

This is an English translation of a Hebrew immediate report that was published on May 9, 2024 (reference no.: 2024-01-045742) (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
Address: Halahav 2 Holon
Tel: 03-5560913; Fax: 03-5560915

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

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

Re: Signing of a substantial loan agreement

The Company is honored to announce that on May 8, 2024, wholly owned subsidiaries of the Company (the "**Subsidiaries**") entered into a loan agreement with a European banking corporation (the "**Banking Corporation**"), according to which the Banking Corporation will provide the Subsidiaries with a loan to the total of up to 25 million Euros, which will mainly be used to finance the acquisition of companies, working capital and capex needs (the "**Loan agreement**"), as detailed below:

1. The loan amounts. The loan amount includes a guaranteed amount of up to 17.4 million Euros, which will be withdrawable for a period of up to one year from the date of signing the loan agreement (the "**Guaranteed amount**") and an additional amount of up to 7.6 million Euros, which is an optional amount and its withdrawal will be subject to the approval of the application of the subsidiary by the Banking Corporation (the "**Optional amount**").
2. Repayment schedule (fund). (a) The guaranteed amount will be repaid in 8 equal semi-annual payments starting from the date of the first interest payment to be paid approximately one year from the date of signing the agreement; (b) The optional amount will be repaid in accordance with the settlement schedule that will be agreed upon with the banking corporation on the day it is actually taken.
3. Interest. The loan amounts will bear annual interest at the Euro LIBOR rate plus a margin of 1.65%, which will be paid on a semi-annual basis.
4. Fees. The Subsidiaries undertook to pay interests in immaterial amounts.

5. Compliance with financial covenants. The Subsidiaries have committed that the group will meet the net debt coverage ratio and the capital to balance sheet ratio, under conditions identical to the existing financial relationships in the Company's current financing agreements. For details about the financial covenants and their rate, see note 16c to the financial statements for 31.12.2024 (as published on 3.20.2024, reference: 2024-01-023989).
6. Security. As collateral for the loan, the Company and its wholly owned subsidiary signed a guarantee for the loan agreement. Also, the borrowing companies committed to the Banking Corporation not to create liens on all of their assets, except in the cases and conditions detailed in the Loan agreement.
7. Additional instructions. The Loan agreement includes additional conditions as is customary in agreements of this type, including obtaining prior approval for material changes in the field of activity, sale of material assets, distribution of dividends over 50% of the annual profit of the Turpaz group, as well as grounds for immediate repayment in various cases of violation, including in the event of a change of control in the Company. The Company's management believes that the aforementioned conditions do not harm the continuation of the ongoing management of its business and the achievement of its strategic plan.

Sincerely,

Turpaz Industries Ltd

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