UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017

These unaudited condensed consolidated interim financial statements have been prepared by management of AGT Food and Ingredients Inc ("AGT") and have not been reviewed by AGT's auditors.

Unaudited Consolidated Statements of Financial Position
as at

(Stated in thousands of Canadian Dollars)

	Note		March 31, 2018		December 31, 2017
Assets					
Cash		$	21,996	$	21,361
Trade accounts receivable			223,371		211,622
Derivative assets	10		3,038		3,402
Inventory	4		305,981		328,080
Prepaid expenses and other	5		107,370		104,415
Income tax receivable			4,770		4,179
Total current assets			**666,526**		**673,059**
Property, plant and equipment	6		444,643		437,626
Intangible assets	7		13,433		13,224
Goodwill	7		55,064		55,227
Deferred income tax assets			10,831		7,398
Other			12,701		12,498
Total assets		**$**	**1,203,198**	**$**	**1,199,032**
Liabilities					
Bank indebtedness		$	34,452	$	30,833
Accounts payable and accrued liabilities			196,286		219,225
Derivative liabilities	10		55,607		47,245
Deferred revenue			8,195		8,860
Income taxes payable			916		999
Current portion of long-term debt	8		10,833		9,897
Dividends and distributions payable			5,474		7,077
Total current liabilities			**311,763**		**324,136**
Long-term debt	8		483,955		453,963
Deferred income tax liabilities			48,062		50,680
Total liabilities			**843,780**		**828,779**
Total shareholders' equity			**359,418**		**370,253**
Total liabilities and shareholders' equity		**$**	**1,203,198**	**$**	**1,199,032**

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

AGT FOOD AND INGREDIENTS INC.

Unaudited Consolidated Statements of Comprehensive Loss
For the period ended March 31

(Stated in thousands of Canadian Dollars)

	Note		3 Months 2018		2017
Revenues		$	394,641	$	501,505
Cost of sales			368,606		468,579
Gross profit			26,035		32,926
General and administrative expenses			11,812		12,847
Marketing, sales and distribution expenses			8,471		9,044
Earnings from operations			**5,752**		**11,035**
Other expenses:					
Unrealized foreign exchange loss			7,273		11,505
Finance expense	12		8,077		8,492
Loss before income taxes			**(9,598)**		**(8,962)**
Income tax recovery			(4,526)		(2,525)
Net loss			**(5,072)**		**(6,437)**
Other comprehensive loss due to changes in foreign exchange, net of tax			(289)		(5,446)
Total comprehensive loss		**$**	**(5,361)**	**$**	**(11,883)**
Per Share Amounts:	9				
Basic		$	(0.21)	$	(0.27)
Diluted		$	(0.21)	$	(0.27)
Basic weighted average number of shares			24,236,536		23,979,036
Diluted weighted average number of shares			24,236,536		23,979,036

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

AGT FOOD AND INGREDIENTS INC.

Unaudited Consolidated Statements of Changes in Equity

(Stated in thousands of Canadian Dollars)

	Share capital	Preferred securities and warrants	Contributed surplus	Accumulated other comprehensive loss	Retained (deficit) earnings	Total
Balance at January 1, 2018	$ 379,961	$ 145,524	$ -	$ (118,335)	$ (36,897)	**$ 370,253**
Net loss	-	-	-	-	(5,072)	**(5,072)**
Other comprehensive loss due to changes in foreign exchange [1]	-	-	-	(289)	-	**(289)**
Total comprehensive loss	-		-	(289)	(5,072)	**(5,361)**
Distributions [2]	-	-	-	-	(1,838)	**(1,838)**
Dividends to shareholders	-	-	-	-	(3,636)	**(3,636)**
Balance at March 31, 2018	**$ 379,961**	**$ 145,524**	**$ -**	**$ (118,624)**	**$ (47,443)**	**$ 359,418**
Balance at January 1, 2017	$ 375,459	$ -	$ 667	$ (90,555)	$ 17,051	**$ 302,622**
Net loss	-	-	-	-	(6,437)	**(6,437)**
Other comprehensive loss due to changes in foreign exchange [1]	-	-	-	(5,446)	-	**(5,446)**
Total comprehensive loss	-	-	-	(5,446)	(6,437)	**(11,883)**
Share based compensation	4,502	-	(667)	-	-	**3,835**
Dividends to shareholders	-	-	-	-	(3,635)	**(3,635)**
Other	-	-	-	-	(22)	**(22)**
Balance at March 31, 2017	**$ 379,961**	$ -	**$ -**	**$ (96,001)**	**$ 6,957**	**$ 290,917**

[1] Net of tax of $1,625 (2017- $1,151)

[2] Net of tax asset of $(680) (2017 - nil)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

AGT FOOD AND INGREDIENTS INC.

Unaudited Consolidated Statements of Cash Flow
For the three months ended March 31

(Stated in thousands of Canadian Dollars)

	Note	2018	2017
Cash from (used for) the following:			
Operating activities			
Net loss		$ (5,072)	$ (6,437)
Adjustments to operating cash flows	13	16,871	24,180
Income taxes paid		(1,107)	(2,426)
Non-cash working capital	13	(10,754)	(12,055)
		(62)	3,262
Financing activities			
Increase in bank indebtedness		1,903	92,396
Proceeds from long-term debt, net of issue costs		33,682	46,504
Repayment of long term debt		(3,667)	(127,545)
Interest paid		(7,100)	(8,754)
Shares issued pursuant to stock options plan		-	3,835
Dividends and distributions paid		(7,077)	(3,590)
		17,741	2,846
Investing activities			
Purchase of property, plant and equipment and intangible assets		(14,954)	(14,359)
Proceeds from the sale of property, plant and equipment		2,178	252
		(12,776)	(14,107)
Effect of exchange rate changes on cash		(4,268)	(1,918)
Increase (Decrease) in cash position		$ 635	$ (9,917)
Cash position, beginning of the year		**$ 21,361**	**$ 29,025**
Cash position, end of the year		**$ 21,996**	**$ 19,108**

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

1. Reporting entity

AGT Food and Ingredients Inc. (“AGT”) head office is located in Canada. The address of AGT’s registered office is 40 King Street West, Scotia Plaza, Suite 2100, Toronto, Ontario, M5H 3C2. The management of day-to-day operations is carried out at 6200 E. Primrose Green Drive, Regina, Saskatchewan S4V 3L7. The unaudited condensed consolidated interim financial statements (“Financial Statements”) of AGT are comprised of AGT and its subsidiaries. AGT is engaged in the business of sourcing and value-added processing (cleaning, splitting, sorting and bagging) of pulses and specialty crops for export and domestic markets including a full range of lentils, peas, chickpeas, beans and canary seed, as well as the production and distribution of food ingredient products such as pulse flours, proteins, starches, fibres and staple foods such as pasta, rice, and milled wheat products. AGT also operates canning, small packaging and distribution facilities for the supply of products to retail and food service customers. The results included in the Financial Statements should not be taken as indicative of the performance to be expected for the full year due to the seasonal nature of AGT’s business. AGT’s common shares are traded on the Toronto Stock Exchange under the symbol AGT.

2. Basis of presentation

(a) Statement of compliance

The Financial Statements and the notes thereto have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with AGT’s annual consolidated financial statements as at and for the year ended December 31, 2017.

IFRS 15 Revenue from Contracts with Customers (“IFRS 15”) and IFRS 9 Financial Instruments (“IFRS 9”) standards effective January 1, 2018 have been applied to the Financial Statements and the notes thereto. Changes to significant accounting policies are described in note 3.

The Financial Statements were approved and authorized for issue by the Board of Directors on May 11, 2018.

(b) Basis of measurement

All Financial Statements are expressed in Canadian dollars, AGT’s presentation currency. All financial information has been rounded to the nearest thousand, with the exception of share units and per share amounts or unless otherwise noted. The Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. (note 10)

2. Basis of presentation – continued

(c) Use of estimates and judgments

The preparation of the Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The significant estimates, judgments and underlying assumptions made by management in applying AGT's accounting policies were the same as those described in AGT's annual consolidated financial statements as at and for the year ended December 31, 2017. The application of the new accounting policies did not impact significant estimates and judgments.

Estimates, judgments and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Certain prior period's comparative figures have been restated to conform to the current year's method of presentation.

The areas involving a higher degree of judgment or complexity or where assumptions and estimates are significant to the Financial Statements are as follows:

- **Impairment of long-lived and intangible assets**

In assessing the recoverability of long-lived and intangible assets, judgment is required in the determination of the appropriate grouping of assets that generate cash inflows or cash generating units ("CGU's"). The determination of CGU's is based on management's assessment of independence of revenue earned, operating asset utilization, shared infrastructure, geographic proximity and similarity of risk exposures. AGT also uses significant judgment in evaluating if a triggering event occurs which would warrant an evaluation of impairment of long-lived and intangible assets based on the identified CGU's.

Recoverability is determined through assumptions and estimates regarding future cash flows, sustaining capital requirements, discount rates, and asset lives. A material change in assumptions may impact the potential recoverability of these assets, resulting in amounts charged against current earnings.

- **Accounting for income taxes**

AGT operates in a number of tax jurisdictions and is required to estimate its income taxes in each of these jurisdictions in preparing its Financial Statements. Significant judgment is required related to the classification of transactions and assessment of probable outcomes as well as timing of future results. Significant estimates are required in determining income tax provisions and the recoverability of deferred income tax assets. In calculating income taxes, consideration is given to items such as tax rates in each jurisdiction, deductibility of expenses, changing tax laws and management's expectations about future results. AGT estimates deferred income taxes based on temporary differences, income and losses for financial reporting purposes and income and losses determined under the substantively enacted tax laws and rates. The tax effect of these temporary differences is recorded as deferred tax assets or liabilities in the Financial Statements. If these estimates prove

2. Basis of presentation – continued

(c) Use of estimates and judgments – continued

to be inaccurate, future earnings may be materially impacted.

- **Derecognition of accounts receivable**

Significant judgment is applied when determining whether financial instruments qualify for derecognition and whether substantially all of the risks, as well as the rights, control and ownership of the accounts receivable and their cash flows were transferred to a third party. AGT has removed the related accounts receivable from the statement of financial position and recognizes any costs in finance expense. See note 11.

- **Fair value of derivative instruments**

The fair value of derivative instruments is estimated using inputs, including foreign exchange rates and interest rates (Level 2), as described in note 10. These inputs are subject to change on a regular basis based on the interplay of various market forces. Consequently, the fair values of AGT's derivative instruments are subject to change each reporting period.

- **Functional currency**

The identification of functional currency for each of the legal entities involves significant judgment. AGT has utilized this judgment and summarized the results in note 3(c) of AGT's 2017 annual audited consolidated financial statements.

- **Business combinations**

The purchase price related to a business combination or asset acquisition is allocated to the underlying acquired assets and liabilities based on their estimated fair values at the time of acquisition. The determination of fair value requires AGT to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts AGT's reported assets and liabilities and future net earnings due to the impact on future depreciation and amortization expense and impairment tests.

3. Significant accounting policies

Except as described below, these Financial Statements and notes thereto have been prepared using accounting policies consistent with those used in preparing AGT's 2017 annual audited consolidated financial statements. While management believes that the disclosures presented are adequate to make the information not misleading, these Financial Statements and notes thereto should be read in conjunction with AGT's interim management's discussion and analysis ("MD&A") and the 2017 annual audited consolidated financial statements and notes thereto.

The accounting policies have been applied consistently by AGT's entities, except for the following changes in accounting policies.

3. Significant accounting policies – continued

AGT has initially applied IFRS 15 and IFRS 9 on January 1, 2018. There were certain amendments and interpretations effective on January 1, 2018, which has no significant impact on AGT's Financial Statements.

The effect of initially applying these standards is mainly attributed to the following:

IFRS 15:

- Identification of a separate performance obligation for shipping and handling services in conjunction with the sale of goods, resulting in later recognition of revenue from those services.

IFRS 9:

- Classification and measurement changes on certain financial assets
- Earlier recognition of impairment losses on certain financial assets

(a) Adoption of IFRS 15

IFRS 15 establishes a comprehensive model for determining the measurement and timing of revenue recognized.

AGT has applied IFRS 15 using the cumulative effect method without practical expedients, with the impact of initially applying this standard recognized at the date of initial application on January 1, 2018. Accordingly, the information disclosed in AGT's 2017 annual audited consolidated financial statements has not been restated.

The details of the new significant accounting policies and the nature of changes to previous accounting policies in relation to AGT's goods and services are set out below.

Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services.

3. Significant accounting policies – continued

(a) Adoption of IFRS 15 – continued

Type of product/service	Nature, timing of satisfaction of performance obligations, significant payment terms	Nature of change in accounting policy
Shipping and handling services	For the majority of invoices, control transfers at the delivery of the product. However, sales contracts based on industry accepted sales incoterms CFR and CIF include a performance obligation to provide freight services to a specified port of destination. CFR - The seller clears the goods for export and delivers them on board the ship at the port of shipment. This is where risk transfers from seller to buyer. The seller, however, is responsible for contracting for and paying the costs associated with transport of the goods which includes costs and freight to the named port of destination. CIF - The seller clears the goods for export and delivers them on board the ship at the port of shipment. This is where risk transfers from seller to buyer. The seller, however, is responsible for contracting for and paying the costs associated with transport of the goods which includes costs, freight and insurance to the named port of destination. The performance obligation related to the sale of the goods as part of the contract is satisfied at a point in time once the goods have been loaded onto the ship. The shipping and handling performance obligation is satisfied over time as the transportation occurs.	Under IAS 18, revenue is recognized primarily from the sale of goods. Revenue is recognized upon transfer of title of the product to the customer, when the risks and rewards of ownership are otherwise transferred to the customer and when the price is fixed and determinable. These sales will be based on industry accepted sales Incoterms. Shipping and handling costs are included as a component of cost of goods sold. Under IFRS 15, the performance obligation for the sale of goods is recorded in the same manner once the goods have been loaded onto the ship. The shipping and handling performance obligation is recorded as a contract liability and recognized as revenue once the services have been performed. The new standard impacts CFR and CIF shipments in transit at the end of a reporting period and had a nominal impact on transition. The contract liability related to the shipping and handling performance obligation is offset by the deferral of shipping costs.

There was no impact of transition to IFRS 15 on retained earnings at January 1, 2018.

The following table summarizes the impacts of adopting IFRS 15 on the Unaudited Consolidated Statements of Comprehensive Loss, for each line item affected. There was no impact on the Unaudited Consolidated Statements of Financial Position and the Unaudited Consolidated Statements of Cash Flow.

3. Significant accounting policies – continued

(a) Adoption of IFRS 15 – continued

Impact on the Unaudited Consolidated Statements of Comprehensive Loss

For the three months ended March 31, 2018
(Stated in thousands of Canadian Dollars)

	Amounts without adoption of IFRS 15	Adjustments	As reported
Revenues	$ 397,801	$ (3,160)	$ 394,641
Cost of sales	371,766	(3,160)	368,606
Gross profit	26,035	-	26,035
Total comprehensive income	**$ 26,035**	$ -	**$ 26,035**

(b) Adoption of IFRS 9

IFRS 9 sets new requirements for the classification and measurement of financial assets, requires a forward-looking expected credit loss impairment model on financial assets, and amends the requirements related to hedge accounting.

1) Classification and measurement

IFRS 9 contains three classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. Accordingly, there was no impact on AGT's measurement of financial liabilities on adoption of IFRS 9.

Classification of financial assets was determined at the date of initial application. The business model test was based on facts and circumstances at the date of initial application.

AGT has elected to take an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements under IFRS 9. Accordingly, the information disclosed in AGT's 2017 annual audited consolidated financial statements has not been restated.

3. Significant accounting policies – continued

(b) Adoption of IFRS 9 – continued

1) Classification and measurement –continued

AGT did not apply hedge accounting under IAS 39 and has elected not to apply hedge accounting under IFRS 9.

As a result of adopting IFRS 9, certain financial assets were reclassified from assets at amortized cost to FVTPL. The change in classification did not result in an adjustment to the carrying amount of the related assets as the carrying value of the assets approximated fair value. In accordance with the transition provisions of IFRS 9, the financial assets and liabilities at January 1, 2018 were reclassified based on the characteristics of each financial instrument at January 1, 2018.

The following table summarizes the classification and measurement changes for each class of AGT's financial assets and financial liabilities upon initial adoption of IFRS 9:

	IAS 39		IFRS 9	
Financial Asset/(Liability)	**Classification**	**Measurement**	**Classification**	**Measurement**
Cash	Loans & Receivables	Amortized Cost	Amortized Cost	Amortized Cost
Trade accounts receivable	Loans & Receivables	Amortized Cost	Amortized Cost	Amortized Cost
Trade accounts receivable - Securitized	Loans & Receivables	Amortized Cost	FVTPL	Fair value
Derivative assets	FVTPL	Fair value	FVTPL	Fair value
Prepaid expenses and other	Loans & Receivables	Amortized Cost	Amortized Cost	Amortized Cost
Long term trade receivable	Loans & Receivables	Amortized Cost	Amortized Cost	Amortized Cost
Long term investments	Available for Sale	Fair value	FVOCI	Fair value
Bank indebtedness	Other Financial Liabilities	Amortized Cost	Amortized Cost	Amortized Cost
Accounts payable and accrued liabilities	Other Financial Liabilities	Amortized Cost	Amortized Cost	Amortized Cost
Derivative liabilities	FVTPL	Fair value	FVTPL	Fair value
Current portion of long-term debt	Other Financial Liabilities	Amortized Cost	Amortized Cost	Amortized Cost
Long-term debt	Other Financial Liabilities	Amortized Cost	Amortized Cost	Amortized Cost
Dividend Payable	Other Financial Liabilities	Amortized Cost	Amortized Cost	Amortized Cost

Changes in accounting policies resulting from the application of IFRS 9 have been applied retrospectively, except for assessments relating to the determination of the business model within which a financial asset is held, which have been made on the basis of the facts and circumstances that existed at the date of initial application.

The details of new significant accounting policies and effect of changes to previous accounting policies are set out below.

3. Significant accounting policies – continued

(b) Adoption of IFRS 9 - continued

1) Classification and measurement -continued

Financial assets

Financial assets are initially measured at fair value. On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless AGT changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

(i) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
(ii) The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if it meets both of the following conditions:

(i) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
(ii) The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at their fair values with changes in fair value, including any interest or dividend income, recognized in profit or loss.

Derivative financial instruments

Derivatives embedded in contracts where the host is a financial asset are not separated and the hybrid financial instrument as a whole is assessed for classification and measurement. Derivatives are recognized initially at fair value with attributable transaction costs recognized in net earnings as incurred. AGT has not elected to follow hedge accounting and subsequent to initial recognition, derivatives are measured at fair value, and changes in fair value are recognized immediately in net earnings.

3. Significant accounting policies – continued

(b) Adoption of IFRS 9 - continued

2) Impairment of financial assets

The effect of adopting IFRS 9 on the carrying amounts of financial assets at January 1, 2018 relates solely to the new impairment requirements. There was no significant impact for transition to IFRS 9 on AGT's Financial Statements for impairment of financial assets.

At the date of initial application, AGT used reasonable and supportable information to determine the credit risk at the date that the financial assets were initially recognized and compared to the credit risk at the date of initial application under IFRS 9.

AGT has elected to measure loss allowances for trade receivables at an amount equal to lifetime expected credit losses. AGT uses the expected credit loss model for calculating impairment and recognizes expected credit losses as a loss allowance for financial assets measured at amortized cost. AGT's trade and other receivables are typically short-term in nature with payments received within a twelve month period, therefore recognizes an amount equal to the lifetime expected credit losses based on AGT's historical experience and including forward-looking information. The carrying amounts of these financial assets are presented in the Unaudited Consolidated Statements of Financial Position net of any loss allowance.

The application of the new accounting policies did not impact significant estimates and judgments.

AGT considers the model used and some of the assumptions used in calculating the expected credit losses as key sources of estimation uncertainty for trade receivables under IFRS 9.

AGT's expected credit losses upon transition were calculated based on actual credit loss experience over the past three years adjusted by factors to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and AGT's view of economic conditions over the expected lives of the trade receivables. There was no additional impairment loss recognized at January 1, 2018 upon transition to IFRS 9.

The methodology described above has also been applied to AGT's Financial Statements at March 31, 2018.

(Stated in thousands of Canadian dollars)

3. Significant accounting policies – continued

(c) New standards and interpretations

The International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") have issued the following standards and amendments that have not been applied in preparing these Financial Statements as their effective dates fall in periods beginning subsequent to the current reporting period.

Proposed Standard	Description	Effective Date	Expected Impact
IFRS 16 Leases	The new standard requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.	Fiscal years beginning on or after January 1, 2019, applied retrospectively	To be determined
IFRIC Interpretation 23 Uncertainty over Income Tax Treatments	The interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments.	Fiscal years beginning on or after January 1, 2019, applied prospectively	To be determined
IAS 28 Investments in Associates and Joint Ventures	The amendment clarifies that long-term interests in associates and joint ventures, to which the equity method is not applied, are in the scope of both IFRS 9 Financial Instruments and IAS 28	Fiscal years beginning on or after January 1, 2019. Early adoption is permitted	To be determined
Annual Improvements to IFRS Standards IFRS 3 Business Combinations IFRS 11 Joint Arrangements IAS 12 Income Taxes IAS 23 Borrowing Costs	The amendments clarify how to account for increasing an interest in a joint operation that meets the definition of a business (IFRS 3 and IFRS 11); that all income tax consequences of dividends are recognized consistently with the transactions that generated the distributable profits (IAS 12); that specific borrowings to finance the construction of a qualifying asset, should be transferred to the general borrowings once the construction of the asset has been completed (IAS 23)	Fiscal years beginning on or after January 1, 2019. Early application is permitted	To be determined

Management is assessing the potential impact of standards, amendments and interpretations effective in future years for impacts on both quantitative and qualitative disclosure. AGT expects to adopt these standards on their respective effective dates.

(Stated in thousands of Canadian dollars)

4. Inventory

	Mar 31, 2018	Dec 31, 2017
Raw materials	$ 95,395	$ 128,820
Processed/split product	184,887	173,496
Packaged product	19,772	19,365
Other	5,927	6,399
	$ 305,981	$ 328,080

	Mar 31, 2018	Mar 31, 2017
Inventory expensed in cost of goods sold	$ 349,180	$ 451,093

5. Prepaid expenses and other

	Mar 31, 2018	Dec 31, 2017
Advances for inventory	$ 55,307	$ 55,393
Value added tax receivable	33,584	32,151
Prepaid expenses and other	18,479	16,871
	$ 107,370	$ 104,415

(Stated in thousands of Canadian dollars)

6. Property, plant and equipment

Cost	Land	Building, Rail and Site improvement	Plant and Equipment	Motor Vehicles	Fixtures and Fittings	Construction in Progress	**Total**
Balance at December 31, 2016	$ 22,297	$ 221,795	$ 231,155	$ 13,639	$ 9,787	$ 51,543	**$ 550,216**
Additions	278	1,860	7,604	728	697	37,562	**48,729**
Disposals	(10)	(188)	(880)	(338)	(36)	-	**(1,452)**
Transfers between categories	(13)	10,384	25,094	56	655	(36,176)	**-**
Effects of movements in exchange rates	(995)	(6,654)	(10,868)	(295)	(369)	(4,214)	**(23,395)**
Balance at December 31, 2017	$ 21,557	$ 227,197	$ 252,105	$ 13,790	$ 10,734	$ 48,715	**$ 574,098**
Additions	5,277	91	1,564	89	227	7,118	**14,366**
Disposals	(4)	(1,496)	(1,132)	-	(48)	-	**(2,680)**
Transfers between categories	-	243	2,071	(54)	47	(2,307)	**-**
Effects of movements in exchange rates	45	956	2,078	12	62	(967)	**2,186**
Balance March 31, 2018	$ 26,875	$ 226,991	$ 256,686	$ 13,837	$ 11,022	$ 52,559	**$ 587,970**
Accumulated Depreciation							
Balance at December 31, 2016	$ -	$ 22,665	$ 79,298	$ 6,467	$ 5,678	$ -	**$ 114,108**
Depreciation	-	7,041	18,944	1,528	1,441	-	**28,954**
Disposals	-	(22)	(442)	(199)	(25)	-	**(688)**
Effects of movements in exchange rates	-	(966)	(4,508)	(187)	(241)	-	**(5,902)**
Balance at December 31, 2017	$ -	$ 28,718	$ 93,292	$ 7,609	$ 6,853	$ -	**$ 136,472**
Depreciation	-	1,213	5,248	321	336	-	**7,118**
Disposals	-	(11)	(703)	-	(41)	-	**(755)**
Effects of movements in exchange rates	-	51	382	5	54	-	**492**
Balance March 31, 2018	$ -	$ 29,971	$ 98,219	$ 7,935	$ 7,202	$ -	**$ 143,327**
Net Book Value at December 31, 2017	**$ 21,557**	**$ 198,479**	**$ 158,813**	**$ 6,181**	**$ 3,881**	**$ 48,715**	**$ 437,626**
Net Book Value at March 31, 2018	**$ 26,875**	**$ 197,020**	**$ 158,467**	**$ 5,902**	**$ 3,820**	**$ 52,559**	**$ 444,643**

(Stated in thousands of Canadian dollars)

7. Intangibles and goodwill

Cost	Indefinite Life Intangible Assets-Brands	Finite Life Intangible Assets	**Total Intangible Assets**	Goodwill	**Total**
Balance at December 31, 2016	$ 6,068	$ 13,378	**$ 19,446**	$ 58,656	**$ 78,102**
Additions	-	1,226	**1,226**	-	**1,226**
Effects of movements in exchange rates	(278)	(285)	**(563)**	(3,429)	**(3,992)**
Balance at December 31, 2017	$ 5,790	$ 14,319	**$ 20,109**	$ 55,227	**$ 75,336**
Additions	-	588	**588**	-	**588**
Effects of movements in exchange rates	(31)	263	**232**	(163)	**69**
Balance at March 31, 2018	$ 5,759	$ 15,170	$ 20,929	$ 55,064	**$ 75,993**
Accumulated Amortization					
Balance at December 31, 2016	$ -	$ 5,187	**$ 5,187**	$ -	**$ 5,187**
Amortization	-	1,912	**1,912**	-	**1,912**
Effects of movements in exchange rates	-	(214)	**(214)**	-	**(214)**
Balance at December 31, 2017	$ -	$ 6,885	**$ 6,885**	$ -	**$ 6,885**
Amortization	-	481	**481**	-	**481**
Effects of movements in exchange rates	-	130	**130**	-	**130**
Balance at March 31, 2018	$ -	$ 7,496	$ 7,496	$ -	**$ 7,496**
Net carrying amounts					
At December 31, 2017	**$ 5,790**	**$ 7,434**	**$ 13,224**	**$ 55,227**	**$ 68,451**
At March 31, 2018	**$ 5,759**	**$ 7,674**	**$ 13,433**	**$ 55,064**	**$ 68,497**

The brands AGT recognizes are considered intangible assets having an indefinite life. The brands are actively managed with no current expectation that the brand will cease to exist.

Amortization of intangibles is recorded in the general and administration line on the Unaudited Consolidated Statement of Comprehensive Loss.

(Stated in thousands of Canadian dollars)

8. Long term debt

	Mar 31, 2018	Dec 31, 2017
Loan payable, bearing an interest rate of prime plus 0.35%, (December 31, 2017 - prime plus 0.35%), with monthly payments of interest only, due January 2020, secured by Canadian, US and Australian property, plant and equipment, accounts receivable and inventory.	$ 249,150	$ 220,652
Senior unsecured notes, bearing an interest rate of 5.875% per annum, with semi-annual payments of interest only, beginning June 2017 and concluding December 2021. [1]	196,032	195,798
Loan payable, bearing an interest rate up to 5% (December 31, 2017 - interest rate up to 5%), with annual payments of $1,000 principal, due annually in September concluding in September 2027, secured by a debenture charging the purchased assets in favour of the lender and certain property, plant, and equipment.	13,500	13,500
Non-interest bearing note payable with five annual payments of $3,900, commencing October 2016 and concluding October 2020 (effective interest rate 3.25%).	11,126	10,678
Loans payable bearing interest rates ranging up to 6.11% (December 2017 - up to 6.11%), with monthly payments of $171, due dates ranging from February 2019 to May 2040 (December 2017 - due dates ranging from February 2019 to May 2040), secured by general security agreements and certain Canadian property, plant, and equipment.	7,939	9,896
Mortgage payable, bearing an interest rate of Business Development Bank of Canada prime rate minus 1.5% (December 31, 2017 - Business Development Bank of Canada prime rate minus 1.5%), with monthly variable interest payments combined with principal payments of $30 and all concluding August 2036, secured by security interests against real property owned by AGT and certain of its subsidiaries.	6,561	6,650
Non-interest bearing note payable with seven annual payments of $928, commencing November 2018 and concluding November 2024 (effective interest rate 5.5%).	5,397	-
Other	5,083	6,686
	$ 494,788	$ 463,860
Current portion	(10,833)	(9,897)
	$ 483,955	$ 453,963

[1]On December 21, 2016, AGT finalized a transaction to issue senior unsecured notes in the amount of $200,000. These notes bear interest at 5.875% per annum with an effective interest rate of 6.48% and mature on December 21, 2021. The proceeds after deducting expenses were $194,874. Optional early redemption features of the notes are:

i) Prior to December 21, 2018 a 5.875% premium upon equity offering in respect of partial redemptions up to 35% of the aggregate principal amount then outstanding
ii) Prior to December 21, 2018 all other redemptions on a "make whole" basis
iii) On or after December 21, 2018 a 4.4% premium
iv) On or after December 21, 2019 a 2.2% premium
v) No premium on or after December 21, 2020

AGT assessed that the optional early redemption features of the senior unsecured notes are closely related to the economic characteristics and risks of the host debt contract therefore the embedded derivative identified is not recognized separately. The combined financial instrument is not measured at fair value through net earnings.

(Stated in thousands of Canadian dollars)

8. Long term debt – continued

On February 16, 2017, AGT entered into a cross currency swap agreement as part of the management of its $200,000 senior unsecured notes. The agreement is effective December 21, 2016 to December 21, 2021 with semi-annual payments commencing June 21, 2017 and concluding December 21, 2021.

The estimated contractual maturities for term loans in each of the next five periods are as follows:

2018-19	$	10,833
2019-20		257,255
2020-21		7,620
2021-22		199,108
Thereafter		19,972
	$	494,788

For the long term debt that is variable rate debt, the carrying value (CV) approximates its fair value (FV). For the long term debt that is fixed rate debt, at March 31, 2018, CV: $228,597 and FV: $230,881 (December 31, 2017- CV: $229,872 and FV: $235,331).

9. Share capital

(a) Authorized

Unlimited number of voting common shares without par value

(b) Issued and outstanding

	# of Common Shares		Amount
Issued and outstanding December 31, 2016	23,936,535	$	375,459
Issuance of shares pursuant to stock option plan	300,001		4,502
Balance, December 31, 2017	24,236,536	$	379,961
Balance, March 31, 2018	24,236,536	$	379,961

9. Share capital - continued

(c) Preferred securities and common share purchase warrants

On August 31, 2017, AGT issued $190 million of 5.375% securities ("preferred securities") to Fairfax Financial Holdings Limited ("Fairfax") through certain of its subsidiaries for cash. The preferred securities are unsecured obligations, maturing August 31, 2116 and guaranteed by certain of AGT's subsidiaries. The $190 million principal amount is to be repaid in cash on maturity.

Distributions are calculated at a rate of 5.375% per annum and are cumulative and non-compounding. AGT has the ability to defer payment of annual distributions to maturity. Otherwise, distributions will be paid at the discretion of AGT on payment dates of not less than three months and not more than six months.

As a compound financial instrument, the liability component of the preferred securities has been measured by discounting contractually mandatory cash flows to maturity using a discount factor of 8%. The liability component of $0.6 million has been recorded in other debt and will be accreted over the 99 year period to maturity.

Concurrently, AGT issued 5,714,286 common share purchase warrants (the "warrants"), each exercisable into one common share of AGT and exercisable at $33.25 per share. Each warrant will be exercisable within 7 years. AGT also elected to require early exercise of the warrants if the five day volume weighted average closing price of its common shares reaches $53.20 at any time after the fifth anniversary of the closing. AGT assigned a fair value at issuance of $31,895 to the warrants using an options pricing model.

The key assumptions used in the options pricing model were as follows:

i) Valuation date: August 31, 2017
ii) Expiry date: August 31, 2024
iii) Forced exercise restriction date: August 31, 2022
iv) Initial AGT share price: $26.00
v) AGT dividend rate: 2.3%
vi) Share price volatility: 33.7%
vii) Risk free rate: 1.7%

(Stated in thousands of Canadian dollars)

9. Share capital – continued

(c) Preferred securities and common share purchase warrants - continued

The following table is a summary of the components of the transaction:

		Debt		Equity		Total
Preferred securities	$	590	$	157,515	$	158,105
Common share purchase warrants		-		31,895		31,895
		590		189,410		190,000
Issuance Costs		-		(1,859)		(1,859)
Net cash proceeds	**$**	**590**	**$**	**187,551**	**$**	**188,141**
Deferred income tax liability on preferred securities		-		(42,529)		(42,529)
Deferred income tax asset on issuance costs		-		502		502
Net tax impact	**$**	**-**	**$**	**(42,027)**	**$**	**(42,027)**
	$	**590**	**$**	**145,524**	**$**	**146,114**

(d) Restricted share units and other plans

AGT has implemented a long term incentive plan, which includes restricted share units (RSU) to executives and certain other senior management. The number of restricted share units is determined based on an average share price from the week of the grant date. The number of share units granted to each individual is then determined based on the bonus given to each employee, divided by the average price. These RSU's will be settled in cash, on or after the vesting date. RSU's vest at a rate of 50% on the two year anniversary of the grant date and the remainder on the three year anniversary of the grant date and are settled at each respective vesting date. Amounts are not payable if the employee is not with AGT at the vesting date, but are being recognized as an expense over the vesting period primarily in general and administration expenses.

(Stated in thousands of Canadian dollars)

9. Share capital – continued

(d) Restricted share units and other plans - continued

	Mar 31, 2018	Dec 31, 2017
	Number of RSU's	**Number of RSU's**
Opening at the beginning of the year	397,610	302,024
Granted during the year	641	203,875
Forfeited during the year	(1,055)	(1,154)
Vested and settled during the year	-	(107,135)
Outstanding at the end of the year	397,196	397,610
Fair value	$ 6,343	$ 7,632
Vested and accrued	$ 3,968	$ 4,009

RSU’s granted are recorded at the fair value of the amount payable and recognized as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to payment. The liability is re-measured using a Black-Scholes model at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as an employee expense in earnings.

(Stated in thousands of Canadian dollars)

9. Share capital – continued

(e) Per share amount

The following table represents the effect of the distributions on the net loss of AGT and the earnings per share.

		3 months ended Mar 31, 2018		Mar 31, 2017
Basic earnings per share computation				
Net loss	$	(5,072)	$	(6,437)
Preferred securities distributions net of tax		(1,838)		-
Net loss attributable to common shareholders		(6,910)		(6,437)
Basic weighted average number of shares		24,236,536		23,979,036
Basic net loss per common share	**$**	**(0.29)**	**$**	**(0.27)**
Diluted earnings per share computation				
Net loss attributable to common shareholders	$	(6,910)	$	(6,437)
Basic weighted average number of shares		24,236,536		23,979,036
Dilutive effect of stock options/warrants		-		-
Weighted average common shares outstanding assuming dilution		24,236,536		23,979,036
Diluted net loss per common share	**$**	**(0.29)**	**$**	**(0.27)**

(Stated in thousands of Canadian dollars)

10. Financial instruments

Fair values

The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm's length transaction between knowledgeable and willing parties under no compulsion to act. Fair values for AGT's derivative instruments are determined using models requiring the use of inputs as described below.

All financial instruments measured at fair value or are short term in nature are categorized into one of three levels, described below, for disclosure purposes. Each level is based on transparency of inputs used to measure the fair value of assets and liabilities:

Level 1 – values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. There were no items measured at fair value using Level 1 in 2017 or 2018.

Level 2 – values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. In determining the inputs for calculating fair values, AGT looks to readily observable market inputs, primarily currency rates, interest rates and forward rates based on the nature of AGT's derivative instruments. The fair value of long-term debt with fixed interest rates is estimated based on readily available market information from a third party.

Level 3 – values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. There were no items measured at fair value using Level 3 in 2017 or 2018.

The following items, shown in the Unaudited Consolidated Statement of Financial Position as at March 31, 2018 and December 31, 2017 are measured at fair value on a recurring basis using Level 2 inputs:

Mar 31, 2018		**Level 2**
Derivative assets	$	3,038
Derivative liabilities		(55,607)
	$	(52,569)

Dec 31, 2017		**Level 2**
Derivative assets	$	3,402
Derivative liabilities		(47,245)
	$	(43,843)

(Stated in thousands of Canadian dollars)

10. Financial instruments - continued

The following table represents the change in fair value recognized in unrealized foreign exchange gain (loss) in the Unaudited Consolidated Statement of Comprehensive Loss.

	Mar 31, 2018	Mar 31, 2017
Derivative assets	$ (364)	$ 2,383
Derivative liabilities	(8,362)	(1,115)
	$ (8,726)	$ 1,268

11. Accounts receivable securitization

AGT has a Master Receivables Purchase Agreement (“MRPA”) with the Bank of Nova Scotia (“BNS”). The MRPA allows the sale of specific Turkish trade accounts receivable that are insured through Export Development Canada (“EDC”) to the BNS. The MRPA permits AGT to securitize up to $51,585 ($40,000 USD) worth of insured receivables. AGT has derecognized the receivables from the Financial Statements as substantially all of the risks and rewards of ownership have been transferred.

The arrangement with BNS has AGT continuing to be administratively involved in the collection of receivables and submission of those collections to BNS. However, AGT bears no risk and any uncollected amounts would result in EDC making a payment directly to BNS.

As at March 31, 2018, AGT has sold for cash proceeds $23,273 (December 31, 2017 – $26,341) of trade accounts receivable from the Financial Statements and incurred $192 (March 31, 2017- $260) in transaction fees which are included in finance expense.

12. Finance expense

	Mar 31, 2018	Mar 31, 2017
Interest on bank indebtedness	$ 564	$ 913
Interest on long term debt	4,989	4,619
Trade finance fees and expenses	1,479	1,378
Amortization of debt fees	381	1,901
Accretion expense on discounted notes	568	85
Foreign exchange	96	(404)
	$ 8,077	$ 8,492

(Stated in thousands of Canadian dollars)

13. Cash flow support

Adjustments to operating cash flow

	Note	Mar 31, 2018	Mar 31, 2017
Depreciation and amortization in general and administration		$ 1,296	$ 1,282
Depreciation in cost of sales		6,920	6,135
Amortization of debt fees and accretion expense on discounted notes	12	949	1,986
Long term debt accretion		10	-
Unrealized foreign exchange loss		7,273	11,505
(Gain) loss on disposal of property, plant and equipment		(253)	3
Interest expense	12	5,553	5,532
Share based compensation		(41)	46
Provision for doubtful accounts		(310)	216
Income tax recovery		(4,526)	(2,525)
		$ 16,871	$ 24,180

Non-cash working capital

Details of net change in each element of working capital relating to operations excluding cash are as follows:

	Mar 31, 2018	Mar 31, 2017
(Increase) decrease in current assets:		
Trade accounts receivable	$ (3,758)	$ 47,870
Inventory	22,888	12,888
Prepaid expenses and other	(4,463)	14,792
	$ 14,667	$ 75,550
Decrease in current liabilities:		
Accounts payable, accrued liabilities and deferred revenue	(25,421)	(87,605)
	$ (25,421)	$ (87,605)
	$ (10,754)	$ (12,055)

(Stated in thousands of Canadian dollars)

13. Cash flow support - continued

Financing activities and position

Details of changes in each element in the financing activities are as follows:

	Bank indebtedness	Long-term debt	Dividends and distributions payable	Preferred securities and warrants	Share capital and contributed surplus
Balance at December 31, 2017	$ 30,833	$ 463,860	$ 7,077	$ 188,141	$ 379,961
Cash changes in financing					
Payments	(45,509)	(3,667)	(7,077)	-	-
Increases	47,412	33,682	-	-	-
Non-cash changes in financing					
Amortization on bond and note discount	55	894	-	-	-
Long term debt accretion	-	10	-	-	-
Dividends declared and accrued	-	-	3,636	-	-
Distribution accrued	-	-	1,838	-	-
Effects of movements in exchange rates	1,661	9	-	-	-
Balance at March 31, 2018	$ 34,452	$ 494,788	$ 5,474	$ 188,141	$ 379,961

	Bank indebtedness	Long-term debt	Dividends and distributions payable	Share capital and contributed surplus
Balance at December 31, 2016	$ 19,720	$ 547,995	$ 3,590	$ 375,459
Cash changes in financing				
Payments	(58,028)	(127,545)	(3,590)	-
Increases	150,424	46,504	-	3,835
Non-cash changes in financing				
Amortization on bond and note discount	55	1,931	-	-
Long term debt accretion	-	-	3,635	-
Dividends declared and accrued	-	-	-	-
Share based compensation	-	-	-	667
Effects of movements in exchange rates	118	2	-	-
Balance at March 31, 2017	$ 112,289	$ 468,887	$ 3,635	$ 379,961

(Stated in thousands of Canadian dollars)

14. Related party transactions

(a) Key management personnel

AGT has defined key management personnel as senior executive officers, as well as the Board of Directors, as they have the collective authority and responsibility for planning, directing and controlling the activities of AGT. The following table outlines the total compensation expense for key management personnel:

		Mar 31, 2018		Mar 31, 2017
Short term benefits (wage, bonus, vacation paid out, directors fees)	$	667	$	1,028
Post employment benefits (RRSP)		33		33
Share based compensation		(18)		20
	$	682	$	1,081

		Mar 31, 2018		Dec 31, 2017
Accounts receivable	$	2,406	$	2,873
Accounts payable		2,037		1,084

The accounts receivable in the table above relates to employee amounts primarily related to the exercise of options. The accounts payable in the table above relates to deferred compensation.

Transactions with key management and corporations significantly influenced or controlled by AGT directors or key management

Certain key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The transactions were conducted in the normal course of business and were accounted for at the exchange amount.

		Mar 31, 2018		Dec 31, 2017
Accounts receivable	$	2	$	80
Purchase of land	$	5,277	$	137

Purchases in the above include a land purchase from a company owned by certain of AGT's key management for $5,277. This land purchase was done at prevailing market rates and the transaction was approved by the Board of Directors. The acquisition was done with a non-interest bearing note payable with seven annual payments of $928 commencing November 2018.

There were no other transactions with key management during the quarter.

In addition to the transactions above, AGT completed a swap of land in 2017 with a company owned by certain of AGT's key management for a carrying value of $209. This transfer was done on a one to one basis for land of similar nature and value. This transaction was approved by the Board of Directors.

(Stated in thousands of Canadian dollars)

14. Related party transactions – continued

(b) Transactions with other related parties

	Mar 31, 2018	Dec 31, 2017
Accounts payable	$ 73	$ 185

	Mar 31, 2018	Mar 31, 2017
Purchases	$ 391	$ 727

The items in the above table relate primarily to transactions with companies which AGT owns part of but does not exhibit the definitions of control and are therefore not consolidated in AGT's overall results.

15. Segmented Reporting

AGT's chief operating decision maker reviews AGT's operations and resource allocation by multiple business segments. Business segments are strategic business units with different products, processes and marketing strategies. AGT has three segments: (1) pulse and grain processing (2) bulk handling and distribution and (3) food ingredients and packaged foods.

The pulse and grain processing includes the operations of AGT factories across its global platform. The activities in this segment are viewed by management as the traditional and regular business of AGT: to source pulses and grains from producers, process them through its factories and sell these products to its network of clients in over 100 countries in the world. The segment includes all pulses processed in AGT factories in Canada, the United States, Australia, Turkey and China.

Bulk handling and distribution, formerly trading and distribution, relates to AGT's activities aimed at bringing its range of pulses and specialty crops direct to wholesale and retail markets. The segment currently captures AGT operations in the UK, the Netherlands, Spain, Russia, Ukraine, India, Switzerland and part of Canada, Turkey and Australia. During the prior year, the Company rebranded this segment as bulk handling and distribution to better reflect the business operations undertaken within it. No changes to reporting or operations occurred within this segment.

Food ingredients and packaged foods includes the results from the pulse fractionation plant in Minot, North Dakota, as well as the results from the pasta, bulgur and semolina plants in Turkey and the operations in South Africa. This segment also includes the retail packaging and distribution business in Canada.

AGT's chief operating decision maker evaluates segment performance on the basis of Adjusted EBITDA**. Management believes that Adjusted EBITDA** is an important indicator of AGT's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures and uses the metric for this purpose.

Except as described in note 3(a) and 3(b), the accounting policies used within each segment are consistent with the policies outlined in AGT's 2017 annual audited consolidated financial statements. Segmented revenues, expenses and results include transactions between segments that occurred during the ordinary course of business. Certain estimates and assumptions were made by management in the determination of segment composition.

** Adjusted EBITDA is earnings before finance expense, income taxes, depreciation and amortization, one-time costs and any effects of non-cash foreign exchange adjustment.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2018 and 2017

(Stated in thousands of Canadian dollars)

15. Segmented Reporting- continued

Three months ended Mar 31, 2018	Pulse and Grain Processing	Bulk Handling and Distribution	Food Ingredients and Packaged Foods	Corporate and Eliminations	Consolidated
Revenue	$ 216,755	$ 133,504	$ 82,340	$ (37,958)	**$ 394,641**
Cost of sales	204,604	131,848	70,112	(37,958)	**368,606**
Gross profit	12,151	1,656	12,228	-	**26,035**
Earnings (loss) before income tax	**3,589**	**(2,121)**	**7,534**	**(18,600)**	**(9,598)**
Net earnings (loss)	**3,589**	**(2,121)**	**7,534**	**(14,074)**	**(5,072)**
Adjusted EBITDA**	**$ 8,721**	**$ 204**	**$ 10,150**	**$ (3,011)**	**$ 16,064**

Three months ended Mar 31, 2017	Pulse and Grain Processing	Bulk Handling and Distribution	Food Ingredients and Packaged Foods	Corporate and Eliminations	Consolidated
Revenue	$ 318,944	$ 185,903	$ 73,459	$ (76,801)	**$ 501,505**
Cost of sales	302,679	179,597	63,104	(76,801)	**468,579**
Gross profit	16,265	6,306	10,355	-	**32,926**
Earnings (loss) before income tax	**5,885**	**2,530**	**5,188**	**(22,565)**	**(8,962)**
Net earnings (loss)	**5,885**	**2,530**	**5,188**	**(20,040)**	**(6,437)**
Adjusted EBITDA**	**$ 11,000**	**$ 3,178**	**$ 8,293**	**$ (2,356)**	**$ 20,115**

As at March 31, 2018	Pulse and Grain Processing	Bulk Handling and Distribution	Food Ingredients and Packaged Foods	Corporate and Eliminations	Consolidated
Intangible assets	$ 6,090	$ 825	$ 6,518	$ -	**$ 13,433**
Goodwill	37,112	6,998	10,954	-	**55,064**
Purchase of property, plant and equipment	11,580	124	2,662	-	**14,366**
Depreciation and amortization	5,288	222	2,521	185	**8,216**
As at December 31, 2017					
Intangible assets	$ 5,952	$ 850	$ 6,422	$ -	**$ 13,224**
Goodwill	37,277	6,830	11,120	-	**55,227**
Purchase of property, plant and equipment	31,854	159	16,716	-	**48,729**
Depreciation and amortization	18,234	1,080	10,721	711	**30,746**

(Stated in thousands of Canadian dollars)

16. Revenue

Information about AGT's revenues is based on the product type and shipment destination. Shipping and handling is reported with the associated product.

Revenue derived from product type:

	Mar 31, 2018	Mar 31, 2017
Pulses and specialty crops	$ 209,544	$ 292,773
Pasta, semolina and bulgur	31,513	27,170
Rice	13,191	14,651
Other commodities and miscellaneous revenue	140,393	166,911
	$ 394,641	$ 501,505

Revenue included in AGT's Pulse and Grain Processing segment is primarily from pulses and specialty crops. Revenue included in AGT's Bulk Handling and Distribution segment is primarily from other commodities and miscellaneous revenue as well as pulses and specialty crops. Revenue included in AGT's Food Ingredients and Packaged Foods segment is primarily from other commodities and miscellaneous revenue as well as pasta, semolina and bulgur.

Revenue derived from customers located in the following geographic areas:

	Mar 31, 2018	Mar 31, 2017
Canada	$ 32,614	$ 29,359
Americas / Caribbean, excluding Canada	75,564	70,511
Asia / Pacific Rim	78,418	136,514
Europe / Middle East / Africa	208,045	265,121
	$ 394,641	$ 501,505

Revenue included in AGT's Pulse and Grain Processing segment is primarily from customers located in Europe/Middle East/Africa geographic areas. Revenue included in AGT's Bulk Handling and Distribution segment is primarily from customers located in the Asia/Pacific Rim and Europe/Middle East/Africa geographic areas. Revenue included in AGT's Food Ingredients and Packaged Foods segment is primarily from customers located in Canada and Europe/Middle East/Africa geographic areas.

AGT primarily recognizes revenue at a point in time in all of AGT's segments.

(Stated in thousands of Canadian dollars)

17. Selected geographic information

	Property, plant and equipment	
	Mar 31, 2018	Dec 31, 2017
Canada	$ 218,894	$ 213,083
United States	104,642	102,129
Turkey	75,750	77,029
Australia	34,504	34,510
China	5,596	6,016
South Africa	5,257	4,859
	$ 444,643	$ 437,626

	Intangibles	
	Mar 31, 2018	Dec 31, 2017
Canada	$ 8,649	$ 8,608
Turkey	2,457	2,344
China	1,436	1,358
United Kingdom	825	849
South Africa	66	65
	$ 13,433	$ 13,224

	Goodwill	
	Mar 31, 2018	Dec 31, 2017
Canada	$ 28,503	$ 28,503
Turkey	22,789	23,177
United Kingdom	3,710	3,485
Australia	49	49
United States	13	13
	$ 55,064	$ 55,227

18. Commitments and contingencies

AGT enters into contracts with producers. The contracts provide for delivery of specific quantities and include specific prices based on the grade that is delivered. The terms of the production contracts are not longer than one year.

At March 31, 2018 AGT had a contract of insurance in favour of the Canadian Grain Commission in the amount of $13,000 (December 31, 2017 – $13,000). The policy can be claimed against by the beneficiary in the event of a producer grain payment default. The policy expires on June 30, 2018.

At March 31, 2018, AGT had letters of guarantee in Turkey for the amount of $4,244 (December 31, 2017 - $4,049).

At March 31, 2018 AGT had a capital commitment in Canada of $2,564 (December 31, 2017 - $nil).

AGT has various legal matters pending which, in the opinion of management, will not have a material effect on AGT's unaudited consolidated financial position or results of operations. Should the ultimate resolution of actions differ from management's assessments and assumptions, a material adjustment to AGT's financial position or results of operations could result. Should circumstances change, provisions could change materially.

19. Subsequent event

On April 25, 2018, AGT entered into an asset purchase agreement with ARZ Group Limited and Loblaws Inc. The agreement closed on May 4, 2018. ARZ Group Limited is a wholesale distribution company. The consideration for the purchase of the assets of ARZ Group from Loblaws Inc. was $4 million. The purchase price allocation has not been finalized as AGT continues to assess fair values of the assets acquired. AGT expects to finalize the purchase price allocation before the end of March 31, 2019. Concurrent with closing, AGT, through its subsidiary, AGT CLIC, entered into a 20 year exclusive agreement with Loblaws to supply certain products under the ARZ and successor brands that will be launched by AGT for the middle-eastern market segment of Loblaws retail stores.