



TURPAZ INDUSTRIES LTD

Company Number: 514574524

Address: 10 Hashita St., Caesarea

Phone: 03-5560913, Fax: 03-5560915

To:

Israel Securities Authority

Via MAGNA

Tel Aviv Stock Exchange Ltd.

Via MAGNA

September 30, 2025

Subject: Acquisition of South African Flavors Company (Nicola-J)

TURPAZ INDUSTRIES LTD ("TURPAZ") is pleased to announce that on September 29, 2025, it signed, through Sunspray¹⁰¹, an agreement to acquire 60% of the share capital of Nicola-J Flavours & Fragrances (Pty) Ltd, a private South African company ("Nicola-J"), from its shareholders for approximately \$6.8 million (about 118.4 million Rand). The consideration is subject to adjustment based on Nicola-J's EBITDA for the period ending February 28, 2026. Completion of the transaction is expected in the coming months, subject to regulatory approval in South Africa. The transaction will be financed from internal resources.

Nicola-J was founded in 1997 and is engaged in the development, production, and marketing of sweet and savory flavors, colors, oleoresins (concentrated plant extracts), and essential oils. Nicola-J has a broad and diverse customer base in South Africa and several other African countries, including Zimbabwe, Mozambique, Zambia, Botswana, and Kenya.

Nicola-J operates a production site, research and development laboratory, and sales offices in Johannesburg, adjacent to Sunspray's plant, covering an area of 5,100 sqm, of which 2,500 sqm are built-up, all of which are included in the transaction. As of the reporting date, Nicola-J employs 71 workers.

The management of Nicola-J, with many years of managerial experience in the South African flavors industry, will continue to lead and manage Nicola-J in the coming years.

This is an unofficial AI generated translation of the official Hebrew version and has no binding force. The only binding version is the official Hebrew version. For more information, please review the legal disclaimer.

The acquisition strengthens TURPAZ's position in South Africa in particular and in Africa in general, expands TURPAZ's product portfolio in Africa, and complements the activities of Sunspray, which specializes in spray drying for the food and beverage industry. The integration of Nicola-J is intended to create operational and commercial synergy and assist in expanding the customer base and creating new growth engines, including cross-selling opportunities in South Africa and across Africa. Strengthening TURPAZ's activity in the African flavors market constitutes a step towards strengthening the group's global position and will serve as a managerial and regional platform for further penetration and establishment in the South African market and neighboring countries.

The agreement includes a mutual option (Call/Put) to purchase the remaining shares in Nicola-J, exercisable from three years after the completion of the transaction, at an exercise price based on Nicola-J's business performance during the period from the completion of the transaction until the exercise of the option.

According to Nicola-J's audited financial statements for the period ending February 28, 2025, prepared in accordance with IFRS, Nicola-J's sales turnover for the 12 months ended February 28, 2025, amounted to approximately \$6.6 million (about 120 million Rand). Nicola-J's profitability rate is similar to the profitability rate of TURPAZ's flavors division.

As of this date, the acquired holdings in Nicola-J are not a material asset for TURPAZ.

It should be clarified that the completion of the Nicola-J transaction is subject to the fulfillment of suspensive conditions, the realization of which depends, among other things, on factors not under TURPAZ's control and which may be realized differently than stated in this report. Therefore, there is no certainty that the transaction will be completed and when.

Sincerely,

TURPAZ INDUSTRIES LTD

Signed by: Keren Cohen Hazan, Chairperson of the Board and CEO

FOOTNOTE:

¹⁰¹ Sunspray Solutions Proprietary Limited, a private South African company, 55% of whose share capital is held by Turpaz Belgium SRL, a private Belgian company wholly owned by TURPAZ.

²⁰² International Financial Reporting Standards for Small and Medium-sized Entities, as adopted from time to time by the board of the International Accounting Standards Committee, or its successor, and approved for use in South Africa from time to time by the Financial Reporting Standards Council, established in accordance with Section 203 of the South African Companies Act.