

**Tempo Beverages Ltd.  
and its Subsidiaries**

**Condensed Consolidated Interim  
Financial Statements**

**For the period ended  
March 31, 2024**

**Condensed Consolidated Interim Financial Statements  
For the Period Ended March 31, 2024 (Unaudited)**

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**Condensed Consolidated Interim Balance Sheet**

(In Thousands of New Israeli Shekels)

**Reported Amounts**

	<b>March 31 2024</b>	<b>March 31 2023</b>	<b>December 31 2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Current assets</b>			
Cash and cash equivalents	<b>34,773</b>	37,085	34,710
Trade receivables	<b>472,195</b>	427,939	411,940
Other receivables	<b>55,903</b>	50,461	45,912
Derivatives instruments	<b>1,151</b>	769	420
Inventory	<b>495,149</b>	419,392	531,983
Current tax assets	<b>12,118</b>	8,835	10,529
<b>Total current assets</b>	<b>1,071,289</b>	944,481	1,035,494
Long-term loans and receivables	<b>21,129</b>	28,283	23,833
Fixed assets	<b>840,972</b>	779,279	836,942
Intangible assets	<b>113,128</b>	14,128	115,251
Investments in equity accounted investees companies	<b>62,920</b>	82,360	76,006
Investments at fair value	<b>11,951</b>	12,296	11,402
Inventory in process	<b>4,014</b>	4,594	4,425
Deferred taxes	<b>11,082</b>	8,510	10,780
<b>Total long-term assets</b>	<b>1,065,196</b>	929,450	1,078,639
<b>Total assets</b>	<b>2,136,485</b>	1,873,931	2,114,133

**Condensed Consolidated Interim Balance Sheet**(In Thousands of New Israeli Shekels)  
Reported Amounts

	March 31 2024 <u>(Unaudited)</u>	March 31 2023 <u>(Unaudited)</u>	December 31 2023 <u>(Audited)</u>
<b>Current Liabilities</b>			
Credit from banks	453,985	203,078	471,754
Trade payables	323,289	327,491	286,483
Other payables	173,177	197,293	126,325
Derivatives instruments	2,411	-	5,954
Current maturities of debentures	41,900	42,055	42,270
Current maturities of liabilities in respect of leasing	33,588	32,786	35,376
Current taxes liabilities	1,570	2,590	873
<b>Total current liabilities</b>	<b>1,029,920</b>	805,293	969,035
Liabilities to banking institution	17,386	25,001	15,743
Other Long-term liabilities	12,151	2,643	12,090
Long-term liabilities in respect of leasing	113,278	90,429	112,554
Debentures	88,261	129,904	110,439
Deferred taxes	66,686	46,927	66,831
Employee benefits	6,166	9,592	5,989
<b>Total non-current liabilities</b>	<b>303,928</b>	304,496	323,646
<b>Total liabilities</b>	<b>1,333,848</b>	1,109,789	1,292,681
<b>Equity</b>			
<b>Non-controlling interest</b>	<b>1,498</b>	551	2,337
Share capital	1	1	1
Share premium	147,334	147,334	147,334
Translation reserve	3,149	2,634	4,372
Retained earnings	650,655	613,622	667,408
<b>Total equity attributable to equity holders of the parent company</b>	<b>801,139</b>	763,591	819,115
<b>Total equity</b>	<b>802,637</b>	764,142	821,452
<b>Total liabilities and equity</b>	<b>2,136,485</b>	1,873,931	2,114,133

Jacques Beer  
Chairman of the  
Board

Daniel Beer  
CEO

Amir Bornstien  
Deputy Chairman of the  
Board

Eyal Tregerman  
CFO

Date financial statements confirmed: May 30, 2024

**Condensed Consolidated Interim Statement of Operation**

(In Thousands of New Israeli Shekels)

**Reported Amounts**

	<b>For the three months ended</b>		<b>For the</b>
	<b>March 31</b>		<b>year ended</b>
	<b>2024</b>	<b>2023</b>	<b>December 31</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Revenues from sales, net	<b>557,373</b>	464,937	1,994,001
Cost of sales	<b>396,061</b>	318,964	1,375,592
<b>Gross profit</b>	<b>161,312</b>	145,973	618,409
Selling and marketing expenses	<b>(103,586)</b>	(88,590)	(393,640)
General and administrative expenses	<b>(30,073)</b>	(25,369)	(103,508)
Other income	<b>741</b>	227	33,853
Other expenses	<b>(4,000)</b>	-	(18,500)
<b>Operating profit</b>	<b>24,394</b>	32,241	136,614
Financing income	<b>4,122</b>	890	1,915
Financing expenses	<b>(9,407)</b>	(7,833)	(44,631)
<b>Financing expenses, net</b>	<b>(5,285)</b>	(6,943)	(42,716)
Share of profits of equity accounted investees companies	<b>(1,052)</b>	(991)	(7,159)
<b>Profit before taxes on income</b>	<b>18,057</b>	24,307	86,739
Tax on income	<b>(4,700)</b>	(5,970)	(15,956)
<b>Profit for the period</b>	<b>13,357</b>	18,337	70,783
<b>Attributable to:</b>			
Equity holders of the Company	<b>13,523</b>	18,353	71,267
Non-controlling interest	<b>(166)</b>	(16)	(484)
	<b>13,357</b>	18,337	70,783

**Condensed Consolidated Interim Statement of Recognized Income and Expense**

(In Thousands of New Israeli Shekels)

**Reported Amounts**

	<b>For the three months ended</b>		<b>For the</b>
	<b>March 31</b>		<b>year ended</b>
	<b>2024</b>	<b>2023</b>	<b>December 31</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Profit for the period	<u>13,357</u>	<u>18,337</u>	<u>70,783</u>
<b>Components of the other comprehensive income after initial recognition were or will be carried to profit and loss:</b>			
Foreign currency translation differences of foreign operations	(1,223)	3,621	5,359
<b>Components of the other comprehensive income not carried to profit and loss:</b>			
Defined benefit plan actuarial gains, net of tax	<u>223</u>	<u>117</u>	<u>989</u>
<b>Other comprehensive income (loss), net of tax</b>	<u>(1,000)</u>	<u>3,738</u>	<u>6,348</u>
<b>Total comprehensive income for the period</b>	<u>12,357</u>	<u>22,075</u>	<u>77,131</u>
<b>Comprehensive income (loss) attributable to:</b>			
Equity holders of the Company	12,523	22,091	77,615
Non-controlling interests	<u>(166)</u>	<u>(16)</u>	<u>(484)</u>
<b>Total comprehensive income for the period</b>	<u>12,357</u>	<u>22,075</u>	<u>77,131</u>

**Condensed Interim Statement of Changes in Shareholders' Equity**

(In Thousands of New Israeli Shekels)

Reported Amounts

	Attributable to equity holders of the Company					Minority interest	Total equity
	Share capital	Share premium	Translation reserve	Retained earnings	Total		
<b>For the three months ended March 31, 2024 (Unaudited)</b>							
<b>Balance at January 1, 2024</b>	<b>1</b>	<b>147,334</b>	<b>4,372</b>	<b>667,408</b>	<b>819,115</b>	<b>2,337</b>	<b>821,452</b>
Dividend declared	-	-	-	(30,000)	(30,000)	-	(30,000)
Foreign currency translation differences in respect of foreign operations	-	-	(1,223)	-	(1,223)	-	(1,223)
Actuarial gains from defined benefit plan, net of tax	-	-	-	223	223	-	223
Acquisition of Non-controlling interests	-	-	-	(499)	(499)	(673)	(1,172)
Profit (losses) for the period	-	-	-	13,523	13,523	(166)	13,357
<b>Balance at March 31, 2024</b>	<b>1</b>	<b>147,334</b>	<b>3,149</b>	<b>650,655</b>	<b>801,139</b>	<b>1,498</b>	<b>802,637</b>
<b>For the three months ended March 31, 2023 (Unaudited)</b>							
<b>Balance at January 1, 2023</b>	<b>1</b>	<b>147,334</b>	<b>(987)</b>	<b>650,152</b>	<b>796,500</b>	<b>567</b>	<b>797,067</b>
Dividend declared	-	-	-	(55,000)	(55,000)	-	(55,000)
Foreign currency translation differences in respect of foreign operations	-	-	3,621	-	3,621	-	3,621
Actuarial gains from defined benefit plan, net of tax	-	-	-	117	117	-	117
Profit (losses) for the period	-	-	-	18,353	18,353	(16)	18,337
<b>Balance at March 31, 2023</b>	<b>1</b>	<b>147,334</b>	<b>2,634</b>	<b>613,622</b>	<b>763,591</b>	<b>551</b>	<b>764,142</b>
<b>For the year ended December 31, 2023 (audited)</b>							
<b>Balance at January 1, 2023</b>	<b>1</b>	<b>147,334</b>	<b>(987)</b>	<b>650,152</b>	<b>796,500</b>	<b>567</b>	<b>797,067</b>
Dividend paid	-	-	-	55,000)	(55,000)	-	(55,000)
Foreign currency translation differences in respect of foreign operations	-	-	5,359	-	5,359	-	5,359
Actuarial gains from defined benefit plan, net of tax	-	-	-	989	989	-	989
Minority interest in respect of business combination	-	-	-	-	-	2,254	2,254
Profit for the year	-	-	-	71,267	71,267	(484)	70,783
Balance at December 31, 2023	<b>1</b>	<b>147,334</b>	<b>4,372</b>	<b>667,408</b>	<b>819,115</b>	<b>2,337</b>	<b>821,452</b>

**Interim Statements of Cash Flows**(In Thousands of New Israeli Shekels)  
Reported Amounts

	For the three months ended March 31		For the year ended December 31
	2024 (Unaudited)	2023 (Unaudited)	2023 (Audited)
<b>Cash flows from operating activities</b>			
Profit for the period	13,357	18,337	70,783
Adjustments:			
Depreciation	38,364	32,209	148,783
Share of Company in profits of equity-accounted investee Companies	1,052	991	7,159
Profit or revaluation of investment, net	-	-	(28,300)
Financing expenses, net	9,373	4,259	30,446
Capital loss (gains) from sale of fixed assets, net	(195)	56	152
Taxes on income	4,700	5,970	15,976
	<u>66,651</u>	<u>61,822</u>	<u>244,934</u>
Change in inventory	36,922	(21,534)	(91,015)
Change in trade receivables and other receivable	(67,406)	(45,700)	24,001
Change in trade payables and other payables	49,136	46,248	(22,900)
Changes in employee benefits	467	403	1,397
	<u>19,119</u>	<u>(20,583)</u>	<u>(88,517)</u>
Income tax paid	(6,101)	(14,502)	(27,893)
<b>Net cash provided by operating activities</b>	<u>79,669</u>	<u>26,737</u>	<u>128,524</u>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries net of cash received	-	-	(47,381)
Acquisition of equity accounted investee	(515)	(625)	(33,885)
Dividends received	-	-	15,000
Repayment loans to affiliated companies	11,999	3,103	-
Investment in companies measured at paid value	(549)	(1,024)	(1,130)
Proceeds from sale of fixed assets	487	54	1,135
Acquisition of fixed assets	(29,038)	(24,227)	(118,013)
Acquisition of intangible assets	(505)	(485)	(5,388)
Acquisition in long-term receivables	(4,109)	(8,625)	(24,557)
Receipts of investment in long-term receivables	2,483	3,338	11,354
<b>Net cash used in investing activities</b>	<u>(19,747)</u>	<u>(28,491)</u>	<u>(202,865)</u>
<b>Cash flows from financing activities</b>			
Short-term credit, net	(18,441)	78,484	292,548
Distributed dividend	-	-	(55,000)
Repayment of debentures	(22,220)	(41,743)	(61,266)
Long-term loans from bank	5,570	-	-
Repayment of long-term bank loans	(3,291)	(3,125)	(16,367)
Repayment of principle of liabilities in respect of leasing	(11,661)	(8,784)	(39,196)
Repayment of other long-term liabilities	(35)	(35)	(140)
Interest paid	(9,746)	(5,428)	(31,055)
<b>Net cash provided by (used in) financing activities</b>	<u>(59,824)</u>	<u>19,369</u>	<u>89,524</u>
<b>Net change in cash and cash equivalents</b>	<b>98</b>	<b>17,615</b>	<b>15,183</b>
<b>Cash and cash equivalents as at the beginning of period</b>	<b>34,710</b>	<b>19,342</b>	<b>19,342</b>
<b>Impact of exchange rate fluctuations on balance of cash and cash equivalents</b>	<b>(35)</b>	<b>128</b>	<b>185</b>
<b>Cash and cash equivalents as at ended of period</b>	<u><b>34,773</b></u>	<u><b>37,085</b></u>	<u><b>34,710</b></u>



**Condensed Consolidated Interim Segment Reporting**

(In Thousands of New Israeli Shekels)

**Sectoral Reporting**

	Light alcoholic beverages		Alcoholic beverages		Barkan		Non-alcoholic beverages		Other		Consolidated	
	For the three months ended March 31											
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(unaudited)											
Segment revenue	<b>93,343</b>	81,569	<b>116,424</b>	102,356	<b>56,345</b>	64,841	<b>250,257</b>	212,382	<b>41,004</b>	3,789	<b>557,373</b>	464,937
Segment profit	<b>9,599</b>	10,067	<b>14,048</b>	13,829	<b>13,056</b>	16,011	<b>22,294</b>	17,468	<b>(1,271)</b>	8	<b>57,726</b>	57,383
Unallocated expenses											<b>(33,332)</b>	(25,142)
Operating profit											<b>24,394</b>	32,241
Net financing expenses											<b>(5,285)</b>	(6,943)
Share of profits of equity accounted investees											<b>(1,052)</b>	(991)
Taxes on income											<b>(4,700)</b>	(5,970)
Profit for the period											<b>13,357</b>	18,337

**Condensed Consolidated Interim Segment Reporting**

(In Thousands of New Israeli Shekels)

**Sectoral Reporting (Cont.)**

	<u>Light alcoholic beverages</u>	<u>Alcoholic beverages</u>	<u>Barkan</u>	<u>Non- alcoholic beverages</u>	<u>Others</u>	<u>Consolidated</u>
	For the year ended December 31, 2023					
	(Audited)					
Segment revenue	<u>404,231</u>	<u>369,075</u>	<u>180,379</u>	<u>982,753</u>	<u>57,563</u>	<u>1,994,001</u>
Segment profit	<u>54,940</u>	<u>46,893</u>	<u>35,170</u>	<u>90,754</u>	<u>(2,988)</u>	224,769
Unallocated expenses						<u>(88,155)</u>
Operating profit						136,614
Net financing expenses						<u>(42,716)</u>
Share of profits of equity-accounted investees						<u>(7,159)</u>
Taxes on income						<u>(15,956)</u>
Profit for the period						<u>70,783</u>