

REGISTERED NUMBER: 12409048 (England and Wales)

Terroir Intermediate Holding Limited
Annual Report and
Unaudited Financial Statements for the Year Ended 31 December 2021



Terroir Intermediate Holding Limited

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for the Year Ended 31 December 2021**

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Terroir Intermediate Holding Limited

**Company Information
for the Year Ended 31 December 2021**

DIRECTORS: E M Kalawski
I M S Downie
M A Sigler

SECRETARY: E M Kalawski

REGISTERED OFFICE: 100 New Bridge Street
London
United Kingdom
EC4V 6JA

REGISTERED NUMBER: 12409048 (England and Wales)

**Strategic Report
for the Year Ended 31 December 2021**

Introduction

The Directors present their strategic report for the year ended 31 December 2021.

Terroir Intermediate Holding Limited (the "Company") was incorporated on 17 January 2020. The principle activity of the Company in the year was that of a holding company and the directors intend it to continue as an investment holding company for the foreseeable future. The principal activity of the underlying Group is the production and marketing of wine.

The Company is a private company limited by shares and is incorporated and domiciled in England.

Business review

The Company generated no trading income and recorded a foreign exchange loss on the loan to a subsidiary. As a result, the Company made a loss for the year of \$2,111,197 (2020: profit \$8,067,062).

The financial position of the Company as at 31 December 2021 is shown in the financial statements and notes on pages 7 to 17. The Company is in a net asset position of \$96,956,588 as at 31 December 2021.

On 31 March 2020 a subsidiary company, Terroir Acquisition S.r.l. acquired 80% of the voting instruments and control of Fantini Vini Group S.r.l. (Fantini) and during the period, in order to rationalize the financial structure resulting from this business combination, a reverse merger was carried out, following which the subsidiary Fantini incorporated the parent company Terroir Acquisition S.r.l. The principal activity of Fantini is producing wine.

The Company and its subsidiary undertakings (the "Group") key performance indicators (KPIs) are to increase revenue, and execute ongoing cost optimisation initiatives in both manufacturing and overheads.

These KPIs therefore include trade from Fantini reflecting the consolidated performance as disclosed in the Terroir Holding Limited financial statements as below:

Values in thousand Euros	31 December 2021	% of revenues	31 December 2020	% of revenues
Revenues from sales	90,573	100%	62,963	100%
Gross profit	41,200	45%	29,263	46%
Net profit/(loss) for the period	4,287	5%	(5,454)	-9%

Values in thousand Euros	31 December 2021	31 December 2020
Net Current Assets	28,781	3,605
Net Assets	80,277	46,515

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with that of Terroir Holding Limited and are not managed separately. These are discussed within the Group's annual report, which is publicly available.

The directors do not believe there are any principal risks that are not financial risks.

Exchange rate risk

No currency hedging instruments are used as most of the Group's sales and purchases are made in euros, so there is little exposure to exchange rate risk. When needed, the operating group naturally hedges its foreign currency risk and the exchange risk.

**Strategic Report
for the Year Ended 31 December 2021**

Interest rate risk

Interest rate risk is represented by exposure to the variability of the fair value or future cash flows of financial assets or liabilities due to changes in interest rates. Taking into account the derivative financial instruments activated to reduce interest rate risk on the Group's principal outstanding third party loan (Senior Facility), we believe that the risk is not significant. Of the remaining loan balances, those due from related parties are interest free and a second bank loan accrues interest on rolling fixed rates. Rising interest rates are taken into consideration. There remain no concerns with the Group's current funding or interest rate exposure.

Liquidity risk

The Group implements a series of activities and procedures to optimise the management of its resources and reduce liquidity risk. The objective is to maintain a balance between requirements and funding through the use of bank credit facilities. The bank lines of credit currently granted to the Group, cash and cash equivalents and the liquidity generated by ordinary activities are deemed adequate to enable the Group to meet its obligations punctually and economically when due.

Credit risk

Financial instruments that may expose the Group to a concentration of credit risk are mainly cash, investments, trade receivables. The Group's customer portfolio consists of major accounts in the distribution sector with sufficient creditworthiness to ensure the collection of trade receivables.

In order to mitigate the risk on trade receivables, the Group has a credit risk hedging policy in place that significantly reduces the risk of losses on major foreign customers. The most significant credit risk is inherent in the Italian ho.re.ca. market, where only a minor part of the Group's business is concentrated. However, the Group has recently adopted procedures for the management of credit facilities, via constant monitoring of the specific risks associated with individual customers. Moreover, given the fragmentation of receivables due from domestic customers, the risk of major losses due to individual defaults is not significant.

Invasion of Ukraine

Whilst the Group does not have any direct operations in Russia or Ukraine, a review was undertaken by management to assess the potential consequences on the financial statements arising from the conflict or from the resulting sanctions imposed on Russia and Belarus. It was concluded that there are no material impacts on the consolidated financial statements for the year ended 31 December 2021. Management continues to monitor closely the legal compliance of any trade with Russian customers.

Financial key performance indicators

The directors oversee the operations of the Group at the parent company level, of which the Company is included. The directors of the Company do not believe the use of KPI's is appropriate for assessing the performance or position of the Company as this is not a trading entity.

Directors' statement of compliance with duty to promote the success of the Company

Section 172 of the Companies Act 2006 requires all directors of a company to perform in the best interests of the company to promote the success of the company for the benefit of all of its shareholders. In order to fulfil these obligations, the directors are required to consider:

- Likely long-term consequences of decisions made;
- The best interests of employees and to be mindful of this in their actions;
- The need to balance the Company's interests with, the business relationships with amongst others, customers and suppliers;
- The impact of the Company's activities on the environment and communities in which we operate; and

**Strategic Report
for the Year Ended 31 December 2021**

- In undertaking our duties as directors, we are mindful that the decisions we make may not always be in the best interests of all of the interested parties however we are focused on setting our strategy, vision and goals in a way that means we are operating to ensure that we are considering the best interests of all. We believe this strategy allows for a stable and positive outlook for the business and the impact on our wider stakeholders.

During the period the Company's Board of Directors (the "Board") met four times and formally reviewed the business performance to ensure that we are operating in line with our strategy. We also considered the risks affecting the Company including those affecting our employees of the Group and the wider environment.

Whilst the strategy is set by the Company's directors, the day-to-day operation of the companies in the Group is delegated to the Group's management who we feel are best placed to provide input to and implement the strategy, reporting back on its performance and suitability to the activities of each business when considering the wider stakeholders.

Local Communities and Suppliers

From the outset the group saw a clear social need to make Southern Italian grape producers more efficient, productive and appealing for the next generation of grape growers and continues successfully to expand its wine production and product range while maintaining a business model of very limited land ownership and developing a long-term procurement and support program with small holder farmers located in many different areas. For the above-mentioned reasons the effects of the climate change are also mitigated by the different procurement channels.

The group has had a strong past in supporting smallholder farmers by providing the necessary support and knowhow in irrigation, fertilisers, and farming practices to make their farming business profitable and sustainable in the long term and continues to do so.

Employees

The world continues to face the challenges of Covid-19 and as a group we remained intensely focused on the health of our people during the global pandemic, providing appropriate support while continuing to protect the business and ensuring we continue to support employees and local farmers. In the past few years Fantini has set up a whistle blowing procedure to improve the working environment. Since this year an on-line portal is available to report any violation of equal rights and any other offence which can occur within the Group.

Information on quality, environment and safety

The Group has obtained the most important voluntary certifications related to the food sector, such as:
The BRC Food Standard;
The UNI EN ISO 22000/2015 - Food safety Management Systems; and
The ISO 9001/2015 - Quality Management System.

During the year we reconsidered our approach to climate change and agreed on further measures to reduce our impact on the environment. For the first time an official ESG report has been filed compliant with the Italian regulations.

The Board has also considered the factors set out in section 172 in discharging its duties in relation to the Company. As the Company is an investment holding company within the Group, it does not have any clients or employees, and its key stakeholder is therefore its shareholder. The Board is committed to effective engagement with the Company's immediate shareholder, Terroir Holding Limited, and engagement with the Terroir Holding Limited Board is principally effected through the Terroir Holding Limited directors, who are also directors of the Company.

ON BEHALF OF THE BOARD OF DIRECTORS:

M A Sigler - Director

Date: 27 December 2022

**Report of the Directors
for the Year Ended 31 December 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

Directors

The directors who served during the period were:

E M Kalawski
I M S Downie
M A Sigler

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and Financial Reporting Standard ("FRS") 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies in accordance with International Accounting Standards ("IAS") 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the company and the group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and a directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Results and dividends

The loss for the year, after taxation, amounted to \$2,111,197 (2020: period profit \$8,067,062).

The directors have not paid a dividend and do not recommend a dividend for the year ended 31 December 2021.

**Report of the Directors
for the Year Ended 31 December 2021**

Going Concern

The Company is an intermediate holding company with net assets of \$96,956,588 and is the indirect owner of the trading group, Fantini. As an intermediate holding company, the directors have further considered the performance of the wider group. The Company is ultimately reliant of support for the consolidating parent, Terroir Holding Limited. The Group is cash generative, generating €13,669,000 of cash from operations before tax in 2021 (2020 €7,896,000) and ended December 2021 with a cash balance of €13,486,000 (2020 €21,777,000). Long term loans of €73,980,000 at December 2021, excluding loans from the Bank of America, MPS, Unicredit and ISMEA (2020 €80,100,000) have a performance covenant which is assessed every 6 months. Therefore, to assess the Group's ability to comply with its performance covenant, the directors have prepared a detailed base case forecast until 31 December 2023. The directors have also considered a range of downside scenarios despite continued positive performance, as the directors acknowledge that there is a level of uncertainty caused by the impact of the conflict in Ukraine, inflationary cost pressures, and the continued impact of the Covid-19 pandemic.

On this basis the directors have concluded that the Group will continue to meet their performance covenant requirements and have sufficient liquidity to meet their liabilities as they fall due over the going concern assessment period to 31 December 2023 (the 'assessment period'). The loan from Bank of America of \$31.5million (the "BoFA loan") is due for renewal on 23 August 2023 and thus within the assessment period. At the time of signing the annual report and financial statements the renewal of this loan has not been concluded. Whilst the directors expect the BoFA loan facility to be renewed, this is not guaranteed or within the control of the Directors and as the forecasts indicate the Group would not have sufficient reserves to repay the BoFA loan at the renewal date, the Company has obtained a letter of support from its shareholder, Platinum Equity Small Cap Fund International (Cayman) LP indicating that it would provide sufficient resources to enable the Company to settle the BoFA loan in the event it is not renewed, with such support provided for a period of 18 months from the date of approval of the financial statements (or, if earlier, the date on which the BoFA loan is extended), and thus extending well beyond the assessment period. On the basis of the above and their assessment of the Group's and Company's financial prospects and position, as well as the parent company's ability to provide the support indicated, if required, the directors have a reasonable expectation that the Group and Company will be able to continue in operational existence for the going concern assessment period to 31 December 2023. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Future developments

The directors intend the Company to continue as an investment holding company for the foreseeable future.

Streamline energy and carbon reporting

Disclosures in relation to streamline energy carbon reporting have been made by the parent company, Terroir Holding Limited, and as such the Company is exempt from making separate disclosures.

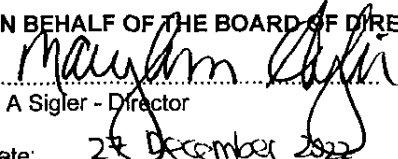
Qualifying third-party indemnity provisions

The Company maintains liability insurance for its directors and officers during the period under review and up to the date of signing the financial statements. This is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006.

Post year end events

There have been no significant events affecting the Company since the year end.

ON BEHALF OF THE BOARD OF DIRECTORS:

WFS 
M A Sigler - Director

Date: 27 December 2022

Terroir Intermediate Holding Limited

**Statement of Comprehensive
Income
for the Year Ended 31 December 2021**

		Year Ended 31.12.21 \$	Period 17.1.20 to 31.12.20 \$
	Notes		
TURNOVER		-	-
Administrative expenses		<u>(24,872)</u>	<u>(2,772)</u>
OPERATING PROFIT/(LOSS)	5	(24,872)	(2,772)
Interest receivable/(payable) and similar income/(expenses)	6	<u>(2,086,325)</u>	<u>8,069,834</u>
PROFIT/(LOSS) BEFORE TAXATION		(2,111,197)	8,067,062
Tax on profit/(loss)	7	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		<u>(2,111,197)</u>	<u>8,067,062</u>

There were no recognised gains and losses for 2021 and 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 and 2020.

The notes on pages 10 to 17 for part of these financial statements.

The notes form part of these financial statements

Terroir Intermediate Holding Limited (Registered number: 12409048)

Statement of Financial Position
31 December 2021

	Notes	2021 \$	2020 \$
FIXED ASSETS			
Investments	8	96,934,415	1
CURRENT ASSETS			
Debtors	9	-	97,770,549
Cash at bank	10	<u>38,684</u>	<u>47,228</u>
		38,684	97,817,777
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	11	<u>(16,511)</u>	<u>(89,750,715)</u>
NET CURRENT ASSETS		<u>22,173</u>	<u>8,067,062</u>
NET ASSETS		<u>96,956,588</u>	<u>8,067,063</u>
CAPITAL AND RESERVES			
Called up share capital	12	5	1
Share premium	13	91,000,719	-
Retained earnings	13	<u>5,955,865</u>	<u>8,067,062</u>
SHAREHOLDERS' FUNDS		<u>96,956,589</u>	<u>8,067,063</u>

For the year ended 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board of Directors and authorised for issue on 27 December 2022 and were signed on its behalf by:

was 
M A Sigler - Director

The notes form part of these financial statements

Terroir Intermediate Holding Limited

**Statement of Changes in Equity
for the Year Ended 31 December 2021**

	Called up share capital \$	Retained earnings \$	Share premium \$	Total equity \$
Changes in equity				
Issue of share capital	1	-	-	1
Total comprehensive income	<u>-</u>	<u>8,067,062</u>	<u>-</u>	<u>8,067,062</u>
Balance at 31 December 2020	<u>1</u>	<u>8,067,062</u>	<u>-</u>	<u>8,067,063</u>
Changes in equity				
Issue of share capital	4	-	91,000,719	91,000,723
Total comprehensive loss	<u>-</u>	<u>(2,111,197)</u>	<u>-</u>	<u>(2,111,197)</u>
Balance at 31 December 2021	<u>5</u>	<u>5,955,865</u>	<u>91,000,719</u>	<u>96,956,589</u>

The notes form part of these financial statements

Terroir Intermediate Holding Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1. GENERAL INFORMATION

Terroir Intermediate Holding Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private company, limited by shares, registered in England and Wales, registration number 12409048. The registered office is 100 New Bridge Street, London, United Kingdom, EC4V 6JA.

These financial statements present the results of the company for the year ended 31 December 2021.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(p), 866 and B67 of FRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

This information is included in the consolidated financial statements of Terroir Holding Limited as at 31 December 2021 and these financial statements may be obtained from the group's registered office, as per Note 1.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

Terroir Intermediate Holding Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

2.4 Going concern

The Company is an intermediate holding company with net assets of \$96,956,588 and is the indirect owner of the trading group, Fantini. As an intermediate holding company, the Directors have further considered the performance of the wider group. The Company is ultimately reliant of support for the consolidating parent, Terroir Holding Limited. The Group is cash generative, generating €13,669,000 of cash from operations before tax in 2021 (2020 €7,896,000) and ended December 2021 with a cash balance of €13,486,000 (2020 €21,777,000). Long term loans of €73,980,000 at December 2021, excluding loans from the Bank of America, MPS, Unicredit and ISMEA (2020 €80,100,000) have a performance covenant which is assessed every 6 months. Therefore, to assess the Group's ability to comply with its performance covenant, the directors have prepared a detailed base case forecast until 31 December 2023. The directors have also considered a range of downside scenarios despite continued positive performance, as the Directors acknowledge that there is a level of uncertainty caused by the impact of the conflict in Ukraine, inflationary cost pressures, and the continued impact of the Covid-19 pandemic.

On this basis the directors have concluded that the Group will continue to meet their performance covenant requirements and have sufficient liquidity to meet their liabilities as they fall due over the going concern assessment period to 31 December 2023 (the 'assessment period'). The loan from Bank of America of \$31.5million (the "BoFA loan") is due for renewal on 23 August 2023 and thus within the assessment period. At the time of signing the annual report and financial statements the renewal of this loan has not been concluded. Whilst the directors expect the BoFA loan facility to be renewed, this is not guaranteed or within the control of the Directors and as the forecasts indicate the Group would not have sufficient reserves to repay the BoFA loan at the renewal date, the Company has obtained a letter of support from its shareholder, Platinum Equity Small Cap Fund International (Cayman) LP indicating that it would provide sufficient resources to enable the Company to settle the BoFA loan in the event it is not renewed, with such support provided for a period of 18 months from the date of approval of the financial statements (or, if earlier, the date on which the BoFA loan is extended), and thus extending well beyond the assessment period. On the basis of the above and their assessment of the Group's and Company's financial prospects and position, as well as the parent company's ability to provide the support indicated, if required, the directors have a reasonable expectation that the Group and Company will be able to continue in operational existence for the going concern assessment period to 31 December 2023. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional currency is United States Dollars ("USD"). This was concluded based upon the Company being an extension of the consolidating parent company's (Terroir Holding Limited's) operations and so the same functional currency should apply.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

Terroir Intermediate Holding Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the *effective interest method*.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the company's receivables from other group companies. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the subsidiaries.

4. EMPLOYEES

The Company has no employees other than the directors.

The remuneration of the directors is paid by the ultimate parent company. The directors' services to this company and to a number of fellow subsidiaries are of a non-executive nature and their remuneration is deemed to be wholly attributable to the services to the ultimate parent company. Accordingly, the Company includes no remuneration in respect of the directors.

5. OPERATING PROFIT/(LOSS)

The loss before taxation is stated after charging/(crediting):

	Year Ended 31.12.21 \$	Period 12.12.19 to 31.12.20 \$
Accountancy fees	16,328	2,772
	<hr/>	<hr/>

Terroir Intermediate Holding Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

6. INTEREST RECEIVABLE/(PAYABLE) AND SIMILAR INCOME/(EXPENSES)

	Year Ended 31.12.21 \$	Period 12.12.19 to 31.12.20 \$
Foreign exchange gain/(loss)	<u>(2,086,325)</u>	<u>8,069,834</u>

7. TAXATION

	Period Ended 31 December 2021 \$	Period ended 31 December 2020 \$
Total current tax	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period Ended 31 December 2021	Period Ended 31 December 2020
Profit/(loss) on ordinary activities before tax	<u>(2,111,197)</u>	<u>8,067,062</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(401,127)	1,532,742
Effects of:		
Effects of group relief received for nil consideration	<u>401,127</u>	<u>(1,532,742)</u>
Total tax charge for the period	<u>-</u>	<u>-</u>

Terroir Intermediate Holding Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings \$
COST	
At 1 January 2021	1
Additions	<u>96,934,414</u>
At 31 December 2021	<u>96,934,415</u>
NET BOOK VALUE	
At 31 December 2021	<u>96,934,415</u>
At 31 December 2020	<u>96,934,414</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Terroir Intermediate Holding I Limited

Registered office: 100 New Bridge Street, London, EC4V

Nature of business:

	%
Class of shares:	holding
Ordinary	100.00

Terroir Intermediate Holding II Limited*

Registered office: 100 New Bridge Street, London, EC4V 6JA

Nature of business:

	%
Class of shares:	holding
Ordinary	100.00

Fantini Group Vini S.r.l.* (F.K.A. "Farnese Vini S.r.l.")

Registered office: Via Luigi Dommarco n. 23, 66026 Ortona (CH), Italy

Nature of business: Production, bottling and sale of wines

	%
Class of shares:	holding
Ordinary	79.96

Ro. De. A S.r.l.*

Registered office: Via Salara n. 58, 64026 Roseto degli Abruzzi (TE), Italy

Nature of business: Processing and transformation of wines

	%
Class of shares:	holding
Ordinary	79.96

Vesevo S.r.l.*

Registered office: Via Salara n. 58, 64026 Roseto degli Abruzzi (TE), Italy

Nature of business: Processing and transformation of wines

	%
Class of shares:	holding
Ordinary	79.96

Terroir Intermediate Holding Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

8. FIXED ASSET INVESTMENTS - continued

Tenimenti Zabù S.r.l.*

Registered office: SS. 188, Contrada Anguilla, 92017 Sambuca di Sicilia (AG), Italy

Nature of business: Processing and transformation of wines

%

Class of shares:	holding
Ordinary	79.96

Vigneti del Vulture S.r.l.*

Registered office: Contrada Pipoli, 8501 1 Acerenza (PZ), Italy

Nature of business: Processing and transformation of wines

%

Class of shares:	holding
Ordinary	79.96

Vigneti del Salento S.r.l.*

Registered office: Via G.L. Marugj n. 66, 74024 Manduria (TA), Italy

Nature of business: Processing and transformation of wines

%

Class of shares:	holding
Ordinary	79.96

Luccarelli S.r.l.*

Registered office: Via G.L. Marugj n. 66, 74024 Manduria (TA), Italy

Nature of business: Processing and transformation of wines

%

Class of shares:	holding
Ordinary	79.96

Tenute Rossetti S.r.l.*

Registered office: Via F. Mascagni n. 15/17A, 50050 Cerreto Guidi (FI), Italy

Nature of business: Processing and transformation of wines

%

Class of shares:	holding
Ordinary	47.98

Cantina Sava S.r.l.*

Registered office: Via Lombardia n. 2, 74028 Sava (TA), Italy

Nature of business: Processing and transformation of wines

%

Class of shares:	holding
Ordinary	55.97

Caldora Vini S.r.l.*

Registered office: Via Civiltà del lavoro Snc, 66026 Ortona (CH), Italy

Nature of business: Processing and transformation of wines

%

Class of shares:	holding
Ordinary	47.98

Cinque Segni S.r.l.*

Registered office: Via Francesco la Francesca n. 46, 84124 Salerno (SA), Italy

Nature of business: Processing and transformation of wines

%

Class of shares:	holding
Ordinary	40.78

Terroir Intermediate Holding Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

8. FIXED ASSET INVESTMENTS - continued

Atzei Vini S.r.l.*

Registered office: Via Cagliari, 47, 09170, Oristano (OR), Italy

Nature of business: Processing and transformation of wines

	%
Class of shares:	holding
Ordinary	79.96

Finca Fella S.I.*

Registered office: Paseo Constitucion 75, 02690 Alpera (Albacete) Spain

Nature of business: Marketing of wines

	%
Class of shares:	holding
Ordinary	59.97

***Indirect subsidiaries**

Company

Investments in subsidiaries are recorded at cost, with a value of \$96,934,415 (2020: \$1) in Terroir Intermediate Holding I Limited, which is the fair value of the consideration paid. No cash was paid by the Company as the investment was acquired through intercompany.

An assessment has been performed at the balance sheet date as to whether there is any indication that the Company's investments might be impaired. No indicators identified, the carrying value is supported by the performance and recoverable value of the underlying Group.

9. DEBTORS

	2021	2020
	\$	\$
Amounts owed by group undertakings	<u>-</u>	<u>97,770,549</u>

Amounts owed by group undertakings are unsecured, interest free and repayable by 28 May 2031. Amounts owed by group undertakings are denominated in Euros.

10. CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash at bank and in hand	<u>38,684</u>	<u>47,228</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021	2020
	\$	\$
Amounts owed to group undertakings	183	89,750,715
Accrued expenses	<u>16,328</u>	<u>-</u>
	<u>16,511</u>	<u>89,750,715</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand. Amounts owed to group undertakings are denominated in Euros and gave rise to a foreign exchange loss for the period.

Terroir Intermediate Holding Limited
Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

12. SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021 \$	2020 \$
Number:	Class:			
4	Ordinary	\$1.20	<u>5</u>	<u>1</u>

During the year, the Company issued 3 ordinary shares of \$1.20 each.

13. RESERVES

Profit and loss account

The profit and loss reserve include all current profits net of distributions to owners.

14. POST YEAR END EVENTS

There are no events since the year end which are required to be reported.

15. CONTROLLING PARTY

Terroir Holding Limited (incorporated in the United Kingdom) is the immediate parent company of the company by virtue of the majority shareholding in the company.

The Company does not have an ultimate parent company. The immediate shareholders of the parent company are *Platinum Equity Small Cap Fund International (Cayman), L.P.* and *Platinum Terroir Principals International (Cayman) LLC*.

The ultimate controlling party is *Platinum Equity Small Cap Fund International (Cayman), L.P.*

Terroir Holding Limited is the undertaking of the largest group to consolidate these financial statements. The registered office of Terroir Holding Limited is 100 New Bridge Street, London, EC4V 6JA.

Terroir Holding Limited is also the undertaking of the smallest group to consolidate these financial statements. The registered office of Terroir Holding Limited is 100 New Bridge Street, London, EC4V 6JA.