TURPAZ

Quarterly Report

for the period ended September 30, 2026

Turpaz Industries Ltd.

This English translation accompanies the Hebrew periodic report published simultaneously (the "Hebrew Version") and is provided for convenience only. It is not an official translation and has no binding force. While reasonable care has been taken in its preparation, no translation can perfectly reflect the Hebrew Version. In case of any discrepancy, the Hebrew Version shall prevail.



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TURPAZ

Chapter A

Board of Directors' Report on the State of the Company's Affairs

Directors' Report on the State of the Corporation's Affairs

For the Period Ended September 30, 2026

The Company's Board of Directors is pleased to submit the Board of Directors' Report on the state of affairs of Turpaz Industries Ltd. (hereinafter – the **"Company"**), for the three and nine months ended September 30, 2026, all in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970. This report was drawn up assuming that the Description of the Corporation's Business chapter, as included in Chapter A to the 2025 Periodic Report, which was published on March 11, 2026 (Ref. No.: 2026-01-021391) (hereinafter – the **"2025 Periodic Report"**), is available to the reader.

The implementation of Turpaz's mergers and acquisitions strategy, in combination with organic growth[1], led to record results in the third quarter. In the first nine months of 2026, Turpaz achieved record results, with a double-digit increase in sales, gross profit, operating profit, Adj. EBITDA[2] and net income, as detailed below:

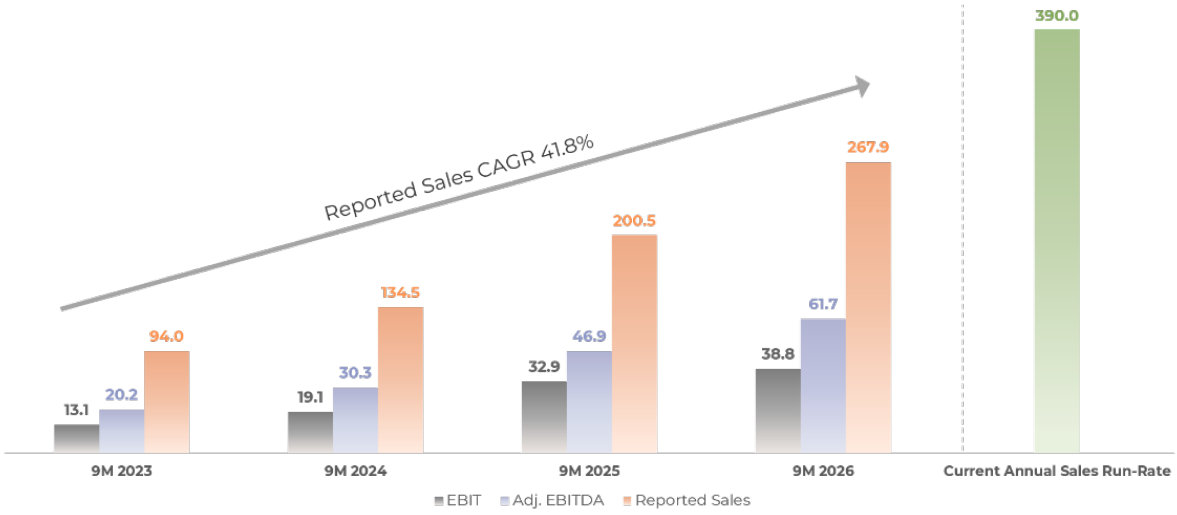
- **In the first nine months of 2026** –
  - Turpaz's core activity, which includes the Taste and Fragrance segments, presented growth of approx. **39.0%** compared to the corresponding period last year, including high organic growth of approx. **7.4%.**
  - **Turpaz's sales** grew by approx. **33.6%** compared to the corresponding period last year, reaching a record level of approx. **USD 267.9 million**. The increase arises from organic growth of approx. **6.0%** and from acquisitions completed in 2025 and in the first nine months of 2026. As of the Report publication date, Turpaz's sales, together with the sales of the companies acquired in the USA, in France and in South Africa during 2026, reflect an **annualized sales run rate[3] of approx. USD 390 million**.
  - **The Adj. EBITDA** increased by approx. **31.5%** compared to the corresponding period last year and amounted to approx. **USD 61.7 million**, and the rate of Adj. EBITDA of sales amounted to **23.0%**. **Non-GAAP operating profit** increased by approx. **30.2%** and amounted to approx. **USD 51.1 million**, **and operating profit** increased by approx. **17.9%** and amounted to approx. **USD 38.8 million**. Net income grew by approx. **55.1%** and amounted to approx. **USD 25.8 million**.

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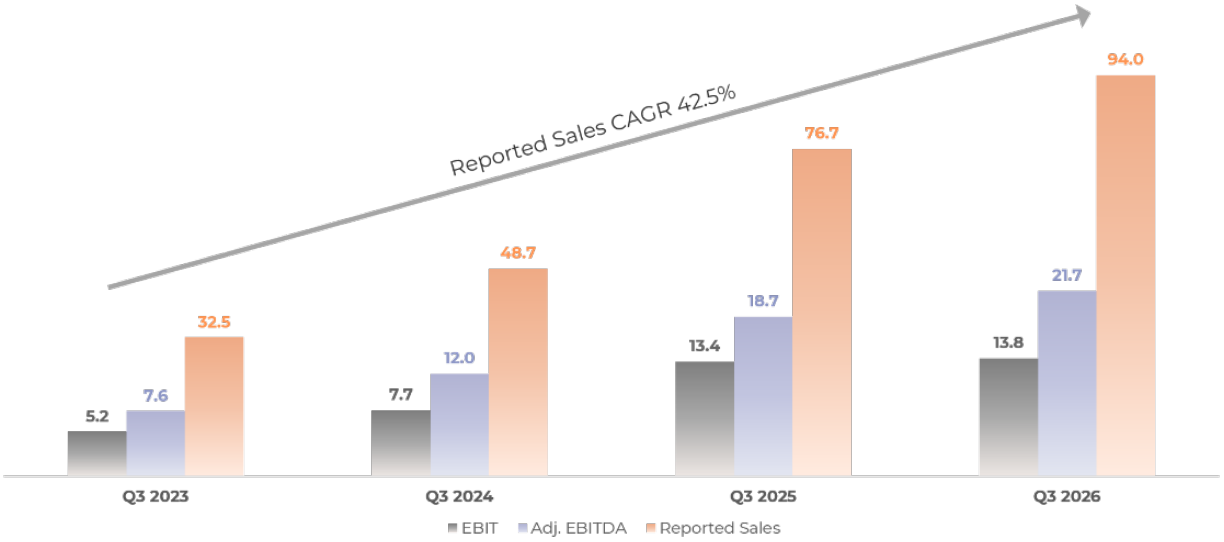
[1] **Organic Growth** - After deduction of the effect of exchange rates, on a pro-forma basis, assuming that the acquisitions that were completed in 2025 were consolidated as from January 1, 2025, and the acquisitions that were completed in 2026 were consolidated as from May 1, 2025.

[2] **Adj. EBITDA** means - earnings before interest, taxes, depreciation and amortization, net of non-recurring expenses. For details, see Section 5.1 below.

[3] **The annualized sales run rate (Run Rate)** constitutes forward-looking information, which is based on the Company's estimates as to the annualized sales rate, assuming that the companies whose acquisition was completed through the Report publication date had been consolidated in the Company's financial statements as from January 1, 2026. The above is based on Group management's assessments, which may not materialize, or may materialize in a manner different than expected, as a result of incorrect assessments, changes to the work plan, changes in the market, or the materialization of all or some of the risk factors listed in Section 1.28 to Chapter A to the 2025 Periodic Report.



- **In the third quarter of 2026** –
  - The core activity, which includes the Taste and Fragrance segments, presented growth of approx. **29.1%** compared to the corresponding quarter last year, including organic growth of approx. **5.6%**, against the backdrop of a high double-digit organic growth rate of approx. **11.6%** in the corresponding quarter last year.
  - **Turpaz's sales** grew by approx. **22.6%** compared to the corresponding quarter last year, reaching a record level of approx. **USD 94.0 million**. The increase arises from organic growth of approx. **2.4%**, against the backdrop of a high double-digit organic growth rate of approx. **18.2%** in the corresponding quarter last year, and from acquisitions completed in 2025 and in the first nine months of 2026.
  - **Adj. EBITDA** increased by approx. **16.1%** compared to the corresponding quarter last year and amounted to approx. **USD 21.7 million**, and the rate of Adj. EBITDA of sales amounted to **23.1%**. **Non-GAAP operating profit** increased by approx. **13.0%** and amounted to approx. **USD 17.8 million**, **and operating profit** increased by approx. **3.5%** and amounted to approx. **USD 13.8 million**. **Net income** grew by approx. **9.4%** and amounted to approx. **USD 6.6 million**.



- Since the beginning of 2025 and through the Report publication date, Turpaz completed 9 merger and acquisition transactions in **South Africa, the USA, France, England, Belgium, Poland and India**, which expanded and established its geographic deployment, both by entering into new territories and by establishing and expanding activities in existing territories, which allow the leveraging of synergy with the Company's activity and the expansion of the product offering. For details regarding the acquisitions completed by Turpaz during 2026, see Section 1 below.

Part A – Board of Directors' Explanations to the State of the Corporation's Affairs, Operating Results, Shareholders' Equity and Cash flows

1. General

The Company was incorporated and registered in Israel as a private company limited by shares on February 10, 2011.

On May 23, 2021, the Company completed an initial offering of the Company's securities, its shares were listed for trading on the Tel Aviv Stock Exchange Ltd. (hereinafter – the **"Stock Exchange"**), and it became a publicly-traded company, as this term is defined in the Companies Law, 1999.

The Company operates, independently and through its subsidiaries, in three segments - **Taste**, **Fragrance** and **Specialty fine ingredients**. As part of this activity, Turpaz is engaged in research, development, production, marketing, distribution and sale of natural and synthetic sweet and savory taste extracts, seasonings, unique functional solutions for the field of baking, raw materials for the meat and baking industries, special (gluten free) flours, which are used mainly in the production of food and beverages; natural and synthetic fragrance extracts, used in the production of fine fragrances, cosmetics and toiletries, personal care products, home fragrance and air care; and specialty fine ingredients which include aroma chemicals and citrus products, used as raw materials for the taste and fragrance industries, and specialty chemicals used as intermediates in various industries, including the pharma industry.

As of the publication date of this report, the Group develops, produces, markets and sells products to more than 5,100 customers in more than 100 countries, and operates 32 manufacturing sites, R&D centers, laboratories and sales, marketing and regulation offices across the world, which employ more than 1,200 employees.

Combined growth strategy:

Turpaz Group's strategy is based on combined growth that includes targets of double-digit growth and improvement of its geographic deployment, through taking advantage of opportunities in growing markets, mergers and acquisitions of activities that are synergetic to Turpaz Group's activity, and organic growth. The organic growth is supported, among other things, by investment in innovation and in research and development, and by the expansion of the range of products and solutions the Group offers its customers, including through the development of high value-added products and solutions tailored to customer needs and to market trends in the various countries. This is alongside the assessment of options for collaborations that enable the expansion and strengthening of the Group's range of solutions. The Group works to leverage and improve the synergies between Group companies in cross-selling, procurement, development, marketing and compliance with regulatory requirements, which contribute to maintaining and improving the Group's profits and profitability while increasing operational efficiency. The Company continues assessing options to acquire additional companies on an ongoing basis, noting the market conditions and the expected contribution from each acquisition, as

estimated by the Company. The Company has gained substantial expertise and experience in identifying acquisition targets, assessing them, and completing the acquisition of targets it considers to be consistent with the Group's strategy and activity.

Turpaz Group operates in accordance with an orderly plan it developed to achieve the swift integration of the acquired companies into the Group, the enhancement of the global management, and the implementation of control and oversight, including retaining the managements of the acquired companies and integrating those managements into the Group's management, enhancing the product offering and customer base of the acquired companies, and integrating the Group's control systems in the areas of sales, research and development, procurement and finance into the acquired companies, all in order to achieve swift and effective utilization of synergies. In the opinion of the Company, as of the date of this report, the full potential embodied in the acquisitions it made in recent years has not yet been utilized, and the Company is taking action on a current basis to fully utilize the potential of those acquisitions.

For more information regarding the Company's segments and strategy, see Sections 1.3.1 and 1.3.2 to Chapter A to the 2025 Periodic Report.

Merger and acquisition transactions completed since the beginning of 2026:

Acquisition of a fragrance and flavor company in South African – Sensory:

On October 30, 2026, the Company completed, through Sunspray, the acquisition of 70% of the share capital of Sensory FX Proprietary Limited, a privately-owned South African company (hereinafter – **"Sensory"**), from its shareholders, in consideration for approx. USD 10.7 million (approx. ZAR 177.4 million), and additional consideration to be paid based on Sensory's performance from March 1, 2026 through February 28, 2027. The transaction was financed through long-term bank financing.

Sensory, which was founded in 1999, is a South African company engaged in the development, production and marketing of taste and fragrance extracts and a range of solutions for the food and beverage, personal care, home fragrance and consumer products industries, and it is one of the few independent local manufacturers in the field of fragrance extracts in South Africa. Sensory has research and development and manufacturing capabilities, alongside a broad and diverse customer base in South Africa and in additional countries across the African continent. Sensory has a manufacturing site and an innovative and advanced (State-of-the-Art) research and development center, which was opened approx. one year ago, with perfumers and flavorists with many years of experience, located in the Johannesburg area, in proximity to Turpaz's existing activities in South Africa – Sunspray, which specializes in spray drying solutions for the food and beverage industry, and Nicola-J, which operates in the field of taste.

The acquisition of Sensory brings Turpaz into the field of fragrance extracts in South Africa for the first time, and constitutes an additional strategic building block in establishing and expanding the Group's geographic deployment in Africa.

The acquisition constitutes an additional step in building an integrated regional platform of Turpaz in the taste and fragrance fields in Africa, which relies on local capabilities alongside the Group's global technological capabilities and resources. The acquisition is expected to generate commercial, technological and operational synergies between the companies, through the combination of knowhow, research and development capabilities, the product offering and procurement. This combination is expected to expand the range of solutions offered to customers, deepen the activity in existing markets, create cross-selling opportunities (Cross-Selling) and support penetration into new markets and customers. In addition, the combination of Sensory's local manufacturing capabilities in the fragrance field with Turpaz's expertise, technologies and global product offering is expected to enable a fast, flexible and tailored response to the needs of customers in South Africa and in additional markets on the continent.

The remaining shareholders of Sensory, who have extensive experience in the taste and fragrance industry in South Africa, continue to hold the remaining shares (30%) and to lead the management and activity of Sensory in the coming years. The agreement includes mutual options (Put/Call) for the acquisition of their remaining shares in Sensory, which are exercisable starting from the end of two or three years after the transaction completion date, depending on the relevant shareholder, at an exercise price based on Sensory's business performance during the period from the transaction completion date through the option's exercise date. The exercise consideration will be paid in cash or by means of Turpaz shares to be allocated at their average price in the 30 days which preceded the exercise date, at the shareholders' discretion. Sensory's results will be consolidated in the Company's financial statements as from November 2026.

Acquisition of a fragrance and flavor company in the USA – Phoenix:

On May 1, 2026, the Company completed, through Klabin-Turpaz Inc.[4], the acquisition of 100% of the share capital of Phoenix Flavors & Fragrances Inc., a privately-owned American company (hereinafter – **"Phoenix"**), from an American private equity fund (hereinafter – the **"Seller"**), in consideration for USD 95 million[5] which was paid on the signing date, and additional consideration of up to USD 5 million which is based on Phoenix's performance during the second and third quarters of 2026. The transaction was financed using Turpaz's own sources.

Phoenix is engaged in the development, production, marketing and sale of fragrance extracts used mainly for air care, personal care and home fragrance products, as well as taste extracts for the food and beverage industry. Phoenix has a broad customer base comprising hundreds of customers, alongside a diverse range of products and solutions for the fragrance and taste extracts industry.

In recent years, Phoenix has worked to expand its activity and to establish its position in the field of fragrance and taste extracts in the USA, among other things through the acquisition of companies that

[4] Klabin-Turpaz, Inc., a privately-owned American company wholly-owned (100%) by Turpaz, which was acquired by Turpaz in 2022.
[5] The consideration includes the repayment of net debt of approx. USD 63 million.

are complementary to its activity in the USA[6] and through integration and streamlining measures. During 2025, Phoenix completed a comprehensive reorganization and operational streamlining plan, under which the fragrance extracts manufacturing sites were consolidated, a new dedicated site for taste extracts was set up in Indiana, and advanced IT systems were implemented – measures which contributed to the improvement of Phoenix's operational efficiency and to the strengthening of its expense structure. Phoenix operates[7] in the USA a fragrance extracts manufacturing site in New Jersey (Norwood) spanning an area of approx. 3.5 thousand sq. m, a taste extracts manufacturing site in Indiana (South Bend) spanning an area of approx. 2 thousand sq. m, and an innovative research and development (R&D) center in New Jersey (Redbank) spanning an area of approx. 1.2 thousand sq. m, with advanced development capabilities.

This acquisition strengthens and expands Turpaz's activity in North America, one of the world's key markets in the field of fragrance and taste extracts, and provides Turpaz with a full operating platform in the USA, which includes development, manufacturing and marketing capabilities, and which is expected to support its continued growth in the region.

Phoenix is expected to be directly integrated with Turpaz's fragrance extracts activity in the USA, among other things through the consolidation and transfer of Klabin-Turpaz manufacturing activity to Phoenix's manufacturing site in New Jersey, a move which is expected to be completed by the end of 2026. This move is expected to contribute to operational streamlining, cost savings and the improvement of the expense structure of Turpaz's activity in the USA. In addition, the combination of the fragrance and taste extracts activities in the USA is expected to contribute to the building of a synergistic activity of the Group in North America and to the strengthening of its sales and customer base, among other things through the combination of the customer bases, the expansion of the product offering and the deepening of the activity with existing customers (Cross-Selling), while leveraging the companies' development and innovation capabilities. In Turpaz's assessment, during the forthcoming quarters synergies of approx. USD 2 million are expected to be realized as a result of the consolidation of the activities of Klabin-Turpaz and Phoenix. In addition, the acquisition is expected to generate synergies with Turpaz's fragrance extracts activity in the field of fine fragrances, among other things through the combination of development capabilities, the expansion of the product offering and the deepening of the Group's activity with customers in this field.[8] Phoenix's results were consolidated in the Company's financial statements for the first time as from May 2026.

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[6] In 2017 Phoenix acquired Ascent Aromatics, which is engaged in the distribution of fragrance extracts and aroma chemicals; in 2018 it acquired Creative Concepts, which specializes in research and development in the field of fragrances and flavors; and in 2022 it acquired Innovative Fragrances, which specializes in the development and production of fragrance extracts.

[7] Through long-term leases.

[8] It is emphasized that the Company's assessments and financial estimates in this report, including with respect to the utilization of synergies and the improvement in the profitability of the Group's activity in North America, constitute forward-looking information, as defined in the Securities Law, 1968. Such information is based on the assessments, forecasts and assumptions of the Company's management as of the reporting date, which may not materialize, in whole or in part, or may materialize in a manner different than expected, among other things as a result of changes in market conditions, changes in the business environment, and as a result of the materialization of the risk factors listed in Section 1.28 to Chapter A to the Company's 2025 Periodic Report.

Acquisition of a fragrance extracts company in France – Romessence:

On May 12, 2026, the Company completed, through the subsidiary Turpaz Belgium, the acquisition of 70% of the share capital of Romessence SAS, a French privately-owned company located in Grasse, the heart of the global perfume industry (hereinafter – **"Romessence"**), from its founders, in consideration for approx. EUR 22.6 million. The transaction was financed through long-term bank financing. The agreement includes a mutual option (Put/Call) for the acquisition of the remaining shares in Romessence (approx. 30% of its share capital), which is exercisable starting from three years after the transaction completion date, at an exercise price based on Romessence's business performance during the period from January 1, 2026 through the option's exercise date, which will be paid in cash or by means of Turpaz shares to be allocated at their average price in the 30 calendar days which preceded the exercise date, at the founders' discretion.

Romessence, which was founded in 1997, develops, manufactures and markets fragrance extracts for the fine fragrances industry, as well as for personal care products, cosmetics and air care. Romessence has an extensive and diverse customer base in Europe, Asia, Central America, Africa and the Middle East, and a wide range of solutions and products for the global fragrance industry. Romessence operates a manufacturing site, a development laboratory with leading perfumers – including one of its founders – and a sales center in Grasse, in the South of France (in proximity to Attractive Scent's plant).

This acquisition constitutes a direct continuation of the implementation of Turpaz's growth strategy in the Fragrance Division, and in particular the expansion of its activity in the fine fragrances segment, at the heart of the global perfume industry, in Grasse, in the South of France. Romessence, together with Attractive Scent, creates a platform in the field of fine fragrances. The two companies complement each other in their geographic market deployment, customers and sub-segments in this field. Romessence's results were consolidated in the Company's financial statements for the first time as from May 2026.

2. Events during the period and subsequent to balance sheet date

2.1. For information regarding material acquisitions through the Report publication date, see Section 1 above.

2.2. Further to the acquisition of approx. 68.6% of the share capital of Attractive Scent SAS by Turpaz Belgium (hereinafter – **"Attractive Scent"**), on February 2, 2026 the parties signed an addendum to the acquisition agreement, under which the mutual option mechanism was cancelled and an immediate purchase of the remaining share capital of Attractive Scent, constituting approx. 31.4% of its share capital, was agreed, such that as of that date Turpaz Belgium holds the entire (100%) share capital of that company. The total consideration in respect of the acquisition of the remaining share capital amounted to approx. EUR 20.1 million, and was paid as follows: (a) allocation of Company shares to the founders totaling approx. EUR 7.3 million, based on the average price of the Company's shares in the 30 calendar days which preceded the signing date of the addendum to the agreement; (b) an immediate cash payment of approx. EUR 0.7 million to other shareholders; and (c) a deferred payment of approx. EUR 12.1 million, which will be paid in cash to the founders on February 1, 2029. On March 18, 2026, the Company completed the allocation of the shares to the two sellers (the founders of the French company) as part of the consideration for the acquisition of the remaining shares.

2.3. On June 7, 2026, a non-material merger of the Company with Balirom Ltd., a wholly owned subsidiary of the Company, was registered with the Registrar of Companies, such that Balirom was merged with and into the Company.

2.4. Further to the acquisition of the Clarys & Willich group, which operates in Belgium and Germany, from its shareholders (hereinafter – the **"Sellers"**), through the subsidiary Food Ingredients Technologies SA (**"FIT"**), on July 28, 2026 the Company entered into an addendum to the original acquisition agreement of March 27, 2024 (hereinafter – the **"Addendum to the Agreement"**), under which the exercise date of the mutual option (Put/Call) for the purchase of the Sellers' shares in FIT – which under the original agreement was exercisable as from April 3, 2027 - was brought forward, such that upon the signing of the Addendum to the Agreement the Company exercised the option to purchase the Sellers' entire holdings in FIT, constituting approx. 24.5% of FIT's share capital, in a total consideration of approx. EUR 45.3 million, of which a total of approx. EUR 5.3 million was paid to the Sellers upon the signing of the Addendum to the Agreement using Turpaz's own sources, and a total of EUR 40 million will be paid on January 1, 2027 through long-term bank financing. For more information, see the Company's immediate report of July 29, 2026 (Ref. No.: 2026-01-071522).

2.5. On August 10, 2026, the Company's Board of Directors approved the publication of a prospectus for the allocation of up to 2,000,000 non-marketable options to officers and other employees in the Company and in companies under its control, in accordance with the Company's equity-based

compensation plan and in accordance with the terms of the prospectus. For more information, see immediate report of August 11, 2026 (Ref. No.: 2026-01-075057).

2.6. On September 16, 2026, the annual general meeting of the Company's shareholders approved the re-appointment of the Company's independent auditor and authorized the Company's Board of Directors to determine its fees, as well as the re-appointment of serving directors and the appointment of new directors. For more information, see the meeting notice report of August 11, 2026 (Ref. No.: 2026-01-074933), and the immediate report regarding the results of the meeting of September 16, 2026 (Ref. No.: 2026-01-086404).

2.7. For details regarding material events during and after the Reporting Period, see Note 4 to the financial statements.

3. Financial position

Set forth below are key balance sheet data included in the Company's financial statements (in USD thousand):

	30.9.2026	30.9.2025	31.12.2025	Company's explanations compared to December 31, 2025
Current assets	189,167	256,107	257,749	The decrease stems mainly from the acquisition of Phoenix in the USA in consideration for approx. USD 95 million, offset by an increase which stems mainly from the consolidation of the results of companies acquired in the period and from an increase in the scope of the Group's activity.
Non-current assets	598,256	433,555	456,185	The increase stems mainly from the consolidation of companies acquired in the period, including intangible assets.
Total assets	**787,423**	**689,662**	**713,934**	
Current liabilities	222,295	127,053	114,473	The increase stems mainly from the classification of liabilities in respect of put options as short-term liabilities and from an increase which stems from the consolidation of the results of companies acquired in the period.
Non-current liabilities	245,409	281,330	306,022	The decrease stems mainly from the repayment of a liability in respect of put options and from the classification as short-term.
Total equity	**319,719**	**281,279**	**293,439**	The increase stems mainly from net income of approx. USD 25.8 million in the period and from the exercise of non-marketable options by employees, offset by a dividend of approx. USD 6.8 million and translation differences arising from changes in exchange rates of currencies.
Total liabilities and equity	**787,423**	**689,662**	**713,934**	

4. Operating results

4.1. Set forth below is an analysis of the operating results for the nine months ended September 30, 2025 and 2026, in accordance with the financial statements, and the explanations for the key changes in those data (in USD thousand):

Line item	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025	For the year ended December 31, 2025	Company's explanations compared to the corresponding period last year
Revenues from sales	**267,887**	**200,481**	**275,148**	Revenues from sales increased by approx. **33.6%**. The growth arises from companies whose acquisition was completed in 2025 and in the first nine months of 2026, from the effect of currencies, which contributed approx. 4.9% to growth, and from **high organic growth**, net of currency effects, of approx. **6.0%.** Turpaz's core activities, Taste and Fragrance, presented growth of approx. **39.0%** compared to the corresponding period last year, including high organic growth of approx. **7.4%.**
Cost of sales	155,816	120,527	165,127	Gross profit increased by approx. **40.2%**, mainly due to the increase in sales. The improvement in profitability arises from streamlining measures, the utilization of synergies between Group companies and the continued high growth.
Gross profit (% of sales)	**112,071 41.8%**	**79,954 39.9%**	**110,021 40.0%**	
Research and development expenses (% of sales)	12.541 4.7%	7,590 3.8%	11,046 4.0%	The increase arises from the consolidation of the results of operations of companies whose acquisition was completed during 2025 and in the first nine months of 2026, and from amortization of intangible assets in respect of those acquisitions.
Selling and marketing expenses (% of sales)	28,016 10.5%	18,833 9.4%	26,286 9.6%	
General and administrative expenses (% of sales)	31,300 11.7%	21,438 10.7%	29,464 10.7%	The increase arises from the consolidation of the results of operations of companies whose acquisition was completed during 2025 and in the first nine months of 2026.
Company's share in losses (profits) of companies accounted for by	(848)	(633)	(764)	Gains in respect of non-consolidated investees.

Line item	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025	For the year ended December 31, 2025	Company's explanations compared to the corresponding period last year
the equity method, net				
Other expenses (income)	2,249	(203)	559	The change stems mainly from an increase in expenses for the acquisition of companies in the first nine months of 2026, compared to the corresponding period last year, in which a compensation grant of approx. USD 1 million was received from the State in respect of the Iron Swords War.
Operating profit (% of sales)	**38,813 14.5%**	**32,929 16.4%**	**43,430 15.8%**	The increase in profit stems mainly from an increase in sales and from streamlining measures and synergies that were reflected in 2025 and 2026. The profitability rate was mainly affected by the increase in amortization expenses of intangible assets of approx. USD 3.3 million recorded in connection with the acquisition of companies in 2025 and 2026.
Non-GAAP Operating profit[9] (% of sales)	**51,107 19.1%**	**39,258 19.6%**	**52,908 19.2%**	The change stems from a decrease in the operating profit of the Specialty fine ingredients segment, which is not a core activity.
Financing expenses, net	5,155	10,287	13,218	The change stems mainly from non-cash finance income in respect of the early payment of the put option for the acquisition of the remaining shares of Attractive Scent as detailed in Section 2.2 above, and in respect of the early acquisition of the Sellers' entire holdings in FIT, as detailed in Section 2.4 above.
Taxes on income (Effective tax %)	7,851 23.3%	6,002 26.5%	7,557 25.0%	The change arises from the pre-tax profit mix between the different countries in which the Group operates, and from finance income in respect of which there is no tax effect.
Net income for the period (% of sales)	**25,807 9.6%**	**16,640 8.3%**	**22,655 8.2%**	The net income increased by approx. **55.1%**, mainly due to the profitable growth, acquisitions completed in the period and the

[9] See Section 5.2 below.

Line item	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025	For the year ended December 31, 2025	Company's explanations compared to the corresponding period last year
				synergy arising therefrom, and from non-cash finance income as stated above.
Non-GAAP net income[10] (% of sales)	**34,989 13.1%**	**26,230 13.1%**	**36,363 13.2%**	The Non-GAAP net income increased by approx. **33.4%**, mainly as a result of the growth, completed acquisitions and the synergies arising therefrom.
EBITDA[11]	59,488	46,793	62,948	The Adj. EBITDA increased by approx. **31.5%** compared to the corresponding period last year. The change in the rate of Adj. EBITDA stemmed from the reasons listed above in this table.
Adj. EBITDA (% of sales)	**61,700 23.0%**	**46,936 23.4%**	**63,504 23.1%**	

[10] See Section 5.3 below.
[11] See Section 5.1 below.

4.2. Set forth below is an analysis of the operating results for the three months ended September 30, 2025 and 2026, in accordance with the financial statements, and the explanations for the key changes in those data (in USD thousand):

Line item	For the three months ended September 30, 2026	For the three months ended September 30, 2025	Company's explanations compared to the corresponding period last year
Revenues from sales	**94,017**	**76,704**	Revenues from sales increased by approx. **22.6%.** The growth arises from companies whose acquisition was completed in 2025 and in the third quarter of 2026, from the effect of currencies, which contributed approx. 1.2% to growth, and **from organic growth**, net of currency effects, **of approx. 2.4%**, against the backdrop of a high double-digit organic growth rate of approx. **18.2%** in the corresponding quarter. Turpaz's core activities, Taste and Fragrance, presented growth of approx. **29.1%** compared to the corresponding quarter last year, including **organic growth** of approx. **5.6%**, against the backdrop of a high double-digit organic growth rate of approx. **11.6%** in the corresponding quarter last year.
Cost of sales	54,414	44,984	Gross profit increased by approx. **24.9%**, mainly due to the increase in sales. The improvement in profitability arises from streamlining measures, the utilization of synergies between Group companies and the continued high growth.
Gross profit **(% of sales)**	**39,603** **42.1%**	**31,720** **41.4%**	
Research and development expenses (% of sales)	4,545 4.8%	3,109 4.1%	The increase arises from the consolidation of the results of operations of companies whose acquisition was completed during 2025 and in the third quarter of 2026, and from amortization of
Selling and marketing expenses (% of sales)	10,089 10.7%	7,603 9.9%	

Line item	For the three months ended September 30, 2026	For the three months ended September 30, 2025	Company's explanations compared to the corresponding period last year
			intangible assets in respect of those acquisitions.
General and administrative expenses (% of sales)	10,967 11.7%	8,032 10.5%	The increase arises from the consolidation of the data of companies whose acquisition was completed during 2025 and in the third quarter of 2026.
Company's share in losses (profits) of companies accounted for by the equity method, net	(126)	(34)	Gains in respect of non-consolidated investees.
Other expenses (income)	289	(363)	The change stems from a compensation grant of approx. USD 1 million received from the State in the corresponding period last year in respect of the Iron Swords War.
Operating profit (% of sales)	**13,839 14.7%**	**13,373 17.4%**	The increase stems mainly from an increase in sales and from streamlining measures and synergies that were reflected in 2025 and 2026. The profitability rate was mainly affected by the increase in amortization expenses of intangible assets of approx. USD 1 million recorded in connection with the acquisition of companies whose acquisition was completed in the fourth quarter of 2025 and in 2026.
Non-GAAP Operating profit[12] (% of sales)	**17,756 18.9%**	**15,712 20.5%**	The change stems from an operating loss of the Specialty fine ingredients segment, which is not a core activity.
Financing expenses, net	4,577	4,725	
Taxes on income (Effective tax %)	2,688 29.0%	2,641 30.5%	The change arises from the pre-tax profit mix between the different countries in which the Group operates, and from finance income in

[12] See Section 5.2 below.

Line item	For the three months ended September 30, 2026	For the three months ended September 30, 2025	Company's explanations compared to the corresponding period last year
			respect of which there is no tax effect.
Net income for the period **(% of sales)**	**6,574** **7.0%**	**6,007** **7.8%**	The net income increased by approx. **9.4%**, mainly due to the profitable growth, completed acquisitions and the synergy arising therefrom.
Non-GAAP net income[13] **(% of sales)**	**11,561** **12.3%**	**10,890** **14.2%**	The Non-GAAP net income increased by approx. **6.2%**, mainly as a result of the growth in activity, completed acquisitions and the synergies arising therefrom.
EBITDA[14]	21,456	18,889	The Adj. EBITDA increased by approx. **16.1%** compared to the corresponding period last year. The change in the rate of Adj. EBITDA stemmed mainly from the high double-digit organic growth rate in the corresponding quarter last year.
Adj. EBITDA **(% of sales)**	**21,692** **23.1%**	**18,683** **24.4%**	

[13] See Section 5.3 below.
[14] See Section 5.1 below.

4.3. Set forth below are the operating results for the nine months ended September 30, 2025 and 2026, by segments (in USD thousand):

Segment		For the nine months ended September 30, 2026	For the nine months ended September 30, 2025	For the 12-month period ended December 31, 2025	Company's explanations of the change between the first nine months of 2025 and the first nine months of 2026
Taste segment	**Revenues** (% of Group sales)	**175,704** 65.6%	**142,711** 71.2%	**194,699** 70.8%	Revenues increased by approx. **23.1%.** The growth arises from acquisitions completed during 2025 and the first nine months of 2026, from the effect of currencies, which contributed approx. 5.9% to growth, **and from organic growth,** net of currency effects, of approx. **6.5%**.
	Operating profit (% of sales)	34,343 19.5%	28,523 20.0%	37,568 19.3%	
	Non-GAAP Operating profit (% of sales)	**39,975** 22.8%	**32,657** 22.9%	**43,811** 22.5%	
Fragrance segment	**Revenues** (% of Group sales)	**69,486** 25.9%	**33,722** 16.8%	**49,434** 18.0%	Revenues increased by approx. **106.1%.** The growth arises from acquisitions completed during 2025 and in the first nine months of 2026, from the effect of currencies, which contributed approx. 3.8% to growth, **and from high organic growth,** net of currency effects, **of approx. 9.8%**. The profitability rate was mainly affected by the increase in amortization expenses in respect of intangible assets recognized in connection with the acquisition of companies, and by the consolidation of the results of companies whose acquisition was completed in the Reporting Period, whose operating profitability is lower than that of the segment. The utilization of the synergies between those companies and the Group companies is expected to contribute to an
	Operating profit (% of sales)	15,922 22.9%	8,949 26.5%	12,840 26.0%	

Segment		For the nine months ended September 30, 2026	For the nine months ended September 30, 2025	For the 12-month period ended December 31, 2025	Company's explanations of the change between the first nine months of 2025 and the first nine months of 2026
					improvement in the segment's profitability in the forthcoming quarters.
	Non-GAAP Operating profit (% of sales)	**19,224** 27.7%	**10,066** 29.8%	**14,630** 29.6%	
Core activities – Taste and Fragrance	**Revenues** (% of Group sales)	**245,190** 91.5%	**176,433** 88.0%	**244,133** 88.7%	
	Operating profit (% of sales)	**50,265** 20.5%	**37,472** 21.2%	**50,407** 20.6%	
	Non-GAAP Operating profit (% of sales)	**59,199** 24.1%	**42,723** 24.2%	**58,441** 23.9%	
Specialty fine ingredients segment	**Revenues** (% of Group sales)	**23,026** 8.6%	**24,069** 12.0%	**31,036** 11.3%	Revenues decreased by approx. 4.3%. The change arises from the effect of currencies, which contributed approx. 1.7% to growth, and from an organic decline of approx. 5.9%, net of currency effects. The change in profitability stems mainly from the receipt of compensation from the State in respect of the Iron Swords War in the first nine months of 2025. During the Reporting Period, several new molecules were introduced into production, which required adjustments to the manufacturing processes and the running-in of additional production lines. These processes are being implemented gradually, and their completion is expected to be reflected in an improvement in sales and profitability in the second half of 2027.
	Operating profit (% of sales)	735 3.2%	2,962 12.3%	3,648 11.8%	
	Non-GAAP Operating profit (% of sales)	924 4.0%	1,695 7.0%	2,397 7.7%	

Segment		For the nine months ended September 30, 2026	For the nine months ended September 30, 2025	For the 12-month period ended December 31, 2025	Company's explanations of the change between the first nine months of 2025 and the first nine months of 2026
Unallocated joint expenses	Revenues	(329)	(21)	(21)	
	Operating profit	(12,187)	(7,505)	(10,626)	
Total	**Revenues**	**267,887**	**200,481**	**275,148**	
	Operating profit (% of sales)	**38,813 14.5%**	**32,929 16.4%**	**43,430 15.8%**	

4.4. Set forth below are the operating results for the three months ended September 30, 2025 and 2026, by segments (in USD thousand):

Segment		For the three months ended September 30, 2026	For the three months ended September 30, 2025	Company's explanations of the change in the third quarter of 2026 compared with the third quarter of 2025
Taste segment	**Revenues** (% of Group sales)	**60,723** 64.6%	**52,986** 69.1%	Revenues increased by approx. **14.6%.** The growth arises from acquisitions completed during 2025 and in 2026, from the effect of currencies, which contributed approx. 1.5% to growth, **and from organic growth,** net of currency effects, of approx. **5.8%.**
	Operating profit (% of sales)	12,330 20.3%	10,685 20.2%	
	Non-GAAP Operating profit (% of sales)	14,254 23.5%	12,630 23.8%	
Fragrance segment	**Revenues** (% of Group sales)	**27,125** 28.9%	**15,043** 19.6%	Revenues increased by approx. **80.3%.** The growth arises from acquisitions completed during 2025 and in 2026, from the effect of currencies, which contributed approx. 1.0% to growth, **and from organic growth,** net of currency effects, **of approx. 5.2%**. The growth was also affected by orders brought forward from the third quarter to the second quarter of 2026. The profitability rate was mainly affected by the increase in amortization expenses in respect of intangible assets recognized in connection with the acquisition of companies, and by the consolidation of the results of companies whose acquisition was completed in the Reporting Period, whose operating profitability is lower than that of the segment. The utilization of the synergies between those companies and
	Operating profit (% of sales)	5,696 21.0%	3,956 26.3%	

Segment		For the three months ended September 30, 2026	For the three months ended September 30, 2025	Company's explanations of the change in the third quarter of 2026 compared with the third quarter of 2025
				the Group companies is expected to contribute to an improvement in profitability in the forthcoming quarters.
	Non-GAAP Operating profit (% of sales)	7,079 26.1%	4,634 30.8%	
Core activities – Taste and Fragrance	**Revenues** (% of Group sales)	**87,848** 93.4%	**68,029** 88.7%	
	Operating profit (% of sales)	**18,026** 20.5%	**14,461** 21.5%	
	Non-GAAP Operating profit (% of sales)	**21,333** 24.3%	**17,263** 25.4%	
Specialty fine ingredients segment	**Revenues** (% of Group sales)	**6,498** 6.9%	**8,675** 11.3%	Revenues decreased by approx. 25.1%. The change arises from the effect of currencies of approx. 0.1%, and from an organic decline of approx. 25.0%, net of currency effects. During the Reporting Period, several new molecules were introduced into production, which required adjustments to the manufacturing processes and the running-in of additional production lines. These processes are being implemented gradually, and their completion is expected to be reflected in an improvement in sales and profitability in the second half of 2027.
	Operating profit (% of sales)	(600) (9.2%)	1,808 20.8%	
	Non-GAAP Operating profit (% of sales)	(503) (7.7%)	773 8.9%	
Unallocated joint expenses	Revenues	(329)	-	
	Operating profit	(3,587)	(3,076)	
Total	**Revenues**	**94,017**	**76,704**	
	Operating profit (% of sales)	**13,839** **14.7%**	**13,373** **17.4%**	

5. Non-GAAP data

5.1. Adjusted EBITDA

Adjusted EBITDA means – earnings before interest, taxes, depreciation and amortization, net of non-recurring expenses as described below.[15] Set forth below is a breakdown of the adjustments between the operating profit and Adjusted EBITDA (USD in thousands):

Section		For the nine months ended September 30		For the three months ended September 30	
		2026	**2025**	**2026**	**2025**
Operating profit presented in the financial statements		**38,813**	**32,929**	**13,839**	**13,373**
Depreciation expenses	Property, plant and equipment	5,389	4,137	1,880	1,569
	Intangible asset	9,415	5,828	3,602	2,437
	Leases	4,332	2,937	1,620	1,151
Amortization expenses in respect of share-based payment to employees		1,539	962	515	359
Non-recurring expenses (income)		2,212	143	236	(206)
Adj. EBITDA **(% of sales)**		**61,700** **23.0%**	**46,936** **23.4%**	**21,692** **23.1%**	**18,683** **24.4%**

5.2. Non-GAAP operating profit[16]

Non-GAAP operating profit – means operating profit plus amortization in respect of intangible assets, amortization in respect of share-based payment to employees and non-recurring expenses. Set forth below is a breakdown of the adjustments between the operating profit and Non-GAAP operating profit (USD in thousands):

Section	For the nine months ended September 30		For the three months ended September 30	
	2026	**2025**	**2026**	**2025**
Operating profit presented in the financial statements	38,813	32,929	13,839	13,373
Amortization expenses in respect of intangibles and share-based payment to employees[17]	10,082	6,186	3,681	2,545
Non-recurring expenses (income)	2,212	143	236	(206)
Non-GAAP operating profit **(% of sales)**	**51,107** **19.1%**	**39,258** **19.6%**	**17,756** **18.9%**	**15,712** **20.5%**

[15] This indicator is a generally accepted metric used to measure the operational efficiency of companies operating in the Company's area of activity. This metric is based on data presented in the Company's audited financial statements as described above; however, it is not based on generally accepted accounting principles and it is not audited or reviewed by the Company's independent auditors, nor does it constitute a substitute for the information included in the Company's financial statements.

[16] The Company presents its non-GAAP operating profit to more accurately reflect its operating profitability given its acquisition-led growth strategy. This data neutralizes non-cash expenses, and specifically amortization of intangible assets – amortization of customer relations and amortization of knowhow, as well as amortization expenses in respect of share-based payment to employees.

[17] For details regarding depreciation and amortization expenses, see Section 5.1 above.

5.3. Non-GAAP net income[18]

Non-GAAP net income – means net income plus amortization in respect of intangible assets, amortization in respect of share-based payment to employees, financing expenses in respect of put options and non-recurring expenses net of the tax in respect of those expenses.[19] Set forth below is a breakdown of the adjustments between the net income and Non-GAAP net income (USD in thousands):

Section	For the nine months ended September 30		For the three months ended September 30	
	2026	**2025**	**2026**	**2025**
Net income presented in the financial statements	**25,807**	**16,640**	**6,574**	**6,007**
Amortization expenses in respect of intangibles and share-based payment to employees[20]	10,082	6,186	3,681	2,545
Financing expenses in respect of put options	(776)	4,464	1,920	3,024
Non-recurring expenses (income)	2,212	143	236	(206)
Net of the tax effect	(2,336)	(1,203)	(850)	(480)
Non-GAAP net income **(% of sales)**	**34,989** **13.1%**	**26,230** **13.1%**	**11,561** **12.3%**	**10,890** **14.2%**

6. Liquidity

As of September 30, 2026, the Company had a cash balance totaling USD 37,674 thousand, alongside the continued financing of the double-digit growth of the Group's activity. Set forth below are the key components of the cash flows and the way they were utilized (in USD thousand):

	For the nine months ended September 30, 2026	**For the nine months ended September 30, 2025**	**For the 12-month period ended December 31, 2025**	**Company's explanations of the change between the first nine months of 2025 and the first nine months of 2026**
Net cash provided by operating activities	20,257	26,483	40,661	The change arises mainly from a change in working capital balances.
Net cash used in investing activities	(126,008)	(73,480)	(83,320)	The change arises from the completion of the acquisition of companies totaling approx. USD 116.3 million compared to approx. USD 65.5 million in the corresponding period last year, and

[18] The Company presents its Non-GAAP net income to more accurately reflect its net profitability given its acquisition-led growth strategy. This data neutralizes non-cash expenses, and specifically amortization of intangible assets - amortization of customer relations and amortization of knowhow, as well as amortization expenses in respect of share-based payment to employees and revaluation expenses in respect of options granted to sellers.

[19] This metric is based on data presented in the Company's audited financial statements as described above; however, it is not based on generally accepted accounting principles and it is not audited or reviewed by the Company's independent auditors, nor does it constitute a substitute for the information included in the Company's financial statements.

[20] For details regarding depreciation and amortization expenses, see Section 5.1 above.

	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025	For the 12-month period ended December 31, 2025	Company's explanations of the change between the first nine months of 2025 and the first nine months of 2026
				from an approx. USD 9.7 million investment in property, plant and equipment and other assets compared to approx. USD 8.2 million in the corresponding period last year.
Net cash provided by (used in) financing activities	(4,449)	154,881	150,301	The change arises mainly from a share issuance of approx. USD 97.2 million in the corresponding period last year, from a decrease in the scope of the long-term loans received in the period, which amounted to approx. USD 32.3 million, compared to approx. USD 57.2 million in the corresponding period last year, and from an increase in loan repayments, which amounted to approx. USD 25.7 million, compared to approx. USD 11.7 million in the corresponding period last year. In addition, in the Reporting Period liabilities in respect of the acquisition of companies totaling approx. USD 17.2 million were repaid, compared to approx. USD 2.2 million in the corresponding period last year. In addition, a dividend of approx. USD 6.8 million was paid in the period.
Exchange differences in respect of cash and cash equivalents	4,779	5,545	9,527	
Total change in cash and cash equivalents	**(105,421)**	**113,429**	**117,169**	

	For the three months ended September 30, 2026	For the three months ended September 30, 2025	Company's explanations of the change in the third quarter of 2026 compared with the third quarter of 2025
Net cash provided by operating activities	4,478	13,349	The change arises from a change in working capital balances.
Net cash used in investing activities	(3,894)	(29,911)	The change arises from the completion of the acquisition of companies and the repayment of liabilities in respect thereof totaling approx. USD 26.2 million in the corresponding period last year.

	For the three months ended September 30, 2026	For the three months ended September 30, 2025	Company's explanations of the change in the third quarter of 2026 compared with the third quarter of 2025
Net cash provided by (used in) financing activities	(13,566)	122,173	The change arises mainly from a share issuance of approx. USD 97.2 million and the receipt of long-term loans of approx. USD 32.8 million in the corresponding period last year. In addition, in the Reporting Period liabilities in respect of the acquisition of companies totaling approx. USD 11.2 million were repaid.
Exchange differences in respect of cash and cash equivalents	(233)	2,741	
Total change in cash and cash equivalents	**(13,215)**	**108,352**	

7. Financing sources

The Company funds its activities mainly from cash flows provided by operating activities. The acquisition of the companies is financed from own sources, long-term loans and short-term credit. For information about the Company's main financing sources, see Section 1.20 to Chapter A (Description of the Company's Business), and Note 16 to the financial statements attached to the 2025 Periodic Report.

Line item	Data as of 30.9.2026		Data as of 31.12.2025	
	USD thousand	% of total balance sheet	USD thousand	% of total balance sheet
Equity	319,719	40.6%	293,439	41.1%
Other long-term liabilities	125,820	16.0%	178,678	25.0%
Long-term liabilities from banks, net of current maturities	119,589	15.2%	127,344	17.8%
Short-term credit	79,720	10.1%	51,951	7.3%
Suppliers credit	29,183	3.7%	24,843	3.5%
Other short-term payables	113,392	14.4%	37,679	5.3%
Total	**787,423**	**100%**	**713,934**	**100%**

The average amount of the long-term loans in the first nine months of 2026 was approx. USD 123,467 thousand.

The average amount of the short-term credit in the first nine months of 2026 was approx. USD 65,836 thousand.

As of September 30, 2026, the Company has a working capital deficit of approx. USD 33.1 million, arising from the classification of short-term liabilities in respect of the acquisition of activities totaling approx. USD 73.5 million, most of which are expected to be repaid during the first half of 2027. The Company intends to finance their repayment through long-term bank loans. Net of those liabilities, the Company's working capital amounted to approx. USD 40.4 million (approx. 10.7% of sales), compared to working capital of approx. USD 129.1 million (approx. 42.1% of sales) as of September 30, 2025, and working capital of approx. USD 143.3 million (approx. 48.0% of sales) as of December 31, 2025.

The Company's operating working capital[21] as of September 30, 2026 is approx. USD 112.6 million (approx. 29.9% of sales), compared to operating working capital of approx. USD 82.3 million (approx. 26.8% of sales) as of September 30, 2025, and compared to operating working capital of approx. USD 81.4 million (approx. 26.6% of sales) as of December 31, 2025.

The Company's net debt balance[22] as of September 30, 2026 is USD 161.6 million.

8. Financial covenants set by the banks

As of September 30, 2026, the Company's financial covenants are as follows:

(a) **Equity to assets** – the equity shall not be lower than USD 80 million at any given time and shall not be lower than 20% of total assets.

As of the date of this report, the Company's equity ratio stands at approx. 40.6% of total assets.

(b) **Net debt coverage ratio** – shall not exceed 3.5 at any given time.

As of the date of this report, the Company's net debt coverage ratio stands at approx. 2.0.

As of the publication date of this report, the Company does not have loans, whose outstanding balances meet the materiality criteria in accordance with the Israel Securities Authority's position on reportable credit events and the quantitative thresholds as of the end of the Reporting Period. Accordingly, loans that do not meet the materiality thresholds as of the end of the Reporting Period were not included in this report, even if disclosure in respect thereof is provided in previous periodic reports.

The Group's strong equity structure, the current cash flow and financing from leading financial institutions across the world, are expected to enable Turpaz the continued implementation of its global mergers and acquisitions strategy.

[21] Operating working capital means - trade receivables plus the balance of inventory and net of trade payables.
[22] Debt net of cash.

9. Valuations and estimates

Information regarding provisional valuation of the acquisition of Phoenix, which was carried out by an external appraiser*

Identifying the valuation's subject matter:	Purchase price allocation of the acquisition of Phoenix
Valuation date:	1.5.2026
Value of the valuation's subject matter as per the valuation:	1. Total purchase consideration: USD 67,370 thousand a. Cash consideration – USD 62,435 thousand b. Contingent consideration – USD 4,935 thousand 2. Customer relations: USD 13,046 thousand 3. Knowhow: USD 13,443 thousand
Details about the appraiser:	This provisional valuation was carried out by Moore Corporate Finance Ltd., which specializes in valuations, due diligences, economic opinions on legal proceedings and other economic works, both for public companies and for private companies. The work was carried out by a team headed by Asaf Ravkaie (CPA), a partner in Moore Corporate Finance, who has more than 20 years of experience in advising local and international companies; Mr. Ravkaie has a BA in Economics and Accounting from Tel Aviv University, and an MA in Economics from Tel Aviv University.
Is there an indemnification agreement with the appraiser?	In accordance with the engagement agreement, if the appraiser will be required to pay any amount to a third party in connection with the performance of the services, whether as part of a legal proceeding, or any other binding proceeding, the commissioner of the valuation undertakes to indemnify the appraiser in respect of any such amount it will pay, in excess of an amount equal to three times the appraiser's fees, unless it is determined that the appraiser acted maliciously and/or negligently, in which case no indemnification obligation will apply.
The valuation model used by the appraiser:	The purchase price allocation was carried out in accordance with the provisions and principles of IFRS 3. Customer relations – the income approach – the MPEEM method. Knowhow – the income approach - the royalty relief method.
The assumptions, based on which the appraiser carried out the valuation, in accordance with the valuation model:	Key assumptions in the valuation of a customer relations intangible asset Discount rate 9% Attrition rate 20% Useful life – 10 years Key assumptions in the valuation of a knowhow intangible asset Discount rate 9% Royalties rate 7% Useful life – 20 years

* As of the date of this report the valuation has not yet been completed.

The Board of Directors wishes to thank the Company's management and its employees for the results achieved in the third quarter of 2026.

_____	_____
Karen Cohen Khazon,	**Dr. Israel Leshem,**
CEO	**Chairman of the Board of Directors**

Date: November 9, 2026

TURPAZ

Chapter B

Financial Statements

as of September 30, 2026

TURPAZ INDUSTRIES LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2026

UNAUDITED

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Auditors' review report to the shareholders of Turpaz Industries Ltd.

Introduction

We have reviewed the accompanying financial information of Turpaz Industries Ltd. and subsidiaries ("the Company"), which comprises the condensed consolidated statement of financial position as of September 30, 2026 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the periods of nine and three months then ended. The Company's board of directors and management are responsible for the preparation and presentation of interim financial information for these periods in accordance with IAS 34, "Interim Financial Reporting" and are responsible for the preparation of this interim financial information in accordance with Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

We did not review the condensed interim financial information of certain subsidiaries, whose assets included in consolidation constitute approximately 2.8% of total consolidated assets as of September 30, 2026, and whose revenues included in consolidation constitute approximately 8.3% and approximately 8.2% of total consolidated revenues for the periods of nine and three months then ended, respectively. The condensed interim financial information of those companies was reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the financial information in respect of those companies, is based on the review reports of other auditors.

Scope of review

We conducted our review in accordance with Standard on Review Engagements (Israel) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Institute of Certified Public Accounts in Israel. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

In addition to the abovementioned, based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not comply, in all material respects, with the disclosure requirements of Chapter D to the Securities Regulations (Periodic and Immediate Reports), 1970.

Tel-Aviv, Israel
November 9, 2026

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30,		December 31,
	2026	2025	2025
	Unaudited		Audited
	U.S. dollars in thousands		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	37,674	139,355	143,095
Trade receivables	69,924	56,854	51,262
Other accounts receivable	8,598	6,597	7,317
Inventories	71,882	52,281	55,021
Financial assets	1,089	1,020	1,054
	189,167	256,107	257,749
NON-CURRENT ASSETS:			
Deferred taxes	4,327	2,149	2,913
Property, plant and equipment, net	77,570	67,098	70,756
Right-of-use assets, net	38,004	24,337	24,813
Intangible assets, net	453,271	314,947	332,522
Investment in companies accounted for at equity	25,084	25,024	25,181
	598,256	433,555	456,185
	787,423	689,662	713,934

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30,		December 31,
	2026	2025	2025
	Unaudited		Audited
	U.S. dollars in thousands		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Credit from banks and current maturities of long-term loans from banks and others	79,720	63,838	51,951
Trade payables	29,183	26,790	24,843
Other accounts payable	25,264	22,286	21,202
Short-term liabilities in respect of acquisition of activity	82,062	10,038	12,388
Current maturities of lease liabilities	6,066	4,101	4,089
	222,295	127,053	114,473
NON-CURRENT LIABILITIES:			
Long-term loans from banks, less current maturities	119,589	117,595	127,344
Provision for waste removal	1,176	1,176	1,176
Long-term leases liabilities	33,597	21,623	22,211
Long-term liabilities in respect of acquisition of activity	62,415	122,172	134,530
Deferred taxes	27,510	17,950	19,913
Employee benefit liabilities	1,122	814	848
	245,409	281,330	306,022
EQUITY:			
Equity attributable to equity holders of the Company:			
Share capital (*)	1	1	1
Share premium	187,724	177,136	177,521
Other capital reserves	(4,045)	(6,755)	(6,563)
Reserve in respect of translation differences	11,951	2,765	8,167
Retained earnings	84,981	65,874	70,658
	280,612	239,021	249,784
Non-controlling interests	39,107	42,258	43,655
Total equity	319,719	281,279	293,439
	787,423	689,662	713,934

*) Less than $ 1 thousand.

The accompanying notes are an integral part of the interim consolidated financial statements.

November 9, 2026			
Date of approval of the financial statements	Karen Cohen Khazon CEO	Dr. Israel Leshem Chairman of the Board of Directors	Guy Gill EVP and CFO

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2026	2025	2026	2025	2025
	Unaudited				Audited
	U.S. dollars in thousands (except per share data)				
Revenues from sales	267,887	200,481	94,017	76,704	275,148
Cost of sales	155,816	120,527	54,414	44,984	165,127
Gross profit	112,071	79,954	39,603	31,720	110,021
Research and development expenses	12,541	7,590	4,545	3,109	11,046
Selling and marketing expenses	28,016	18,833	10,089	7,603	26,286
General and administrative expenses	31,300	21,438	10,967	8,032	29,464
Company's share of earnings of companies accounted for at equity, net	(848)	(633)	(126)	(34)	(764)
Other expenses (income)	2,249	(203)	289	(363)	559
Operating income	38,813	32,929	13,839	13,373	43,430
Finance expenses, net	5,155	10,287	4,577	4,725	13,218
Income before taxes on income	33,658	22,642	9,262	8,648	30,212
Taxes on income	7,851	6,002	2,688	2,641	7,557
Net income	25,807	16,640	6,574	6,007	22,655
Other comprehensive income (net of tax effect):					
Amounts that will not be reclassified subsequently to profit or loss:					
Adjustments arising from translating financial statements from functional currency to presentation currency	11,882	14,662	(9,679)	5,790	27,649
Amounts that will be or that have been reclassified to profit or loss when specific conditions are met:					
Adjustments arising from translating financial statements of foreign operations	(9,057)	(574)	6,849	(2,705)	(8,079)
Comprehensive income	28,632	30,728	3,744	9,092	42,225
Net income attributable to:					
Equity holders of the Company	21,123	12,934	4,889	4,376	17,718
Non-controlling interests	4,684	3,706	1,685	1,631	4,937
	25,807	16,640	6,574	6,007	22,655
Comprehensive income attributable to:					
Equity holders of the Company	24,907	23,068	2,371	7,295	33,254
Non-controlling interests	3,725	7,660	1,373	1,797	8,971
	28,632	30,728	3,744	9,092	42,225
Net earnings per share attributable to equity holders of the Company (in U.S. dollars):					
Basic and diluted net earnings per share	0.19	0.12	0.04	0.04	0.17

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company							
	Share capital	Share premium	Other capital reserves	Reserve in respect of translation differences	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited							
	U.S. dollars in thousands							
Balance as of January 1, 2026 (audited)	1	177,521	(6,563)	8,167	70,658	249,784	43,655	293,439
Net income	-	-	-	-	21,123	21,123	4,684	25,807
Other comprehensive income (loss)	-	-	-	3,784	-	3,784	(959)	2,825
Total comprehensive income	-	-	-	3,784	21,123	24,907	3,725	28,632
Share-based payment	-	-	1,539	-	-	1,539	-	1,539
Exercise of options	-	1,491	(450)	-	-	1,041	-	1,041
Acquisition of non-controlling interests and settlement of financial liabilities through share issue		8,712	1,429	-	-	10,141	(7,236)	2,905
Dividends distributed	-	-	-	-	(6,800)	(6,800)	(1,037)	(7,837)
Balance as of September 30, 2026	1	187,724	(4,045)	11,951	84,981	280,612	39,107	319,719

	Attributable to equity holders of the Company							
	Share capital	Share premium	Other capital reserves	Reserve in respect of translation differences	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited							
	U.S. dollars in thousands							
Balance as of January 1, 2025 (audited)	1	75,552	(6,023)	(7,369)	52,940	115,101	29,145	144,246
Net income	-	-	-	-	12,934	12,934	3,706	16,640
Other comprehensive income	-	-	-	10,134	-	10,134	3,954	14,088
Total comprehensive income	-	-	-	10,134	12,934	23,068	7,660	30,728
Share-based payment	-	-	962	-	-	962	-	962
Exercise of options	-	4,429	(1,601)	-	-	2,828	-	2,828
Issue of share capital	-	97,155	-	-	-	97,155	-	97,155
Acquisition of non-controlling interests	-	-	(93)	-	-	(93)	(417)	(510)
Non-controlling interests created in newly consolidated companies	-	-	-	-	-	-	6,806	6,806
Dividends to holders of non-controlling interests	-	-	-	-	-	-	(936)	(936)
Balance as of September 30, 2025	1	177,136	(6,755)	2,765	65,874	239,021	42,258	281,279

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company							
	Share capital	Share premium	Other capital reserves	Reserve in respect of translation differences	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited							
	U.S. dollars in thousands							
Balance as of July 1, 2026	1	186,975	(4,348)	14,469	80,092	277,189	38,315	315,504
Net income	-	-	-	-	4,889	4,889	1,685	6,574
Other comprehensive loss	-	-	-	(2,518)	-	(2,518)	(312)	(2,830)
Total comprehensive income (loss)	-	-	-	(2,518)	4,889	2,371	1,373	3,744
Share-based payment	-	-	515	-	-	515	-	515
Exercise of options	-	749	(212)	-	-	537	-	537
Dividends distributed	-	-	-	-	-	-	(581)	(581)
Balance as of September 30, 2026	1	187,724	(4,045)	11,951	84,981	280,612	39,107	319,719

	Attributable to equity holders of the Company							
	Share capital	Share premium	Other capital reserves	Reserve in respect of translation differences	Retained earnings	Total	Non-controlling interests	Total equity
	Unaudited							
	U.S. dollars in thousands							
Balance as of July 1, 2025	1	78,304	(6,384)	(154)	61,498	133,265	34,578	167,843
Net income	-	-	-	-	4,376	4,376	1,631	6,007
Other comprehensive income	-	-	-	2,919	-	2,919	166	3,085
Total comprehensive income	-	-	-	2,919	4,376	7,295	1,797	9,092
Share-based payment	-	-	359	-	-	359	-	359
Exercise of options	-	1,677	(637)	-	-	1,040	-	1,040
Issue of share capital	-	97,155	-	-	-	97,155	-	97,155
Acquisition of non-controlling interests	-	-	(93)	-	-	(93)	(417)	(510)
Non-controlling interests created in newly consolidated companies	-	-	-	-	-	-	6,806	6,806
Dividends to holders of non-controlling interests	-	-	-	-	-	-	(506)	(506)
Balance as of September 30, 2025	1	177,136	(6,755)	2,765	65,874	239,021	42,258	281,279

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company							
	Share capital	Share premium	Other capital reserves	Reserve in respect of translation differences	Retained earnings	Total	Non-controlling interests	Total equity
	Audited							
	U.S. dollars in thousands							
Balance as of January 1, 2025	1	75,552	(6,023)	(7,369)	52,940	115,101	29,145	144,246
Net income	-	-	-	-	17,718	17,718	4,937	22,655
Total other comprehensive income	-	-	-	15,536	-	15,536	4,034	19,570
Total comprehensive income	-	-	-	15,536	17,718	33,254	8,971	42,225
Share-based payment	-	-	1,375	-	-	1,375	-	1,375
Exercise of options	-	4,814	(1,822)	-	-	2,992	-	2,992
Issue of share capital	-	97,155	-	-	-	97,155	-	97,155
Acquisition of non-controlling interests	-	-	(93)	-	-	(93)	(417)	(510)
Non-controlling interests created in newly consolidated companies	-	-	-	-	-	-	6,892	6,892
Dividends distributed	-	-	-	-	-	-	(936)	(936)
Balance as of December 31, 2025	1	177,521	(6,563)	8,167	70,658	249,784	43,655	293,439

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2026	2025	2026	2025	2025
	Unaudited				Audited
	U.S. dollars in thousands				
Cash flows from operating activities:					
Net income	25,807	16,640	6,574	6,007	22,655
Adjustments to reconcile net income to net cash provided by operating activities (a)	(5,550)	9,843	(2,096)	7,342	18,006
Net cash provided by operating activities	20,257	26,483	4,478	13,349	40,661
Cash flows from investing activities					
Purchase of property, plant and equipment and other assets	(9,728)	(8,201)	(3,898)	(3,717)	(12,454)
Proceeds from sale of property, plant and equipment	17	177	4	(7)	236
Acquisition of initially consolidated subsidiaries (b)	(116,297)	(54,635)	-	(25,462)	(60,281)
Acquisition of companies accounted for at equity	-	(10,096)	-	-	(10,096)
Repayment of liability in respect of acquisition of activity	-	(725)	-	(725)	(725)
Net cash used in investing activities	(126,008)	(73,480)	(3,894)	(29,911)	(83,320)
Cash flows from financing activities					
Receipt (repayment) of short-term credit	17,868	17,168	10,708	(1,892)	(794)
Acquisition of shares from holders of non-controlling interests in subsidiary	-	(511)	-	(511)	(510)
Dividend paid to equity holders of the Company	(6,800)	-	-	-	-
Dividend paid to holders of put options and holders of non-controlling interests	(1,864)	(2,322)	(997)	(1,300)	(2,322)
Repayment of long-term lease liabilities	(4,064)	(2,681)	(1,464)	(1,027)	(3,874)
Repayment of long-term loans	(25,664)	(11,669)	(11,129)	(4,063)	(26,159)
Receipt of long-term loans	32,275	57,153	-	32,772	86,051
Issue of share capital less issue expenses	-	97,155	-	97,155	97,155
Repayment of liability in respect of acquisition of activity	(17,241)	(2,239)	(11,221)	-	(2,239)
Exercise of share options	1,041	2,828	537	1,040	2,993
Net cash provided by (used in) financing activities	(4,449)	154,881	(13,566)	122,173	150,301
Exchange rate differences on balances of cash and cash equivalents	4,779	5,545	(233)	2,741	9,527
Increase (decrease) in cash and cash equivalents	(105,421)	113,429	(13,215)	108,352	117,169
Cash and cash equivalents at the beginning of the period	143,095	25,926	50,889	31,003	25,926
Cash and cash equivalents at the end of the period	37,674	139,355	37,674	139,355	143,095

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2026	2025	2026	2025	2025
	Unaudited				Audited
	U.S. dollars in thousands				
(a) Adjustments to reconcile net income to net cash provided by operating activities:					
Adjustments to profit and loss items:					
Depreciation and amortization	19,136	12,902	7,102	5,157	18,143
Capital loss (gain) from sale of property, plant and equipment	(5)	(18)	7	(16)	27
Change in employee benefit liabilities, net	58	12	20	(14)	38
Cost of share-based payment	1,539	962	515	359	1,375
Company's share of earnings of companies accounted for at equity, net	(848)	(633)	(126)	(34)	(764)
Finance expenses, net	5,155	10,287	4,577	4,725	13,218
Taxes on income	7,851	6,002	2,688	2,641	7,557
	32,886	29,514	14,783	12,818	39,594
Changes in asset and liability items:					
Increase in trade receivables	(12,976)	(8,855)	(3,071)	(3,497)	(979)
Decrease (increase) in other accounts receivable	(525)	(644)	(1,457)	112	(1,219)
Increase in inventories	(10,709)	(1,991)	(453)	(343)	(2,349)
Increase (decrease) in trade payables	(672)	2,311	(8,200)	62	(469)
Increase (decrease) in other accounts payable	(2,895)	(90)	(22)	1,596	(1,899)
	(27,777)	(9,269)	(13,203)	(2,070)	(6,915)
Cash paid and received during the period for:					
Taxes paid	(7,694)	(6,161)	(2,354)	(2,488)	(8,864)
Interest paid, net	(3,641)	(4,514)	(1,660)	(1,191)	(6,082)
Dividend received from associate	676	273	338	273	273
	(10,659)	(10,402)	(3,676)	(3,406)	(14,673)
	(5,550)	9,843	(2,096)	7,342	18,006

The accompanying notes are an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2026	2025	2026	2025	2025
	Unaudited				Audited
	U.S. dollars in thousands				
(b) Acquisition of initially consolidated subsidiaries:					
The subsidiaries' assets and liabilities at date of acquisition:					
Working capital (excluding cash and cash equivalents)	6,675	4,115	-	2,196	5,896
Property, plant and equipment	4,966	6,492	-	2,248	7,121
Right-of-use assets	9,240	3,403	-	3,212	3,520
Intangible assets	138,384	104,529	-	56,768	121,702
Lease liabilities	(9,240)	(3,403)	-	(3,212)	(3,520)
Other non-current liabilities	(33,312)	(2,483)	-	(1,755)	(2,483)
Repayment of other non-current liabilities following acquisition of Phoenix	32,362	-	-	-	-
Payables for acquisition of investments in subsidiaries	(23,198)	(45,980)	-	(23,317)	(57,558)
Deferred taxes	(9,580)	(4,783)	-	(3,872)	(7,056)
Equity investment	-	(449)	-	-	(449)
Non-controlling interests	-	(6,806)	-	(6,806)	(6,892)
	116,297	54,635	-	25,462	60,281
(c) Significant non-cash transactions:					
Right-of-use assets recognized with corresponding lease liabilities	8,016	5,265	838	1,275	6,457
Acquisition of associate in exchange for assets	-	11,806	-	-	11,806
Reclassification of put option to equity	2,905	-	-	-	-

The accompanying notes are an integral part of the interim consolidated financial statements.

NOTE 1:- GENERAL

a. General description of the Group and its activity:

Turpaz Industries Ltd. ("the Company") is a publicly traded company incorporated in Israel. The condensed interim consolidated financial statements of the Company as of September 30, 2026 include those of the Company and its subsidiaries (collectively, "the Group").

The Group operates, by itself and through subsidiaries in Israel, the U.S., Southeast Asia, Europe and South Africa in the development, research, production, marketing, distribution and sale of products in three operating segments: (1) tastes; (2) fragrances; (3) specialty fine ingredients (see Note 5).

b. These interim consolidated financial statements have been prepared in a condensed format as of September 30, 2026 and for the periods of nine and three months then ended ("interim consolidated financial statements"). These interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements as of December 31, 2025 and for the year then ended and accompanying notes ("annual consolidated financial statements").

NOTE 2:- ACCOUNTING POLICIES

a. Basis of preparation of the interim consolidated financial statements:

The interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting", and in accordance with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Immediate Reports), 1970. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements as of December 31, 2025.

b. IFRS 18, "Presentation and Disclosure in Financial Statements":

In continuation of Note 4 to the annual consolidated financial statements regarding IFRS 18, "Presentation and Disclosure in Financial Statements" ("IFRS 18"), as of the date of approval of these interim consolidated financial statements, the Company is in the process of assessing the overall effects of IFRS 18, including the effects of the amendments to other standards included therein, on its financial statements and the disclosures included therein. Based on the results of the assessment performed to date, the Company estimates that the material effects expected from the application of IFRS 18 on the consolidated financial statements are as follows:

NOTE 2:- ACCOUNTING POLICIES (Cont.)

1. Material effects on classification in the statement of profit or loss and on the subtotals presented therein:

   a) Put option to non-controlling interests - currently, the Company classifies the effects arising from the subsequent measurement of the liability in respect of a put option to holders of non-controlling interests under finance expenses in the statement of profit or loss. Following the application of IFRS 18, there will be no change in this respect, as the Company intends to elect an accounting policy whereby such changes will be classified in the financing category.

   b) Liability for contingent consideration in a business combination - currently, the Company classifies changes in the fair value of the liability for contingent consideration in a business combination under finance expenses. Following the application of IFRS 18, such remeasurement will be classified in the operating category.

   c) Subtotals - currently, the Company presents in the statement of profit or loss subtotals for gross profit (loss), operating income, income (loss) before taxes on income (tax benefit), and net income (loss). Following the application of IFRS 18, the Company will continue to present the aforesaid subtotals, together with income (loss) before financing and taxes on income.

2. Effects on classification in the statement of cash flows:

   Currently, the Company classifies cash flows from interest received and interest paid as cash flows from operating activities in the statement of cash flows. Following the application of IFRS 18, cash flows from interest received will be classified as investing activities, while cash flows from interest paid will be classified as financing activities.

   As a result of the aforementioned classification changes, an increase in cash flows from operating activities is expected, primarily due to the reclassification of cash flows from interest paid to financing activities.

3. Management-defined performance measures:

   The Company estimates that the following measures are expected to constitute management-defined performance measures ("MPMs") in accordance with the provisions of IFRS 18:

   a) Adjusted EBITDA – earnings before interest, taxes, depreciation and amortization, adjusted to exclude one-time expenses.

   b) Non-GAAP net income – net income adjusted to add back amortization of intangible assets, expenses in respect of share-based payments to employees, finance expenses in respect of put options, and one-time expenses, net of the tax effects relating to such expenses.

   c) Non-GAAP operating income – income before interest and taxes, adjusted to add back amortization of intangible assets, expenses in respect of share-based payments to employees, and one-time expenses.

NOTE 3:- BUSINESS COMBINATIONS

a. On May 1, 2026, the Company, through Klabin, a wholly owned subsidiary, signed an agreement for the acquisition of 100% of the shares of Phoenix Flavors & Fragrances Inc. ("Phoenix"), a private company incorporated in the U.S., from a U.S. private equity fund for a purchase price of $ 95 million which was paid on the signing date and a contingent consideration of up to $ 5 million based on Phoenix's performances in Q2 and Q3 2026. The purchase price includes repayment of a net debt of approximately $ 63 million. The transaction was closed on the signing date and financed using the Company's own resources. Phoenix develops, manufactures, markets and sells customized flavor and fragrance solutions for customers across food & beverage, personal care, and industrial applications.

The purchase price was allocated to tangible assets, intangible assets and liabilities acquired at their fair value at the purchase date. The fair value measurement of these assets and liabilities is subject to a final valuation of the PPA of the fair value of the assets and liabilities, which has not been completed as of the date of approval of these financial statements. The table presented below summarizes the purchase price and the provisional PPA:

	May 1, 2026 **U.S. dollars in thousands**
Working capital, net	6,655
Property, plant and equipment and other assets	8,279
Right-of-use asset	8,269
Customer relations	13,046
Product formulas	13,443
Lease liabilities	(8,269)
Other non-current liabilities	(32,362)
Deferred taxes	(7,492)
Net identifiable assets	1,569
Goodwill arising on acquisition	64,499
Purchase price:	
Paid in cash less debt paid and net cash in acquiree on acquisition date	61,133
Liability for contingent consideration	4,935
Total purchase price	66,068

Through September 30, 2026, the acquired activity has contributed approximately $ 15,826 thousand to revenues and approximately $ 1,273 thousand to net income. If the business combination had been completed at the beginning of the year, the revenues would have amounted to approximately $ 27,194 thousand.

The goodwill arising on the acquisition was allocated to the fragrances and tastes segments and consists of the projected benefits from the synergy of the combined operations of the Company and the acquiree.

NOTE 3:- BUSINESS COMBINATIONS (Cont.)

b. On May 12, 2026, the Company, through Turpaz Belgium, completed the acquisition of 70% of the share capital of Romessence SAS ("Romessence"), a private company incorporated in France and resident in Grasse, the perfume capital of the world, from Romessence's founders, for a purchase price of approximately € 22.6 million. The transaction was financed using a long-term bank loan. The agreement includes a symmetrical put/call option for the purchase of Romessence's remaining shares (about 30%) which is exercisable commencing three years from the closing date for an exercise price based on Romessence's business performances in the period from January 1, 2026 through the option exercise date, to be paid in cash or in Company shares to be allocated at their average quoted market price in the 30 calendar days before the exercise date, at the founders' discretion. Romessence was founded in 1997. It develops, manufactures and markets fine fragrances, body care products, ambiences and detergency.

The purchase price was allocated to tangible assets, intangible assets and liabilities acquired at their fair value at the purchase date. The fair value measurement of these assets and liabilities is subject to a final valuation of the PPA of the fair value of the assets and liabilities, which has not been completed as of the date of approval of these financial statements. The table presented below summarizes the purchase price and the provisional PPA:

	May 12, 2026 **U.S. dollars in thousands**
Working capital, net	20
Property, plant and equipment and other assets	1,146
Right-of-use asset	971
Customer relations	7,295
Product formulas	4,340
Lease liabilities	(971)
Other non-current liabilities	(950)
Deferred taxes	(2,088)
Net identifiable assets	9,763
Goodwill arising on acquisition	31,302
Purchase price:	
Paid in cash less net cash in acquiree on acquisition date	22,802
Liability for symmetrical put/call option on non-controlling interests, deferred consideration and acquisition date adjustments	18,263
Total purchase price	41,065

Through September 30, 2026, the acquired activity has contributed approximately $ 3,995 thousand to revenues and approximately $ 882 thousand to net income. If the business combination had been completed at the beginning of the year, the revenues would have amounted to approximately $ 7,776 thousand.

The goodwill arising on the acquisition was allocated to the fragrances segment and consists of the projected benefits from the synergy of the combined operations of the Company and the acquiree.

NOTE 4:- EVENTS DURING AND AFTER THE REPORTING PERIOD

a. In furtherance to the acquisition of about 68.6% of the share capital of Attractive Scent SAS ("Attractive Scent") by Turpaz Belgium, on February 2, 2026, the parties signed an addendum to the acquisition agreement which cancels the symmetrical put/call option and provides for the immediate purchase of Attractive Scent's remaining share capital, accounting for about 31.4% of its shares, following which Turpaz Belgium holds 100% of Attractive Scent's share capital as of the reporting date. The overall purchase price of the remaining share capital approximates € 20.1 million and was paid as follows: (a) allocation of Company shares at a scope of approximately € 7.3 million to Attractive Scent's founders at the average quoted market price of the Company's share on the 30 calendar days before the date of signing the addendum as above; (b) an immediate cash payment of approximately € 0.7 million to Attractive Scent's other shareholders; and (c) a deferred payment of approximately € 12.1 million to be paid in cash to Attractive Scent's founders on February 1, 2029. On March 18, 2026, the Company completed the allocation of shares to the two sellers (the founders) as part of the purchase price of the remaining shares.

b. On March 10, 2026, the Company's Board approved the distribution of a dividend to the Company's shareholders in the amount of approximately $ 6.8 million, representing $ 0.063 per share. The dividend was paid on April 29, 2026.

c. On March 29, 2026, the Company exercised an option to purchase the remaining shares of a subsidiary, Balirom, from holders of non-controlling interests based on the agreement between the parties in return for approximately NIS 14,179 thousand. On the closing date, the holders of Balirom's non-controlling interests were paid approximately NIS 13,135 thousand (approximately $ 4,150 thousand) and the balance of approximately NIS 1,044 thousand (approximately $ 330 thousand) was paid in April 2026. Following the exercise of the option, the Company holds 100% of the issued and outstanding share capital of Balirom.

d. On June 7, 2026, the immaterial merger of the Company with Balirom, a wholly owned subsidiary of the Company, was registered with the Israeli Registrar of Companies and Balirom was merged into the Company.

e. In the reporting period, some 221 thousand share options were exercised into shares for approximately $ 1,041 thousand as part of the options granted to employees, executives and a consultant in the Group in 2022.

f. In furtherance to Note 16c to the annual financial statements regarding financial covenants, the Company is meeting all the required financial covenants.

NOTE 4:- EVENTS DURING AND AFTER THE REPORTING PERIOD (Cont.)

g. In furtherance to the acquisition of the Clarys & Willich group, which operates in Belgium and Germany, from its shareholders ("the sellers") through a subsidiary of the Company, Food Ingredients Technologies SA ("FIT"), on July 28, 2026, the Company signed an addendum to the acquisition agreement ("the addendum"), which advances the exercise date of the symmetrical put/call option for the purchase of the sellers' shares in FIT. According to the original acquisition agreement, the option was exercisable from April 3, 2027. Following the signing of the addendum, the Company exercised the option and purchased the sellers' entire shares in FIT, accounting for about 24.5% of FIT's share capital, for approximately € 45.3 million of which approximately € 5.3 million was paid to the sellers on the date of signing the addendum from the Company's own resources and the other € 40 million will be paid on January 1, 2027 using a long-term bank loan. The addendum also updates the understandings reached between the Company and Dandau, a private Belgium company held by FIT's CEO, according to which following the acquisition of the sellers' entire interests in FIT, the Company will hold 69.8% of FIT's share capital and Dandau will hold 30.2%. The parties have a symmetrical put/call option in respect of Dandau's remaining interests in FIT which is exercisable from April 3, 2029.

h. On October 30, 2026, the Company, through Sunspray, completed the acquisition of 70% of the share capital of Sensory FX Proprietary Limited, a privately held South African company ("Sensory"), from its shareholders, for total consideration of approximately $ 10.7 million (approximately ZAR 177.4 million), as well as additional consideration based on Sensory's performance from March 1, 2026 through February 28, 2027. The transaction was financed through long-term bank financing.

The agreement includes symmetrical put/call options for the acquisition of the remaining shares of Sensory (approximately 30% of its share capital), exercisable commencing two or three years after the transaction's closing date, depending on the relevant shareholder. The exercise price will be based on Sensory's business performance during the period from the transaction's closing date through the date of exercise of the option. The exercise consideration will be paid in cash or in Company shares, to be issued based on their average quoted market price during the 30 days preceding the exercise date, at the shareholders' election. Sensory, established in 1999, is a South African company engaged in the development, manufacture and marketing of flavor and fragrance extracts and a variety of solutions for the food and beverage, personal care, home fragrance and consumer products industries. Sensory is one of the few independent local manufacturers operating in the fragrance extracts sector in South Africa.

The Company did not include the disclosures required under IFRS 3 in respect of the business combination described above, since the initial accounting for the business combination has not yet been completed and the Company has not yet completed the allocation of the purchase price to the identifiable assets acquired and liabilities assumed in connection with the acquisition.

NOTE 5:- OPERATING SEGMENTS

a. General:

As stated in the annual consolidated financial statements, the Group has three operating segments as follows: (1) tastes; (2) fragrances and (3) specialty fine ingredients.

The segments' performances (segment profits) are estimated based on operating income (income before net finance expenses and unallocated expenses), as presented in the financial statements.

b. Reporting on operating segments:

	Nine months ended September 30, 2026				
	Tastes	Fragrances	Specialty fine ingredients	Adjustments	Total
	Unaudited				
	U.S. dollars in thousands				
Revenues from external customers	175,704	69,486	22,697	-	267,887
Intersegment revenues	-	-	329	(329)	-
Total revenues	175,704	69,486	23,026	(329)	267,887
Segment operating income net of unallocated joint expenses	34,343	15,922	735	-	51,000
Unallocated joint expenses					12,187
Finance expenses, net					5,155
Income before taxes on income					33,658

NOTE 5:- OPERATING SEGMENTS (Cont.)

	Nine months ended September 30, 2025				
	Tastes	Fragrances	Specialty fine ingredients	Adjustments	Total
	Unaudited				
	U.S. dollars in thousands				
Revenues from external customers	142,711	33,722	24,048	-	200,481
Intersegment revenues	-	-	21	(21)	-
Total revenues	142,711	33,722	24,069	(21)	200,481
Segment operating income net of unallocated joint expenses	28,523	8,949	2,962	-	40,434
Unallocated joint expenses					7,505
Finance expenses, net					10,287
Income before taxes on income					22,642

	Three months ended September 30, 2026				
	Tastes	Fragrances	Specialty fine ingredients	Adjustments	Total
	Unaudited				
	U.S. dollars in thousands				
Revenues from external customers	60,723	27,125	6,169	-	94,017
Intersegment revenues	-	-	329	(329)	-
Total revenues	60,723	27,125	6,498	(329)	94,017
Segment operating income net of unallocated joint expenses	12,330	5,696	(600)	-	17,426
Unallocated joint expenses					3,587
Finance expenses, net					4,577
Income before taxes on income					9,262

NOTE 5:- OPERATING SEGMENTS (Cont.)

	Three months ended September 30, 2025				
	Tastes	Fragrances	Specialty fine ingredients	Adjustments	Total
	Unaudited				
	U.S. dollars in thousands				
Revenues from external customers	52,986	15,043	8,675	-	76,704
Intersegment revenues	-	-	-	-	-
Total revenues	52,986	15,043	8,675	-	76,704
Segment operating income net of unallocated joint expenses	10,685	3,956	1,808	-	16,449
Unallocated joint expenses					3,076
Finance expenses, net					4,725
Income before taxes on income					8,648

	Year ended December 31, 2025				
	Tastes	Fragrances	Specialty fine ingredients	Adjustments	Total
	Audited				
	U.S. dollars in thousands				
Revenues from external customers	194,699	49,434	31,015	-	275,148
Intersegment revenues	-	-	21	(21)	-
Total revenues	194,699	49,434	31,036	(21)	275,148
Segment gross profit	75,788	26,846	7,387	-	110,021
Segment operating income net of unallocated joint expenses	37,568	12,840	3,648	-	54,056
Unallocated joint expenses					10,626
Finance expenses, net					13,218
Income before taxes on income					30,212

NOTE 5:- OPERATING SEGMENTS (Cont.)

c. Geographic information:

The following is a breakdown of the Company's revenues by customer location:

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2026	2025	2026	2025	2025
	Unaudited				Audited
	U.S. dollars in thousands				
Israel and the Middle East	35,321	23,932	11,942	8,419	35,277
North America	37,342	16,219	14,293	5,984	20,301
Europe	137,593	119,887	46,876	44,942	162,166
Africa	35,787	23,142	14,171	9,166	33,551
Asia and other	21,844	17,301	6,735	8,193	23,853
	267,887	200,481	94,017	76,704	275,148

NOTE 6:- FINANCIAL INSTRUMENTS

a. Fair value:

In the reporting period, the Company examined the fair value of financial assets and financial liabilities measured at amortized cost and concluded that their fair value is not materially different from their carrying amount.

b. Liabilities in respect of put options and contingent consideration:

Some of the business combinations performed by the Company include a mechanism whereby former owners have an option to sell their remaining shares to the Company, and the Company has an option to buy those shares (the price and conditions of these put options and call options are identical). Other business combinations include a contingent consideration mechanism, which is payable based on the acquiree's future operating results.

As of September 30, 2026, total liabilities amounted to $ 79,965 thousand. The value of these liabilities was estimated using the average EBITDA to be achieved over the term of the agreement. A weighted annual discount rate of 10.3% was applied to the options. The fair value measurement is classified as Level 3.

The key unobservable input used by the Company to assess the value of the option is the future EBITDA to be achieved. To determine and update these liabilities, the Company utilizes the acquirees' current results and updated forecasts.

NOTE 6:- FINANCIAL INSTRUMENTS (Cont.)

Adjustment to fair value measurements classified as Level 3 in the fair value hierarchy:

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2026	2025	2026	2025	2025
	Unaudited				Audited
	U.S. dollars in thousands				
Balance at beginning of period	(139,734)	(74,779)	(81,418)	(105,000)	(74,779)
Total gain (loss) recognized:					
Repayment	8,353	4,351	2,605	1,535	4,351
In profit or loss	1,351	(4,495)	(1,704)	(3,040)	(5,862)
In other comprehensive income (loss)	2,989	(9,581)	552	(662)	(11,153)
Reclassification of put/call options to deferred consideration	64,715	-	-	-	-
Settlement by share issue	2,905	-	-	-	-
Business combinations	(20,544)	(41,198)	-	(18,535)	(52,291)
Balance at end of period	(79,965)	(125,702)	(79,965)	(125,702)	(139,734)

NOTE 7:- RELATED PARTIES

a. On December 16, 2025, the Company's Board decided on the segregation of the roles of COB and CEO, subject to the approval of the Shareholders' Meeting which was obtained on January 22, 2026. Effective from January 1, 2026, Ms. Cohen Khazon serves as the Company's CEO and a director therein and Dr. Israel Leshem (who served as director in the Company) was appointed as COB. In return for her service as a fulltime CEO (including through a company controlled by her), Ms. Cohen Khazon is entitled to monthly management fees of some NIS 283 thousand plus VAT as required by law, linked to the known Israeli CPI for October 2025 as published in November 2025.

Ms. Cohen Khazon's annual bonus for the entire calendar year of 2026 (from January 1, 2026) will derive from the Group's consolidated operating profit as per the Company's consolidated annual financial statements for 2026 as follows: (a) if the operating profit is lower than $ 10 million (inclusive), the bonus will be nil; (b) if the operating profit is between $ 10 million and $ 40 million (inclusive), the bonus will be 2.5% of the operating profit within this range; (c) if the operating profit is above $ 40 million, the bonus will be 3.5% of the operating profit above $ 40 million. In any event, the bonus will not exceed NIS 3,900 thousand.

NOTE 7:- RELATED PARTIES (Cont.)

The term of the management agreement is three years from January 1, 2026, and each of the parties may terminate it by giving a six-month advance notice in writing. The management agreement includes a confidentiality clause whereby Ms. Cohen Khazon undertook to maintain confidentiality with regard to the Company; furthermore, under the agreement, upon the end of the engagement with Ms. Cohen Khazon , the Company may require Ms. Cohen Khazon not to compete with the Company for a 12-month period that will start at the end of the engagement period, in consideration for a monthly amount equal to half the monthly management fees amount as they will be as of that date.

b. On January 1, 2026, Dr. Israel Leshem began serving as the Company's COB at a 50% position scope in return for monthly management fees of NIS 100,000 plus VAT as required by law, linked to the known Israeli CPI for October 2025 as published in November 2025.

Moreover, as per the Board's decision of December 16, 2025, and the Shareholders' Meeting's approval of January 22, 2026, Dr. Leshem was granted 60,000 unlisted options for NIS 63.18 a share. The options vest over a period of four years from the grant date. 66.66% of the options ("the first portion") will vest on the third anniversary of the grant date and the remaining 33.33% of the options ("the second portion") will vest on the fourth anniversary of the grant date. The first portion can be exercised for a period of two years from the vesting date and the second portion can be exercised for a year from the vesting date including on a cashless basis. The options are subject to various adjustments. Options that are not exercised in their respective periods will expire and no longer confer any rights to their holders. The fair value of the options was approximately $ 450 thousand on the grant date.

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TURPAZ

Chapter C

Effectiveness of Internal Control Over Financial Reporting

Quarterly report regarding the effectiveness of internal control over financial reposting and disclosure in accordance with Regulation 38C to the Securities Regulations (Periodic and Immediate Reports), 1970, for the third quarter of 2026:

Turpaz Industries Ltd.'s management (hereinafter - the "Corporation"), under the supervision of the Board of Directors, is responsible for maintaining and implementing appropriate internal control over financial reporting and disclosure in the Corporation.

For that purpose, members of management are:

1. Karen Cohen Khazon, CEO

2. Guy Gill, EVP and CFO

3. Shauli Eger, VP CIO

4. Yoni Adini, General Counsel

5. Idan Shabtay, Group Comptroller

Internal control over financial reporting and disclosure includes controls and procedures maintained by the Corporation, and designed by the CEO and the most senior financial officer or under their supervision, or by those who effectively execute the said offices, under the supervision of the Corporation's Board of Directors, which were designed to obtain reasonable assurance as to the reliability of the financial reporting and preparation of the reports in accordance with the provisions of the law, and to ensure that information that the Corporation is required to disclose in the reports it publishes in accordance with the provisions of the law is collected, processed, summarized and reported on the date and in the format prescribed by law.

The internal control, includes, among other things, controls and procedures that were designed to ensure that information that the Corporation is required to disclose as stated above, is collected and transferred to the Corporation's management, including to the CEO and to the most senior financial officer, or to those who effectively execute the said offices, in order to allow making decisions in the appropriate date in connection with the disclosure requirements.

Due to its inherent limitations, internal control over financial reporting and disclosure is not designed to provide absolute assurance that a misstatement or omission of information in the reports will be prevented or detected.

In the annual report regarding the effectiveness of the internal control over the financial reporting and the disclosure, which was attached to the Periodic Report for the period ended December 31, 2025 (hereinafter – "**the Latest Annual Report regarding Internal Control**"), the Board of Directors and Management assessed the corporation's internal control; based on this assessment, the corporation's Board of Directors and Management reached the conclusion that the internal control as stated, as of December 31, 2025, is effective.

Through the date of the report, no event or matter was brought to the attention of the Board of Directors or Management that may change the assessment of the effectiveness of internal control, as presented in the Latest Annual Report regarding Internal Control.

As at the date of the report, based on the assessment of the effectiveness of internal control in the Latest Annual Report regarding Internal Control, and based on information brought to the attention of Management and the Board of Directors as stated above, the internal control is effective.

Statement of the Chief Executive Officer in accordance with Regulation 38C(D)(1):

I, Karen Cohen Khazon, hereby declare that:

(1) I have reviewed the quarterly report of Turpaz Industries Ltd. (hereafter – the "**Corporation**") for the third quarter of 2026 (hereafter – the "**Reports**").

(2) To the best of my knowledge, the Reports do not include any misrepresentation of a material fact, nor do they omit any representation of a material fact so that the representations included therein, in view of the circumstances in which such representations have been included, shall not be misleading with regard to the period covered by the Reports;

(3) To the best of my knowledge, the financial statements and other financial information included in the reports, reflect fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation as of the dates and periods covered by the Reports;

(4) I have disclosed to the independent auditor of the corporation, the Board of Directors, and the Board of Directors' Audit committee, based on my most recent evaluation of the internal control over financial reporting and disclosure, the following:

(a) All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting and disclosure that may adversely affect, in a reasonable manner, the Corporation's ability to collect, process, summate or report financial information in a manner that may give rise to doubt as to the reliability of financial reporting and preparation of the financial statements in accordance with the provisions of the law; and -

(b) Any fraud, whether material or immaterial, in which the Chief Executive Officer, or anyone directly reporting to him, or any other employees are involved who have a significant function in the corporation's financial reporting and in internal control over financial reporting and disclosure thereof.

(5) I, severally or jointly with others in the corporation:

(a) have established such controls and procedures, or ensured that such controls and procedures under my supervision be established and in place, designed to ensure that material information relating to the corporation, including its consolidated companies as defined in the Securities Regulations (Preparation of Annual Financial Statements), 2010, is brought to my attention by others in the corporation and the consolidated companies, particularly during the Reports' preparation period; and

(b) have established controls and procedures, or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;

(c) No event or matter that occurred during the period between the date of the latest Periodic Report and the date of this report was brought to my attention that may change the conclusion of the Board of Directors and Management regarding the effectiveness of the internal control over the corporation's financial reporting and disclosure.

The aforesaid does not derogate from my responsibility or from the responsibility of any other person, pursuant to any law.

November 9, 2026

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Karen Cohen Khazon,

CEO

Statement of the Most Senior Financial Officer Pursuant to Regulation 38C(D)(2):

I, Guy Gill, hereby declare that:

(1) I have reviewed the interim financial statements and the other financial information included in the interim reports of Turpaz Industries Ltd. for the third quarter of 2026 (hereafter – the "**Interim Reports**");

(2) To the best of my knowledge, the interim financial statements and other financial information included in the Interim Reports do not include any misrepresentation of a material fact, nor do they omit any representation of a material fact so that the representations included therein, in view of the circumstances in which such representations have been included, shall not be misleading with regard to the period covered by the Reports;

(3) To the best of my knowledge, the interim financial statements and other financial information included in the Interim Reports, reflect fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation as of the dates and periods covered by the Reports;

(4) I have disclosed to the independent auditor of the corporation, the Board of Directors, and the Board of Directors' Audit committee, based on my most recent evaluation of the internal control over financial reporting and disclosure, the following:

(a)All significant deficiencies and material weaknesses in the establishment or implementation of the internal controls over financial reporting and disclosure that may adversely affect, in a reasonable manner, the Corporation's ability to collect, process, summate or report financial information in a manner that may give rise to doubt as to the reliability of financial reporting and preparation of the financial statements in accordance with the provisions of the law; and -

(b) any fraud, whether material or immaterial, in which the Chief Executive Officer, or anyone directly reporting to him, or any other employees are involved who have a significant function in the corporation's financial reporting and in internal control over financial reporting and disclosure thereof.

(5) I, severally or jointly with others in the corporation:

(a) have established such controls and procedures, or ensured that such controls and procedures under my supervision be established and in place, designed to ensure that material information relating to the corporation, including its consolidated companies as defined in the Securities Regulations (Preparation of Annual Financial Statements), 2010, is brought to my attention by

others in the corporation and the consolidated companies, particularly during the Reports' preparation period; and

(b) have established controls and procedures, or ensured that such controls and provisions under my supervision be established and in place, designed to ensure, in a reasonable manner, the reliability of financial reporting and preparation of financial statements in accordance with the provisions of the law, including in accordance with generally accepted accounting principles;

(c) No event or matter that occurred during the period between the date of the latest report (quarterly or periodic, as the case may be) and the date of this report, which relates to interim financial statements and to any other financial information including in the interim reports was brought to my attention that may - in my opinion - change the conclusion of the Board of Directors and Management regarding the effectiveness of the internal control over the corporation's financial reporting and disclosure.

The aforesaid does not derogate from my responsibility or from the responsibility of any other person, pursuant to any law.

November 9, 2026

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Guy Gill, EVP and CFO