

**OCEAN SIX FUTURE PATHS LTD.
(FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2023

U.S. DOLLARS IN THOUSANDS

UNAUDITED

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OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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 financial statements have not been reviewed by an auditor.

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

The Company's independent auditor, Kost Forer Gabbay & Kasierer (a member of Ernst & Young Global), has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim condensed financial statements by an entity's auditor.

May 29, 2023

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)

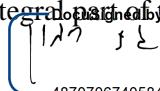
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2023	December 31, 2022
	U.S. dollars in thousands	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	83	488
Trade receivables	533	687
Other accounts receivable	431	435
Inventories	97	144
	<u>1,144</u>	<u>1,754</u>
Assets held for sale	-	217
	<u>1,144</u>	<u>1,971</u>
NON-CURRENT ASSETS:		
Right-of-use assets	918	900
Property, plant and equipment, net	1,005	1,024
Intangible assets	1,356	1,361
Goodwill	3,024	2,964
Other accounts receivable	22	21
	<u>6,325</u>	<u>6,270</u>
	<u>7,469</u>	<u>8,241</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Credit from banks	102	177
Current maturities of lease liabilities	109	154
Trade payables	569	719
Other payables	1,135	1,089
	<u>1,915</u>	<u>2,139</u>
NON-CURRENT LIABILITIES:		
Lease liabilities	818	802
Deferred tax liabilities	136	138
Loans from others	140	137
Other liabilities	24	25
Shareholders and affiliated companies	735	584
Warrants	170	226
	<u>2,023</u>	<u>1,912</u>
EQUITY:		
Share capital and share premium	50,861	50,861
Warrants	453	453
Foreign currency translation reserve	29	(15)
Reserve from share-based payment transactions	1,863	1,828
Accumulated deficit	(49,675)	(48,937)
	<u>3,531</u>	<u>4,190</u>
Total equity	<u>7,469</u>	<u>8,241</u>

The accompanying notes are an integral part of the interim financial statements.

May 29, 2023

Date of approval of the
financial statements


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Gat Ramon
Chairman of the Board


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Amichai Krupik
Chief Executive Officer


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Salva Cabanas Lopez
Chief Financial Officer

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

	Three months ended	
	March 31,	
	2023	*) 2022
	U.S. dollars in thousands	
Revenues from sales	375	-
Cost of sales	288	-
Gross profit	87	-
Development expenses	133	-
Selling and marketing expenses	138	-
General and administrative expenses	454	537
Other income, net	95	-
Operating loss	(543)	(537)
Finance income, net	53	624
Income (loss) before taxes	(490)	87
Tax benefit	2	-
Income (loss) from continuing operations	(488)	87
Income (loss) from discontinued operations, net	(250)	(601)
Loss	(738)	(514)
Other comprehensive income (loss):		
Amounts that will not be reclassified subsequently to profit or loss:		
Adjustments arising from translating financial statements from functional currency to presentation currency	(104)	(99)
Amounts that will be reclassified subsequently to profit or loss when specific conditions are met:		
Adjustments arising from translating financial statements of foreign operations	148	-
Total comprehensive loss	(694)	(613)

*) Reclassified for discontinued operations.

The accompanying notes are an integral part of the interim financial statements.

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

	Three months ended	
	March 31,	
	2023	*) 2022
	U.S. dollars in thousands	
Loss per share (in U.S. dollars):		
Basic Loss:		
Loss from continuing operations	(0.0032)	0.0007
Loss from discontinued operations	<u>(0.0016)</u>	<u>(0.0049)</u>
Loss	<u>(0.0048)</u>	<u>(0.0042)</u>
Diluted Loss:		
Loss from continuing operations	(0.0032)	0.0007
Loss from discontinued operations	<u>(0.0016)</u>	<u>(0.0049)</u>
Loss	<u>(0.0048)</u>	<u>(0.0042)</u>

*) Reclassified for discontinued operations.

The accompanying notes are an integral part of the interim financial statements.

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share capital and share premium	Warrants	Reserve from share- based payment transaction s	Foreign currency translation reserve	Accumulated deficit	Total equity
U.S. dollars in thousands						
Balance at January 1, 2023	50,861	453	1,828	(15)	(48,937)	4,190
Loss	-	-	-	-	(738)	(738)
Total other comprehensive income	-	-	-	44	-	44
Total comprehensive loss	-	-	-	44	(738)	(694)
Cost of share-based payment	-	-	35	-	-	35
Balance at March 31, 2023	<u>50,861</u>	<u>453</u>	<u>1,863</u>	<u>29</u>	<u>(49,675)</u>	<u>3,531</u>

	Share capital and share premium	Warrants	Reserve from share- based payment transaction s	Foreign currency translation reserve	Accumulated deficit	Total equity
U.S. dollars in thousands						
Balance at January 1, 2022	47,040	453	1,369	259	(44,465)	4,656
Loss	-	-	-	-	(514)	(514)
Total other comprehensive loss	-	-	-	(99)	-	(99)
Total comprehensive loss	-	-	-	(99)	(514)	(613)
Cost of share-based payment	-	-	174	-	-	174
Balance at March 31, 2022	<u>47,040</u>	<u>453</u>	<u>1,543</u>	<u>160</u>	<u>(44,979)</u>	<u>4,217</u>

The accompanying notes are an integral part of the interim financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)

	Three months ended	
	March 31,	
	2023	2022
	U.S. dollars in thousands	
<u>Cash flows from operating activities:</u>		
Loss	(738)	(514)
Adjustments to reconcile loss to net cash used in operating activities:		
Adjustments to the profit or loss items:		
Depreciation	55	55
Depreciation of right-of-use assets	-	42
Gain from revaluation of Convertible Note and Warrants	(51)	(484)
Finance expenses	1	37
Tax benefit	(2)	-
Cost of share-based payment	35	174
	<u>38</u>	<u>(176)</u>
Changes in asset and liability items:		
Decrease (Increase) in trade receivables	127	(22)
Decrease (Increase) in other accounts receivable	(9)	63
Decrease (increase) in inventories	49	(89)
Decrease in trade payables	(152)	(140)
Increase in other payables	52	44
	<u>67</u>	<u>(144)</u>
Cash paid and received during the period for:		
Interest paid	-	(26)
Net cash used in operating activities	<u>(633)</u>	<u>(860)</u>

The accompanying notes are an integral part of the interim financial statements.

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Three months ended	
	March 31,	
	2023	2022
	U.S. dollars in thousands	
<u>Cash flows from investing activities:</u>		
Purchase of property, plant and equipment	-	(12)
Proceeds from sale of property, plant and equipment	218	-
Net cash provided by (used in) investing activities	218	(12)
<u>Cash flows from financing activities:</u>		
Repayment of grants received from the IIA	-	(26)
Receipt of grants from the IIA	-	21
Credit from banks, net	(78)	-
Repayment of lease liabilities	(47)	(36)
Credit from shareholders and affiliated companies	110	-
Net cash used in financing activities	(15)	(41)
Exchange rate differences on balances of cash and cash equivalents	25	(124)
Decrease in cash and cash equivalents	(405)	(1,037)
Cash and cash equivalents at the beginning of the period	488	5,909
Cash and cash equivalents at the end of the period	83	4,872

The accompanying notes are an integral part of the interim financial statements.

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:- GENERAL

- a. oceansix future paths Ltd. (formerly: K.B. Recycling Industries Ltd.) (the "Company") was incorporated under the laws of Israel as a private company. The Company's registered address is 11 Derech Menahem Begin, Ramat Gan, Israel. The Company began its operations in April 2008 and operated in the plastic recycling market. In April 2021, the Company completed an initial public offering and commenced trading on the TSX Venture Exchange.

Until November 2022, The Company utilized its 'waste to product process' to recycle post consumed household waste plastic bags and sheets combined with post consumed agricultural plastic sheets and manufactures polyurethane sheets and geomembranes utilized mainly by the building and infrastructure industry. The Company's manufacturing process was developed over the course of a number of years. The Company's process involved the processing of the waste and its direct conversion of the waste into a finished product. In June 2022, following the acquisition of two new subsidiaries, the Company's operations expanded into three dimensional recycled and non-recycled plastic industrial products through its Spanish subsidiary Plasticos Flome S.L and research and development activity of innovative and technologically advanced plastic products through its German subsidiary oceansix GMBH.

Following the Company's board of directors' decision from August 2022 to take steps to move its production activities in Israel to Europe, in November 2022, the Company ceased its production activities in Israel and is currently working towards locating a suitable site or identifying other suitable production solutions in Europe or another location. In January 2023, the Company's Israeli production site was permanently closed. As the operations in Israel represented a separate geographical area, those operations have been classified as discontinued operations and the results of those operations are presented as a single line item in profit or loss. Comparative data were also reclassified.

On November 7, 2022, the Company began trading on the Borse-Frankfurt Stock Exchange. In addition, in November 2022, the Company was approved for trading on the OTCQB.

- b. Company's financial position:

In the three months ended March 31, 2023, the Company incurred a loss totaling \$ 738 thousand and had negative cash flows from operating activities totaling \$ 633 thousand.

As described in Note 1.b to the Company's annual financial statements as of December 31, 2022, The Company believes that a failure to obtain sufficient funds on commercially acceptable terms when needed may have a material adverse effect on the Company's business, ability to operate and develop in conformity with its future plans and its financial condition. In light of the above, three of the Company's major shareholders undertook to provide the Company with a credit facility on the amount of up to EUR 2 million (\$ 2.13 million) as required over the 2 years commencing from September 2022 (the "September 2022 Facility") with each shareholder providing an equal share of any requested amounts.

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1:- GENERAL (Cont.)

In addition, in April 2023, two of the Company's major shareholders undertook to provide the Company with an additional credit facility in the amount of up to EUR 500 thousand (\$533 thousand) as required over the 18 month period commencing on May 1, 2023 with each shareholder providing an equal share of any requested amounts (the "May" 2023 Facility").

In the event the Company has a successful capital raise, the facilities provided in the undertakings will be reduced by the amounts raised in such capital raise with the September 2022 Facility being reduced first and any amounts in excess of the September 2022 Facility will reduce the May 2023 Facility.

In addition RAM.ON finance has agreed that it will not demand repayment of approximately EUR 560 thousand (\$609 thousand) owed to it by oceansix GmbH prior to September 1, 2024.

Based on the cash available to the Company as of the date of the approval of the consolidated financial statements and the credit facility from the Company's shareholders, the Company's management and Board of Directors estimate that the Company will have sufficient funds to continue its operations and meet its financial obligations at least for 12 months from the date of these consolidated Financial statements.

- c. These financial statements have been prepared in a condensed format as of March 31, 2023 and for the three months then ended (the "interim consolidated financial statements"). These financial statements should be read in conjunction with the Company's annual consolidated financial statements as of December 31, 2022 and for the year then ended and accompanying notes (the "annual consolidated financial statements").

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of the interim financial statements:

The interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting", and in accordance with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970.

The significant accounting policies applied in the preparation of the interim financial statements are consistent with those followed in the preparation of the annual financial statements.

b. Initial adoption of amendments to existing financial reporting and accounting standards

1. Amendment to IAS 8, "Accounting Policies, Changes to Accounting Estimates and Errors":

In February 2021, the IASB issued an amendment to IAS 8, "Accounting Policies, Changes to Accounting Estimates and Errors" ("the Amendment"), in which it introduces a new definition of "accounting estimates".

Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". The Amendment clarifies the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.

The Amendment is to be applied prospectively for annual reporting periods beginning on or after January 1, 2023 and is applicable to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The application of the Amendment did not have a material impact on the Company's interim financial statements.

2. Amendment to IAS 12, "Income Taxes":

In May 2021, the IASB issued an amendment to IAS 12, "Income Taxes" ("IAS 12"), which narrows the scope of the initial recognition exception under IAS 12.15 and IAS 12.24 ("the Amendment").

According to the recognition guidelines of deferred tax assets and liabilities, IAS 12 excludes recognition of deferred tax assets and liabilities in respect of certain temporary differences arising from the initial recognition of certain transactions. This exception is referred to as the "initial recognition exception". The Amendment narrows the scope of the initial recognition exception and clarifies that it does not apply to the recognition of deferred tax assets and liabilities arising from transactions that are not a business combination and that give rise to equal taxable and deductible temporary differences, even if they meet the other criteria of the initial recognition exception.

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Amendment is effective for annual reporting periods beginning on or after January 1, 2023. In relation to leases and decommissioning obligations, the Amendment is applied commencing from the earliest reporting period presented in the financial statements in which the Amendment is initially applied. The cumulative effect of the initial application of the Amendment is recognized as an adjustment to the opening balance of retained earnings (or another component of equity, as appropriate) at that date.

The application of the Amendment did not have a material impact on the Company's interim financial statements.

NOTE 3:- ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

On August 30, 2022 the meeting of the Company's board of directors decided to take steps to move the operations located in Israel to Europe due to adverse economic conditions in Israel. In November the Company's management committed to carry out a plan to cease its production activities in Israel and, in January 2023, the Company's Israeli production site was permanently closed. After the reporting period in February 2023 the Company completed the sale of its remaining assets with a carrying amount of \$ 1,000 thousand in consideration of approximately \$ 216 thousand in cash and relocated certain components of its Israeli production facility to Germany.

In 2022, an impairment loss of \$ 783 thousand was recognized in respect of certain items of property, plant and equipment whose carrying amount exceeded their recoverable amount.

a. Below are data of the operating results attributed to the discontinued operation:

	Three months ended	
	March 31,	
	2023	2022
	U.S. dollars in thousands	
Revenues from sales	25	333
Cost of sales	194	593
Gross Loss	(169)	(260)
Development expenses (net of Government grants)	-	34
Selling, general and administrative expenses and other expenses	81	307
Operating income (loss)	(250)	(601)
Income (loss) from discontinued operation, net	(250)	(601)

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3:- ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Cont.)

b. Below are data of the net cash flows provided by (used in) the discontinued operation:

	Three months ended	
	March 31,	
	2023	2022
	U.S. dollars in thousands	
Net cash used in discontinued operating activities	(246)	(860)
Net cash provided by(used in) discontinued investing activities	218	(12)
Net cash used in discontinued financing activities	(47)	(36)
Total net cash used in discontinued operation	(75)	(908)

NOTE 4:- FINANCIAL INSTRUMENTS

a. Fair value:

The table below is a comparison between the carrying amount and fair value of the Company's financial instruments that are presented in the financial statements not at fair value (other than those whose amortized cost is a reasonable approximation of fair values):

	Carrying amount		Fair value	
	March 31,	December 31	March 31,	December 31
	2023	2022	2023	2022
	U.S. dollars in thousands			

Financial liabilities:

Liability for grants received from the IIA	37	38	37	38
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The carrying amount of cash and cash equivalents, trade receivables, other accounts receivable, trade payables and other payables approximate their fair value due to their short-term maturities.

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4:- FINANCIAL INSTRUMENTS (Cont.)

b. Fair value hierarchy:

The table below is an analysis of financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical instruments
- Level 2: inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly
- Level 3: inputs that are not based on observable market data (unobservable inputs)

March 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	U.S. dollars in thousands			
Financial liabilities:				
IPO and Post IPO Warrants (b)	156	-	-	156
Warrants (a)	-	-	14	14

December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	U.S. dollars in thousands			
Financial liabilities:				
IPO and Post IPO Warrants (b)	161	-	-	161
Warrants (a)	-	-	65	65

(a) Convertible Note and Warrants (see also Note 16 to the annual financial statements):

In April 2021, due to the closing of the initial public offering of the Company's shares, the Convertible Note with a fair value of \$4,341 thousand was converted into 19,735,200 Ordinary shares and the terms of the Warrants were finalized to entitle the holder to purchase 5,638,629 Ordinary Shares at an exercise price of \$ 0.266 per share. The Warrants may be exercised, in whole or part, at any time for a period of five years from the closing. As of March 31, 2023, the fair value of the Warrants is \$ 14 thousand. The change in fair value in the three months ended March 31, 2023, amounted to \$ 51 thousand and was recorded in finance income.

The fair value of the Warrants has been measured using the Black & Scholes option pricing model. The key assumption used in the valuation is the expected volatility of the Company's equity.

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4:- FINANCIAL INSTRUMENTS (Cont.)

Description of significant unobservable inputs to valuation as of March 31, 2023:

<i>Financial liabilities:</i>	<u>Significant unobservable inputs</u>	<u>Input used</u>	<u>Sensitivity of the input to fair value</u>
Warrants	Equity expected volatility	78%	10% increase or (decrease) in the equity expected volatility would result in increase or (decrease) in fair value by 81or (85), respectively

(b) IPO and Post IPO Warrants:

The IPO and Post IPO Warrants were classified in the Company financial statements as a liability. As of March 31, 2023, the fair value of the IPO and Post IPO Warrants are \$ 157 thousand.

The fair value of the Warrants has been measured based on its quoted price on the TSXV.

NOTE 5: - OPERATING SEGMENTS

a. General:

As described in the consolidated annual financial statements, prior to the completion of the acquisitions of the Company's foreign subsidiaries in Spain and Germany until June 2022, the Company operated in one principal business segment – recycled plastic industrial products and most of its revenues were generated from customers in Israel. The activities in this segment have been reclassified as discontinued operations and are not reflected in this note.

Commencing from July 2022 the Company's operation in Israel (refer to Note 10 in the consolidated annual financial statements) the Group operated in one principal business segment – advanced solutions based on recycled plastic products.

b. Additional information about revenues:

Revenues reported in the financial statements for a group of similar products or services:

	Three months ended March 31, 2023	Three months ended March 31, 2022
	Unaudited	
	U.S. dollars in thousands	
Revenues from sales of Sheets	-	-
Revenues from sales of automotive industry	204	-
Revenues from sales of winery industry	115	-

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Other revenues	81	-
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NOTE 5: - OPERATING SEGMENTS (Cont.)

Geographical information:

The revenues reported in the consolidated financial statements from continuing operations were generated from customers in Europe.

NOTE 6: - EVENTS DURING AND AFTER THE REPORTING PERIOD

- a. In January 2023, the Company relocated certain components of its Israeli production facility to Germany. The remainder of the equipment and machinery was sold to third parties and the Israeli site was permanently closed and returned to its owner.
- b. On March 29, 2023, following a shareholders resolution to effectuate a name change of the Company, the Israeli Registrar of Companies authorized the Company's new name of oceansix future paths Ltd. The TSXV approved the name change and ticker symbol change to OSIN on May 2, 2023, which became effective on May 4, 2023.
- c. In April 2023, the Company's Compensation Committee and Board approved the engagement between Salvador Cabanas Lopez and oceansix GmbH to serve as its CFO in addition to the Company and its subsidiaries (the "Group"). Mr. Lopez began his employment on May 1, 2023. In addition to the employment agreement with Mr. Lopez, the Compensation Committee and the Board have approved the grant of options to purchase 750,000 Ordinary Shares with an exercise price of C\$0.29 which will vest over five (5) years. Mr. Lopez will provide his services from Flome's headquarters in Valencia, Spain.
- d. In April 2023, the Company's Compensation Committee and Board approved the engagement between Elad Hameiri and oceansix GmbH to serve as its CEO in addition to the Group. Mr. Hameiri will begin his employment on June 1, 2023. In addition to the employment agreement with Mr. Hameiri, the Compensation Committee and the Board has approved the grant of options to purchase 5,000,000 Ordinary Shares with an exercise price of C\$0.29, of which 2,000,000 will vest over five (5) years and the remainder will vest following the achievement of certain goals. Such grant is subject to approval of the Company's shareholders. Mr. Hameiri will provide his services from Flome's headquarters in Valencia, Spain.
- e. In April 2023, the Compensation Committee and the Board approved the grant of options to Mr. Arnon Eshed, a director of the Company, to purchase 500,000 Ordinary Shares with an exercise price of C\$0.29 which will vest over five (5) years and is subject to the approval of the Company's shareholders.
- f. In April 2023, the Compensation Committee and the Board approved the grant of options to Mr. Maximo Buch, a director of the Company, to purchase 500,000 Ordinary Shares with an exercise price of C\$0.29 which will vest over five (5) years and is subject to the approval of the Company's shareholders.
- g. On April 21, 2023, the Company's warrants issued in connection with the IPO reached the two-year expiry date without being exercised.

OCEANSIX FUTURE PATHS LTD. (FORMERLY: K.B. RECYCLING INDUSTRIES LTD.)
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6: - EVENTS DURING AND AFTER THE REPORTING PERIOD (Cont.)

- h. On April 30, 2023, Mr. Gat Ramon was appointed as a director of the Company until the next general meeting of the Shareholders and appointed Mr. Ramon to serve as Chairman of the Board.
- i. Through Q1 2023, RAM.ON finance GmbH has transferred to the Company an amount equal to EUR 125 thousand, in accordance with the September 2022 Facility. As of the date of this Report, RAM.ON finance GmbH has contributed EUR 315 thousand to the Company.
- j. On April 30, 2023, two of the Company's shareholders undertook to provide the Company with a credit facility in the amount of up to EUR 500 thousand as required over the next 18 months, with each shareholder providing an equal amount of any requested amounts. In the event the Company has a successful capital raise, the credit facility will be reduced by the amount raised in such capital raise in excess of any amounts relating to the September 2022 Facility.
- k. On May 28, 2023 and May 29, 2023, the Audit Committee and the Board, respectively, approved a Debt to Equity Conversion Agreement, pursuant to which RAM.ON finance has the right to convert the funds provided by RAM.ON finance under the September 2022 Facility and the May 2023 Facility as well as the EUR 560 thousand debt owed to RAM.ON into equity of the Company. The conversion of the facilities will be a price per share which is the higher of (i) the Volume-Weighted Average Price of the Ordinary Shares of the Company for the 30 day period prior to the shareholder approval, (ii) the market price of the Ordinary Shares as of the closing of the markets as of the date of the agreement and (iii) C\$0.10. The conversion of the shareholder debt owed to RAM.ON finance will be at a price per share which is the higher of (i) the Volume-Weighted Average Price of the Ordinary Shares of the Company for the 30 day period prior to the shareholder approval, (ii) the price of the Ordinary Shares on June 17, 2022 (\$C0.16) and (iii) the market price of the Ordinary Shares as of the date of the agreement. RAM.ON finance has 2 years to exercise the debt to equity conversion. The Debt to Equity Conversion Agreement is subject to approval by the TSX Venture Exchange and the Company's shareholders. .
