

This is an English translation of a Hebrew immediate report that was published on December 12, 2021 (reference no.: 2021-01-178428) (hereafter: the "**Hebrew Version**"). This English version is only for convenience purposes. This is not an official translation and has no binding force. Whilst reasonable care and skill have been exercised in the preparation hereof, no translation can ever perfectly reflect the Hebrew Version. In the event of any discrepancy between the Hebrew Version and this translation, the Hebrew Version shall prevail.

The Company is honored to announce that it intends to adopt an English language reporting policy whereby all of the Company's reports on material events will be translated for convenience into English. Accordingly, the Company publishes this translation for convenience.



T U R P A Z

Turpaz Industries Ltd.
(the "**Company**")

Company number: 514574524

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December 12, 2021

To:
Israel Securities Authority ("**ISA**")
Reported Via Magna

To:
Tel Aviv Stock Exchange Ltd. ("**TASE**")
Reported Via Magna

Re: **Acquisition of Fragrance company in Latvia**

As part of the Company's strategic plan, including the acquisition of synergistic activities for its sector of activities, the Company is honored to announce that on December 10, 2021, the Company entered into an agreement to purchase full shares of LORI RKF (the "**Agreement**" and "**Lori**" respectively), a private company incorporated in Latvia, operating in the fragrance sector, from its shareholders (the "**Sellers**"). This is the fourth acquisition made by the Company in 2021.

Lori, a company incorporated in 1992, which employs 50 people, is engaged in producing and marketing perfumes in Eastern Europe and has diverse development capabilities and applications. The acquisition of Lori will enable the group to expand

its sales, development, and marketing in the fragrances sector in Central and Eastern Europe while leveraging the synergies between the group's companies in Israel and around the world. The acquisition of Lori will expand the Turpaz group's customer base in the territories in which Lori operates.

The Company will acquire Lori's shares for a total of € 3.14 million (\$ 3.5 million), plus net cash balances. The Company intends to pay the consideration from its sources. The transaction is expected to be completed at the beginning of the first quarter of 2022.

The agreement includes customary provisions for such transactions, including representations, obligations to indemnify the Company in the event of a breach of representations, provisions regarding confidentiality, and the like.

Lori's shareholders, who serve as its directors, will continue to manage and lead the company in the coming years as part of Turpaz's management team.

According to Lori's financial statements prepared on a local GAAP basis, Lori's sales turnover amounted to € 4.7 million (\$ 5.3 million) in 2020 and in 2019 to € 4 million (\$ 4.5 million).

The Company's assessment regarding the date of completion of the transaction is “Forward-Looking Statement” as defined in the Securities Law, 5728-1968, whose realization depends, among other things, on factors that are outside of the Company’s control and might be realized differently from stated in this notice.

Respectfully,

Turpaz Industries Ltd.

By: Karen Cohen Khazon, CEO and Chairperson.