

An aerial photograph of a large industrial complex, likely a cement or food processing plant. The facility features several large, interconnected buildings with brown and grey roofs. Numerous tall, cylindrical silos are visible, along with a complex network of pipes and structural steel. A parking lot in the foreground is filled with various cars. The surrounding area includes green fields, a small pond, and some trees. The text 'WELCOME TO KAFRIT GROUP' is overlaid in large white letters on the left side of the image.

WELCOME TO KAFRIT GROUP

COMPANY PRESENTATION

Kafrit

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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.

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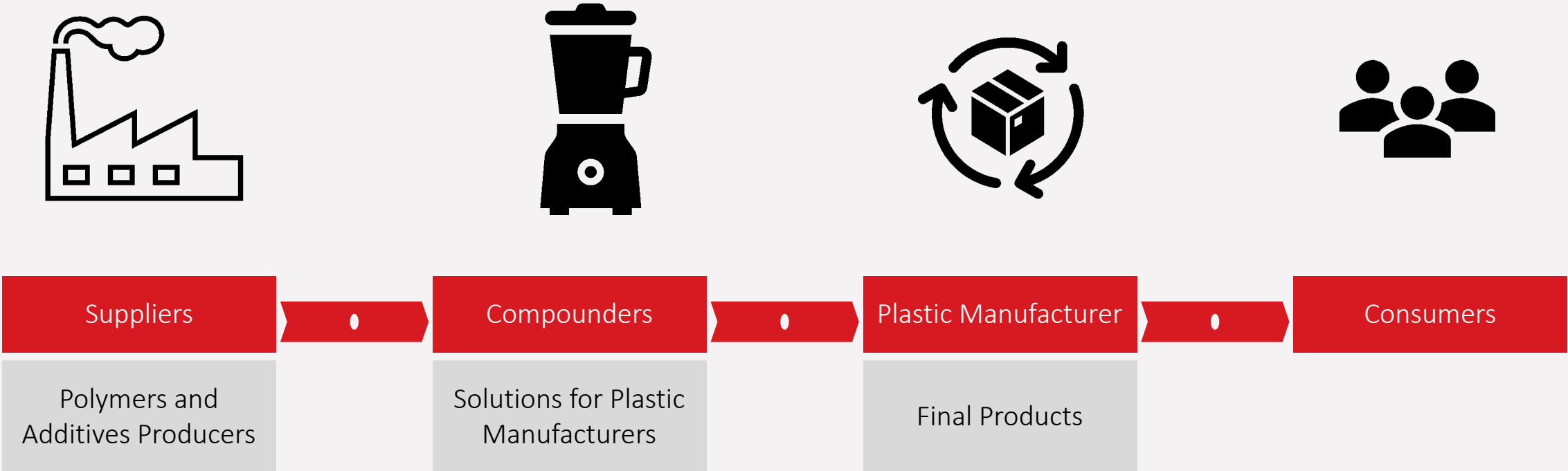
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Our Place in the Supply Chain



KafritGroup

We are here



01

ABOUT
KAFRIT GROUP



KAFRIT GROUP IS A LEADING
PRODUCER OF MASTERBATCHES
AND COMPOUNDS FOR THE
PLASTICS INDUSTRY



Kafrit Group Vision
To be a preferred supplier of masterbatches and compounds for the plastic industry, providing our customer globally, innovative and quality solutions suitable to their need over time



Our new challenging Strategy for the next 5 years

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**

| Must Win Battles | Marketing and Service | Colors | Business Units | Business Development & Innovation |
|--------------------------|---|---|--|---|
| Mission | Be the Best-in-Class Service and Solution Provider | Become a Multi-Local Player in Colors Segment | Improve Profitability and Strengthen Market position | Form & Execute Strategic Alliances generating significant added value |
| Our People and Structure | Build a Group Leadership Team, Leverage Knowhow and Synergies | | | |

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



43
PRODUCTION LINES

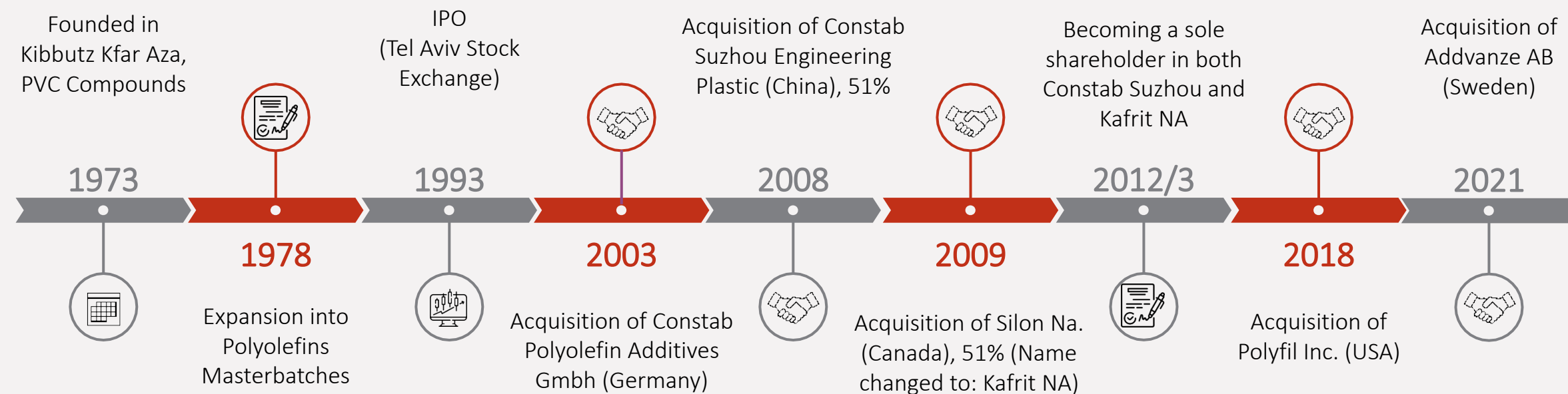


~480
EMPLOYEES

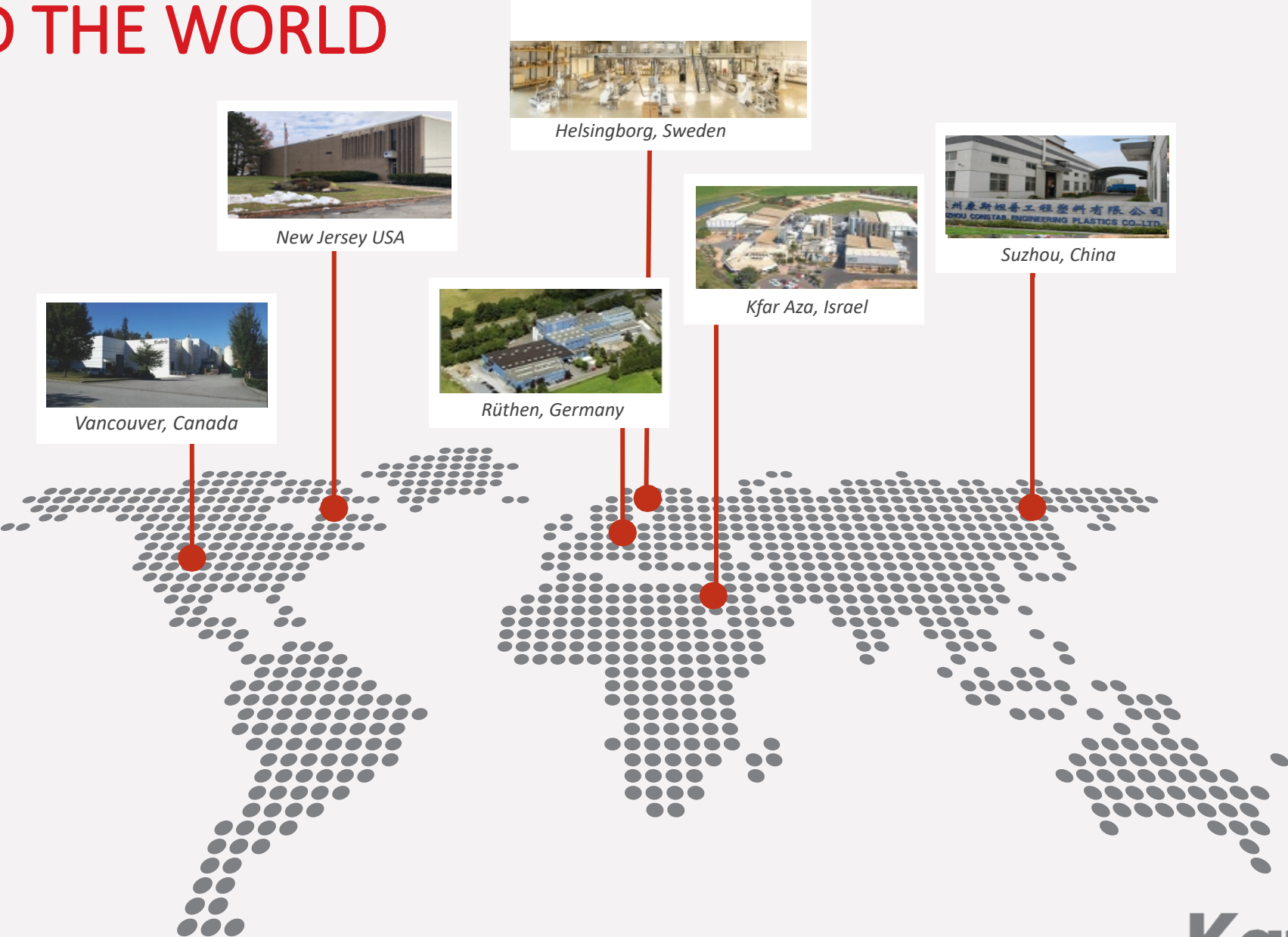


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MT CAPACITY

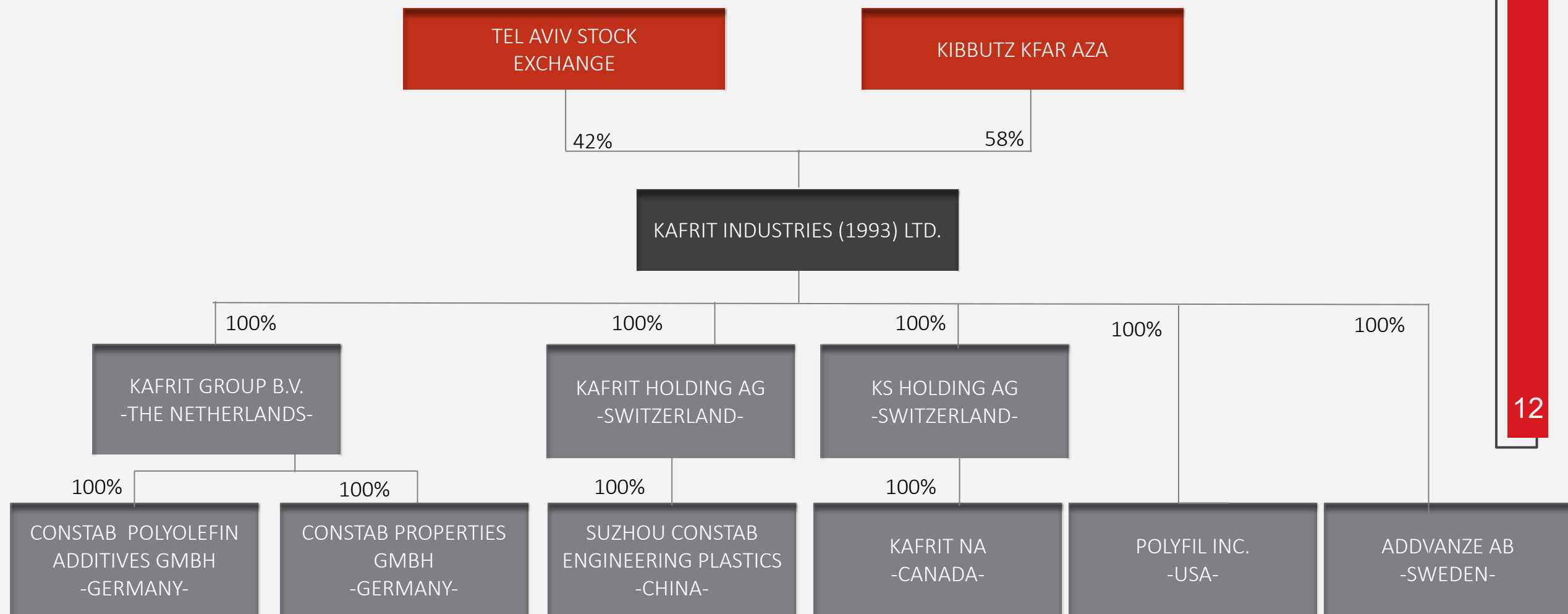
MILESTONES



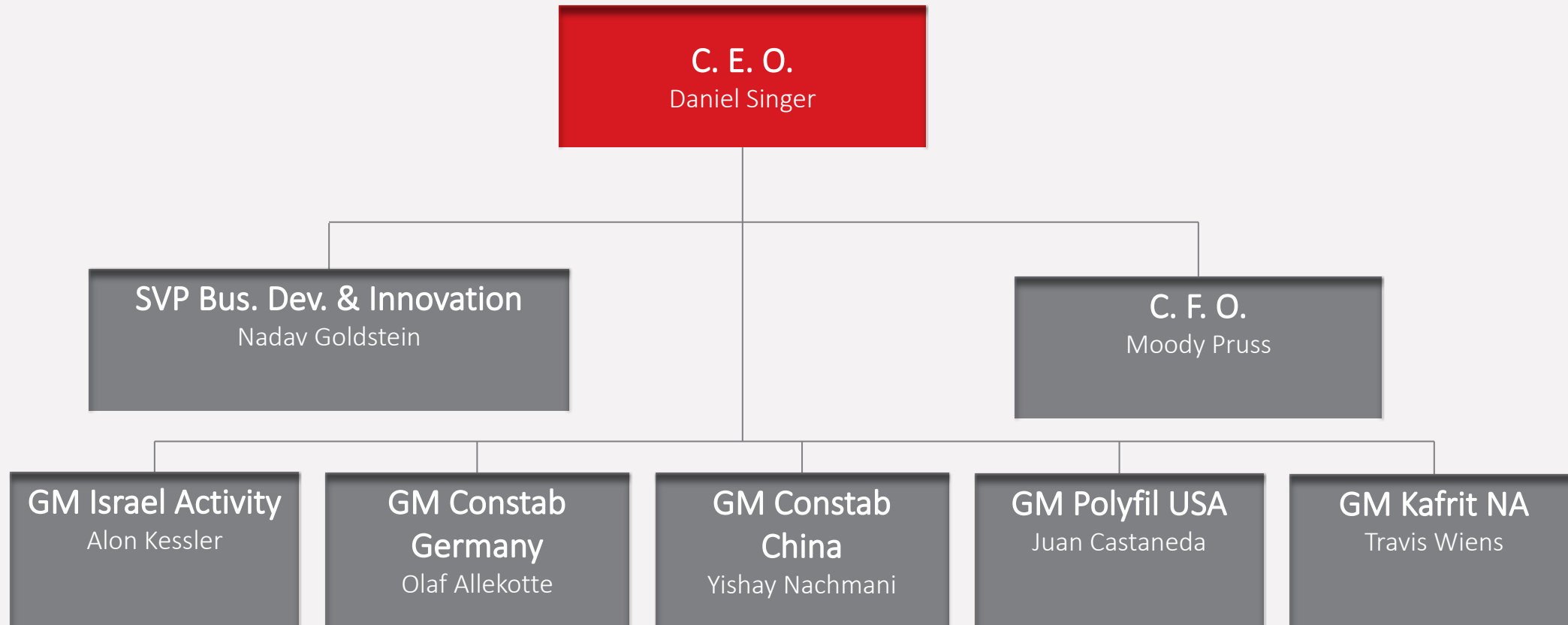
AROUND THE WORLD



LEGAL GROUP STRUCTURE



KAFRIT GROUP LEADERSHIP TEAM





02

PORTFOLIO

THE MEMBERS OF KAFRIT GROUP

| | | | | | |
|--|--|--|--|---|--|
| <div><div>Kafrit</div><div>153 Employees</div><div>25,300 MT Capacity</div><div>Business Areas</div><div><div>Agriculture</div><div>PE Films</div><div>Flame Retardants</div><div>Colors</div><div>Polycarbonate</div><div>Pipes</div></div></div> | <div><div>CONSTAB</div><div>135 Employees</div><div>26,300 MT Capacity</div><div>Business Areas</div><div><div>BOPP Films</div><div>PE Films</div><div>PP Films</div><div>BOPE</div></div></div> | <div><div>SUZHOU CONSTAB</div><div>108 Employees</div><div>26,200 MT Capacity</div><div>Business Areas</div><div><div>PEX Compounds for Pipes</div><div>BOPP Films</div></div></div> | <div><div>Kafrit NA Ltd.</div><div>22 Employees</div><div>13,200 MT Capacity</div><div>Business Areas</div><div><div>PEX Compounds for Pipes</div></div></div> | <div><div>Polyfil Inc.</div><div>33 Employees</div><div>22,900 MT Capacity</div><div>Business Areas</div><div><div>PE Films</div></div></div> | <div><div>Addvanze®</div><div>28 Employees</div><div>4,300MT Capacity</div><div>Business Areas</div><div><div>Colors</div></div></div> |
|--|--|--|--|---|--|

APPLICATIONS



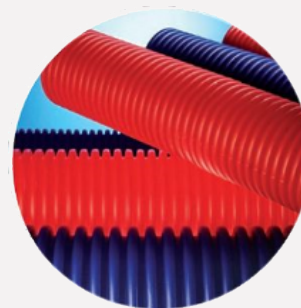
INJECTION
MOLDING
/ BLOW MOLDING



POLYCARBONATE AND
PMMA SHEETS



POLYETHYLENE
PACKAGING
POLYPROPYLENE
CAST AND
CALENDER FILMS



HALOGEN FREE
SOLUTIONS FOR
SHEETS AND PIPES



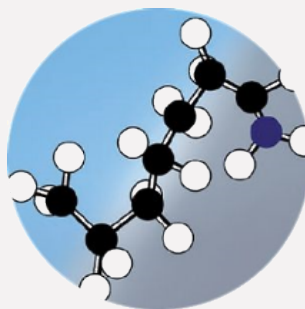
BLOWING
AGENTS



OPTIMIZING BOPP
FILM PRODUCTION



CONSTAB AND CONPEEL
COMPOUNDS



ECOCELL



ANTIMONY FREE /
REDUCED ANTIMONY
FR SOLUTIONS



AGRICULTURAL FILM



ANTIOXIDANTS



ADDING VALUE TO FIBERS
AND NONWOVENS

FUNCTIONALITY

ACID SCAVENGERS

ANTIBLOCKING AGENTS

ANTIFOGGING AGENTS

ANTISLIP AGENTS

ANTISTATICS

CAVITATING AGENTS

CLEANING COMPOUNDS

COLOUR CONCENTRATES

FILLERS

FLAME RETARDANTS

FOAMING AGENTS

HYDROCARBON RESINS

MATT COMPOUNDS

METAL DEACTIVATORS

NUCLEATING AGENTS

OPTICAL BRIGHTENERS

PEEL COMPOUNDS

PHARMACOPOEIA MB

PROCESSING AIDS

SLIP AGENTS

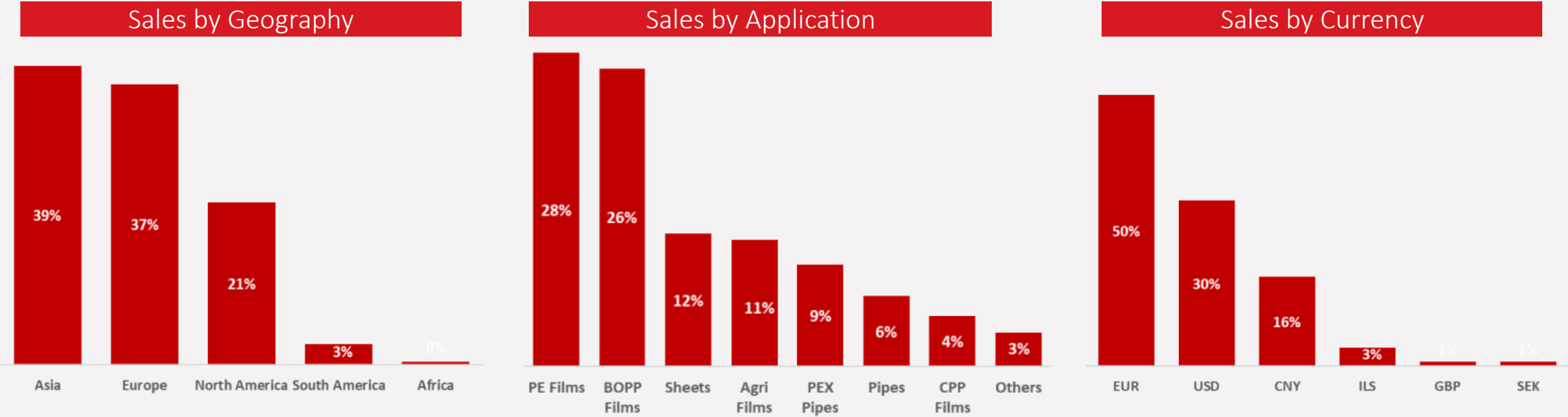
SYNTHETIC PAPER COMPOUNDS

THERMOSTABILISERS

UV ABSORBERS

UV STABILIZERS

WELL DIVERSIFIED PORTFOLIO



(*) Q1/2022 NIS Value Sales

AMONG OUR CUSTOMERS – None of our Customers > 5%





03

PERFORMANCE HIGHLIGHTS

Q1 -2022 HIGHLIGHTS

NET REVENUE

264MNIS

23MNIS

OPERATING PROFIT

31MNIS

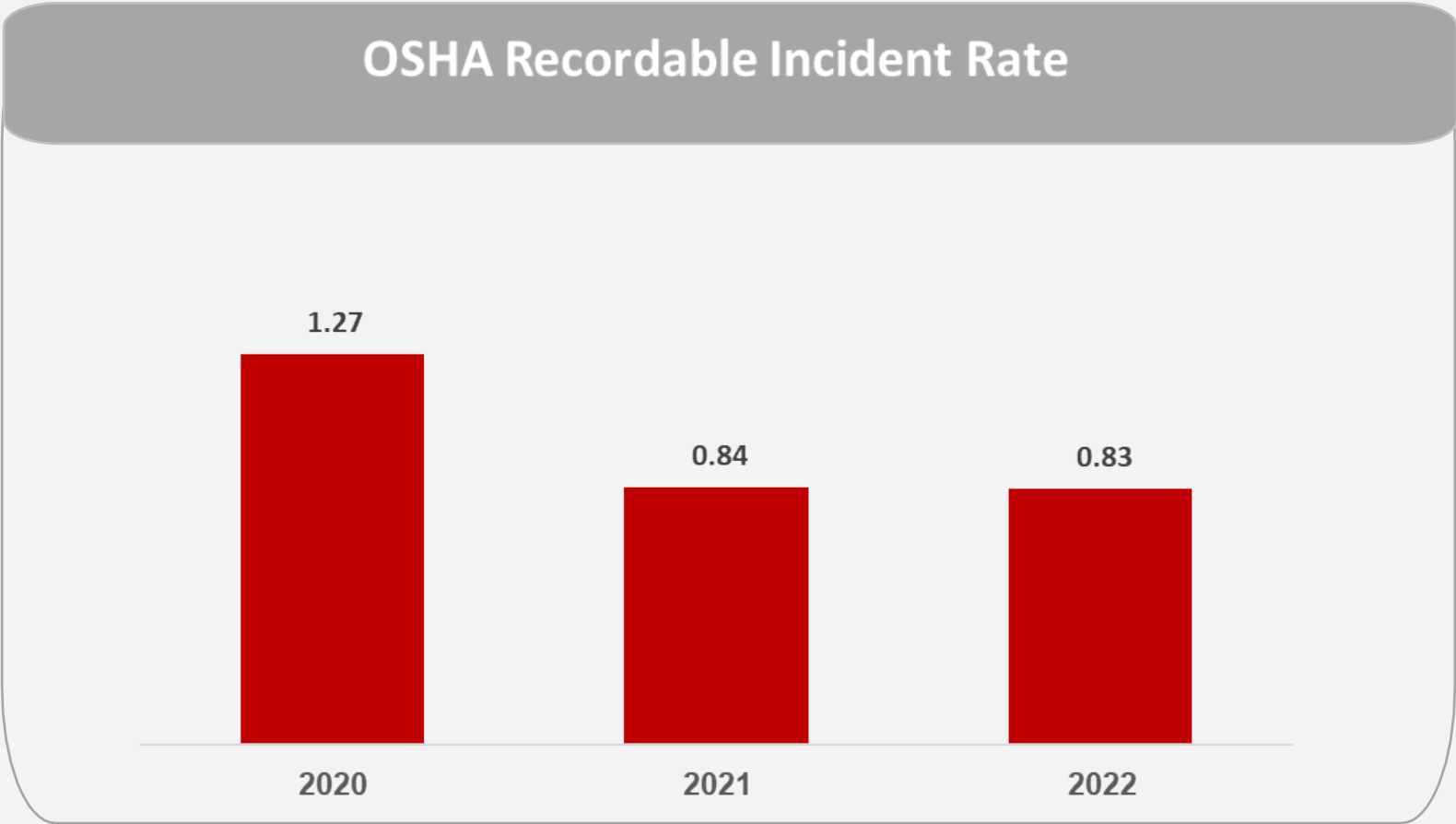
EBITDA

NET DEBT INCREASE

7MNIS

SAFETY PERFORMANCE

STRIVING FOR CONTINUOUS IMPROVEMENT



OSHA = #LTA / 200KHours



04

Q1/2022

PERFORMANCE

The Company delivered strong value and margin growth in Q1

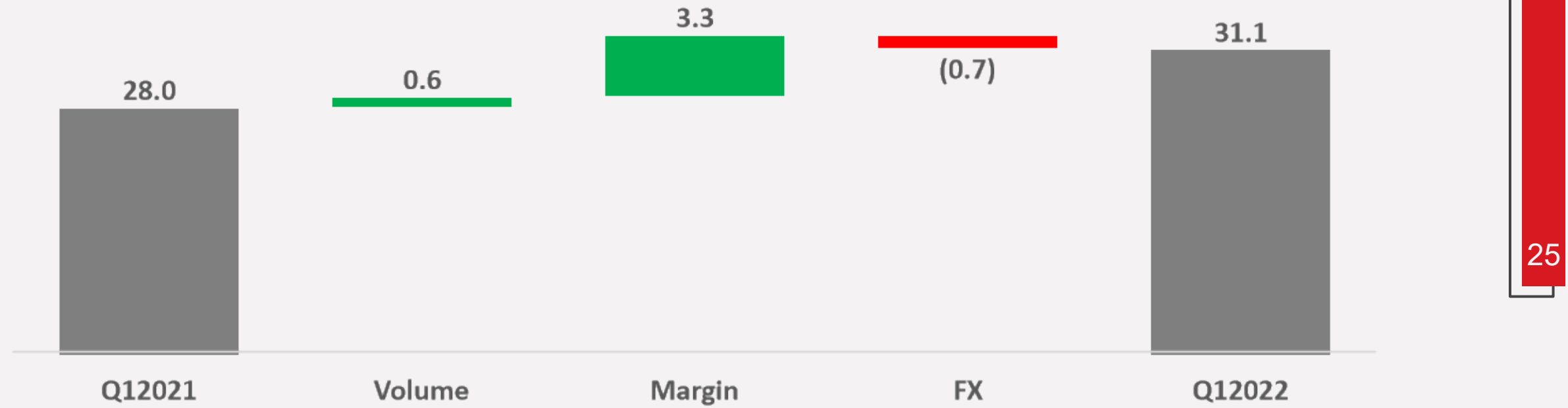
Consolidated P&L – Q1 2022 vs 2021

| | M-ILS | | Change |
|----------------------------|----------------------|----------------------|---------------|
| | 2022 | 2021 | 2021 |
| Volume Sales (Tone) | 21,824 | 21,934 | (0.5%) |
| Sales | 264.0 | 228.5 | 15.6% |
| Materials | 178.7 | 154.3 | 15.8% |
| Manufacture & Labor | 34.3 | 28.9 | 18.5% |
| COST OF SALES | 213.0 | 183.2 | 16.2% |
| GROSS PROFIT | 51.0 19.3% | 45.2 19.8% | 12.8% |
| Sale & Marketing | 16.8 | 14.4 | 16.6% |
| General & Admin | 11.0 | 9.6 | 14.2% |
| Operating Profit | 23.3 8.8% | 21.3 9.3% | 9.6% |
| EBITDA | 31.1 11.8% | 28.0 12.2% | 11.1% |

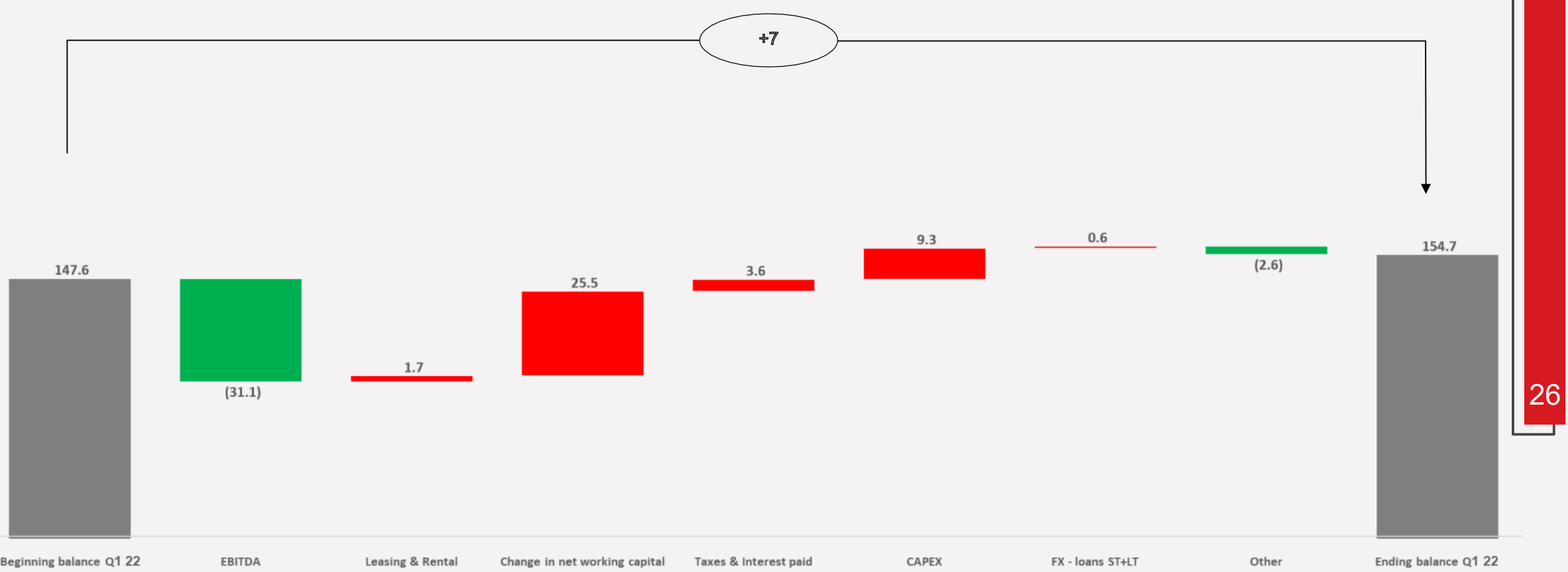
Coping with Serious Supply chain issues

- Top Line Growth Driven by:
 - Rising selling prices to compensate for the continued rise in raw material prices, and rising electricity and transportation costs
 - The acquisition of the Swedish company
- The company was able to maintain the trading margin, which increased the gross profit
- The increase in Sales and Marketing expenses and General & Admin originated by the significant increase in transportation costs and the acquisition of the company in Sweden.
- The war between Ukraine and Russia had a non-significant impact on our sales

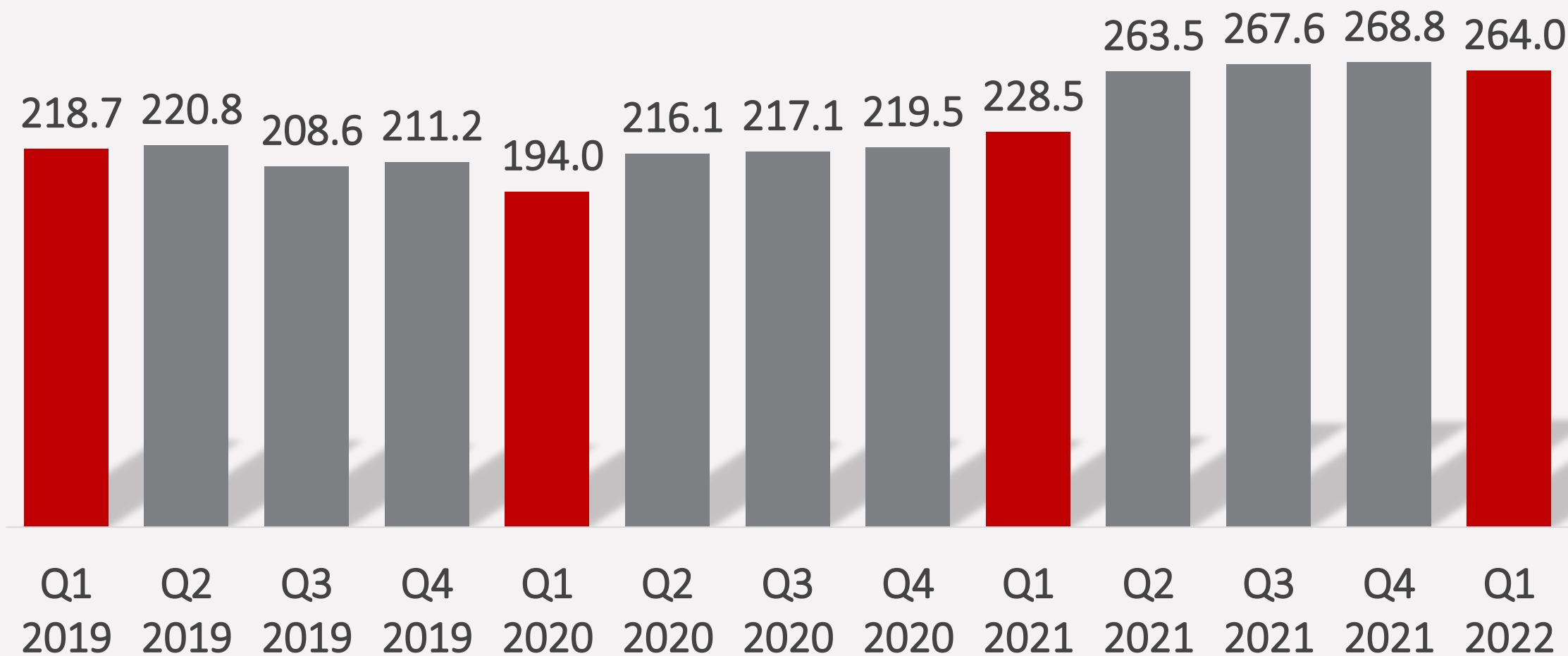
EBITDA growth driven by Margin improve and small Volume growth,
with negative impact of Foreign Currencies
(M – ILS)



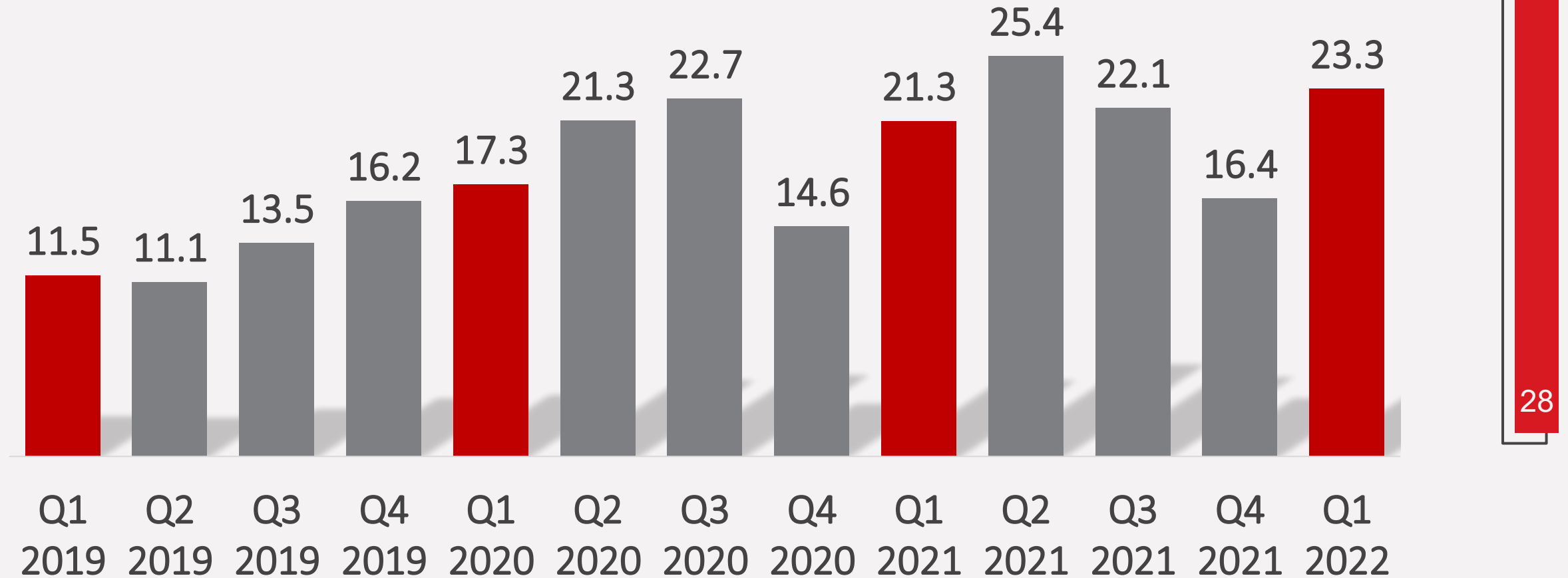
Debt growth – driven by Inventory increase to cope with challenges in the Supply chain, and seasonality



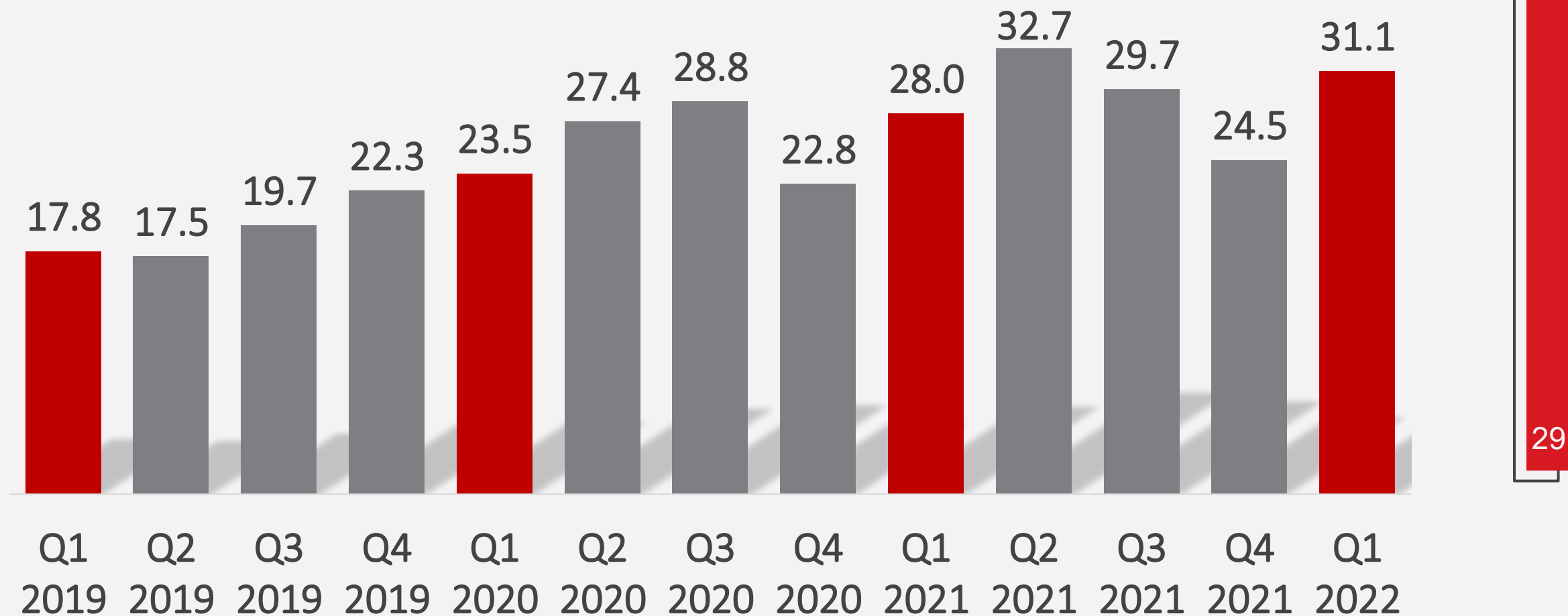
SALES (M-ILS)



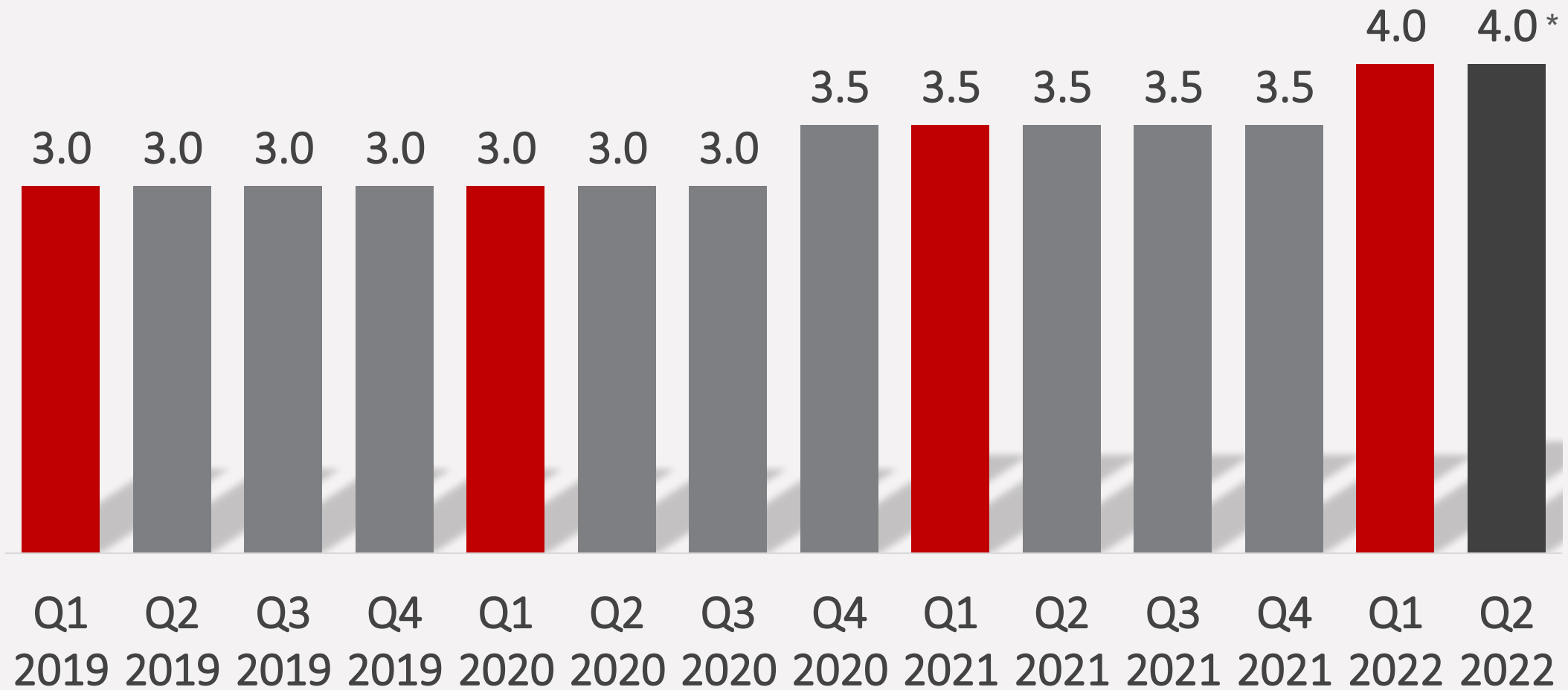
Operating profit (M-ILS)



EBITDA (M-ILS)



Dividend distribution (M-ILS)



Q2 2022 – As approved in BOD (26/05/2022)*



Thank you

