

WELCOME TO KAFRIT GROUP

COMPANY PRESENTATION

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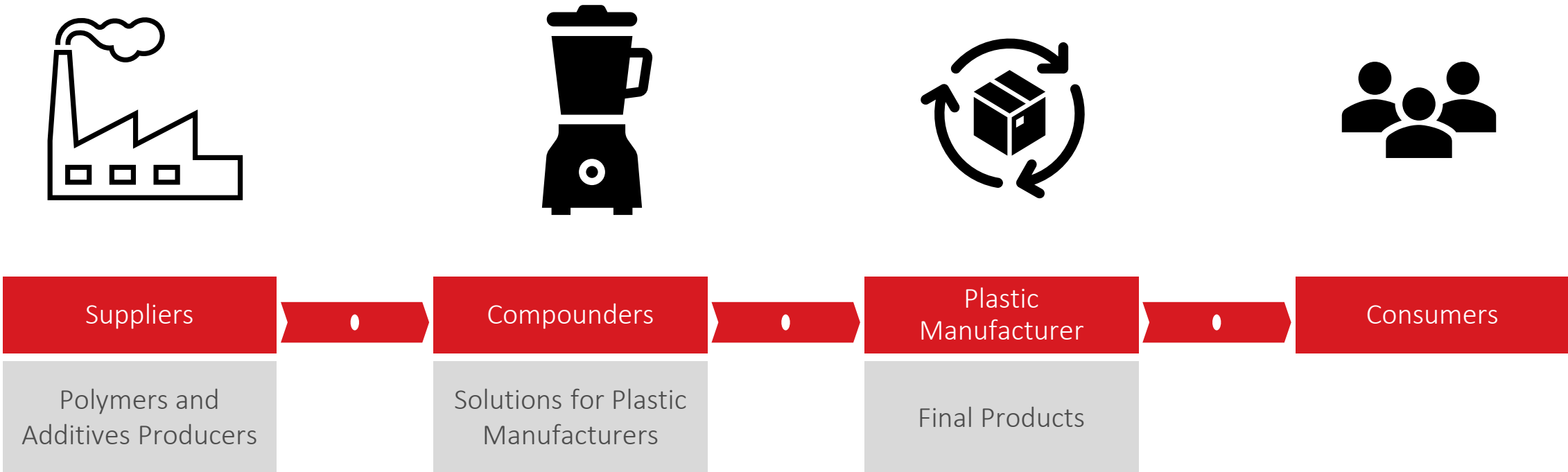
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Our Place in the Supply Chain



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



50
PRODUCTION LINES

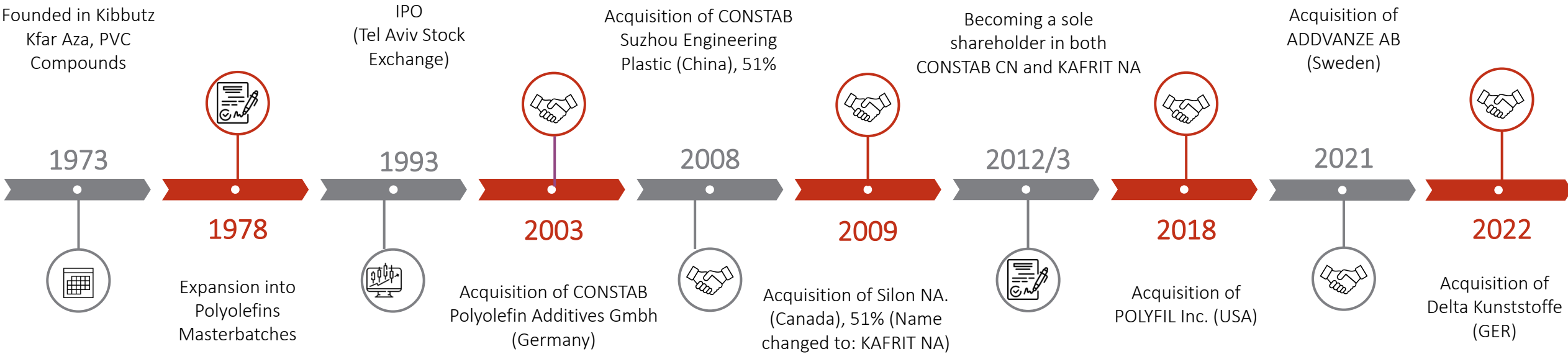


~550
EMPLOYEES

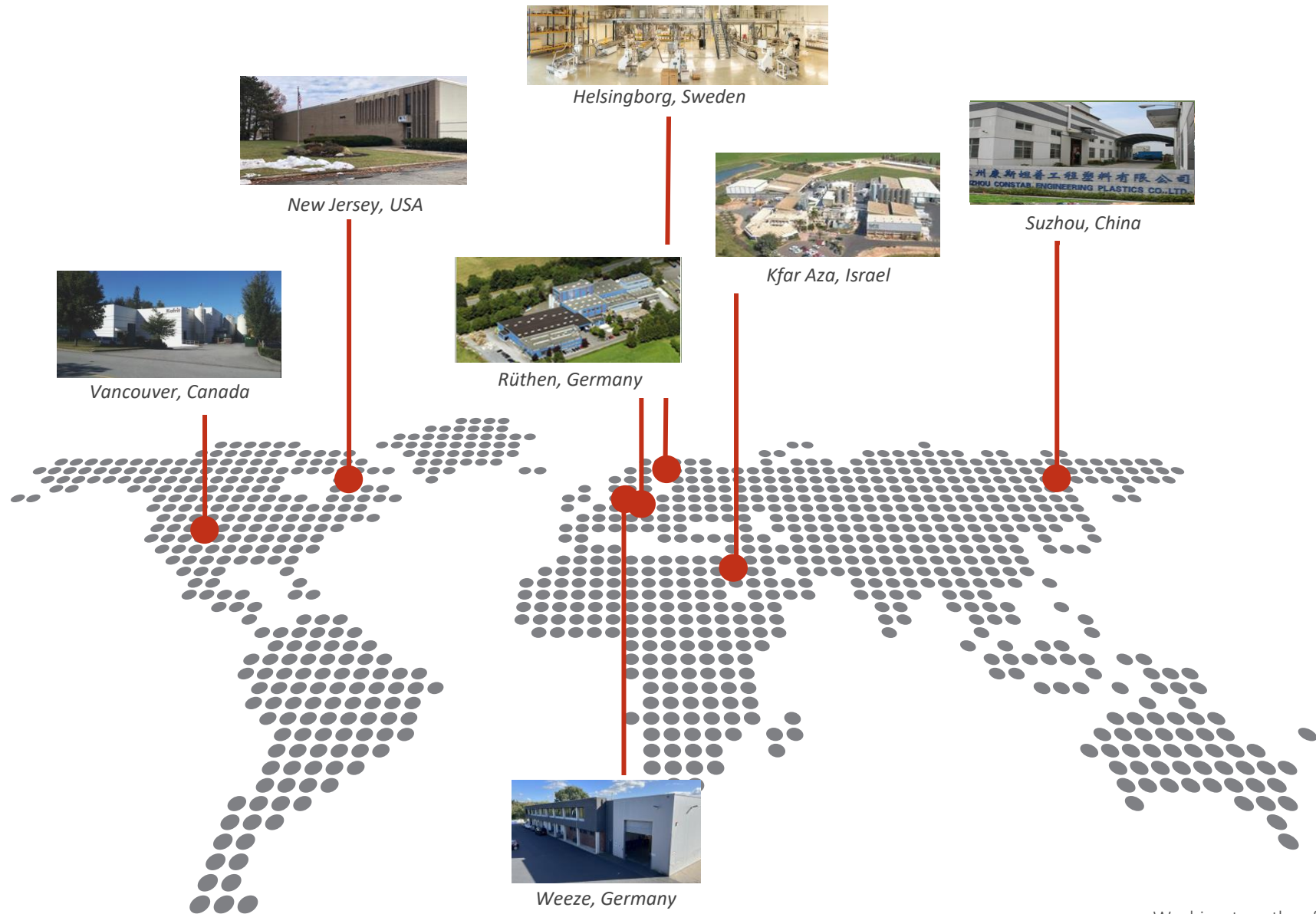


~140,000
MT CAPACITY

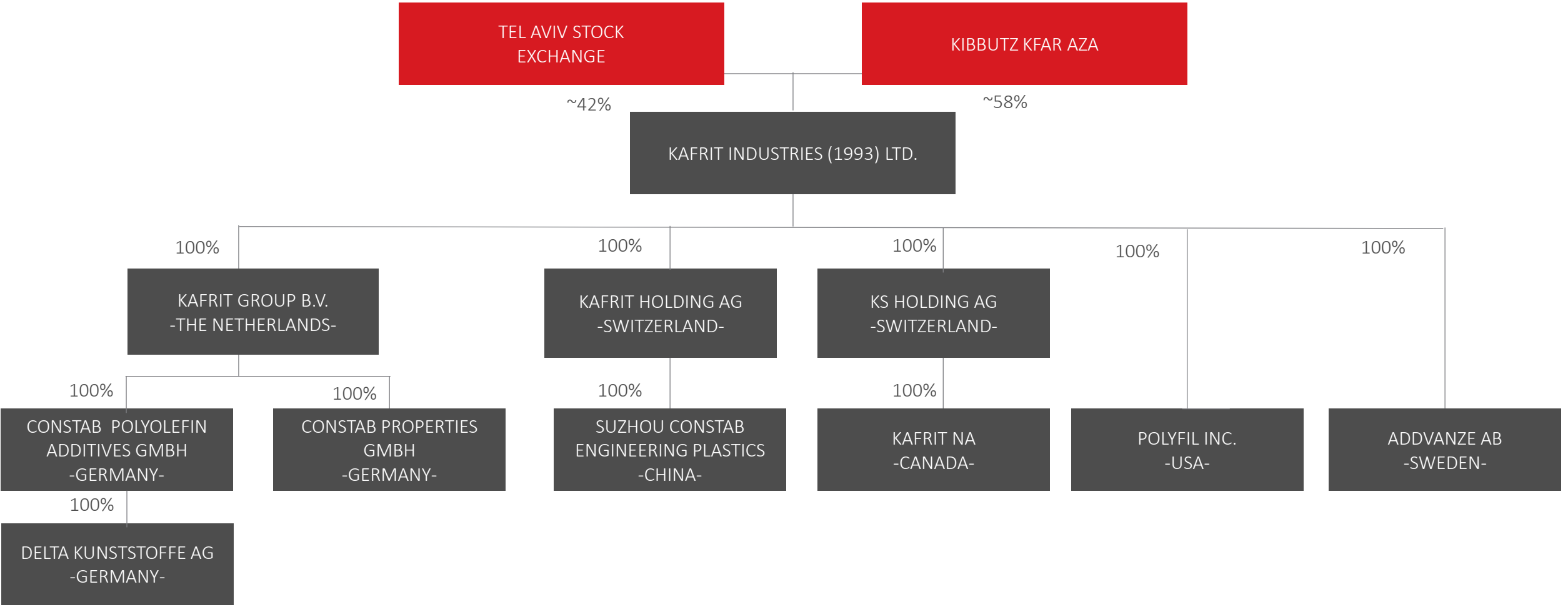
Milestones



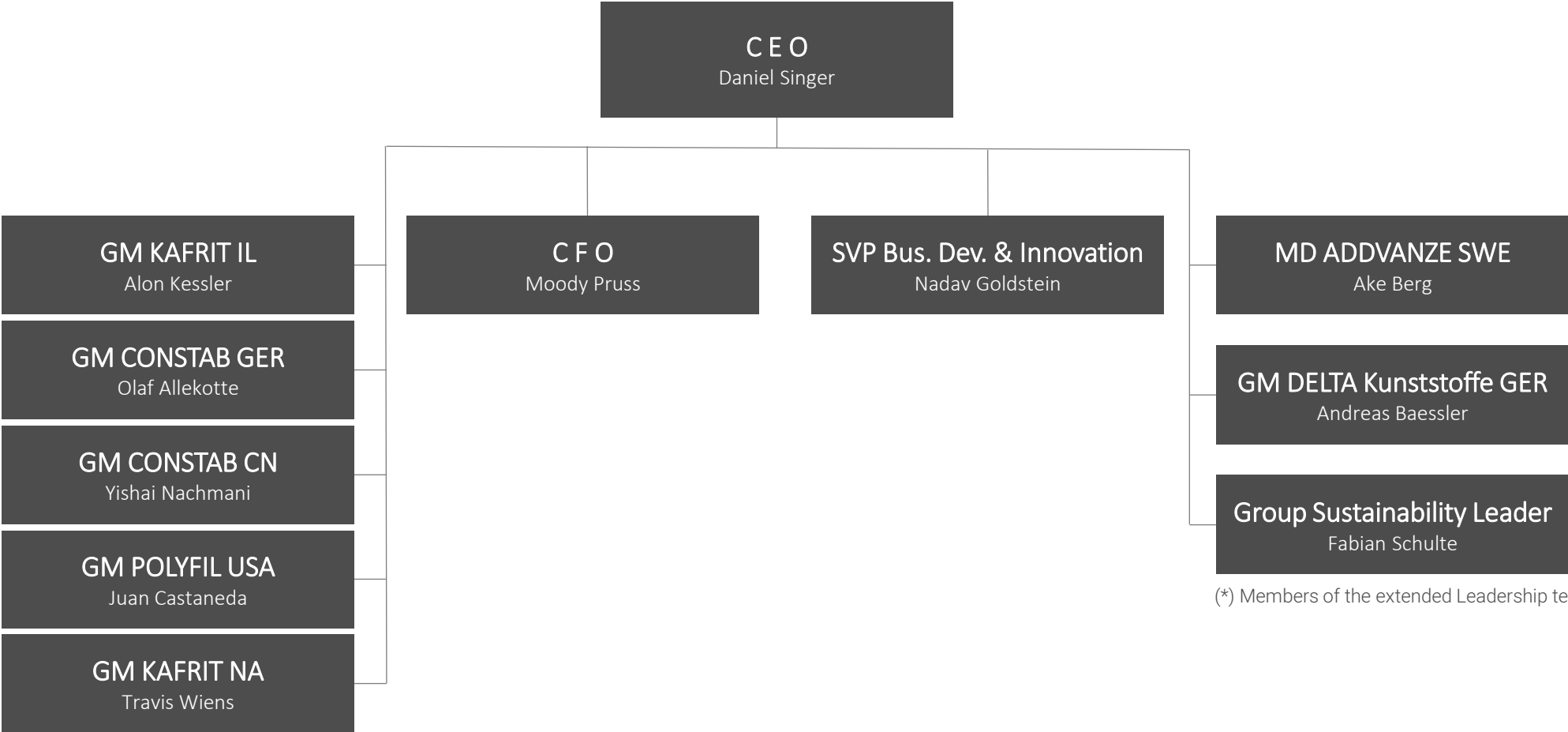
Around the World



Legal Group Structure



Leadership Team









(*) Members of the extended Leadership team




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PORTFOLIO

The Members of Kafrit Group

 KAFRIT IL	 CONSTAB GER	 CONSTAB CN	 KAFRIT NA	 POLYFIL USA	 ADDVANZE SWE
160 Employees	140 Employees	110 Employees	22 Employees	33 Employees	27 Employees
25,300 MT Capacity	26,300 MT Capacity	26,200 MT Capacity	13,200 MT Capacity	22,900 MT Capacity	4,300MT Capacity

A new member of Kafrit Group







**DELTA** KUNSTSTOFFE AG

70
Employees

12,000MT
Capacity

The Members of Kafrit Group

Masterbatches and Compounds for different applications

 KAFRIT IL	 CONSTAB GER	 CONSTAB CN	 KAFRIT NA	 POLYFIL USA	 ADDVANZE SWE
Business Areas	Business Areas	Business Areas	Business Areas	Business Areas	Business Areas
Agricultural Films	BOPP Films	PEX Compounds for Pipes	PEX Compounds for Pipes	PE Films	Colors
PE Films	PE Films			Agricultural Films	
Flame Retardants	PP Films	BOPP Films		BOPP Films	
Colors	BOPE				
Polycarbonate					
Pipes					

A new member of Kafrit Group

DELTA KUNSTSTOFFE AG



Business Areas
Conductive Compounds
Colors

Applications



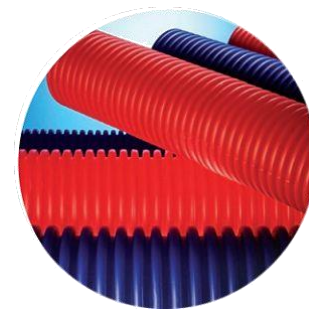
INJECTION
MOLDING
/ BLOW MOLDING



POLYCARBONATE AND
PMMA SHEETS



POLYETHYLENE
PACKAGING
POLYPROPYLENE
CAST AND
CALENDER FILMS



HALOGEN FREE
SOLUTIONS FOR
SHEETS AND PIPES



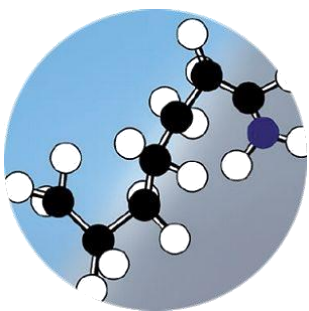
BLOWING
AGENTS



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

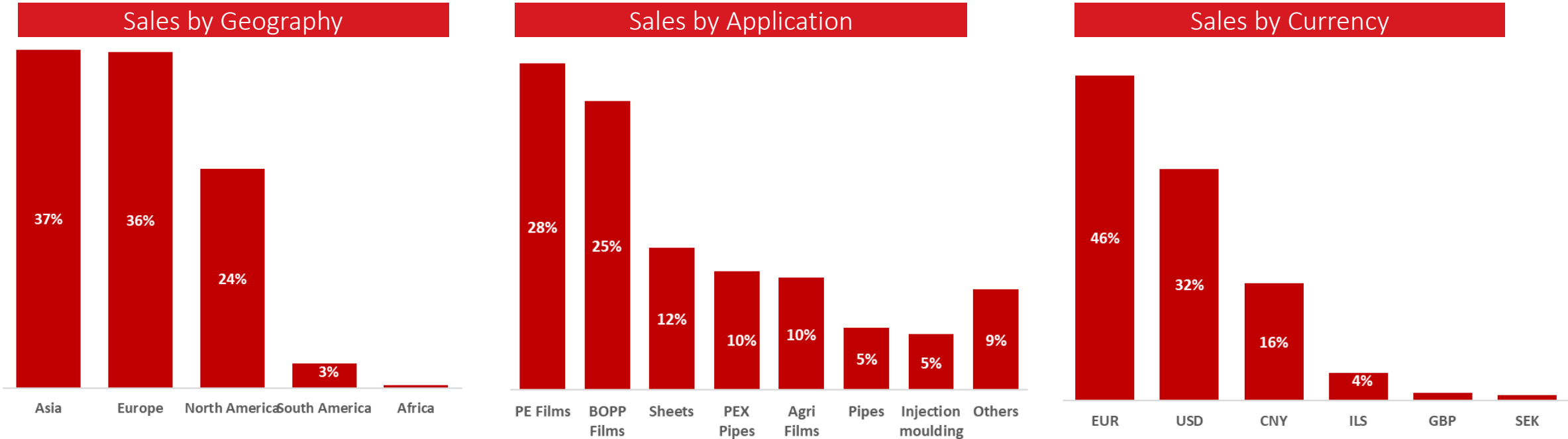
SYNTHETIC PAPER COMPOUNDS

THERMOSTABILIZERS

UV ABSORBERS / UV STABILIZERS

WHITE CONCENTRATES

A well diversified portfolio



(*) Q3 YTD 2022 NIS Value Sales

Among our customers – None of our them > 5%





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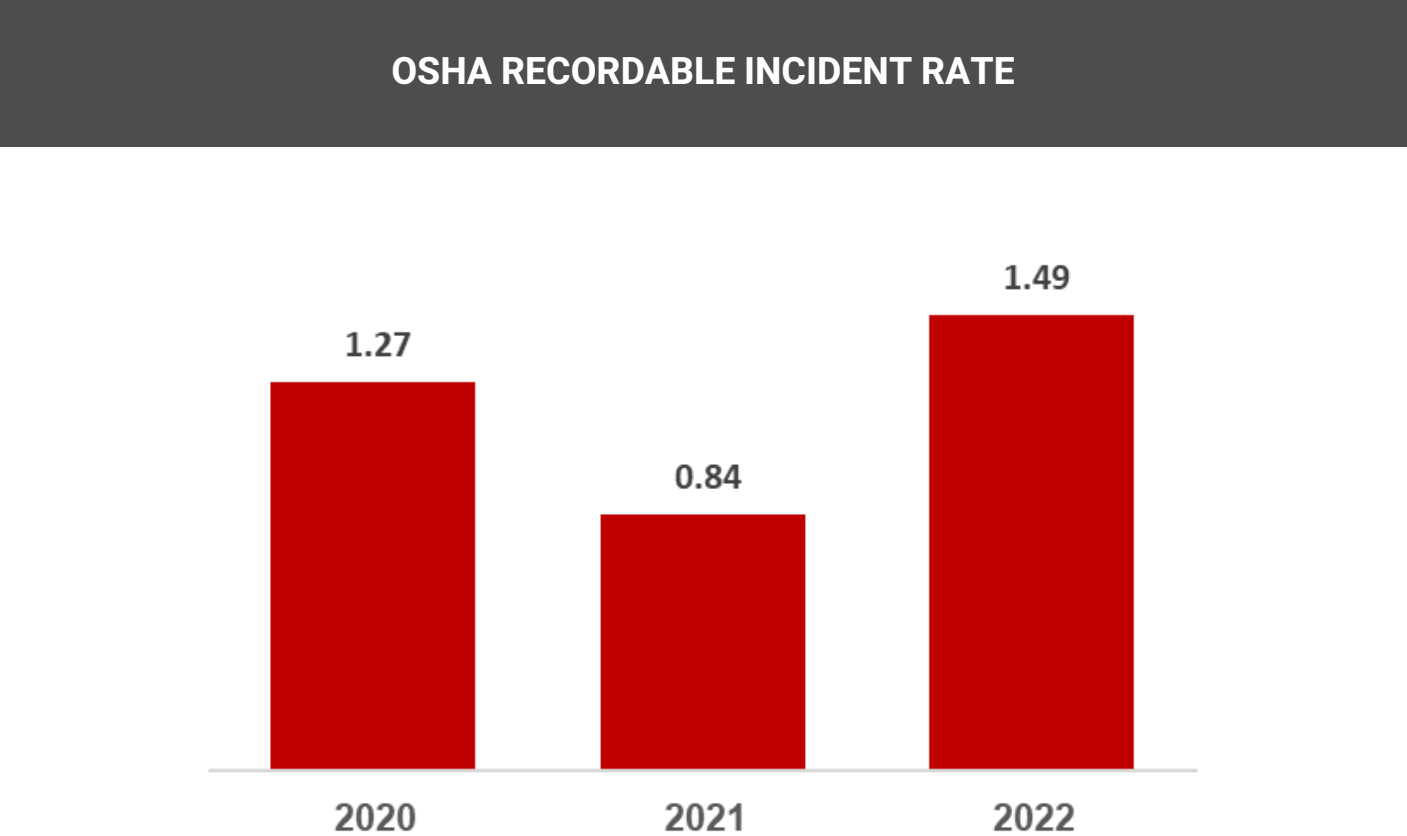
PERFORMANCE HIGHLIGHTS

Q3 YTD 2022 Highlights



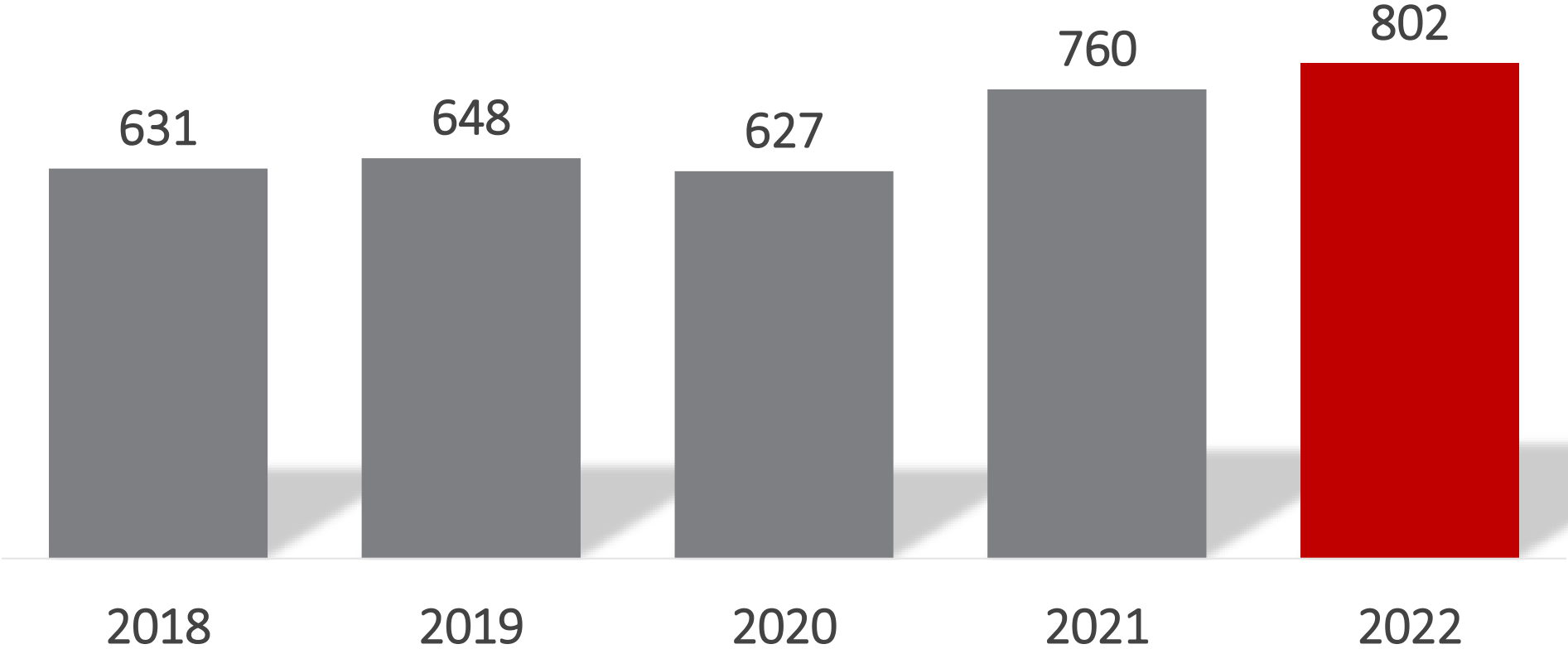
Safety Performance

Striving for continuous improvement

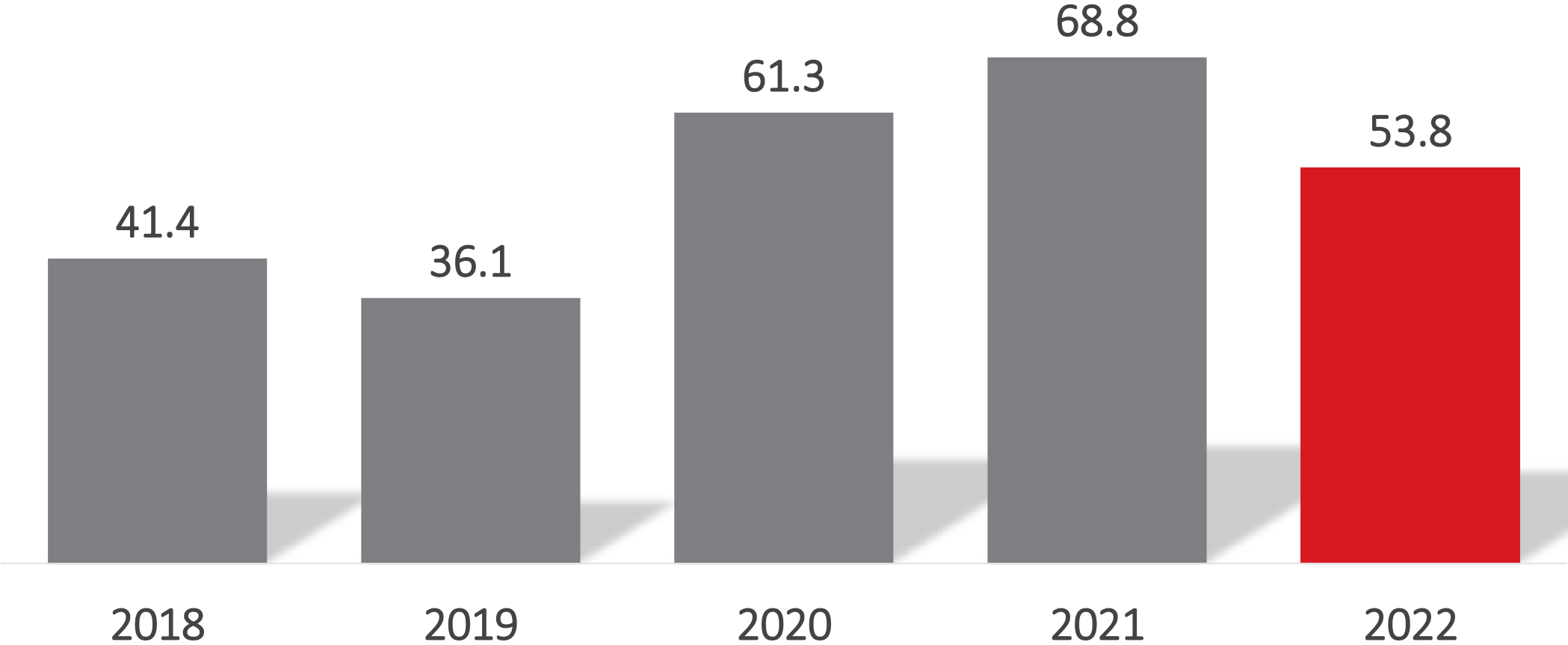


OSHA = #LTA / 200KHours

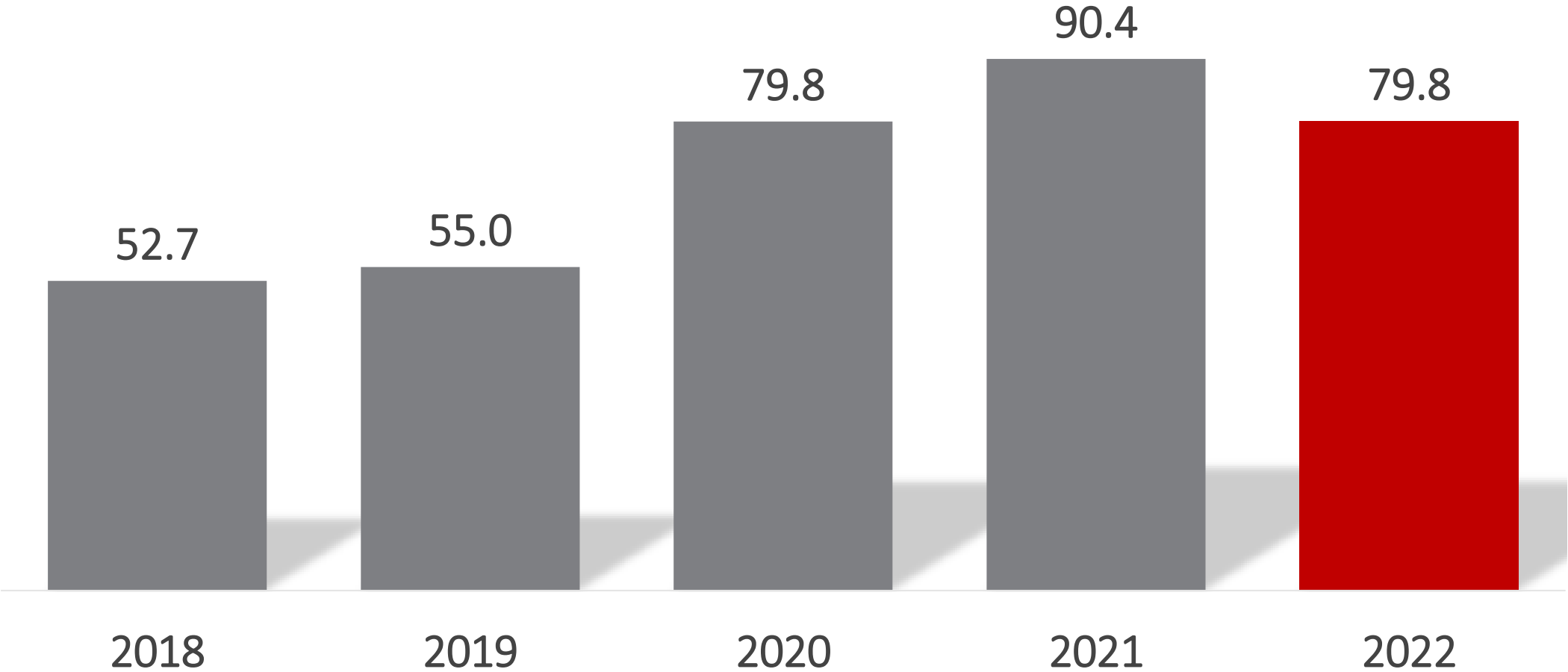
Sales (MNIS)



Operating Profit (MNIS)



EBITDA (MNIS)



The YTD results were affected by soft third quarter results

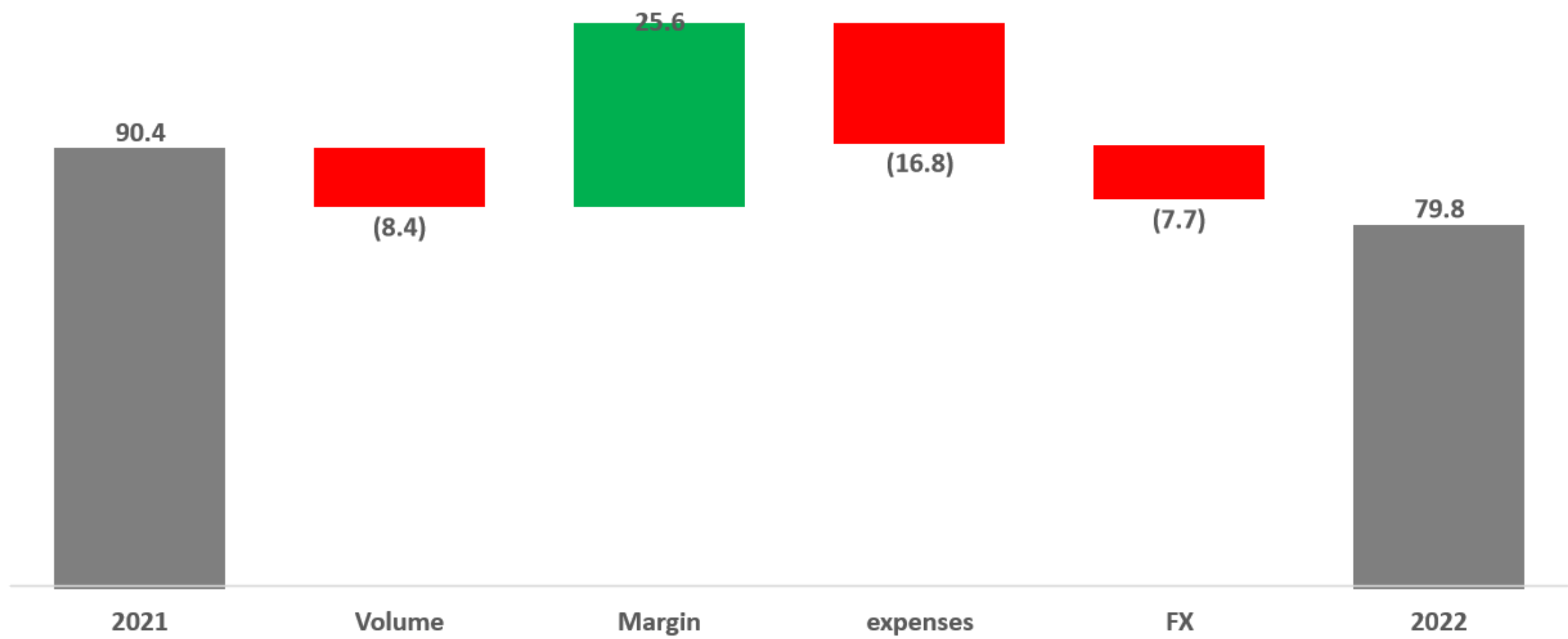
Consolidated P&L – Q3 YTD 2022 vs. 2021

	M-ILS		Change
	2022	2021	2021
Volume Sales (Tone)	63,435	66,891	(5.2%)
Sales	801.7	759.6	5.5%
COST OF SALES	656.3	610.8	7.4%
GROSS PROFIT	145.5 18.1%	148.8 19.6%	(2.2%)
Sale & Marketing	55.5	48.7	14.0%
General & Admin	33.7	31.3	7.9%
Other expenses	2.4	0.0	
Operating Profit	53.8 6.7%	68.8 9.1%	(21.8%)
EBITDA	79.8 10.0%	90.4 11.9%	(11.7%)

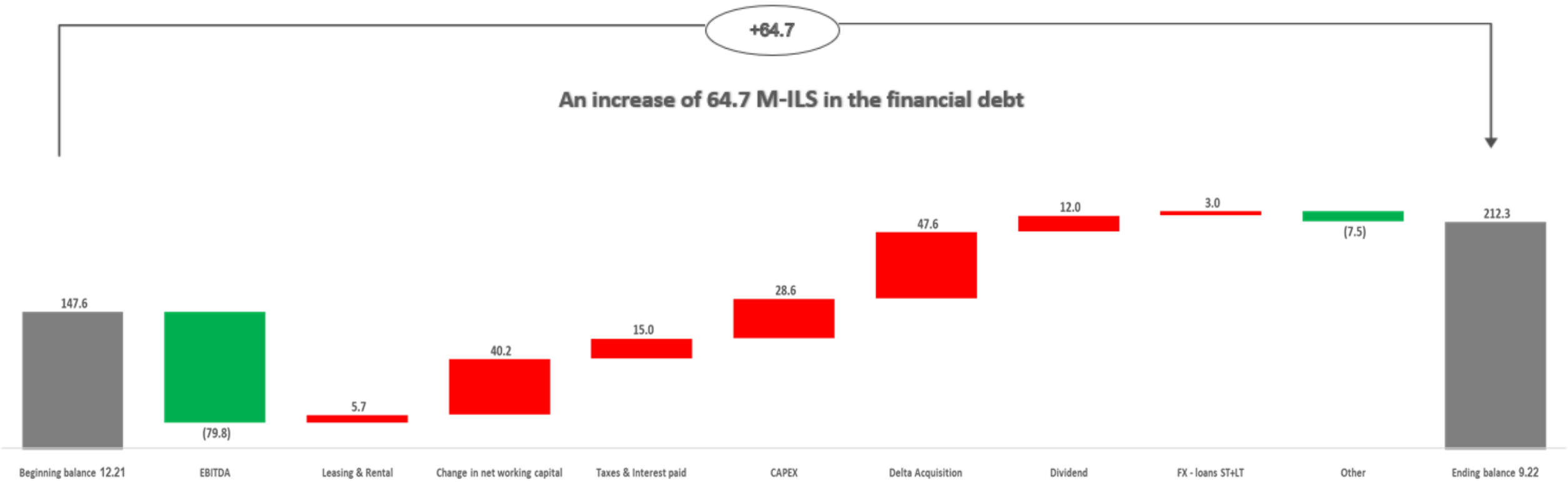
The decrease in quantity affected the bottom line

- Revenues growth driven by the selling Prices increase to compensate Raw Materials inflation, mainly in the first half of the year
- The company succeeded to cope with significant Raw Materials crisis, prices, availability, delays, increasing Inventory to minimize the risk towards our customers
- The soft result of the third quarter affected the YTD bottom line
- The increase in expenses is largely due to the increase in energy expenses, the increase in transportation expenses and Forex
- Other expenses include the one-off expenses of Delta acquisition
- The war between Ukraine and Russia had limited impact on our sales

EBITDA decline was driven by Volume decrease, energy and freight costs and Forex



Debt growth – Acquisition of Delta Kunststoffe





Q3/2022

PERFORMANCE

04

Revenue decreased due to a decrease in demand in the entire industry, driving a decrease in the bottom line

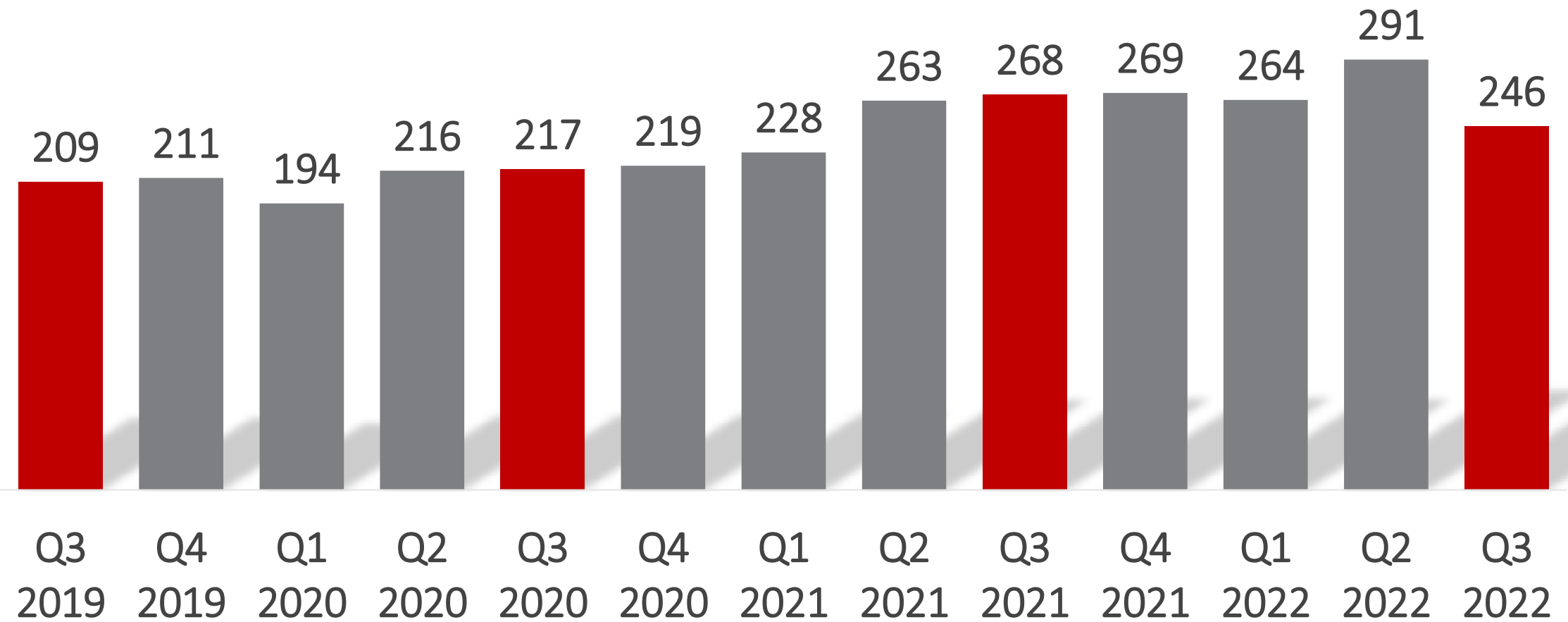
Consolidated P&L – Q3 2022 vs 2021

	M-ILS		Change
	2022	2021	2021
Volume Sales (Tone)	19,277	22,202	(13.2%)
Sales	246.3	267.6	(8.0%)
COST OF SALES	201.9	216.9	(6.9%)
GROSS PROFIT	44.4	50.7	(12.4%)
	18.0%	18.9%	
Sale & Marketing	18.9	17.8	6.5%
General & Admin	11.0	10.8	1.8%
Other expensses	2.4	0.0	
Operating Profit	12.1	22.1	(45.5%)
	4.9%	8.3%	
EBITDA	22.5	29.7	(24.3%)
	9.1%	11.1%	

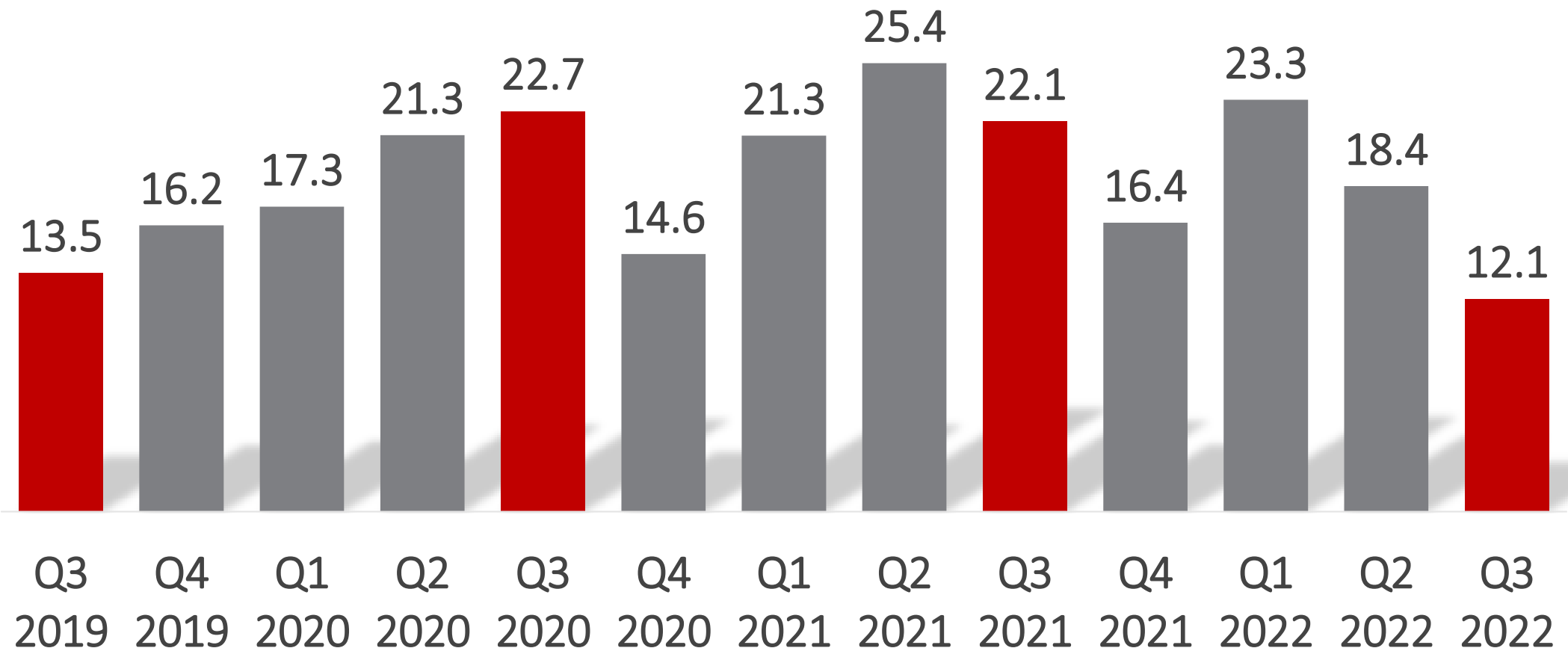
The decrease in quantity drove a decrease in EBITDA

- Top Line decline derived from decrease in demand due to inflation and decrease in customer's RM inventories
- The drop in demand encompassed the entire industry and did not escape the company either
- The company was able to maintain the trading margin
- Other expenses include the one-of expenses of Delta acquisition

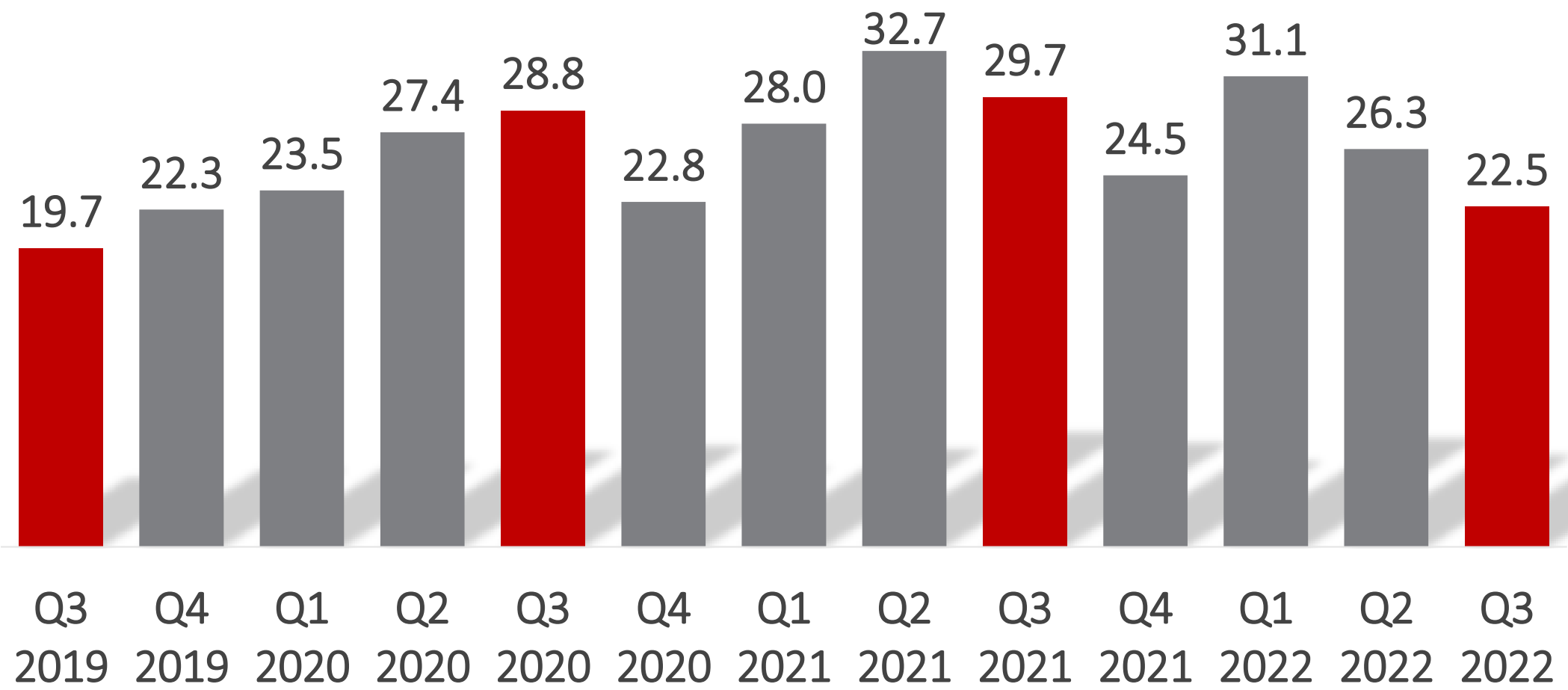
Sales (MNIS)



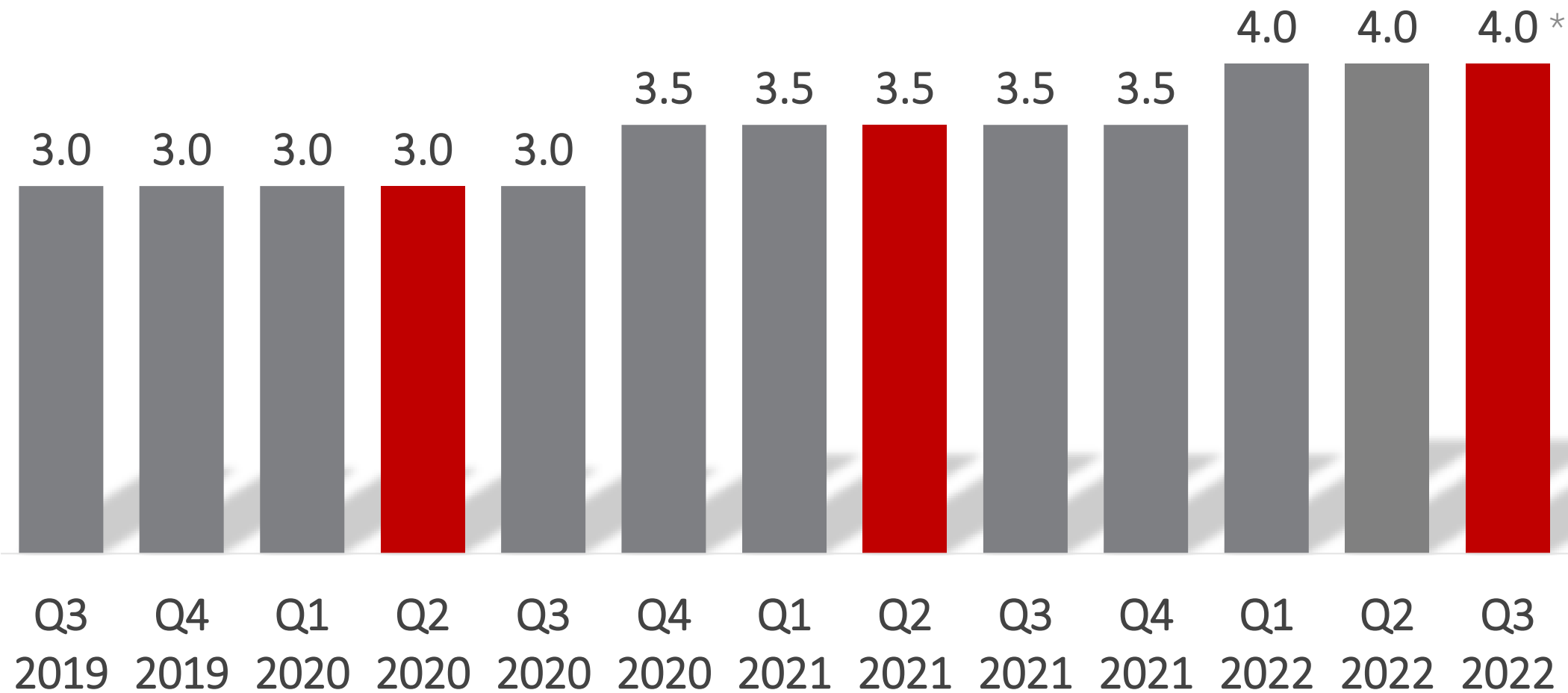
Operating profit (MNIS)



EBITDA (MNIS)



Dividend distribution (MNIS)



*Q3 2022 – As approved in BOD (31/08/2022)



Working together for the future of plastics.