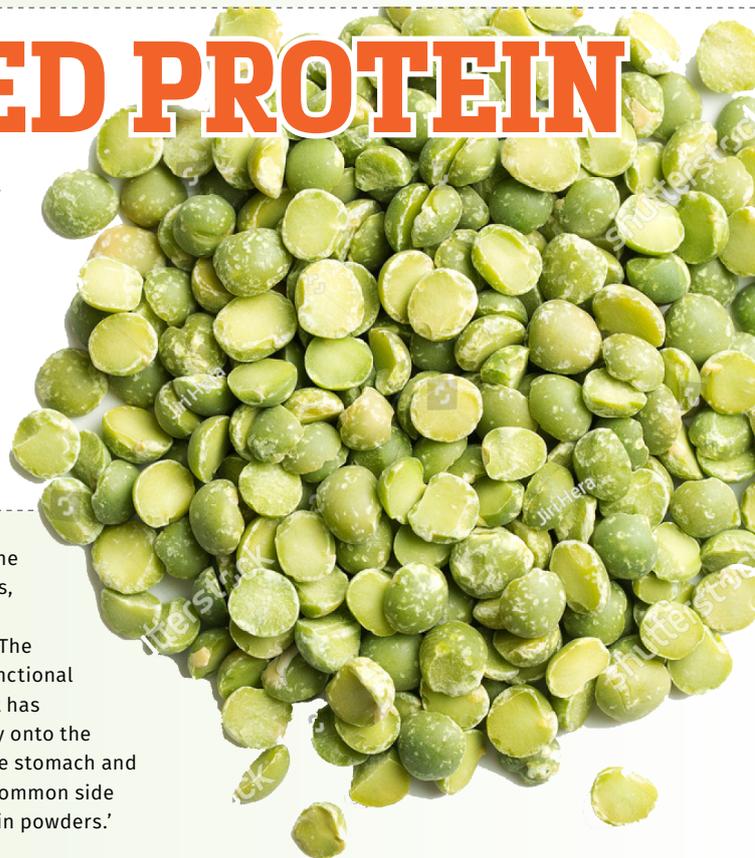


# The **PREFERRED PROTEIN**

Pea protein has drastically increased in popularity over the last few years, with an ever-growing desire for plant-based or plant-rich diets by health-conscious consumers. This comes as no surprise, considering the amazing makeup of this veggie protein powder: it is among the most hypoallergenic of all protein powders, and contains no gluten or dairy.



**A**GT Foods produces pea protein for inclusion in the manufacturing of a variety of foods, including cereals, breads, protein powders and bars. It is one of the few producers with the skills set to develop a product like pea protein into a functional alternative protein ingredient. It is non-genetically modified (GMO free) and a hormone free alternative to soya in the baking and food manufacturing industries.

'We are also introducing deflavoured pea protein to the trade, with the benefit

of utilising it on a one to one ratio,' says George Tomazos, AGT Foods Retail and Food Ingredients, South Africa. 'The pea protein is versatile, functional and 100 per cent natural. It has successfully made its entry onto the retail shelf. It is easy on the stomach and doesn't cause bloating, a common side effect of many other protein powders.'

## MAJOR INVESTMENT INTO AGT FOOD AND INGREDIENTS INC

Fairfax Financial Holdings Limited will make an investment of C\$190 million (just under R2 billion) into AGT in exchange for the issuance by AGT of 5.375 per cent interest bearing securities and common share purchase warrants. In South Africa AGT Foods represents the retail, hospitality, spices, ingredients, popcorn, bakery and protein divisions as well as Pouyoukas Foods.

Fairfax Financial is a financial holding company based in Toronto, Ontario, which is engaged in property, casualty and life insurance and reinsurance, investment management and insurance claims management. 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 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 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.

'Fairfax has an exceptional track record in global emerging markets and is an ideal partner for AGT as we look to grow our business and pursue our long-term goals,' commented Murad Al-Katib, AGT's president and chief executive officer. 'We are very excited about this new relationship and look forward to working with the Fairfax team as we explore new strategic growth opportunities.'

The transaction significantly improves AGT's 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.

Al-Katib adds, 'AGT is well positioned to capitalise on the long-term growth trajectory 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.'

### ...AND THE WINNER IS...

AGT Foods and Ingredients Inc were recently awarded the IFT17 Food Expo Innovation Award for their clean-taste pulse ingredients at the Institute of Food Technologists (IFT) Awards Celebration in Las Vegas.

'There is a consumer pull toward pulse ingredients that food manufacturers are trying to meet,' said Igor Playner, vice-president of innovation and strategy, North America, Ingredient.

'One in three consumers states that they prefer a vegetable-sourced protein to an animal-sourced protein.'



AGT Protein - [www.agt.com](http://www.agt.com)