



WELCOME TO KAFRIT GROUP

COMPANY PRESENTATION



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The current reality for KAFRIT IL

Over the last months, 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.

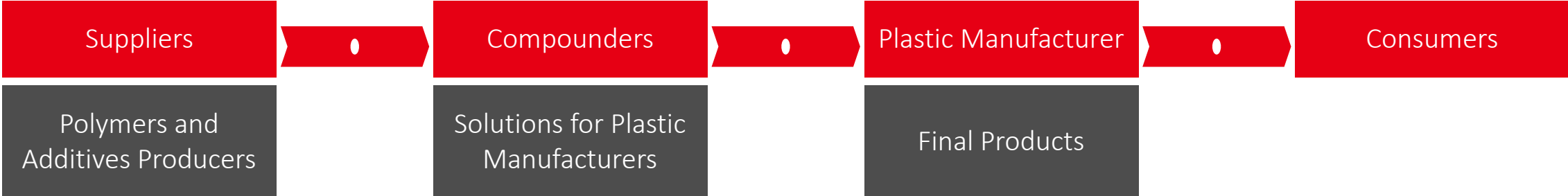
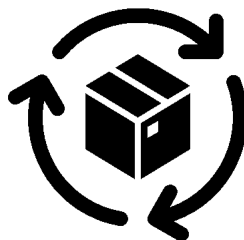
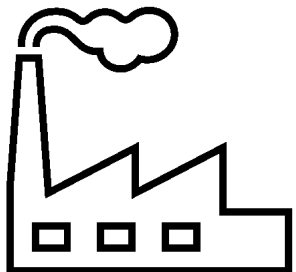
KAFRIT IL was born in Kibbutz Kfar-Aza, where the October 7th attacks have left every one of our people in the kibbutz feeling an unprecedented loss. We were devastated to lose our team member Dorit Bar Ilan, our Board member Aviv Kutz, and our SVP Business Development & Innovation Nadav Goldstein.

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, becoming fully operational since mid December 2023. 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**



~80

PRODUCTION LINES



~800

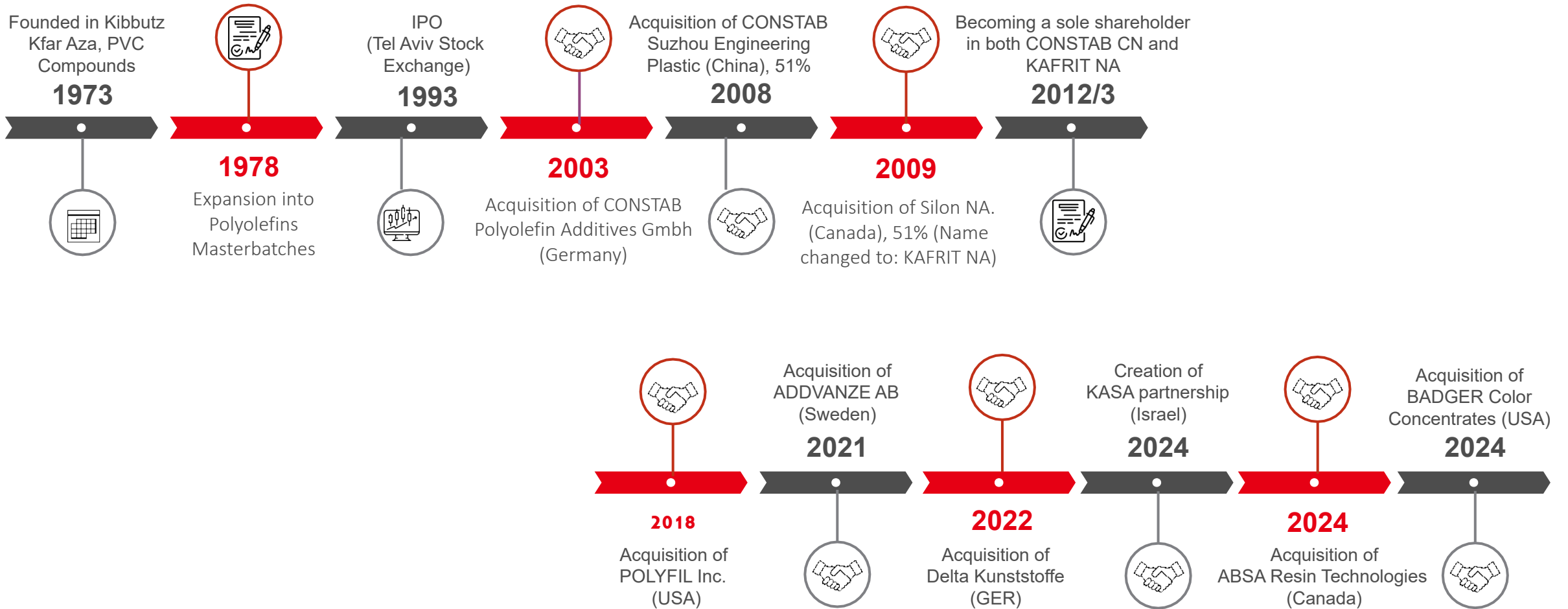
EMPLOYEES



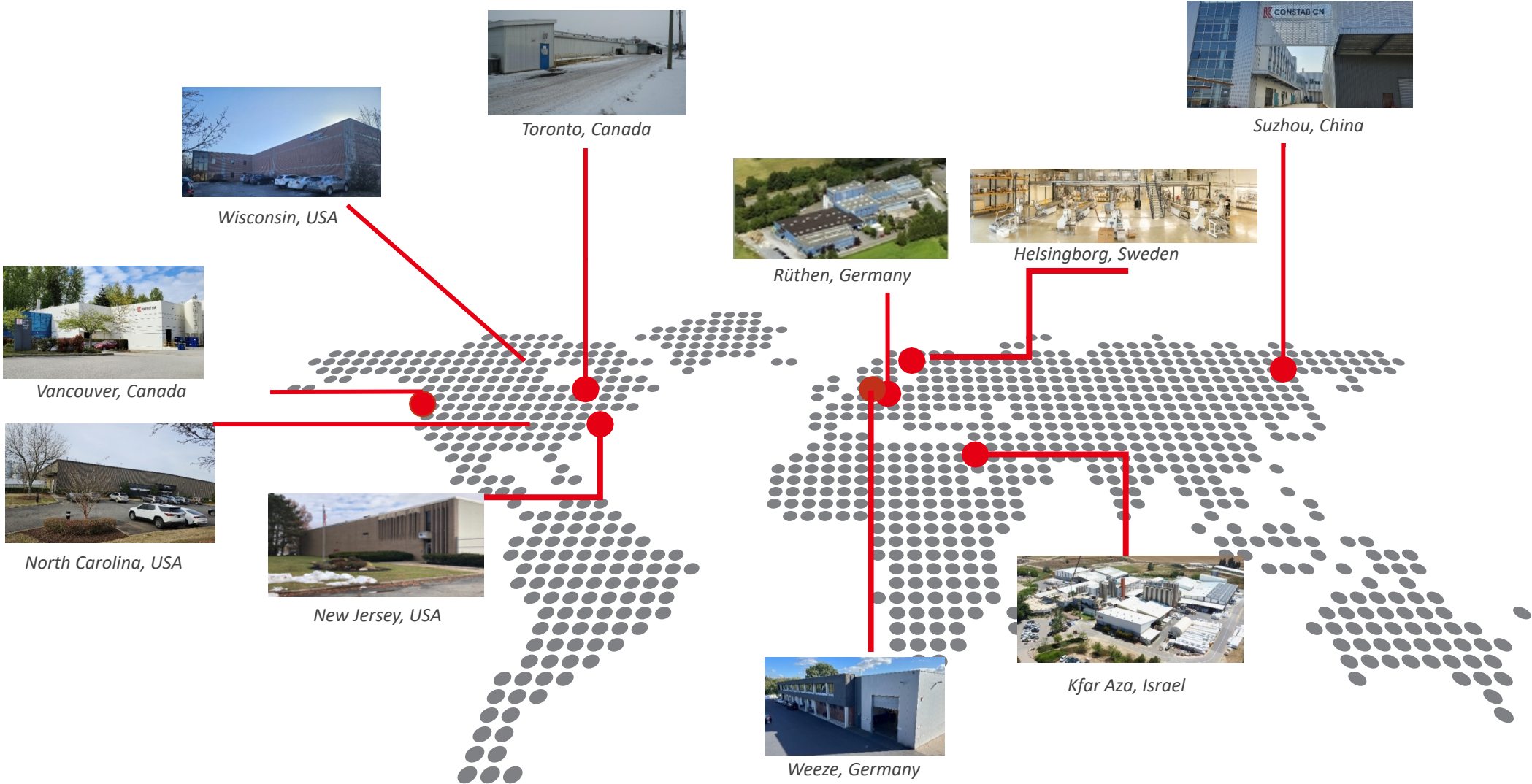
~150,000

MT CAPACITY

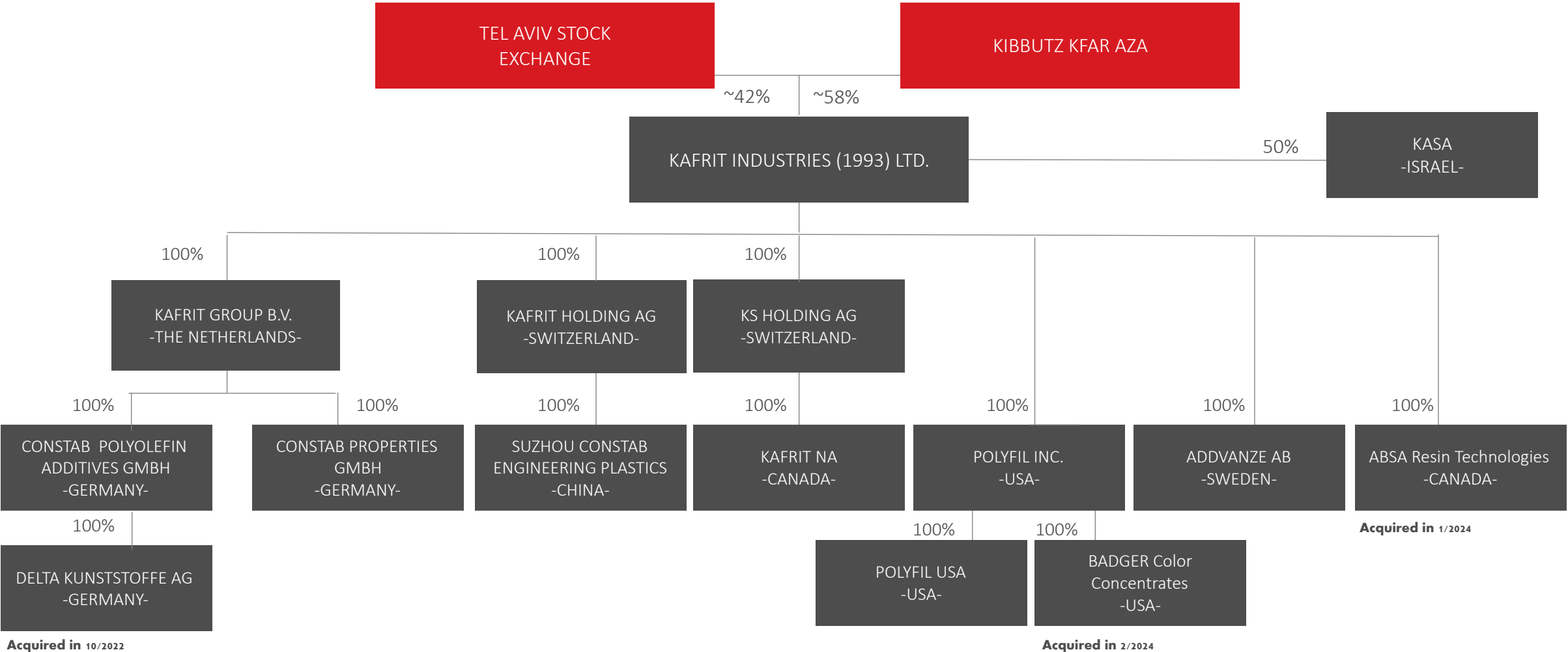
Milestones



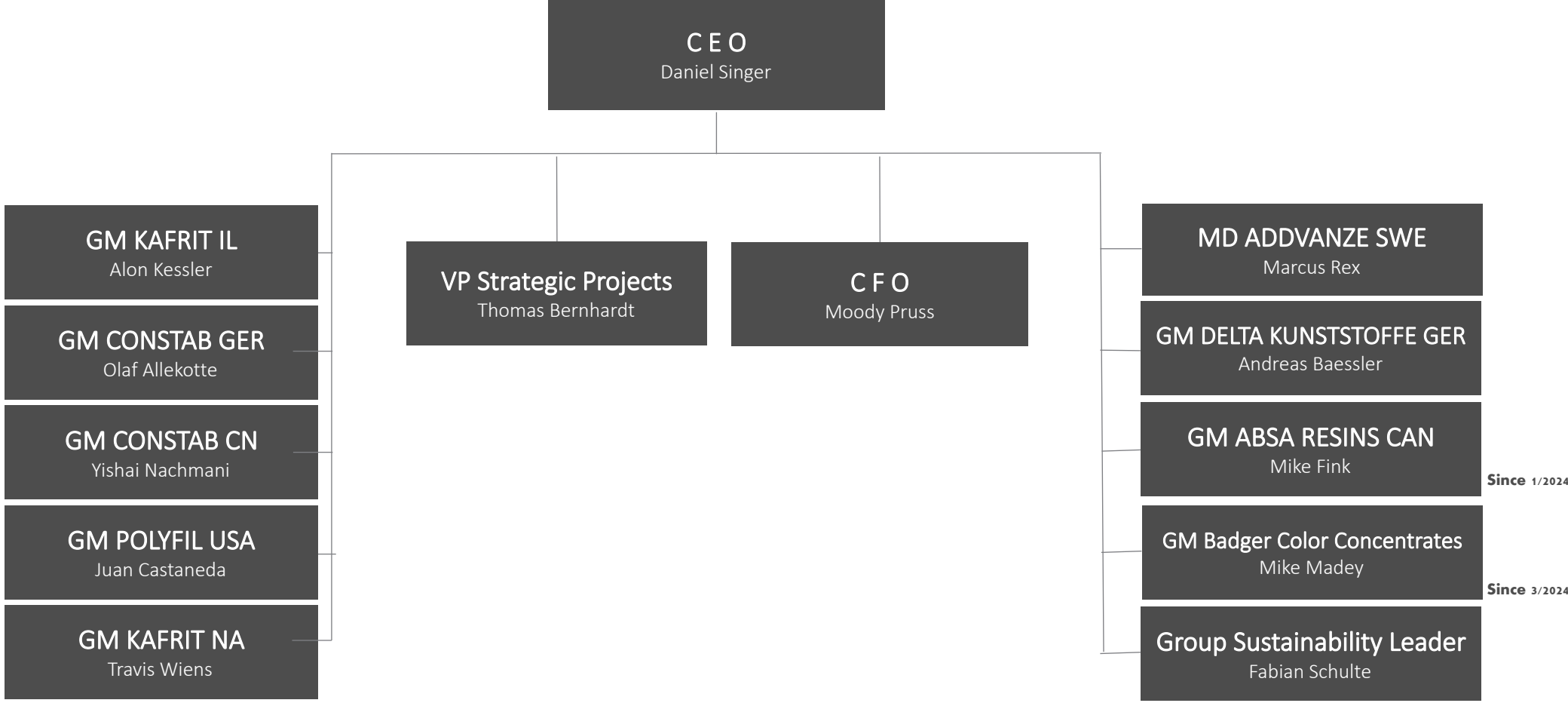
Around the World



Legal Group Structure



Leadership Team



(*) Members of the Extended Leadership team



02

PORTFOLIO

How our portfolio developed since 2020?

2020

 KAFRIT IL

 CONSTAB GER

 CONSTAB CN

 KAFRIT NA

 POLYFIL USA

How our portfolio developed since 2020?

2020

 KAFRIT IL

 CONSTAB GER

 CONSTAB CN

 KAFRIT NA

 POLYFIL USA

2024

 KAFRIT IL

 CONSTAB GER

 CONSTAB CN

 KAFRIT NA

 POLYFIL USA

Acquisitions

 ADDVANZE SWE

 DELTA KUNSTSTOFFE GER

 ABSA RESINS CAN



Partnerships



Investments



The Members of Kafrit Group



KAFRIT IL

150

Employees

26,300 MT

Capacity



CONSTAB GER

130

Employees

24,500MT

Capacity



CONSTAB CN

110

Employees

43,400 MT

Capacity



KAFRIT NA

20

Employees

23,800 MT

Capacity



POLYFIL USA

35

Employees

14,800 MT

Capacity



ADDVANZE SWE

22

Employees

4,300MT

Capacity



DELTA KUNSTSTOFFE GER

70

Employees

16,200MT

Capacity

Since Q4/2022



ABSA RESINS CAN

20

Employees

10,000MT

Capacity

Since Q1/2024



200

Employees

~6,000MT

Capacity

Since Q1/2024



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

ABSA RESINS CAN

- Business Areas**
- Custom-made Compounds



- Business Areas**
- Colors
- Liquid Colors

Applications



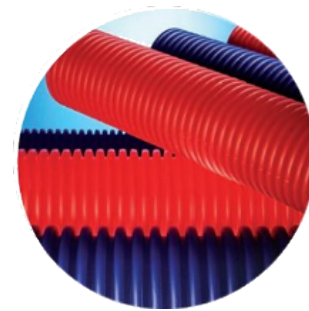
INJECTION MOLDING / BLOW MOLDING



POLYCARBONATE AND PMMA SHEETS



POLYETHYLENE PACKAGING
POLYPROPYLENE CAST AND CALENDER FILMS



HALOGEN FREE SOLUTIONS FOR SHEETS AND PIPES



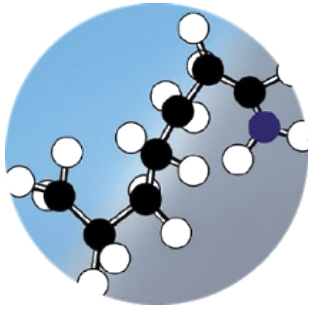
BLOWING AGENTS



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

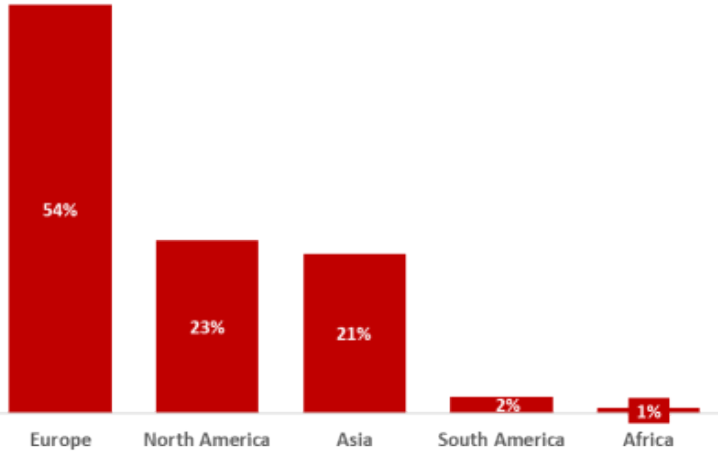
THERMOSTABILIZERS

UV ABSORBERS / UV STABILIZERS

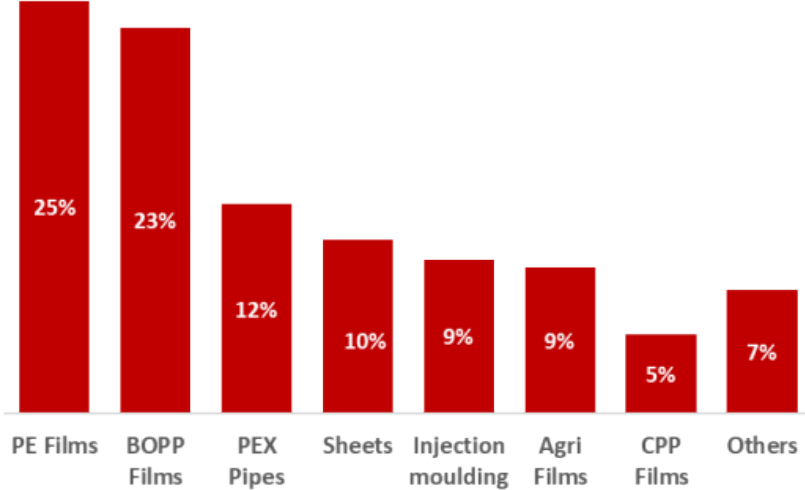
WHITE CONCENTRATES

A well diversified portfolio

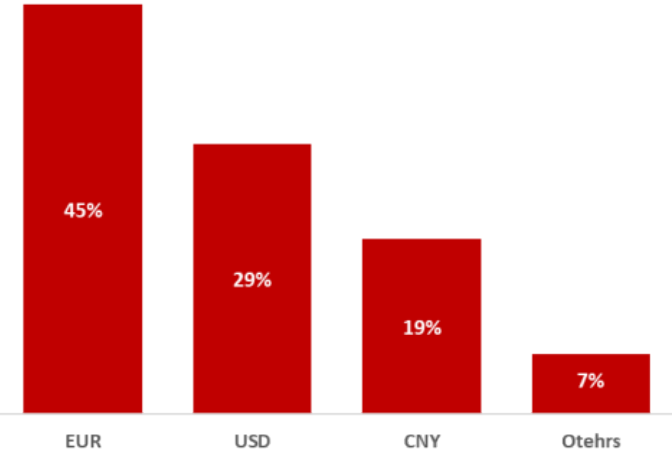
Sales by Geography



Sales by Application



Sales by Currency



1-12.2023 NIS Value Sales, before 2024 acquisitions

Among our customers – None of our them > 5%



03

ANNUAL 2023
PERFORMANCE
HIGHLIGHTS

1-12/2023 Highlights

NET REVENUE
1.1BNIS

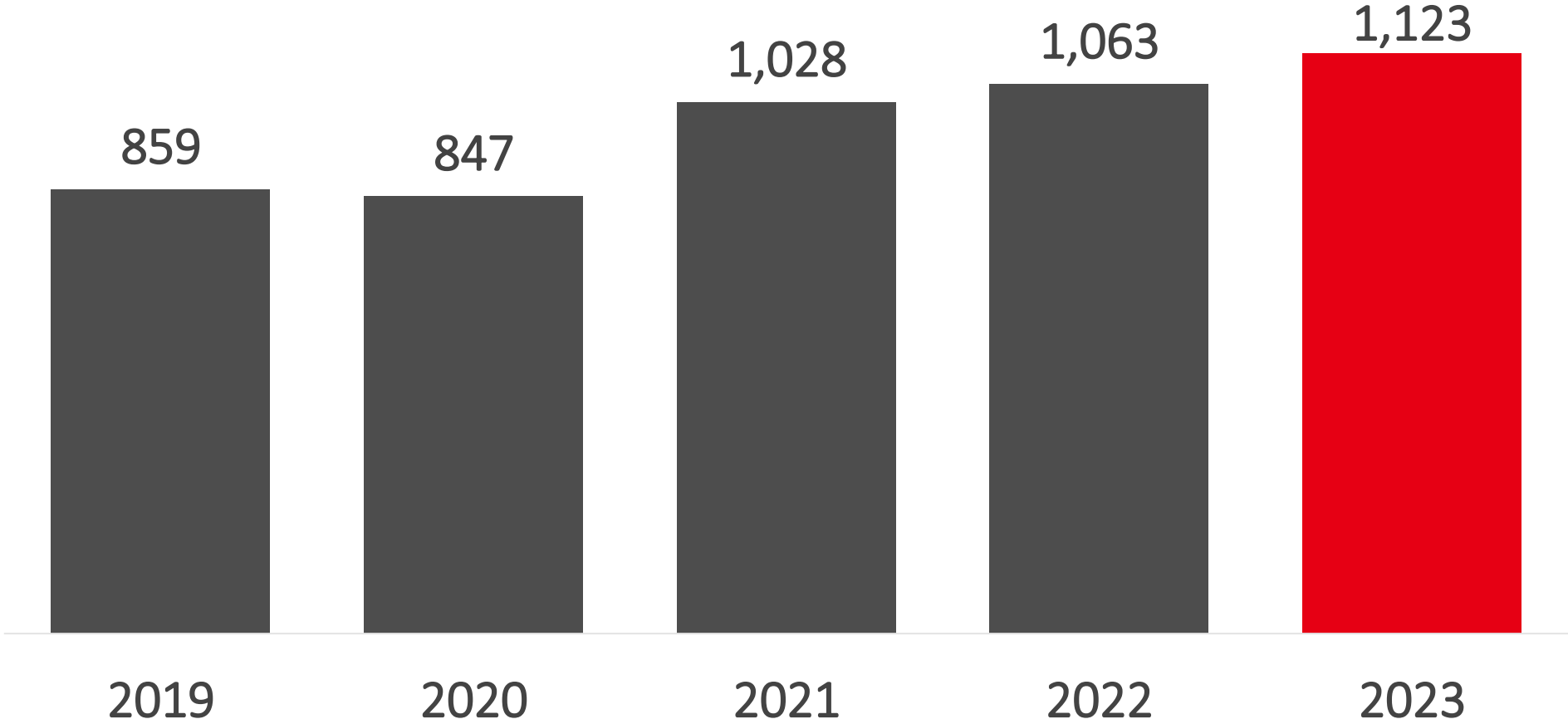
84MNIS
OPERATING PROFIT

EBITDA
130MNIS

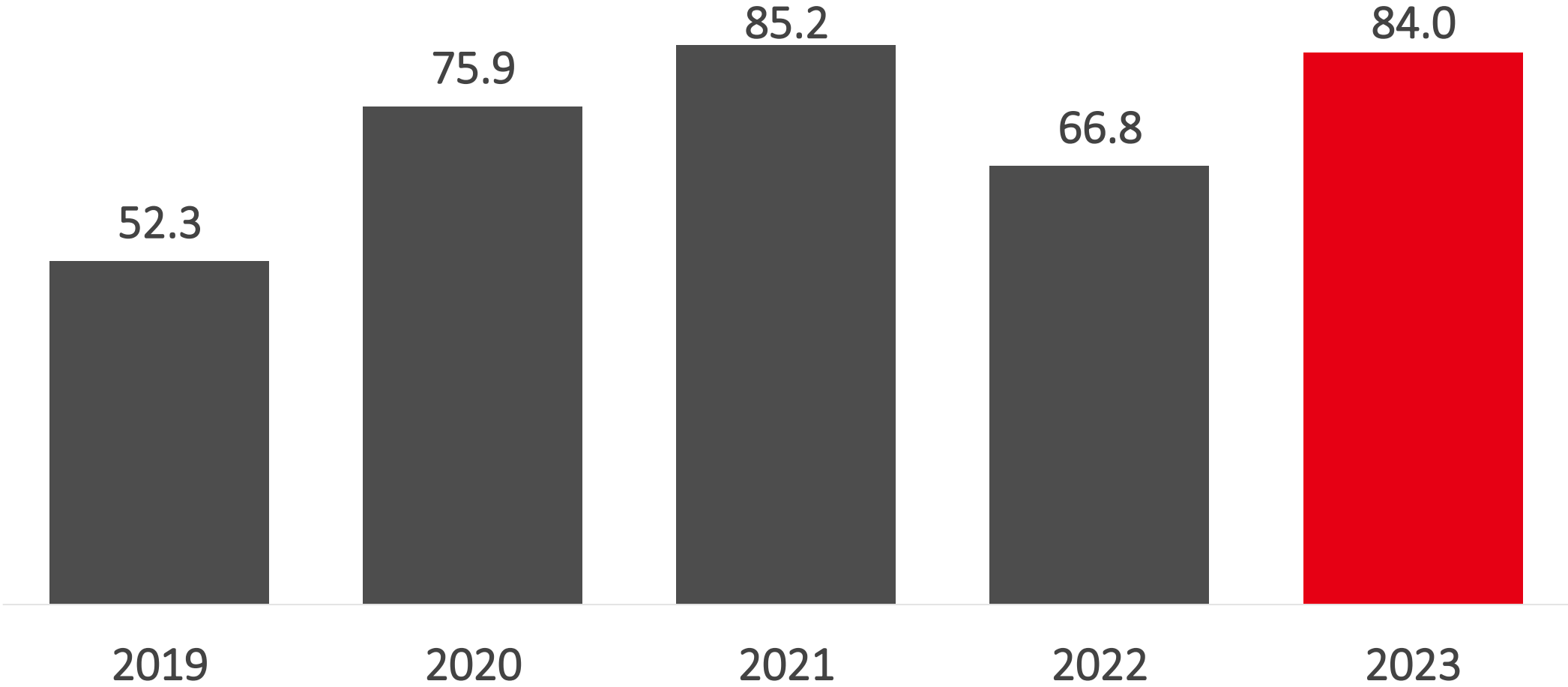
Strong Financial results despite the softness in the market due to the Macro-economic environment, mainly in Europe

Consolidated P&L – 1-12 YTD 2023 vs. 2022			
	M-ILS		Change
	2023	2022	2022
Volume Sales (Ton)	94,160	85,899	9.6%
Sales	1,123.0	1,063.2	5.6%
Materials	734.6	731.1	0.5%
Manufacture & Labor	164.7	139.3	18.2%
COST OF SALES	899.3	870.5	3.3%
GROSS PROFIT	223.8	192.7	16.1%
	19.9%	18.1%	
Sale & Marketing	82.5	77.6	6.4%
General & Admin	57.9	46.0	25.8%
Other (income) expenses	(0.6)	2.4	
Operating Profit	84.0	66.8	25.8%
	7.5%	6.3%	
EBITDA	129.9	104.7	24.1%
	11.6%	9.8%	

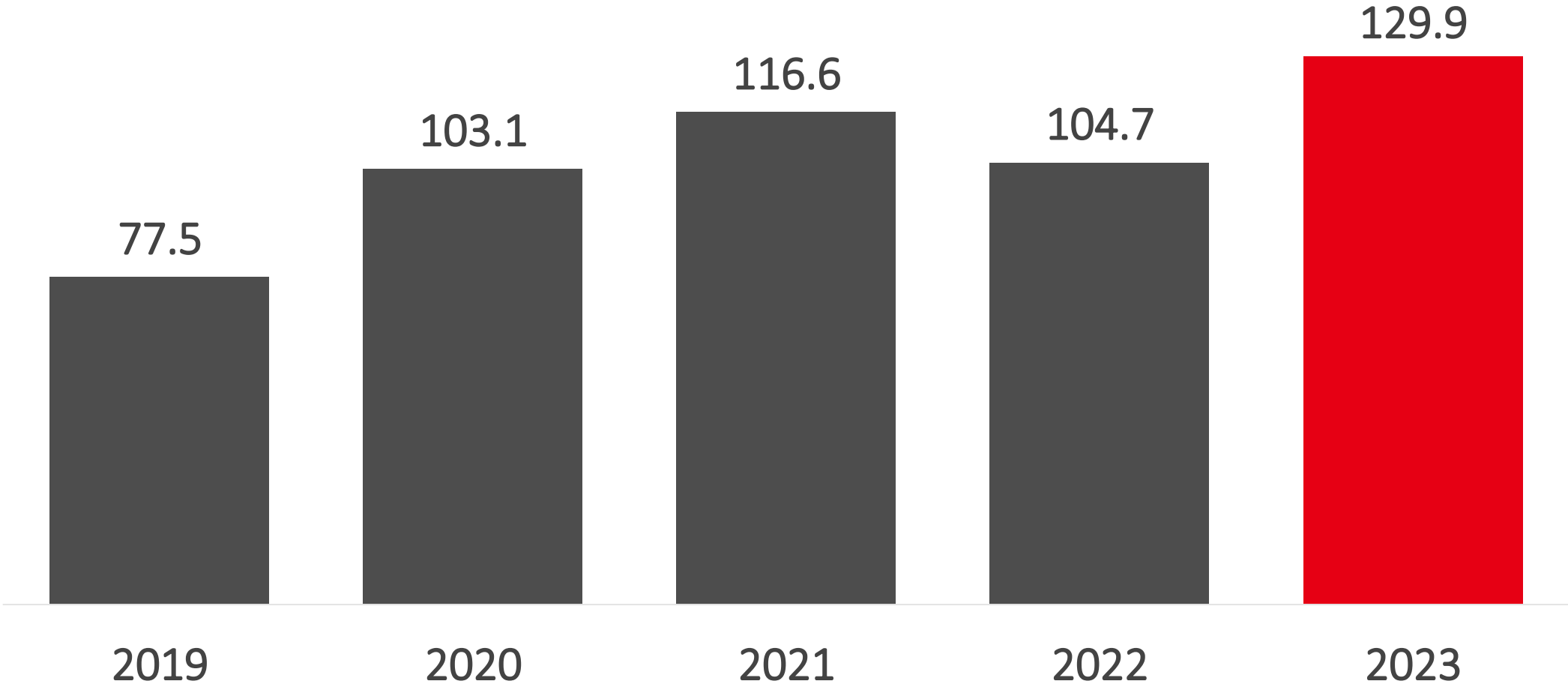
Sales 1-12/2023 (MNIS)



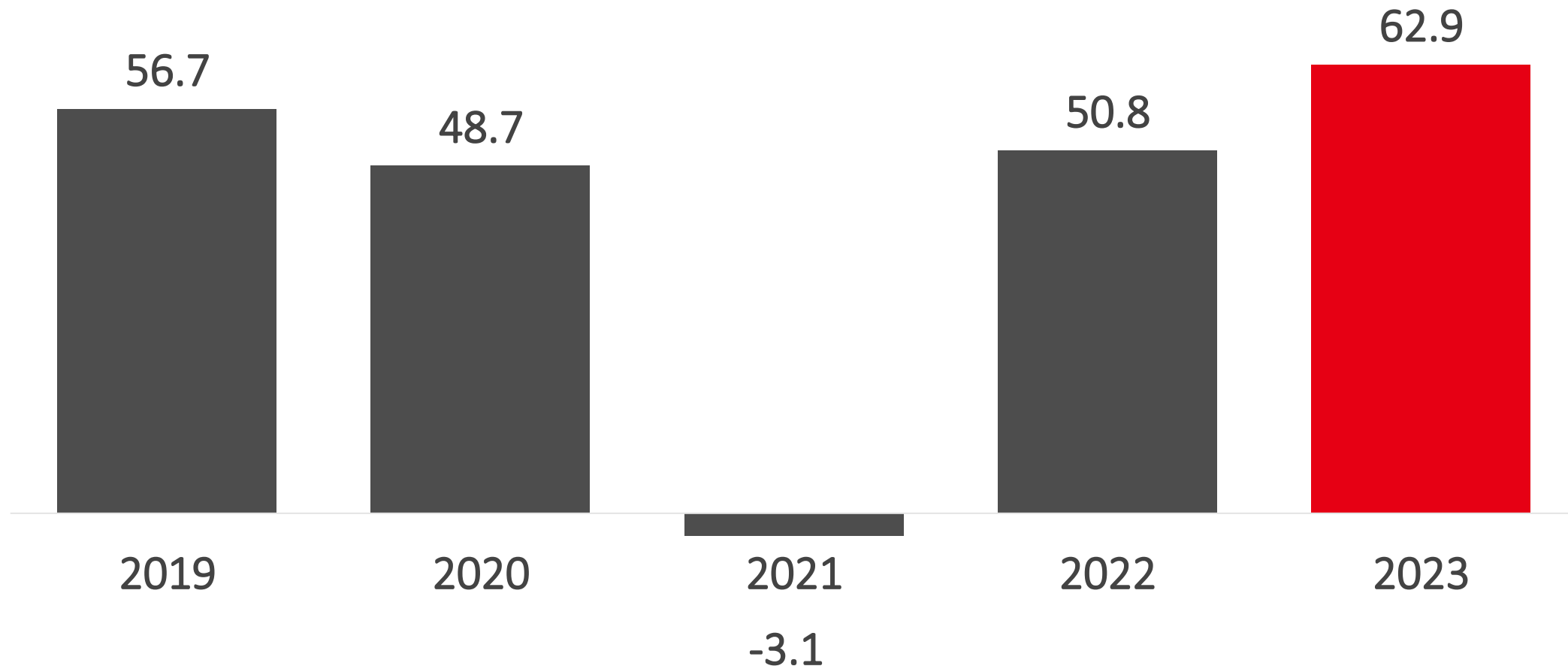
Operating Profit 1-12/2023 (MNIS)



EBITDA 1-12/2023 (MNIS)



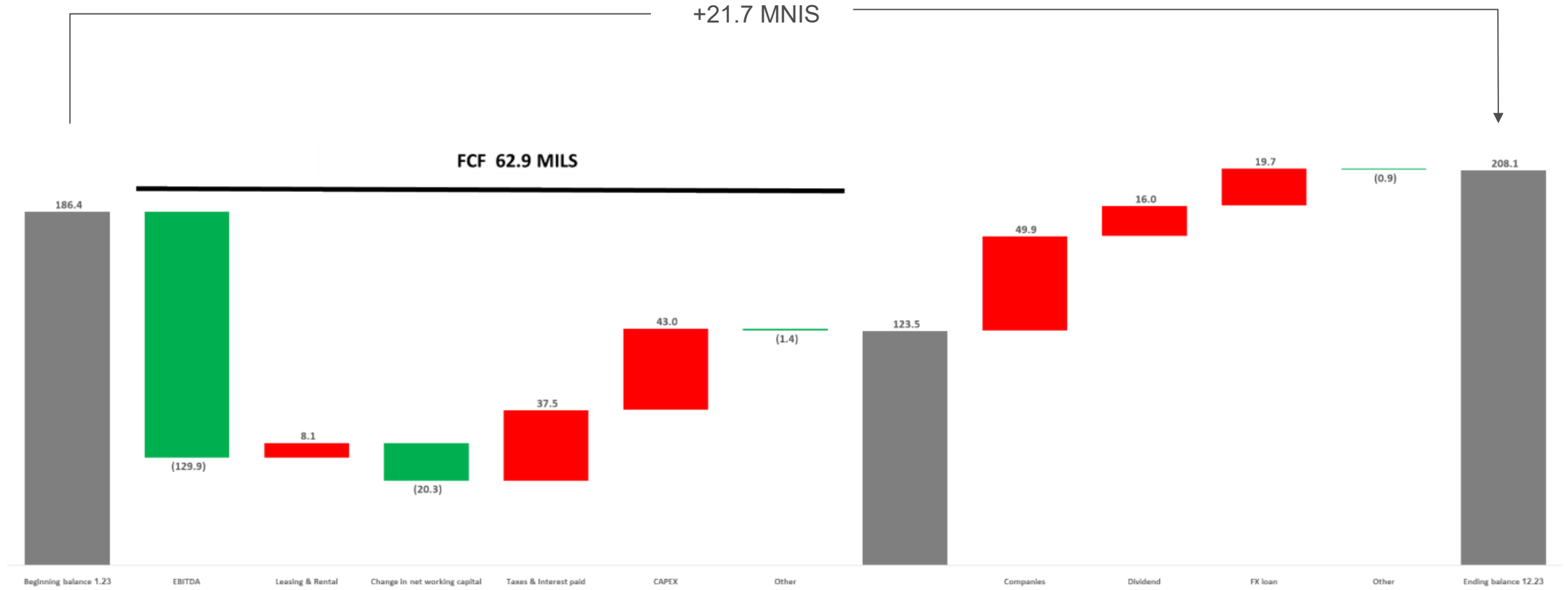
Free Cash-Flow 1-12/2023 (MNIS)



EBITDA increased due to strong Volume Growth and Forex

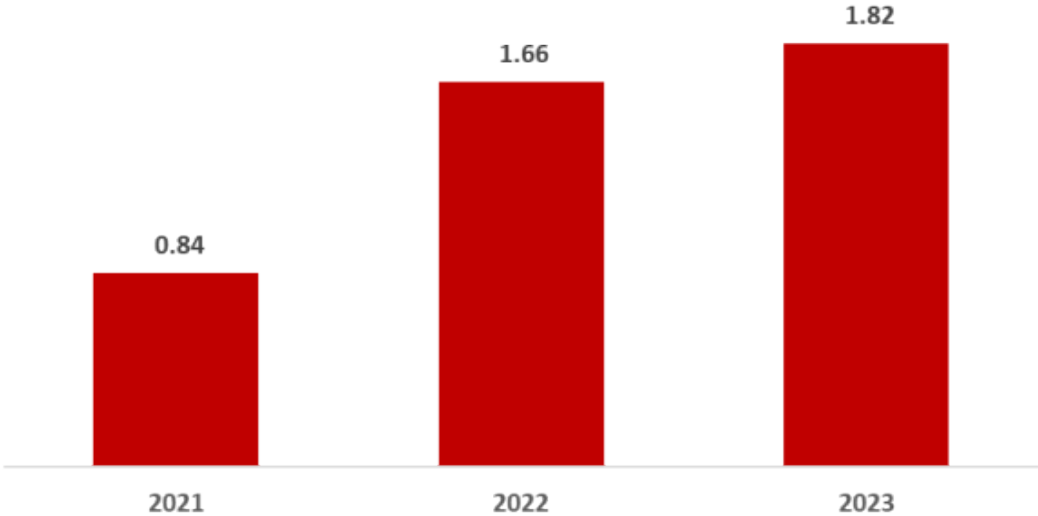


63 MNIS of Free Cash Flow was partially set-off by ABSA 2024 January acquisition



Safety Soft Performance with Higher number of Minor LTI's

OSHA RECORDABLE INCIDENT RATE



OSHA = #LTA / 200KHours

Market Trends - Public Companies in the Industry

		2023	2022	2021	vs YAG
Kafrit Group	Sales (Million NIS)	1,123	1,063	1,028	6%
Lyondell Basell	Sales and other operating revenues (Million\$)				
	Total Company	41,107	50,451	46,173	-19%
	Advanced Polymer Solutions (APS)	3,695	4,202	5,145	-12%
Avient	Total Revenue (Million\$)				
	Total Company	3,143	3,396	3,316	-7%
	Color, Additives and Ink	2,007	2,355	2,402	-15%
BASF	Sales (Million Euro)				
	Total Company	68,902	87,327	78,598	-21%
	Materials	14,149	18,443	15,214	-23%
DOW	Net Sales (Million\$)				
	Total Company	44,622	56,902	54,968	-22%
	Packaging and Special Plastics	23,149	29,260	28,128	-21%
Covestro	Sales (Million Euro)				
	Total Company	14,377	17,968	15,903	-20%
	Performance materials	6,876	9,095	8,142	-24%
Chemours	Net Sales (Million\$)				
	Total Company	6,027	6,794	6,345	-11%
	Advanced Performance Materials	1,443	1,618	1,397	-11%
Cabot	Adjusted Sales (Million\$)	3,931	4,321	3,409	-9%
Arkema	Adjusted Sales (Million Euro)	9,514	11,550	9,519	-18%
Polyram	Sales (Million NIS)	1,001	1,104	907	-9%

		2023	2022	2021	vs YAG
Kafrit Group	EBITDA (Million NIS)	130	103	115	26%
		11.6%	9.7%	11.2%	
Lyondell Basell	EBITDA before Impairment (Million\$)				
	Total Company	5,222	6,527	9,313	-20%
		12.7%	12.9%	20.2%	
	Advanced Polymer Solutions (APS)	90	115	409	-22%
		2.4%	2.7%	7.9%	
Avient	EBITDA (Million\$)				
	Total Company	502	592	600	-15%
		16.0%	17.4%	18.1%	
	Color, Additives and Ink	358	402	409	-11%
		17.8%	17.1%	17.0%	
BASF	EBITDA before special itmes (Million Euro)				
	Total Company	7,671	10,762	11,352	-29%
		11.1%	12.3%	14.4%	
	Materials	1,650	2,686	3,162	-39%
		11.7%	14.6%	20.8%	
DOW	EBITDA (Million\$)				
	Total Company	5,389	9,348	12,375	-42%
		12.1%	16.4%	22.5%	
	Packaging and Special Plastics (EBIT)	2,700	4,110	2,282	-34%
		11.7%	14.0%	8.1%	
Covestro	EBITDA (Million Euro)				
	Total Company	1,080	1,617	3,085	-33%
		7.5%	9.0%	19.4%	
	Performance materials	576	951	2,572	-39%
Chemours	Adjusted EBITDA (Million\$)				
	Total Company	1,014	1,361	1,313	-25%
		16.8%	20.0%	20.7%	
	Advanced Performance Materials	273	367	284	-26%
		18.9%	22.7%	20.3%	
Cabot	Adjusted EBITDA (Million\$)	695	728	652	-5%
		17.7%	16.8%	19.1%	
Arkema	Adjusted EBITDA (Million Euro)	1,501	2,110	1,727	-29%
		15.8%	18.3%	18.1%	
Polyram	EBITDA (Million NIS)	153	166	166	-8%
		15.3%	15.0%	18.3%	

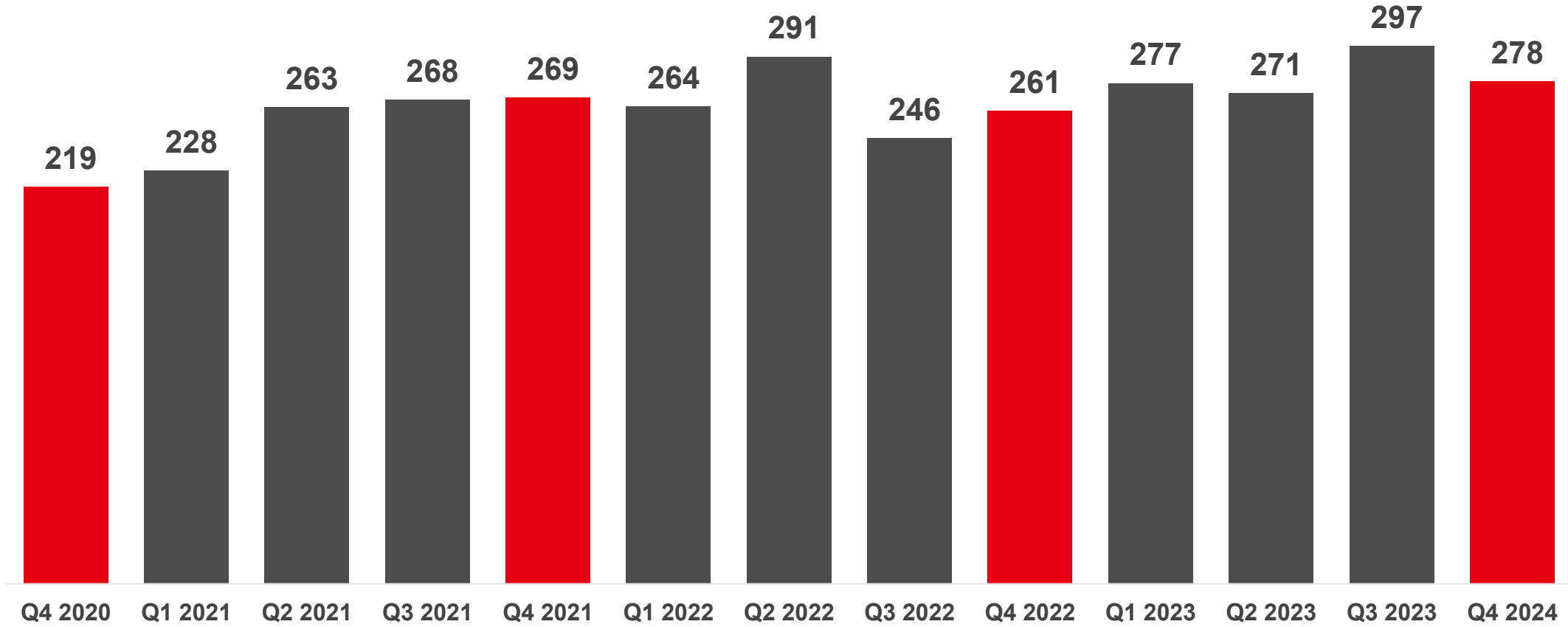
04

Q4/2023 PERFORMANCE HIGHLIGHTS

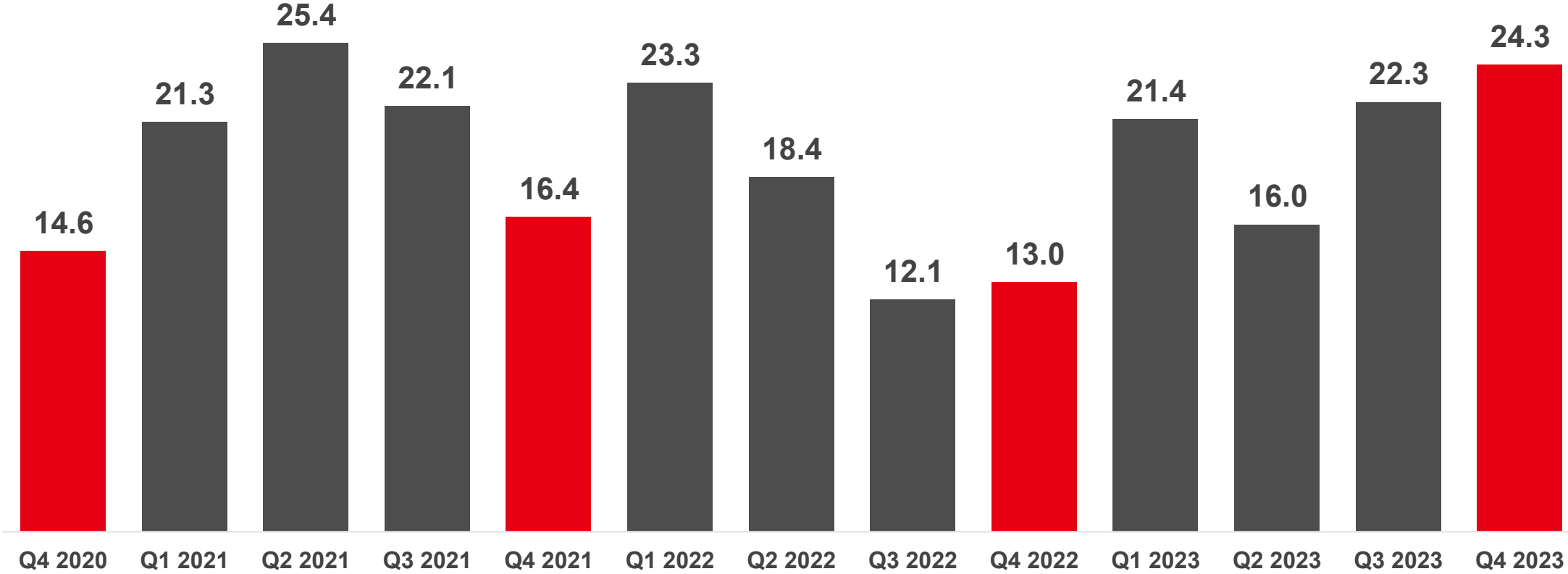
Historically Quarterly Record Results improving in all Financial parameters despite a demand decrease in the industry due to the Macro-economic situation

Consolidated P&L – Q4 2023 vs. 2022			
	M-ILS		Change
	2023	2022	2022
Volume Sales (Ton)	23,608	22,462	5.1%
Sales	277.7	261.5	6.2%
Materials	177.8	177.8	(0.0%)
Manufacture & Labor	39.7	36.4	9.2%
COST OF SALES	217.5	214.2	1.5%
GROSS PROFIT	60.2	47.3	27.3%
	21.7%	18.1%	
Sale & Marketing	20.8	22.0	(5.6%)
General & Admin	16.0	12.3	30.4%
Other (income) expenses	(0.9)	0.0	
Operating Profit	24.3	13.0	87.1%
	8.7%	5.0%	
EBITDA	37.4	23.7	57.6%
	13.5%	9.1%	

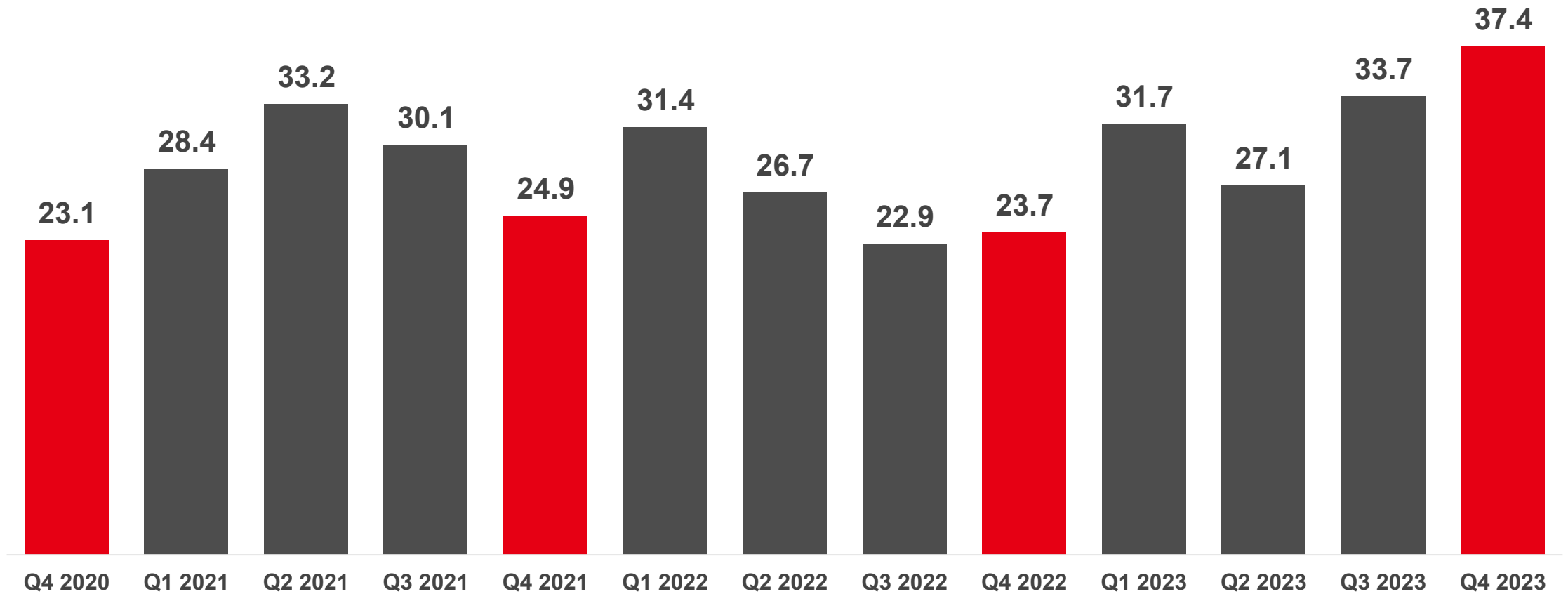
Sales (MNIS)



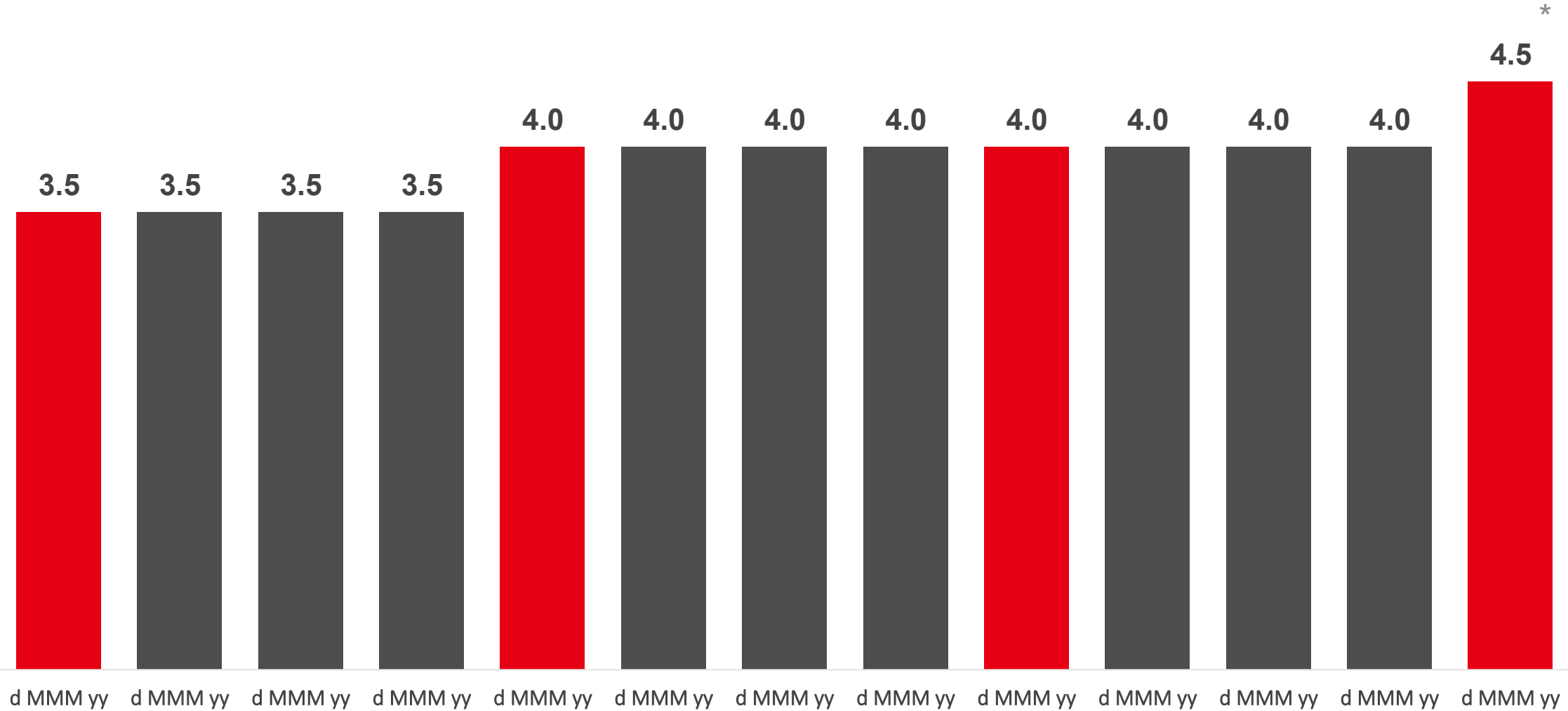
Operating profit (MNIS)



EBITDA (MNIS)

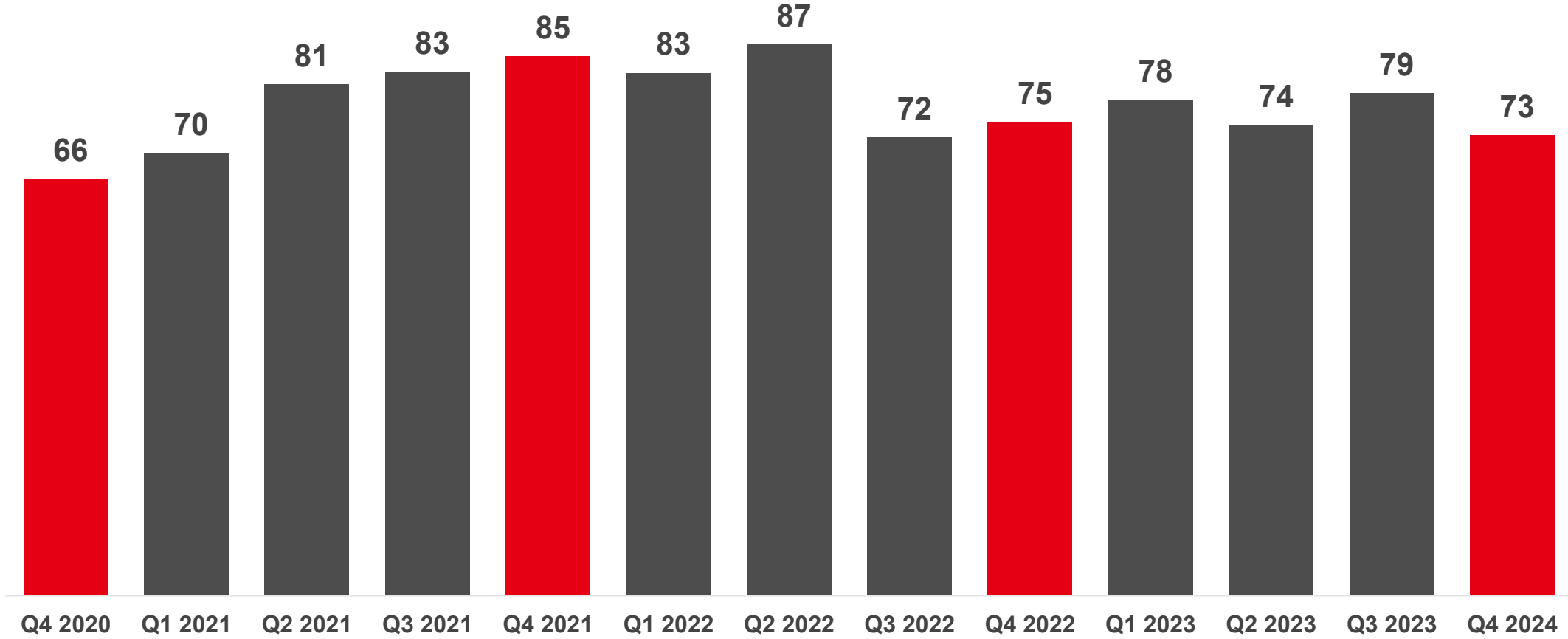


Dividend Distribution (MNIS)

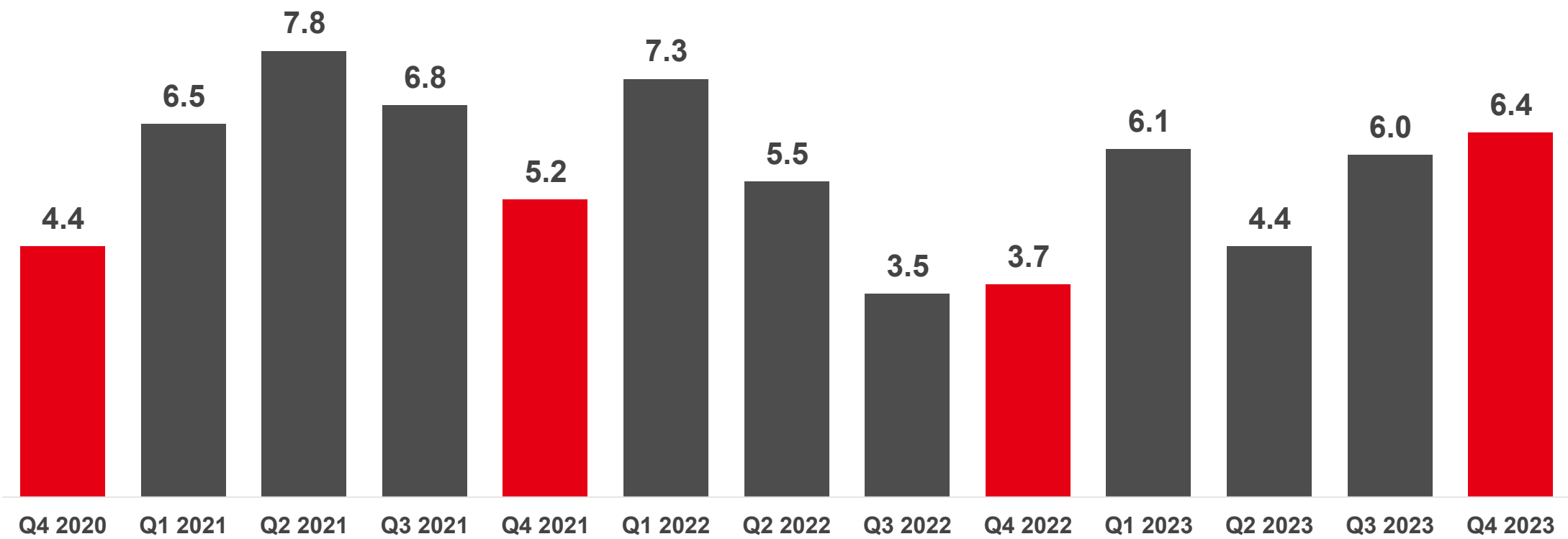


*Q4/2023 – As approved in Board of Directors (28 Mar 24)

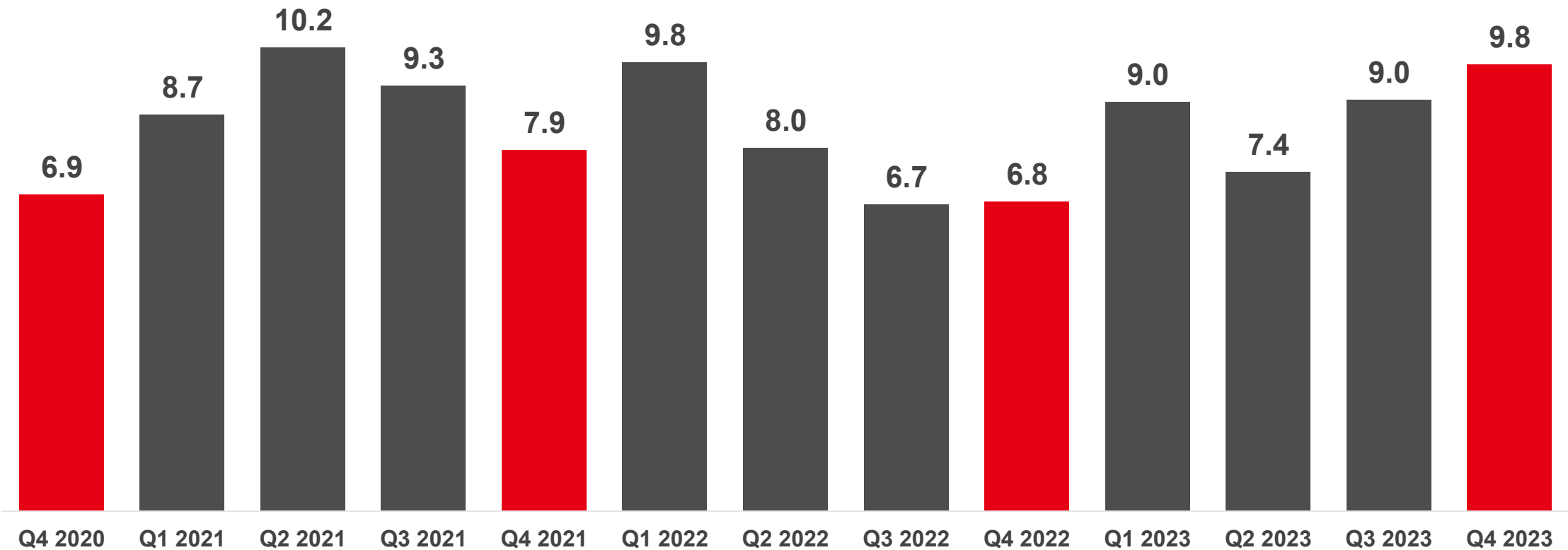
Sales (MUS\$)



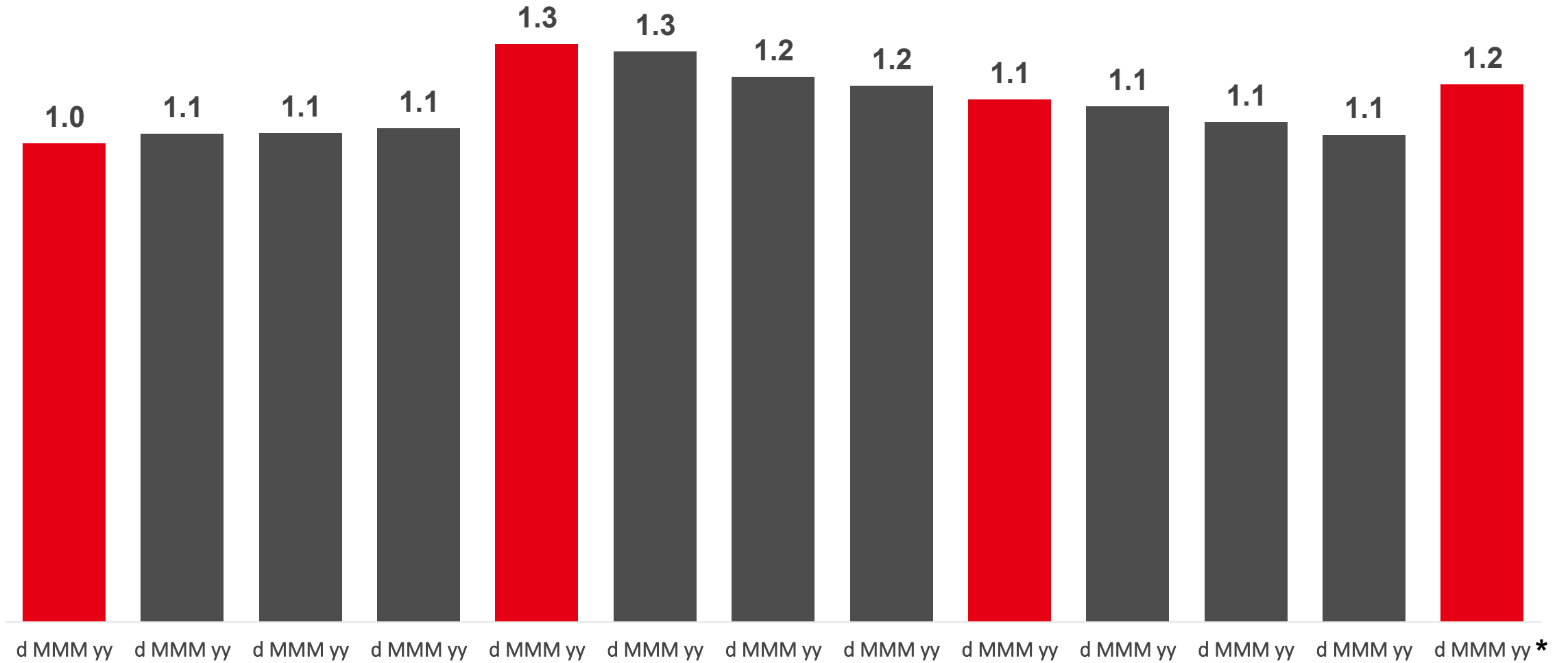
Operating profit (MUS\$)



EBITDA (MUS\$)



Dividend Distribution (MUSD)



*Q4/2023 – As approved in Board of Directors (28 Mar 24)



Working together for the future of plastics.