



November 28, 2022

## **K.B. Recycling Industries Ltd. (Alkemy) Reports Q3 2022 Financial Results and Announces Executive Officer, Marketing and Investor Relations Developments**

Toronto, Ontario and Beit Shean, Israel, November 28, 2022 – K.B. Recycling Industries Ltd. (TSXV: AKMY), conducting business as Alkemy ("**Alkemy**" or, the "**Company**"), a leading environmental technology company based in Israel, today announced the release of its consolidated financial statements for the nine month period ended September 30, 2022 and the related management's discussion and analysis ("**MD&A**"), which are available on the Company's website at <http://www.alkemy.solutions> and on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Extension of Interim CEO Employment and Change of Compensation**

The Company is pleased to announce the extension of Mr. Amichai Krupik's employment as the interim Chief Executive Officer of the Company. Mr. Krupik has agreed to stay on with the Company until December 31, 2023, at a reduced salary. Mr. Krupik will assist the Company in its efforts to recruit a permanent CEO and finalize the move of the Company's manufacturing to Europe as previously reported by the Company.

As part of the extension of Mr. Krupik's employment and in light of the cessation of the manufacturing activity in Israel, the Company and Mr. Krupik have agreed to amend his employment terms, such that (i) starting on January 1, 2023, Mr. Krupik's salary will be based on employer costs of NIS 8,000 (instead of the current NIS 45,000); (ii) Mr. Krupik's continuing employment will be for a fixed period ending on December 31, 2023; and (iii) subject to the approval of the shareholders of the Company at the upcoming shareholders meeting, the terms of expiration of the Restricted Share Unit's which Mr. Krupik was granted in 2021 (the "RSUs") will be amended, such that any RSUs that have not vested at the termination of Mr. Krupik's employment will not automatically be cancelled.

The Company views Mr. Krupik as a major asset to the Company as he is well versed in the Company's history and technology having previously served as its CEO and Founder for Innovation and Technology. Prior to joining the Company, Mr. Krupik served as Chief Executive Officer and director for several public and private companies. Mr. Krupik is a Certified Public Accountant and holds a Bachelor of Arts in Business from the College of Management Academic Studies in Israel and a Master of Laws from Bar-Ilan University in Israel.

Yoav Horowitz, Chairman of the Board of Directors (the "**Board**") of Alkemy, commented, "On behalf of the Board, I am very pleased that Mr. Krupik has chosen to stay on as interim Chief Executive Officer. Mr. Krupik has tremendous experience and contributes immensely to the Company."

### **Extension of Hybrid Financial's Marketing Engagement**

The Company is pleased to announce that the Board has approved the extension of the Company's marketing services agreement with Hybrid Financial Ltd., dated November 26, 2021 (the "**Hybrid Agreement**") until April 29, 2023. Under the extension, the monthly consideration for Hybrid's services is set at CAD \$22,500, which the Company has the right to pay by way of granting shares to Hybrid as part of the next financing round at a price per share of the financing round, subject to receipt of all necessary approvals including from the TSX Venture Exchange.

## **About K.B. Recycling Industries Ltd.**

K.B. Recycling Industries Ltd. is an environmental technology company based in Israel, and carries on business under the name "Alkemy". Alkemy has developed a unique plastic recycling process to recycle plastic bags and sheets traditionally not considered economically viable for recycling and as such have become one of the largest plastic pollutants in the world. Alkemy employs a dynamic one-step process that does not require separate recycling and production plants. Alkemy's process includes both recycling and finished product manufacturing in a single process called "waste-to-product", allowing Alkemy to reduce the cost of the recycled plastic as raw materials, and increase the profit margin per metric ton.

## **Forward-Looking Information**

This press release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") within the meaning of applicable securities laws. Forward-looking information may relate to the Company's future financial outlook and anticipated events or results and may include information regarding the Company's financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding the Company's expectations of future results, performance, achievements, prospects or opportunities or the markets in which the Company operates is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "budgets", "scheduled", "estimates", "outlook", "forecasts", "projects", "prospects", "strategy", "intends", "anticipates", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will" occur. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. Forward-looking information contained in this press release includes, but is not limited to, statements regarding the expectation that Mr. Krupik will remain in his position with the Company until December 31, 2023; the expectation that Mr. Krupik will assist the Company in its efforts to recruit a permanent CEO and finalize the move of the Company's manufacturing to Europe; the expectation that the term of Mr. Krupik's compensation will be amended as of January 1, 2023; the expectation that the terms of expiration of the RSUs will be amended, subject to the approval of the shareholders of the Company at the upcoming shareholders meeting; and the expectation that the Company will enter into the Hybrid Agreement, on the terms disclosed in this press release or at all.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that, while considered by the Company to be appropriate and reasonable as of the date of this press release, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to, risks and uncertainties associated with market conditions; the satisfaction of all applicable regulatory requirements and shareholder approvals; the Company's business and finances in general; Mr. Krupik's employment on the terms disclosed in this press release; and the Hybrid Agreement.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in forward-looking information. The opinions, estimates or assumptions referred to above and the risk factors described in the "Risk Factors" section of the MD&A of the Company dated November 28, 2022 should be considered carefully.

Although the Company has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to the Company or that the Company presently believes is not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information, such as the Company's inability to ensure that Mr. Krupik remains employed by the Company on the terms disclosed in this press release; the Company's inability to ensure that the shareholders of the Company approve the extension of the term of the RSUs; and the Company's inability to ensure that the terms of the Hybrid Agreement is the same as what is disclosed in this press release. There can be no

assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. Forward-looking information contained in this press release represents the Company's expectations as of the date of this press release (or as of the date they are otherwise stated to be made), and are subject to change after such date. The Company disclaims any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

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

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