



This is an English translation of a Hebrew immediate report that was published on June 3, 2025 (reference no.: 2025-01-039571) (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

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

3 June 2025

Re: **Acquisition of Flavors and Fragrances Business in Poland**

Turpaz Industries Ltd. (“**Turpaz**”) is pleased to announce that on June 2, 2025, it signed, through its subsidiary Pollena Aroma¹, an agreement to acquire the business of Carotex², founded by the Tatrzański family (“**Carotex**” and the “**Founders**”, respectively), for a consideration of approx. \$23.4 million (PLN 87.2 million) and the issuance of 22% of the share capital in Pollena. The transaction was completed at signing, and it was financed through internal sources and short-term bank financing, which will be replaced in the future with a long-term loan.

The merger of the synergistic activities of Carotex and Pollena, which have a similar scope of activity, is expected to be reflected in operational efficiency of the activities, and to enable Turpaz to strengthen and expand its product portfolio and leverage and realize the cross-selling opportunities of the acquisition, both by expanding its customer base and by expanding the variety of its products in the segment of flavor and fragrance extracts, mainly for beverages, a sector with significant growth potential in which Pollena has been almost completely inactive to date.

Founded in 1989, Carotex operates in the field of flavors and fragrances in Poland. In the flavor segment, Carotex develops, produces and markets sweet flavors, emulsions and colorants for beverages (soft, alcoholic and non-alcoholic), and food (dairy, bakery and pharmaceutical). In the fragrance segment, Carotex develops, produces and markets fragrance extracts for the

¹ Fabryka Substancji Zapachowych “Pollena-Aroma” Spółka z ograniczoną odpowiedzialnością, a private Polish company, which is moving to complete the transaction, of which Turpaz holds (indirectly) 100% of the share capital and voting rights (“**Pollena**”).

² Carotex Koncentraty Tatrzański Spółka komandytowa, limited partnership incorporated in Poland.



personal care, cosmetics, toiletries, air fresheners and detergents industries. Carotex has a broad customer base in Europe, especially in Poland, and a very wide range of solutions and products that are complementary to the solutions and products currently offered by Pollena, mainly in the afore mentioned beverage sector. The founders, who have extensive management experience in the food and beverage specialty solutions and fragrance extracts industry, will join Pollena's management team and assist in the merger of Pollena and Carotex's activities. As of the date of the report, Carotex employs 31 people.

The acquisition of the Carotex business is a synergistic acquisition for Turpaz, which aligns with the group's strategy to expand its activities in the segment of sweet flavors and solutions for food and beverages, while focusing on developing natural, innovative and unique products with high added value. In addition, the acquisition is expected to allow Turpaz to expand the group's range of flavor and fragrance solutions, with a new product portfolio in the segment of beverages and synthetic and natural fragrance extracts, and to strengthen Turpaz's capabilities to offer customized solutions to the unique needs of its customers.

The agreement includes a Put/Call option to purchase the shares allocated in Pollena as aforesaid, exercisable for one year, commencing 4 years after the completion of the transaction. The option exercise price is based on Pollena's EBITDA from the completion date until the option exercise date.

According to financial data received by Turpaz from Carotex, based on unaudited management reports for the years 2024 and 2023 under Polish GAAP, Carotex's revenue amounted to \$10.9 million (PLN 43.2 million) and \$9.1 million (PLN 38.1 million), respectively; operating profit amounted to \$5.3 million (PLN 21.1 million) and \$3.8 million (PLN 15.9 million), respectively; net profit amounted to \$4.2 million (PLN 16.6 million), respectively, and \$3.1 million (PLN 13 million); adjusted EBITDA³ amounted to \$5.4 million (PLN 21.6 million) and \$3.9 million (PLN 16.2 million), respectively; total assets amounted to \$1.2 million (PLN 5.1 million) and \$1.2 million (PLN 4.9 million), respectively.

It should be emphasized that the financial estimates included in this report are based on data that is not reviewed or audited, and therefore actual results may differ from the financial data detailed above.

Sincerely,

Turpaz Industries Ltd.

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

³ Adjusted EBITDA meaning - profit before interest, taxes, depreciation and amortization, excluding one-time expenses.