

This is an English translation of a Hebrew immediate report that was published on April 13, 2022 (reference no.: 2022-01-047560) (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.



Turpaz Industries Ltd.
(the “**Company**”)

Company number: 514574524

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Tel: 03-5560913; Fax: 03-5560915

13 April, 2022

To:

Israel Securities Authority (“ISA”)

Reported Via Magna

To:

Tel Aviv Stock Exchange Ltd. (“TASE”)

Reported Via Magna

Re: **Acquisition of Pentaor, a company engaged in the development, production, and marketing of functional solutions for the field of baking**

Turpaz Industries Ltd. (“**Turpaz**”) is honored to announce that on April 12, 2022, it signed an agreement to purchase 100% of the issued and paid-up share capital and voting rights in Pentaor Ltd., a private company incorporated in Israel (“**Purchase Agreement**” and “**Pentaor**”), from its shareholder (the “**Seller**”), in exchange for the sum of NIS 10 million (\$ 3.1 million). The transaction was completed at the time of signing and financed from own resources. In accordance with the terms set forth in the purchase agreement, the Seller will be entitled to an additional consideration for the total amount of up to NIS 1.5 million (\$ 0.5 million), subject to meeting business objectives defined in the purchase agreement for the years 2022 and 2023.

Pentaor, founded in 1997 by the late Dr. Oren Ben Israel, is engaged in the development, production, marketing, and sale of unique functional solutions in the field of baking with advanced technology, under the PentaCake brand, which allow a combination of benefits such as softness, moisture, volume, texture, and long shelf life. Pentaor operates in the industrial area of Zarzir adjacent to the Turpaz development center, and exports the vast majority of its products to emerging markets, such as Vietnam, India and Southeast Asia.

Pentaor's operations in the Vietnamese and Southeast Asian markets join Turpaz's operations in Vietnam through its subsidiary WFF¹, thereby enabling Turpaz to expand and deepen its operations in one of the world's emerging markets. In addition, the acquisition of Pentaor will enable synergies in purchasing and customers between the companies in the Turpaz Group, expanding the Group's portfolio and diversifying the product basket for the group's customers in Israel and around the world.

Simultaneously with the completion of the transaction, an agreement was signed with the Seller, who will continue to manage and lead Pentaor in the coming years and will join the management team of the Turpaz Group.

According to financial data provided by Pentaor, based on Pentaor's audited financial statements for 2020, and unaudited management reports for 2021, Pentaor's sales turnover in 2020 and 2021 was NIS 5.6 million and NIS 6.6 million respectively (\$ 1.6 million and \$ 2.0 million respectively).

Turpaz does not view this acquisition as an acquisition of a material asset.

It will be clarified that Turpaz's assessments regarding the expansion of its activity in the Vietnamese and Southeast Asian markets and regarding growth trends in this market is forward-looking information as defined in the Securities Law 1968, whose realization depends, among other things, on factors beyond Turpaz's control, and which may be realized differently from what is stated in this report.

Sincerely,

Turpaz Industries Ltd.

Signed by: **Karen Cohen Khazon, Chairman of the Board and CEO**

¹Western Flavors Fragrances Production Join Stock Company ("WFF"). for more details about WFF, see section 1.3.3 of Turpaz's periodic report published on 14.3.2022 (reference: 2022-01-029374).