



April 21, 2021

K.B. Recycling Industries Ltd. (Alkemy) Completes Initial Public Offering and Aggregate Financings of approximately C\$11.4 million

Toronto, Ontario and Beit Shean, Israel, April 21, 2021 – K.B. Recycling Industries Ltd., conducting business as Alkemy ("**Alkemy**" or, the "**Company**"), a leading environmental technology company based in Israel, announced today the successful closing of its previously announced initial public offering (the "**Offering**") of 6,282,984 units of the Company (the "**Units**") at a price of C\$0.29 per Unit, for total gross proceeds of approximately C\$1,822,065, including the exercise in full of the Underwriters' (as defined below) over-allotment option.

The Offering was co-led by INFOR Financial Inc. and Cormark Securities Inc. as joint bookrunners (the "**Underwriters**"). A-Labs Advisory & Finance Ltd. acted as financial advisor to the Company in Israel.

Each Unit is comprised of one ordinary share of the Company (an "**Ordinary Share**") and one-half of one Ordinary Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire one Ordinary Share at a price of C\$0.51 per Ordinary Share for 24 months following the closing date of the Offering.

Concurrently with the Offering, the Company has issued 14,358,545 Class A units (the "**Class A Units**") at a price of C\$0.58 per Class A Unit for aggregate gross proceeds of approximately C\$8,327,956 to specified investors resident in Israel by way of private placement (the "**Private Placement of Class A Units**"). Each Class A Unit consists of two Ordinary Shares and one Ordinary Share purchase warrant.

The Company has also issued 4,334,862 subscription receipts (the "**Subscription Receipts**") by way of private placement to certain Canadian accredited investors (the "**Private Placement of Subscription Receipts**"). The Subscription Receipts were issued at a price of C\$0.29 per Subscription Receipt for aggregate net proceeds of approximately C\$1,256,095. Upon closing of the Offering, each Subscription Receipt converted into one Unit.

The Company raised an aggregate of approximately C\$11.4 million from the Offering, the Private Placement of Class A Units and the Private Placement of Subscription Receipts.

Following the closing of the Offering, the Private Placement of Subscription Receipts, the Private Placement of Class A Units and the exercise of the Over-Allotment Option, there are 117,545,136 Ordinary Shares, 19,667,468 Warrants and other convertible securities convertible into an additional 41,414,146 Ordinary Shares in the aggregate issued and outstanding.

Miller Thomson LLP acted as legal counsel to the Company and Stikeman Elliott LLP acted as legal counsel to the Underwriters. Gornitzky & Co. acted as local counsel to the Company in Israel.

The TSX Venture Exchange ("**TSXV**") has conditionally approved the listing of the Ordinary Shares and Warrants, subject to fulfilling customary TSXV requirements. The Ordinary Shares and Warrants are expected to begin trading on the TSXV on or about April 27, 2021 under the symbols "AKMY" and "AKMY.WT", respectively.

A copy of the final prospectus for the Offering is available on SEDAR at www.sedar.com.

The Company has also adopted a Global Equity Incentive Plan (the "**Plan**"), as approved by the Company's board of directors. The Plan provides for the issuance of options, restricted share units, Ordinary Shares and Ordinary Shares subject to certain restrictions as set out in the Plan. The purpose of the Plan is to promote the greater alignment of interests between employees and shareholders while incentivizing the long-term retention of employees and attracting new talent. 16,042,633 Ordinary Shares are reserved for issuance pursuant to any exercise of restricted share units and options granted under the Plan.

No securities regulatory authority has either approved or disapproved the contents of this news release. This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale or any acceptance of an offer to buy these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The securities under the Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account of benefit of, U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or solicitation of an offer to buy any of these securities in any jurisdiction in which the offering or sale is not permitted.

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. The forward-looking information contained herein includes, but is not limited to, information related to the completion of the Offering and the listing of the securities of the Company on the TSXV.

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 prospectus of the Company dated March 31, 2021 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. 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 policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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