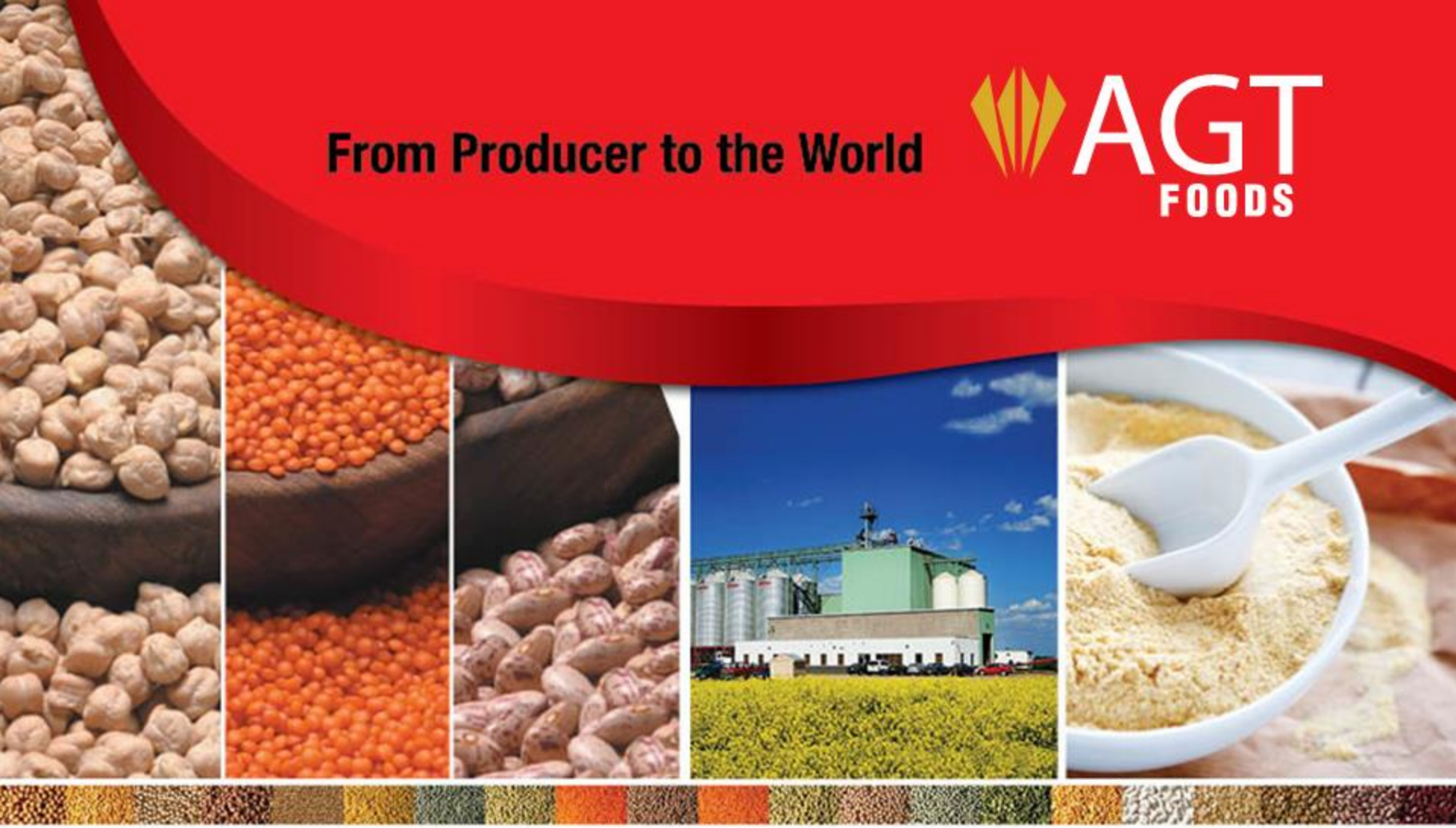
From Producer to the World

AGT FOODS



The Changing World of Global Protein: A Pulses Opportunity Boom

AGT Foods *- Murad Al-Katib, President and CEO*

February 2016

Forward Looking Statements

Certain statements in this presentation are forward-looking statements. 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 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 dated March 27, 2015 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.

AGT Foods Highlights

Company Overview

AGT Food and Ingredients Inc. (“AGT Foods”) is a global leader in pulse, staple food and food ingredient processing and distribution, with merchandising offices and value-added processing facilities in Canada, the U.S. Turkey, Australia, China and South Africa; European sales offices, Russian origination office and a global customer base

Global Company & Brands

AGT FOODS

AGT FOODS CANADA

arbel

ARBELLA

AGT FOODS USA

AGT clic

Australia MILLING GROUP PTY LTD

PULSE

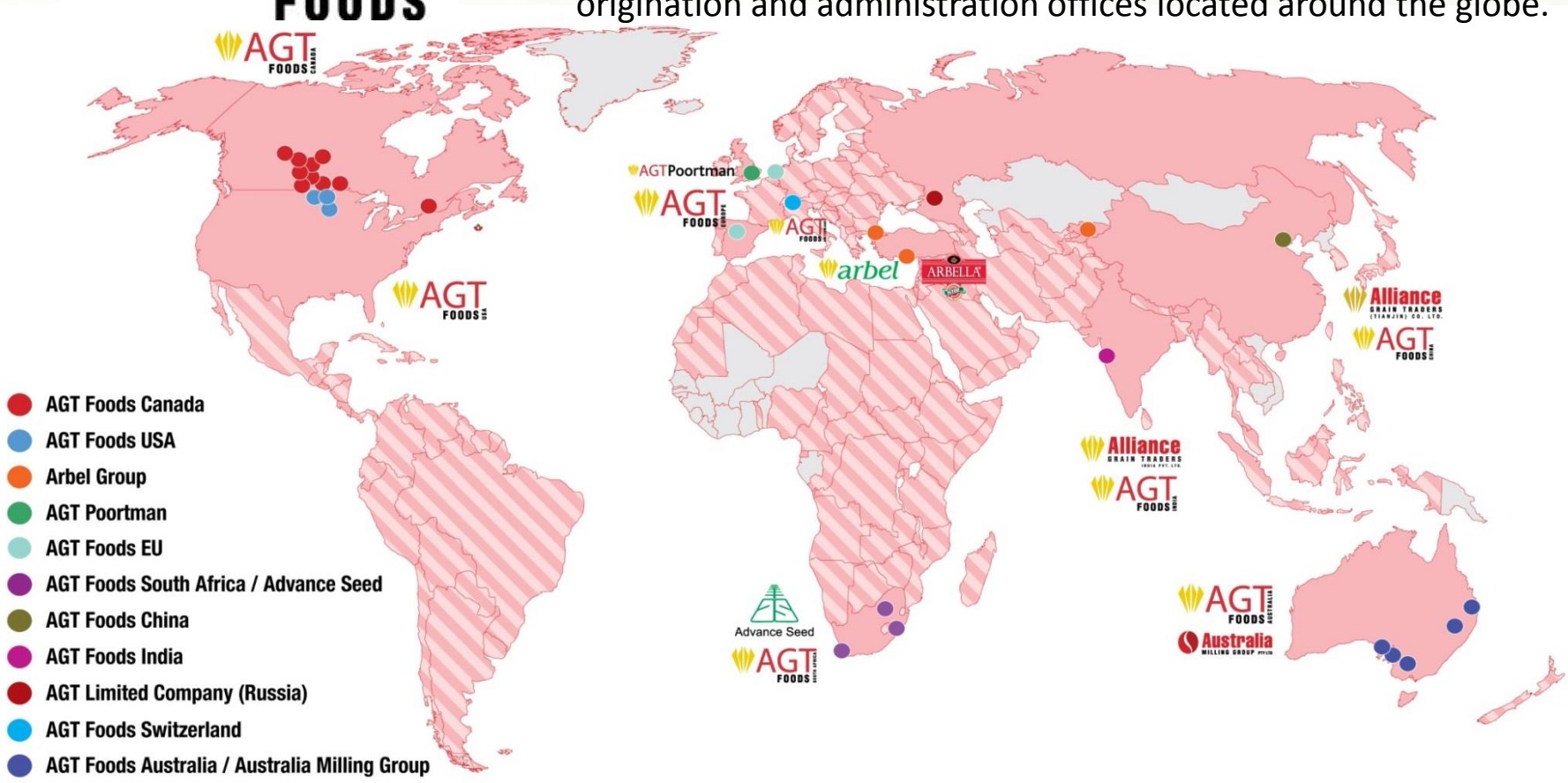
AGT POORTMAN

Advance Seed

POUTOUKAS FOODS

AGT Foods Global Operations

- Canada head office and 41 facilities in 6 key agricultural production origins on 5 continents with approximately 1.6 million mt of annual production with Sales, merchandising, origination and administration offices located around the globe.



Rural Renaissance

"a future in which agriculture provides societal solutions to energy supplies, health promotion and climate change."

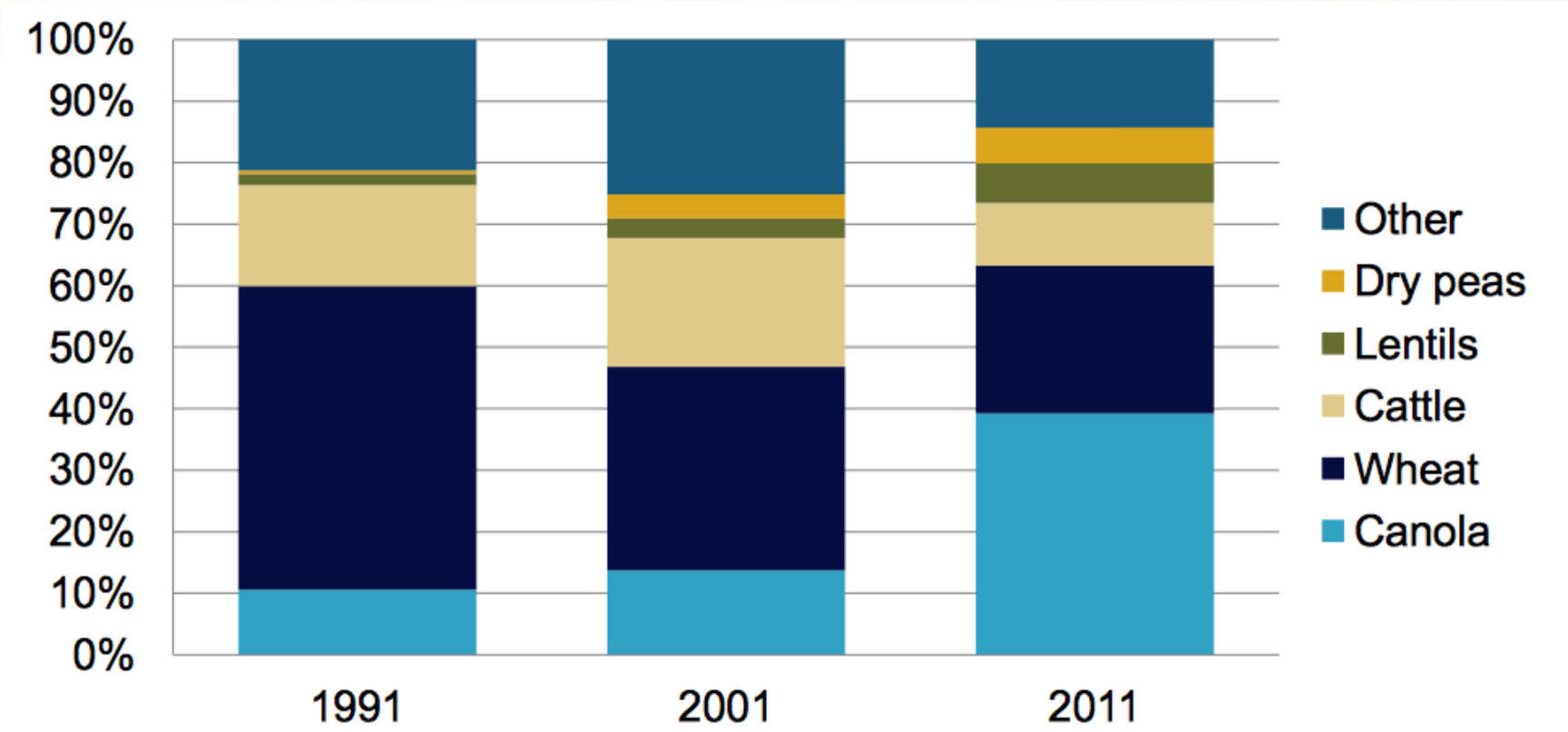
"whatever producers and processors do, they must be done in innovative ways that resonate with their customers."

The Family Farm is Growing

- Western Canadian farm has changed over the years.
- In 2011 StatsCan Census of Agriculture
  - Canada had 205,730 census farms, a decrease of 10.3% (or 23,643 farms) since the last census.
  - Total land on farms stands at 160,155,748 acres, down 4.1% since 2006.
  - Compared to 2006, the average size of a Canadian farm increased from 728 acres to 778 acres, a growth of 6.9%.
  - For the first time, operators in the age group 55 and over represented the largest share of total operators. They accounted for 48.3% compared to 40.7% in 2006, up from 32.1% in 1991.
  - Gross farm receipts grew by 3.9% (at 2010 constant prices) since 2005 in Canada. This growth occurred primarily on larger farms.
- Agriculture, forestry, fishing and hunting has traditionally made up approximately 11 % of Saskatchewan's Real Gross Domestic Product (GDP)

Source: Saskatchewan Agriculture and Food; StatsCan 2011 Census of Agriculture; Saskatchewan Government data

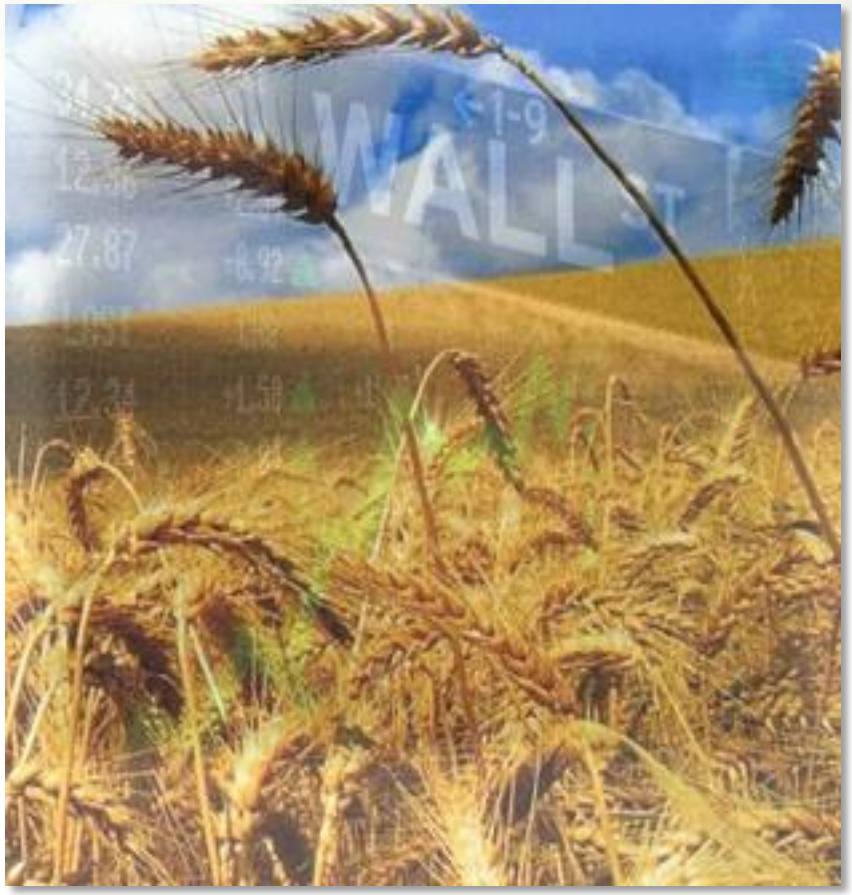
Share of Saskatchewan Farm Receipts



Source: StatsCan, Conference Board of Canada

Agriculture – Not just food anymore

- Agriculture not just hitting the “breadbasket” anymore
- Protein is a key driver of agricultural markets
- Impact reaching far outside Agri-Food:
  - Health sector
  - Energy sector
  - Environment sector
  - Immigration sector
  - Economy overall



Agricultural Industry Growth?

Growth

- Traditional price conscious markets are becoming increasingly ‘commoditized’
- The agricultural and agri-food industry needs…
- To leverage nutrition, health, energy, food security/safety and the environment profile to achieve sector growth
- Find new approaches to build on existing strengths in non-traditional markets and products
- To tap into the growth potential for feed in domestic and international markets

Opportunity

- Food, Fibre, Feed and Fuel
- Pulses ingredients like flour, protein, starch and fibre as well as ingredient as well as premium pulses with market demand in consumption markets
- Durum wheat for production of pasta

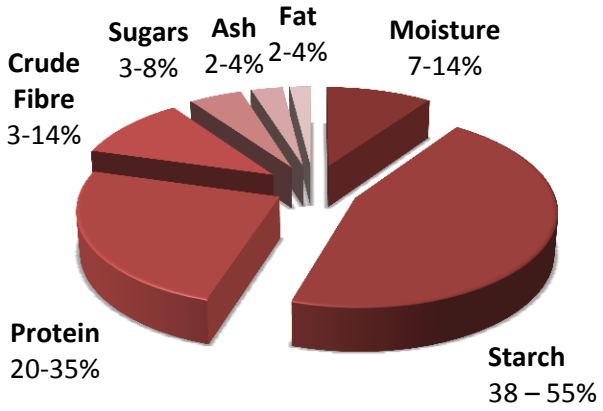
How to realize the potential:

- Non-traditional uses for grains and pulses like ingredients and industrial uses
- Move up the value-chain with packaged retail
- Increase value-added milling capacity for pulses
- The U.S. market is close in proximity and large in size
- Research partnerships with industry
- Focus on transportation and market development

Overview of Pulses

- Pulse crops include lentils, peas, chickpeas and beans, which produce edible seeds, called pulses
- Represent a GMO free, gluten-free, low allergen, major source of protein and fibre, which developing nations particularly rely on (i.e. vegetable sources for their protein and energy requirements)
- Increasing consumption (both directly and as an input in other food products) in developed countries where pulses are increasingly viewed as healthy

Composition of Pulses

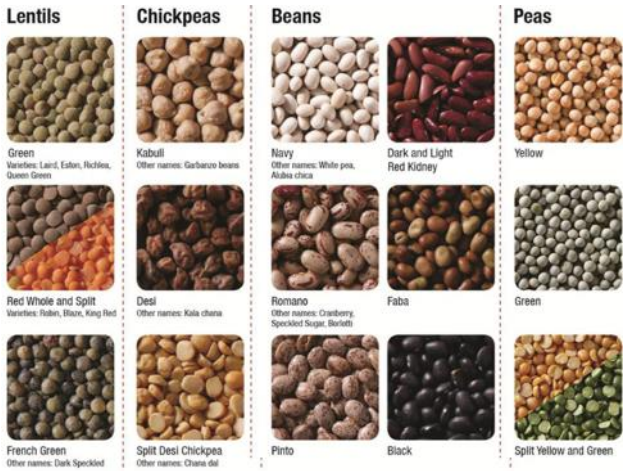


Source: Pulse Foods - Processing, Quality and Nutraceutical Applications, 2011; Edited by: Brijesh K. Tiwari, Aoife Gowen and Brian McKenna

Nutritional Characteristics of Pulses

- **High protein**
  - High lysine (higher than cereals and oilseeds)
- **High dietary fibre**
  - Rich in insoluble fibre
- **Low fat**
  - Pea, lentils and faba beans: <3%
  - Chickpeas: <7%
- **High micronutrients**
  - Folate, iron, zinc, selenium, potassium, magnesium, calcium and beta-carotene

Types of Pulses



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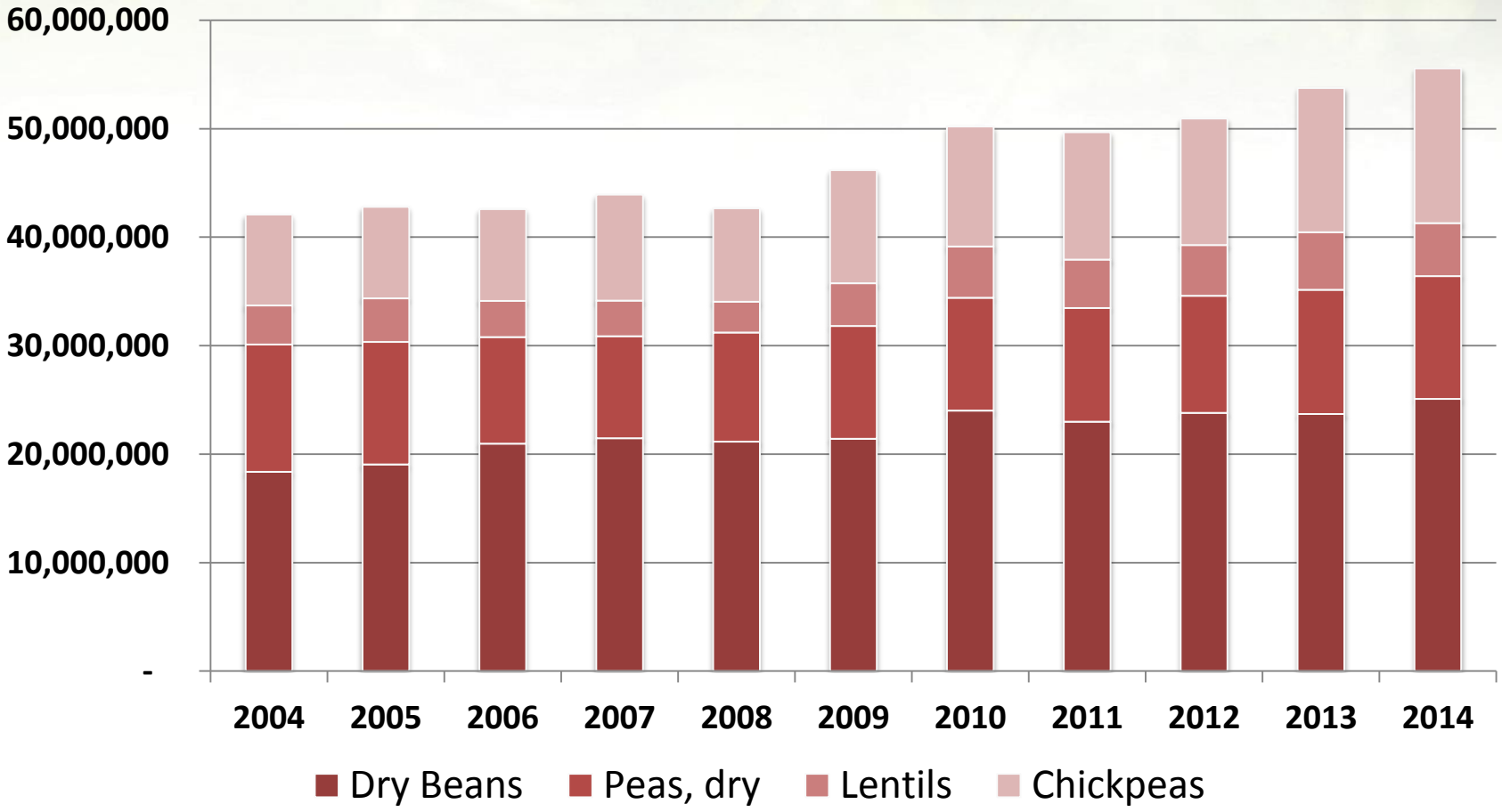
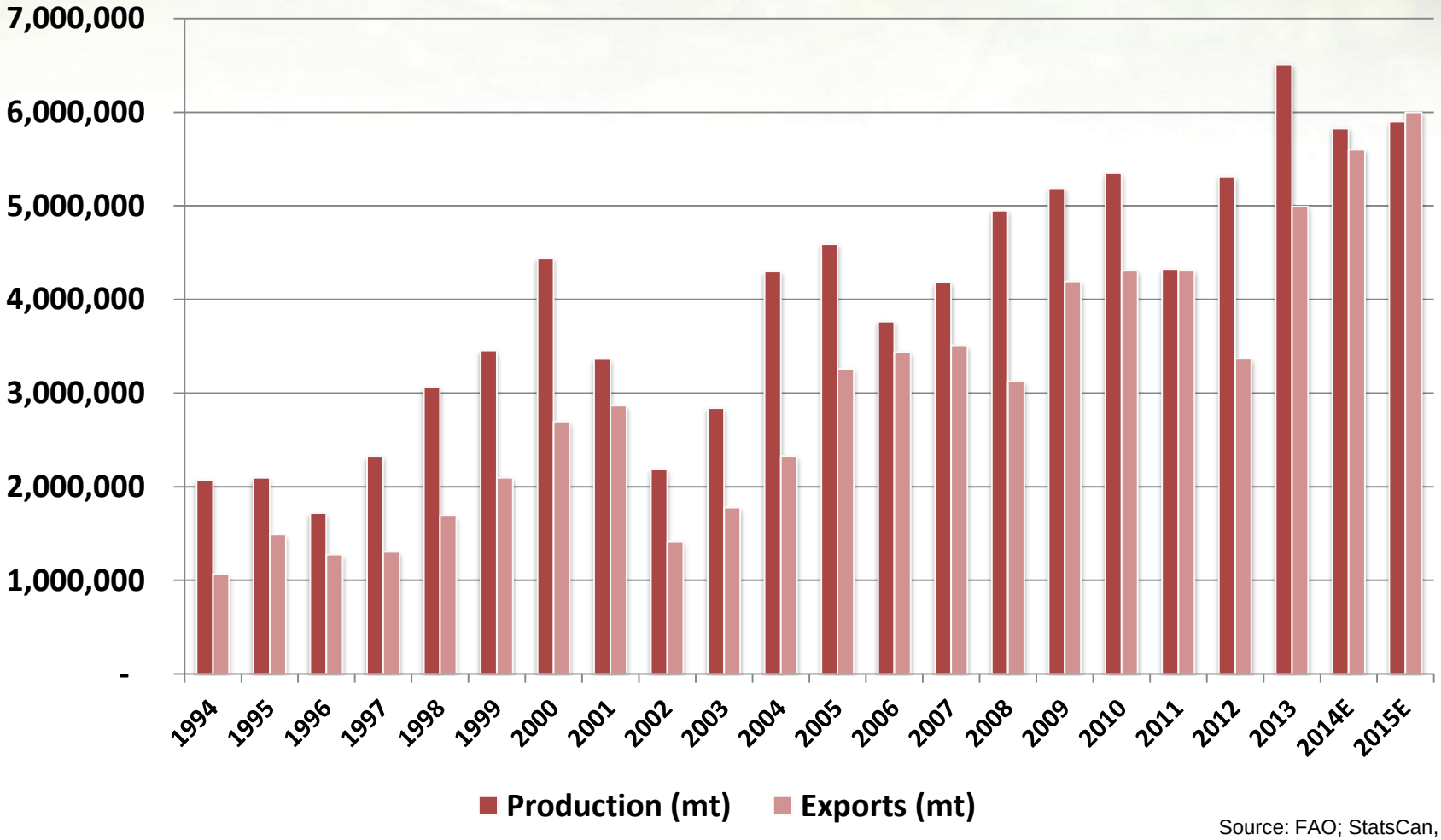
Global Pulse Production Rising



Source: UN FAO

Canada Pulse Production and Exports



Source: FAO; StatsCan, AAFC

Markets for Pulses & Staple Foods

Traditional Markets for Pulses

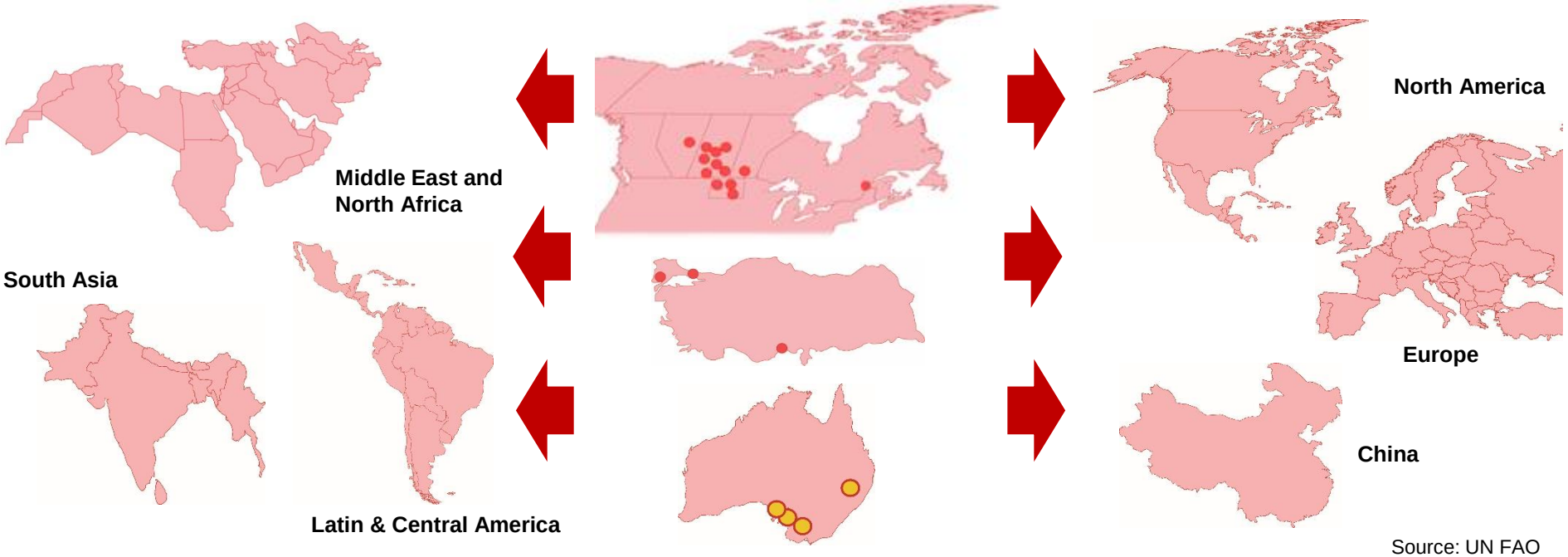
Growth Driver: Population & Global Demand for Food

- 2050 - Global population expected to rise 30%
- Global food output will have to grow by *70% to feed the world with growing middle class*
- Pulses are a sustainable source of protein, a key nutrient for large numbers of the world's populations

New Markets for Pulses

Growth Driver: Health, Nutrition and Sustainability

- High Protein and Fibre, Nutrient Dense, Low Fat, Gluten Free, non-GMO, Low Allergenicity
- Lower Energy Use, Reduce Greenhouse Gas Emissions, Improve Soil Health through Rotational Cropping, Increase Water Use Efficiency



Source: UN FAO

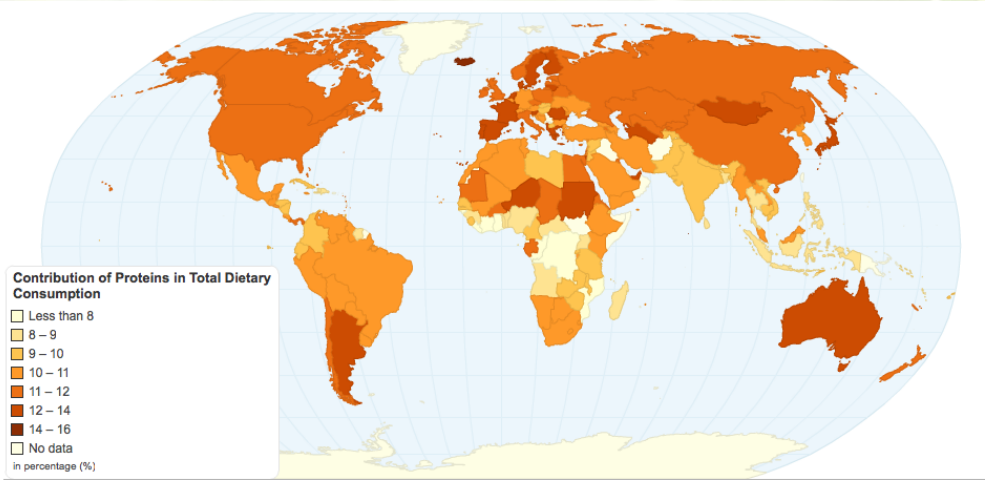
Factors Driving Global Demand

Benefits of Pulses	• Pulses are a sustainable source of protein • GMO-free, gluten-free, low allergen, major source of protein and fibre, which developing nations particularly rely on for vegetable sources for their protein and energy requirements) • Lower energy use, reduced greenhouse gas emissions, improved soil health through rotational cropping, increased water use efficiency
Emergence of the Middle Class	• Overall food output to increase due to population growth, urbanization and income growth • Middle class may increase from 1.8 billion to 3.2 billion by 2020 and to 4.9 billion by 2030 - with 85% of this growth coming from Asia. • Global spending by the middle class may grow from $21 trillion today to $56 trillion by 2030
Health and Wellness Trend	• Consumer movement towards healthy lifestyles in non-traditional markets • Pulses offer many benefits for nutrition, health and chronic disease prevention • As a result, there has been increased interest from food companies in using pulses in product formulations, for cost, characteristic, allergen, GMO-free and other reasons
Alternative Fuels	• Pulses are a rotational crop for wheat and canola which are used in biodiesel and ethanol production • Global price for protein is rising as corn is increasingly used in the production of ethanol

Source: UN FAO; OECD

Trends on Protein

- World average is 77g/person/day or 11% of daily dietary intake
- Consumption of protein from vegetable source has increased 61% from 2010 to 2014
- 87% of vegetable protein market is soy and wheat but not ideal, as they are either genetically modified or contain gluten
- Pea protein represents just 2% of the market for vegetable-based proteins, but saw a 46% increase in product launches last year
- The **global ingredient protein market** is expected to reach $28.9 billion by 2020, with plant protein expected to continue accounting for the majority of the protein ingredient market



Source: Cormark; Grand View Research; FAO Food Balance Sheets 2010

AGT Global Origination Strength

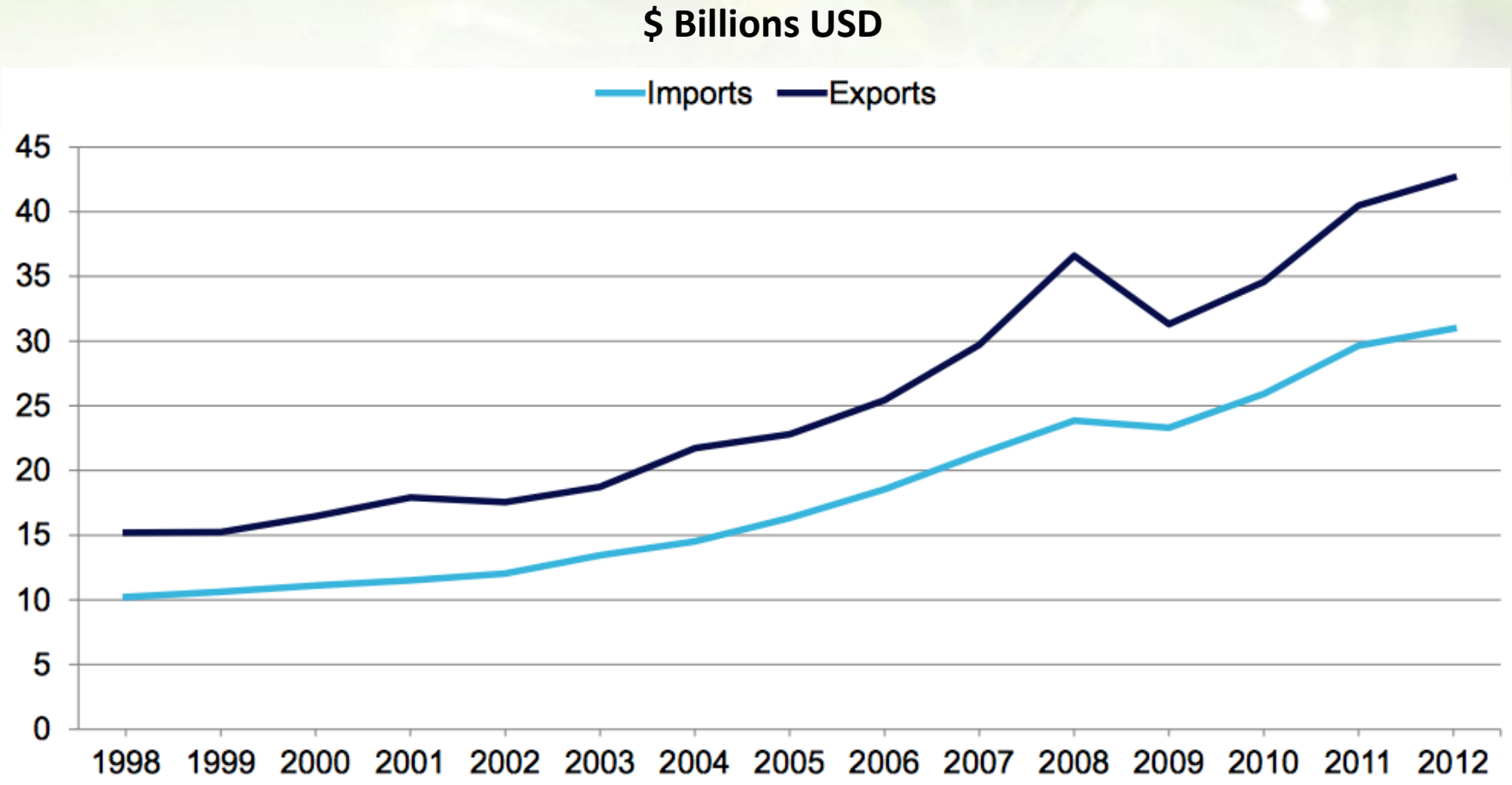
More Production or Higher Value?

- AGT is proponent of origin-based processing keeping the value in secondary processing at the source vs. destination-based processing
- Need to guarantee quality and delivery so the end product is the same every time
- Create value for producers through marketing options and potentials for premiums as has been done on pulses
- More production doesn't always mean more wealth: sell more peas for a lower price ?
- Pulses production competes as low cost protein. Why??
- Benefits allow marketability: great value proposition: protein, fibre, non-GMO, micro-nutrient, gluten free

Challenges in Agri-Business

- Complex supply chain = many players optimizing their own performance without prioritizing the supply chain's performance
- Multimodal business with many transportation steps and products are located far from port creating dependency on transportation
- With production on the rise for agricultural products in Western Canada, need to find ways to move products and markets that want them at the best possible price
- World demand in both traditional and non-traditional markets for non-GMO, gluten-free protein, fibre and ingredients is rising.
- Canada can be the "Protein Basket" of the world and pulses, durum what and other agricultural output the solution to a growing protein challenge ?

Canada Agri-Food Trade

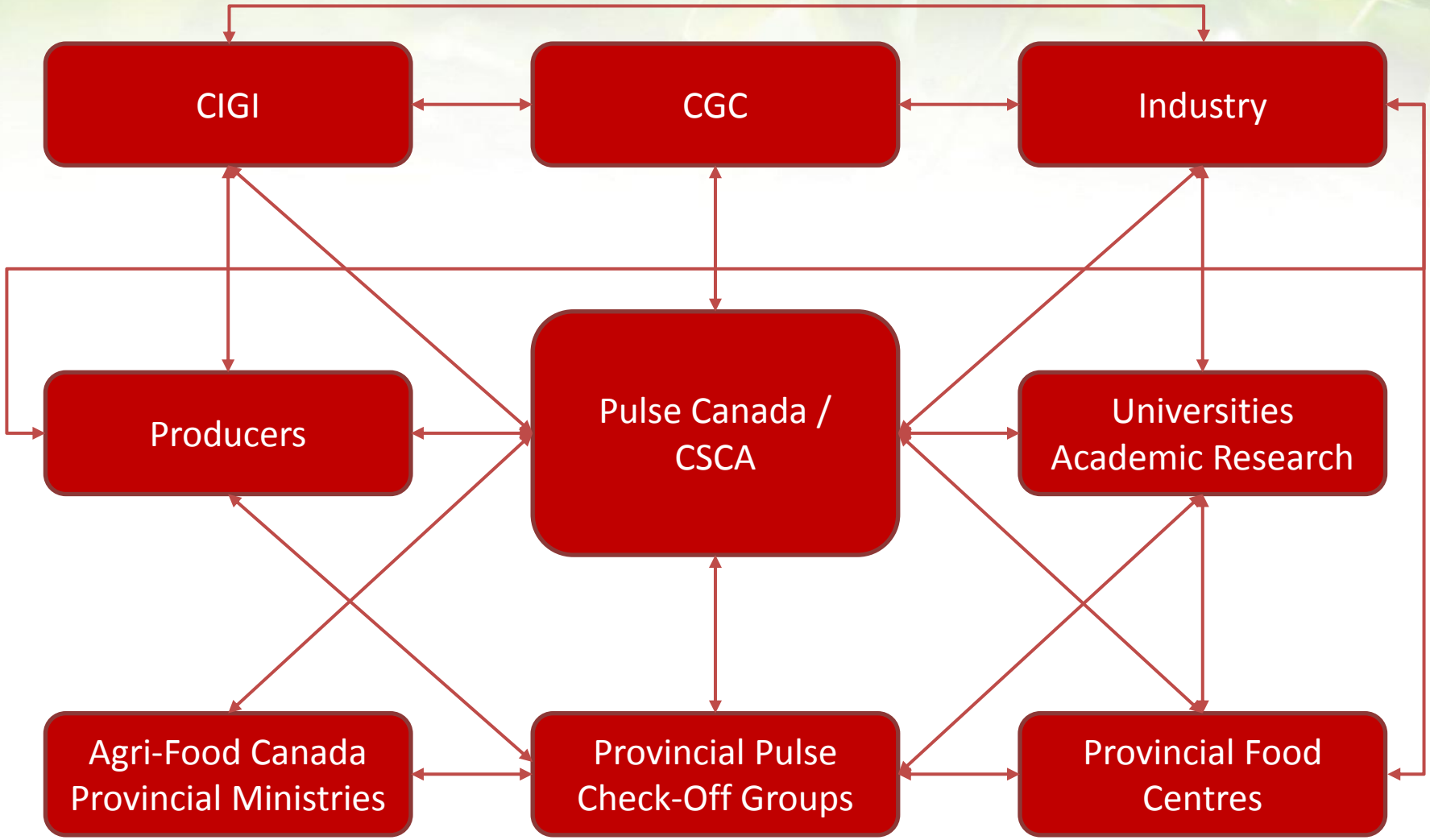


Source: UN Comtrade, Conference Board of Canada

Canadian Pulse Sector - Example

- A model for the world as a partnership between industry, government and research
- Five groups working together to advance the sector
  - Growers and Grower Associations (e.g. SPG, APG, MPG)
  - Trade and Trade Associations (e.g. processors and CSCA)
  - Industry and Sector Advocates (e.g. Pulse Canada)
  - Research and Academia (e.g. Crop Development Centre, University's, CIGI)
  - Government (e.g. AAFC, Provincial ministries)
- More than 18,000 pulse producers in Canada
- Multi-billion dollar industry exporting more than 180 countries worldwide
- Canada accounted for 32% of world pea production and 38.5% of world lentil production. Bigger as an exporter
- Canada accounts approximately 43% of global pulse trade

Government, Industry & Academia Research Collaboration

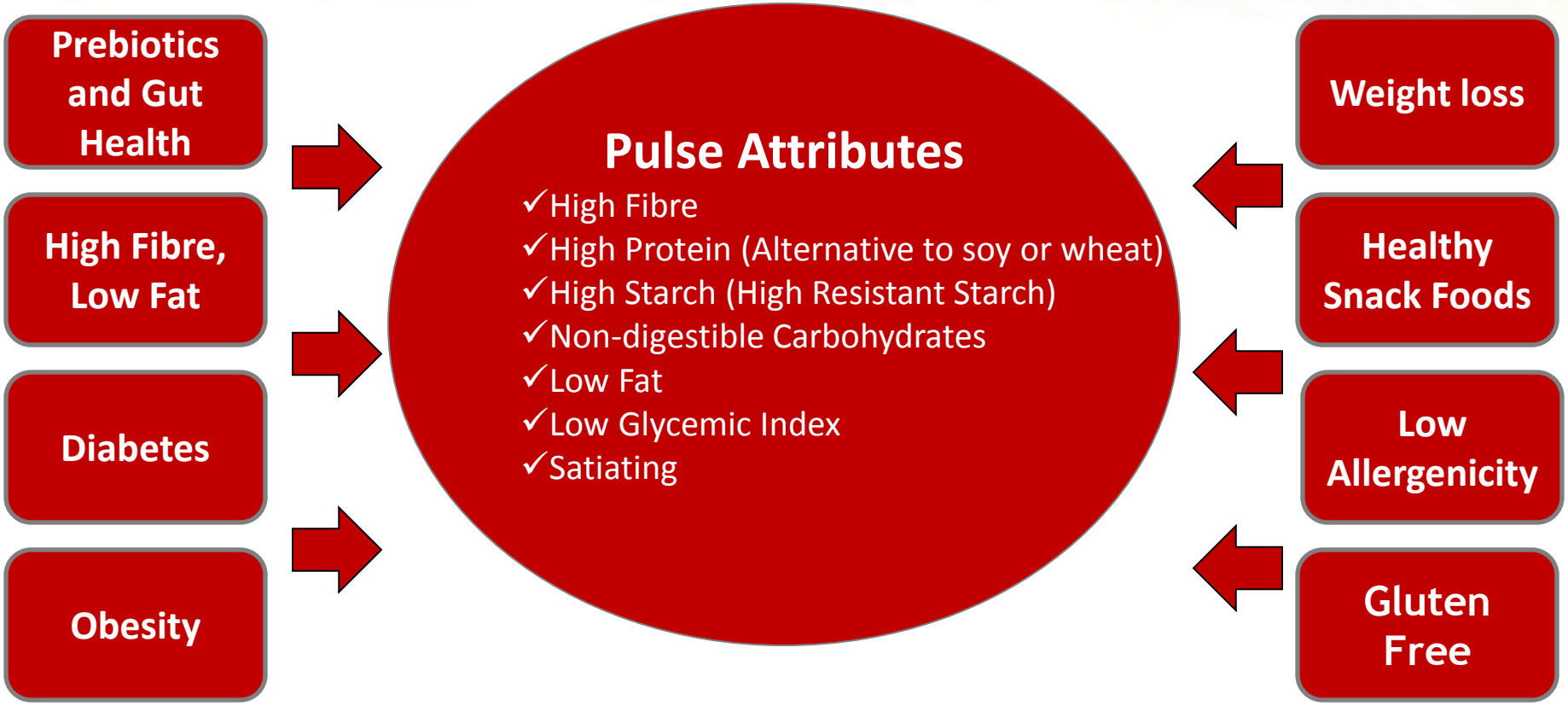


Research Focus for Pulse Crops

- Breeding
- Production systems
- Disease management
- Soil health & sustainability
- End product quality and characteristics
- Nutrition and health
- Value added applications
- New and emerging markets end use

Market Pull Research

- Market demands are focused on health and nutrition



Source: Pulse Canada

AGT Foods R&D Centre Focus

- AGT Investments in research have included a food and ingredient research facility in Saskatoon (Canada/Global) and in Minot (U.S.)
- Leverage infrastructure at U of S, CDC, Food Centre, POS
- Investment in research and development key component to capturing customer sales opportunities for collaborative research both with food company customers and for crop production
- Work to develop new applications/uses for pulse ingredients, varieties and characteristics through collaborative research, commercialization & innovation initiatives and technology development

Research Mission

- In order to continue leading the global pulse sector, Canada must :
  - Be the leader in pulse production, processing and marketing
  - Remain competitive in global pulse exports
  - Establish improved sustainable production systems
  - Establish and gain market access in new and emerging markets (i.e. ingredient markets)
  - Create new solutions from farm to fork with enhanced nutrition, functionality and shelf life
- Some examples of where this partnership has worked

King Red Lentil

the biggest and boldest red lentil in the world

King Red Lentil

- Every market has a segment that prefers an “extra bold sized” lentil
- Market did not have a viable option to fill this market demand
- CDC and SPG developed the “KR-1” an extra bold red lentil variety with exclusive marketing rights to the variety awarded via tender to AGT
- Branded the “King Red Lentil” and a marketing program to introduce to key markets was undertaken
- Advantages to :
  - Growers with potential for premiums on growing this
  - Researchers as it generates royalty from creation of market demand through marketing programs
  - Trade as it provides a desired product for customers generating sales
  - The sector overall because it is exclusive to Canadian growers keeping IP and research in Canada

Expected Outcome of Partnership

- Generating new knowledge and intellectual property in pulse breeding, production systems, end product quality, nutrition and value added solutions.
- Establishing new product and technology commercialization
- Effective use of resources and talent available for internship, development, testing and research.
- Improved market access in new and emerging markets
- Improved food solutions from farm to fork with enhanced nutrition, functionality and shelf life.

Factors Influencing Pulse Demand

Nutrition

Health

Change in Consumers

Sustainability

FOOD MANUFACTURERS

FOOD SERVICE

CONSUMERS

Pulse Ingredients – How Are They Produced?

- **Whole Pulses**
  - Whole Pulse Flour
- **Split Pulses**
  - Pulse Flour
  - Pulse Bran
- **Pulse Fraction**
  - Pulse Protein
  - High Viscosity Pulse Flour

Investment in Ingredient Platform

Minot ND Production Facility

- Current total capacity of 105,000 mt/year
- Commissioned for production in June 2013 with third production line expansion completed in 2015
- Other expansions announced to add value-added production and modification processes including de-flavouring, pre-cooking lines, sterilization lines and blending facilities to produce pre-mixes underway. Additional expansions to allow two additional lines are in planning.
- Additional expansions for Canada/US/Turkey are possible to keep pace with sales programs

Saskatoon SK R&D Centre

- Investment in research and development key component to capturing customer sales opportunities
- Work to develop new applications/uses for pulse ingredients through collaborative research, commercialization & innovation initiatives and technology development
- Important to assist customers convert test quantities to sales quantities

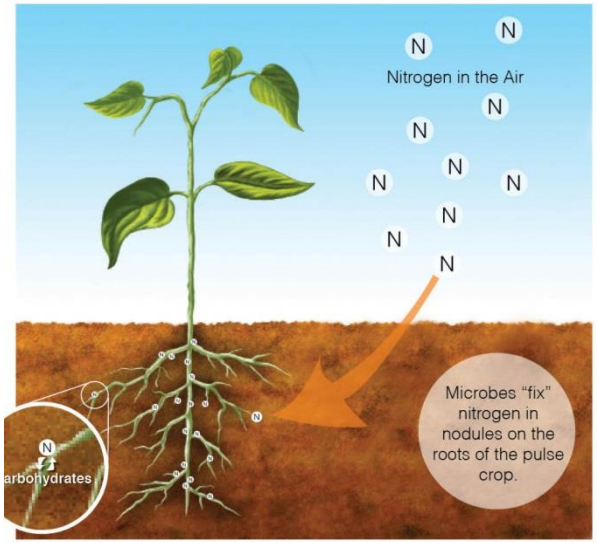
Products & Applications

- PulsePlus™ ingredient products derived from pulses:
  - High Viscosity Pulse Flours
  - Pulse Proteins
  - Pulse Brans
  - Pulse Flours & Semolina
- Cost reduction, characteristics or reformulation
- Applications include:
  - Bakery Flours
  - Pasta & Asian noodles
  - Beverages and Dairy solutions protein
  - Gluten free and Allergen replacement (soy, wheat, egg)
  - Dips and sauces
  - Processed meat and meat analogs
  - Snacks, Energy bars and breakfast cereals
  - Pet food and Animal feed solutions
  - Industrial & technical

Pulses & Sustainable Agriculture

Plant Fixing Nitrogen

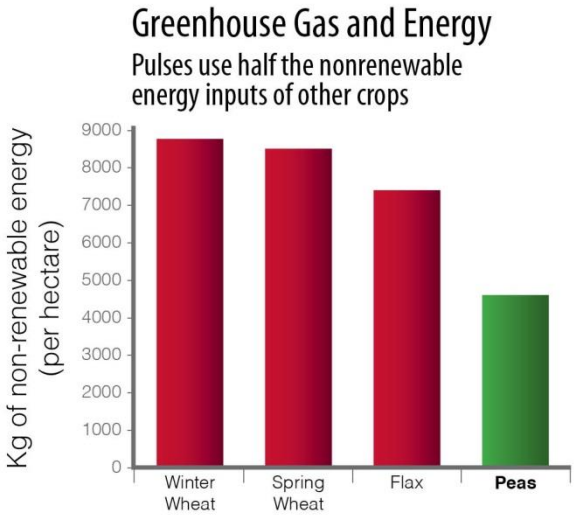
- Pulses produce their own fertilizer by fixing nitrogen



Pulse crop with root nodules

Lower Energy Requirement

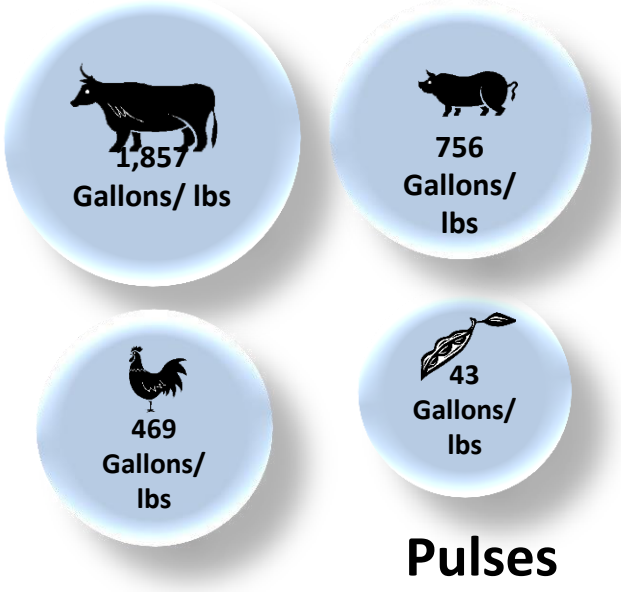
- Pulses Use Less Non-Renewable Energy Relative to Other Crops
- 70% of the non-renewable energy used in cropping systems in western Canada is attributable to fertilizers



Source: (Zentner et al. 2004)

Increased Water Use Efficiency

- ***43 gallons*** of water required to produce one pound of pulses
- ***1,857 gallons*** of water required to produce one pound of beef



Source: Hoekstra and Chapagain, *Globalization of Water*, U. of Twente, Waterfootprint.org National Geographic, April 2010

Sustainability Meets Consumer Demand

Consumers

1,262 food and beverage products introduced in 2011 that specifically referenced sustainability product descriptions, up substantially from the **132 products introduced five years earlier**

Consumers demonstrate they want and will pay for products that they view as sustainably produced and that they perceive as good for them

Target – 97% of its customers buy some products that are natural, organic or sustainable in other ways

Wal-Mart – 42% of its customers bought some organic or "natural" goods in 2011 and that 91 percent would consider such products

Retailers

Wal-Mart: #1 in the World and U.S.

- Locally sourced products
- Support 3rd world farmers
- Track pesticides, fertilizer and water use

Carrefour (France): #2 in the World

- Carbon legislation
- Social welfare

Tesco (UK): #3 in the World

- Carbon labeled products

Loblaws (Canada): #24 in the World

- Initiatives to reduce carbon footprint and source locally and sustainably

Food Companies

Hershey - Sustainability milestones centered on – environment, sustainability, consumer, social, people

PepsiCo - Sustainable Farming Initiative to measure and report on enviro/econ impact to improve on it

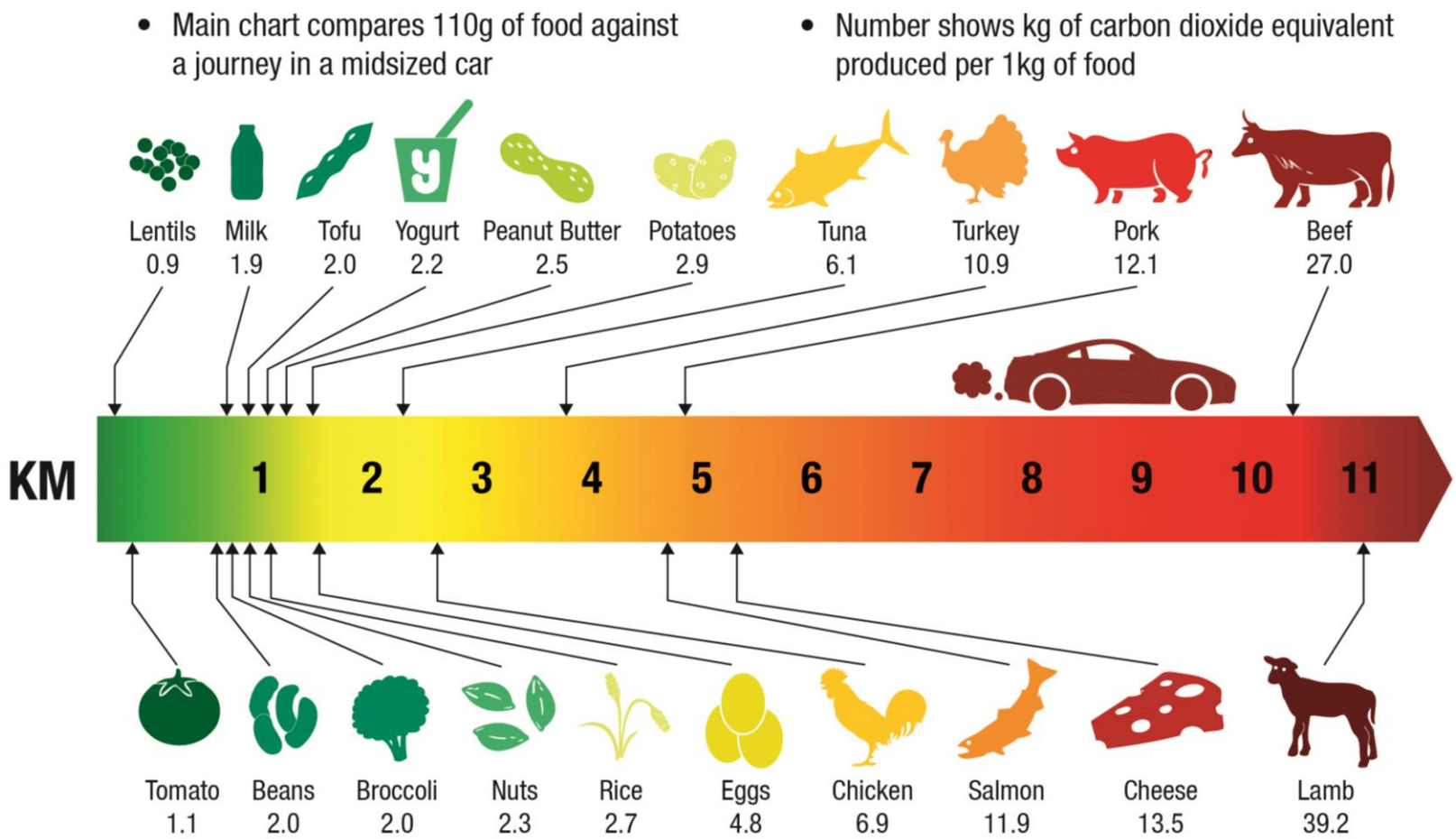
Unilever - Source 100% of agricultural products sustainably by 2020

Heinz - 20% reduction in carbon emissions by 2015

General Mills – 4 step model to sustainable sourcing commitments for its 10 priority ingredients,

Source: Ceres and Sustainalytics, Gaining Ground report,; Company reports; Mintel; Agriculture Canada

Carbon Footprint & Water Usage



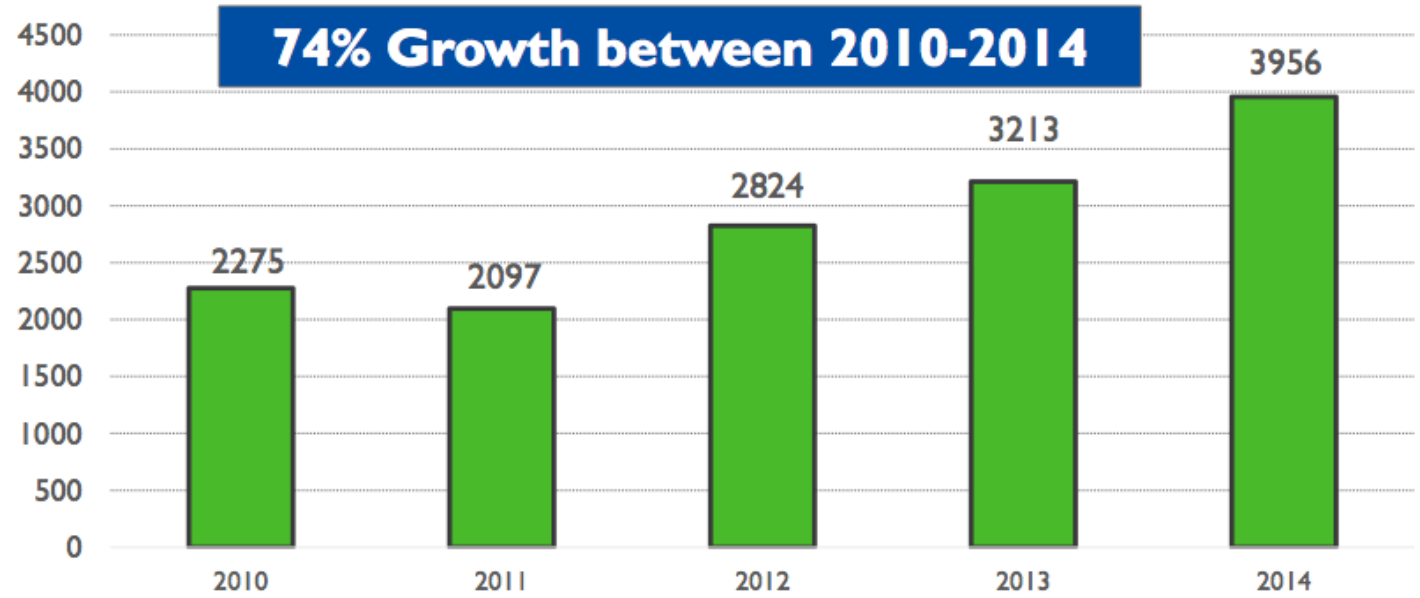
Source: http://phys.org/news/2012-05-wwf-over-consumption-threatens-planet.html

Changing the Category

- General Mills, Kellogg's and Post have all recently announced intentions to replace GMO ingredients, including soy and corn, in some of their products. Campbell's labelling for GMO's.
- Demand for alternative flours, including pulse flours, estimated to outpace more traditional wheat flours throughout the food and beverage industry
  - Forecast to grow almost ***4x faster*** than wheat flours and ahead of other cereals and potato flour between 2012 and 2017 in North America and Europe in the sweet and savory snacks applications category
- Gluten-free foods expected to have sales of ***> $6.6 billion*** by 2017
- ***~18 million Americans*** have non-celiac gluten sensitivity in addition to the 3 million Americans that suffer from celiac disease
  - Health Canada estimates 300,000 in Canada
- The global ingredient protein market is estimated as ***$24.5 billion*** in 2015 and ***$28.9 billion by 2020*** , with the greatest annual growth occurring in the plant protein ingredient sector

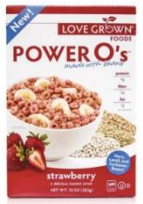
Source: Canadian Institute of Food Science and Technology; Packaged Facts; Euromonitor; National Foundation for Celiac Awareness; Health Canada

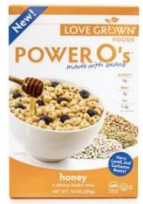
Pulse Ingredient Product Launches



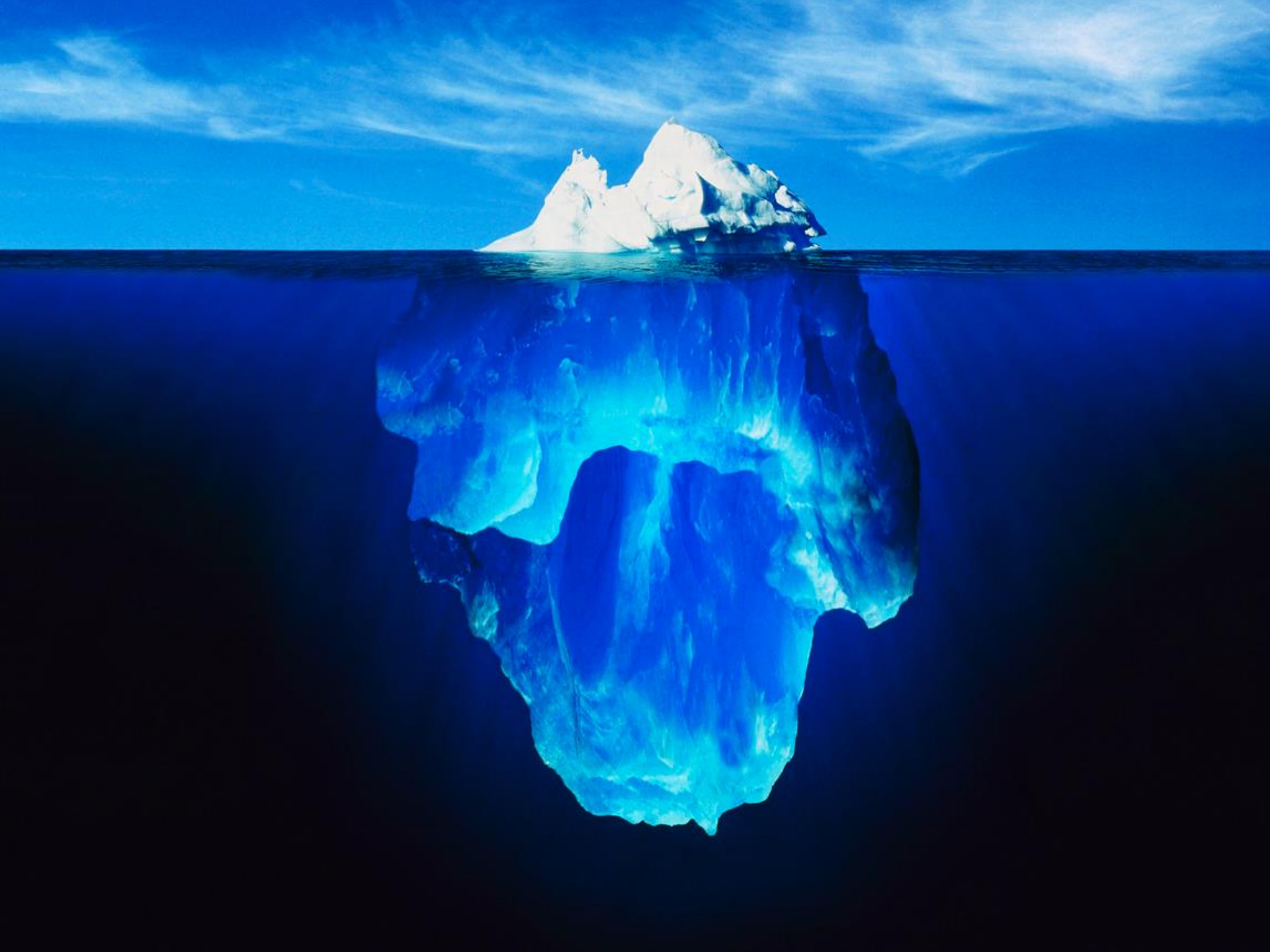
Top categories:

- Bakery, Meals, Snacks, Processed Fish/Meat/Egg, Soup, Dogfood, Meal Replacements





Source: Innova Market Insights January 2015 (US & Canada)



Conclusions

- Agriculture in in the midst of a renaissance impacting many sectors of the economy
- Opportunities as agri-production moves up the value-chain focused on food, fibre, feed and fuel as well as packaged and retail products and ingredients
- Focus on research that produces opportunities is key component to growing and maturing the pulse and agri-food industry
- Global agri-products markets are strong with need for secure and stable food supplies
- Transportation issues affect the industry's ability to capitalize on the market opportunities that are available
- Global race to protein is on and Canada is uniquely positioned tp become the "protein basket" of the world with high quality pulses, durum wheat and other agricultural output to fit the bill.