

This is an English translation of a Hebrew immediate report that was published on December 22, 2024 (reference no.: 2024-01-625932) (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**")

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

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

22 December 2024

Re: **Signing a Material Loan Agreement**

The Company is pleased to announce that on December 19, 2024, a wholly owned subsidiary of the Company (the "**Subsidiary**") entered into a loan agreement with a European banking corporation (the "**Banking Corporation**"), pursuant to which the Banking Corporation will provide the Subsidiary with a loan to the amount of 17 million pounds sterling (approx. 21.5 million dollars) (the "**Loan Amount**" and the "**Loan Agreement**", respectively). The loan will be used to repay a portion of the short-term loan taken by the Company to finance the acquisition of Flavours and Essences UK Limited ("**F&E**") (for details regarding the acquisition of F&E and the short-term loan agreement taken by the Company, see Immediate Reports dated 1.9.2024 and 29.8.2024, references: 2024-01-096823 and 2024-01-096340, respectively).

1. Interest. The Loan Amount will bear annual interest at the SONIA<sup>1</sup> rate plus a margin in the range of 1.7%-2.5%. The interest will be paid quarterly. The first interest payment will be paid three months after the date of the loan withdrawal.
2. Repayment schedule (principal). The Loan Amount will be drawn by the end of 2024 and will be repaid in 16 equal quarterly payments, starting from the date of the first interest payment.
3. Compliance with financial covenants. The Subsidiary has committed that the group will comply with the debt coverage ratio and the equity to balance sheet ratio, under conditions that are essentially identical to the financial ratios existing in the Company's current financing agreements. For details regarding the financial covenants and their rate according to the latest financial statements, see section 7 of the Board of Directors' Report attached to the financial statements as of September 30, 2024 (as published on November 18, 2024, reference: 2024-01-616400).

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<sup>1</sup> Sterling Overnight Index Average



4. Collateral. As collateral for the loan, the Company signed a guarantee for the Loan Agreement. In addition, the Subsidiary undertook the Banking Corporation not to create a lien on any of its assets, except in cases and under the conditions specified in the Loan Agreement.
5. Additional provisions. The Loan Agreement includes additional conditions as is customary in agreements of this type, including, among other things, obtaining prior approval for the sale of material assets, as well as grounds for immediate repayment in various cases of breach, including in the event of a change in control of the Company. The Company's management believes that the aforementioned conditions do not impair 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 & CEO