusted Gross Profit	$ 72,008	$ 65,112	$ 134,878	$ 128,493

Calculation of Adjusted Net Debt

(Stated in thousands of Canadian dollars)	As at June 30, 2026	As at Dec 31, 2025
Bank indebtedness	$ 29,396	$ 36,611
Current portion of long-term debt	2,339	7,858
Current portion of lease liabilities	2,546	2,202
Long-term debt[1]	110,884	647,823
Long-term portion of lease liabilities	6,891	4,522
Cash	(58,859)	(61,411)
Adjusted Net Debt[1]	$ 93,197	$ 637,605
	For the twelve months ended,	
	June 30, 2026	**Dec 31, 2025**
Adjusted EBITDA	$ 189,948	$ 190,205
Adjusted Net Debt to Adjusted EBITDA ratio	0.49	3.35

[1] Long-term debt and Adjusted Net Debt at December 31, 2025 exclude the Sponsor Notes payable in the amount of $320,815 as the Sponsor Notes were due to the controlling shareholder with interest only payments. The Sponsor notes were settled at the time of the IPO and no balances are outstanding at March 31, 2026.

Forward-Looking Information

This press release contains forward-looking statements within the meaning of applicable Canadian securities laws including, without limitation, statements related to our strategy, future results, including adjusted EBITDA and Free Cash Flow, segment performance, expenses, operating costs and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as “expects” or variations of such words and phrases, or statements that certain actions, events or results "will" be taken, occur or be achieved.

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 international operations as well as the factors discussed under "Risk Factors" in AGT's Annual Information Form for the year ended December 31, 2025 dated March 16, 2026 filed on SEDAR+. 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.

Although AGT believes the assumptions inherent in forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as at the date of this press release. In addition to other assumptions identified in this press release, assumptions have been made regarding, among other things, production quality; the volume and quality of crops held on-farm by producers and customers in North America; demand for and supply of open market pulses; movement and sale of pulses in Australia and Türkiye; agricultural commodity prices; demand for crop products and the market share of these products that will be achieved; general financial conditions for Western Canadian, US, Turkish and Australian agricultural producers; the ability of the railways to ship pulses to port facilities for export without labor or other service disruptions; the ability to maintain existing customer contracts and relationships; the impact of competition; the ability to obtain and maintain existing financing on acceptable terms; and currency, exchange and interest rates.

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 as may be required in accordance with applicable securities laws.

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