



**OPPORTUNITY TO
INVEST IN A
GLOBAL DIGITAL
PACKAGING
LEADER**

November 2020





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TODAY'S PRESENTERS



Shlomo Nimrodi
CEO

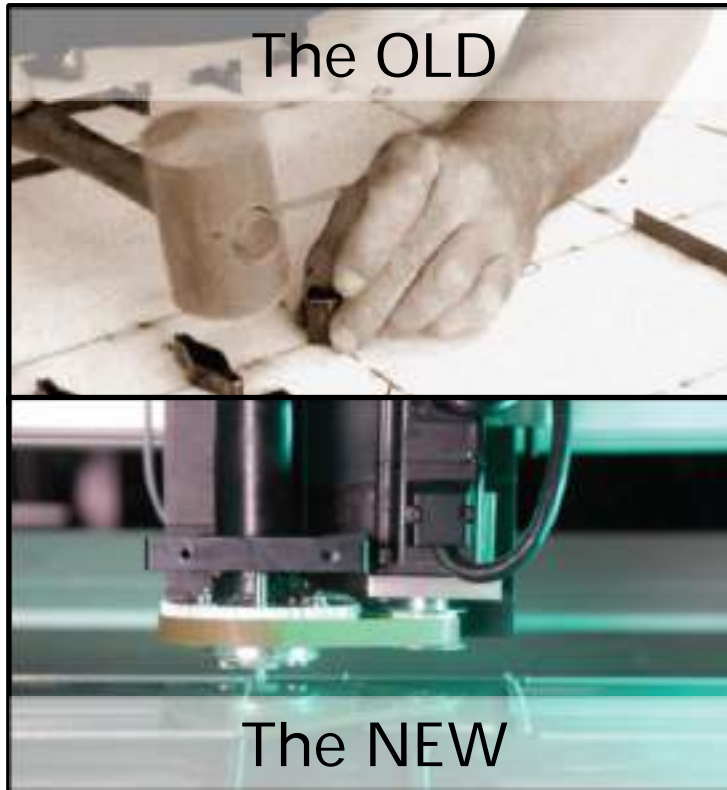
Many years leading multiple global companies as CEO including CFO & COO of Indigo



Eitan Varon
CFO & CMO

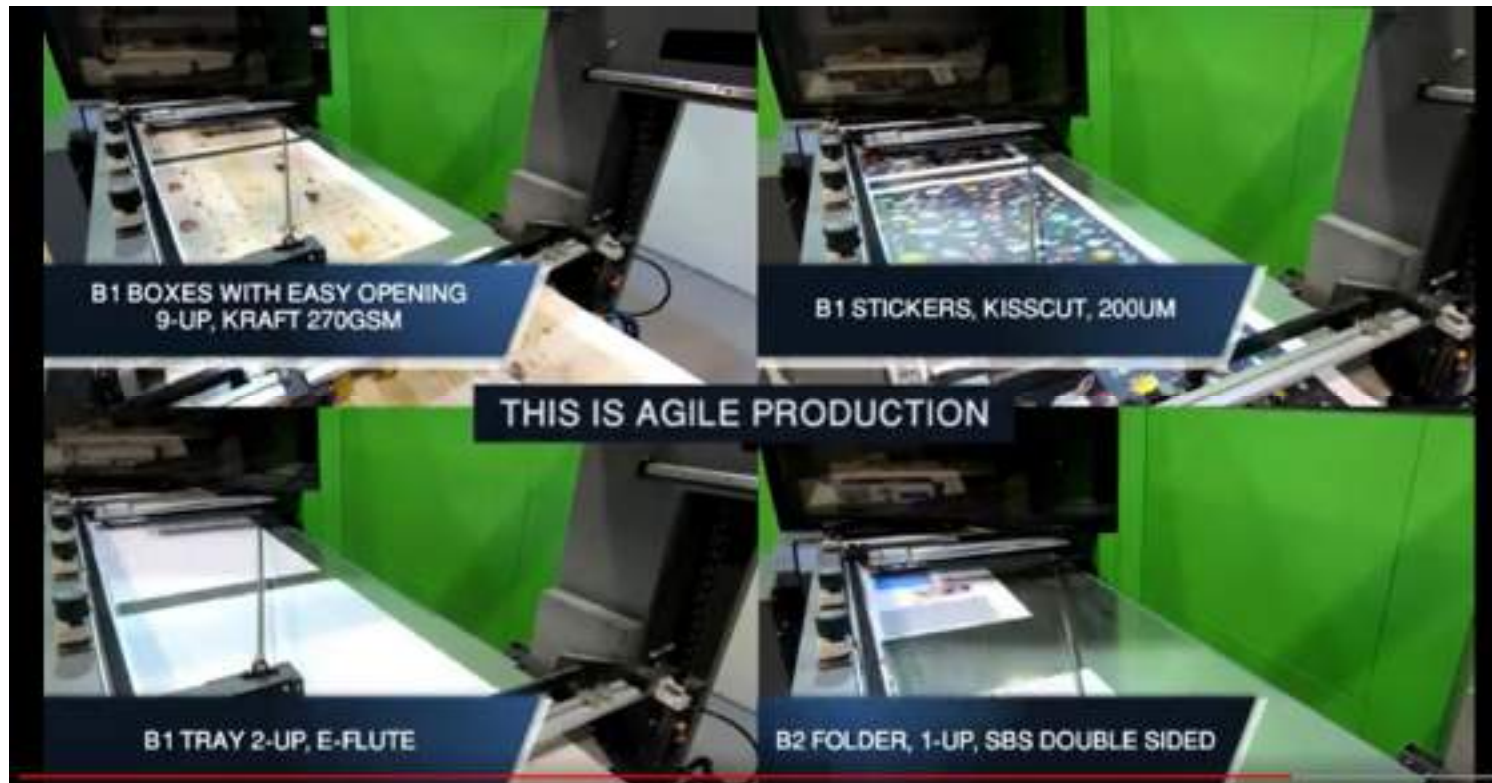
26 years in the print industry.
Scitex, Printar, VIM

THE HIGHCON VISION



TO BRIDGE THE GAP
BETWEEN **AGILE**
PRODUCTION
& **DESIGN**
CREATIVITY WITH
INNOVATIVE DIGITAL
TECHNOLOGY

AGILE PRODUCTION



<https://youtu.be/d6Uvmw-F65g>

THE MARKET GAP

MOVING FROM ANALOGUE TO DIGITAL



100%
Digital Solution
Market
Penetration



Digital
Solution Growing
14%
/ year



Going Digital
NOW!



HIGHCON AT A GLANCE

THE WORLD'S FIRST DIGITAL FINISHING SOLUTION
DISRUPTING A 150 YEAR-OLD INDUSTRY



2009
Founded

\$105M
Capital Raised

85
Employees



Cutting-edge, fully-operative
Technology

>60

PATENTS,
FILED GLOBALLY



World-class industry customers
& consumer brands

60+ installations

15% Repeat orders

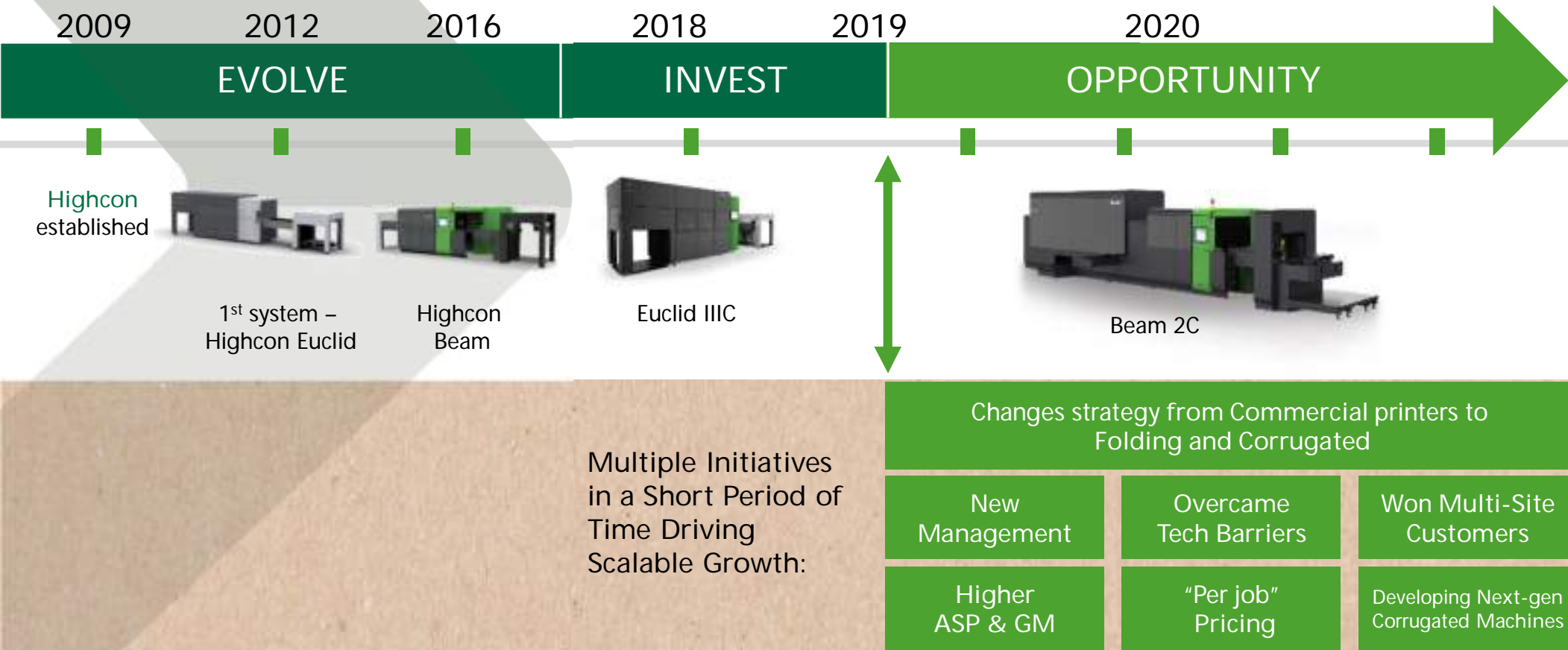


Post Revenues

Recurring
Revenue
business model



HIGHLY SUCCESSFUL REPOSITIONING OF THE BUSINESS



HIGHLY ACTIVE MANAGEMENT WITH PROVEN TRACK RECORD AND INDUSTRY LEADERS



Shlomo Nimrodi
CEO

Many years leading multiple global companies including CFO & COO of Indigo



Eitan Varon
CMO & CFO

26 years in the print industry – Scitex, Printar, VIM



Dvir Harmelech
CTO, Head of R&D

Indigo, Applied Materials, NegevTEch, Landa



Tal Harmon
VP Special Project Development

25 years R&D and management roles in Scitex and HP Scitex



Jens Henrik Osmundsen
VP Sales & GM EMEA & APAC

30 years in the print industry – Indigo/HP



Michael Ciaramella
VP Sales & GM Americas

27 years in the print industry – Microsoft, HP, Scitex, Kodak, Agfa

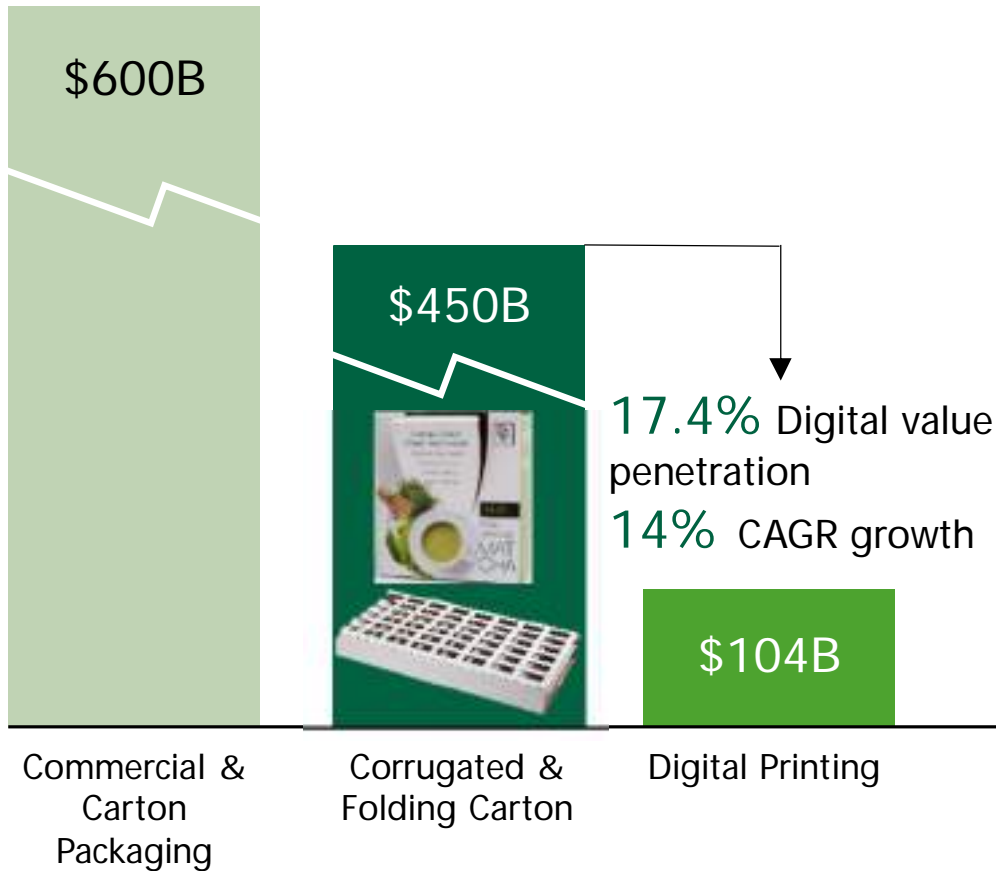


Shmuel Haham
VP Operations & Customer Success

Operations management roles at Indigo, EMC, Comverse, MRV, Attenti



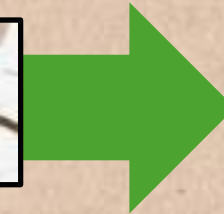
HUGE MARKET IN EARLY TRANSFORMATION



Sources: Smithers Pira, Karstedt Partners LLC.



Mega trends are moving the industry to Digital Finishing



\$7B

Digital Finishing Equipment Opportunity

5 MEGA MARKET TRENDS DRIVING THE NEED FOR A DISRUPTIVE FINISHING SOLUTION

1 E-COMMERCE BOOM

- | High speed manufacturing and rightsizing of packages – key in the next-day-delivery era
- | New Emerging Web-To-Pack businesses

2 SUSTAINABILITY

- | Supply chain efficiency
- | Major companies commit to sustainable packaging



3 MANUFACTURING EFFICIENCIES

- | Minimize inventory and working capital
- | Automation / Industry 4.0
- | Local manufacturing preference



25%+ of shipments is empty space⁽¹⁾



(1) DS Smith.

5 MEGA MARKET TRENDS DRIVING THE NEED FOR A DISRUPTIVE FINISHING SOLUTION

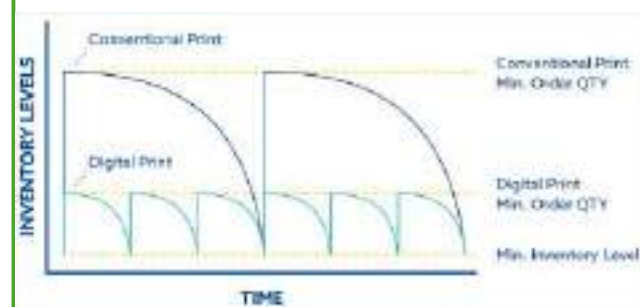
4 DESIGN CREATIVITY

- | Brand Owners increasing attention to consumer delight / Experience – stand-out, easy to open, dual-purposes
- | Customization
- | Shorter lifetime of designs (~6 months)



5 DIGITAL PRINTING

- | \$20bn+ Digital printing industry for packaging enhance digitalization of the industry⁽¹⁾
- | Major players massively invest in digitalization of the packaging industry e.g. HP, EFI, Durst, KBA, Barberan, Brother...



The Boxmaker blog - What is the Packaging Replenishment Cycle?

(1) Karstedt Partners LLC.

ISRAEL IS THE WORLD'S HUB FOR DIGITAL PRINTING



Multiple successful exit events (IPOs / M&A)



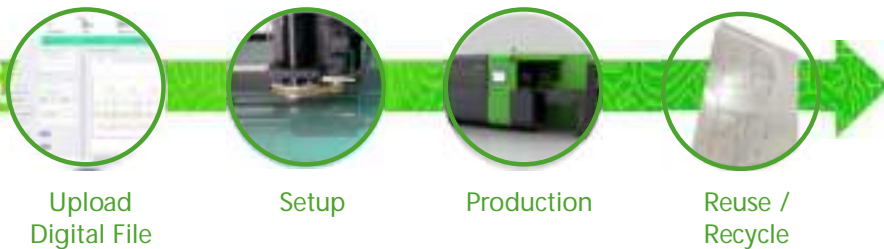
Highcon

Highcon is leveraging the global leadership and experience of Israeli industry pioneers



OUR CUTTING-EDGE SOLUTION

HIGHCON: 4 STEP SOLUTION



Product ready
in Hours!

10-30%
cost savings



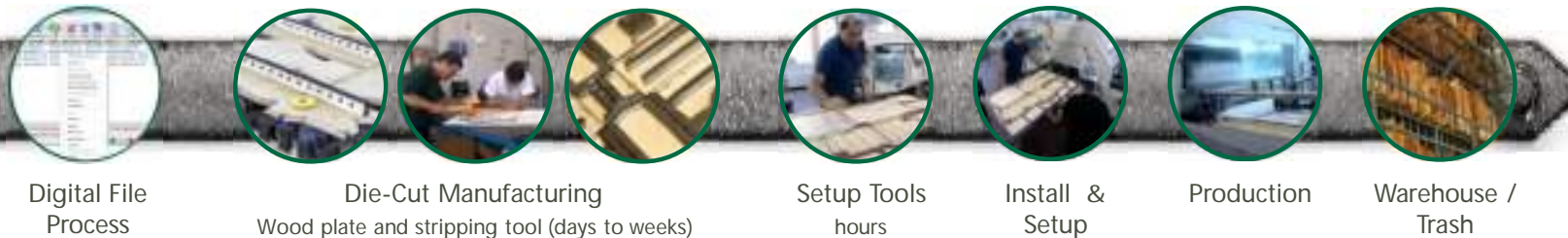
STRONG ROI

Saving up to \$1,000 per job



Jobs per month	100
Cost saving per Job	\$900
Cost saving per Year	\$1,080K

CONVENTIONAL DIE-CUT: ~12 STEP SOLUTION



Product
ready in
Days or
Weeks

Note: The conventional die-cut process illustration includes only select steps.

HIGHCON SIGNIFICANT VALUE PROPOSITION



TIME TO MARKET



MANUFACTURING EFFICIENCIES & SAVINGS



CUSTOMIZATION



ONLINE E-COMMERCE



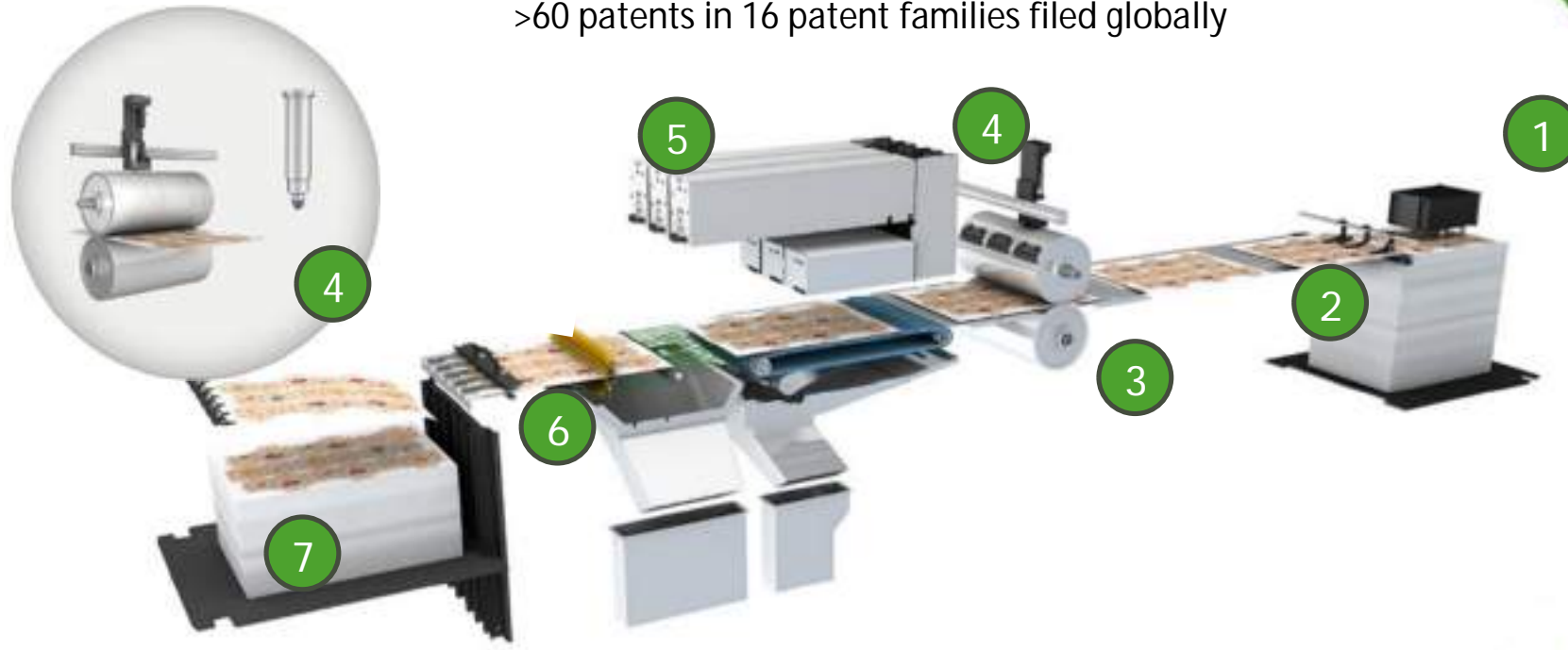
SUSTAINABILITY



CONSUMER DELIGHT / USER EXPERIENCE

ROBUST IP

>60 patents in 16 patent families filed globally



- 1 Feeding system
- 2 Registration (mechanical)
- 3 Advanced registration
- 4 DART station (creasing)
- 5 Laser system (cutting)
- 6 Digital stripping
- 7 Stacking system

Robust Solution Portfolio – ASP FROM \$600K - \$2.2M



SHORT RUNS

CORRUGATED

1mm – 3mm flutes



Highcon Euclid 5C
2250 B1

MEDIUM TO LONGER RUNS

1mm – 4mm flutes

Highcon
Beam 2C



Highcon
Beam 2C
Nonstop



4000 SPH B1

FOLDING CARTON

200 – 600 μ



Highcon Euclid 5S
2750 SPH B2



Highcon Euclid 5
2250 SPH B1 / 2750 B2

200 μ – 2mm flutes



Highcon Beam 2
5000 SPH B1

WHO DO WE SELL TO?

	Medium to Large Corrugated & Folding Carton Producers	Online Web-to-Pack Businesses	"Emerging" Commercial printers
Motivation	Process improvement vs. conventional manufacturing lines	Speed to market, short runs, and cost-efficiency	Diversification, specialization
Primary Customers	Large Brand Owners	SMEs	SMEs

Examples of Customers



Relying on Internal Sales Force and Growing Distributor Network

> 15,000 Potential Customers

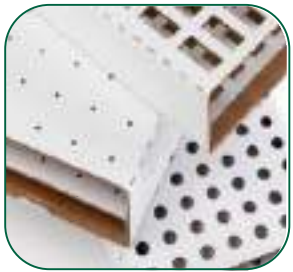
LEADING BRANDS ALREADY USING HIGHCON TECHNOLOGY



Judges include Amazon, P&G, Nestle, Coca Cola, Pepsico, Mondelez, Kraft Heinz, Barilla, etc., etc.

APPLICATIONS BY PRIMARY MARKETS

CORRUGATED – DISPLAY & PACKAGING



FOLDING CARTON



THIMM

Award-winning packaging

PACKAGES TARGETED AT INFLUENCERS

- Limited edition promotion
- Sent to bloggers and influencers

PACKAGES FOR E-COMMERCE

- Innovating to create powerful visual impact
- Customers keep the boxes, driving brand loyalty

DUAL-PURPOSE SAMPLES PACKAGE

- Ship in Own Container
- Protects while maintaining brand exposure



OBAL ROKU packaging competition



Differentiate, surprise and engage

VIRTUAL PACKAGING

From prototypes to full production

RAMP UP FOR SMALLER BRANDS

- No MOQ – JIT packaging
- Volumes grow to match sales

OUTSOURCE TO OTHER CONVERTERS

- Effective production of smaller quantities
- Open market sales

FOCUS ON RAPID TURNAROUND

- ~50 new customers/month
- Word of mouth referrals



GAFS KARTONG

One of first Euclid customers

MONO-MATERIAL PACKAGE

- Board to replace plastic tray insert
- Eye-catching outer box

PACKAGES THAT ARE SUSTAINABLE

- Natural box for health-brand soap
- Client insisted on sustainable process

DUAL-PURPOSE PACKAGE

- Package and shelf display
- Highly effective perforation ensures good display on shelf



Autajon



<https://youtu.be/SOmDkmpnrF4>

SECURED STRATEGIC ACCOUNTS

Potential for future business



	 	 	 	 	
Business Description:	<ul style="list-style-type: none"> • One of the world's largest paper & packaging companies • \$18B revenues • 94 operating facilities 	<ul style="list-style-type: none"> • Based in Germany • ~€650M revenues • 19 production sites across 6 countries 	<ul style="list-style-type: none"> • Leading commercial printing player • \$2B revenues 	<ul style="list-style-type: none"> • Major packaging and labels player • ~\$1B revenues • 36 companies in Europe, US and China 	<ul style="list-style-type: none"> • Based in Australia • \$3B revenues • 43 manufacturing plants across 7 countries
Highcon Wins:	<ul style="list-style-type: none"> • Beam2 & Euclid 5C 	<ul style="list-style-type: none"> • Beam2C • Hosting Highcon Open Houses 	<ul style="list-style-type: none"> • Euclid 5 x 2 	<ul style="list-style-type: none"> • Beam2 	<ul style="list-style-type: none"> • Beam 2C

Note: Revenue estimates for 2019.

ENABLING 'WEB-TO-PACK' BUSINESSES

EMERGING CATEGORY



Web-to-Pack are web platforms that enable any SME to design custom packing and print in 48hrs !

- On-trend with e-Commerce boom
- On-trend with growing demand for customization
- On-trend with consumer delight and flexible design
- Globalizing SME businesses – shipping worldwide

Value Proposition for SME Customers

Graphic illustrating the value proposition for SME customers, featuring six key benefits and a product image:

- Super Fast Ordering
- No Minimum
- Custom Dimensions
- Intuitive 3D Design Tool
- High Quality Full-Color Printing
- Sustainably Sourced and Recyclable

Product image: A blue box labeled "Ready to Fly!" with a yellow box on top, and a brown cardboard box next to it.

User Friendly, Quick Process

Create your customer packaging in just a few steps

Order your product size → Download the design → Upload your file → Preview & Buy

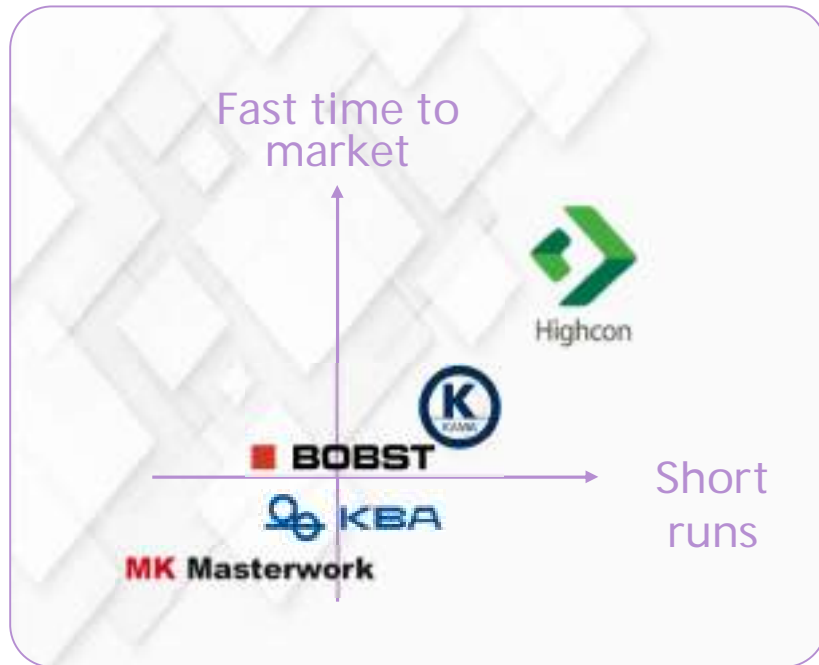
Illustration of a person using a ladder to place a box on a shelf, with other boxes nearby.

Large SKU Selection Without The High Cost of Inventory

Illustration of a large grid of various custom packaging designs, demonstrating a wide range of options available without high inventory costs.

COMPETITIVE LANDSCAPE

Analog



Digital



KEY HIGHLIGHTS

On path to replicate Israeli success stories in digital printing

- Category creator in the large, growing global packaging and display industry
- Disruptive, cutting-edge digital solution solving changing industry needs and replacing 150 years-old industry
- Proven technology and go-to-market strategy create clear path for growth – first mover advantage!
- Blue-chip customer base and consumer brands
- Sizeable growth trajectory with highly attractive recurring revenue business model
- Experienced management team with proven exit track record, backed by world-class strategic & financial investors

THANK YOU



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Highcon