

GLOBAL FOOD AND INGREDIENTS LTD. (FORMERLY PIVOTAL FINANCIAL CORP.) ANNOUNCES COMPLETION OF QUALIFYING TRANSACTION



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Global Food and Ingredients →

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TORONTO, June 13, 2022 /CNW/ - Global Food and Ingredients Ltd. (formerly, Pivotal Financial Corp. ("**Pivotal**")) (TSXV: PIV.P) (the "**Company**" or the "**Resulting Issuer**") is pleased to announce the closing of its previously announced qualifying transaction (the "**Qualifying Transaction**") resulting in the reverse takeover of the Company by Global Food and Ingredients Inc. ("**GFI**"), a company incorporated under the *Canada Business Corporations Act*.

The parties to the Qualifying Transaction will make their final submission to the TSX Venture Exchange (the "**Exchange**") in connection with the Exchange's issuance of its listing bulletin.

It is anticipated that the common shares of the Resulting Issuer (each, a "**Resulting Issuer Common Share**") will commence trading on the Exchange under the ticker symbol "PEAS" on or about June 20, 2022.

David Hanna, CEO of GFI commented: "We are really excited to have reached this tremendous milestone in GFI's growth plans. We want to welcome aboard all of our new shareholders and extend our sincerest gratitude to the founders of Pivotal Financial Corp. for working collaboratively with us to complete the transaction".

The Transaction

On June 9, 2022, as a condition to the completion of the Qualifying Transaction, Pivotal changed its name to "Global Food and Ingredients Ltd." and consolidated its share capital (the "**Pivotal Consolidation**") on the basis of five (old) common shares for one (new) common share. Immediately following the Pivotal Consolidation, Pivotal had an aggregate of 3,000,000 common shares issued and outstanding.

Pursuant to the terms of the Qualifying Transaction, GFI completed an amalgamation under the *Canada Business Corporations Act* with 13476669 Canada Inc., a wholly-owned subsidiary of Pivotal and all of the issued and outstanding securities of GFI were exchanged for securities (the "**Securities Exchange**") of the Resulting Issuer, pursuant to the terms and conditions of the previously announced amended and restated business combination agreement among GFI, Pivotal and 1347669 Canada Inc. dated May 17, 2022, a copy of which is available under the Company's profile on SEDAR at www.sedar.com

Prior to the completion of the Qualifying Transaction, GFI raised aggregate gross proceeds in the amount of approximately \$3.6 million through the issuance of an aggregate of 2,845,200 subscription receipts of GFI ("**Subscription Receipts**"). Concurrent with the closing of the Qualifying Transaction and pursuant to the terms of the subscription receipt agreement between GFI, Echelon Wealth Partners Inc. and TSX Trust Company, as subscription receipt agent, dated May 18, 2022 (the "**SR Agreement**"), the Subscription Receipts were ultimately converted into units of the Resulting Issuer ("**Resulting Issuer Units**"), such that each Subscription Receipt resulted in the holder thereof being issued, for no additional consideration and without any further action by its holder, one (1) Resulting Issuer Unit. Each Resulting Issuer Unit consists of one Resulting Issuer Common Share and one common share purchase warrant of the Resulting Issuer (each, a "**Resulting Issuer Warrant**"), with each Resulting Issuer Warrant entitling the holder to acquire one additional Resulting Issuer Common Share at a price of \$1.75 per share at any time on or prior to June 10, 2024. In addition, the escrowed proceeds were released in accordance with the provisions of the SR Agreement.

Following the conversion of the Subscription Receipts and the completion of the Qualifying Transaction, the Resulting Issuer has:

a) approximately 65,938,505 Resulting Issuer Common Shares issued and outstanding comprised of the following:

- 60,093,305 Resulting Issuer Common Shares issued to existing holders of common shares of GFI and holders of common shares of GFI issued in connection with the conversion of the GFI convertible debentures;
- 2,845,200 Resulting Issuer Common Shares issued to holders of the Subscription Receipts; and
- 3,000,000 Resulting Issuer Common Shares held by the former shareholders of Pivotal;

b) an aggregate of 4,715,000 options of the Resulting Issuer ("**Resulting Issuer Options**") entitling the holders thereof to purchase up to an aggregate of 4,715,000 Resulting Issuer Common Shares consisting of:

- Resulting Issuer Options to purchase 300,000 Resulting Issuer Common Shares pursuant to the options granted under the existing stock option plan of Pivotal; and
- Resulting Issuer Options to purchase 4,415,000 Resulting Issuer Common Shares to be issued to replace the options granted under the existing stock option plan of GFI;

c) an aggregate of 11,285,105 Resulting Issuer Warrants entitling the holders thereof to purchase up to an aggregate of 11,258,105 Resulting Issuer Common Shares consisting of:

- 7,812,905 Resulting Issuer Warrants issued in connection with the conversion of the GFI convertible debentures (entitling the holders thereof to purchase up to an aggregate of 7,812,905 Resulting Issuer Common Shares);
 - 2,845,200 Resulting Issuer Warrants issued to holders of the Subscription Receipts (entitling the holders thereof to purchase up to an aggregate of 2,845,200 Resulting Issuer Common Shares);
 - 400,000 Resulting Issuer Warrants issued to prior holders of certain GFI common share purchase warrants (entitling the holders thereof to purchase up to an aggregate of 400,000 Resulting Issuer Common Shares);
 - 200,000 Resulting Issuer Warrants held by the former holders of common share purchase warrants of Pivotal (entitling the holders thereof to purchase up to an aggregate of 200,000 Resulting Issuer Common Shares);
- d) an aggregate of 123,910 compensation options of the Resulting Issuer entitling the holders thereof to purchase up to an aggregate of 123,910 Resulting Issuer Units; and
- e) an aggregate of 258,360 finder's warrants of the Resulting Issuer entitling the holders thereof to purchase 258,360 Resulting Issuer Common Shares at a price of \$1.00 per share at an time until June 10, 2024 and an aggregate of 18,760 finder's warrants of the Resulting Issuer entitling the holders thereof to purchase 18,760 Resulting Issuer Units at a price of \$1.25 per unit at any time until the date that is twenty-four (24) months from the date of listing of the Resulting Issuer Common Shares on the Exchange.

Further details regarding the Qualifying Transaction can be found in the filing statement of the Resulting Issuer dated May 30, 2022. (the "**Filing Statement**"), a copy of which is available under the Company's profile on SEDAR at www.sedar.com.

Escrowed Shares

On completion of the Qualifying Transaction, certain Principals (as defined policies of the Exchange) of the Resulting Issuer holding an aggregate of 54,403,436 Resulting Issuer securities and certain former shareholders of GFI holding an aggregate of 1,950,000 Resulting Issuer securities (pursuant to section 10 of Policy 5.4) are subject to value escrow in accordance with Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* of the Exchange ("**Policy 5.4**"), to be released in accordance with the following schedule:

Release Dates	Percentage of Total Escrowed Securities to be Released	Total Number of Escrowed Securities to be Released
Date of Final QT Exchange Bulletin	10 %	5,635,343
6 months from Final QT Exchange Bulletin	15 %	8,453,015
12 months from Final QT Exchange Bulletin	15 %	8,453,015
18 months from Final QT Exchange Bulletin	15 %	8,453,015
24 months from Final QT Exchange Bulletin	15 %	8,453,015
30 months from Final QT Exchange Bulletin	15 %	8,453,015
36 months from Final QT Exchange Bulletin	15 %	8,453,018
TOTAL	100 %	56,353,436

In addition, certain former shareholders of the Company entered into a CPC Escrow Agreement (the "**CPC Escrow Agreement**") with the Exchange and TSX Trust Company, as escrow agent, pursuant to which 1,000,000 Resulting Issuer Common Shares will remain in escrow following the closing of the Qualifying Transaction. Under the terms of the CPC Escrow Agreement, 25% of the escrowed shares will be released at the time of the Final QT Exchange Bulletin (as defined in the policies of the Exchange), with an additional 25% released on each 6-month anniversary thereafter. TSX Trust Company acts as escrow agent in respect of the CPC Escrow Agreement.

Board of Directors and Executive Management

Following the completion of the Qualifying Transaction, the following individuals comprise the directors and officers of the Company:

David Hanna	- President, Chief Executive Officer and Director
William Murray	- Chief Financial Officer
Jaime Rueda	- Vice President
Jason Phillips	- Vice President of Operations
Marie Amazan	- Vice President
Prashant Jairaj	- Vice President Consumer Packaged Goods
Michael Moussa	- Vice President Ingredients
Jeffrey Gebert	- Corporate Secretary
Amber MacArthur	- Director
Erin Rooney	- Director
Frank van Biesen	- Director
Michael Wiener	- Director
Robert Thomas Wolf	- Chairperson, Director

Auditors

KPMG LLP, GFI's current auditors, will continue as auditors of the Resulting Issuer following closing of the Qualifying Transaction.

About Global Food and Ingredients Ltd.

Global Food and Ingredients Ltd. is a fast-growing Canadian owned and operated plant-based food and ingredients company, connecting the local farm to the global supply chain for peas, beans, lentils, chickpeas and other high protein specialty crops. Global Food and Ingredients Ltd. is organized into four primary business lines: Pea Protein Inputs, Plant-Based Ingredients, Plant-Based Pet Food Ingredients and Plant-Based Consumer Packaged Goods. Headquartered in Toronto, Global Food and Ingredients Ltd. buys directly from its extensive network of farmers, processes its products locally at its four wholly-owned processing facilities in Western Canada and ships to 37 countries across the world.

Global Food and Ingredients Ltd.'s vision is to become a vertically integrated farm-to-fork plant-based company providing traceable, locally sourced, healthy and sustainable food and ingredients. Through recent acquisition and development activities, Global Food and Ingredients Ltd. now offers a full suite of Plant-Based Consumer Packaged Goods with over 20 SKUs under the YoFiit, Bentilia and Five Peas in Love brands.

For more information, visit: gfiglobalfood.com

Disclaimer



Investors are cautioned that, except as disclosed in the Filing Statement prepared in connection with the Qualifying Transaction, any information released or received with respect to the Qualifying Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The TSXV has in no way passed upon the merits of the Qualifying Transaction and has neither approved nor disapproved the contents of this news release.

Neither the Exchange nor its Regulation Service Provider (as defined policies of the Exchange) accepts responsibility for the adequacy or accuracy of this press release.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction. Any securities referred to herein have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to a U.S. Person absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.

Forward-Looking Statements

This press release may contain certain forward-looking information and statements ("forward-looking information") within the meaning of applicable Canadian securities legislation, that are not based on historical fact, including without limitation statements containing the words "believes", "anticipates", "plans", "intends", "will", "should", "expects", "continue", "estimate", "forecasts" and other similar expressions. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. The Company undertakes no obligation to comment analyses, expectations or statements made by third-parties in respect of the Company, its securities, or financial or operating results (as applicable). Although the Company believes that the expectations reflected in forward-looking information in this press release are reasonable, such forward-looking information has been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond the Company's control, including the risk factors discussed in the Filing Statement.

which are incorporated herein by reference and are available through SEDAR at www.sedar.com. The forward-looking information contained in this press release are expressly qualified by this cautionary statement and are made as of the date hereof. The Company disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Share numbers noted in this press release may not match the numbers disclosed in the Filing Statement due to rounding pursuant to the process of completing the consolidations described above and the exchange of GFI securities for post-consolidation common shares, as well adjustment based on the aggregate amount of interest on the GFI convertible debentures (which is calculated on a daily basis), accrued up to the actual date of conversion.

SOURCE Global Food and Ingredients

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