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**FOR IMMEDIATE RELEASE**  
**AUGUST 31, 2017**

**SYMBOL: TSX: AGT**

### **AGT and Fairfax Close Strategic Investment Transaction**

**REGINA, AUG 31 2017** – AGT Food and Ingredients Inc. (TSX: AGT) (“**AGT**” or the “**Company**”) is pleased to announce that it has successfully closed its previously announced transaction (the “**Transaction**”) with Fairfax Financial Holdings Limited, through certain subsidiaries (collectively, “**Fairfax**”), pursuant to which Fairfax has agreed to invest 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**”).

Pursuant to the Transaction, Fairfax has purchased, on a private placement basis, Preferred Securities in an aggregate amount of C\$190 million. The Preferred Securities are unsecured obligations of the Company, will mature in 99 years and will be guaranteed by certain of AGT’s subsidiaries. AGT has also issued 5,714,286 Warrants, each exercisable to acquire one common share in the capital of AGT (a “**Common Share**”) at a price of C\$33.25 per share for a period seven 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 on the Toronto Stock Exchange reaches C\$53.20 at any time after the fifth anniversary of the closing of the Transaction. The securities issued pursuant to the Transaction are subject to a hold period which will expire four months and one day from the date of closing, being January 1, 2018.

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 Transaction will be used by AGT for immediate repayment of debt, future growth initiatives and general corporate purposes.

If the Warrants are fully exercised, Fairfax would own approximately 19.07% of the currently issued and outstanding common shares of AGT. Prior to the transaction described above, Fairfax did not own any securities of AGT.

The aforementioned securities were acquired by Fairfax for investment purposes and in the future, it may discuss with management and the board of directors of AGT any of the transactions listed in clauses (a) to (k) of item 5 of 62-103F1 and may further purchase, hold, vote, trade, dispose or otherwise deal in the securities (including any common shares received on exercise of the Warrants) in such manner as it deems advisable to benefit from changes in market prices of such securities, publicly disclosed changes in the operations of AGT, its business strategy or prospects or from any material transaction involving AGT.

An early warning report will be filed by Fairfax in accordance with applicable securities laws and will be available on SEDAR at [www.sedar.com](http://www.sedar.com) or may be obtained directly from Fairfax upon request at 416-



367-4941 (Attention: John Varnell, Vice President, Corporate Development) or at Fairfax Financial Holdings Limited, 95 Wellington Street West, Suite 800, Toronto, Ontario M5J 2N7.

Cormark Securities Inc. acted as financial advisor to AGT in connection with the Transaction.

### **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 constitute forward-looking statements and forward-looking information within the meaning of applicable securities laws. In particular, this press release contains forward looking statements with respect to the anticipated use of proceeds of the Transaction and the approximate ownership by Fairfax of the common shares of AGT upon exercise of the Warrants. 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 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](http://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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