

# PIVOTAL AND GFI ANNOUNCE CLOSING OF PRIVATE PLACEMENT OFFERINGS OF GFI SUBSCRIPTION RECEIPTS FOR GROSS PROCEEDS OF \$3.6 MILLION

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Toronto, Ontario – May 18, 2022 – Pivotal Financial Corp. (TSXV: PIV.P) (“**Pivotal**”), a capital pool company (“**CPC**”) listed on the TSX Venture Exchange (the “**Exchange**”), and Global Food and Ingredients Inc. (“**GFI**”), a private corporation incorporated under the *Canada Business Corporations Act* (the “**CBCA**”) with operations in the plant-based food and ingredients industry, are pleased to announce that GFI has closed its previously announced brokered private placement (the “**Offering**”) of approximately 1.97 million subscription receipts (each, a “**Subscription Receipt**”) at a price of \$1.25 per Subscription Receipt (the “**Offering Price**”) for aggregate gross proceeds of approximately \$2.5 million. The Offering was led by Echelon Capital Markets (“**Echelon**”) as sole bookrunner and co-lead agent and PI Financial Corp as co-lead agent, along with Canaccord Genuity Corp. (collectively, the “**Agents**”).

In addition to the Offering, GFI has completed a non-brokered offering (the “**Non-Brokered Offering**”) of 879,000 Subscription Receipts on the same terms as the Offering for aggregate gross proceeds of approximately \$1.1 million.

The Offering and the Non-Brokered Offering were conducted in connection with the proposed business combination between Pivotal and GFI (the “**Proposed Transaction**”), as previously announced and described in press releases dated August 9, 2021, November 8, 2021, January 17, 2022 and April 11, 2022, that would result in the reverse takeover of Pivotal by GFI (Pivotal, as it will exist following the completion of the Proposed Transaction, the “**Resulting Issuer**”) and would constitute Pivotal’s “Qualifying Transaction” as such term is defined under Policy 2.4 - *Capital Pool Companies* of the Exchange.

Upon the satisfaction of certain escrow release conditions customary for this type of transaction (the “**Escrow Release Conditions**”), each Subscription Receipt will, pursuant to its terms and pursuant to the Proposed Transaction, result in the holder thereof being issued, for no additional consideration and without any further action by its holder, one unit of the Resulting Issuer (a “**Resulting Issuer Unit**”). Each Resulting Issuer Unit will be comprised of one common share of the Resulting Issuer (a “**Resulting Issuer Share**”) and one warrant to purchase common shares of the Resulting Issuer (a “**Resulting Issuer Warrant**”). Each Resulting Issuer Warrant will entitle the holder thereof to acquire one additional Resulting Issuer Share at an exercise price of \$1.75 at any time on or prior to the second anniversary of the closing date of the Proposed Transaction.

The gross proceeds of the Non-Brokered Offering and gross proceeds of the Offering (less 50% of the Cash Commission (as defined below) and all of the Agents’ expenses incurred before the closing of the Offering) will be held in escrow by TSX Trust Company (the “**Escrow Agent**”) and invested pursuant to the terms of a subscription receipt agreement. If the Escrow Release Conditions are not satisfied prior to 5:00 p.m. (EST) on September 15, 2022 (the “**Escrow**”

**Deadline**”), the Escrow Agent will return to holders of Subscription Receipts an amount equal to the aggregate Offering Price of the Subscription Receipts held by them and their pro rata portion of any interest earned thereon.

The net proceeds from the Offering and the Non-Brokered Offering are intended to be used for marketing and other costs incurred for the development of new product offerings and United States launch of the Resulting Issuer’s plant-based consumer packaged goods, consisting of the YoFiit, Bentilia and Five Peas in Love brands and for general working capital. The Resulting Issuer’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, GFI 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, in addition to its established and rapidly growing plant-based foods and ingredients business lines that supply customers in 37 countries.

In connection with the Offering, the Agents received: (i) a cash commission of \$163,467.50 (the "**Cash Commission**"), 50% of which was paid to the Agents on closing while the remaining 50% of the Cash Commission will be payable upon the satisfaction of the Escrow Release Conditions, and (ii) broker warrants (the "**GFI Broker Warrants**") of GFI that will, upon conversion into broker warrants of the Resulting Issuer pursuant to the Proposed Transaction, entitle the holder to acquire at the Offering Price 123,910 Resulting Issuer Units at any time on or prior to the second anniversary of the closing date of the Proposed Transaction. If the Escrow Release Conditions are not satisfied on or before the Escrow Deadline, the GFI Broker Warrants will be immediately cancelled. Further, the Corporation paid Echelon a corporate finance advisory fee of \$28,580 (inclusive of applicable taxes).

In connection with the Non-Brokered Offering, the Corporation paid a finder’s fee of \$23,450 and issued finder’s warrants of GFI to an arm’s length finder that will, upon conversion into finder’s warrants of the Resulting Issuer pursuant to the Proposed Transaction, entitle the holder thereof to acquire at the Offering Price 18,760 Resulting Issuer Units at any time on or prior to the second anniversary of the closing date of the Proposed Transaction.

In addition, GFI, Pivotal and 1347669 Canada Inc., a wholly-owned subsidiary of Pivotal, entered into an amended and restated business combination agreement dated May 17, 2022 (the "**A&R Business Combination Agreement**"), which amends and restates the business combination agreement dated November 5, 2021 among the same parties. Pursuant to the A&R Business Combination Agreement, the parties agreed to extend the outside date for the Proposed Transaction, and make certain other additions and changes to generally reflect developments arising since the date of the original agreement (among some other ancillary matters). The parties intend to close the Proposed Transaction before the end of June 2022.

## **About GFI**

GFI was incorporated under the provisions of the CBCA on April 19, 2018. GFI 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. GFI 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, GFI 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.

GFI'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, GFI 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.

## **About Pivotal**

Pivotal is a CPC within the meaning of the policies of the Exchange that has not commenced commercial operations and has no assets other than cash. Except as specifically contemplated in the policies of the Exchange, until the completion of its "Qualifying Transaction" (as defined therein), Pivotal will not carry on business, other than the identification and evaluation of companies, business or assets with a view to completing a proposed Qualifying Transaction.

## **Contact Information**

For further information, please contact:

Pivotal Financial Corp

C. Fraser Elliott, President and CEO

Phone: 416-567-3276

Email: [cfraserelliott@gmail.com](mailto:cfraserelliott@gmail.com)

Global Food and Ingredients Inc.

Bill Murray, CFO

Phone: 416-840-6801

Email: [bill.murray@gfiglobalfood.com](mailto:bill.murray@gfiglobalfood.com)

## **Disclaimer for Forward-Looking Information**

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect Pivotal and GFI's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release include information relating to the use of proceeds from the Offering and the Non-Brokered Offering, the completion of the Proposed Transaction and the related timeline for completion, YoFiit's R&D project and related product

developments, the projected growth in the plant-based food and ingredients industry, and GFI's business objectives and vision. Such statements and information reflect the current view of Pivotal and GFI. Risks and uncertainties may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

There are a number of risk factors that could cause Pivotal and/or GFI's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others: currency fluctuations; limited business history; disruptions or changes in the credit or security markets; product health and safety concerns and recalls; supply chain instability; competition; general market and industry conditions; and the impact of the COVID-19 pandemic.

Pivotal and GFI caution that the foregoing list of material factors is not exhaustive. When relying on Pivotal and/or GFI's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Pivotal and GFI have assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

*All information contained in this news release with respect to GFI and the Resulting Issuer was supplied by GFI for inclusion herein, and Pivotal and its directors and officers have relied on GFI for all such information concerning such parties.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in securities of a capital pool company should be considered highly speculative.*

*This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.*