

March
2024

Financial Results Overview 2023

FORWARD LOOKING STATEMENT

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ALBAAD'S 2023 FINANCIAL TURNAROUND

Albaad faced the challenge of **achieving financial stability** within the banking system with this as our primary objective, we not only met but **exceeded our goals**

By Q3.2023, we had **demonstrated covenant compliance** without the need for waivers a significant achievement that was originally planned for later in 2024 year.
by Q4.2023, we achieved **further improvement**

Cash flow was **exceptionally strong**, reaching a peak of **233m NIS** from operating activity
This enables the company to fund its ongoing investment plan, including:

- An investment in Dimona of **86m NIS**
- A second payment of **32m NIS** for the acquisition of Optimal Care
- A reduction of gross debt by **56m NIS** & net debt by **48m NIS**

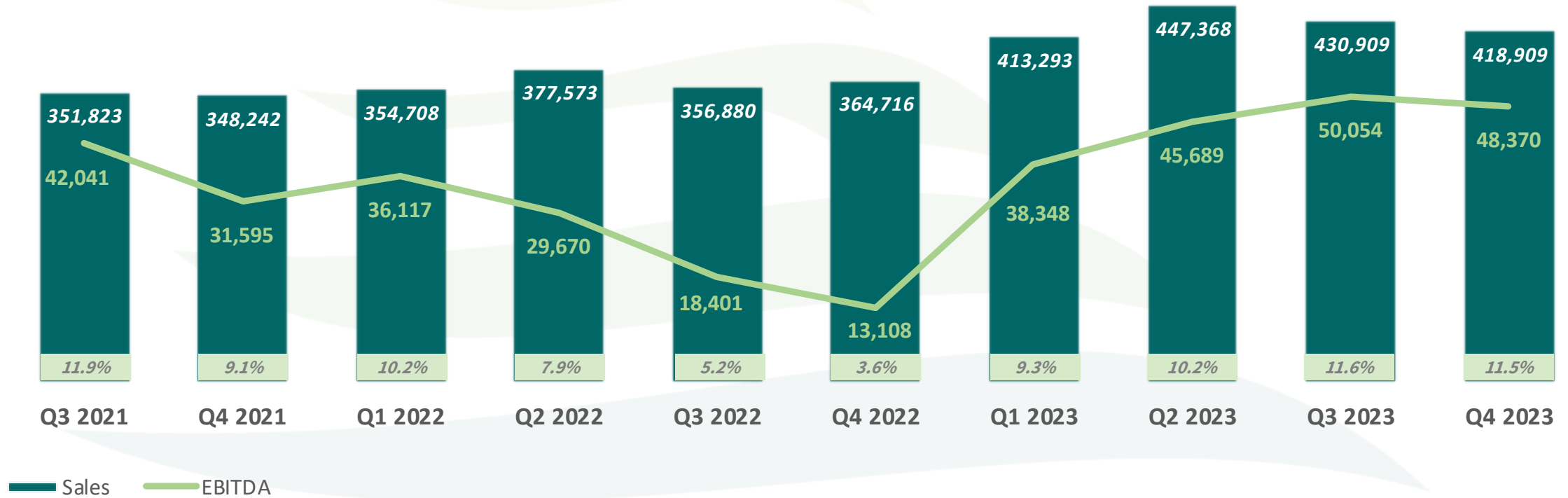
YEAR 2023 COMPANY MAIN HIGHLIGHTS

CONCLUDING 2023 WITH

- **SALES INCREASE OF 18% TO 1.7B NIS**
- **GROSS PROFIT MARGIN** improved to **20%**
- **EBIT*** INCREASE OF 83M NIS TO **94M NIS**
- **EBITDA**** INCREASE OF 85M NIS TO **182M NIS**
- **NET PROFIT**** INCREASE OF 76M NIS TO **41M NIS**
- **OPERATING Cash Flow 233M NIS**
- **NET DEBT DECREASE OF 48M NIS**

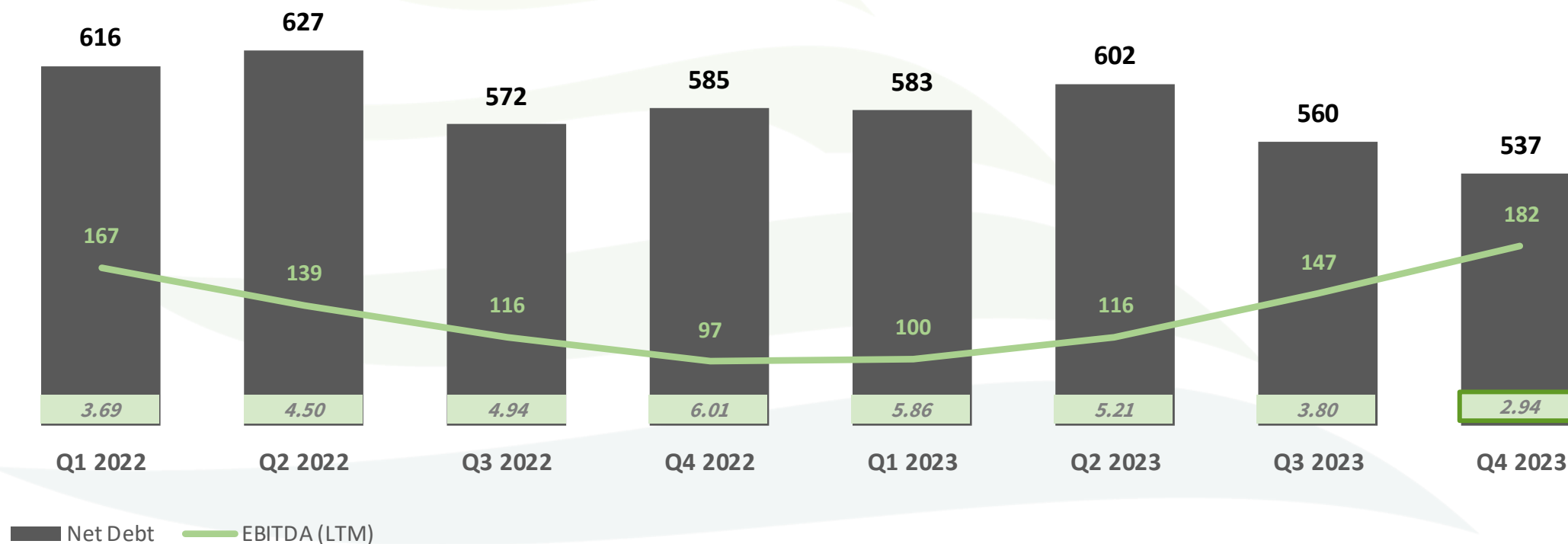
SALES & EBITDA* TRENDS 2021-2023

QUARTERLY BASIS (000 NIS)



NET DEBT TO EBITDA* TRENDS 2021-2023

QUARTERLY BASIS (000 NIS)



HIGHLIGHTS

Year 2023 Results VS. Last year (000 NIS)

+18%

Sales

Sales in original currency +6%

+83M

Operating Profit

+104 M including others

+88%

EBITDA

+85 M continued operation

+181 M inc. discontinued operation

+175M

Net Profit

From negative to positive

	Year 23	Year 22	Var	Var %
Sales	1,710,479	1,453,877	↑ 256,602	17.6%
EBIT	93,038	(11,228)	↑ 104,266	↗
EBIT <i>(Before Others)</i>	94,510	11,853	↑ 82,657	697.4%
EBITDA <i>(Continued operation)</i>	182,461	97,296	↑ 85,165	87.5%
EBITDA	182,270	1,292	↑ 180,979	↗
Net Profit <i>(Continued operation)</i>	41,219	(35,123)	↑ 76,342	↗
Net Profit	31,001	(143,956)	↑ 174,957	↗
CF - Operating activities	233,229	18,568	↑ 214,661	↗

SALES & EBIT* BY DIVISION

Year 2023 VS. Last year (000 NIS)

	Sales				EBIT	
	Year 23	Year 22	Var %	Var % (Org.)	Year 23	Year 22
Albaad Europe	1,300,572	1,079,479	20.5%	6.8%	63,043	31,839
% from sales					4.8%	2.9%
Albaad IL	222,139	213,344	4.1%	(0.5%)	(3,827)	(303)
% from sales					(1.7%)	(0.1%)
Albaad Fabric IL	363,996	364,094	(0.0%)	(11.1%)	33,176	4,344
% from sales					9.1%	1.2%
Albaad Fem IL	250,542	207,509	20.7%	10.0%	37,080	(5,496)
% from sales					14.8%	(2.6%)
Intercompany	(426,770)	(410,549)			(9,235)	1,839
HeadQuarter & Others					(25,727)	(20,370)
Total Company	1,710,479	1,453,877	17.6%	5.9%	94,510	11,853
% from sales					5.5%	0.8%
Other Income/Expenses					(1,472)	(23,081)
Total Company	1,710,479	1,453,877	17.6%	5.9%	93,038	(11,228)
% from sales					5.4%	(0.8%)

HIGHLIGHTS

Q4.2023 Results VS. Last year (000 NIS)

+15%

Sales

Sales in original currency +1.5%

+34M

Operating Profit

+49 M including others

+269%

EBITDA

+35 M continued operation

+62 M inc. discontinued operation

+71M

Net Profit

From negative to positive

	Q4 2023	Q4 2022	Var	Var %
Sales	418,909	364,716	↑ 54,193	14.9%
EBIT	24,872	(23,899)	↑ 48,771	↗
EBIT <i>(Before Others)</i>	25,628	(8,349)	↑ 33,977	↗
EBITDA <i>(Continued operation)</i>	48,370	13,108	↑ 35,262	269.0%
EBITDA	53,132	(9,092)	↑ 62,224	↗
Net Profit <i>(Continued operation)</i>	12,216	(29,407)	↑ 41,623	↗
Net Profit	12,497	(58,551)	↑ 71,048	↗
CF - Operating activities	53,757	15,734	↑ 38,023	241.7%

SALES & EBIT* BY DIVISION

Q4.2023 VS. Last year (000 NIS)

	Sales				EBIT	
	Q4 2023	Q4 2022	Var %	Var % (Org.)	Q4 2023	Q4 2022
Albaad Europe	331,164	275,246	20.3%	4.4%	23,125	776
% from sales					7.0%	0.3%
Albaad IL	44,976	41,209	9.1%	4.3%	(4,631)	(8,258)
% from sales					(10.3%)	(20.0%)
Albaad Fabric IL	92,887	91,595	1.4%	(11.9%)	8,990	3,209
% from sales					9.7%	3.5%
Albaad Fem IL	56,665	57,988	(2.3%)	(11.5%)	7,077	1,920
% from sales					12.5%	3.3%
Intercompany	(106,783)	(101,322)			(1,199)	(608)
HeadQuarter & Others					(7,734)	(5,388)
Total Company	418,909	364,716	14.9%	1.5%	25,628	(8,349)
% from sales					6.1%	(2.3%)
Other Income/Expenses					(756)	(15,550)
Total Company	418,909	364,716	14.9%	1.5%	24,872	(23,899)
% from sales					5.9%	(6.6%)

BALANCE SHEET

AS OF 31.12.2023 VS. 31.12.2022 (000 NIS)

19M Cash on hand

64M Reduction of inventory
84M reduction exc. currency impact

403M Equity

25% Equity from total
balance sheet

	31.12.2023	% from total	31.12.2022	% from total
<i>Cash and cash equivalents</i>	19,133	1%	27,186	2%
<i>Trade Receivables</i>	213,956	14%	254,547	16%
<i>Inventory</i>	328,969	21%	393,313	25%
<i>Other Current Assets</i>	32,184	2%	37,580	2%
Total Current Assets	594,242	38%	712,626	45%
Non Current Assets	988,361	62%	883,964	55%
Total Assets	1,582,603	100%	1,596,590	100%
<i>Credit banking & institutions</i>	392,243	25%	538,805	34%
<i>Trade Payables</i>	222,718	14%	252,518	16%
Total Current Liabilities	713,183	45%	910,734	57%
Total Long-Term Liabilities	466,178	29%	331,194	21%
Equity	403,242	25%	354,662	22%
Total liabilities	1,582,603	100%	1,596,590	100%

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 146 MNIS invested up to December 2023 from total budget of about 200 MNIS



SUMMARY

Meeting & Improving Banks Initial Covenants*

- Net Liabilities to EBITDA Ratio **2.11** / Tangible Equity Ratio **26.5%**

Maintaining positive performance for EBITDA Growth & Operating Cash Flow

- **Inventory** reduction of **64m NIS** since Dec 2022
- Annual **Operating Cash Flow** of **233m NIS**
- Annual **Free Cash Flow**** of **124m NIS** including Dimona line 2 investments

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

FURTHER STRENGTHENING & FUTURE GROWTH

Further Strengthening

- Continue to improve **Net Debt to EBITDA**
- Closing **Sale & Lease Back** transaction of Dimona facility
- Proceed with **Tampons division** Deal

Future Growth

- **Dimona Green hybrid production line** as milestone for growth in our sustainability strategy
- Inhouse development of **Spunlace** based **tampon** – potential for new market
- Focusing on **new profitable customers & Innovation products** - expanding Europe sales teams
- **Innovation as state of mind** - in products, production & processes

A conceptual image showing a human hand holding a small green seedling with three leaves. The seedling is growing out of a mound of dark soil that is covered in a dense, vibrant green moss. The mossy mound is shaped like a forest landscape with rolling hills. The background is a soft-focus green forest with sunlight filtering through the trees.

THANK YOU