

Debtor Name: Meier's Wine Cellars Acquisition, LLC, *et al.*
 United States Bankruptcy Court for the District of Delaware
 Case Number: 24-11584

Official Form 426

Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest

12/17

This is the *Periodic Report* as of 12/31/2024 on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

Vintage Wine Estates, Inc. (CA) holds a substantial or controlling interest in the following entity:

Name of Controlled Non-Debtor Entity	Interest of the Debtor
VWE Captive, LLC	100.0%

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

Exhibit A contains the most recently available: balance sheet, statement of income (*loss*), statement of cash flows, and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

Exhibit B describes the Controlled Non-Debtor Entity's business operations.

Exhibit C describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

Exhibit D describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

Exhibit E describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.

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The undersigned, having reviewed the *Entity Reports* for each Controlled Non-Debtor Entity, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this *Periodic Report* and the attached *Entity Reports* are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-individual Debtors:**X** /s/ Kristina Johnston

Signature of Authorized Individual

Kristina Johnston

Printed name of Authorized Individual

Date 02 / 12 / 2025

MM / DD / YYYY

For individual Debtors:**X**

Signature of Debtor 1

Printed name of Debtor 1

Date _____

MM / DD / YYYY

X

Signature of Debtor 2

Printed name of Debtor 2

Date _____

MM / DD / YYYY

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Exhibit A: Financial Statements for VWE Captive, LLC

The reporting presented herein does not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles in the United States ("GAAP") or any other foreign jurisdiction as applicable.

Additionally, the reporting herein contains audited and unaudited information that is subject to further review and potential adjustment.

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Exhibit A-1: Balance Sheet of VWE Captive, LLC as of 12/31/2023 and 6/30/2024

The below balance sheets for VWE Captive, LLC were provided by VWE Captive, LLC's Board of Managers.

The fiscal year ended 12/31/2023 balance sheet has been audited by Johnson Lambert, LLP. The period ended 12/31/2024 balance sheet has been provided by Davies Captive Management and is unaudited.

BALANCE SHEETS
AS OF DECEMBER 31, 2024

	Unaudited 12/31/2024	Audited 12/31/2023
Assets		
Cash and Cash Equivalents	\$ 2,118,778	\$ 9,398,046
Restricted Cash	7,004,000	-
Deferred Policy Acquisition Costs	25,979	338,095
Deferred Tax Asset	1,117	22,113
Total Assets	\$ 9,149,874	\$ 9,758,254
Liabilities		
Accounts Payable/Accrued Expenses	\$ 49,000	\$ 26,682
Unearned Premium	181,078	2,318,961
IBNR Loss Reserve	970,699	200,000
Outstanding Loss Reserve	79,570	350,000
Losses Payable	183,343	201,141
Due to Parent	715	715
Premium Taxes Payable	5,000	6,645
Federal Income Tax Payable	865,694	666,745
Total Liabilities	2,335,098	3,770,888
Member's Equity		
Contributed Capital	2,978,775	2,978,775
Retained Earnings	3,008,591	1,393,285
Net Income	827,411	1,615,305
Total Member's Equity	6,814,777	5,987,365
Total Liabilities & Member's Equity	\$ 9,149,874	\$ 9,758,254

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Exhibit A-2: Statement of Income (Loss) for [Provide a statement of income (loss) for the following periods:

The below income statements for VWE Captive, LLC were provided by VWE Captive, LLC's Board of Managers.

The fiscal year ended 12/31/2023 income statement has been audited by Johnson Lambert, LLP. The period ended 12/31/2024 income statement has been provided by Davies Captive Management and is unaudited.

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STATEMENTS OF OPERATIONS
AS OF PERIOD ENDING DECEMBER 31, 2024

	Unaudited 12/31/2024	Audited 12/31/2023
Underwriting Income		
Premium Written	\$ -	\$ 2,953,284
Change in Unearned Premium	2,137,883	(154,225)
Net Earned Premium	<u>2,137,883</u>	<u>2,799,058</u>
Underwriting Expenses		
Change in IBNR	770,699	(330,000)
Change in OSLR	(270,430)	350,000
Losses Paid	143,820	151,564
Ceding Commission		77,099
Broker Fees	-	95,452
Fronting Fees	306,721	300,987
Premium Tax	10,395	6,562
Total Underwriting Expenses	<u>961,204</u>	<u>651,665</u>
Underwriting Income	<u>1,176,679</u>	<u>2,147,394</u>
General and Administrative Expenses		
Actuarial Fees	26,000	12,000
Audit and Tax Expenses	31,371	25,752
Legal Fees	5,393	-
Captive Management Fees	50,000	50,000
Program Administration Fees	550	2,568
Banking Fees	18,018	12,723
Total General & Administrative Expenses	<u>131,332</u>	<u>103,043</u>
Investment Income		
Interest Income	2,009	340
Total Investment Income	<u>2,009</u>	<u>340</u>
Net Income Before Taxes	<u>1,047,356</u>	<u>2,044,690</u>
Federal Tax Expense	198,949	441,463
Deferred Tax Expense (Benefit)	20,996	(12,078)
Total Tax Expense	<u>219,945</u>	<u>429,385</u>
Net Income	<u>\$ 827,411</u>	<u>\$ 1,615,305</u>

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Exhibit A-3: Statement of Cash Flows for VWE Captive, LLC.

The statement of cash flows for VWE Captive, LLC was provided by the Board of Managers. The fiscal year ended 12/31/2023 statement of cash flows has been audited by Johnson Lambert, LLP.

The audited or unaudited statement of cash flows for VWE Captive, LLC was not available as of 12/31/2024. Therefore, these statements are being excluded from this filing.

	Audited 12/31/2023
Cash Flows from Operating Activities	
Net income	\$ 1,615,305.00
Add (deduct) items not affecting cash:	(12,078.00)
Deferred tax benefit	
Changes in assets and liabilities:	-
Premiums receivable	
Deferred policy acquisition costs	37,735.00
Losses and loss adjustment expenses	20,000.00
Unearned premiums	154,226.00
Losses payable	90,010.00
Accounts payable and accrued expenses	2,932.00
Federal income taxes payable	281,463.00
Premium taxes payable	(855.00)
Other liabilities	-
Net cash flows from operating activities	<u>\$ 2,188,738.00</u>
Cash Flows from Financing Activities	
Capital contributions	260,000.00
Net cash flows from financing activities	<u>260,000.00</u>
Net change in cash and restricted cash	<u>2,448,738.00</u>
Cash, beginning of year	<u>6,949,308.00</u>
Cash, end of year	<u>\$9,398,046.00</u>

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Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (Deficit) for VWE Captive, LLC 12/31/2023

The below statement of changes in shareholders' equity for VWE Captive, LLC was provided by VWE Captive, LLC's Board of Managers. The below fiscal year ended 12/31/2024 statement of changes in shareholders' equity has not been audited.

December 31, 2024

Capital

	Contributed Capital
Balance at Beginning of Period	\$ 2,978,775
Contributed Current Year	-
Current Balance	<u>\$ 2,978,775</u>
Retained Earnings at Beginning of Period	\$ 3,008,590
Net Income YTD	827,411
Retained Earnings	<u>\$ 3,836,001</u>

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Exhibit B: Description of Operations for VWE Captive, LLC

VWE Captive, LLC was organized under the laws of the State of Nevada on September 9, 2021, and was issued a Certificate of Authority permitting it to transact the business of a captive insurance company by the State of Nevada Division of Insurance. VWE Captive, LLC is a single member limited liability company owned by Debtor Vintage Wine Estates, Inc. (CA).

Debtor Vintage Wine Estates, Inc. (NV), the ultimate parent of the Debtors, wholly owns Debtor Vintage Wine Estates, Inc. (CA). VWE Captive, LLC was formed to reinsure certain risks and obligations of Debtor Vintage Wine Estates, Inc. (NV) and its operating subsidiaries, ceded by Starr Surplus Lines Insurance Company.

As of December 31, 2024, there is a Sole VWE Captive LLC Director remaining. VWE Captive LLC and the Debtors share management and officer roles.

VWE Captive, LLC has no employees. Pursuant to a management agreement, Davies Captive Management provides accounting, regulatory compliance, records retention and other related services to VWE Captive, LLC.

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Exhibit C: Description of Intercompany Claims

Not applicable. VWE Captive, LLC is the only Controlled Non-Debtor Entity.

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Exhibit D: Allocation of Tax Liabilities and Assets

Not applicable. No federal, state, local taxes, tax attributes, refunds, or other benefits, have been allocated between or among VWE Captive, LLC and the Debtors, and VWE Captive, LLC is the only Controlled Non-Debtor Entity. There also is no tax sharing or tax allocation agreement between or among such entities.

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Exhibit E: Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor

Not applicable. There are currently no known payments made or obligations incurred (or claims purchased), by VWE Captive, LLC in connection with any claims, administrative expenses or professional fees that have been or could be asserted against any of the Debtors.