



## **K.B. Recycling Industries Ltd. (Alkemy) Signs Purchase Agreement to Acquire Spanish Plastics Manufacturing Company**

*The acquisition is an important step in Alkemy's growth strategy to sell its products in the European market and to expand its activity through vertical integration.*

TORONTO and BEIT SHEAN, Israel, April. 27, 2022 /CNW/ - K.B. Recycling Industries Ltd., conducting business as Alkemy ("Alkemy" or the "Company") (TSXV: AKMY) (TSXV: AKMY.WT), an innovative plastics recycling company, signed today - April 27, 2022 - a share purchase agreement to acquire (the "Acquisition") 100% of the shares of Plasticos Flome S.L. ("Flome").

Flome (<https://www.flome.es>) is a plastics manufacturing company operating in Valencia, Spain. Flome's production site has seven operating lines of vacuum-forming manufacturing. Flome uses plastic sheets and boards as raw materials for manufacturing trays and packaging for automotive, agriculture, and beverage industries.

The Acquisition is an arm's length transaction that is expected to enable Alkemy to extend its activities and the sale of its portfolio of products into the European market. The Acquisition will also expand Alkemy's production through vertical integration. Flome will use Alkemy's products as input materials while meeting the sustainability requirements of its customers. Using Alkemy's foils and boards made of recycled plastic bags produced by Alkemy's unique one-step process, Flome will be able to produce a large part of its preliminary products in an environmentally friendly way.

*"The Acquisition is another step in our move towards global activity by expanding our value chain and bringing our innovative plastic recycling technology from Israel to Europe,"* said Mr. Ami Krupik, Founder, Innovation and Technology and Interim Chief Executive Officer of Alkemy.

*"We want to bring our technology and products to the European market, and Flome is the ideal partner. We expect this step will increase our growth and propel a fruitful collaboration on further product development. Flome's research and development team has already forged a close working relationship with Alkemy, and Flome's production facilities are ideally suited for short-cycles of product development and research and development prototyping",* Mr. Krupik added.

*"The acquisition of Flome fits perfectly with Alkemy,"* adds Yoav Horowitz, Chairman of the Board of Alkemy. *"Flome will use Alkemy's recycled plastic sheets for its current products while developing additional value-added products that can utilize Alkemy's recycled plastic sheets."*

In consideration for the purchase of the issued and outstanding shares of Flome, Alkemy will pay the shareholders of Flome (the "Sellers"), a total amount of €1,800,000 (CAD 2,436,012) (the "Purchase Price"). As a condition to the closing of the Acquisition, Flome will receive a payment of €247,000 (CAD 334,275) in respect of shareholder debt which shall either be paid directly to Flome by the Sellers or will be remitted directly to Flome by Alkemy at the closing of the Acquisition and, in such case, such amount shall be subtracted from the Purchase Price received by the Sellers. Alkemy shall have the option to pay 10% of the Purchase Price by issuing ordinary shares in the capital of Alkemy to the Sellers. The consummation of the Acquisition is subject to the approval of the TSX Venture Exchange and the fulfilment of customary closing conditions. No finder fee is payable as part of the Acquisition.

## **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 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 and the satisfaction of all applicable regulatory requirements, as well as risks and uncertainties associated with the Company's business and finances in general.

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 April 13, 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. 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. In particular, there is no assurance that the Acquisition will be completed on the terms set forth herein or at all. In addition, there is no assurance that the Company will realize the anticipated benefits from the Acquisition. 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 the 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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