

**Tempo Beverages Ltd.
and its Subsidiaries**

**Condensed Consolidated Interim
Financial Statements**

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

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

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

	September 30 2024	September 30 2023	December 31 2023
	(Unaudited)	(Unaudited)	(Audited)
Current assets			
Cash and cash equivalents	93,952	21,935	34,710
Trade receivables	611,271	513,967	411,940
Other receivables	41,513	45,038	45,912
Derivatives	3,792	1,494	420
Inventory	518,230	550,419	531,983
Current tax	8,196	8,404	10,529
Total current assets	1,276,954	1,141,257	1,035,494
Investments and long-term receivables			
Long-term loans, receivables and derivatives	21,335	24,767	23,833
Fixed assets	898,765	821,458	836,942
Intangible assets	113,685	117,094	115,251
Investments in equity accounted investees	66,320	78,801	76,006
Investments measured at fair value	15,411	12,296	11,402
Inventory in process	4,526	3,699	4,425
Deferred tax	13,191	10,304	10,780
Total non-current assets	1,133,233	1,068,419	1,078,639
Total assets	2,410,187	2,209,676	2,114,133

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

	September 30 2024	September 30 2023	December 31 2023
	(Unaudited)	(Unaudited)	(Audited)
Current liabilities			
Credit from banks and current maturities	492,109	505,498	471,754
Trade payables	424,290	324,427	286,483
Other payables	178,091	144,219	126,325
Derivative instruments	1,030	-	5,954
Current maturities of debentures	41,900	43,108	42,270
Current maturities of leases	44,342	36,821	35,376
Current taxes liabilities	11,154	1,596	873
Total current liabilities	1,192,916	1,055,669	969,035
Long-term liabilities			
Loan from banks	11,171	18,930	15,743
Other long-term liabilities and derivatives	2,641	12,063	12,090
Long term liabilities of leases	150,836	105,069	112,554
Debentures	88,328	129,939	110,439
Deferred tax liabilities	69,637	63,391	66,831
Employee benefits	6,175	6,870	5,989
Total long-term liabilities	328,788	336,262	323,646
Total liabilities	1,521,704	1,391,931	1,292,681
Equity			
Minority interest	1,161	2,701	2,337
Share capital	1	1	1
Share premium	147,334	147,334	147,334
Translation reserve	6,469	5,430	4,372
Retained earnings	733,518	662,279	667,408
Total equity attributable to equity holders of the parent company	887,322	815,044	819,115
Total equity	888,483	817,745	821,452
Total liabilities and equity	2,410,187	2,209,676	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: November 25, 2024

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

	For the nine months ended		For the three months ended		For the
	September 30		September 30		year ended
	2024	2023	2024	2023	December 31
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	2023
					(Audited)
Revenues from sales, net	1,918,468	1,521,344	734,181	590,229	1,994,001
Cost of sales	1,313,452	1,045,956	490,820	399,013	1,375,592
Gross profit	605,016	475,388	243,361	191,216	618,409
Selling and marketing expenses	(363,220)	(299,613)	(134,478)	(112,510)	(393,640)
General and administrative expenses	(93,557)	(77,831)	(33,113)	(29,114)	(103,508)
Other income	4,586	30,765	2,038	738	33,853
Other expenses	(4,336)	(17,500)	-	-	(18,500)
Operating profit	148,489	111,209	77,808	50,330	136,614
Financing income	12,657	2,489	3,010	1,490	1,915
Financing expenses	(31,659)	(29,873)	(11,540)	(13,272)	(44,631)
Financing expenses, net	(19,002)	(27,384)	(8,530)	(11,782)	(42,716)
Share of profits of equity accounted investees	(4,065)	(4,492)	(2,445)	(1,214)	(7,159)
Profit before tax	125,422	79,333	66,833	37,334	86,739
Tax on income	(30,345)	(12,976)	(16,323)	(9,294)	(15,956)
Profit for the period	95,077	66,357	50,510	28,040	70,783
Attributable to:					
Equity holders of the Company	95,580	66,477	50,717	28,130	71,267
Minority interests	(503)	(120)	(207)	(90)	(484)
	95,077	66,357	50,510	28,040	70,783

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

	For the nine months ended September 30		For the three months ended September 30		For the year ended December 31
	2024	2023	2024	2023	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Profit for the period	95,077	66,357	50,510	28,040	70,783
Other comprehensive income items that after initial recognition in comprehensive income will be transferred to profit or loss					
Foreign currency translation differences of foreign operations	2,097	6,417	2,516	869	5,359
Components of recognized income never carried to profit or loss					
Defined benefit plan actuarial profit (losses)	1,029	650	(171)	642	989
Other recognized income and expense for the period	3,126	7,067	2,345	1,511	6,348
Total comprehensive income and expense for the period	98,203	73,424	52,855	29,551	77,131
Attributable to:					
Equity holders of the Company	98,706	73,544	53,062	29,641	77,615
Minority interests	(503)	(120)	(207)	(90)	(484)
Total recognized income and expense for the period	98,203	73,424	52,855	29,551	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		
For the nine months ended September 30, 2024 (unaudited)							
Balance as at January 1, 2024	1	147,334	4,372	667,408	819,115	2,337	821,452
Distributed dividend	-	-	-	(30,000)	(30,000)	-	(30,000)
Foreign currency translation differences of foreign operations	-	-	2,097	-	2,097	-	2,097
Actuarial gains from defined benefit plan	-	-	-	1,029	1,029	-	1,029
Acquisition of non-controlling interests	-	-	-	(499)	(499)	(673)	(1,172)
Profit for the period	-	-	-	95,580	95,580	(503)	95,077
Balance as at September 30, 2024	1	147,334	6,469	733,518	887,322	1,161	888,483
For the nine months ended September 30, 2023 (unaudited)							
Balance as at January 1, 2023	1	147,334	(987)	650,152	796,500	567	797,067
Distributed dividend	-	-	-	(55,000)	(55,000)	-	(55,000)
Foreign currency translation differences of foreign operations	-	-	6,417	-	6,417	-	6,417
Actuarial gains from defined benefit plan	-	-	-	650	650	-	650
Minority interests in respect of business combination	-	-	-	-	-	2,254	2,254
Profit for the period	-	-	-	66,477	66,477	(120)	66,357
Balance as at September 30, 2023	1	147,334	5,430	662,279	815,044	2,701	817,745

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		
For the three months ended September 30, 2024 (unaudited)							
Balance as at July 1, 2024	1	147,334	3,953	682,972	834,260	1,368	835,628
Foreign currency translation differences of foreign operations	-	-	2,516	-	2,516	-	2,516
Actuarial losses from defined benefit plan	-	-	-	(171)	(171)	-	(171)
Profit for the period	-	-	-	50,717	50,717	(207)	50,510
Balance as at September 30, 2024	1	147,334	6,469	733,518	887,322	1,161	888,483
For the three months ended September 30, 2023 (unaudited)							
Balance as at July 1, 2023	1	147,334	4,561	633,507	785,403	2,791	788,194
Foreign currency translation differences of foreign operations	-	-	869	-	869	-	869
Actuarial gains from defined benefit plan	-	-	-	642	642	-	642
Profit for the period	-	-	-	28,130	28,130	(90)	28,040
Balance as at September 30, 2023	1	147,334	5,430	662,279	815,044	2,701	817,745
For the year ended December 31, 2023 (audited)							
Balance at January 1, 2023	1	147,334	(987)	650,152	796,500	567	797,067
Distributed dividend	-	-	-	(55,000)	(55,000)	-	(55,000)
Foreign currency translation differences of foreign operations	-	-	5,359	-	5,359	-	5,359
Actuarial gains from defined benefit plan	-	-	-	989	989	-	989
Minority interests in respect of business combination	-	-	-	-	-	2,254	2,254
Profit for the year	-	-	-	71,267	71,267	(484)	70,783
Balance as at December 31, 2023	1	147,334	4,372	667,408	819,115	2,337	821,452

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

	For the nine months ended September 30		For the three months ended September 30		year ended December 31
	2024	2023	2024	2023	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Cash flows from operating activities					
Profit for the period	95,077	66,357	50,510	28,040	70,783
Adjustments:					
Depreciation and amortization	117,239	100,687	41,849	35,129	148,738
Share of profits of equity accounted investees	4,065	4,492	2,445	1,214	7,159
loss (profit) from revaluation of investments, net	792	(29,300)	(1,394)	-	(28,300)
Interest expenses	28,317	20,381	9,065	9,538	30,446
Capital loss (gain) from sale of fixed assets, net	(274)	294	(501)	146	152
Taxes on income	30,345	12,976	16,233	9,294	15,956
	<u>275,561</u>	<u>175,887</u>	<u>118,297</u>	<u>83,361</u>	<u>244,934</u>
Change in inventory	15,106	(108,417)	(28,227)	(33,921)	(91,015)
Change in trade receivables and other receivables	(185,101)	(69,969)	(33,049)	(38,246)	24,001
Change in trade payables and other payables	177,983	26,785	19,861	(18,598)	(22,900)
Changes liabilities for employee	1,523	1,839	609	1,030	1,397
	<u>9,511</u>	<u>(149,762)</u>	<u>(40,806)</u>	<u>(89,735)</u>	<u>(88,517)</u>
Income tax paid	(17,668)	(25,799)	(6,524)	(955)	(27,893)
Net cash generated by (used in) current operations	<u>267,404</u>	<u>326</u>	<u>70,967</u>	<u>(7,329)</u>	<u>128,524</u>
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash consideration	115	(47,381)	-	-	(47,381)
Payment of deferred consideration for the acquisition of a subsidiary	(9,405)	-	-	-	-
Investment in companies and held partnerships	(772)	(36,776)	258	(35,501)	(35,975)
Investments in companies measured at fair value	(2,615)	(1,024)	(1,972)	-	(1,130)
Dividend received	-	15,000	-	-	15,000
Loans provided to subsidiaries	(4,714)	-	(1,804)	-	-
Repayment of loans provided to subsidiaries	14,258	2,996	180	-	2,090
Proceeds from sale of fixed assets	2,195	137	1,683	61	1,135
Acquisition of fixed assets	(88,589)	(83,925)	(32,366)	(31,130)	(118,013)
Investment in intangible assets	(6,094)	(4,020)	(5,326)	(756)	(5,388)
Investment in long-term receivables	(18,539)	(19,749)	(8,379)	(5,806)	(24,557)
Repayment of investment in long-term receivables	8,210	8,955	3,671	2,547	11,354
Net cash used in investing activities	<u>(105,950)</u>	<u>(165,787)</u>	<u>(44,055)</u>	<u>(70,585)</u>	<u>(202,865)</u>
Cash flows from financing activities					
Short-term credit, net	17,783	325,677	(58,979)	102,348	292,548
Acquisition of non-controlling interests	(1,172)	-	-	-	-
Distributed dividend	(30,000)	(55,000)	-	-	(55,000)
Repayment of debentures	(22,220)	(41,743)	-	-	(61,266)
Repayment of leases liabilities principal	(33,735)	(28,189)	(12,109)	(9,590)	(16,367)
Receiving long-term loans from a bank	5,570	-	-	-	-
Repayment of long-term loans from banks	(9,806)	(12,565)	(3,297)	(3,190)	(39,196)
Repayment of other long-term liabilities	(70)	(105)	-	(35)	(140)
Interest paid	(28,712)	(20,236)	(9,494)	(8,516)	(31,055)
Net cash generated by (used in) financing activities	<u>(102,362)</u>	<u>167,839</u>	<u>(83,879)</u>	<u>81,017</u>	<u>89,524</u>
Net change in cash and cash equivalents	<u>59,092</u>	<u>2,378</u>	<u>(56,967)</u>	<u>3,103</u>	<u>15,183</u>
Cash and cash equivalents as at the beginning of the period	34,710	19,342	150,778	18,807	19,342
Effect of exchange rate fluctuations on cash and cash equivalents	150	215	141	25	185
Cash and cash equivalents as at the end of the period	<u>93,952</u>	<u>21,935</u>	<u>93,952</u>	<u>21,935</u>	<u>34,710</u>

Condensed Consolidated Interim Segment Reporting

(In Thousands of New Israeli Shekels)

	<u>Light alcoholic beverages</u>		<u>Alcoholic beverages</u>		<u>Barkan</u>		<u>Non-alcoholic beverages</u>		<u>Other</u>		<u>Consolidated</u>	
	For the nine months ended September 30											
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(Unaudited)											
Segment revenue	<u>353,870</u>	306,000	<u>311,018</u>	284,817	<u>152,175</u>	149,719	<u>982,469</u>	751,100	<u>118,936</u>	29,708	<u>1,918,468</u>	1,521,344
Segment profit	<u>53,493</u>	39,083	<u>35,845</u>	39,784	<u>29,453</u>	33,282	<u>129,346</u>	65,221	<u>(6,341)</u>	(1,595)	<u>241,796</u>	175,775
Unallocated expenses											<u>(93,307)</u>	(64,566)
Operating profit											<u>148,489</u>	111,209
Net financing expenses											<u>(19,002)</u>	(27,384)
Share of losses of equity accounted investees											<u>(4,065)</u>	(4,492)
Taxes on income											<u>(30,345)</u>	(12,976)
Profit for the period											<u>95,077</u>	66,357

Condensed Consolidated Interim Segment Reporting (cont'd)

(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 September 30 (Unaudited)											
Segment revenue	<u>133,198</u>	<u>125,091</u>	<u>105,158</u>	<u>96,331</u>	<u>52,919</u>	<u>50,019</u>	<u>404,320</u>	<u>295,989</u>	<u>38,586</u>	<u>22,799</u>	<u>734,181</u>	<u>590,229</u>
Segment profit	<u>26,361</u>	<u>21,224</u>	<u>12,031</u>	<u>14,020</u>	<u>10,742</u>	<u>10,009</u>	<u>62,121</u>	<u>34,745</u>	<u>(2,642)</u>	<u>(1,292)</u>	<u>108,883</u>	<u>78,706</u>
Unallocated expenses											<u>(31,075)</u>	<u>(28,376)</u>
Operating profit											<u>77,808</u>	<u>50,330</u>
Net financing expenses											<u>(8,530)</u>	<u>(11,782)</u>
Share of losses of equity accounted investees											<u>(2,445)</u>	<u>(1,214)</u>
Taxes on income											<u>(16,323)</u>	<u>(9,294)</u>
Profit for the period											<u>50,510</u>	<u>28,040</u>

Condensed Consolidated Interim Segment Reporting (cont'd)

(In Thousands of New Israeli Shekels)

	Ligh alcoholic beverages	Alcoholic beverages	Barkan	Non – alcoholic beverages	Other	Consolidated
	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						(42,716)
Share of losses of equity-accounted investees						(7,159)
Taxes on income						<u>(15,956)</u>
Profit for the period						<u>70,783</u>