

WELCOME TO KAFRIT GROUP

COMPANY PRESENTATION



Disclaimer

This presentation does not constitute an offering to purchase or sell securities of Kafrit Group Ltd. (the “Company”) or an offer for the receipt of such offerings.

The presentation's sole purpose is to provide information. The information contained in the presentation and any other information provided during the presentation (the “Information”) does not constitute a basis for investment decisions and does not comprise a recommendation, an opinion or a substitute for the investor's sole discretion. The Information provided in the presentation

concerning the analysis of the Company's activity is only an extract, and in order to receive a complete picture of the Company's activity and the risks it faces, one should review the Company's reports to the Israel Securities Authority and the Tel Aviv Stock Exchange.

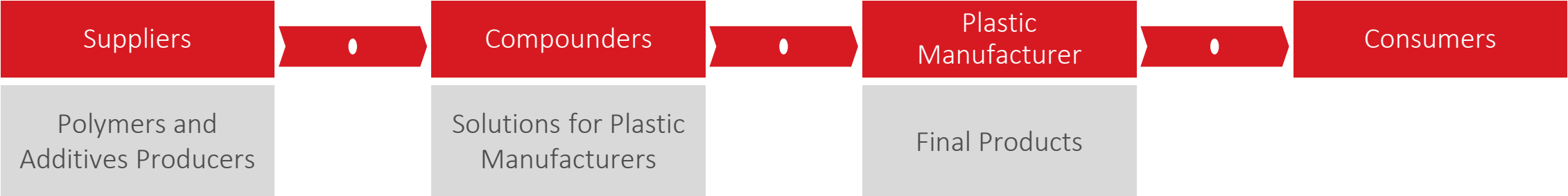
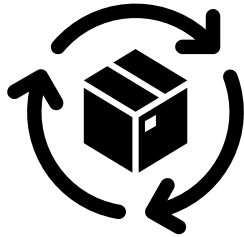
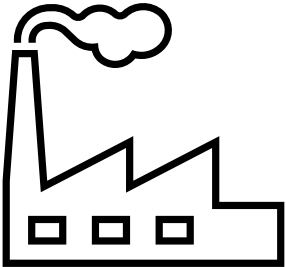
The Company is not liable, and will not be held liable, for any damage and/or loss that may be caused as a result of use of the Information.

The presentation may contain forward-looking statements as defined in the Israeli Securities Law, 5728-1968.

All forward-looking statements in this presentation are made based on the Company's current expectations evaluations and forecasts, and actual results may differ materially from those anticipated, in whole or in part, as a result of different factors including, but not limited to, changes in market conditions and in the competitive and business environment, regulatory changes, currency fluctuations or the occurrence of one or more of the Company's risk factors. In addition, forward-looking forecasts and evaluations are based on information in the Company's possession while preparing the presentation.

The Company does not undertake any obligation to update forward-looking forecasts and evaluations made herein to reflect events and/or circumstances that may occur after this presentation was prepared.

Our Place in the Supply Chain



We are here





Kafrit Group

**Masterbatches and Compounds
engineered for the future of plastics**

**Our purpose is
to unite talent and technology
to drive the future of plastics,
together.**

Enhance our strong Business Portfolio while **Increasing Profitability** driven by a significant Transformation from a Production-based Company to a **Customer-Centric** Company, focused on **Added Value Service**

Strategic Pillars	Higher Profitability in Business Units		Drive the future, together		
	Customer Experience	Operational Excellence	Product Technology	Focus in Colors	Develop our Talent
Mission	Be the Best-in-Class Service and Solution Provider	Excel in every step of the Supply chain	Develop innovative products and integrate new technologies that enable a better future	Become a Multi-Local Player in Colors and enter complementary segments	Foster a culture of collaboration inside and outside
Action	<ul style="list-style-type: none"> Design & implement strong customer experience model Innovative Pricing system based on Technology Automation in handling materials Embrace data analytics in Operations Unlock Raw Material Group's opportunity 		<ul style="list-style-type: none"> Strategic alliances for breakthrough innovation Improve Portfolio mix towards innovative solutions Product Innovation to help our customers become more eco-friendly 	<ul style="list-style-type: none"> Acquisitions & PMI Transfer & leverage of knowledge 	<ul style="list-style-type: none"> Upskill our people Implement the Sustainability Agenda Promote communities (internally and externally)
Key Enabler	Data Technology, Digital Transformation				

Kafrit Sustainability Strategy for 2030

Our Sustainability aspirations are that our **People, Products' design** and our aligned **Actions**, together with our **Stakeholders** – will make a **Better World**.

Areas of Action	Operating Sustainably	Living Sustainably	Innovating Sustainably	Business Developing Sustainably
Mission	We continuously limit the negative impact our operations have on the environment	We work to ensure that our people are safe and act according to our values	We help our Customers to become more eco-friendly through Product Innovation	We Balance our Portfolio through Relevant Business Development and Strategic Alliances
Report Sustainably	We measure our actions, setting long and short-term goals striving to achieve results and Report them			



MULTI-NATIONAL
PLAYER



50
PRODUCTION LINES



~550
EMPLOYEES



~140,000
MT CAPACITY

Milestones

Founded in Kibbutz
Kfar Aza, PVC
Compounds

1973



1978

Expansion into
Polyolefins
Masterbatches

IPO
(Tel Aviv Stock
Exchange)

1993



2003

Acquisition of CONSTAB
Polyolefin Additives GmbH
(Germany)

Acquisition of CONSTAB
Suzhou Engineering
Plastic (China), 51%

2008



2009

Acquisition of Silon NA.
(Canada), 51% (Name
changed to: KAFRIT NA)

Becoming a sole
shareholder in both
CONSTAB CN and KAFRIT NA

2012/3



2018

Acquisition of
POLYFIL Inc. (USA)

Acquisition of
ADDVANZE AB
(Sweden)

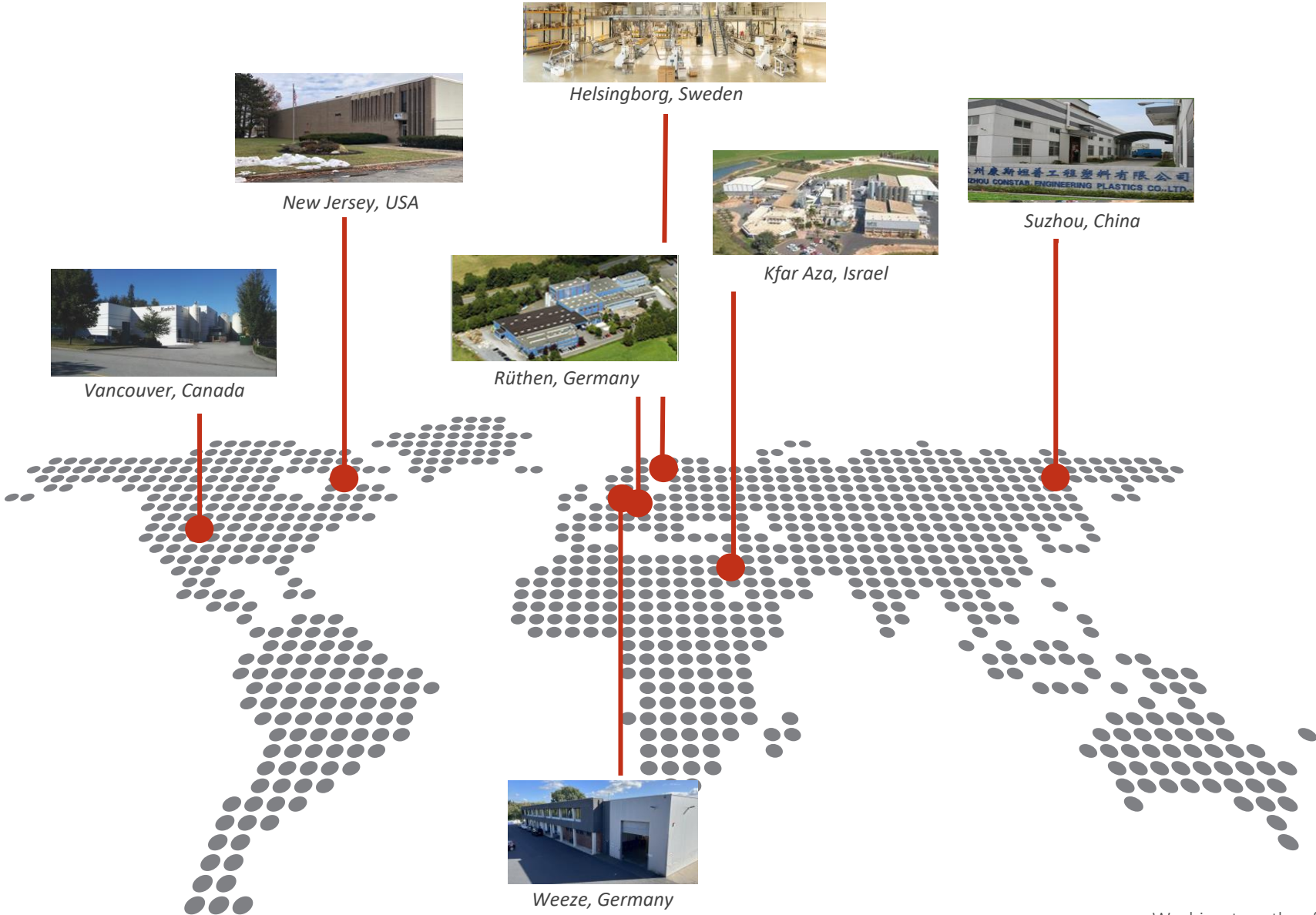
2021



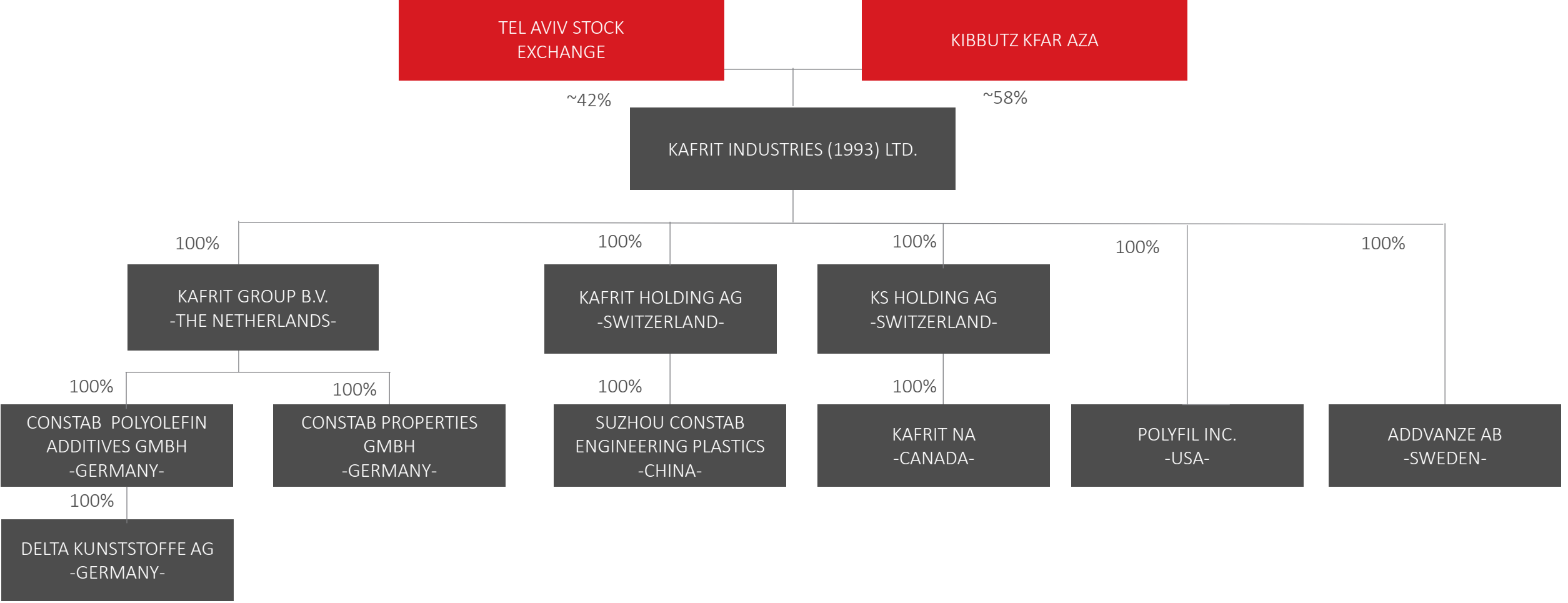
2022

Acquisition of
Delta Kunststoffe
(GER)

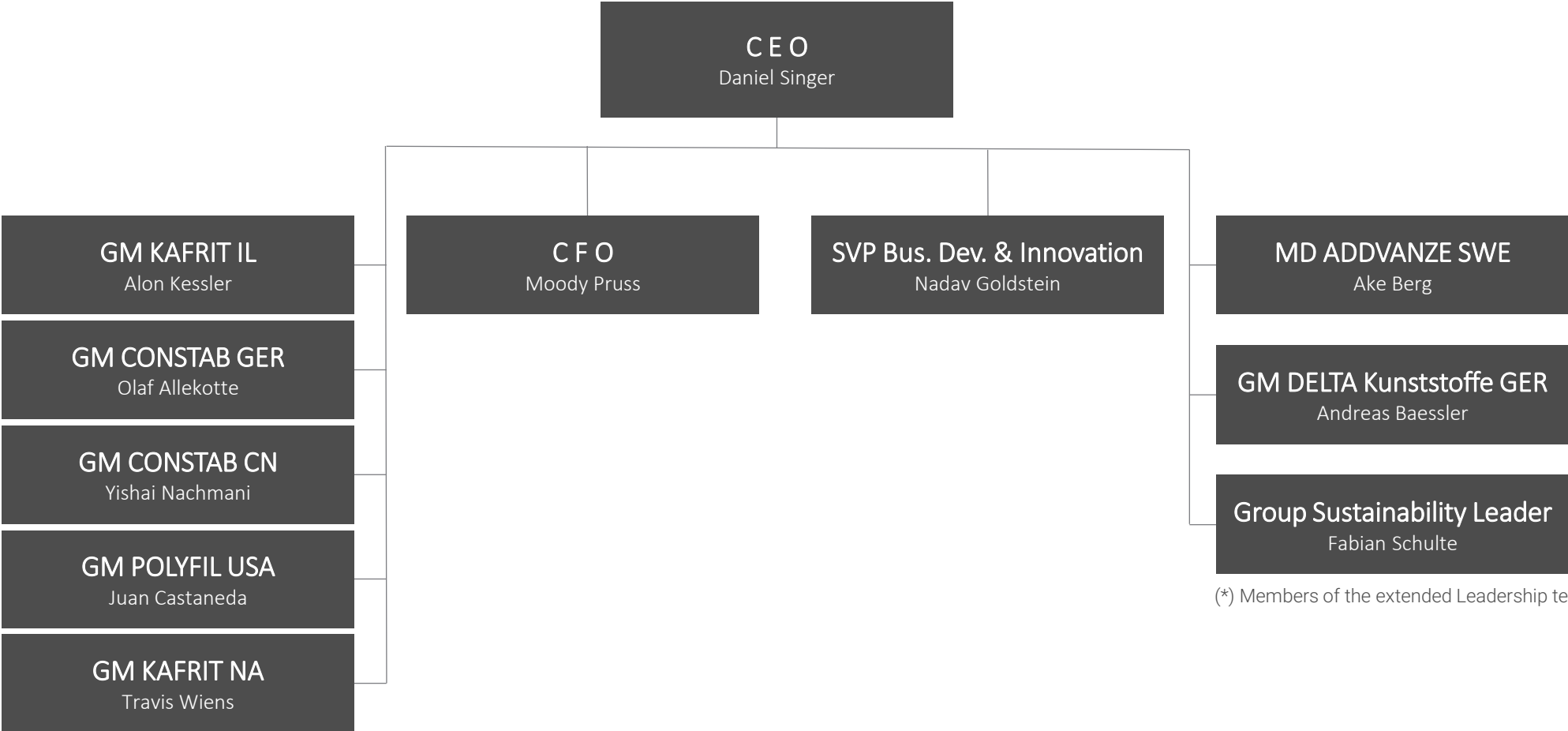
Around the World



Legal Group Structure



Leadership Team



(*) Members of the extended Leadership team



02

PORTFOLIO

The Members of Kafrit Group

 KAFRIT IL

150
Employees

22,800 MT
Capacity

 CONSTAB GER

130
Employees

23,100 MT
Capacity

 CONSTAB CN

110
Employees

28,000 MT
Capacity

 KAFRIT NA

20
Employees

25,000 MT
Capacity

 POLYFIL USA

35
Employees

14,300 MT
Capacity

 ADDVANZE SWE

25
Employees

4,300MT
Capacity

 DELTA KUNSTSTOFFE GER

70
Employees

16,200MT
Capacity

(*) Since Q4/2022

The Members of Kafrit Group

Masterbatches and Compounds for different applications

 **KAFRIT IL**

Business Areas

- Agricultural Films
- PE Films
- Flame Retardants
- Colors
- Polycarbonate
- Pipes

 **CONSTAB GER**

Business Areas

- BOPP Films
- PE Films
- PP Films
- BOPE

 **CONSTAB CN**

Business Areas

- PEX Compounds for Pipes
- BOPP Films

 **KAFRIT NA**

Business Areas

- PEX Compounds for Pipes

 **POLYFIL USA**

Business Areas

- PE Films
- Agricultural Films
- BOPP Films

 **ADDVANZE SWE**

Business Areas

- Colors

 **DELTA KUNSTSTOFFE GER**

Business Areas

- Conductive Compounds
- Colors

(*) Since Q4/2022

Applications



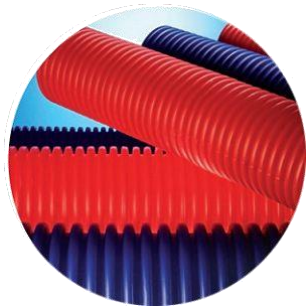
INJECTION MOLDING / BLOW MOLDING



POLYCARBONATE AND PMMA SHEETS



POLYETHYLENE PACKAGING
POLYPROPYLENE CAST AND CALENDER FILMS



HALOGEN FREE SOLUTIONS FOR SHEETS AND PIPES



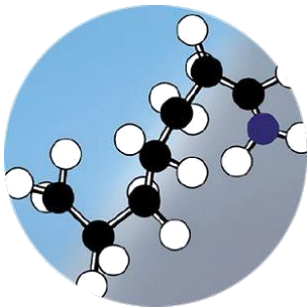
BLOWING AGENTS



OPTIMIZING BOPP FILM PRODUCTION



CONPEEL COMPOUNDS



ECOCELL



ANTIMONY FREE / REDUCED ANTIMONY FR SOLUTIONS



AGRICULTURAL FILM



ANTIOXIDANTS



ADDING VALUE TO FIBERS AND NONWOVENS

Our complete range of innovative, reliable, and economical products

ACID SCAVENGERS

ANTIBLOCKING AGENTS

ANTIFOGGING AGENTS

ANTIMICROBIAL AGENTS

ANTISLIP AGENTS

ANTISTATICS

ANTIOXIDANTS

BARRIER MB

CAVITATING AGENTS

CLEANING COMPOUNDS

CONDUCTIVE COMPOUNDS

COLOR CONCENTRATES

CROSS-LINK

ELECTRET MB

FILLERS

FLAME RETARDANTS

FOAMING AGENTS

HEAT STABILIZER

INFRARED ABSORBER

LIGHT STABILIZERS

LUBRICANTS

MATT COMPOUNDS

METAL DEACTIVATORS

MODIFIER MASTERBATCH

NUCLEATING AGENTS

ODOR CONTROL

OPTICAL BRIGHTENERS

PEEL COMPOUNDS

PHARMACPOEIA MB

PROCESSING AIDS

PURGE AGENTS

RELEASE AGENTS

SLIP AGENTS

SYNTHETIC PAPER COMPOUNDS

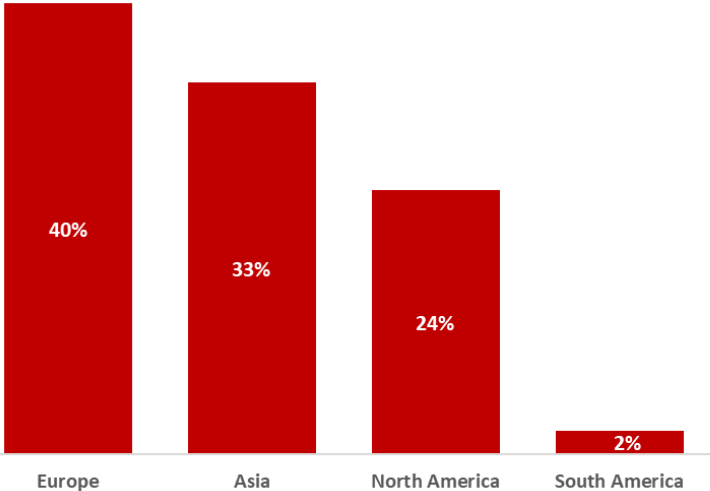
THERMOSTABILIZERS

UV ABSORBERS / UV STABILIZERS

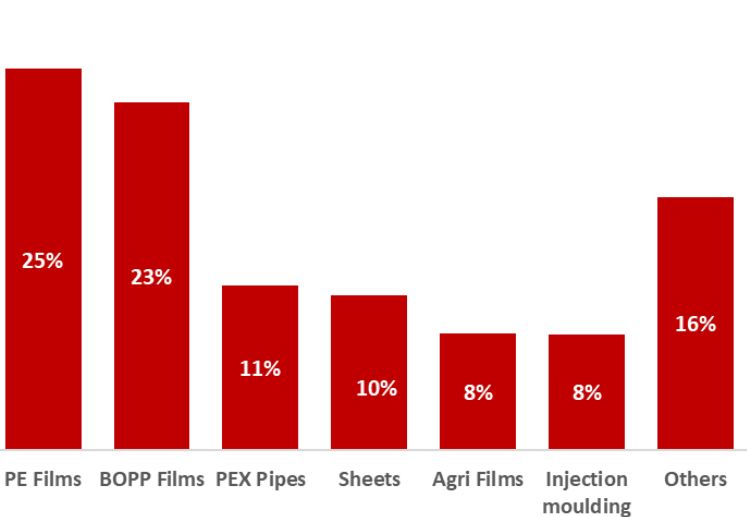
WHITE CONCENTRATES

A well diversified portfolio

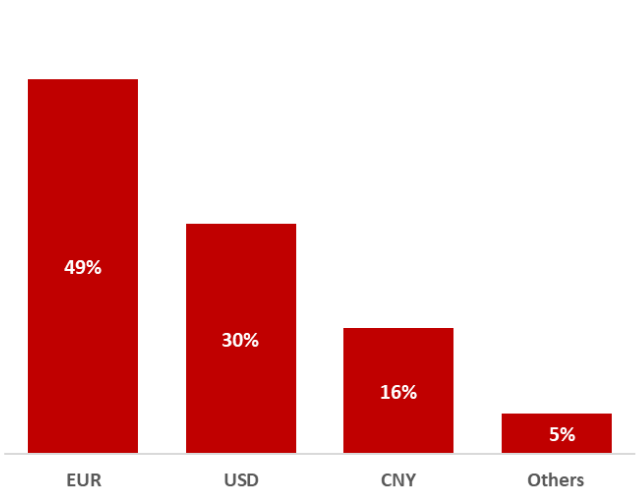
Sales by Geography



Sales by Application



Sales by Currency



(*) Q1 YTD 2023 NIS Value Sales

Among our customers – None of our them > 5%





PERFORMANCE HIGHLIGHTS

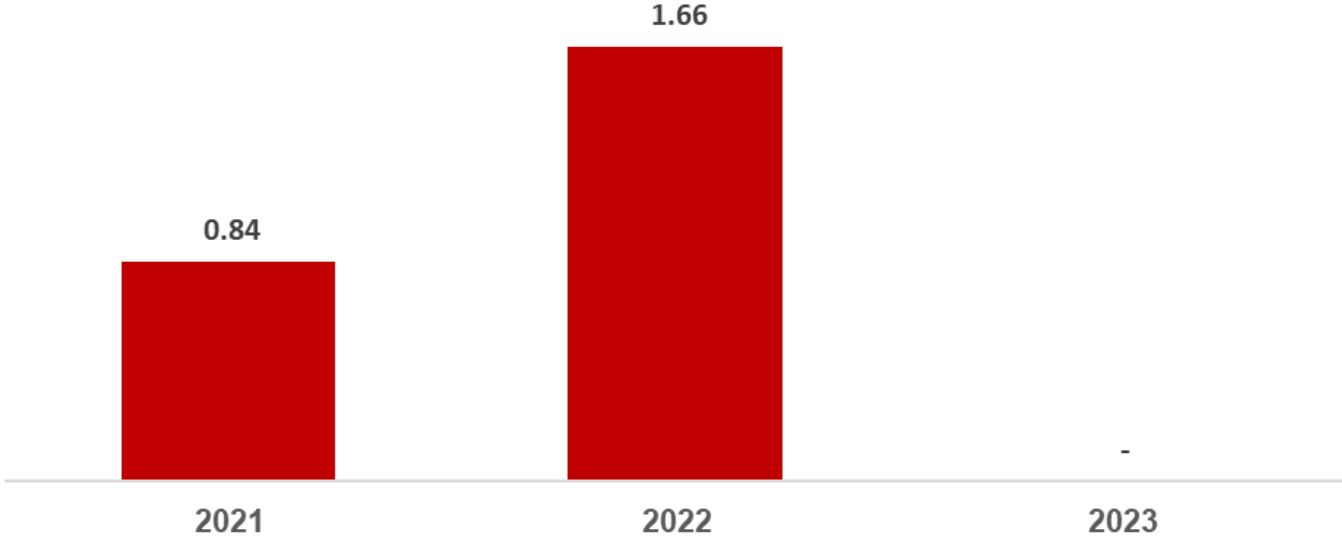
Q1/2023 Highlights



Safety Performance

Zero accidents in Q1/2023

OSHA RECORDABLE INCIDENT RATE



OSHA = #LTA / 200KHours

The Financial results were affected by the softness in the market due to the Macroeconomic environment, mainly in Europe

Consolidated P&L – Q1 YTD 2023 vs. 2022

	M-ILS		Change
	2023	2022	2022
Volume Sales (Tone)	23,178	21,824	6.2%
Sales	276.8	264.0	4.8%
COST OF SALES	221.4	213.0	4.0%
GROSS PROFIT	55.4	51.0	8.5%
	20.0%	19.3%	
Sale & Marketing	20.4	16.8	21.9%
General & Admin	13.5	11.0	23.0%
Operating Profit	21.4	23.3	(8.0%)
	7.7%	8.8%	
EBITDA	31.1	31.1	0.0%
	11.2%	11.8%	

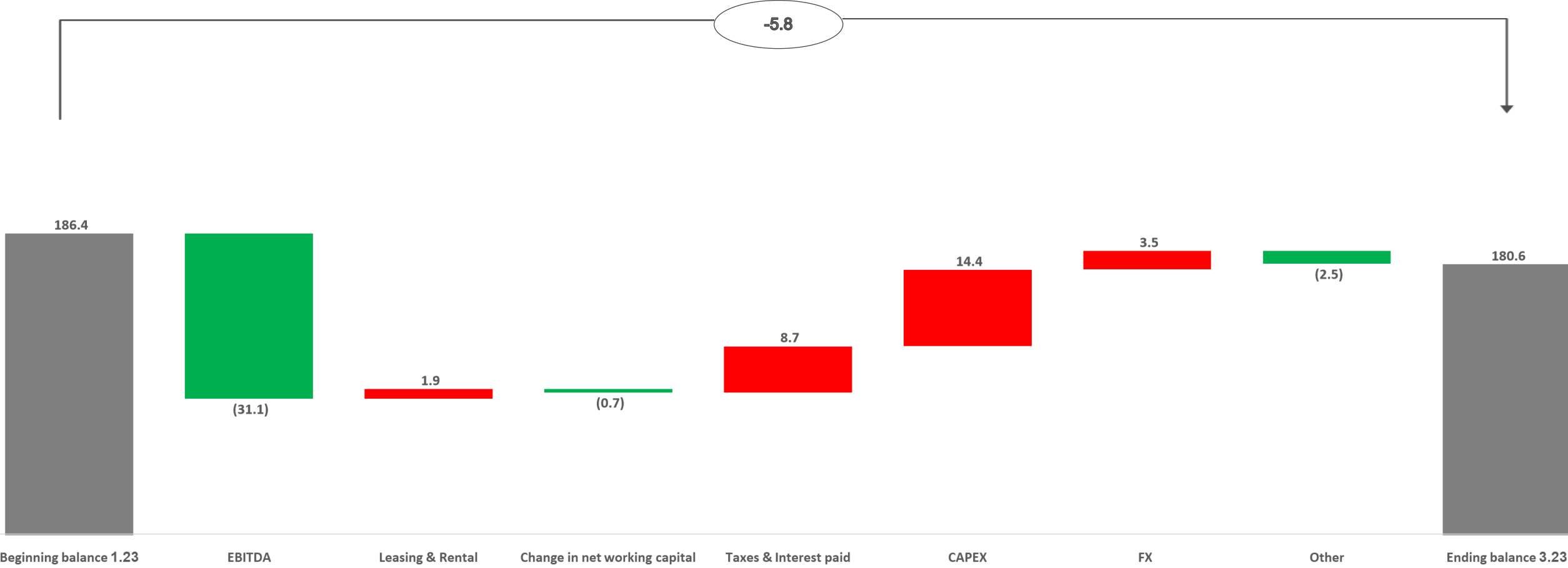
Increasing Sales and maintaining EBITDA

- Despite a challenging business environment, the company managed to maintain strong results as in the first quarter last year (which was the strongest quarter of the entire year)
- Delta acquisition drives the volume and value growth
- Maintaining a high margin per kg
- Devaluation of the NIS against the dollar and the euro

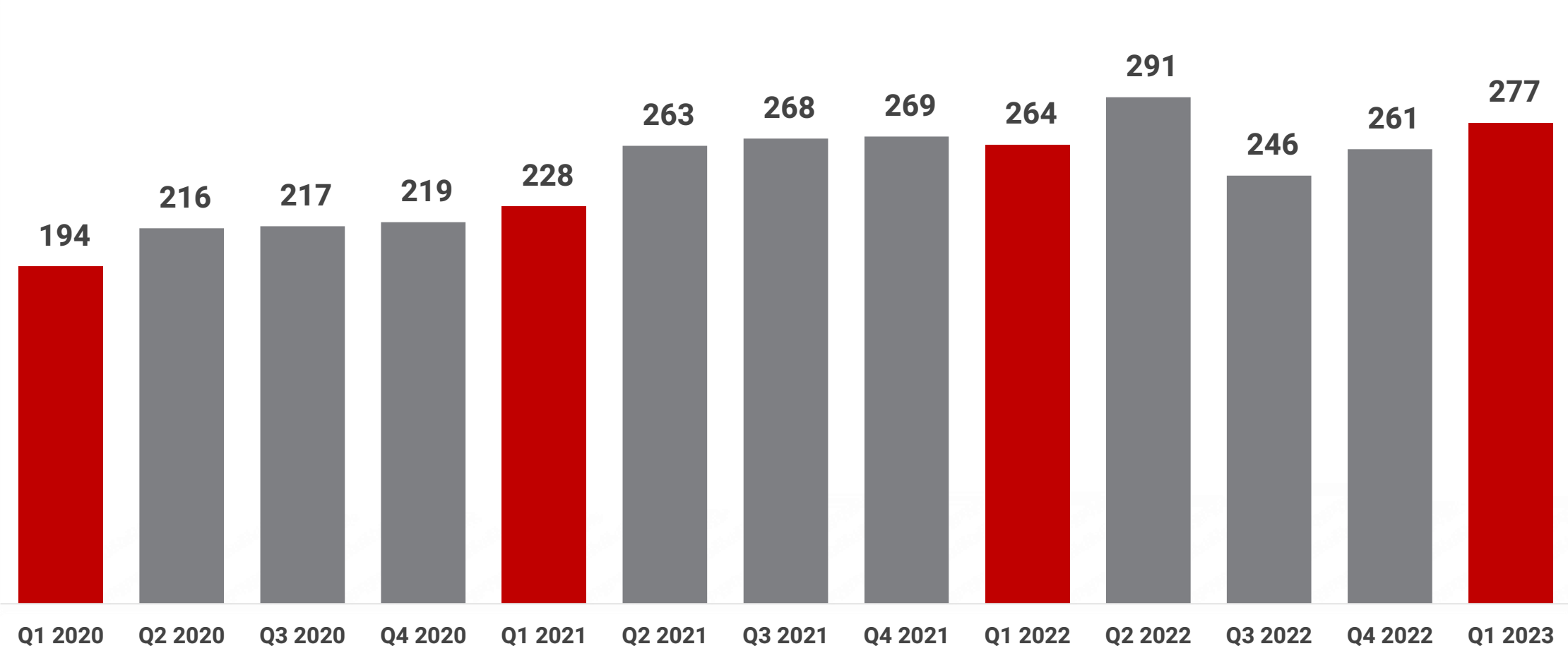
EBITDA remained stable



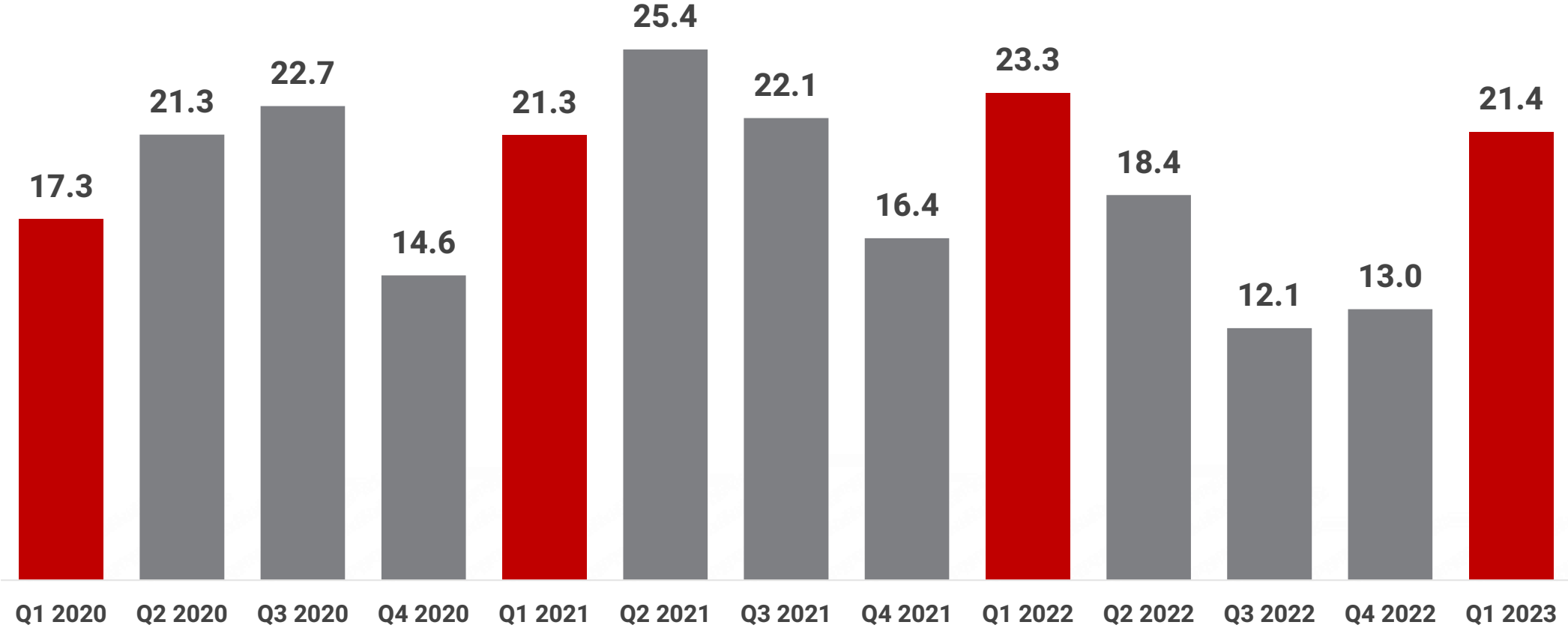
Debt decreased mainly due to strong EBITDA



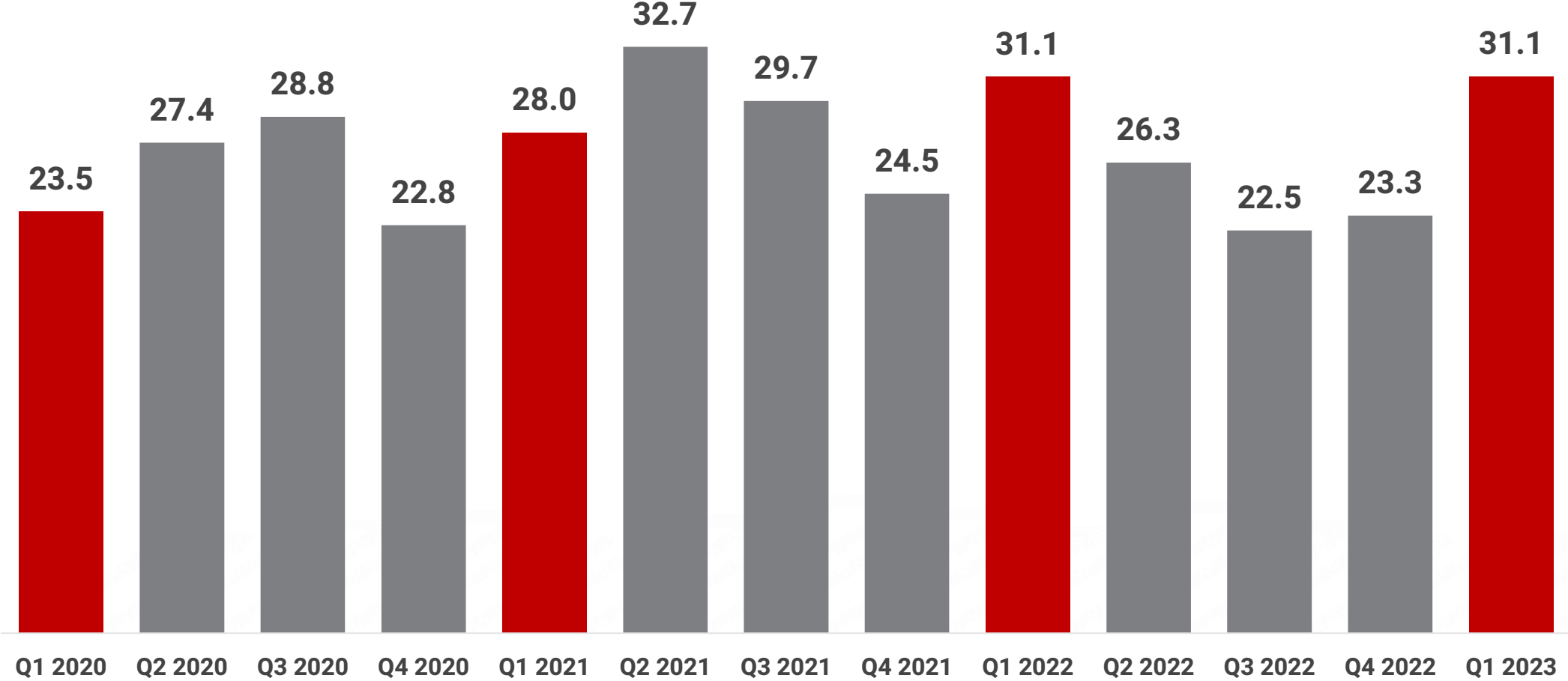
Sales (MNIS) – Growth driven by DELTA GER and FOREX



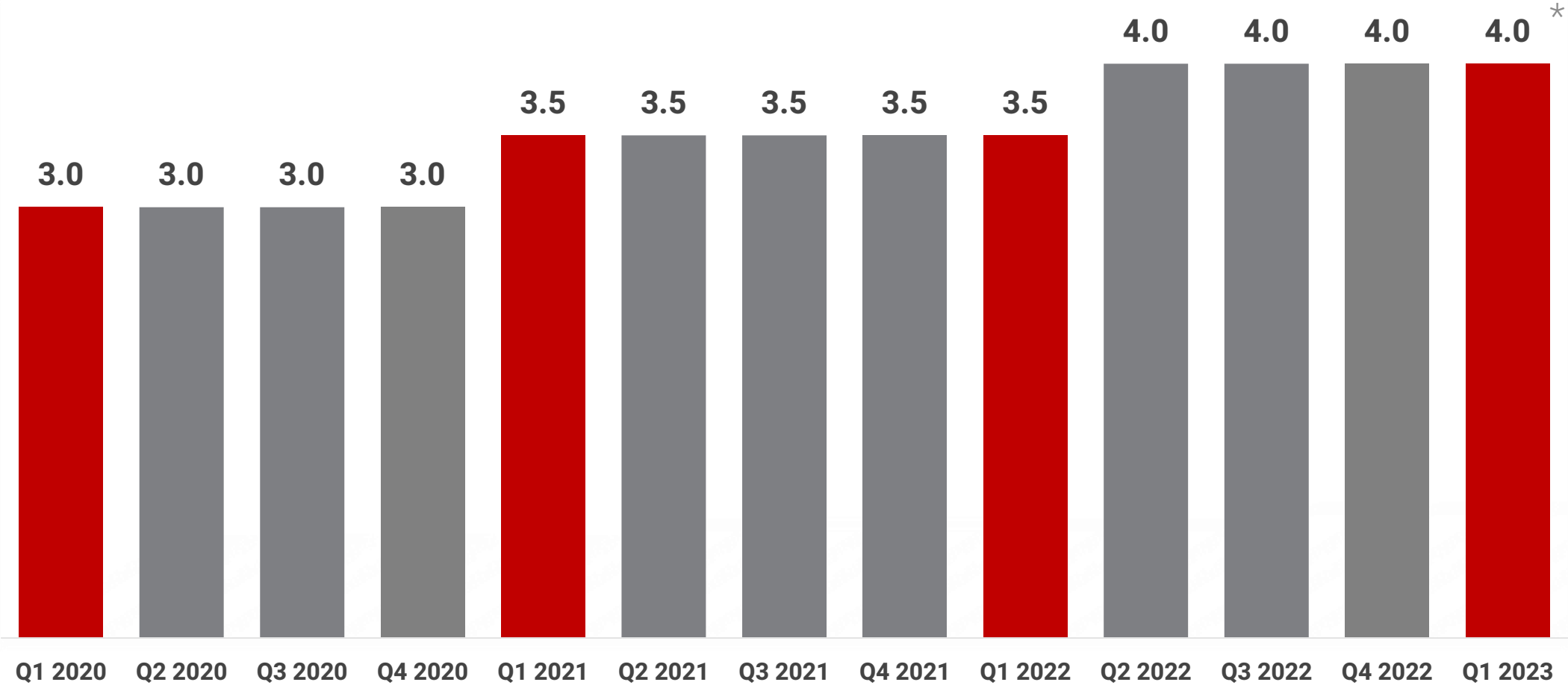
Operating profit (MNIS)



EBITDA (MNIS)



Dividend distribution (MNIS)



*Q1/2023 – As approved in Board of Directors (31/03/2023)



Working together for the future of plastics.