

**Tempo Beverages Ltd.  
and its Subsidiaries**

**Condensed Consolidated Interim  
Financial Statements**

**For the period ended June 30, 2024**

**Condensed Consolidated Interim Financial Statements  
For the Period Ended June 30, 2024 (Unaudited)**

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**Condensed Consolidated Interim Statement of Financial Position**(In Thousands of New Israeli Shekels)  
Reported Amounts

	<b>June 30</b> <b>2024</b>	<b>June 30</b> <b>2023</b>	<b>December 31</b> <b>2023</b>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
<b>Current assets</b>			
Cash and cash equivalents	<b>150,778</b>	18,807	34,710
Trade receivables	<b>543,816</b>	439,641	411,940
Other receivables	<b>73,688</b>	76,055	45,912
Derivatives	<b>1,390</b>	1,177	420
Inventory	<b>488,752</b>	515,549	531,983
Current tax	<b>12,590</b>	16,535	10,529
	<u><b>1,271,014</b></u>	<u>1,067,764</u>	<u>1,035,494</u>
<b>Investments and long-term receivables</b>			
Long-term loans, receivables and derivatives	<b>20,899</b>	26,027	23,833
Fixed assets	<b>858,313</b>	799,215	836,942
Intangible assets	<b>110,902</b>	119,240	115,251
Investments in equity accounted investees	<b>64,494</b>	44,320	76,006
Investments measured at fair value	<b>12,045</b>	12,296	11,402
Inventory in process	<b>4,463</b>	4,391	4,425
Deferred tax	<b>11,649</b>	9,765	10,780
	<u><b>1,082,765</b></u>	<u>1,015,254</u>	<u>1,078,639</u>
<b>Total non-current assets</b>	<u><b>1,082,765</b></u>	<u>1,015,254</u>	<u>1,078,639</u>
<b>Total assets</b>	<u><b>2,353,779</b></u>	<u>2,083,018</u>	<u>2,114,133</u>

**Condensed Consolidated Interim Statement of Financial Position (cont'd)**(In Thousands of New Israeli Shekels)  
Reported Amounts

	June 30 2024 <u>(Unaudited)</u>	June 30 2023 <u>(Unaudited)</u>	December 31 2023 <u>(Audited)</u>
<b>Current liabilities</b>			
Credit from banks and others	551,194	403,150	471,754
Trade payables	415,367	345,513	286,483
Other payables	163,836	141,565	126,325
Current maturities of debentures	42,183	42,270	42,270
Current maturities of leases	37,922	34,397	35,376
Current taxes liabilities	4,431	1,835	873
Derivatives	562	-	5,954
<b>Total current liabilities</b>	<b>1,215,495</b>	968,730	969,035
<b>Long-term liabilities</b>			
Loan from banks	14,223	22,120	15,743
Other long-term liabilities and derivatives	2,624	11,932	12,090
Long term liabilities of leases	122,733	93,240	112,554
Debentures	88,291	129,915	110,439
Deferred tax liabilities	69,440	62,213	66,831
Employee benefits	5,345	6,674	5,989
<b>Total long-term liabilities</b>	<b>302,656</b>	326,094	323,646
<b>Total liabilities</b>	<b>1,518,151</b>	1,294,824	1,292,681
<b>Equity</b>			
<b>Minority interest</b>	<b>1,368</b>	2,791	2,337
Share capital	1	1	1
Share premium	147,334	147,334	147,334
Translation reserve	3,953	4,561	4,372
Retained earnings	682,972	633,507	667,408
<b>Total equity attributable to equity holders of the parent company</b>	<b>834,260</b>	785,403	819,115
<b>Total equity</b>	<b>835,628</b>	788,194	821,452
<b>Total liabilities and equity</b>	<b>2,353,779</b>	2,083,018	2,114,133

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**Jacques Beer**  
Chairman of the Board

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**Daniel Beer**  
CEO

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**Amir Bornstien**  
Deputy chairman of the  
Board

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**Eyal Tregerman**  
CFO

Date financial statements confirmed: August 27, 2024

**Condensed Consolidated Interim Income Statement**(In Thousands of New Israeli Shekels)  
Reported Amounts

	For the six months ended		For the three months ended		For the
	June 30		June 30		year ended
	2024	2023	2024	2023	December 31
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenues from sales, net	<b>1,184,287</b>	931,115	<b>626,914</b>	466,178	1,994,001
Cost of sales	<b>822,632</b>	646,943	<b>426,571</b>	332,979	1,375,592
<b>Gross profit</b>	<b>361,655</b>	284,172	<b>200,343</b>	138,199	618,409
Selling and marketing expenses	<b>(228,742)</b>	(187,103)	<b>(125,156)</b>	(98,513)	(393,640)
General and administrative expenses	<b>(60,444)</b>	(48,717)	<b>(30,371)</b>	(23,348)	(103,508)
Other income	<b>2,548</b>	30,027	<b>1,807</b>	29,800	33,853
Other expenses	<b>(4,336)</b>	(17,500)	<b>(336)</b>	(17,500)	(18,500)
<b>Operating profit</b>	<b>70,681</b>	60,879	<b>46,287</b>	28,638	136,614
Financing income	<b>9,647</b>	999	<b>5,525</b>	109	1,915
Financing expenses	<b>(20,119)</b>	(16,601)	<b>(10,712)</b>	(8,768)	(44,631)
<b>Financing expenses, net</b>	<b>(10,472)</b>	(15,602)	<b>(5,187)</b>	(8,659)	(42,716)
Share of profits of equity accounted investees	<b>(1,620)</b>	(3,278)	<b>(568)</b>	(2,287)	(7,159)
<b>Profit before tax</b>	<b>58,589</b>	41,999	<b>40,532</b>	17,692	86,739
Tax on income	<b>(14,022)</b>	(3,682)	<b>(9,322)</b>	2,288	(15,956)
<b>Profit for the period</b>	<b>44,567</b>	38,317	<b>31,210</b>	19,980	70,783
<b>Attributable to:</b>					
Equity holders of the Company	<b>44,863</b>	38,347	<b>31,340</b>	19,994	71,267
Minority interests	<b>(296)</b>	(30)	<b>(130)</b>	(14)	(484)
	<b>44,567</b>	38,317	<b>31,210</b>	19,980	70,783

**Condensed Consolidated Interim Statement of comprehensive Income**(In Thousands of New Israeli Shekels)  
Reported Amounts

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31
	2024	2023	2024	2023	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Profit for the period</b>	<b>44,567</b>	38,317	<b>31,210</b>	19,980	70,783
<b>Other comprehensive income items that after initial recognition in comprehensive income will be transferred to profit or loss</b>					
Foreign currency translation differences of foreign operations	(419)	5,548	804	1,927	5,359
<b>Components of recognized income never carried to profit or loss</b>					
Defined benefit plan actuarial profit (losses)	1,200	8	977	(109)	989
<b>Other recognized income and expense for the period</b>	<b>781</b>	5,556	<b>1,781</b>	1,818	6,348
<b>Total comprehensive income and expense for the period</b>	<b>45,348</b>	43,873	<b>32,991</b>	21,798	77,131
<b>Attributable to:</b>					
Equity holders of the Company	45,644	43,903	33,121	21,812	77,615
Minority interests	(296)	(30)	(130)	(14)	(484)
<b>Total recognized income and expense for the period</b>	<b>45,348</b>	43,873	<b>32,991</b>	21,798	77,131

**Condensed Consolidated Interim Statement of Changes in Equity**(In Thousands of New Israeli Shekels)  
Reported Amounts

	Attributable to Owners of the Company					Non-controlling interests	Total Equity
	Share capital	Share premium	Translation reserve	Retained earnings	Total		
<b>For the six months ended June 30, 2024 (unaudited)</b>							
<b>Balance as at January 1, 2023</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>
Distributed dividend	-	-	-	(30,000)	(30,000)	-	(30,000)
Foreign currency translation differences of foreign operations	-	-	(419)	-	(419)	-	(419)
Actuarial gains from defined benefit plan	-	-	-	1,200	1,200	-	1,200
Acquisition of Non-controlling interests	-	-	-	(499)	(499)	(673)	(1,172)
Profit for the period	-	-	-	44,863	44,863	(296)	44,567
<b>Balance as at June 30, 2024</b>	<b>1</b>	<b>147,334</b>	<b>3,953</b>	<b>682,972</b>	<b>834,260</b>	<b>1,368</b>	<b>835,628</b>
<b>For the six months ended June 30, 2023 (unaudited)</b>							
<b>Balance as at January 1, 2022</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>
Distributed dividend	-	-	-	(55,000)	(55,000)	-	(55,000)
Foreign currency translation differences of foreign operations	-	-	5,548	-	5,548	-	5,548
Actuarial gains from defined benefit plan	-	-	-	8	8	-	8
Non-controlling interests due to acquisition	-	-	-	-	-	2,254	2,254
Profit for the period	-	-	-	38,347	38,347	(30)	38,317
<b>Balance as at June 30, 2023</b>	<b>1</b>	<b>147,334</b>	<b>4,561</b>	<b>633,507</b>	<b>785,403</b>	<b>2,791</b>	<b>788,194</b>

**Condensed Consolidated Interim Statement of Changes in Equity (cont'd)**(In Thousands of New Israeli Shekels)  
Reported Amounts

	Attributable to Owners of the Company					Non-controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Retained earnings	Total		
<b>For the three months ended June 30, 2024 (unaudited)</b>							
<b>Balance as at April 1, 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>
Foreign currency translation differences of foreign operations	-	-	804	-	804	-	804
Actuarial gains from defined benefit plan	-	-	-	977	977	-	977
Profit for the period	-	-	-	31,340	31,340	(130)	31,210
<b>Balance as at June 30, 2024</b>	<b>1</b>	<b>147,334</b>	<b>3,953</b>	<b>682,972</b>	<b>834,260</b>	<b>1,368</b>	<b>835,628</b>
<b>For the three months ended June 30, 2023 (unaudited)</b>							
<b>Balance as at April 1, 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>
Foreign currency translation differences of foreign operations	-	-	1,927	-	1,927	-	1,927
Actuarial losses from defined benefit plan	-	-	-	(109)	(109)	-	(109)
Non-controlling interests due to acquisition	-	-	-	-	-	2,254	2,254
Profit for the period	-	-	-	19,994	19,994	(14)	19,980
<b>Balance as at June 30, 2023</b>	<b>1</b>	<b>147,334</b>	<b>4,561</b>	<b>633,507</b>	<b>785,403</b>	<b>2,791</b>	<b>788,194</b>
<b>For the year ended December 31, 2022 (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>
Distributed dividend	-	-	-	(55,000)	(55,000)	-	(55,000)
Foreign currency translation differences of foreign operations	-	-	5,359	-	5,359	-	5,359
Actuarial losses from defined benefit plan	-	-	-	989	989	-	989
Non-controlling interests due to acquisition	-	-	-	-	-	2,254	2,254
Profit for the year	-	-	-	71,267	71,267	(484)	70,783
<b>Balance at December 31, 2023</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>



**Condensed Consolidated Interim Statement of Cash Flows**(In Thousands of New Israeli Shekels)  
Reported Amounts

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31 2023
	2024	2023	2024	2023	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Cash flows from operating activities</b>					
Profit for the period	44,567	38,317	31,210	19,980	70,783
Adjustments:					
Depreciation and amortization	75,390	65,558	37,026	33,349	148,738
Share of profits of equity accounted investees	1,620	3,278	568	2,287	7,159
Losses (profit) from revaluation of investments, net	2,186	(29,300)	2,186	(29,300)	(28,300)
Interest expenses	19,252	10,843	9,879	6,584	30,446
Losses from sale of fixed assets, net	227	148	422	92	152
Taxes on income	14,022	3,682	9,322	(2,288)	15,956
	<u>157,264</u>	<u>92,526</u>	<u>90,613</u>	<u>30,704</u>	<u>244,934</u>
Change in inventory	43,333	(74,496)	6,411	(52,962)	(91,015)
Change in trade receivables and other receivable	(152,052)	(31,723)	(84,646)	13,977	24,001
Change in trade payables and other payables	158,122	45,383	108,986	(865)	(22,900)
Changes liabilities for employee	914	809	447	406	1,397
	<u>50,317</u>	<u>(60,027)</u>	<u>31,198</u>	<u>(39,444)</u>	<u>(88,517)</u>
Income tax paid	(11,144)	(24,844)	(5,043)	(10,342)	(27,893)
<b>Net cash generated by(used in) current operations</b>	<u>196,437</u>	<u>7,655</u>	<u>116,768</u>	<u>(19,082)</u>	<u>128,524</u>
<b>Cash flows from investing activities</b>					
Acquisition of subsidiaries net of cash received	115	(47,381)	115	(47,381)	(47,381)
Payment of deferred consideration for the acquisition of a subsidiary	(9,045)	-	(9,045)	-	-
Investment in companies and held partnerships	(1,030)	(1,275)	(515)	(757)	(35,975)
Investments in companies measured at fair value	(643)	(1,024)	(94)	-	(1,130)
Dividend received	-	15,000	-	15,000	15,000
Loans to held companies	(2,910)	-	(1,417)	-	-
Repayment of loans to held companies	14,078	2,996	586	-	2,090
Proceeds from sale of fixed assets	512	76	25	22	1,135
Acquisition of fixed assets	(56,223)	(52,795)	(27,185)	(28,568)	(118,013)
Investment in intangible assets	(768)	(3,264)	(263)	(2,779)	(5,388)
Investment in long-term receivables	(10,160)	(13,943)	(6,051)	(5,318)	(24,557)
Repayment of investment in long-term receivables	4,539	6,408	2,056	3,070	11,354
<b>Net cash used in investing activities</b>	<u>(61,895)</u>	<u>(95,202)</u>	<u>(42,148)</u>	<u>(66,711)</u>	<u>(202,865)</u>

**Condensed Consolidated Interim Statement of Cash Flows**(In Thousands of New Israeli Shekels)  
Reported Amounts

	For the six months ended June 30		For the three months ended June 30		For the year ended December 31 2023
	2024	2023	2024	2023	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Cash flows from financing activities</b>					
Short-term credit, net	76,762	223,329	95,203	144,845	292,548
Acquisition of Non-controlling interests	(1,172)	-	(1,172)	-	-
Distributed dividend	(30,000)	(55,000)	(30,000)	(55,000)	(55,000)
Repayment of debentures	(22,220)	(41,743)	-	-	(61,266)
Repayment of leases liabilities principal	(21,626)	(18,599)	(9,965)	(9,815)	(39,196)
Long term loans from bank	5,570	-	-	-	-
Repayment of long-term loans from banks	(6,509)	(9,375)	(3,218)	(6,250)	(16,367)
Repayment of other long-term liabilities	(70)	(70)	(35)	(35)	(140)
Interest paid	(19,218)	(11,720)	(9,472)	(6,292)	(31,055)
<b>Net cash generated by (used in) financing activities</b>	<b>(18,483)</b>	<b>86,822</b>	<b>41,341</b>	<b>67,453</b>	<b>89,524</b>
<b>Net change in cash and cash equivalents</b>	<b>116,059</b>	<b>(725)</b>	<b>115,961</b>	<b>(18,340)</b>	<b>15,183</b>
Cash and cash equivalents as at the beginning of the period	34,710	19,342	34,773	37,085	19,342
Effect of exchange rate fluctuations on cash and cash equivalents	9	190	44	62	185
<b>Cash and cash equivalents as at the end of the period</b>	<b>150,778</b>	<b>18,807</b>	<b>150,778</b>	<b>18,807</b>	<b>34,710</b>

**Condensed Consolidated Interim Segment Reporting**

(In Thousands of New Israeli Shekels)

	Light alcoholic beverages		Alcoholic beverages		Barkan		Non-alcoholic beverages		Other		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	For the six months ended June 30 (Unaudited)											
Segment revenue	<u>220,672</u>	180,909	<u>205,860</u>	188,486	<u>99,256</u>	99,700	<u>578,149</u>	455,111	<u>80,350</u>	6,909	<u>1,184,287</u>	931,115
Segment profit	<u>27,132</u>	17,859	<u>23,544</u>	25,764	<u>18,711</u>	23,273	<u>67,225</u>	30,476	<u>(3,699)</u>	(303)	<u>132,913</u>	97,069
Unallocated expenses											<u>(62,232)</u>	(36,190)
Operating profit											<u>70,681</u>	60,879
Net financing expenses											<u>(10,472)</u>	(15,602)
Share of equity accounted investees											<u>(1,620)</u>	(3,278)
Taxes on income											<u>(14,022)</u>	(3,682)
Profit for the period											<u>44,567</u>	38,317

**Condensed Consolidated Interim Segment Reporting**

(In Thousands of New Israeli Shekels)

	Light alcoholic beverages		Alcoholic beverages		Barkan		Non-alcoholic beverages		Other		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	For the three months ended June 30 (Unaudited)											
Segment revenue	<u>127,329</u>	99,340	<u>89,436</u>	86,130	<u>42,911</u>	34,859	<u>327,892</u>	242,729	<u>39,346</u>	3,120	<u>626,914</u>	466,178
Segment profit	<u>17,533</u>	7,792	<u>9,496</u>	11,935	<u>5,655</u>	7,262	<u>44,931</u>	13,008	<u>(2,428)</u>	(311)	<u>75,187</u>	39,686
Unallocated expenses											<u>(28,900)</u>	(11,048)
Operating profit											<u>46,287</u>	28,638
Net financing expenses											<u>(5,187)</u>	(8,659)
Share of equity accounted investees											<u>(568)</u>	(2,287)
Taxes on income											<u>(9,322)</u>	2,288
Profit for the period											<u>31,210</u>	19,980

**Condensed Consolidated Interim Segment Reporting**

(In Thousands of New Israeli Shekels)

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