

# **PEAS OF BEAN LTD.**

**Interim Condensed Financial Statements**

**For the Six and Three Months Ended June 30, 2022**

Expressed in U.S. Dollars in Thousands

### **NOTICE TO READER**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of these condensed consolidated interim financial statements. Readers are cautioned that these statements may not be appropriate for their intended purposes.

August 29, 2022

**Peas of Bean Ltd.**  
**Interim Condensed Statement of Financial Position**  
**U.S. dollars in thousands**

	Note	June 30, 2022	December 31, 2021
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 243	\$ 114
Account receivable		82	238
Short term deposit		15	16
Other accounts receivable		42	39
Inventory		77	48
<b>Total current assets</b>		459	455
<b>Non-current</b>			
Long term restricted deposit		32	36
Property and equipment, net		1,357	312
<b>Total non-current assets</b>		1,389	348
<b>Total assets</b>		\$ 1,848	\$ 803
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables		\$ 258	\$ 231
Other payables		445	285
Warrants	3	402	113
Short term bank loan		305	150
Promissory note	5	1,392	-
Loans	6	52	257
<b>Total current liabilities</b>		2,854	1,036
<b>Non-current liabilities</b>			
Long term lease liability	7	581	-
Shareholders loan		160	174
Long term bank loan		52	113
<b>Total non-current liabilities</b>		793	287
<b>Shareholders' equity (deficit)</b>			
Share capital	4	19	19
Capital reserve		220	62
Additional paid in capital		1,161	1,161
Accumulated deficit		(3,199)	(1,762)
<b>Total Shareholders' equity (deficit)</b>		(1,799)	(520)
<b>Total liabilities and shareholders' equity (deficit)</b>		\$ 1,848	\$ 803

August 29, 2022  
Date of approval of the  
financial statements

“Noam Ftecha”  
Noam Ftecha  
Chief Executive officer  
& Director

“Roy Borochoy”  
Roy Borochoy  
Director

*The accompanying notes are an integral part of these Condensed Interim Financial Statements.*

## Peas of Bean Ltd.

### Interim Condensed Statement of Comprehensive Loss

U.S. dollars in thousands, except per share data

	Six months ended June 30,		Three months ended June 30,	
	2022	2021	2022	2021
Sales	\$ 132	\$ 138	\$ 46	\$ 64
Cost of sales	(166)	(131)	(60)	(64)
<b>Gross profit</b>	<b>(34)</b>	<b>7</b>	<b>(14)</b>	<b>34</b>
<b>Operating expenses</b>				
Research and development expenses	(21)	(17)	(10)	(12)
Selling, marketing and administrative expenses	(927)	(461)	(502)	(327)
<b>Total operating expenses</b>	<b>(948)</b>	<b>(478)</b>	<b>(512)</b>	<b>(339)</b>
<b>Loss from operations</b>	<b>(982)</b>	<b>(471)</b>	<b>(526)</b>	<b>(339)</b>
Other expenses	-	(6)	-	-
Finance expenses	(455)	(18)	(475)	(8)
Finance income	-	46	-	25
<b>Net loss for the period</b>	<b>(1,437)</b>	<b>(449)</b>	<b>(1,001)</b>	<b>(322)</b>
<b>Other comprehensive loss which will not be classified as profit or loss:</b>				
Foreign currency translation differences	158	12	149	15
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (1,279)</b>	<b>\$ (437)</b>	<b>\$ (852)</b>	<b>\$ (307)</b>
Basic and diluted loss per share	<b>(0.20)</b>	(0.07)	(0.14)	(0.05)
Weighted average number of shares outstanding (*)	<b>6,999,999</b>	6,376,574	6,999,999	6,999,999

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

**Peas of Beans Ltd.**

**Interim Condensed Statement of Changes in Shareholders' Equity (Deficit)**

**U.S. dollars in thousands**

	<b>Number of shares</b>	<b>Share Capital</b>	<b>Additional paid in capital</b>	<b>Capital reserve</b>	<b>Accumulated deficit</b>	<b>Total</b>
<b>Balance, January 1, 2022</b>	6,999,999	\$ 19	\$ 1,161	\$ 62	\$ (1,762)	\$ (520)
Net loss for the period	-	-	-	-	(1,437)	(1,437)
Other comprehensive loss for the period	-	-	-	158	-	158
Total Net loss and comprehensive loss for the period	-	-	-	158	(1,437)	(1,279)
<b>Balance, June 30, 2022</b>	<b>6,999,999</b>	<b>\$ 19</b>	<b>\$ 1,161</b>	<b>\$ 220</b>	<b>\$ (3,199)</b>	<b>\$ (1,799)</b>
	<b>Number of shares</b>	<b>Share Capital</b>	<b>Additional paid in capital</b>	<b>Capital reserve</b>	<b>Accumulated deficit</b>	<b>Total</b>
<b>Balance, January 1, 2021</b>	5,542,118	\$ 15	\$ 149	\$ 6	\$ (668)	\$ (498)
Net loss for the period	-	-	-	-	(449)	(449)
Other comprehensive loss for the period	-	-	-	12	-	4
Total Net loss and comprehensive loss for the period	-	-	-	12	(449)	(437)
Interest benefit from Controlling Shareholders	-	-	-	9	-	9
Issuance of shares and warrants	1,457,881	4	1,012	-	-	1,016
<b>Balance, June 30, 2021</b>	<b>6,999,999</b>	<b>\$ 19</b>	<b>\$ 1,161</b>	<b>\$ 27</b>	<b>\$ (1,117)</b>	<b>\$ 90</b>

*The accompanying notes are an integral part of these Condensed Interim Financial Statements.*

**Peas of Bean Ltd.**  
**Condensed Interim Statement of Cash Flows**  
**U.S. dollars in thousands**

	<b>For the six months period ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Net loss for the period	\$ (1,437)	\$ (449)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	32	15
Capital loss from sale of property and equipment	-	6
Depreciation of Right of use asset	36	7
Increase in lease obligation	15	1
Interest on related party loan	7	9
Interest benefit from Controlling Shareholders	6	9
Interest on bank loans	8	6
Promissory note revaluation	80	-
Warrants fair value revaluation	322	(41)
<b>Changes in operations assets and liabilities:</b>		
Decrease (increase) in accounts receivable	138	(10)
Increase in other accounts receivable	(12)	(17)
Decrease (increase) in Inventory	(37)	22
Increase in trade payables	58	15
Increase in other payables	197	114
<b>Net cash used in operating activities</b>	<u>(587)</u>	<u>(313)</u>
<b>Cash flow from investing activities:</b>		
Purchase of property and equipment	(582)	(97)
Proceeds from sale of property and equipment	-	5
<b>Net cash used in investing activities</b>	<u>(582)</u>	<u>(92)</u>
<b>Cash flow from financing activities</b>		
Issuance of shares and warrants	-	1,188
Receipt of a bank loan	1,412	-
Repayment of a bank loan	(75)	(35)
Payment of lease obligation	(22)	(8)
Loan from shareholders, net	-	(197)
Loan from third party	-	53
<b>Net cash provided by financing activities</b>	<u>1,315</u>	<u>1,001</u>
Exchange rate differences on cash and cash equivalents	(17)	7
Increase in cash and cash equivalents	129	603
Cash and cash equivalents at the beginning of the period	114	65
<b>Cash and cash equivalents at the end of the period</b>	<u>\$ 243</u>	<u>\$ 668</u>
<b>Significant non-cash transactions:</b>		
Exercise of warrants into shares	1	1
Lease liabilities arising from obtaining right-of-use-assets	674	-
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the year for interest	*)	*)

\*) less than 1 thousand

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

## Peas of Bean Ltd.

### Notes to Condensed Interim Financial Statements

U.S. dollars in thousands

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#### NOTE 1- GENERAL

A. Description of business:

Peas of Bean Ltd. (the “Company”), was incorporated and registered in the Registrar of Companies on 9 February 2017 and began its commercial operations in April of that year. The company is engaged in the development and production of vegan food in its factory located in Kibbutz Dan, in Israel.

B. As of June 30, 2022, the Company incurred a net loss of \$1,437 and negative cash flows from operating activities of \$587 and has an accumulated deficit of \$3,199 as of that date.

These events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

These financial statements were prepared on a going concern basis, which assumes that the Company will be able to obtain the necessary financing as needed to realize its assets and discharge its liabilities in the normal course of business. If the going concern assumption was not appropriate for these financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities.

As of the date of the issuance of these financial statements, the Company has not yet commenced generating significant sales, and therefore depends on fundraising from new and existing investors to finance its activities.

From March 2022 until June 2022, the Company raised a total gross amount of approximately \$1,392, through issuance of a Promissory note. See also note 5.

C. On July 29, 2022, The Company completed a Business Combination Agreement (the "BCA") with Plantify Foods, Inc. (Formerly, Antalis Ventures Corp) ("Plantify"), a Canadian publicly traded Company with regard to the acquisition (the "Transaction") by Plantify of all of the issued and outstanding shares of the Company, see also Note 8.

#### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a) **Statement of compliance**

These interim unaudited condensed financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 Interim Financial Reporting. The unaudited interim condensed financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2021. The significant accounting policies applied in the annual financial statements of the Company as of December 31, 2021 are applied consistently in these interim condensed financial statements.

The policies applied in these interim condensed financial statements are based on IFRS effective as of June 30, 2022.

b) **Basis of presentation**

The interim condensed financial statements have been presented in US dollars, while Company’s functional currency is New Israeli Shekel (“NIS”).

**Peas of Bean Ltd.**  
**Notes to Condensed Interim Financial Statements**  
**U.S. dollars in thousands**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**c) Impact of accounting standards to be applied in future periods**

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to December 31, 2022 (the date on which the Company's next annual financial statements will be prepared up to) that the Company has decided not to adopt early. The Company does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

**NOTE 3 - WARRANTS**

The Company accounts for the warrants issued to the March 2021 investor under IFRS 9 and they are classified as a liability since the exercise price is not denominated in the functional currency of the Company. The derivative financial liability is re-measured at each reporting date, with changes in fair value recognized in finance expense (income), net.

The derivative financial liability as of June 30, 2022 and December 31, 2021 amounted to USD 402 and USD 113, respectively. The amount was recorded at fair value according to a valuation performed by an independent third-party appraiser.

For the six months period ended June 30, 2022, the Company recorded an expense of \$322 (an expense of \$41 in 2021) in the statement of comprehensive loss as a result of the change in the fair value of warrants.

The fair value measurement of the warrants as of June 30, 2022 in the table below was measured using a Monte Carlo simulation model. The key inputs that were used in measuring the fair value of the warrants as of June 30, 2022 were: risk free interest rate – 3.09%, expected volatility - 80%, Expected term 2 years and Expected dividend yield - 0.

A summary of changes in share purchase warrants issued by the Company during the three months period ended June 30, 2022 is as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
<b>Balance, December 31, 2020</b>	<b>288,881</b>	
March 2020 Warrants exercise	(288,881)	0.67
Issuance of warrants	1,169,000	2
<b>Balance at March 31, 2021</b>	<b>1,169,000</b>	<b>2</b>
<b>Balance at December 31, 2021</b>	<b>1,169,000</b>	<b>2</b>
Movement during six months ended	-	-
<b>June 30, 2022</b>	<b>1,169,000</b>	<b>2</b>

**Peas of Bean Ltd.**  
**Notes to Condensed Interim Financial Statements**  
**U.S. dollars in thousands**

**NOTE 3 – WARRANTS (CONT.)**

	<b>Fair value measurements using input type</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Balance as of January 1, 2021	-	-	32	32
Gain recognized in profit or loss				
In Finance income	-	-	(41)	(41)
Warrants issued during the period	-	-	186	186
Disposal	-	-	(13)	(13)
Warrant liability as of June 30, 2021	-	-	164	164
Warrant liability as of December 31, 2021	-	-	113	113
Loss recognized in profit or loss				
In Finance income	-	-	322	322
Translation adjustments	-	-	(33)	(33)
Warrant liability as of June 30, 2022	-	-	402	402

	<b>Fair value measurements using input type</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Warrant liability as of June 30, 2022	-	-	402	402

	<b>Fair value measurements using input type</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Warrant liability as of June 30, 2021	-	-	164	164

**NOTE 4 - SHARE CAPITAL**

Composition:

	<b>Number of shares as of June 30, 2022</b>	
	<b>Authorized</b>	<b>Issued and outstanding</b>
Ordinary shares	15,000,000	6,999,999

	<b>Number of shares as of December 31, 2021</b>	
	<b>Authorized</b>	<b>Issued and outstanding</b>
Ordinary shares	15,000,000	6,999,999

**Peas of Bean Ltd.**  
**Notes to Condensed Interim Financial Statements**  
**U.S. dollars in thousands**

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**NOTE 4 - SHARE CAPITAL (Cont.)**

Movement in number of shares:

	<b>Number of shares</b>
Closing balance as at December 31, 2021	6,999,999
Movement during the three months ended	-
Closing balance at March 31, 2022	6,999,999
Movement during the three months ended	-
Closing balance at June 30, 2022	6,999,999

- a. In March 2021, Company's March 31, 2020 investor has exercised his warrants into 288,881 ordinary shares. As part of the exercise, the Company received \$15 during March 2021 and \$180 in April 2021 (which were recorded as of March 31, 2021 as other account receivables).
- b. On March 16, 2021, the Company issued a total of 1,169,000 ordinary shares of NIS 0.01 par value each to certain investor ("March 2021 investor") for \$1,000. As part of the investment, the Company also issued to the March 2021 investor, 1,169,000 warrants at an exercise price of two US Dollars (\$2.00) per share (see also Note 3b). the Company recorded \$7 issuance expenses.

**NOTE 5 - PROMISSORY NOTES**

During March 2022 (see also note 8), the Company received gross proceeds of approximately \$1,045 (CAD 1,300 thousands) in connection with the First Tranche Convertible Debenture Financing (as defined below in Note 8).

As the conversion feature of the First POB Promissory Note (as defined below in Note 8) does not meet the fixed for fixed criteria under IAS 32 it should be accounted for as a derivative liability at fair value through profit or loss. At inception, the Company has designated the entire instrument at FVTPL There was no change in the fair value during the period.

During the three month ended on June 30, 2022 the Company received an additional CAD 500 thousands in connection with the Second Tranche Convertible Debenture Financing (as defined below in Note 8) which makes the total proceeds from the Convertible Debenture Financing (as defined below in Note 8) to be CAD 1,800 thousands (see Also Note 8).

**Peas of Bean Ltd.**  
**Notes to Condensed Interim Financial Statements**  
**U.S. dollars in thousands**

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**NOTE 6 - LOANS**

During the six months ended June 30, 2022, the Company made an early repayment of certain loans dated November and December 2021 at the amount of \$195.

**NOTE 7 - LEASES**

In December 2021, the Company signed for a new lease facility for a 10 years period starting January 2022. Monthly rent fee will be NIS 25 thousand (approximately \$8).

The Company uses its incremental borrowing rate as the discount rate for its leases, as the implicit rate in the lease is not readily determinable. As of January 1, 2022, the Company's leases had a weighted average remaining lease term of 10 years and a weighted average borrowing rate of 4.6%.

At June 30, 2021, the Company's lease asset and lease liabilities amounted to \$569 and \$597, respectively.

Lease liabilities	Six months ended June 30,	
	2022	2021
Interest expense	15	1
Total cash outflow for leases	22	8
Additions to right-of-use assets	674	-

The future minimum lease payments, under our lease agreement, as of June 30, 2022, are as follows:

	Amount
2022	21
2023	43
2024-2031	686

**NOTE 8 - SUBSEQUENT EVENTS**

On July 29, 2022, The Company completed a Business Combination Agreement (the "BCA") with Plantify Foods, Inc. (Formerly, Antalis Ventures Corp) ("Plantify"), a Canadian publicly traded Company, a wholly-owned subsidiary of Plantify ("SubCo") and POB Finco Inc. ("FinCo"), with regard to the acquisition (the "Transaction") by Plantify of all of the issued and outstanding shares of the Company.

**NOTE 8 - SUBSEQUENT EVENTS (CONT.)**

The Transaction was effected by way of a share exchange pursuant to which Plantify acquired all of the issued and outstanding Company's Shares in exchange for common shares of Plantify (the "Plantify Shares"). Upon completion of the Transaction and the Concurrent Financing (as defined below), the Company's Shareholders hold approximately 69.58% of the outstanding Plantify's Shares on a non-diluted basis.

Upon completion of the Transaction, Plantify holds 100% of the equity interests of the Company. The BCA was negotiated at arm's length.

Pursuant to the BCA, Plantify and the Company combined their businesses by way of the Amalgamation and the Share Exchange. Pursuant to the amalgamation agreement entered into between Plantify, FinCo and SubCo: (i) SubCo and FinCo amalgamated to form one corporation ("AmalCo"); (ii) each of FinCo and SubCo ceased to exist as entities separate from AmalCo; (iii) the property of each of SubCo and FinCo continued to be the property of AmalCo; (iv) AmalCo continued to be liable for the obligations of each of SubCo and FinCo; (v) each shareholder of FinCo received one common share ("Resulting Issuer Share") of the resulting public entity following completion of the Transaction (the "Resulting Issuer") in exchange for each FinCo Share (as defined herein) held by such holder and the FinCo Shares were cancelled; (vi) Plantify received one share in AmalCo ("AmalCo Share") in exchange for the one share in the capital of SubCo held by Plantify and the shares in the capital of SubCo were cancelled; and (vii) in consideration for Plantify's issuance of Resulting Issuer Shares, AmalCo issued to Plantify one AmalCo Share for each Resulting Issuer Share issued.

Pursuant to an assignment and assumption agreement entered into by Plantify and AmalCo, following completion of the Amalgamation and the Share Exchange, AmalCo wound up into Plantify and the assets of AmalCo (which consist of the proceeds of the FinCo Financings, net of expenses) were transferred to Plantify.

Concurrent Financing

In connection with the Transaction, the parties completed a non-brokered private placement of 14,858,333 subscription receipts of FinCo (the "FinCo Subscription Receipts") at a price of CAD\$0.12 (the "Issue Price") per FinCo Subscription Receipt for aggregate gross proceeds of CAD\$1,783,000 (the "FinCo Non-Brokered Private Placement").

Upon satisfaction of certain escrow release conditions in accordance with the terms of a subscription receipt agreement, each FinCo Subscription Receipt were automatically converted into one unit of FinCo (each, a "FinCo Unit") comprised of one common share in the capital of FinCo ("FinCo Share") and one common share purchase warrant of FinCo ("FinCo Warrant").

## Peas of Bean Ltd.

### Notes to Condensed Interim Financial Statements

U.S. dollars in thousands

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#### NOTE 8: SUBSEQUENT EVENTS (CONT.)

Upon completion of the Transaction, each FinCo Share (including the FinCo Shares issued upon conversion of the Convertible Debentures (as defined below)) were automatically exchanged for one Resulting Issuer Share and each FinCo Warrant (including the FinCo Warrants issued upon conversion of the Convertible Debentures) were automatically exchanged for one common share purchase warrant of the Resulting Issuer (“Resulting Issuer Warrant”).

Each Resulting Issuer Warrant shall be exercisable to acquire one Resulting Issuer Share at a price of CAD\$0.18 per share for a period of 24 months from the date on which the Resulting Issuer Shares become listed on the TSXV, which was July 29, 2022.

On March 28, 2022 the parties completed a first tranche of a non-brokered private placement of 12% subordinated unsecured redeemable convertible debentures of FinCo (the “Convertible Debentures”) at a price of CAD\$1,000 per Convertible Debenture for gross proceeds of CAD \$1,300,000 and the parties completed a second tranche of a non-brokered private placement of Convertible Debentures for gross proceeds of CAD \$500,000 prior to closing of the Transaction (the “Convertible Debenture Financing”). The Convertible Debentures will accrue interest at a rate of 12% per annum and will mature on the one year anniversary of the date of issuance (the “Maturity Date”). FinCo shall have the right to redeem the Convertible Debentures in full at any time following the date of issuance. Each Convertible Debenture will convert into FinCo Units at a price of CAD\$0.12 per FinCo Unit. As the Convertible Debenture were converted into FinCo Units prior to the Maturity Date, the interest which would have accrued on the Convertible Debenture prior to the Maturity Date was accelerated and become due and payable on July 29, 2022. The CAD \$1,800,000 Convertible Debentures was automatically converted into 15,000,000 FinCo Units.

In connection with the closing of the First Tranche Convertible Debenture Financing, FinCo directed the net proceeds of such financing to POB (CAD \$1,300,000 received in March 2022), in exchange for a promissory note issued to FinCo by POB and having a maturity date of five years from the date of issuance (the “First POB Promissory Note”). In connection with the closing of the Second Tranche Convertible Debenture Financing, FinCo directed the net proceeds of such financing to POB (CAD \$500,000 during the three month ended on June 30, 2022), in exchange for a promissory note issued to FinCo by POB (the “Second POB Promissory Note”, and together with the First POB Promissory Note, the “POB Promissory Notes”). Upon completion of the Transaction, the POB Promissory Notes were assumed by the Resulting Issuer.

FinCo and the Company engaged finders to assist in identifying investors for the FinCo Non-Brokered Private Placement and Convertible Debenture Financing. These finders will be entitled to a fee payable in cash equal to up to 10% of the gross proceeds raised, subject to approval by the TSXV. The FinCo Non-Brokered Private Placement and Convertible Debenture Financing raised aggregate gross proceeds of up to CAD\$3,583,000.

In addition, concurrently with the closing of the Proposed Transaction, Plantify completed a non-brokered private placement of 12% subordinated unsecured convertible debentures of Plantify (the “Plantify Convertible Debentures”) for aggregate gross proceeds of CAD\$500,000 (the “Plantify Convertible Debenture Financing”). The Plantify Convertible Debentures will be convertible, at the option of the holder, in full or in part, from the date that is one month from the closing of the Transaction, into units of the Resulting Issuer at a conversion price of \$0.12. Each such unit will be comprised of one Resulting Issuer Share and one Resulting Issuer Warrant, exercisable at a price of \$0.18 per share for a period of 24 months from the date of conversion. If the Plantify Convertible Debentures are not converted by the holder, upon maturity of the Plantify Convertible Debentures, the interest payable will be paid in cash by

## Peas of Bean Ltd.

### Notes to Condensed Interim Financial Statements

U.S. dollars in thousands

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#### NOTE 8: SUBSEQUENT EVENTS (CONT.)

the Resulting Issuer. In connection with the Plantify Convertible Debenture Financing, certain advisors will receive a cash commission equal to 10% of the aggregate gross proceeds raised in such financing.

#### Debt Settlement

Pursuant to an assignment and assumption agreement entered into between POB and FinCo, POB assigned a debt owing to a consultant of POB in the amount of CAD\$77,000 to FinCo in exchange for the issuance of a promissory note of POB in favour of FinCo (the "Debt Settlement Promissory Note"). Immediately prior to closing of the Proposed Transaction, this debt was settled by way of the issuance of 641,667 FinCo Shares and 651,667 FinCo Warrants, on the same terms as the Financings, which securities were automatically exchanged for an equivalent number of Resulting Issuer Units on a one-for-one basis (the "POB Debt Settlement").

Under the terms of the BCA, up to an additional 40,300,000 Plantify Shares will be issuable to the Company's Shareholders subject to the Company attaining the following financial performance targets:

- 18,800,000 Plantify Shares will be issuable upon the Company reaching cumulative gross revenue of CAD\$6 million in any trailing 12-month period within 30 months of the closing date of the Transaction; and
- 21,500,000 Plantify Shares will be issuable upon the Company reaching cumulative gross revenue of CAD\$12 million in any trailing 12-month period within 42 months of the closing date of the Transaction