

# **Tertre Rouge Assets PLC**

*(Company registered in England and Wales with company no. 13025749)*

**Interim Condensed Financial Statements for the  
six-month period ended 30 September 2022**

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## TERTRE ROUGE ASSETS PLC

### Company Information

Directors	S Schapera A Ahr� M H�kkinen D Coulthard MBE A McNish
Secretary	S Holden
Company number	13025749
Registered office	48 Chancery Lane c/o Keystone Law London WC2A 1JF

## Interim Management Report

Dear Shareholders

Tertre Rouge Assets PLC (the "**Company**") was formed to undertake an acquisition of a target company or business or asset(s) that are in or otherwise focused on or ancillary to the collectible automobile sector. This could include physical automobile assets and/or companies, businesses or assets with technology and/or services relevant to the collectible automobile sector.

The Company's shares were admitted to trading on the standard list of the London Stock Exchange's main market on 13 July 2022 ("**Admission**"). Even though the Company has only been publicly quoted for a relatively short period of time, the board of directors of the Company ("**Board**" or "**Directors**", as the context requires) has been active in executing the Company's objectives as outlined in the prospectus published in connection with Admission.

The Directors believe that their network and profile following Admission mean that the Company will be able to target an acquisition where the target company or business or asset(s) has a transaction value of between £30 million and £50 million.

The Company's determinations in identifying a prospective target company or business or asset(s) in the collectible automobile sector will not be limited to a particular geographic region except that it will avoid countries with significant geopolitical or economic risks.

Since Admission, the Company has been actively seeking suitable acquisition opportunities and has seen good deal flow. The Company has commenced due diligence on several assets located in the UK, the USA and Western Europe. All these assets present significant capital appreciation opportunities. The due diligence process for each of these assets is in the early stages and there can be no guarantee that such assets will fulfil the Company's requirements and, even if they do, that the Company can raise the required level of funding to be able to successfully complete an acquisition.

The Company will remain diligent in minimising its overheads. The Company does not rent an office space.

I look forward to communicating with you further once a suitable acquisition has been identified and secured by the Company.

Steven Schapera  
**Non-Executive Chairman**

14 February 2023

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the interim management report in accordance with applicable law and regulations. The Directors confirm the interim condensed financial information has been prepared in accordance with International Accounting Standard 34 (*Interim Financial Reporting*) as endorsed for use in the United Kingdom.

The interim management report includes a fair review of the information required by the Disclosure Guidance and Transparency Rules paragraphs 4.2.7 R and 4.2.8 R, namely:

- the interim condensed financial statements, which have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the issuer as required by DTR 4.2.4R;
- an indication of important events that have occurred during the six months ended 30 September 2022 and their impact on the condensed set of financial information, and a description of the principal risks and uncertainties facing our business for the remaining six months of the financial year; and
- material related-party transactions during the six months ended 30 September 2022 and any material changes in any related-party transactions described in the Company's prospectus dated 27 June 2022.

The Directors are listed in the interim condensed financial statements.

The Directors are responsible for the maintenance and integrity of, amongst other things, the financial and corporate governance information pertaining to the Company.

The interim condensed financial statements have been prepared on a going concern basis.

The interim report was approved by the Board and authorised for issue on 14 February 2023 and signed on its behalf by:

André Ahrlé  
**Chief Executive Officer**

14 February 2023

### Condensed Statement of Comprehensive Income

		Period ended 30 September 2022 (unaudited)	Period ended 31 March 2022 (unaudited)
	Notes	£	£
Revenue		-	-
Other Operating income		624	-
Administrative expenses		(235,527)	-
<b>Operating loss</b>		<b>(234,903)</b>	-
Income tax expense		-	-
<b>Loss and total comprehensive income</b>		<b>(234,903)</b>	-
<b>Loss per share</b>			
Basic loss per share	2	(10.04)	-
Diluted loss per share (pence per share)		(10.04)	-

**Condensed Statement of Financial Position**

	<i>Notes</i>	As at 30 September 2022 (unaudited) £	As at 31 March 2022 (unaudited) £
<b>Current assets</b>			
Prepayments	3	2,218	110,400
Cash and cash equivalents		1,012,793	1,170,000
<b>Total assets</b>		<b>1,015,011</b>	<b>1,280,400</b>
<b>Current liabilities</b>			
Other payables and accruals	4	70,423	-
<b>Net current assets/(liabilities)</b>		944,588	-
<b>Total liabilities</b>		70,423	-
<b>Net assets/(liabilities)</b>		944,588	1,280,400
<b>Equity</b>			
Called up share capital	5	204,000	204,000
Share premium account	6	907,631	1,076,400
Warrants reserve	7	67,860	-
Accumulated deficit		(234,903)	-
<b>Total equity</b>		<b>944,588</b>	<b>1,280,400</b>

**Condensed Statement of Changes in Equity**

	Notes	Share capital £	Share premium account £	Warrants reserve £	Accumulated deficit £	Total equity £
<b>Balance at 17 November 2020</b>		-	-	-	-	-
Issue of share capital – paid		204,000	1,076,400	-	-	1,280,400
Loss and total comprehensive income for the period		-	-	-	-	-
<b>Balance at 31 March 2022 (unaudited)</b>		204,000	1,076,400	-	-	1,280,400
Loss and total comprehensive income for the period		-	-	-	(234,903)	(234,903)
Costs of share issue		-	(100,909)	-	-	(100,909)
Issue of warrants		-	(67,860)	67,860	-	-
<b>Balance at 30 September 2022 (unaudited)</b>		204,000	907,631	67,860	(234,903)	944,588



**Statement of Cash Flows**

	Notes	6 months to 30 September 2022 (unaudited) £	Period to 31 March 2022 (unaudited) £
<b>Changes in working capital</b>	<b>8</b>	(56,298)	(110,400)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	1,280,400
<b>Costs of share issue charged to share premium</b>		(100,909)	-
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(157,207)</u>	<u>1,170,000</u>
Cash and cash equivalents at beginning of period		1,170,000	-
Cash and cash equivalents at end of period		1,012,793	1,170,000

## 1 Notes to the interim financial statements

### General information

Tertre Rouge Assets PLC (the "**Company**") is a public limited company incorporated and domiciled in England and Wales. The interim condensed financial statements for the six months ended 30 September 2022. The address of the Company's registered office is 48 Chancery Lane, c/o Keystone Law, London WC2A 1JF. The interim condensed financial statements of the Company were authorised for issue in accordance with a resolution of the Directors on 14 February 2023.

The interim condensed financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The interim condensed financial statements have been prepared on a going concern basis.

### 1.1 Accounting convention

The interim financial statements are for the six months ended 30 September 2022 and have been prepared in accordance with IAS 34 '*Interim Financial Reporting*'. They do not include all the information required in annual financial statements in accordance with International Financial Reporting Standards ("**IFRS**"). The financial statements have been prepared under the historical cost convention.

### 1.2 Accounting policies, critical estimates, and judgements

The accounting policies and methods of computation followed in the interim financial statements are in accordance with those adopted for the historical financial information included in the Company's prospectus dated 23 June 2022 (the "**Prospectus**") published in connection with Admission. The following additional critical estimates and judgements were made in the preparation of these interim financial statements:

#### Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the entity's accounting policies, management makes estimates and assumptions that have an effect on the amounts recognised in the financial information. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Apart from share based payments and share issue costs discussed below the Directors consider that there are no other critical accounting judgements or key sources of estimation uncertainty relating to the financial information of the Company.

#### Financial Instruments: warrants

On 16 June 2022, the Company issued warrants to each of those persons who subscribed for shares as part of the subscription detailed in the Prospectus (the "**Subscription**"). Equity-settled financial instruments are measured at fair value (excluding the effect of non-market based vesting conditions) at each reporting date. The fair value so determined is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. Fair value is measured using the Black Scholes pricing model. The key assumption used in the model have been adjusted, based on the Board's best estimate of the vesting period and volatility.

#### Share Issue costs

The costs of share issues are charged against the share premium account. Where the share issue costs are incurred but the share issue is interdependent with another activity such as a stock market admission and/or an issue of a prospectus or admission document then the costs of these activities can be difficult to quantify separately and therefore reliance is placed on management's best estimate of the split of the costs.

2	Loss per share	30 September 2022 £	31 March 2022 £
	<b>Number of shares</b>		
	Weighted average number of ordinary shares for basic loss per share	2,340,000	2,340,000
	Weighted average number of ordinary shares for diluted loss per share	4,680,000	4,680,000
	<b>Loss per share</b>		
	Basic loss per share (pence)	10.04	-

Basic earnings per share ("**EPS**") is calculated by dividing the loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Diluted EPS is not separately calculated as the warrants would be anti-dilutive due to the loss.

<b>3</b>	<b>Prepayments</b>	<b>30 September 2022 £</b>	<b>31 March 2022 £</b>
	Prepaid expenses and services	2,218	110,400
		<hr/>	<hr/>
		2,218	110,400
		<hr/>	<hr/>

<b>4</b>	<b>Other payables and accruals</b>	<b>30 September 2022 £</b>	<b>31 March 2022 £</b>
	Other payables	2,400	-
	Accruals	68,023	-
		<hr/>	<hr/>
		70,423	-
		<hr/>	<hr/>

5 Share Capital	30 September 2022	31 March 2022
	£	£
<b>Ordinary Share capital</b>		
<i>Issued</i>		
2 ordinary shares of £0.001 each	-	-
2,759,998 ordinary shares of £0.001 each	2,760	2,760
107,640,000 ordinary shares of £0.001 each	107,640	107,640
<i>Following 40:1 consolidation</i>		
2,340,000 ordinary shares of £0.04 each	93,600	93,600
	<b>204,000</b>	<b>204,000</b>

On 3 February 2021, the Company allotted one ordinary share of £0.001 which was issued at par which, together with the one ordinary share of £0.001 in issue when the Company was incorporated, resulted in the enlarged share capital of the Company being two issued ordinary shares of £0.001 each.

On 16 September 2021, the Company allotted 2,759,998 ordinary shares of £0.001 each which were issued at par (for no cash consideration in lieu of services to be provided).

On 24 November 2021, the Company allotted 107,640,000 ordinary shares of £0.001 each which were issued at par (for no cash consideration in lieu of services to be provided).

On 24 November 2021, the Company resolved that the 110,400,000 ordinary shares of £0.001 each be consolidated into new ordinary shares of £0.04 each on the basis of one new ordinary share for every then 40 existing ordinary shares; resulting in the then issued share capital of the Company being comprised of 2,760,000 ordinary shares of £0.04 each (the "**Ordinary Shares**").

On 30 December 2021, the Company allotted 2,340,000 new Ordinary Shares for a price per share of 50 pence.

The Ordinary Shares have attached to them full voting rights, dividend and capital distribution rights (including on a winding up) but they do not confer any rights of redemption.

6 Share premium account	30 September 2022	31 March 2022
	£	£
At the beginning of period	1,076,400	-
Issue of new shares	-	1,076,400
Less directly attributable issue costs	(100,909)	-
Less transfer to warrant reserve re. fair value of warrants	(67,860)	-
	<b>907,631</b>	<b>1,076,400</b>

## 7 Warrants reserve

On 16 June 2022 and conditional on Admission (which occurred on 13 July 2022), the Company constituted 1,170,000 warrants (the "**Warrants**") on the terms of a warrant instrument pursuant to which the Company issued 1,170,000 Warrants to each of those persons (each, a "**Subscriber**") that participated in the Subscription (one Warrant being issued for each Subscription Share allotted to the Subscribers pursuant to the Subscription). The Warrants entitle (but do not obligate) each Subscriber to subscribe for two Ordinary Shares for each Warrant held by them, exercisable on readmission of the Company's shares to the Official List and to trading on the London Stock Exchange's main market for listed securities following completion of an acquisition (as more fully detailed in the Prospectus) ("**Readmission**") and concurrent with such fundraising undertaken by the Company at such time, at a price per share equal to a 10 per cent. discount to the price paid by third party investors in conjunction with Readmission. The Warrants are exercisable either in whole or in part. The Warrants are not exercisable prior to Readmission.

The charge for the Warrants is spread over the 1.75 years period from 13 July 2022 being the date of Admission. The 1.75 years period is determined by the Company having until 1 December 2023 to seek an FCA eligibility review in relation to a de-SPAC acquisition (i.e. a prospectus review).

The Company determines the fair value of the Warrants using a model based on the Black-Scholes-Merton methodology. In determining the fair value of the Warrants granted by it, the Company made the following assumptions.

- Share Price 65p
- Exercise price 58.5p
- Annualised volatility 80%
- Expected dividend yield 0%
- Risk free interest rate 2.2%
- Fair value of warrants 20.3p

Expected volatility was determined by reference to historical data for a similar Special Purpose Acquisition Company in the same market sector and listed on the same exchange.

## 8 Reconciliation of Loss before income tax to changes in working capital

	30 September 2022	31 March 2022
	£	£
Loss for the period before tax	(234,903)	-
Decrease/ (Increase) in prepayments	108,182	(110,400)
Increase in other payables and accruals	70,423	-
<b>Working capital movement</b>	<b>(56,298)</b>	<b>-</b>

## 9 Events after reporting date

On 24 October 2022, the Company entered into a service agreement with André Ahrlé (the "**October 2022 Agreement**") pursuant to which the terms of the previous service agreement entered between the parties on 29 September 2021 were superseded. The October 2022 Agreement increased the annual director's fee payable to Mr Ahrlé from £60,000 per annum to £144,000 per annum effective from 13 July 2022, being the date of Admission. The increased director's fee awarded to Mr Ahrlé was in consideration of the significant contributions and time commitment given to the Company, both in relation to Admission and the subsequent dealings he has had with prospective vendors of potential target assets and businesses being explored by the Company. The Board consider that the increased director's fee is fair and reasonable, and far more commensurate with the level of services provided and continuing to be provided by Mr Ahrlé. The salary increase for Mr Ahrlé has not been incorporated into these interim results as it is a "non-adjusting event" but will be reflected in the Company's annual accounts for the year ended 31 March 2023.