

Turpaz's revenue grew 42.5% to \$27.4 million including organic growth of 9.5%; adjusted EBIDTA increased by 35.4% to \$6.3 million; net income climbed 26.8% to \$4 million.

The high growth is due to the implementation of Turpaz's combined growth strategy, which includes double-digit growth targets through synergistic acquisitions for its areas of activity, as well as organic growth.

The cash flow from operating activities, which amounted to \$5.4 million, the capital structure of the Turpaz Group and the low leverage enable the continued implementation of the group's integrated growth strategy.

Karen Cohen Khazon: "The company's management and employees work daily to implement its accelerated growth strategy while continuing to make global acquisitions in our areas of activity, continuing organic growth and leveraging the synergy between acquisitions and group companies. All this while maintaining the financial strength of the company supporting this strategy. I know and am sure that this path will lead to the continued high profitable growth of Turpaz Industries over time while channeling value to all its shareholders."

Turpaz, a company that develops, manufactures and markets fragrance extracts, taste extracts, intermediates for the pharma industry and raw materials for the agro and fine chemicals industry, reports today (Wednesday) its financial results for the first quarter of the year. The company presents record results for the first quarter in sales, gross profit, operating profit, net profit and adjusted EBITDA.

Turpaz's sales in the first quarter of 2022 grew by 42.5% and amounted to \$27.4 million compared to the corresponding quarter last year. The increase in sales is a direct result of the continued acquisition of companies and organic growth of 9.5% in sales. Gross profit increased by 42.9% and amounted to \$10.7 million in the first quarter of 2022.

The increase in gross profit and the maintenance of gross profitability occurred despite the rise in raw material prices, energy costs and logistics in the world.

Adjusted EBITDA grew by 35.4% to \$6.3 million. Operating profit in the first quarter of the year amounted to \$4.6 million, reflecting a growth of 17.8% compared to the corresponding quarter last year. The operating profit margin decreased from 20.1% to 16.6% as a result of

an increase in the depreciation of intangible assets created in recent acquisitions, the continued recruitment of management staff and the strengthening of the company's headquarters to support the Turpaz group's integrated growth strategy. Net income increased by 26.8% and amounted to \$4 million in the first quarter of 2022.

Turpaz completed 3 acquisitions since the beginning of 2022 and 6 acquisitions since its IPO. Among the acquisitions completed in 2022: Turpaz acquired at the beginning of the year the full share capital of the Latvian company LORI engaged in perfume extracts and marketing in Eastern Europe; Turpaz completed an acquisition at the end of the first quarter - 60% of the share capital of Balirom, a company that produces natural and synthetic taste extracts at a factory in Beer Tuvia; in April, Turpaz completed the acquisition of the entire shares of the Israeli company Pentaor, which provides unique solutions in the field of baking and operates in the Vietnamese and Southeast Asian markets and joins the group's operations in Vietnam through its subsidiary WFF. The Results of operations of Balirom and Pentaor will be consolidated in the results of the Turpaz group's operations starting in the second quarter of 2022.

The Turpaz group's strategy is based on combined growth that includes targets for double-digit growth and improvement of its geographical distribution, through organic growth and through mergers and acquisitions of synergistic activities for Turpaz activity, while leveraging the synergy between the group's companies in sales, procurement, development and compliance, as well as profitability.

Cash flow from operating activities amounted to \$5.4 million in the first quarter of 2022, compared with \$1.9 million in the corresponding period last year.

Turpaz is engaged in four areas of activity: in the fragrance segment, its revenues increased to \$5.9 million and operating profit increased to \$1.7 million. The segment's profitability rate decreased due to the consolidation of the results of LORI, whose profitability is lower than the segment's profitability.

Revenues from the taste segment doubled and amounted to \$13.1 million, while operating profit jumped to \$1.7 million compared to \$0.27 million in the corresponding quarter last year. The improvement in operating profitability is mainly due to the implementation of the program at SDA for improvement of its product lines and operations to operational efficiencies that led to an improvement in the operating profitability rate of SDA in the first quarter of 2022.

In the segment of intermediate materials for the pharma industry, there was a decrease of \$2 million in revenue to \$3.2 million in the quarter. In addition, revenues in the segment of unique raw materials increased by 41.6% to \$4.9 million. The decrease in revenues from the intermediate materials segment for the pharma industry was due to timing differences in receiving orders from the company's customers in North America. This decrease was offset by an increase in revenues in the unique raw materials segment that resulted from the timing of receiving orders from the Company's customers in Asia.

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