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Financial Results Overview Q3.2023

FORWARD LOOKING STATEMENT

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2023 OPERATING PLAN

EXECUTING OUR **FINANCE STRENGTH PLAN**

- Achieving the **initial banks covenants** ahead of schedule
- We reclassified 126 M NIS bank loans from short-term to long-term

FOCUSING ON PROFITABILITY IN OUR TARGET MARKETS

- Growth in **Wipes** core activity in Europe & **Tampons** in the US market
- **EBIT**^{*} Increase of 241%, **EBITDA**^{**} Increase of 59% for Sep YTD

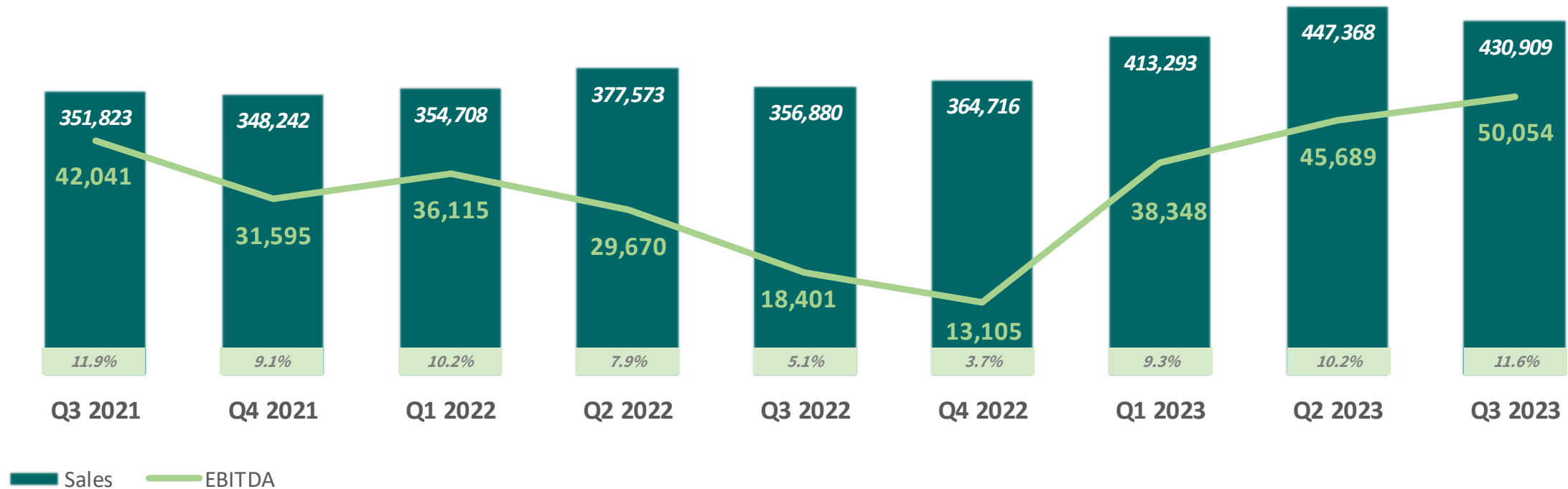
Q3.2023 COMPANY MAIN HIGHLIGHTS

CONCLUDING THIRD QUARTER WITH

- **SALES** INCREASE OF 21% TO **431 M NIS**
- **GROSS PROFIT MARGIN** REACHED **20%**
- **EBIT**^{*} INCREASE OF 31 M NIS TO **28 M NIS**
- **EBITDA**^{**} INCREASE OF 32 M NIS TO **50 M NIS**
- **NET PROFIT**^{**} INCREASE OF 34 M NIS TO **12 M NIS**
- **OPERATING CF** 89 M NIS (FCF^{***} OF **53 M NIS**)
- **NET DEBT** DECREASE OF 42 M NIS **TO 560 M NIS**

SALES & EBITDA* TRENDS 2021-2023

Quarterly basis (000 NIS)



DIVERSE PRODUCT RANGE

Home Care

Wipes

Disinfecting / All Purpose Cleaning /
Windows / Floors / Furnitures / Automotive

Hygiene

Wipes

Moist Toilet Paper
Consumer Healthcare
Adult Care

Baby Care

Wipes

Based formulas:
Aqua / Gel / Rich Lotion /
Diaper Rash Cream / Bathing Wipes

Cosmetics

Wipes

Makeup Remover / Hydrating /
Exfoliating (abrasive) / Anti-aging

Fem. Care

Tampons, Wipes

Tampons:

Tampon with a plastic applicator
Tampon without applicator
Tampon with a paper applicator
Intimate Wipes



ALBAAD's ADDED VALUE



Global deployment

- ✓ Avoid Supply chain disruption
- ✓ Back up plan in case of disruption in one of our facilities
- ✓ Sufficient capacity in case market needs fast growing
- ✓ Nonwoven Production – Albaad produces majority of its own nonwoven consumption



Marketing

- ✓ Identify and adjust the needs of each customer
- ✓ Highly qualified team - well experienced with A brands needs
- ✓ Well informed on innovative raw materials (fabrics, laminate, Chemicals), products and customers trends worldwide



R&D

- ✓ Well trained and highly educated R&D corporate's team – led by PhD.
- ✓ Focuses on innovation
- ✓ Expertise in all production chain – Fibers, Fabrics and End-Products

HIGHLIGHTS

Q3.2023 results vs. Last year (000 NIS)

+21%

Sales

Sales in original currency +4%

+31M

Operating Profit

Before Others

+172%

EBITDA

+32 M continued operation

+78 M inc. discontinued operation

+79M

Net Profit

From negative to positive

	Q3 2023	Q3 2022	Var	Var %
Sales	430,909	356,880	↑ 74,029	20.7%
EBIT	27,658	(10,977)	↑ 38,635	↗
EBIT (Before Others)	27,662	(3,446)	↑ 31,108	↗
EBITDA (Continued operation)	50,054	18,401	↑ 31,653	172.0%
EBITDA	51,186	(26,707)	↑ 77,893	↗
Net Profit (Continued operation)	12,060	(22,360)	↑ 34,420	↗
Net Profit	10,463	(69,013)	↑ 79,476	↗
CF - Operating activities	89,075	32,900	↑ 56,175	170.7%

SALES & EBIT* BY DIVISION

Q3.2023 VS. Last year (000 NIS)

	Sales				EBIT	
	Q3 2023	Q3 2022	Var %	Var % (Org.)	Q3 2023	Q3 2022
Albaad Europe	330,748	264,503	25.0%	5.3%	19,766	4,233
<i>% from sales</i>					6.0%	1.6%
Albaad IL	61,751	55,425	11.4%	3.9%	1,215	865
<i>% from sales</i>					2.0%	1.6%
Albaad Fabric IL	88,499	89,596	(1.2%)	(16.9%)	3,818	(3,565)
<i>% from sales</i>					4.3%	(4.0%)
Albaad Fem IL	61,794	51,960	18.9%	6.7%	9,712	(1,361)
<i>% from sales</i>					15.7%	(2.6%)
Intercompany	(111,883)	(104,604)			(1,420)	1,341
HeadQuarter & Others					(5,429)	(4,959)
Total Company	430,909	356,880	20.7%	4.1%	27,662	(3,446)
<i>% from sales</i>					6.4%	(1.0%)
Other Income/Expenses					(4)	(7,531)
Total Company	430,909	356,880	20.7%	4.1%	27,658	(10,977)
<i>% from sales</i>					6.4%	(3.1%)

HIGHLIGHTS

Sep.2023 YTD results vs. Last year (000 NIS)

+19%

Sales

Sales in original currency +7%

+241%

Operating Profit

Before Others

+59%

EBITDA

+50 M continued operation

+119 M inc. discontinued operation

+104M

Net Profit

From negative to positive

	YTD Sep 23	YTD Sep 22		Var	Var %
Sales	1,291,570	1,089,161	↑	202,409	18.6%
EBIT	68,166	12,671	↑	55,495	438.0%
EBIT <i>(Before Others)</i>	68,882	20,202	↑	48,680	241.0%
EBITDA <i>(Continued operation)</i>	134,091	84,191	↑	49,900	59.3%
EBITDA	129,133	10,384	↑	118,749	↗
Net Profit <i>(Continued operation)</i>	29,003	(5,716)	↑	34,719	↗
Net Profit	18,504	(85,405)	↑	103,909	↗
CF - Operating activities	179,472	2,833	↑	176,639	↗

SALES & EBIT* BY DIVISION

Sep.2023 YTD VS. Last year (000 NIS)

	Sales				EBIT	
	YTD Sep 23	YTD Sep 22	Var %	Var % (Org.)	YTD Sep 23	YTD Sep 22
Albaad Europe	969,408	804,233	20.5%	7.6%	39,918	31,063
<i>% from sales</i>					4.1%	3.9%
Albaad IL	177,163	172,135	2.9%	(1.6%)	804	7,956
<i>% from sales</i>					0.5%	4.6%
Albaad Fabric IL	271,109	272,499	(0.5%)	(10.9%)	24,186	1,135
<i>% from sales</i>					8.9%	0.4%
Albaad Fem IL	193,877	149,521	29.7%	18.0%	30,003	(7,416)
<i>% from sales</i>					15.5%	(5.0%)
Intercompany	(319,987)	(309,227)			(8,037)	2,447
HeadQuarter & Others					(17,992)	(14,983)
Total Company	1,291,570	1,089,161	18.6%	7.3%	68,882	20,202
<i>% from sales</i>					5.3%	1.9%
Other Income/Expenses					(716)	(7,531)
Total Company	1,291,570	1,089,161	18.6%	7.3%	68,166	12,671
<i>% from sales</i>					5.3%	1.2%

Innovation & Future Growth

Green product line in Dimona - the next generation

- **Green hybrid production line** that enables production in both paper technology and green non-woven technology
- The Hydrofine® Products from the new hybrid line will serve both flushable MTT wipes as well as traditional baby, cosmetic and cleaning wipes
- All Hydrofine® Products are made from 100% natural, plant based components
- Production is expected during H2 2024
- Approximately 120 MNIS invested up to September 2023 from total budget of about 200 MNIS



BALANCE SHEET

AS OF 30.09.2023 vs. 31.12.2022 (000 NIS)

		30.09.2023	% from total	31.12.2022	% from total
34M	Cash on hand				
	Cash and cash equivalents	34,279	2%	27,186	2%
	Trade Receivables	234,940	14%	254,547	16%
	Inventory	333,551	20%	393,313	25%
	Other Current Assets	38,682	2%	37,580	2%
60M	Reduction of inventory +84 M excluding currency impact				
	Total Current Assets	641,452	39%	712,626	45%
	Non Current Assets	995,190	61%	883,964	55%
	Total Assets	1,636,642	100%	1,596,590	100%
392M	Equity				
	Credit banking & institutions	409,515 [*]	25%	538,805	34%
	Trade Payables	232,089	14%	252,518	16%
	Total Current Liabilities	749,425	46%	910,734	57%
	Total Long-Term Liabilities	494,721	30%	331,194	21%
24%	Equity from total balance sheet				
	Equity	392,496	24%	354,662	22%
	Total liabilities	1,636,642	100%	1,596,590	100%

SUMMARY & FUTURE GROWTH

- Meeting Banks Initial Covenants in Q3.2023

Net Liabilities to EBITDA Ratio **2.83** / Equity Ratio* **24.5%**

- Maintaining positive performance for **EBITDA Growth & Operating Cash Flow**

Inventory reduction of **60 MNIS** since Dec.2022

Cumulated **Operating Cash Flow** of **179 MNIS**

Cumulated **Free Cash Flow**** of **95 MNIS** including Dimona line 2 investments

- Creating Future Growth Engines

- Focusing on **new profitable customers & Innovation products** - expanding Europe sales teams
- Establishing a quality **private brand** – pave our way into price or innovation driven new markets
- Innovation as state of mind** - in products, production & processes

A conceptual image where a human hand is cupping a small green seedling with three leaves. The seedling is growing out of a mound of dark soil. The arm and hand are covered in a dense, vibrant green forest scene, with trees and foliage visible. The background is a soft-focus green landscape with sunlight filtering through the leaves.

THANK YOU