



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.

The current reality for KAFRIT IL

Over the last weeks, KAFRIT IL has faced challenges that have tested us not just as a company, but as human beings. We've experienced unimaginable loss, and now have a new responsibility to our team members, families, customers, and partners.

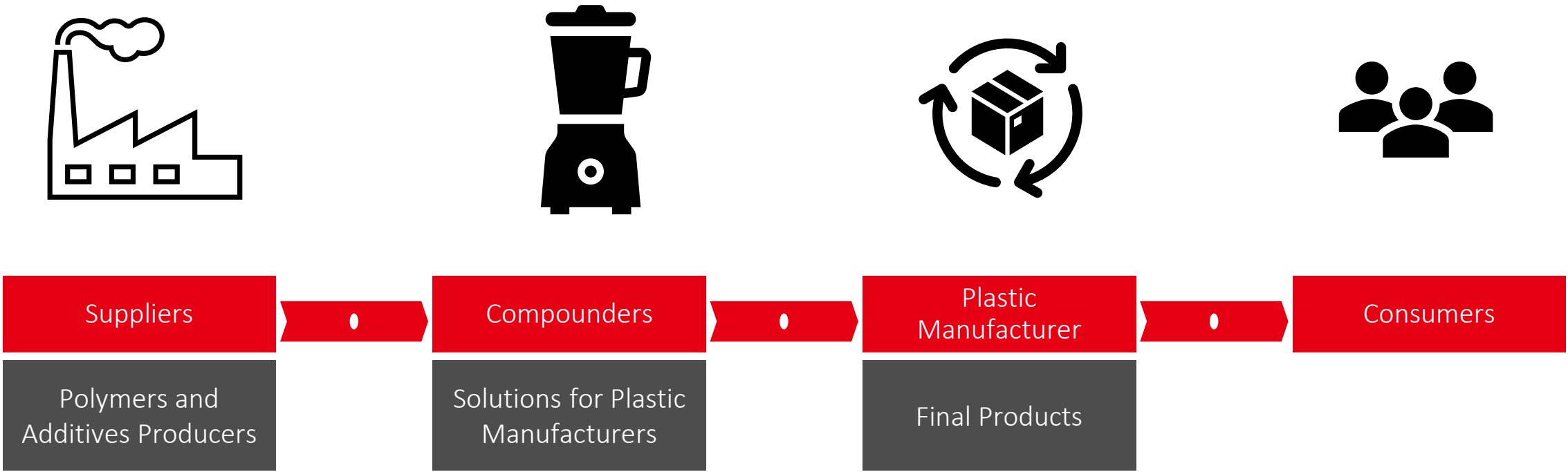
KAFRIT IL was born in Kibbutz Kfar-Aza, where the October 7th attacks have left every one of our people in the kibbutz feeling an unprecedented loss. We were devastated to lose our team member Dorit Bar Ilan, our Board member Aviv Kutz, and our SVP Business Development & Innovation Nadav Goldstein.

In the wake of the tragedy, we're committed to using our knowledge and resources to help our team members, families and the Kibbutz Kfar-Aza community move forward. Our focus on people has always driven our ESG commitments and goals, and today this matters more than ever, both to our people and the people of Israel. We've been sending food to families of recruited individuals, financial assistance to those who need it, and paid salaries to those who can't work.

Thanks to the collaborative culture among Kafrit Group's companies and partners, we've kept our business active and resilient, and maintained our high standards of client service, and we were releasing materials under military protection.

Since November 8th, the KAFRIT IL plant came gradually back to operations. Working together, we started, and we will overcome these obstacles, advance our commitments to all our stakeholders, and emerge stronger than ever.

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

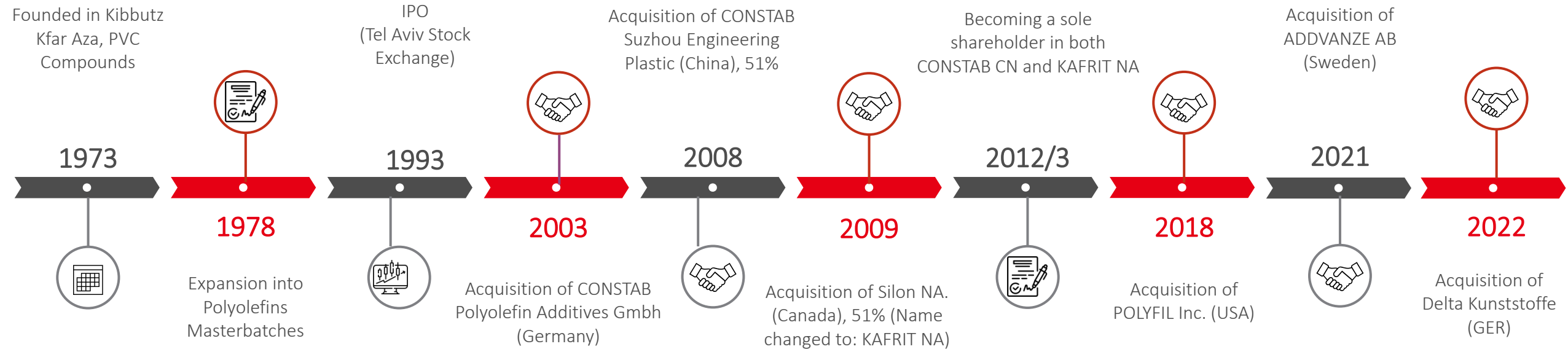


~550
EMPLOYEES

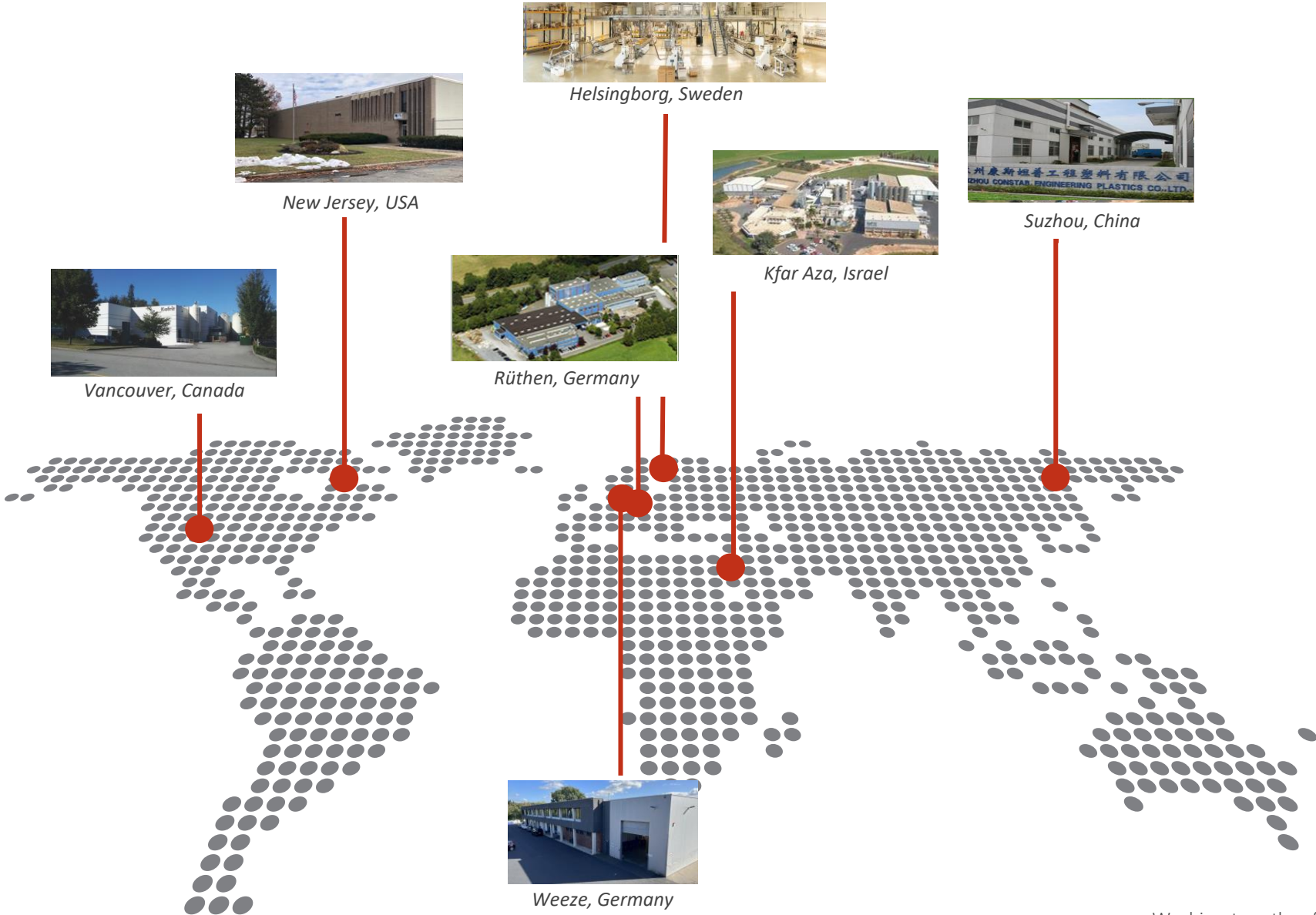


~145,000
MT CAPACITY

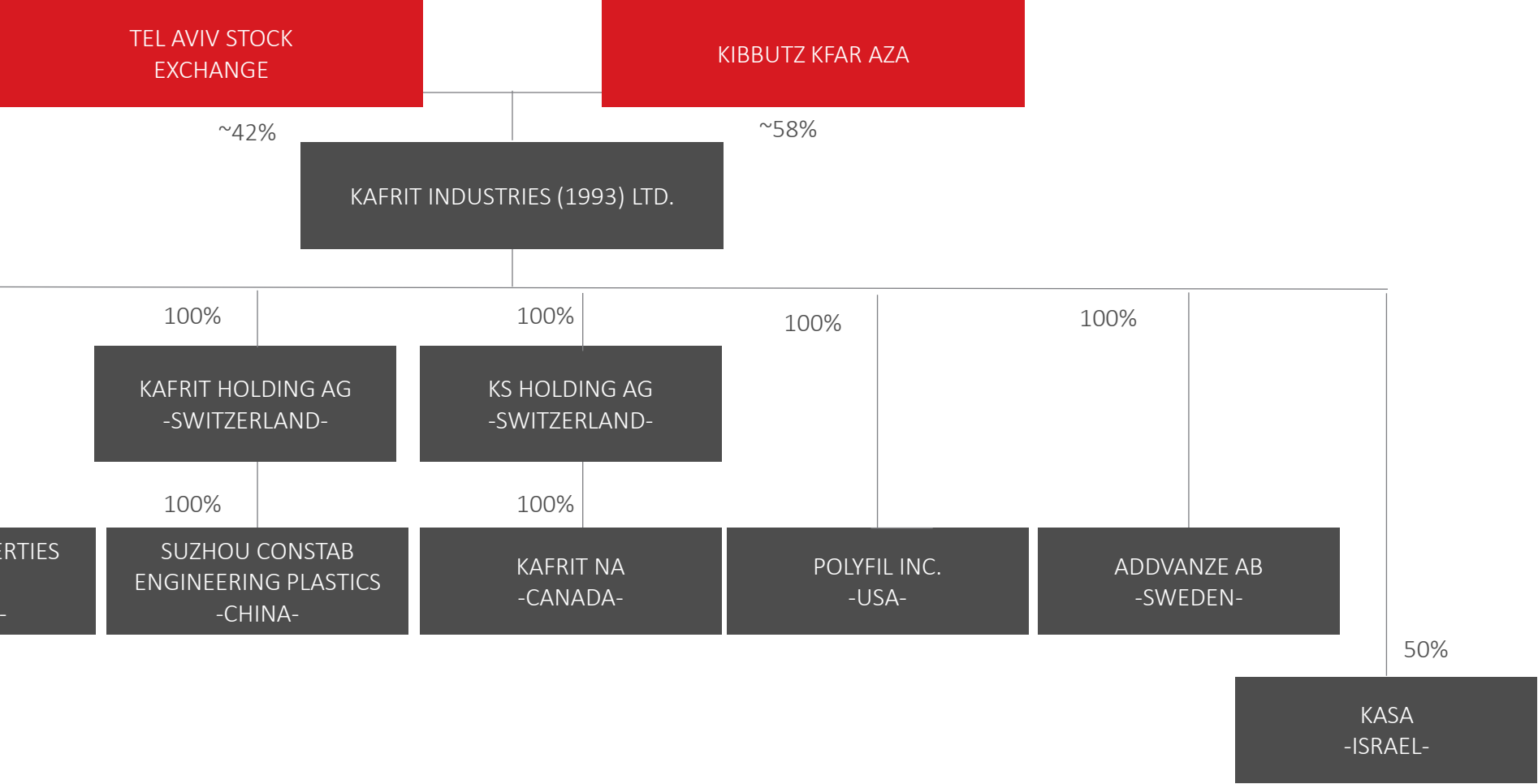
Milestones



Around the World



Legal Group Structure





02

PORTFOLIO

How our portfolio developed since 2020?

2020

 KAFRIT IL

 CONSTAB GER

 CONSTAB CN

 KAFRIT NA

 POLYFIL USA

2023

 KAFRIT IL

 CONSTAB GER

 CONSTAB CN

 KAFRIT NA

 POLYFIL USA

Acquisitions

 ADDVANZE SWE

 DELTA KUNSTSTOFFE GER

Partnerships

 **KASA**
Polymers & Additives Distribution Ltd.

Investments

 **NEMO**
nanomaterials

 **KENAF**
VENTURES

 N3Cure

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

40,000 MT
Capacity

 KAFRIT NA

20
Employees

25,000 MT
Capacity

 POLYFIL USA

35
Employees

14,300 MT
Capacity

 ADDVANZE SWE

22
Employees

4,300MT
Capacity

Since Q4/2022

 DELTA KUNSTSTOFFE GER

70
Employees

16,200MT
Capacity

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

POLYFIL USA

- Business Areas
- PE Films
- Agricultural films
- BOPP Films

DELTA KUNSTSTOFFE GER

- Business Areas
- Conductive Compounds
- Special Compounds
- Toll Compounds
- Colors

KAFRIT NA

- Business Areas
- PEX Compounds for Pipes

ADDVANZE SWE

- Business Areas
- Colors

Applications



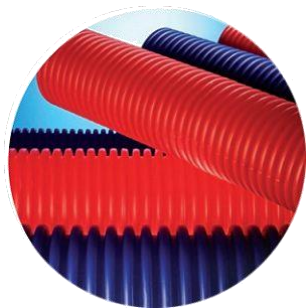
INJECTION
MOLDING
/ BLOW MOLDING



POLYCARBONATE AND
PMMA SHEETS



POLYETHYLENE
PACKAGING
POLYPROPYLENE
CAST AND
CALENDER FILMS



HALOGEN FREE
SOLUTIONS FOR
SHEETS AND PIPES



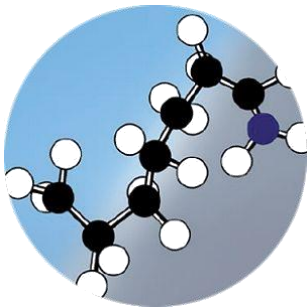
BLOWING
AGENTS



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

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

PHARMACOPOEIA MB

PROCESSING AIDS

PURGE AGENTS

RELEASE AGENTS

SLIP AGENTS

SYNTHETIC PAPER COMPOUNDS

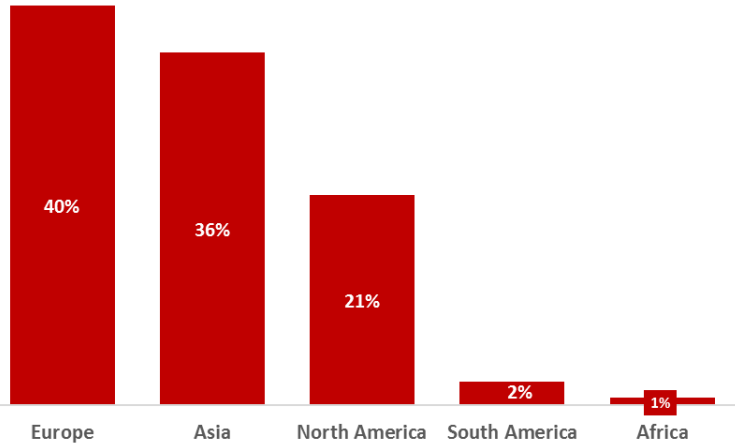
THERMOSTABILIZERS

UV ABSORBERS / UV STABILIZERS

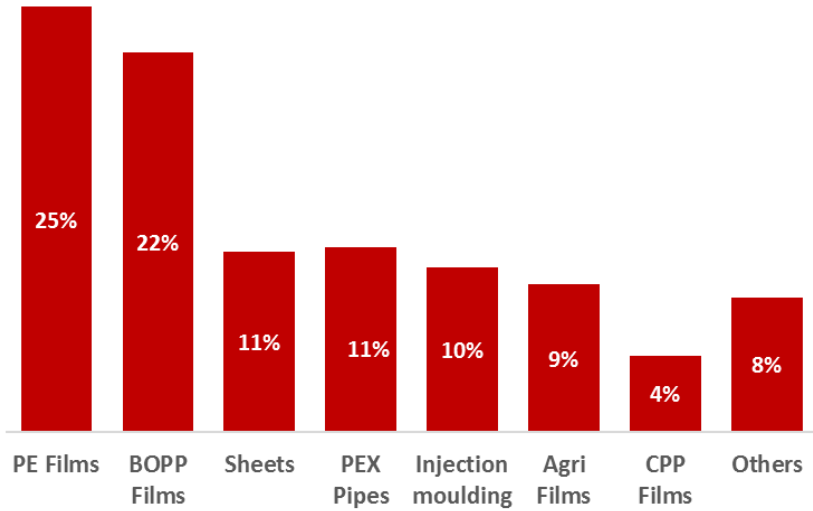
WHITE CONCENTRATES

A well diversified portfolio

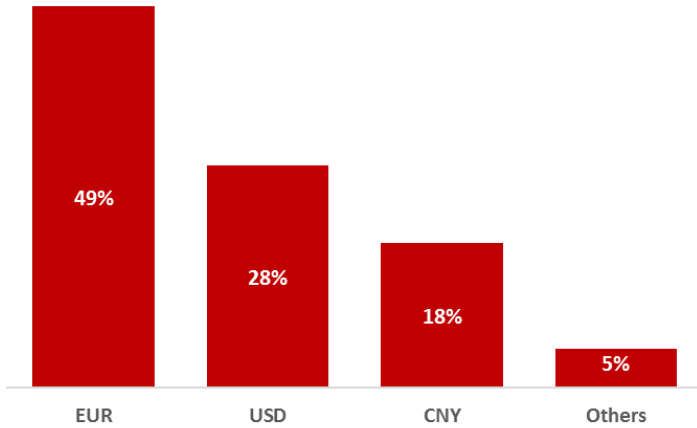
Sales by Geography



Sales by Application



Sales by Currency



(* H1/2023 NIS Value Sales

Among our customers – None of our them > 5%





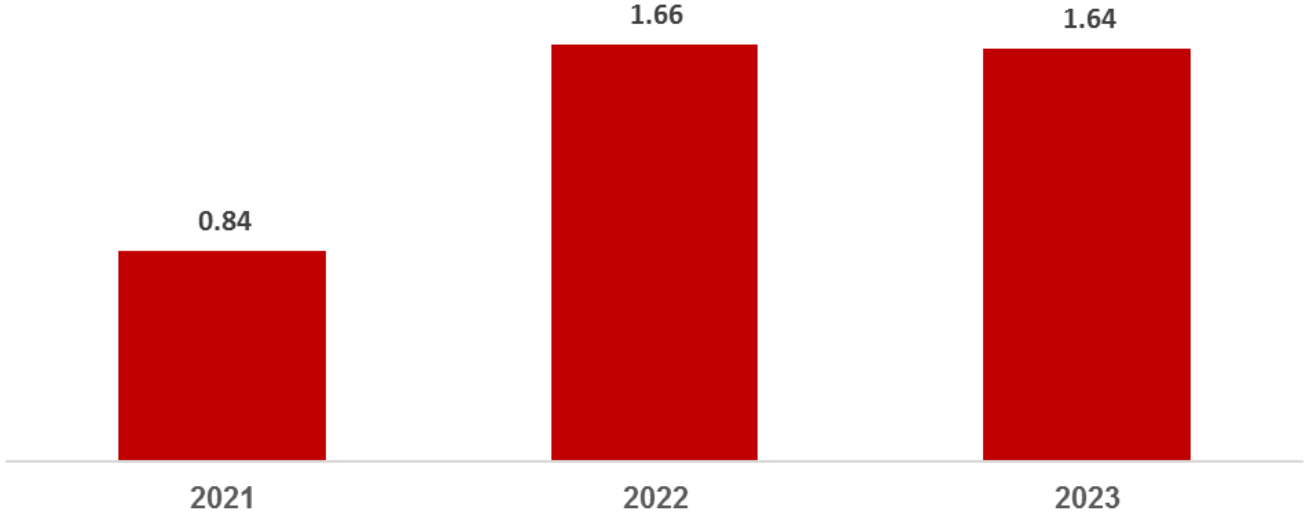
YTD Q3/2023 PERFORMANCE HIGHLIGHTS

1-9/2023 Highlights



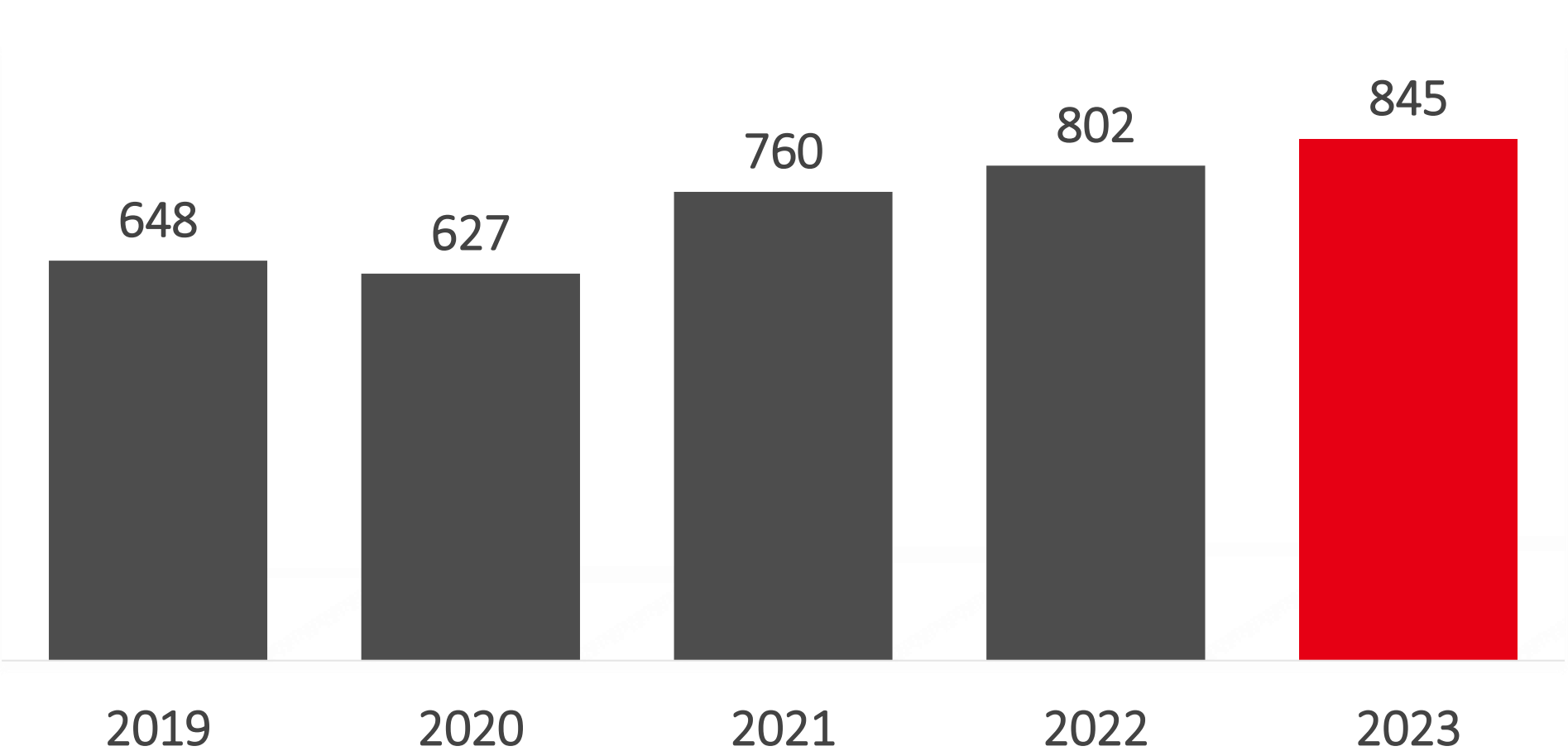
Safety Performance

OSHA RECORDABLE INCIDENT RATE

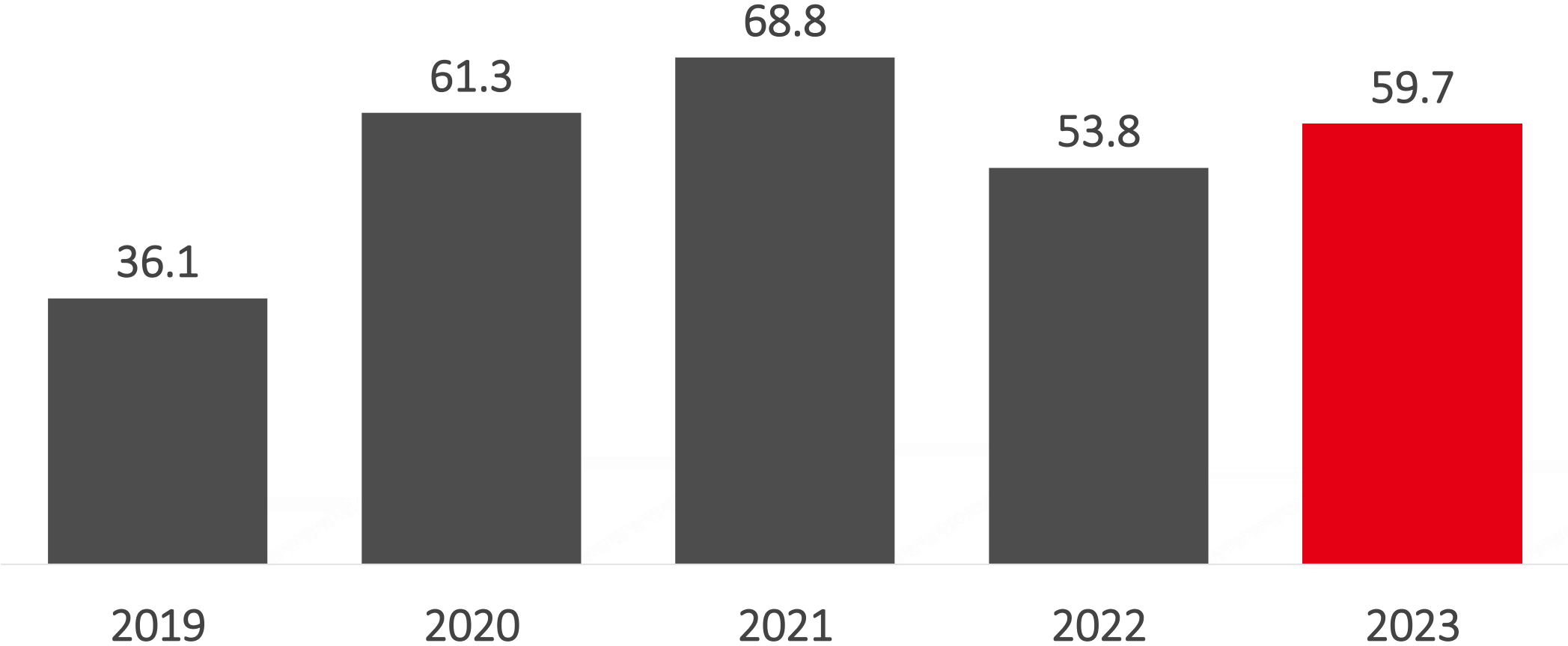


OSHA = #LTA / 200KHours

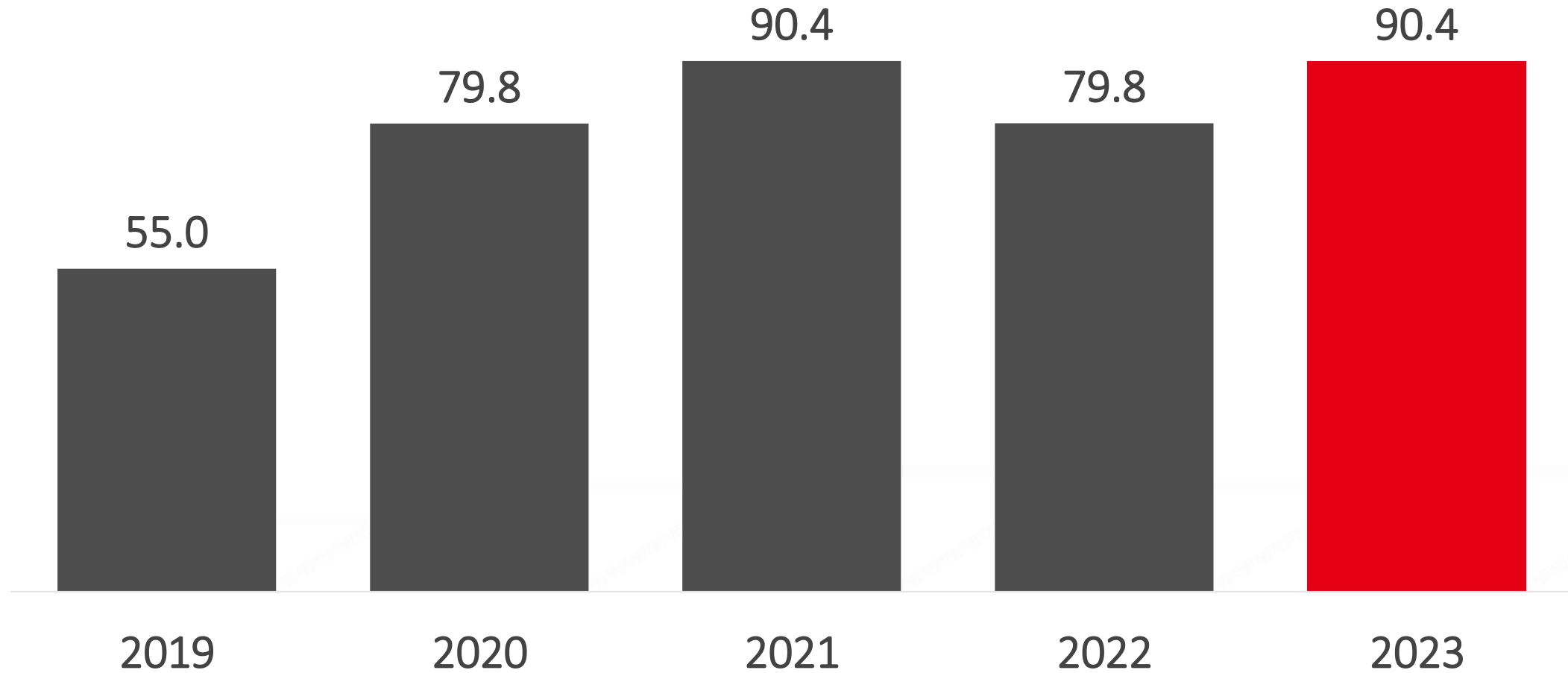
Sales 1-9/2023 (MNIS)



Operating Profit 1-9/2023 (MNIS)



EBITDA 1-9/2023 (MNIS)



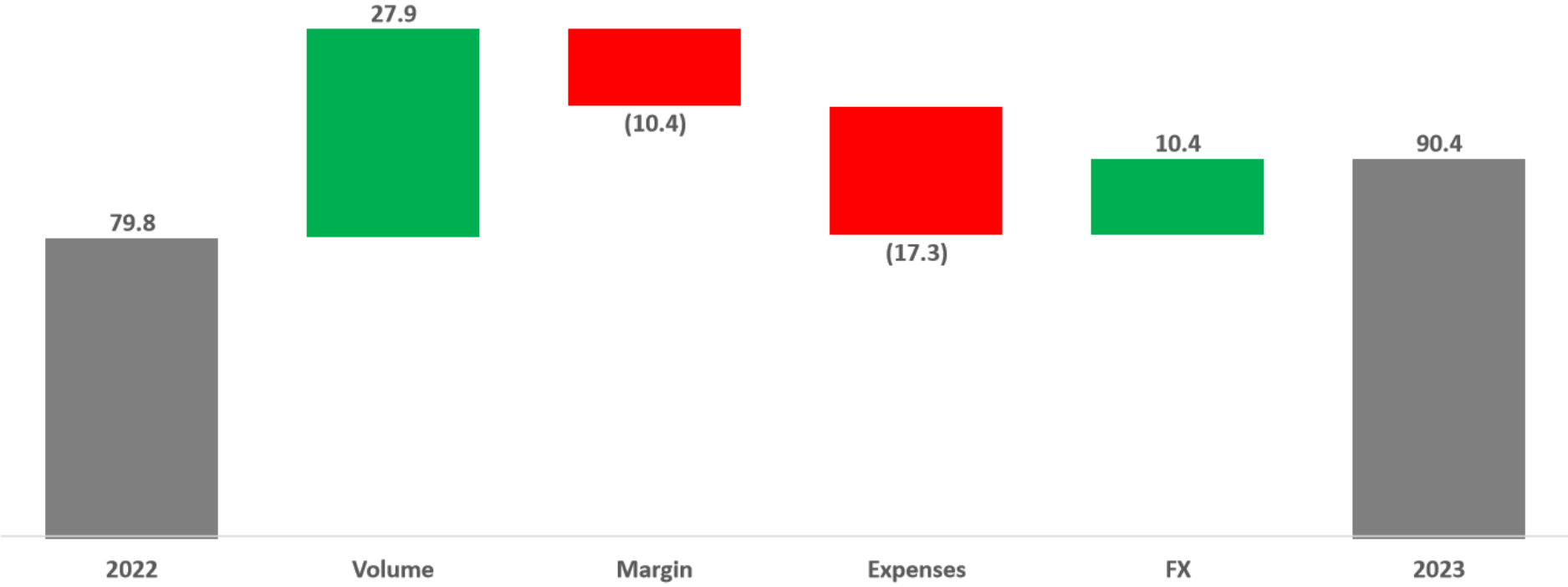
Strong Financial results despite the softness in the market due to the Macro-economic environment, mainly in Europe

Consolidated P&L – 1-9 YTD 2023 vs. 2022			
	M-ILS		Change
	2023	2022	2022
Volume Sales (Ton)	70,552	63,437	11.2%
Sales	845.4	801.7	5.4%
Materials	556.8	553.3	0.6%
Manufacture & Labor	124.9	102.9	21.4%
COST OF SALES	681.8	656.3	3.9%
GROSS PROFIT	163.6	145.5	12.5%
	19.4%	18.1%	
Sale & Marketing	61.7	55.5	11.1%
General & Admin	41.9	33.7	24.1%
Other expensses	0.3	2.4	
Operating Profit	59.7	53.8	11.0%
	7.1%	6.7%	
EBITDA	90.4	79.8	13.2%
	10.7%	10.0%	

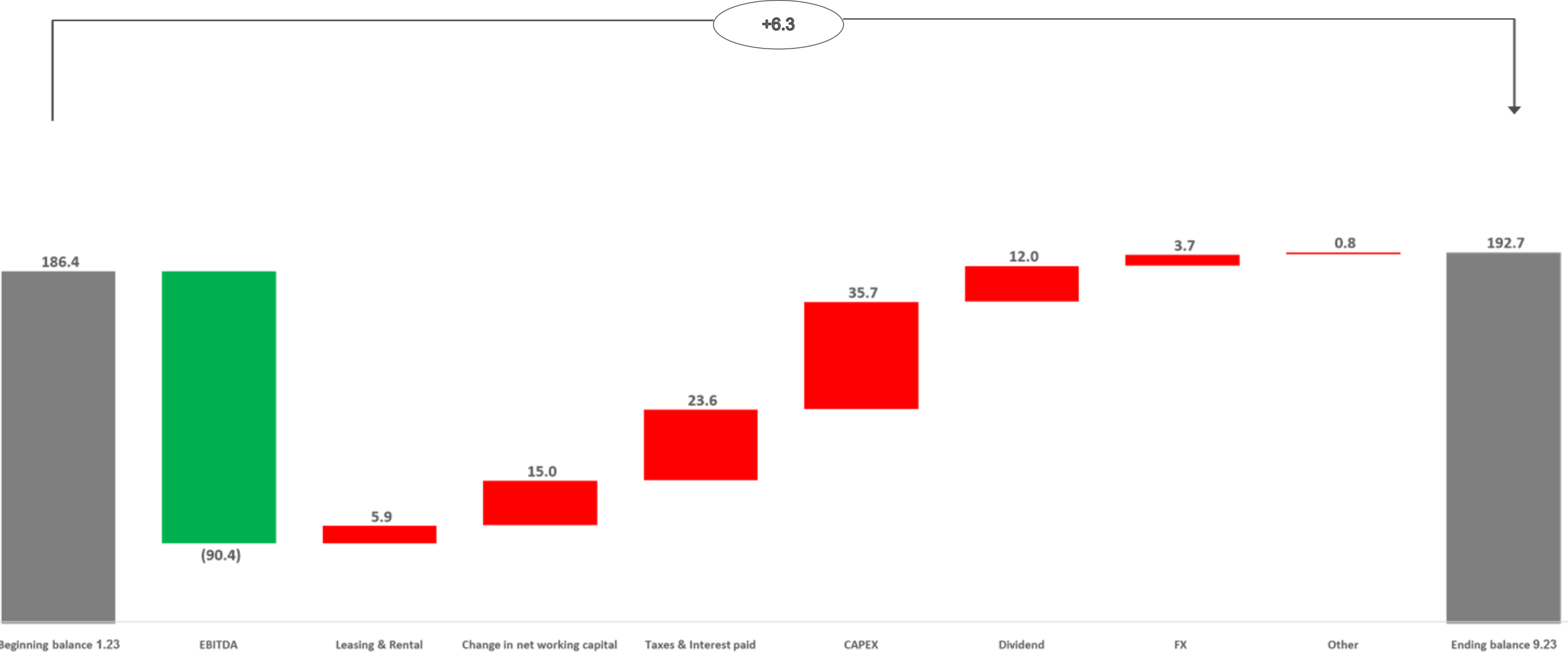
Increasing Sales and maintaining EBITDA

- Despite a challenging business environment, the company managed to maintain and even improve its strong results. The volume and value growth was driven mainly DELTA KUNSTSTOFFE acquisition
- Maintaining a high margin per kg
- Devaluation of the NIS against the Dollar and the Euro

EBITDA increased due to strong Volume Growth driven by DELTA KUNSTSTOFFE acquisition



Debt increased mainly due to large Fixed Assets Investments





04

Q3/2023 PERFORMANCE HIGHLIGHTS

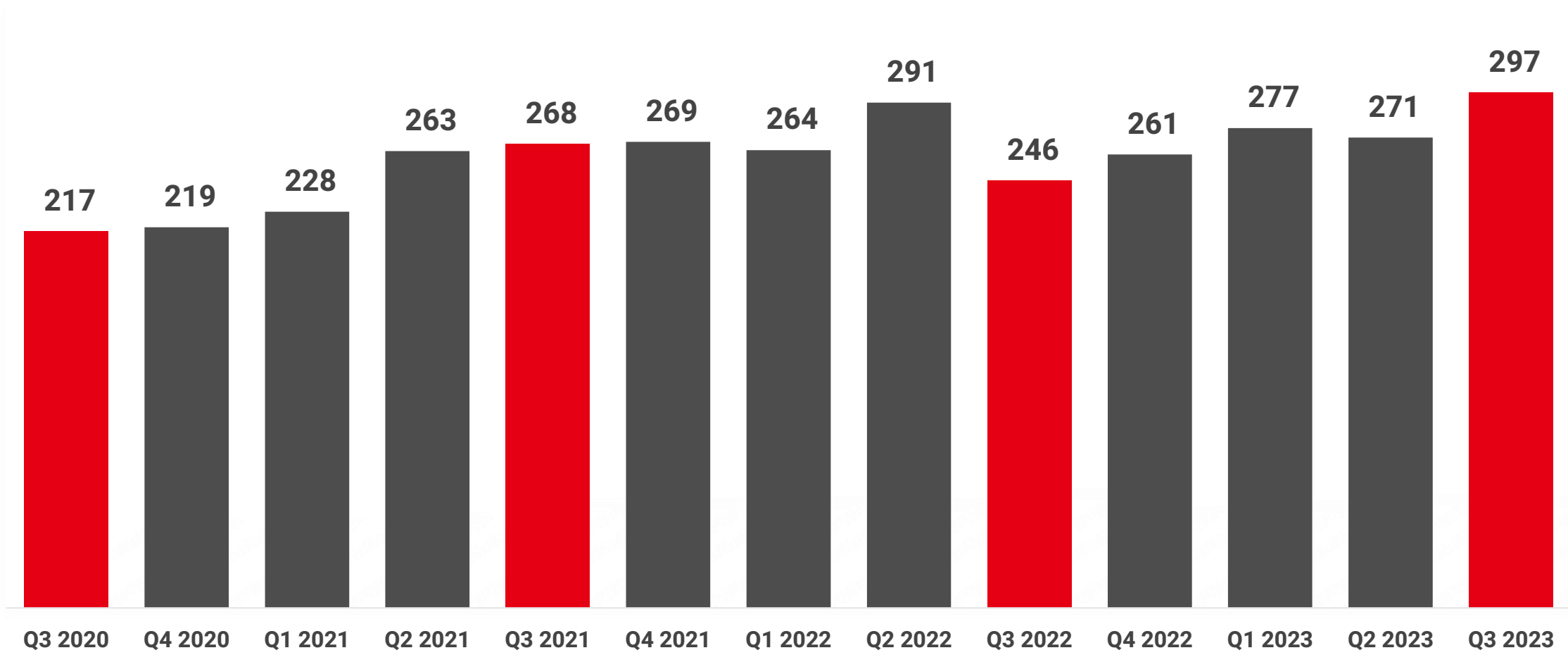
Historically Quarterly Record Results improving in all Financial parameters despite a demand decrease in the industry due to the Macro-economic situation

Consolidated P&L – Q3 2023 vs. 2022			
	M-ILS		Change
	2023	2022	2022
Volume Sales (Ton)	24,634	19,277	27.8%
Sales	297.3	246.3	20.7%
Materials	196.6	168.1	17.0%
Manufacture & Labor	42.4	33.9	25.2%
COST OF SALES	239.0	201.9	18.3%
GROSS PROFIT	58.4	44.4	31.4%
	19.6%	18.0%	
Sale & Marketing	21.2	18.9	12.3%
General & Admin	14.8	11.0	34.2%
Other expenses	0.0	2.4	
Operating Profit	22.3	12.1	85.2%
	7.5%	4.9%	
EBITDA	33.1	22.5	47.2%
	11.1%	9.1%	

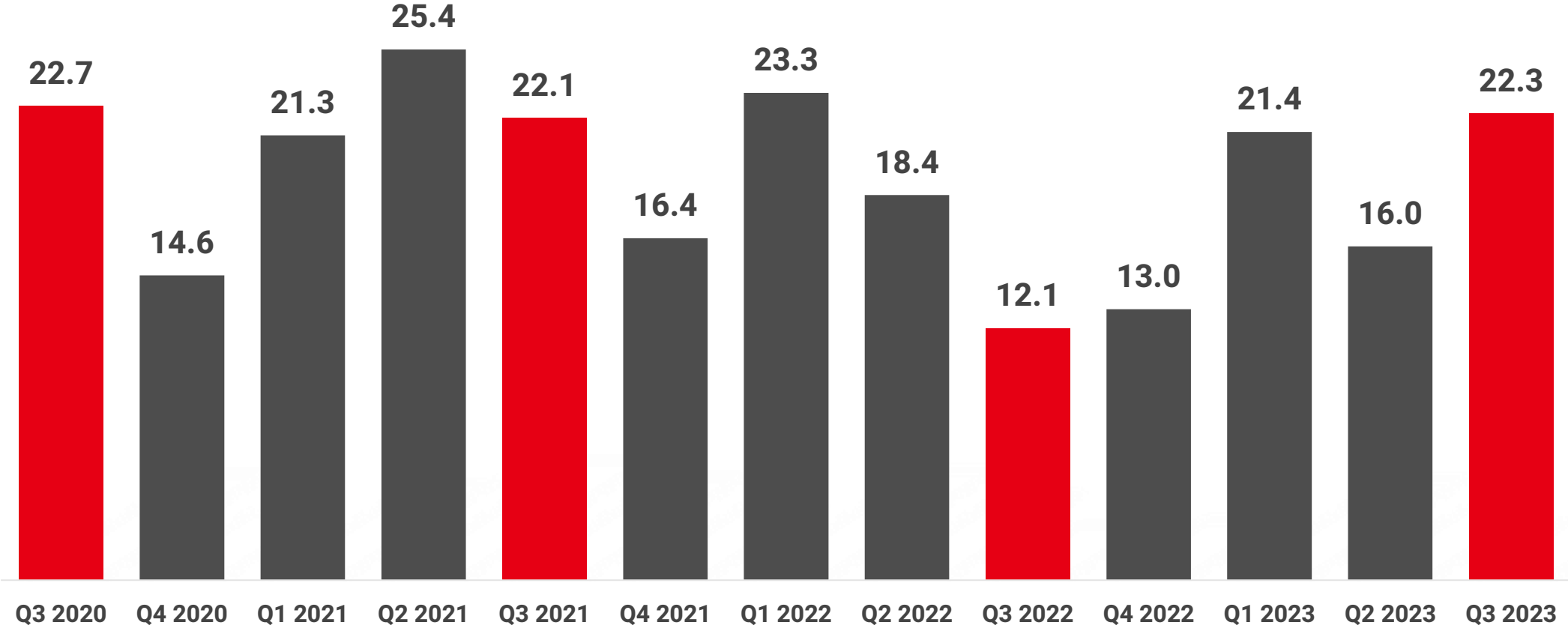
Increasing Sales and maintaining EBITDA

- An increase in total revenues despite decrease in the prices of raw materials while maintaining high margins leads to the record results in bottom lines and profitability improvement
- The volume and value growth was driven mainly DELTA KUNSTSTOFFE acquisition
- Maintaining a high margin per kg

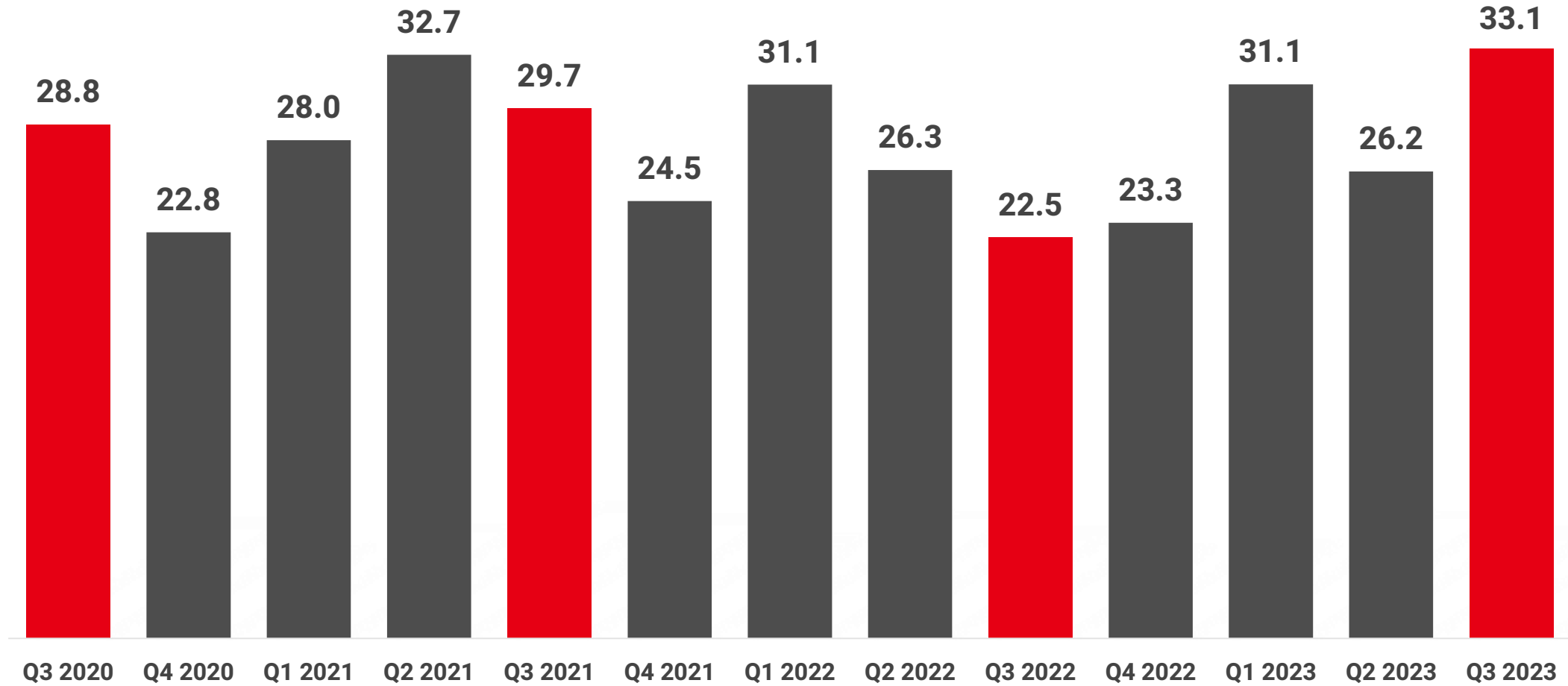
Sales (MNIS) – Growth driven by DELTA KUNSTSTOFFE GER and FOREX



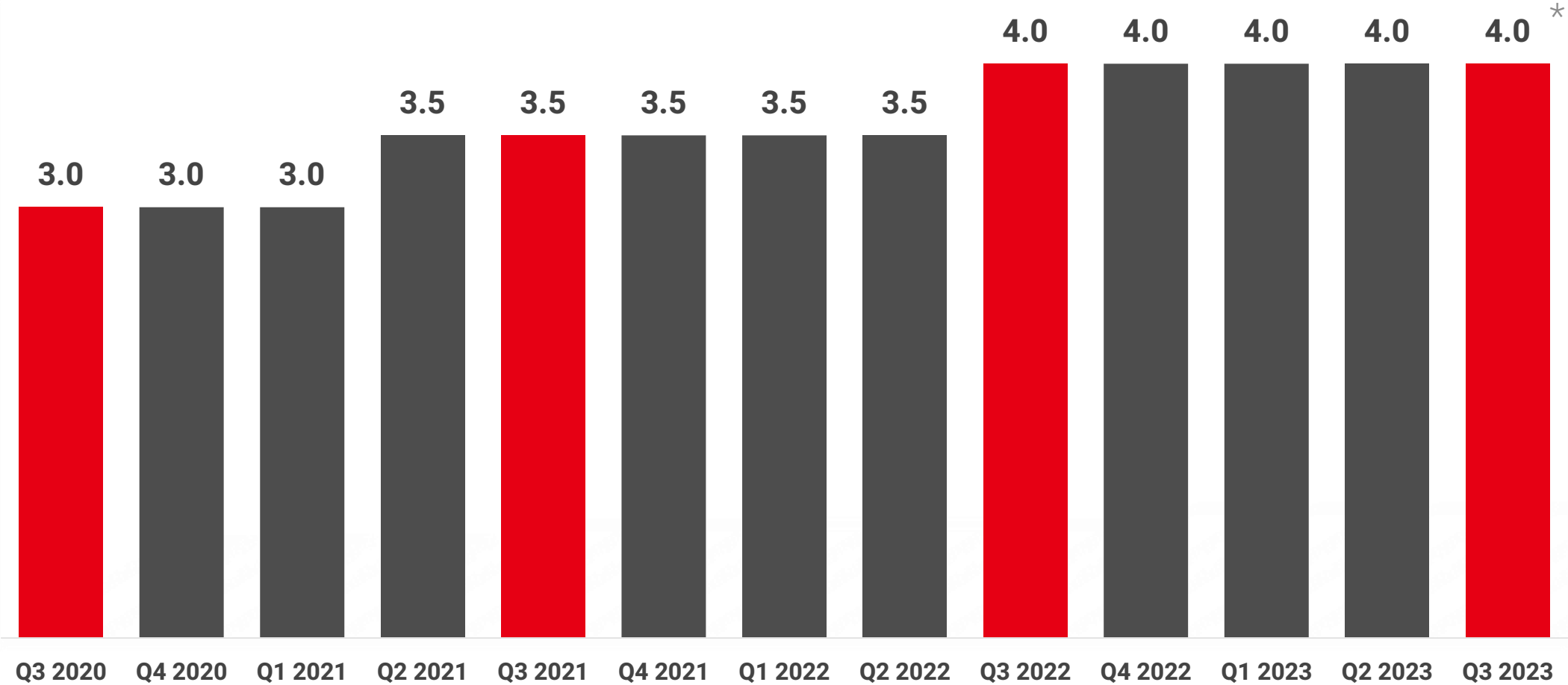
Operating profit (MNIS)



EBITDA (MNIS)



Dividend distribution (MNIS)



*Q3/2023 – As approved in Board of Directors (30/11/2023)



Working together for the future of plastics.