



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.

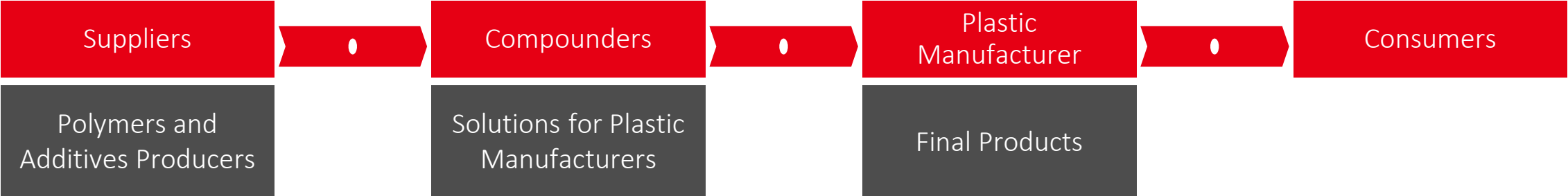
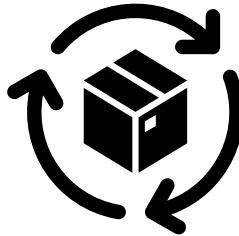
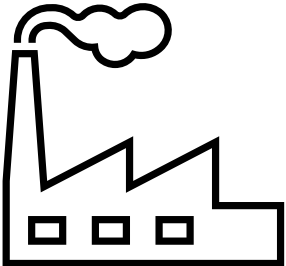
KAFRIT IL was born in Kibbutz Kfar-Aza, where the October 7th attacks have left every one of our people in the kibbutz feeling an unprecedented loss. We were devastated to lose our team member Dorit Bar Ilan, our Board member Aviv Kutz, and our SVP Business Development & Innovation Nadav Goldstein.

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

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)

Creation of
KASA partnership
(Israel)
2023



2024

Acquisition of
ABSA Resin Technologies
(Canada)

Acquisition of
BADGER Color Concentrates
(USA)
2024

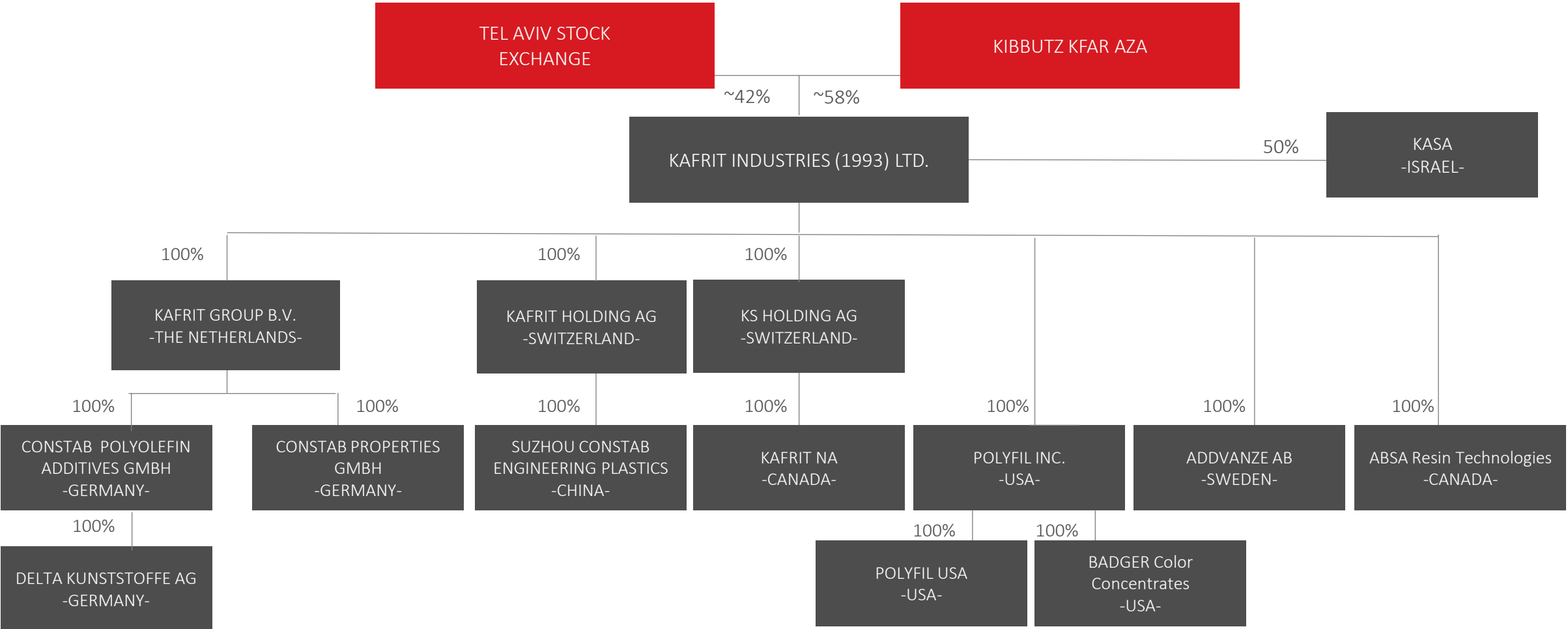


Around the World

-  KAFRIT IL ①
-  CONSTAB GER ②
-  CONSTAB CN ③
-  KAFRIT NA ④
-  POLYFIL USA ⑤
-  ADDVANZE SWE ⑥
-  DELTA KUNSTSTOFFE GER ⑦
-  ABSA RESINS CAN ⑧
-  BADGER COLOR USA ⑨



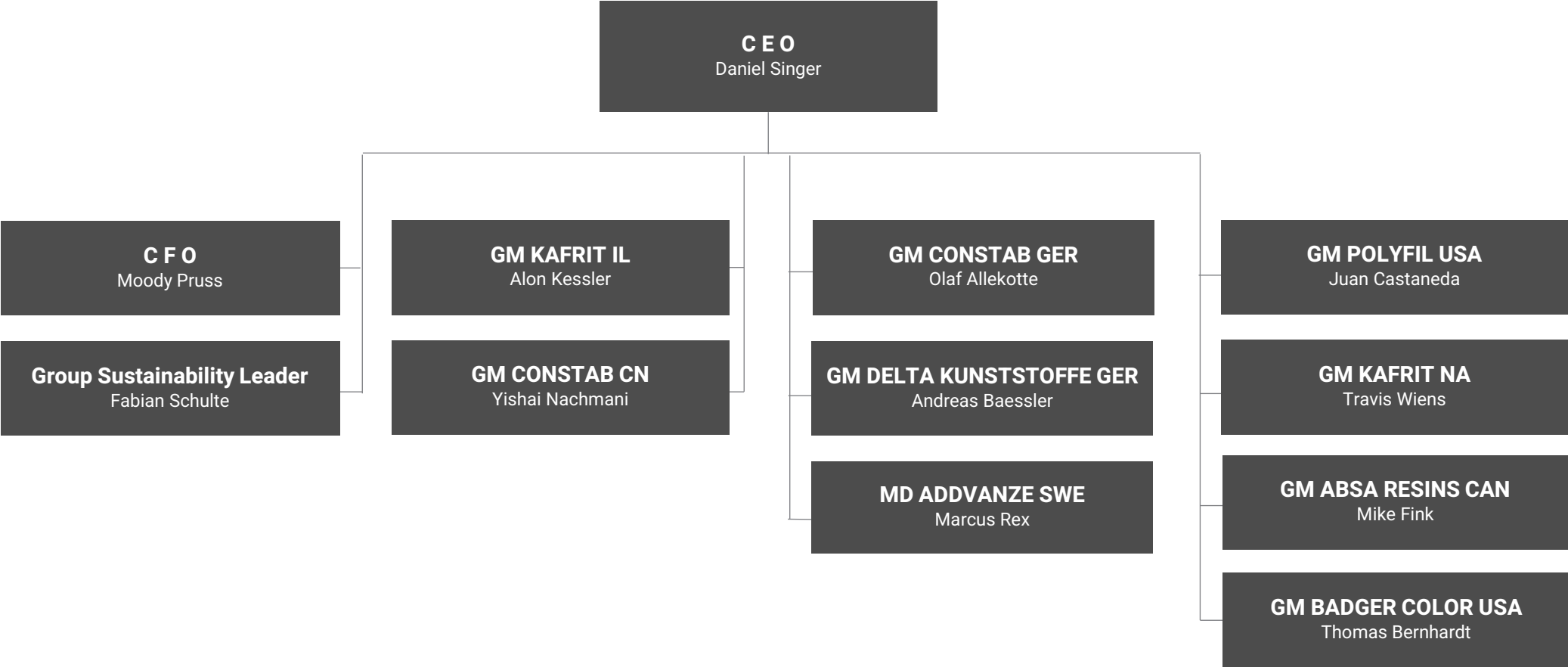
Legal Group Structure



Acquired in 10/2022



Global 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

 BADGER COLOR USA

Partnerships

 **KASA**
Polymers & Additives Distribution Ltd

Investments

 **NEMO**
nanomaterials

 **KENAF**
VENTURES

 N3Cure

 TERA NOVEL

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

 ABSA RESINS CAN

20

Employees

10,000MT

Capacity

 BADGER COLOR USA

200

Employees

~6,000MT

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

ABSA RESINS CAN

Business Areas

Custom-made Compounds

BADGER COLOR USA

Business Areas

Colors

Liquid Colors

Applications



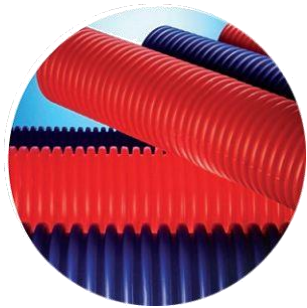
INJECTION MOLDING / BLOW MOLDING



POLYCARBONATE AND PMMA SHEETS



POLYETHYLENE PACKAGING POLYPROPYLENE CAST AND CALENDER FILMS



HALOGEN FREE SOLUTIONS FOR SHEETS AND PIPES



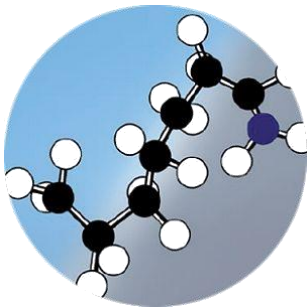
BLOWING AGENTS



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

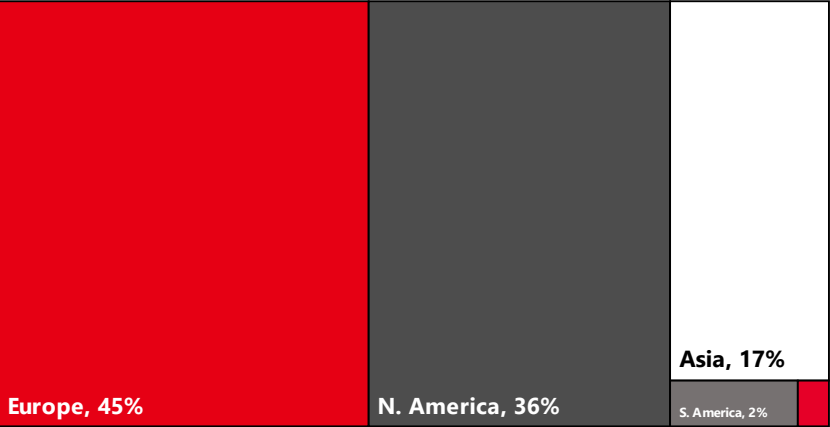
THERMOSTABILIZERS

UV ABSORBERS / UV STABILIZERS

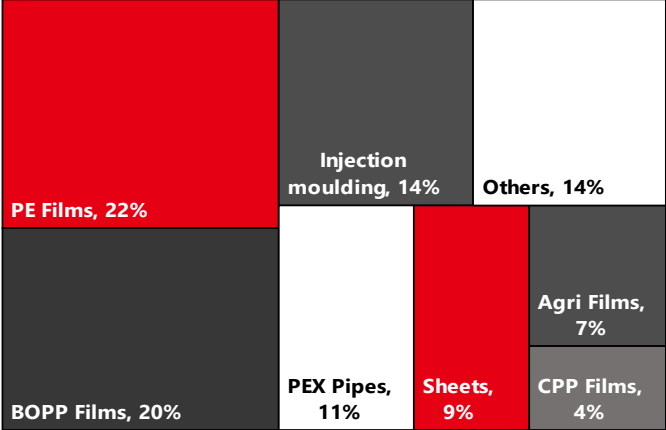
WHITE CONCENTRATES

A well diversified portfolio

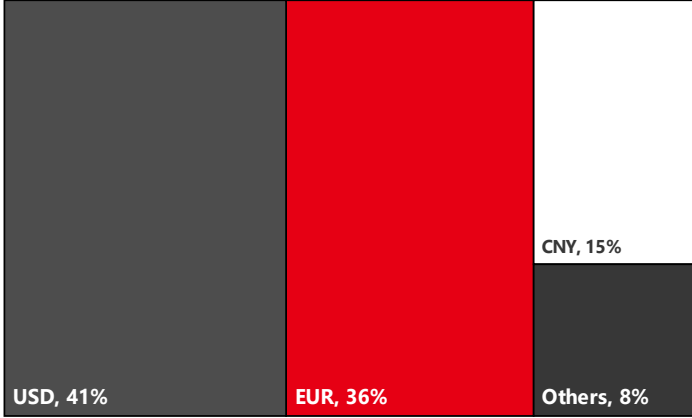
Sales by Geography



Sales by Application



Sales by Currency



4-6.2024 NIS Value Sales

Among our customers – None of them > 5%



03

H1/2024 PERFORMANCE HIGHLIGHTS

H1/2024 Highlights

NET REVENUE
681MNIS

69MNIS
OPERATING PROFIT

EBITDA
103MNIS

Strong Financial results despite the softness in the market due to the Macro-economic environment in some Geographies

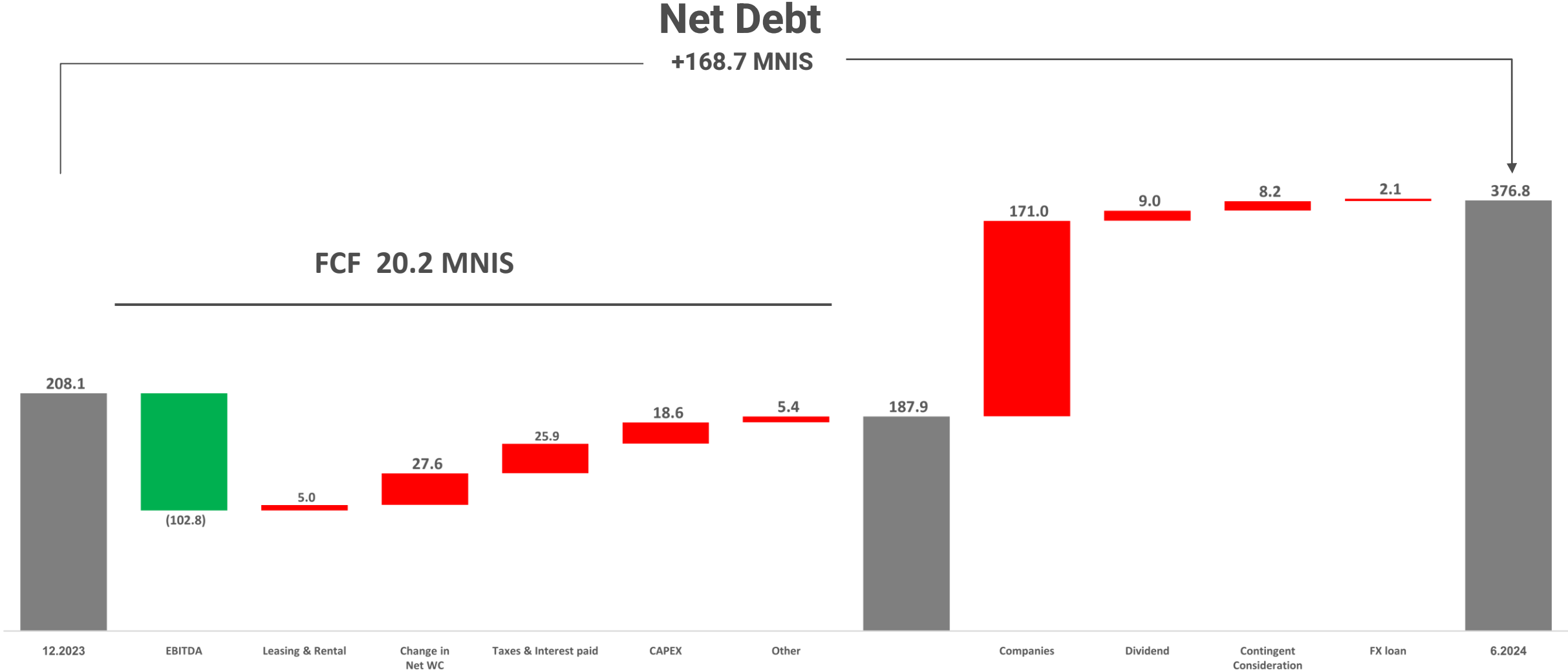
Consolidated P&L – 1-6 YTD 2024 vs. 2023			
	M-ILS		Change
	2024	2023	2023
Volume Sales (Ton)	55,828	45,918	21.6%
Sales	680.9	548.1	24.2%
Materials	413.5	360.2	14.8%
Manufacture & Labor	109.5	82.6	32.6%
COST OF SALES	523.0	442.8	18.1%
GROSS PROFIT	158.0	105.3	50.1%
	23.2%	19.2%	
Sale & Marketing	51.8	40.4	28.0%
General & Admin	32.9	27.1	21.6%
Other (income) expenses	4.7	0.3	
Operating Profit	68.5	37.4	83.2%
	10.1%	6.8%	
EBITDA	102.8	58.7	75.0%
	15.1%	10.7%	

EBITDA increased driven by Organic Volume, strongly in North America and recovering in our European companies



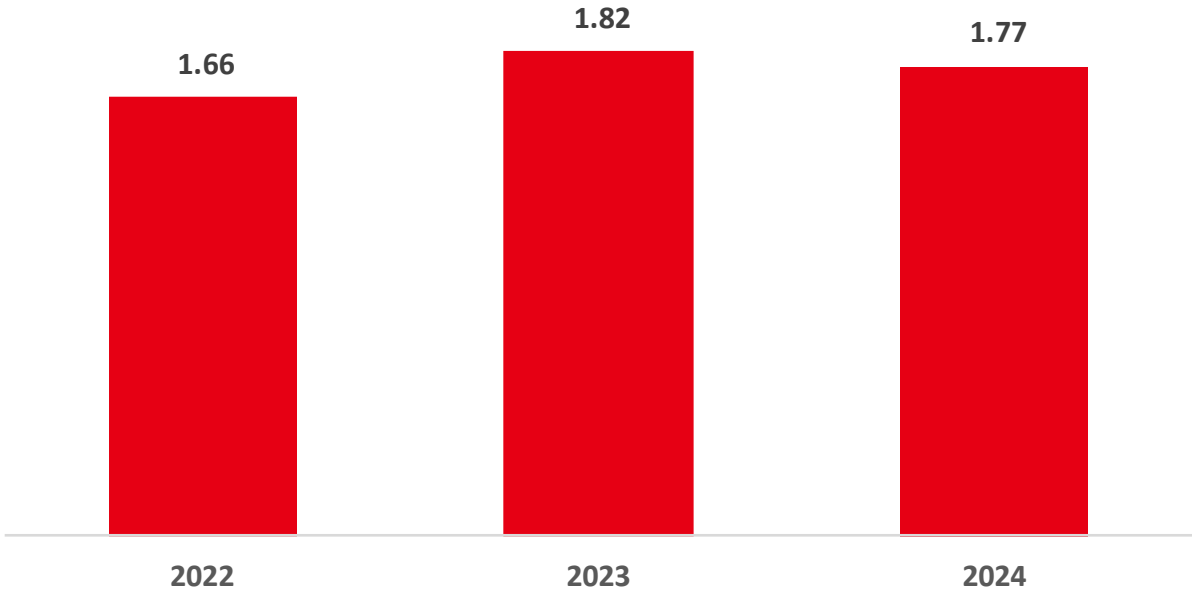
(* Non-organic = ABSA and BADGER first time consolidation)

Net Debt increases due to the new acquisitions in the first Half of 2024



Non-severe LTI's delivering soft results

OSHA RECORDABLE INCIDENT RATE



OSHA = #LTA / 200KHours

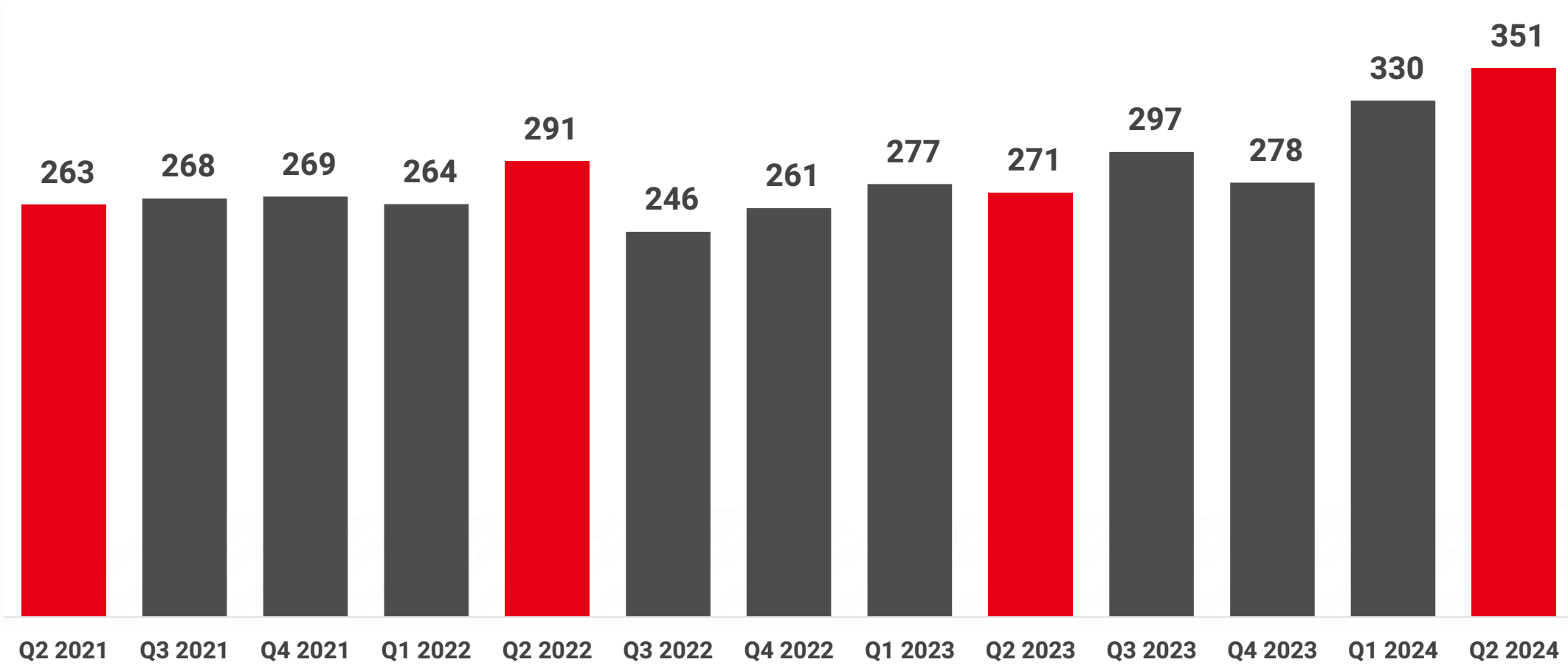
04

Q2/2024 PERFORMANCE HIGHLIGHTS

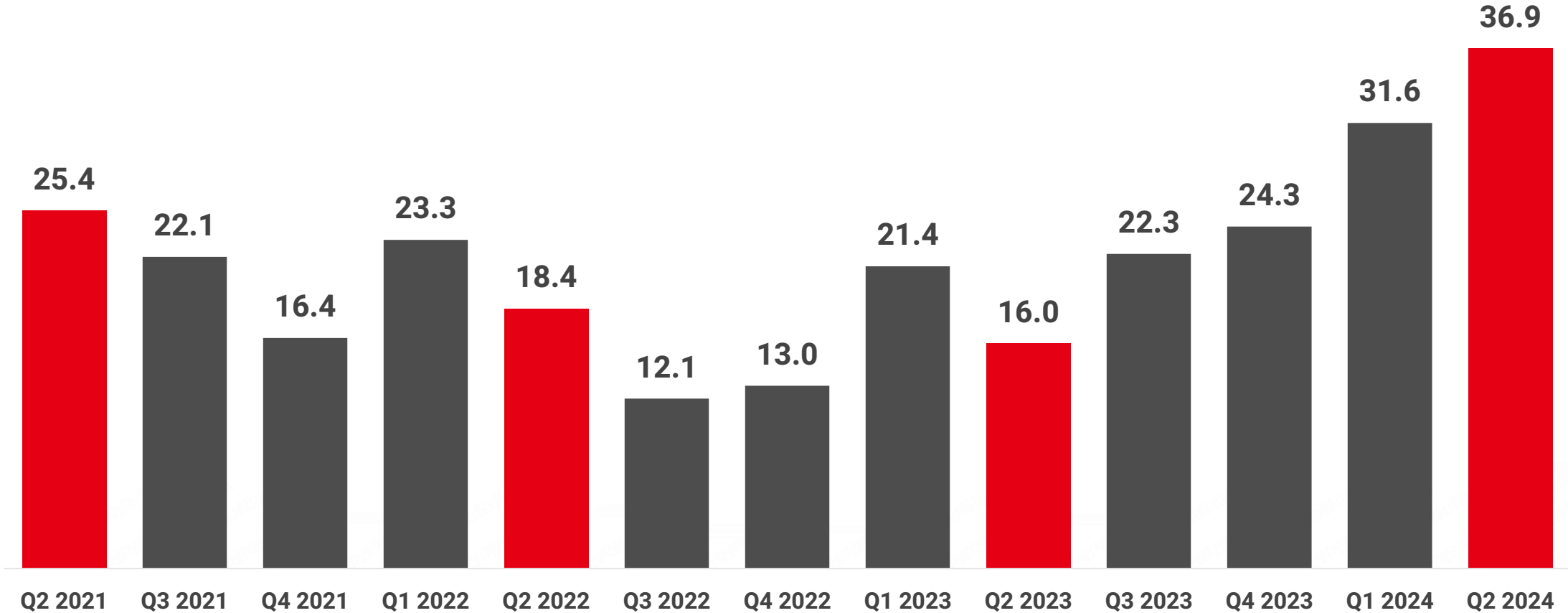
Strong Financial results despite the softness in the market due to the Macro-economic environment in some Geographies

Consolidated P&L – Q2 2024 vs. 2023			
	M-ILS		Change
	2024	2023	2023
Volume Sales (Ton)	27,526	22,739	21.1%
Sales	350.8	271.2	29.3%
Materials	210.0	180.7	16.2%
Manufacture & Labor	59.3	40.7	45.9%
COST OF SALES	269.3	221.4	21.7%
GROSS PROFIT	81.4	49.9	63.2%
	23.2%	18.4%	
Sale & Marketing	27.5	20.0	37.6%
General & Admin	17.3	13.6	27.1%
Other (income) expenses	(0.3)	0.3	
Operating Profit	36.9	16.0	131.1%
	10.5%	5.9%	
EBITDA	52.8	27.1	95.1%
	15.1%	10.0%	

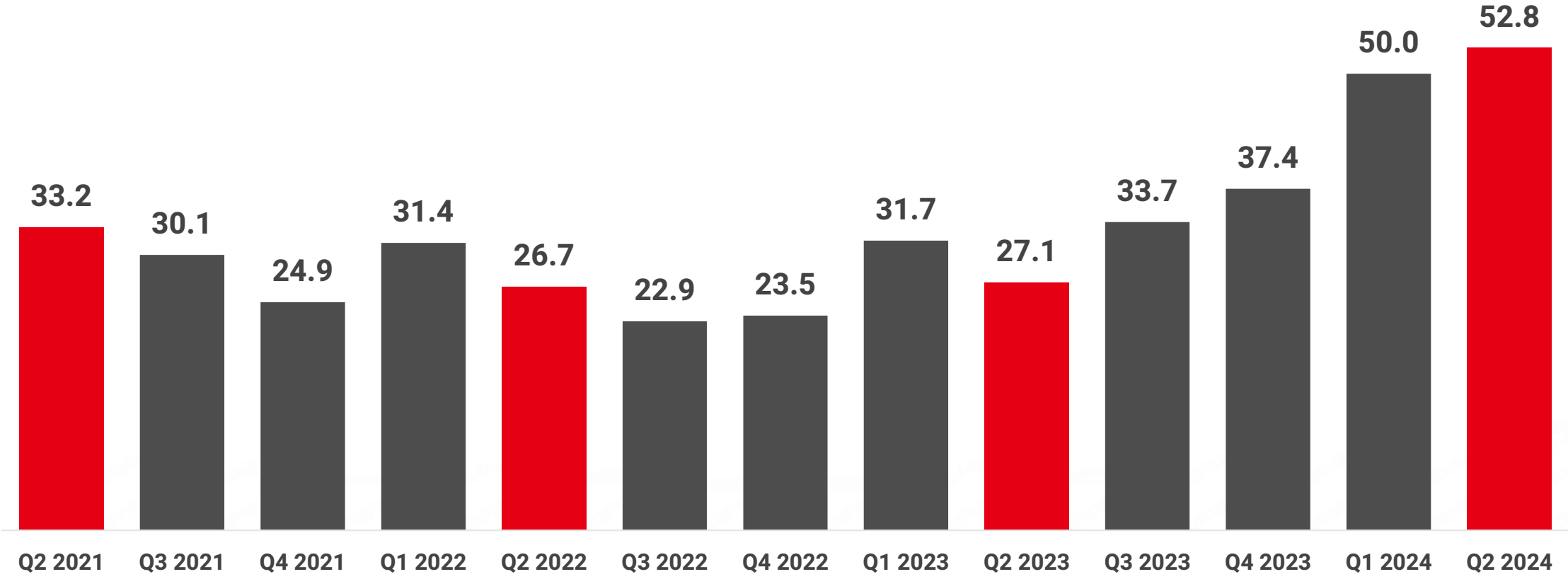
Sales (MNIS)



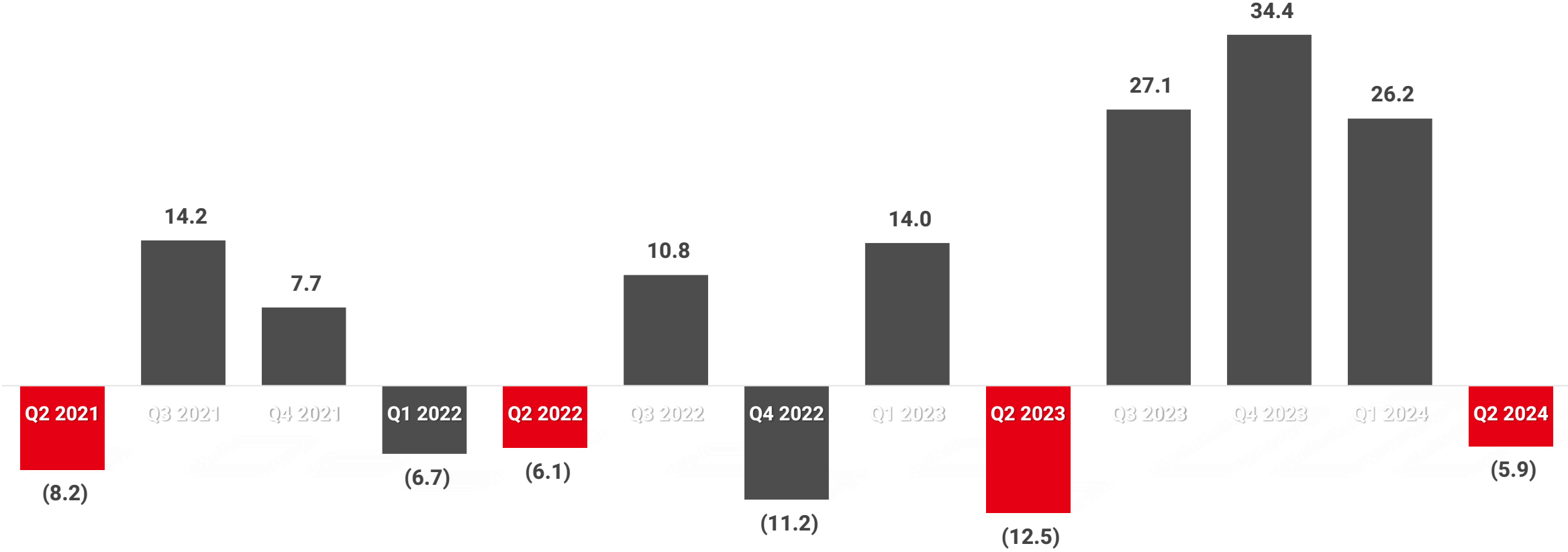
Operating profit (MNIS)



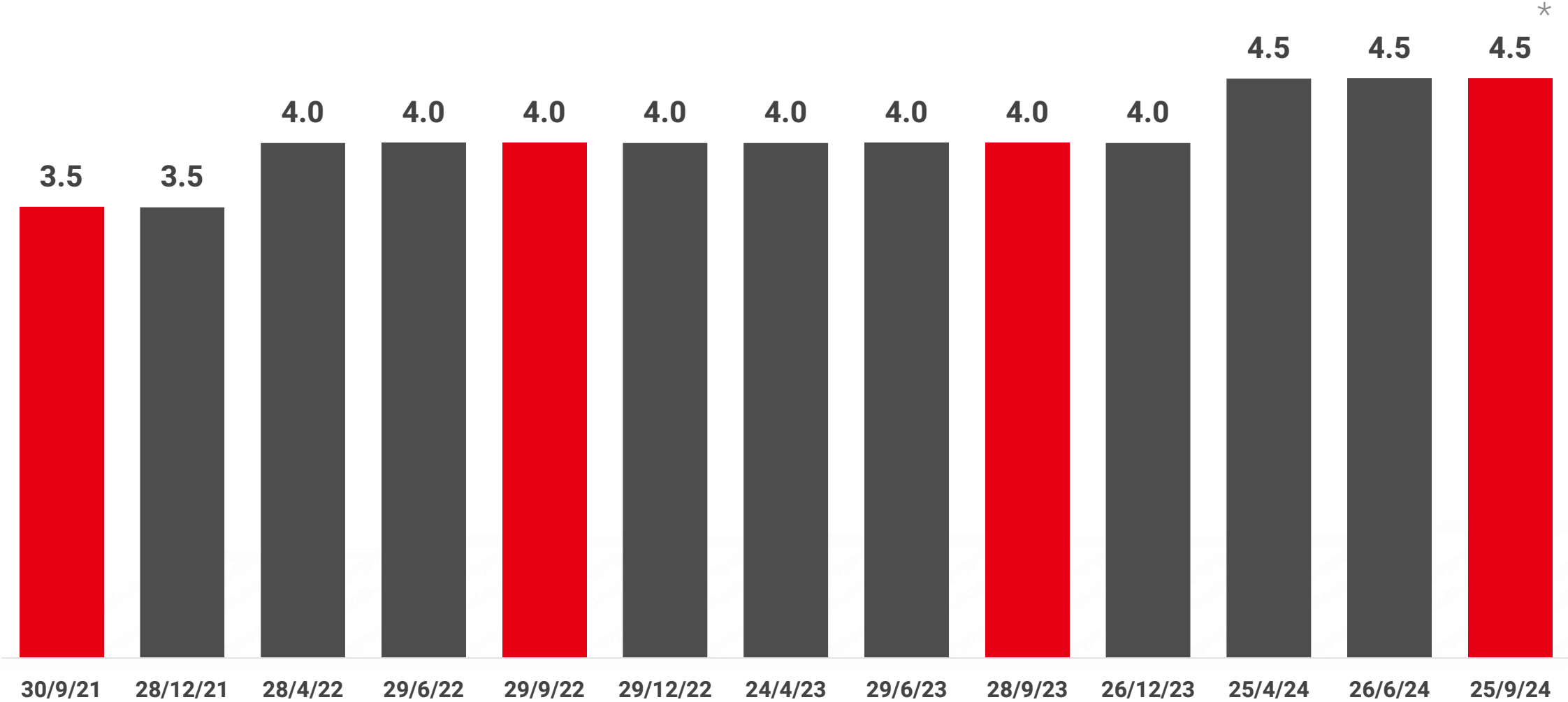
EBITDA (MNIS)



Free Cash-Flow (MNIS)

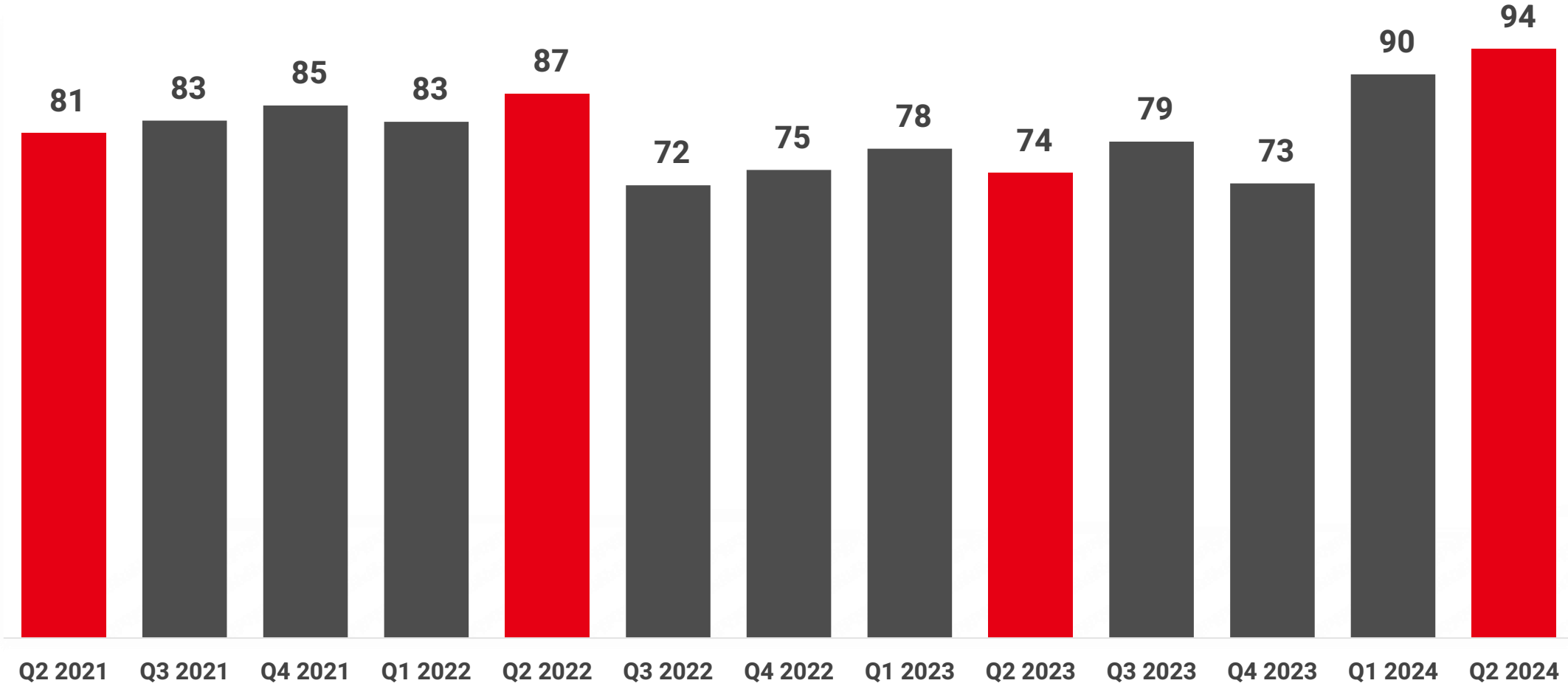


Dividend Distribution (MNIS)

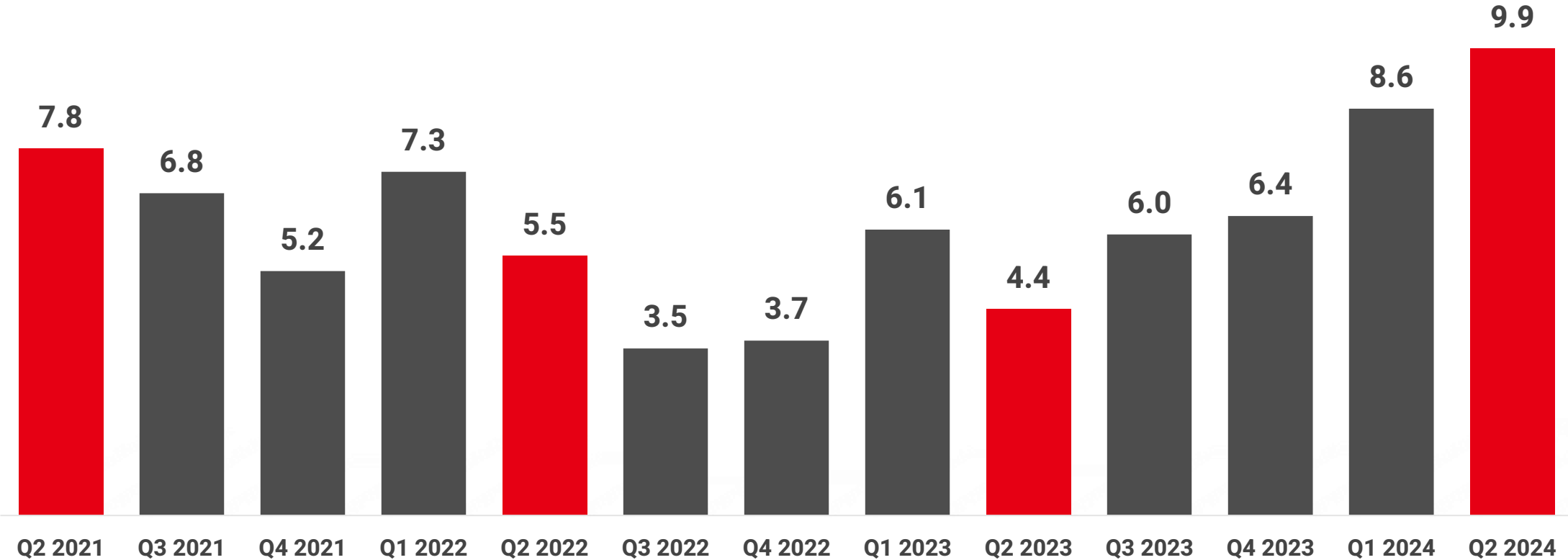


(*) Dividend Payment day

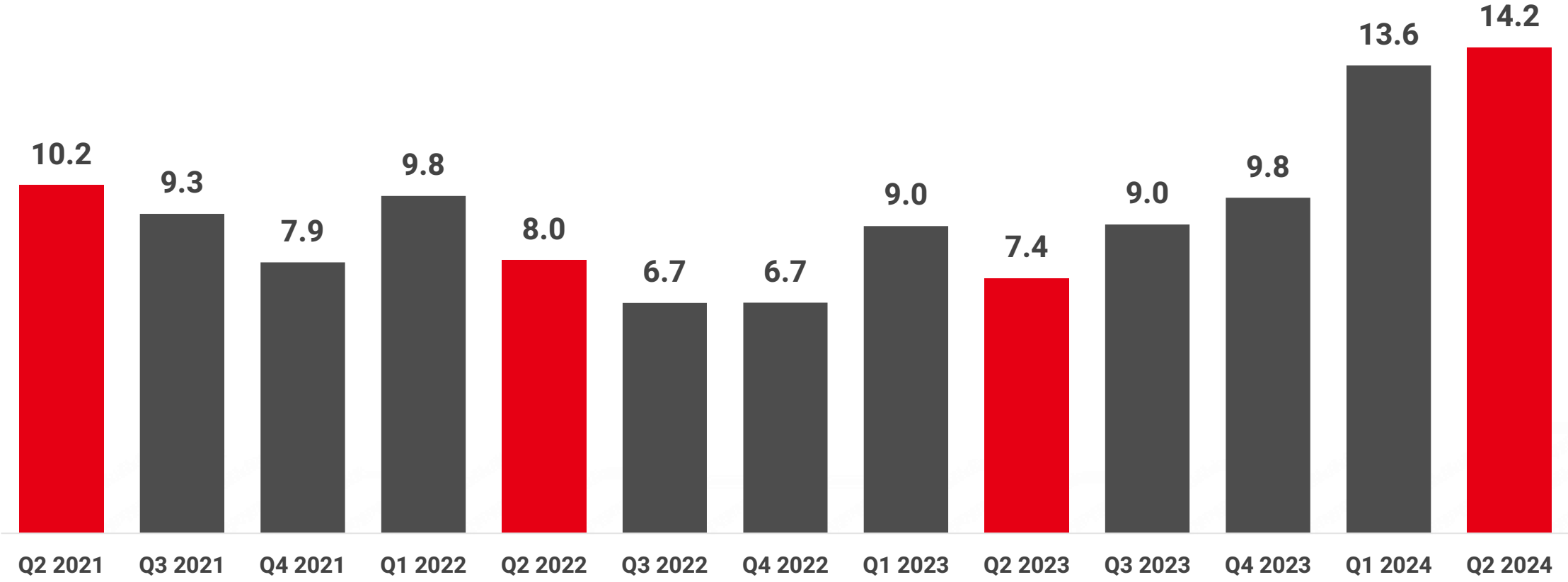
Sales (MUS\$)



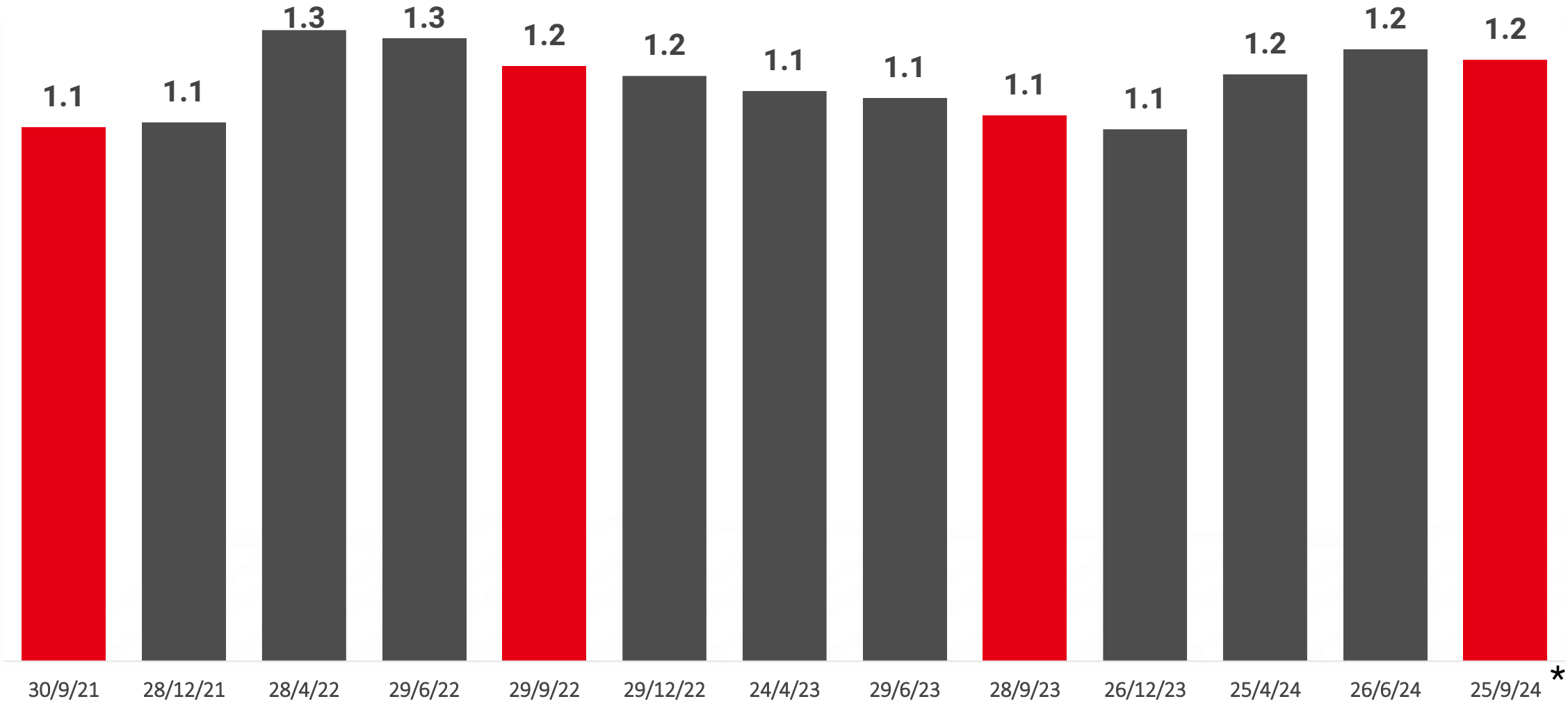
Operating profit (MUS\$)



EBITDA (MUS\$)



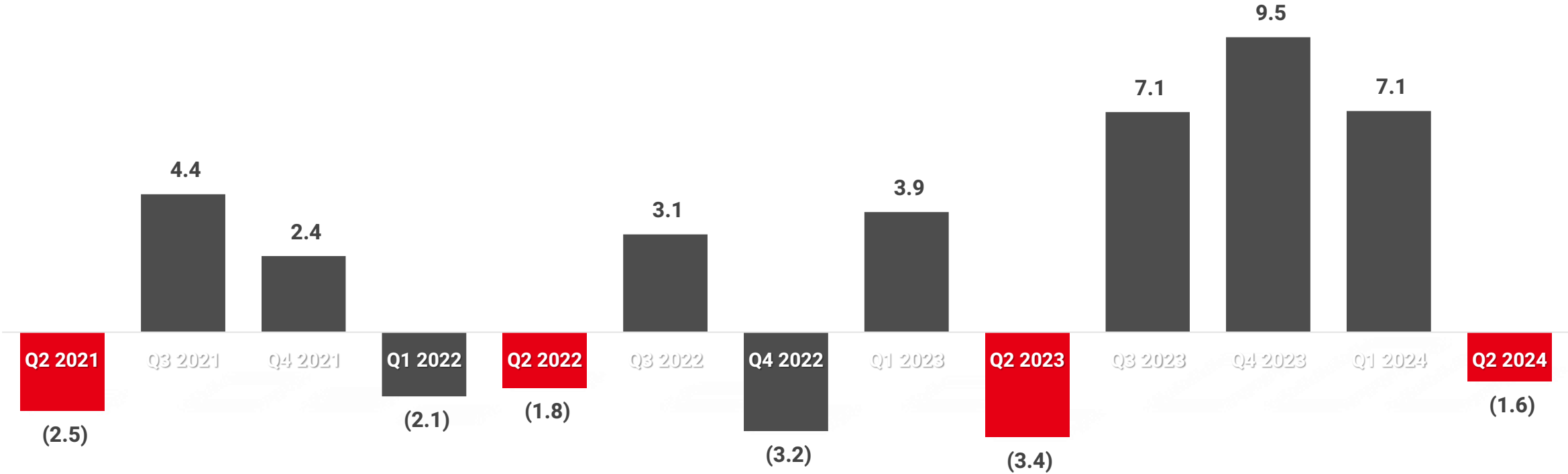
Dividend Distribution (MUS\$)



(*) Dividend Payment day



Free Cash-Flow (MUS\$)





Working together for the future of plastics.