

September 19, 2022

SHAREHOLDER NEWS RELEASE

Tedea Announces Filing of Early Warning Report

Herzliya, Israel, September 19, 2022 – Tedea Technological Development and Automation Ltd. (the "**Company**") is pleased to announce that the Company has filed an early warning report in respect of the ordinary shares (each, a "**Share**") of K.B. Recycling Industries Ltd. (the "**Issuer**") and the Share purchase warrants (each, a "**Warrant**") of the Issuer acquired by the Company prior to the Issuer becoming a reporting issuer (as defined in the *Securities Act* (Ontario) as amended) upon receiving a receipt (the "**Receipt**") for its final prospectus on April 1, 2021.

Immediately prior to the issuance of the Receipt, the Company had beneficial ownership and control of (i) 28,945,000 Shares (the "**Acquired Shares**"), representing approximately 49.5% of the then issued and outstanding Shares, and (ii) Warrants for the purchase of up to an additional 11,943,810 Shares (the "**Acquired Warrants**"), representing approximately 40.5% of the then issued and outstanding Warrants, subject to adjustment pursuant to the terms of the Warrants in the event that certain warrants issued to certain underwriters are exercised, and in such case the Company will be entitled to an additional 66,437 Warrants. If the Acquired Warrants were exercised in full, the Company would have owned a total of 40,888,810 Shares, or approximately 58% of the then issued and outstanding Shares.

Immediately following the issuance of the Receipt, the Company had beneficial ownership and control of an aggregate of (i) 28,945,000 Shares, representing approximately 24.6% of the then issued and outstanding Shares, and (ii) 11,943,810 Warrants, representing approximately 29.3% of the then issued and outstanding Warrants. If the Acquired Warrants were exercised in full, the Company would have owned a total of 40,888,810 Shares, or approximately 30.56% of the then issued and outstanding Shares.

Following the Issuer's acquisition of all of the shares of Plasticos Flome S.L. on June 13, 2022 (the "**Flome Transaction**") and the related share issuances by the Issuer of Shares as consideration for the Flome Transaction, the Company had beneficial ownership and control of an aggregate of (i) 28,945,000 Shares, representing approximately 23.45% of the then issued and outstanding Shares, and (ii) 11,943,810 Warrants, representing approximately 30.56% of the then issued and outstanding Warrants. If the Acquired Warrants were exercised in full, the Company would have owned a total of 40,888,810 Shares, or approximately 30.21% of the then issued and outstanding Shares.

Following the Issuer's acquisition of all the shares of oceansix GmbH on June 17, 2022 (the "**oceansix Transaction**") and the related share issuances by the Issuer of Shares as consideration for the oceansix Transaction, the Company had beneficial ownership and control of an aggregate of (i) 28,945,000 Shares, representing approximately 18.83% of the then issued and outstanding Shares, and (ii) 11,943,810 Warrants, representing approximately 30.56% of the then issued and outstanding Warrants. If the Acquired Warrants were exercised in full, the Company would have owned a total of 40,888,810 Shares, or approximately 24.6% of the then issued and outstanding Shares.

The value of each Acquired Share was nominal in Canadian dollars (NIS 0.01), being the par value of the Shares, and the value of the Acquired Shares in total was C\$109,991 (NIS 289,450). The exercise price of each Acquired Warrant is nominal in Canadian dollars (NIS 0.01), being the par value of the Shares, and the value of the Acquired Warrants in total was C\$45,386.48 (NIS 119,438.10).

The Company may, depending on various factors including, without limitation, market and other conditions, increase or decrease its beneficial ownership, control or direction over additional securities of the Issuer, through market transactions, private agreements, treasury issuances, exercises of convertible securities or otherwise.

This news release is being issued in accordance with National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* in connection with the filing of an early warning report dated September 19, 2022, which has been filed on SEDAR at www.sedar.com under the Issuer's issuer profile. To obtain a copy of the early warning report filed by the Company, please contact Amichai Krupik, Interim Chief Executive Officer of the Issuer, at +972 545-607-935 or ami@alkemy.solutions or refer to SEDAR at www.sedar.com under the Issuer's issuer profile.

The acquisition by the Company of the Acquired Shares and the Acquired Warrants did not take place through the facilities of any stock exchange or other marketplace. 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 news release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

For further information, please contact:

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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 possibility that the Company will be entitled to additional Warrants in the event that certain warrants issued to certain underwriters are exercised and the possibility that the Company may increase or decrease its beneficial ownership, control or direction over Shares or other securities of the Issuer.

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 the Company acquiring additional Warrants in the event that certain warrants issued to certain underwriters are exercised and the Company increasing or decreasing its beneficial ownership, control or direction over Shares or other securities of the Issuer. 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.

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 inability of the Company to cause certain underwriters to exercise certain warrants and the Company's inability to increase or decrease its beneficial ownership, control or direction over Shares or other securities of the Issuer. 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.