

Financial Statements

Tata Consumer Products US  
Holdings, Inc.

For the year ended March 31, 2020

**Tata Consumer Products US Holdings, Inc.**  
**Balance Sheets**  
**March 31, 2020 and 2019**  
**(in thousands of US dollars)**

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Current assets		
Total current assets	255	255
Goodwill	636	636
Investment in subsidiary	90,272	90,272
Total assets	<u>91,163</u>	<u>91,163</u>
<b>Liabilities and Stockholder's Equity</b>		
Current liabilities		
Related party payable	18,418	18,333
Total current liabilities	18,418	18,333
Long term funding - related parties	14,218	13,621
Total liabilities	<u>32,636</u>	<u>31,954</u>
Stockholder's equity		
Additional paid-in capital	67,003	67,003
Retained earnings	(8,476)	(7,794)
Total stockholder's equity	<u>58,527</u>	<u>59,209</u>
Total liabilities and stockholder's equity	<u>91,163</u>	<u>91,163</u>

**/s/ SUSAN DONDERO**

**Susan Dondero**

**VP Finance**

**Date: May 12, 2020**

**Tata Consumer Products US Holdings, Inc.**  
**Statements of Income**  
**Years Ended March 31, 2020 and 2019**  
**(in thousands of US dollars)**

	<b>2020</b>	<b>2019</b>
Selling, general and administrative expenses	\$ (6)	<u>                    </u>
Loss from operations	(6)	-
Interest expense	<u>(677)</u>	<u>(666)</u>
Net loss	<u>\$ (683)</u>	<u>\$ (666)</u>

**/s/ SUSAN DONDERO**

**Susan Dondero**

**VP Finance**

**Date: May 12, 2020**

## **1. Description of Business and Basis of Presentation**

### **Organization of the Company**

Tetley USA Inc. ("Tetley USA") was incorporated on December 8, 1972, pursuant to the laws of Delaware. Tetley USA is indirectly owned 100% by TCP Group.

Tata Consumer Products US Holdings, Inc. "TCPUSH" (Formerly known as Tata Global Beverages US Holdings Inc.) was incorporated on June 9, 1995 pursuant to the laws of the State of Delaware. TCPUSH is indirectly owned 100% by the TCP Group.

Good Earth Teas, Inc. ("Good Earth") was incorporated on February 26, 1979, pursuant to the laws of the State of California. Good Earth was purchased by the TCP Group on October 15, 2005.

Good Earth Teas, Inc. is indirectly owned 100% by the TCP Group.

Good Earth Corporation was incorporated on February 24, 1994, pursuant to the laws of the State of California. Good Earth Corporation was purchased by the TCP Group on October 15, 2005. Good Earth Corporation is indirectly owned 100% by the TCP Group.

Tata Waters, LLC (Tata Waters) was incorporated on August 18, 2016, pursuant to the laws of Delaware. Tata Waters, LLC is indirectly owned 100% by the TCP Group.

Tetley USA, Good Earth, and Tata Waters are referred to as the "Companies."

Tetley USA has entered a joint venture agreement with a private label competitor, Harris Freeman & Co LP forming Empirical Group LLC ("Empirical"). This combined the food service businesses of Harris and Tetley USA under Tetley USA's operational management. Effective December 20, 2012, Harris Freeman & Co., Inc. contributed its member interest in Empirical to its wholly owned subsidiary Harris Tea Co., LLC ("Harris Tea"). Effective October 1, 2016, a mutual agreement was reached between Tetley USA and Harris Tea regarding the ongoing operational decision making of Empirical. Tetley USA has day-to-day management responsibility of Empirical.

Tetley USA and Good Earth are each 25% partners in a joint venture agreement with Harris Tea forming Southern Tea LLC ("Southern") which is a manufacturing joint venture managed, operationally, by Harris.

The following information outlines the Companies' adopted accounting policies

### **Principles of Consolidation**

All intercompany balances and transactions are eliminated in consolidation.

### **Nature of Operations**

The Companies are engaged in the sale of tea and water products to the grocery, mass, club, dollar, military and convenience channels primarily within the United States. Empirical is a sales entity engaged in the sale of tea and coffee to foodservice and contract customers primarily within the US.

## **2. Summary of Significant Accounting Policies**

### **Cash and Cash Equivalents**

The Companies consider all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

### **Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported. The more significant estimates include valuation of allowances for obsolete inventories, reserves for sales returns and sales incentives and trade promotional allowances. Actual results could differ from those estimates.

**Income Taxes**

Tata Consumer Products US Holdings Inc. files a consolidated federal tax return which includes the entities Tetley USA Inc., Good Earth Teas, Inc., Good Earth Corporation and Tata Consumer Products US Holdings Inc. The Tata Consumer Products US Holdings Inc. consolidated group has a combined Net Operating Loss carryforward therefore currently has no tax liability to the Federal Government. The separate taxable income for each of the four entities is calculated in order to determine state income taxes. Empirical is organized as a Limited Liability Company under the laws of the state of Delaware and its taxable income or losses are reported on the tax returns of its members Tetley USA Inc. and Harris. As a single-member limited liability company Tata Waters, LLC is treated as a disregarded entity for income tax purposes. Therefore, the financial activity of Tata Waters, LLC is reported in conjunction with the federal income tax filings of Tata Consumer Products US Holdings Inc.

**Subsequent events**

The Companies perform an evaluation of subsequent events through the date the standard forms or the financial statements are available to be issued to assess if any event or condition requires reporting or disclosure in the financial statements.