

### **Turpaz's 3<sup>rd</sup> acquisition since IPO**

**Turpaz continues to implement its growth strategy, and acquires the business activities and assets of Pilpel and Galilee Herbs for a total of NIS 12 million (\$ 3.75 million).**

**These acquisitions in the field of savory flavors, natural extracts, and special flours (gluten-free) establish and expand Turpaz's product portfolio in the sectors of natural and organic flavors and raw materials.**

**Holon, Israel, October 4, 2021 - Turpaz Industries Ltd.**, a global company that develops and produces thousands of flavor and fragrance extracts, intermediates, and unique raw materials and markets and sells them in more than 30 countries globally, reports today on the acquisition of Pilpel food Industries Development Ltd's and FC Galilee Herbs Ltd's business activities and assets for the total amount of NIS 12 million (\$ 3.75 million). The acquisition of the companies' business activities and assets joins the SDA and FIT acquisitions made this year in the field of savory flavors, natural, organic raw materials and special flours (gluten-free) that enable Turpaz to expand its product range offered to its customers in Israel and around the world and leverage synergies between group companies. The payment is subject to adjustments to the amount of NIS 1 million for 2021 and 2022, which will be added to or deducted, depending on EBIDTA from the activity acquired in each of the said years.

Pilpel and Galilee Herbs produce savory spice blends, special flours (gluten-free), and flavor extracts. This acquisition complements the company's acquisitions made this year and creates a wide range of products in the field of natural and organic flavors and raw materials for Turpaz.

The sales rate of the acquired activity in the last 12 months was NIS 19.5 million (\$ 6.1 million). The Company's management estimates that the synergy with the Company and the acquired companies will bring the acquired activity to the profitability of the flavors segment during the following year.

**Keren Hazon, Chairman and CEO of the Turpaz group, said today:** "We are pleased to report on business activities and assets acquisitions in the field of savory flavors, natural, organic extracts and special flours (gluten-free), which expand and complement for our customers a wide range of flavors and ingredients to the natural food and cosmetics industries in Israel and around the world. The acquisition of the business activities and assets of Pilpel and Galilee Herbs, in addition to the completion of the acquisition of SDA and the acquisition of control of FIT that we made this year, enabling Turpaz to become a one-stop shop for its customers and establishes the group's flavors segment."

### **About Turpaz**

Turpaz specializes in the development, production and marketing of fragrance and flavor extracts both natural and synthetic, sweet, and savory for the food, beverage, ice cream, confectionery, toiletries, cosmetics, home care and detergent industries. The company has a wide and diverse portfolio of products and the ability to develop and customize for customers. Turpaz develops, manufactures and markets unique raw materials with high added value, for

the pharma, agro and aroma chemicals industries. Over the years, Turpaz has built a leading business and competitive position in major markets around the world, through the creation of a development and production infrastructure and a marketing and sales system, worldwide in particular in Europe, North America and Southeast Asia. Turpaz's global position has intensified since 2016 through the acquisition of companies in various countries around the world. The company's business strategy is based on organic growth at a rate higher

than market growth, and successful and systematic implementation of strategic acquisitions.

To date, the company has made 12 strategic acquisitions, including: the acquisition of Pollena Aroma, the Polish company, which operates in the segment of fragrances and flavors, for its state-of-the-art plant, for around 7 million Euros; the acquisition of Chemada's activities for around 4.1 million dollars that enabled the company to enter the sectors of intermediates and unique raw materials; the acquisition of American Flavor Associates in the sectors of fragrances and flavors, which greatly strengthened the company's grip on the American market and its entry into the Chinese market; the acquisition of 60% of WFF shares in Vietnam which is the center of the company's operations in Southeast Asia; the acquisition of SDA from Kibbutz Sde Eliyahu in the sector of natural savory flavors and which enabled the company to enter the field of spice blend; the acquisition of 60% of the Belgian company FIT, which produces savory flavors (Savory) and the acquisition of the business activity and assets of Pilpel and Galilee Herbs, which establish and expand the product portfolio of Turpaz in the field of natural and organic flavors and raw materials. These acquisitions have enabled Turpaz to accelerate the development of its global manufacturing infrastructure to 8 sites worldwide, and form the infrastructure for the company's continued expansion into additional international markets and to strengthen the company's global development, production, marketing and sales systems.

The Turpaz Group is led by Chairperson and CEO Karen Khazon, with over 20 years of experience in management positions in the global flavor and fragrance industry and international experience in acquisitions of companies in the field, and who led Aromor to an impressive 100 million dollar exit when it was sold to IFF. Khazon's business partner for many years is Dr. Israel (Reli) Leshem, a partner in Meitar law firm, who serves as a director of the company.