

Time is on our side



2018/2019 ANNUAL REPORT

20 YEARS OF LISTING
ON THE STOCK EXCHANGE



Time is on our side

TFF
GROUP

**TIME
IS ON
OUR
SIDE**

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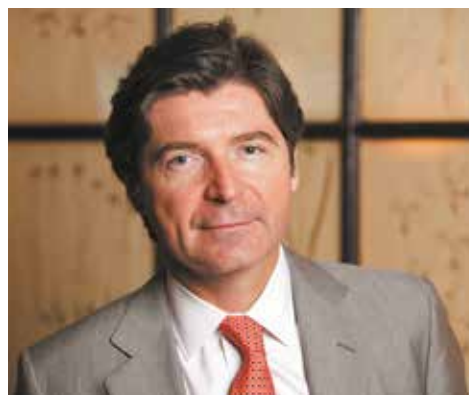
MESSAGE FROM THE PRESIDENT

“STRONG GROWTH, IN LINE
WITH OUR OBJECTIVES
ON ALL OUR MARKETS”

Dear Shareholder

The past year has been an important one in the life of TFF Group, characterized by:

- Strong growth, beyond our stated objectives, on all our markets and within the Group's three divisions.
- The explosion of the bourbon market, in a highly competitive environment, which led to a tightening of the wood market
- ... which lead to an acceleration of the Group's investments in the men and production facilities required to meet demand, secure supplies and prepare for the future.
- The return to growth of the whisky division in the second half of the year.
- The good health of the wine division, reinforced by the acquisition of the Darnajou cooperage in March.
- Results above those of the wider sector, despite the investments made and well above expectations.



We have just had a pivotal year that has seen us adapt our model, particularly in the highly buoyant and competitive bourbon market- a market that has quickly become the major driver of our Group's growth.

The rising cost of raw materials, the difficulties that arise in recruiting in the U.S. given the strength of the employment market there and the geopolitical environment have all led us to make urgent strategic decisions – among them, the strengthening of the production facilities and teams needed to develop of the self-sufficiency needed to secure both supplies and margins.

Our accelerated growth and conquest of market share have had a cost that exceeded our initial expectations. It was imperative that we meet that challenge in order to capture the growth of the bourbon market and to consolidate our position on it as the No. 2 independent coopers – having taken 13% of the market's share in just three years.

We are therefore confident as we take a new step in our development, that our increased visibility and very solid financial situation should bring us, on markets that are all well oriented and extremely promising, to 300 million euros in turnover by 2020 and 350 by 2023, with a current operating profit of around 70 million euros.

This «watershed» year is also the anniversary of our 20 years on the stock market. Looking back over that time, our loyal shareholders - and I take this opportunity to thank them – have found their confidence rewarded. Indeed, the valuation of our Group has increased tenfold over the period, compared to the fourfold growth achieved by our small and mid-cap benchmark.

It is with this confidence in our short and medium-term future that we have decided to suggest that the General Assembly maintain a dividend of 0.35 euros per share.

A stylized signature of Jérôme Francois, consisting of a few bold, sweeping lines.

JÉRÔME FRANCOIS
Chairman of the Executive Board

2018/2019 GLOBAL PROGRESS: 6 NEW SITES WORLDWIDE

On the wine and spirits market - the world's leading luxury market and one that continued growing steadily in 2019 - TFF Group is positioned as the global leader in the aging of wine and alcohol. In 2019, the Group strengthened its positions with six new locations in its two main geographical areas: Western Europe and North America

1st stave mill
UNITED STATES



Start-up June 2018

SBSM

Speyside Bourbon Stave Mill
Capacity 180,000 barrels and 35 employees
Milboro, Virginia

2nd stave mill
UNITED STATES



July 2018

Waverly South Stave Mill

Located in northern Ohio, in the immediate vicinity of Jackson's cooperage, this stave mill complements our stave production facilities for the supply of our bourbon cooperages.

3rd stave mill
UNITED STATES

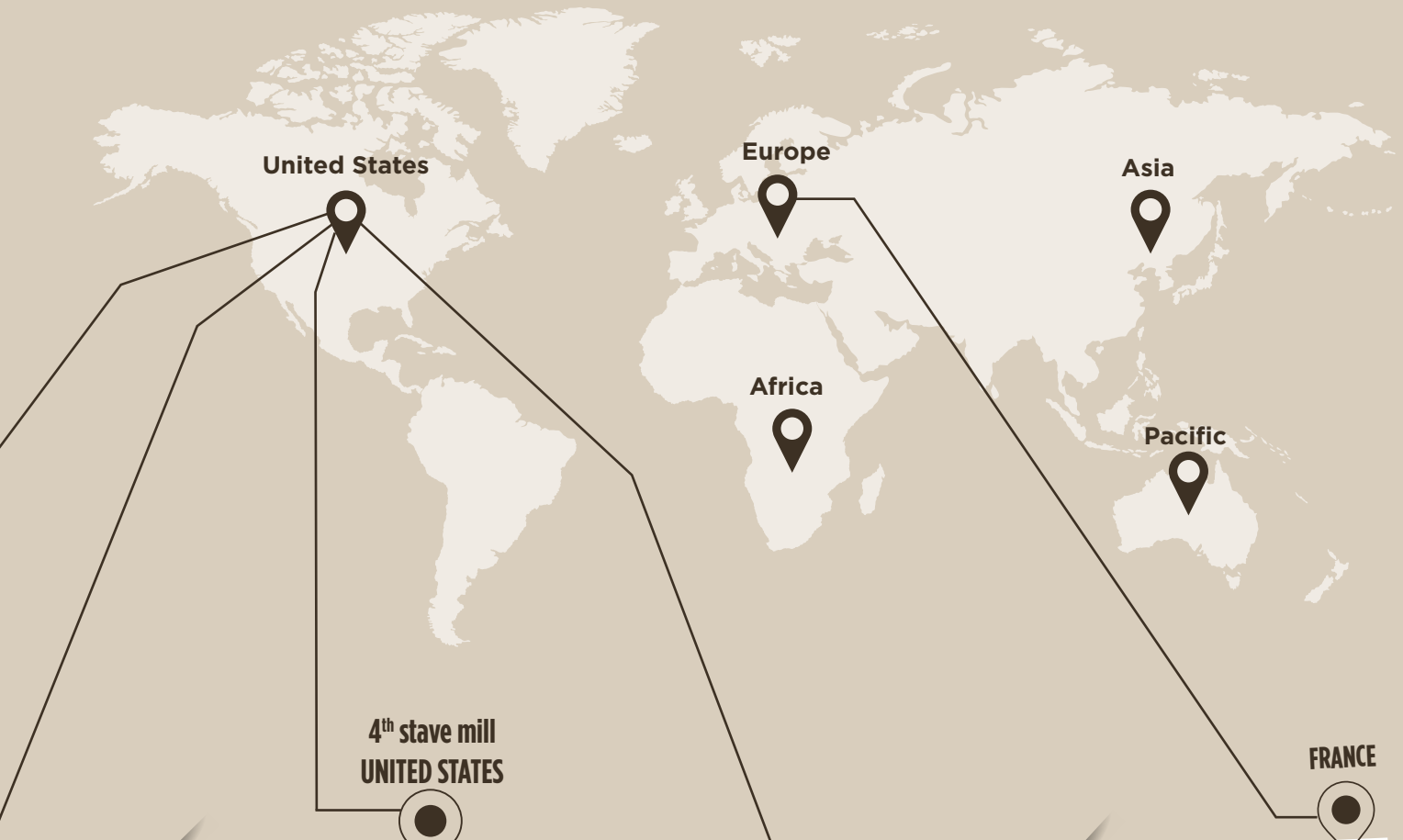


October 2018

Waverly North Stave Mill

Created in Ohio in 2015 by the Robbins family when TFF Group was established in the bourbon market, this 48-employee Stavamill will supply the Speyside Bourbon cooperage exclusively with American oak.

SITES ON 5 CONTINENTS



United States

Europe

Asia

Africa

Pacific

4th stave mill
UNITED STATES

FRANCE

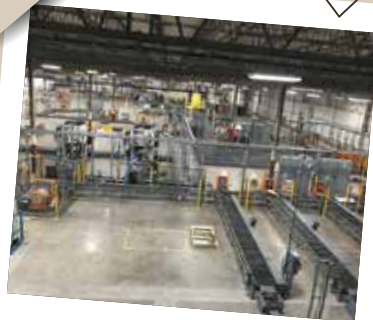
2nd cooperage
UNITED STATES



Start date October 2019

Glade Spring Stave Mill

It was in Virginia, a border state of Kentucky - the home of bourbon whisky, that TFF Group decided to build a new stave mill. With many of the world's most prestigious distilleries: Buffalo Trace, Eagle Rare, Elijah Craig, Wild Turkey and Woodford Reserve, this region is the birthplace of America's most famous alcohol.



Start date January 2020

Atkins, Virginia

400,000 barrels



March 2019

Darnajou Tonnellerie

Located in Montagne and Artigues de Lussac in Gironde, close to Libourne and Saint Emilion. Created in 1976, this family-owned cooperage, which has 15 employees and achieved turnover of 7 million euros in 2019, enjoys a strong local and international reputation based on its modern and responsible approach.



PERFORMANCE 2018/2019

KEY FIGURES 2018/2019

PERFORMANCES THAT REFLECT
THE SOLIDITY OF A TRIED
AND TESTED SYSTEM

TURNOVER GROWTH (IN M€)

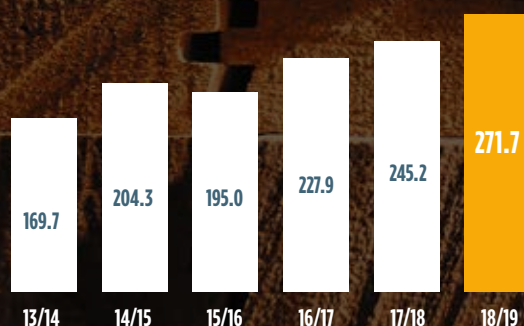
€ **271.7** m

Turnover in 2018/2019

+ **10.8%**

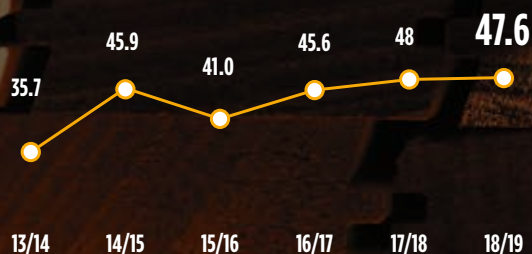
variation 2018/2019 vs 2017/2018

Consolidated Turnover



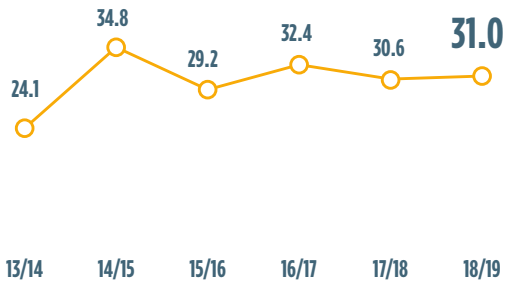
OPERATING INCOME (IN M€)

€ **47.6** m



NET INCOME

in euro millions



€ **47.6** m

Operating income

€ **97** m

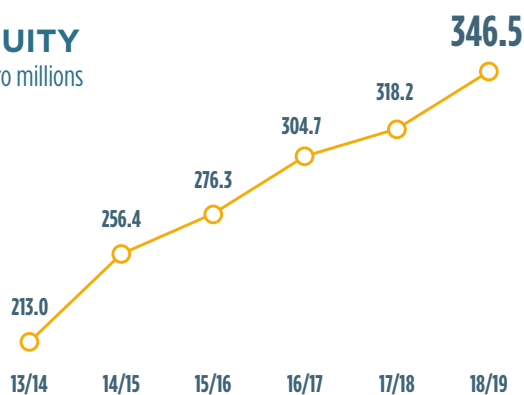
Net financial debt

€ **31.0** m

Net income

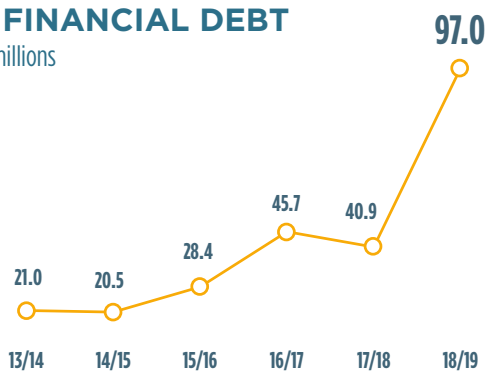
EQUITY

in euro millions

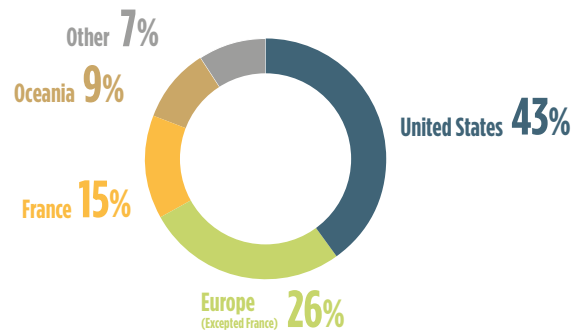


NET FINANCIAL DEBT

in euro millions

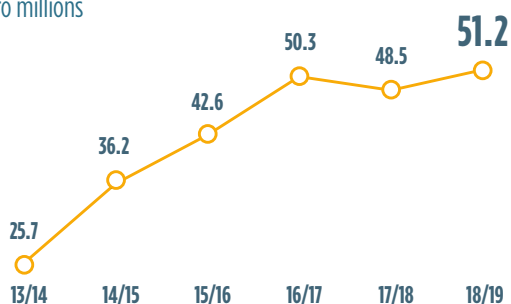


TURNOVER BY AREA

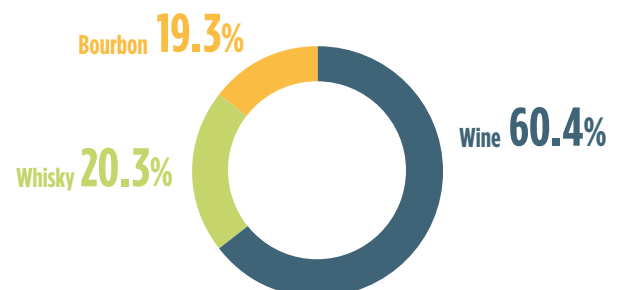


AUTOFINANCING CAPACITY

in euro millions



TURNOVER BY MARKET

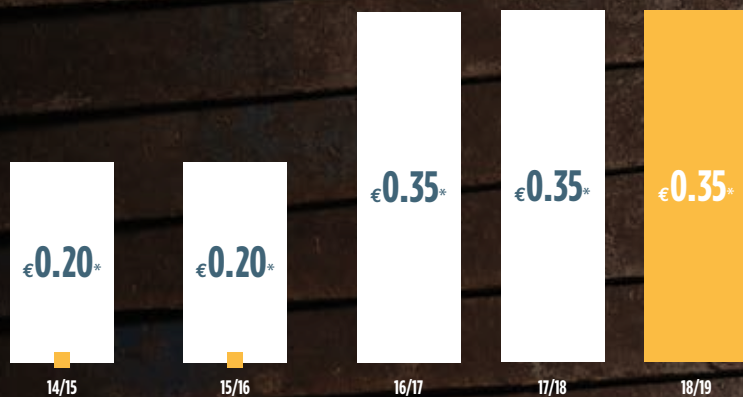


20 YEARS OF LISTING ON THE STOCK EXCHANGE

KEY FIGURES 2018/2019

A DYNAMIC SHAREHOLDER POLICY

THE EVOLUTION OF DIVIDENDS FROM 2014/2015 TO 2018/2019



* Based on the new number of shares (x4 as of December 1st, 2017)

20 YEARS

Dividend distribution

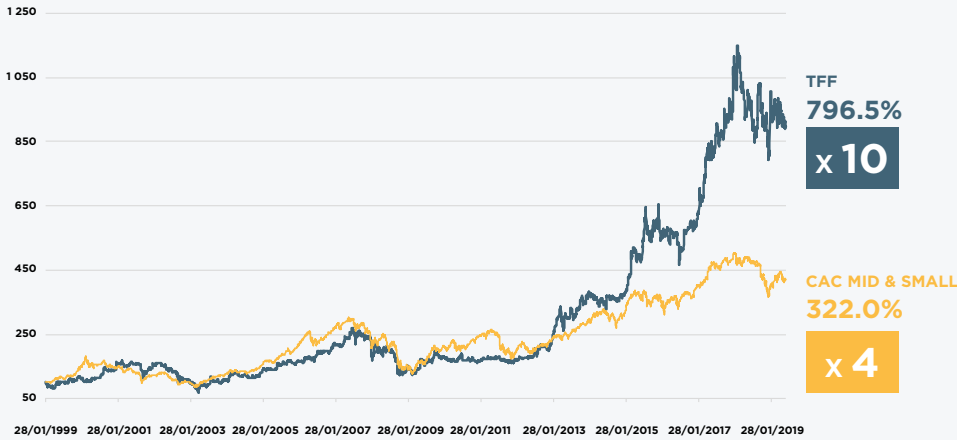
€69 m

TOTAL DISTRIBUTED SINCE 1999

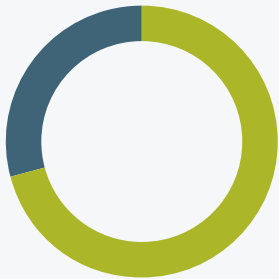
20 YEARS OF LISTING
ON THE STOCK EXCHANGE

20 YEARS

EVOLUTION OF THE TFF GROUP SHARE PRICE AND THE SMALL-MID CAC INDEX OVER 20 YEARS (BASE 100)



CAPITAL ALLOCATION AS OF APRIL 30TH, 2019



29%
Public

71%
FRANCOIS Family

Floated on the Second Market of the Paris Stock Exchange in January 1999

Eurolist – B
ISIN code FR 0013295789

Euroclear: 7190

Reuters: TEFE.PA

Bloomberg: TFF.FP

Eligible for PEA PME

Euronext® Family Business

FINANCIAL COMMUNICATION AGENDA 2019/2020

2019

11 september First quarter turnover 2019/2020

25 october General assembly

2020

8 january Second half turnover 2019/2020
Half year results

11 march Third quarter sales 2019/2020

2/6 july Annual results 2019/2020
Information meeting

October General assembly

20 YEARS
of value creation

€820_m
Stock exchange valuation at July 4th, 2019

€37.9⁽¹⁾
Share price at July 4th, 2019



(1) Given the division by 4 of the title as of December 1st, 2017

ACTIVITIES - PERFORMANCE

WINE MARKET

STRENGTHENING OF OUR POSITION
AS WORLD LEADER

€ **164.2** m

Revenues 2018/2019

+ **3.8**%

Revenue Growth

24

Production sites



WORLD PRODUCTION OF WINE REACHES A RECORD IN 2018: 292.3 MILLION HECTOLITRES

After a historically low 2017 level, world production increased by 42.5 Miohl in 2018, close to the very high level seen in 2004.

Italy confirmed its position as the world's leading producer with 54.8 Miohl, followed by France with 49.1 Miohl and Spain with 44.4 Miohl.

Elsewhere, weather conditions were less favourable for some European countries such as Portugal, Greece or Bulgaria, which saw relatively low production levels.

The United States, meanwhile, recorded higher wine production levels in 2018 than in 2017.

GLOBAL WINE CONSUMPTION STABILIZES

Global wine consumption – which is stable at 246 Miohl – appears to be paused in its progress, mainly influenced by a decline in consumption in China and the United Kingdom.

The United States has been the world's largest consumer since 2011 and reached 33.0 Miohl, up slightly from the previous year (up 1.1%).

In Europe, wine consumption stabilized in most countries, with the exception of Spain, which increased for the third consecutive year with 10.7 Miohl in 2018. Portugal's levels were at 5.5 Miohl, Romania's at 4.5 Miohl and Hungary's at 2.4 Miohl.



* Source: OIV

THE WINE MARKET

A VERY STRONG YEAR CARRIED BY DIVERSIFIED AND COMPLEMENTARY BRANDS: 164 MILLION EUROS, UP 3.8%

The wine division reaffirmed its position as a world leader by pursuing a strategy based on steady organic growth and balanced geographical development. All of our wine businesses are growing, except for the large container business which fluctuates widely from year to year. This customer service business is complementary and inseparable from coopering although the lifespan of its products is much longer.

Located on 5 continents, at once rooted in the past and looking to the future, the Group's brands are constantly innovating and developing in order to accompany and anticipate the specific demands of their customers in a constant search for quality.

A NEW STRATEGIC ACQUISITION IN THE BORDEAUX REGION: DARNAJOU



€7m
turnover 2018/2019

20
employees

2
production sites

Founded more than 60 years ago by Pierre Darnajou - winner of the “Best Worker in France” award - in Lalande Pomerol, the Darnajou cooperage cultivates the subtle art of marrying wood and wine and benefits from a unique know-how.

With Vincent Darnajou embracing this passion and vocation since 1993, the second production site in Montagne was born in 2003. It is on this site that the 225-litre barrels that now make the reputation of the «Vincent Darnajou Tonnellerie» are manufactured before being sent all over the world.

The Lussac Artigues workshop produces 300, 400, 500 and up to 600-litre barrels to meet the very high demand of its demanding high-end clientele.

For more than half a century now, the Darnajou cooperage has been supplying oak barrels to the biggest Grand Crus of Bordeaux and in 2018 it will achieve a turnover of 7 million euros with high margins, in line with those of the rest of TFF's wine division.

This new strong brand reinforces a proactive strategy that involves integrating independent brands with high added value and putting them at the service of the number one luxury sector - that of wines and spirits.





ACTIVITIES - PERFORMANCE

SCOTCH WHISKY MARKET

GLOBAL LEADER OF INDEPENDENT
COOPERING

€**55** m

Turnover 2018/2019

+5.2%

Growth (up 4.1% at PTTC)

8

Production sites

STRONG GROWTH OF SCOTCH WHISKY SALES AND EXPORTS

The good news is that the Scotch whisky market is doing well with growth maintained at 2% in 2018 - growth that is expected to continue at the same rate until 2023. This dynamic is reflected in exports, which are growing by 7.8% in value terms to reach 4.7 billion euros.

The single malt market, a reference in the whisky world, grew by 11.3% to reach 1.3 billion euros.

«2018 was another year of strong growth in Scotch whisky exports, reflecting the continued popularity of scotch in different countries and cultures around the world. These figures underline the strength of the Scotch whisky category, which has continued to grow despite the challenges posed by Brexit and the tensions in the global trading system.»

**Karen Betts, Executive Director
of the Scotch Whisky Association**



BIG GROWTH FOR SCOTTISH DISTILLERIES

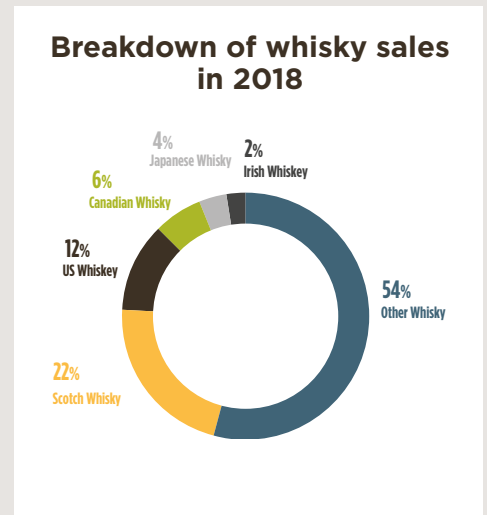
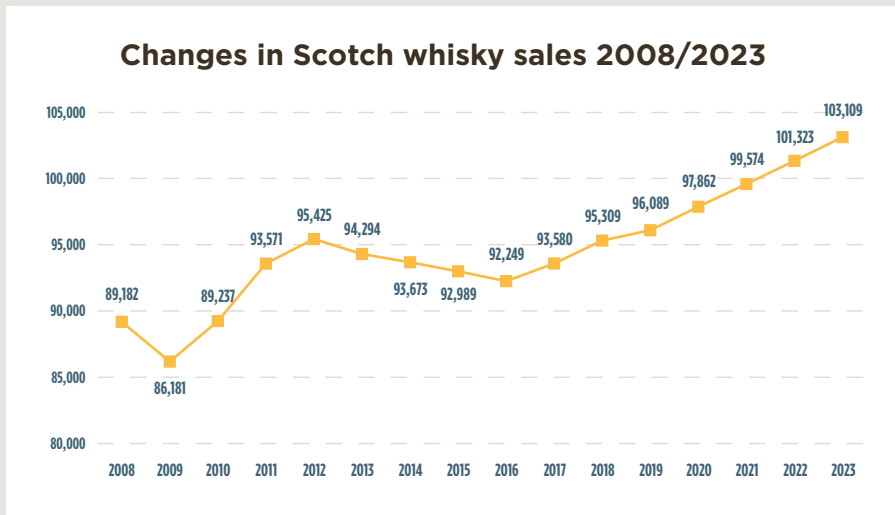
The UK spirits industry is booming. The number of distilleries in Scotland increased significantly in 2018 with the creation of 7 new distilleries, a development that is expected to continue in 2019 with 9 new creations scheduled for next year.

With 135 distilleries in 2018 compared to 103 in 2008, Scotch whisky is healthy and demonstrates the commitment of consumers around the world to quality British products.

THE SCOTCH WHISKY MARKET

SUSTAINED GLOBAL CONSUMPTION

200 liters of whisky per second are consumed worldwide and the global consumption outlook remains up 2.3% per year over the period 2016-2020 (source: Scotch Whisky Association).



TFF GROUP: A STRONG YEAR ON THE WHISKY MARKET:

The recovery that was expected after a three-year break came in the second half of the fiscal year and is expected to continue in the coming years. TFF Group, with its 8 production sites, is well equipped to support the biggest names in Scotch whisky in their development.



A NEW PRODUCTION SITE TO RENFORCE OUR POSITION AS THE LEADER IN INDEPENDENT COOPERING

TFF Group's production structure was strengthened with the inauguration of a new production facility adjacent to the Edinburgh site - the Group's 8th workshop dedicated to the repair, renovation and trading of barrels.

This site, with 20 employees who have all benefited from training within the Group, testifies to TFF Group's commitment to supporting the growth of the market: with this new site, the

Group is able to process 1,000,000 used casks every year.



ACTIVITIES - PERFORMANCE

THE BOURBON MARKET

NO.2 IN INDEPENDENT COOPERING
IN 3 YEARS

\$60_m

Revenue 2018/2019

350.000

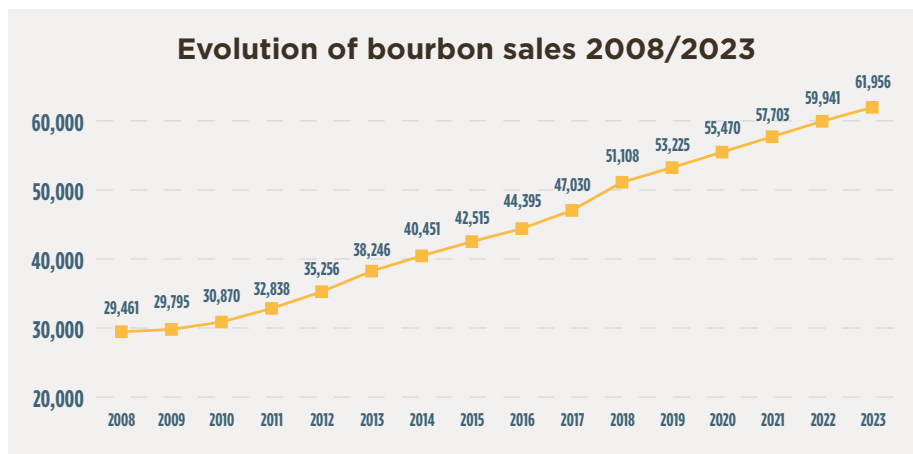
Barrels

6

Production sites
2 cooperages, 4 stave mills

According to International Wine and Spirit Research, U.S. bourbon is expected to achieve the strongest growth in the global spirits market in the next five years, with growth of 4% per year in volume, from 51 million to 62 million 2018 to 2023.

Over the period 2017/2018 the bourbon market grew by 9%, more than that of Scotch in the United Kingdom.



THE MAIN PLAYERS IN THE BOURBON MARKET INVESTED \$2.3 MDS IN THEIR PRODUCTION FACILITIES

Diageo, the world's largest company on the liquor market, plans to invest \$130 million over three years.

Brown-Forman Corporation, one of the largest U.S. alcoholic beverage companies, will invest \$45 million in infrastructure.

Beam Suntory, the world's fifth largest company on the spirits market, plans to invest \$150 million in the short term and \$1 billion over the next 5 years.

Heaven Hill, arguably the largest independent bourbon producer and seventh largest spirits producer in the United States, plans to invest \$65 million over the next few years.

This investment dynamic attests to the bullishness of the market with interest in the sector also reflected by an acceleration in the pace of acquisitions in recent years. For example, the world's number two spirits company, Pernod Ricard, has just strengthened its position on the Bourbon market in the United States by taking control of Rabbit Hole Distillery, a «Super Premium» American whisky brand.



THE BOURBON MARKET

TFF GROUP CLAIMS 13% MARKET SHARE AND \$60M OF TURNOVER IN 2019

Just three years after the launch of its first cooperage, TFF Group has produced and sold more than 350,000 barrels in 2018, capturing 13% of market share and allowing it to compete with the American leader.

In a tight US labor market, TFF Group was been a leading recruiter in the sector in 2018/2019, reaching a workforce of 292 people, a third of whom are in training.

TFF GROUP AIMS FOR 25% OF THE MARKET BY 2023 AND IS GIVING ITSELF THE MEANS TO ACHIEVE THAT

With an investment of \$95 million, 7 production sites will enable TFF Group to double its production by 2023, from 400,000 to 800,000 barrels produced and sold, with self-sufficiency expected to increase from 40% to 90%.



NEW PRODUCTION SITES 2018/2019

Among the many investments made in 2018/2019:

The launch of the second cooperage in Virginia, which is scheduled to start operations in January 2020.

The launch of a 4th operational stave mill in October 2019.

The acquisition of a 5th Kentucky stave mill scheduled to begin production in August 2019.





STRATEGY

AN AMBITIOUS GLOBALISATION AND DIVERSIFICATION STRATEGY

TFF GROUP has always aimed to create value through the development over time, of its brands by making investments in the staff, training and production facilities that generate organic growth and profitability, whilst at the same time being on the lookout for external growth opportunities.

All of which is possible thanks to its rigorous management, sound financial health and position as a world leader.



TFF GROUP: STRATEGIC ORIENTATIONS AND A CLEAR ROADMAP FOR 2020-2023



Continued development of brands and the good balance of activities between the wine and alcohol divisions



Continued investment in the bourbon market to capture growth



Continued close monitoring of each of its markets to identify external growth opportunities that will qualitatively and quantitatively strengthen its leadership position



Maintaining a strong financial structure with debt levels allowing external growth capacity



Goals 2020

- 300 million euros in sales
- Current operating income - €50m

Goals 2023

- 350 million euros in sales
- Current operating income close to €70m

A MODEL THAT IS ENTREPRENEURIAL, FAMILY-LED, SUSTAINABLE AND VALUE-CREATING IN THE LONG-TERM

In its development, TFF GROUP has always favored a spirit of innovation combined with a rigorous analysis of its markets and their stakeholders.

TFF Group, like most family businesses, has an ability to think in terms of generations rather than years or months.

Its development strategy and management of men and finances are always long-term.

The great strength of a family business such as TFF Group is its long-term philosophy, well reflected by its motto: «Time is on our side».

This relationship to time allows the Group to better prepare for changes and to anticipate changes and trends in its markets, allowing it to become a leader in each of its sectors of activity.



TFF GROUP 20 YEARS OF VALUE CREATION

1,250

OF LISTING
ON THE STOCK
EXCHANGE

20

YEARS

1,050

850

650

450

250

50

January 1999

January 2001

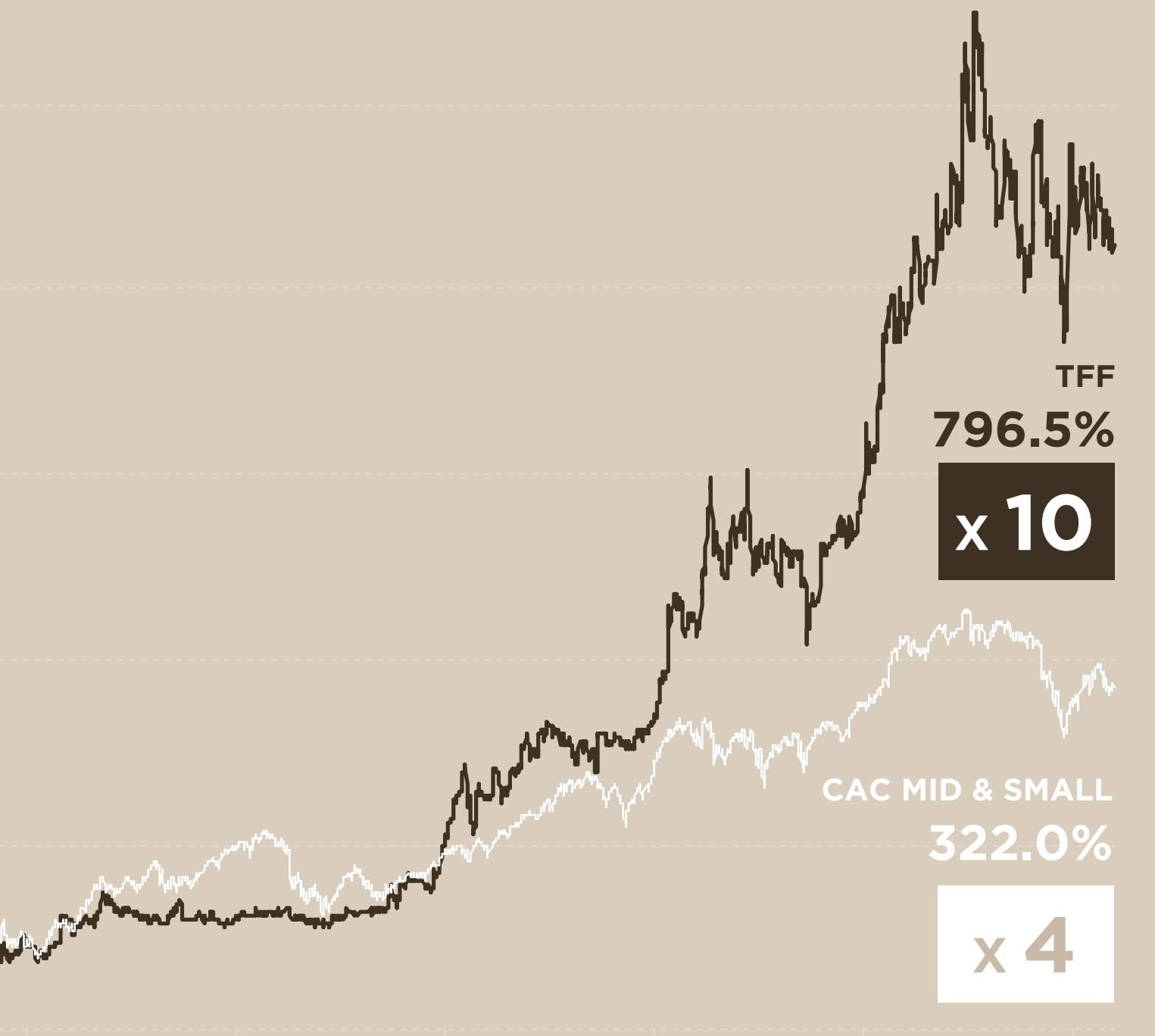
January 2003

January 2005

January 2007

Janu

EVOLUTION OF THE TFF GROUP SHARE PRICE AND THE SMALL-MID CAC INDEX OVER 20 YEARS (BASE 100)



January 2009 January 2011 January 2013 January 2015 January 2017 January 2019



ADMINISTRATION AND MANAGEMENT



Supervisory Board and Management Board

Monsieur Jean François

Chairman of the Supervisory Board

Monsieur Jérôme François

Chairman of the Management Board

Madame Noëlle François

Member of the Management Board

Madame Nathalie Meo

Supervisory Board member

Monsieur Patrick Fenal

Supervisory Board member

Mademoiselle Philippine François

Supervisory Board member



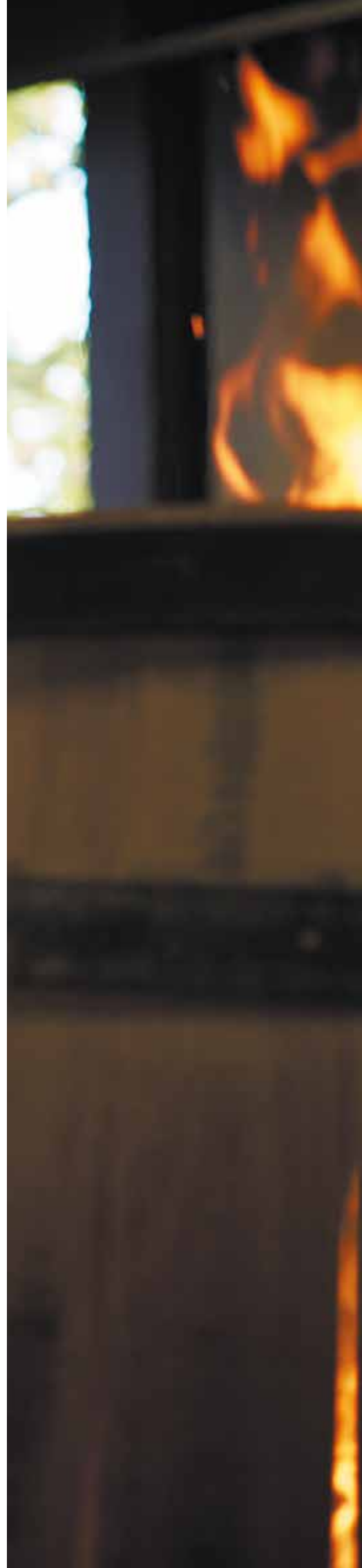
SUMMARY

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Consolidated Income Statement 52



MANAGEMENT REPORT OF THE EXECUTIVE BOARD AS PRESENTED TO THE AGM OF OCTOBER 25TH, 2019

Ladies and gentlemen,

The Shareholders' Meeting was convened to deliberate on the financial statements for the year that ended on April 30th, 2019, to allocate the results of the said financial year, to approve the regulated agreements entered into or continued during the same financial year, and to consider various other points more fully described below.

The meeting represents an opportunity to outline the Company and the Group's (TFF Group) situation over the last financial year, their foreseeable evolution, activities in research and development, and any important events that occurred between the year's closing date and the preparation of this report, as well as the main characteristics of the internal control and risk management procedures that were put in place. In accordance with the provisions of Article L.225-102-1 of the French Commercial Code, the extra-financial performance declaration is also included in the report.

It should be noted that any figures are subject to the approval of the accounts as presented to you.

The management report and the consolidated Group management report are both included below.

I. CHANGES IN CAPITAL

The size of the capital did not change during the year that ended on April 30th, 2019, and thus amounts to € 8,672,000.

In accordance with the provisions of article L 225-184 of the French Commercial Code, we inform you that there is no current plan relating to share subscription and purchase options.

II. ACQUISITIONS-SALES OF THE YEAR

- During the year, the Darnajou cooperage, a family-owned cooperage located between Pomerol and Saint Emilion, was acquired, the scope of which includes the following companies:

- TONNELLERIE VINCENT DARNAJOU
- TONNELLERIE DARNAJOU II
- FONCIER DES CHAPELLES

The activity of these three companies, which represents an annual turnover of about 7 M € including 50% in exports, is organized on two production sites near Libourne (33), under the brand name DARNAJOU. Their integration into TFF Group took place on March 1st, 2019.

- As part of the ongoing development of its activities on the Bourbon market, TFF Group has created the following companies, which have put together the assets and resources necessary for the development of their operations:

- SPEYSIDE BOURBON STAVE MILL IN OHIO AT WAVERLY SOUTH (stave mill)
- SPEYSIDE BOURBON STAVE MILL IN OHIO INC (stave mill)
- In addition, the following companies were created during the financial year in the USA but did not start their business this year:
- SPEYSIDE BOURBON STAVE MILL IN VIRGINIA GLADE SPRINGS INC (stave mill)
- SPEYSIDE BOURBON ATKINS (cooperage business)

These four companies are part of the Group's «Bourbon» division.

III. CONSOLIDATED FINANCIAL PERFORMANCE AND STRUCTURE RATIOS

1 - The consolidated financial statements can be summarized as follows (IFRS standards):

Consolidated financial statements at 30 th April (in K €)	30/04/19	30/04/18
Sales	271,647	245,182
Current operating income	47,586	48,033
Operating profit after share of companies MEE	42,585	47,911
Income before tax	44,775	44,078
Net income	31,024	30,555
Result group share	30,749	30,229

Balance sheet accounts (in K €)

Group shareholders' equity	342,074	314,087
Net financial debt	97,043	40,899
Net financial debt / equity	0.280	0.130
Net inventories	229,990	198,886

2 - Evolution of business and results - Progress made and difficulties encountered

For the 2018/2019 fiscal year, consolidated sales amounted to 271.7 million euros, up + 10.8% over the previous year, and up + 9, 6% like-for-like (excluding currency and perimeter effects).

On a like-for-like basis, activity was up + 3.3% in the wine business and up + 21.2% in the alcohol business.

On the wine market, activity levels are growing in all trades except large containers, thanks to a record global production after four lackluster years, including a very positive impact of the 2018 vintage in France and Europe. Sales for the «wine» business came to € 164.2 million.

In the alcohol market, the Bourbon division's business, above € 52 million, continued to grow at a rate of 51% over the year.

The whisky division returned to growth in the second half of the year and ended the year with growth of + 5.2% (and turnover of € 55 million).

Current operating income decreased by -0.9% to € 47.6 million and reflects the ramp-up of the alcohols division, where profitability levels are lower than in the wine division.

Group operating income totaled € 42.6 million, down 11.1% as a result of non-current expenses, mainly attributable to the bourbon division, totaling € 4.9 million. This amount mainly includes the acquisition and start-up costs of the new businesses within this division.

The financial result for the year amounted to + € 2.2 million, including an exchange rate impact of + € 2.8 million.

Net income came to 31.02 million euros (11.3% of sales), up + 1.6%.

3 - Description of the main risks and uncertainties facing the Company

Financial risks and market risks

Market risk is the risk of adverse changes in the value of a financial instrument caused by changes in exchange rates, interest rates or stock market prices. The Company is subject to market risk arising solely from changes in exchange or interest rates.

In addition, the Company does not consider itself to be exposed to liquidity risks.

The detailed report on the management of these risks is presented in the notes to the consolidated financial statements.

Legal risks

TFF Group carries out manufacturing and / or distribution activities worldwide through its subsidiaries or through contracts with third parties in the field of cooperage, stave milling, large vat production, wood products, logging and the production of large stainless-steel containers. In this respect, it is subject to a complex regulatory environment, related to the areas of activity and / or the place of production. The risks it incurs are the usual risks for identical companies with regard to the territory covered: defective products, marketing methods for products and relations with suppliers and / or distribution networks.

In the normal course of business, TFF Group may face litigation. With the exception of the deductibles applicable to it, TFF Group considers that it has taken out adequate civil liability insurance to cover it against any material financial loss resulting from the enforcement of its civil liability.

Insurances

As of April 30th, 2019, TFF Group has grouped under a «master» policy in France, all risks linked to property damage and business interruption, civil liability and maritime transport. Depending on the insurance risks, local policies are underwritten abroad and sometimes subscribed to through the TFF Group master policy.

Civil Liability insurance is underwritten to cover all risks arising from the usual production activities of TFF Group's entities. In addition, product liability insurance protects the company against potential complaints arising from

the use of TFF Group products.

The list of insurance policies subscribed to by the Group is given in 6.3 below.

4 - Indications on the use of financial instruments

We refer you to the notes to the consolidated financial statements.

IV. ACTIVITY OF THE PARENT COMPANY AND ITS SUBSIDIARIES AND PARTICIPATIONS

1. The parent company

The annual financial statements for the fiscal year ended on April 30th, 2019, which are submitted to shareholders for approval, have been prepared in accordance with the presentation rules and valuation methods provided for by the regulations in force.

The presentation rules and valuation methods used are identical to those of the previous year.

The scope of consolidation of TFF Group is included in the notes to the consolidated financial statements.

Sales excluding taxes amounted to 37,686 K € compared to 37,361 K € the previous year.

The operating result shows a profit of 11,055 K € against 10,355 K € the previous year.

The financial result is a profit of € 5,487,000.

Recurring profit amounted to € 16,542 thousand compared to € 9,648 thousand the previous year.

The exceptional result saw a profit of € 139,000.

The net result shows a profit of 12,097 K € versus 6,777 K € the previous year, taking into account a corporation tax of 4,260 K € and employee profit-sharing of 323 K €.

In accordance with the provisions of Articles 223 quater and 223 quinquies of the French General Tax Code, we inform you that the parent company's financial statements for the past financial year cover expenses not deductible from the taxable income referred to in Article 39.4 of the General Code, to the tune of 48,347 euros.

2. Subsidiaries and participations

• French subsidiaries

French cooperages have evolved in a buoyant environment in Europe and much of the rest of the world, with the exception of the southern hemisphere which saw a 2019 vintage impacted by drought and climatic disruptions. As a result, profitability has remained high.

French stave mills have developed their levels of activity.

The large vat sector registered an erosion of its turnover after a sharp rise in 2018.

Turnover in wood products for oenology has increased.

• Foreign subsidiaries

In the wine division, the year was marked by:

- A positive evolution in the turnover of American companies,
- The Australian and New Zealand subsidiaries suffering from the decline of the 2019 vintage,
- The activity of the Spanish subsidiary being maintained,
- The Chinese subsidiary maintaining a moderate level of activity, in line with the previous year.

Scotch whisky business in Scotland returned to growth after three years of a bearish cycle.

The entities within the bourbon cluster, both cooperages and stave mills greatly increased their level of activity in order to meet strong demand.

In the wood products for oenology sector, activity remained broadly stable.

The activity of the direct subsidiaries is summarized in the attached table (table of subsidiaries and participations).

In accordance with the provisions of article L.232-1 II of the French Commercial Code, it is specified that TFF Group does not have any branches.

V. SHAREHOLDING

To meet the legal obligation to mention the identity of natural or legal persons with more than one-twentieth, one-tenth, one-fifth, one-third or one-half of the share capital, we inform you that as of April 30th, 2019, the distribution of capital and voting rights of the company were as follows:

Situation at 30th April, 2019

	Number of shares	Number of voting rights	% of capital	% voting
SAS La Demignière (famille François)		10.314.800	10.314.800	47,58%
SARL Familiale François (famille François)		4.040.840	4.040.840	18,64%
Mr et Mme Jean François	287.040	287.040	1,32%	1,32%
Mr. Jérôme François	697.636	697.636	3,22%	3,22%
Others (including the public)	6.339.684	6.339.684	29,24%	29,24%
TOTAL	21.680.000	21.680.000	100,00	100,00

VI. INTERNAL CONTROL PROCEDURES IMPLEMENTED WITHIN TFF GROUP

In accordance with the provisions of Article L.225-100-1 of the French Commercial Code, you will find below the main characteristics of the internal control and risk management procedures implemented by TFF Group relating to the preparation and processing of accounting and financial information.

6.1 Internal control aims

The internal control system is defined as the set of devices aimed at controlling activities and risks of all kinds and ensuring the regularity, safety and efficiency of our operations. It is therefore characterized by the objectives assigned to it, including:

- ensuring financial performance, through the efficient and adequate use of group assets and resources, as well as protection against the risk of loss;
- gathering exhaustive, precise and regular knowledge of the data needed for decision-making and risk management;
- observing internal and external rules;
- ensuring the prevention and detection of fraud and errors;
- maintaining the accuracy, completeness of accounting records and the timely establishment of reliable accounting and financial information.

Thus, the internal control system is, within SA TONNELLERIE FRANCOIS FRERES and more generally TFF Group:

- a means of creating and maintaining the organization needed to prevent and control any risks, particularly economic, industrial, financial, and legal, to which the Company and its subsidiaries in France and abroad might be exposed,
- a mechanism that ensures that the Group's financial and accounting information is reliable and honestly prepared so that the Group's assets are protected.

However, like any control system, it cannot provide an absolute guarantee that such risks of error or fraud have been totally eliminated or controlled.

6.2 General organization of internal control procedures

Internal control is everyone's business. Thus, each employee, when carrying out the checking of a task that he has personally accomplished or when he is verifying the work of another member of the team, contributes to the proper functioning of the business' internal control systems.

The organizational principles and components of the internal control systems of SA TONNELLERIE FRANCOIS FRERES and more generally TFF Group involve:

- the comprehensive coverage of activities and risks,
- the responsibility of all the actors,
- a clear definition of tasks,
- an effective separation of engagement and control functions,
- formalized and up-to-date delegations.

6.3 Summary description of the internal control and risk management system to which the company is subject

At TFF Group, the main players in internal control are:

- the Management Board, the Presidents of subsidiaries,
- the Financial Department, particularly with regard to cash management, consolidation and financial communication.

6.3.1 The Management Board defines the general principles of internal control and ensures their correct implementation within the Group. In this respect, the Management Board is in permanent contact with the Finance Department and with subsidiary managers. It is specified that each Group subsidiary has a separate manager. It should be remembered that the parent company Tonnellerie François Frères also fulfills a group holding company activity, and defines in a general way through its Management Board the main general orientations of the group, by defining its policy and controls and by actively managing the subsidiaries of the said group. The Management Board decides in particular on external growth operations within the group.

The Management Board of SA Tonnellerie François Frères has set up an executive committee at the level of the parent company, which met for the first time in April 2012. It is composed of the Chairman of the Management Board, the Management Board financial group, and the main managers of the subsidiaries. It meets quarterly. This committee discusses business processes, the group's strategy, external and organic growth opportunities, and also attempts to detect risks in order to anticipate them.

At the level of the Group's subsidiaries, it should be noted that actions that fall within the scope of the day-to-day management performed by the entities' personnel are controlled by the management teams in place at the helm of each entity. Actions outside the ordinary course of business are regularly reviewed by the management team of the parent company, as the holding company of the group.

6.3.2 * The Group Finance Department, housed within the parent company, which is a holding company (SA Tonnellerie François Frères - TFF Group), is also in permanent contact with the accounting directors of each subsidiary, and carries out an internal control mission, in particular with regard to Treasury (centralized management of the cash flow of French companies, monitoring with regard to the treasuries of foreign subsidiaries) and consolidation (the annual and half-yearly consolidation operations are managed by the Finance Department) .

There is also a monthly financial reporting system, covering the main economic indicators (turnover achieved by country, by type of product, average selling price, investments made, barrels produced ...).

This financial information is prepared by the accounting systems specific to each company and enables the Finance Department and Management Board to monitor the performance of each of the Group's companies in order to compare them with the budgets set at the beginning of the year. It should be noted that once a year, the subsidiaries report their budget forecasts to the Group.

A consolidated budget is established which then serves as the basis of comparison for the monthly results. This budget is generally updated.

This financial information is also reconciled with the half-yearly and annual consolidations prepared by the Group Finance Department, in order to analyze the causes of any discrepancies.

The CSR reporting and the extra-financial performance declaration are drawn up under the direction and coordination of the Group Chief Financial Officer, assisted by the Health, Safety and Security Committee of François Frères Management, all according to the data collection questionnaire and the consolidation tools. The information on social and environmental responsibility is then included in the annual management report, with an independent third party also providing an opinion (ACA Nexia). This report is updated and completed annually.

* Concerning TONNELLERIE FRANCOIS FRERES, the parent company, the Financial Department performs the following internal control tasks.

The Financial Department manages the chart of accounts and associated standards, ensures consistency and completeness checks, and prepares in a timely manner the individual financial statements and tax declarations that fall under its responsibility. In preparing the accounting information, the Financial Department contributes to the elaboration of financial information as well.

The general accounting of SA TONNELLERIE FRANCOIS FRERES is centralized. Each accounting staff member has a clearly defined role and clear responsibilities. Beyond the accounting records, they constantly monitor the accounts under their responsibility. In this context, they conduct a regular reconciliation of balances and transactions recorded with external information (direct confirmation of third parties, bank records, ...).

The Financial Department constantly supervises the work of its team and actively participates in the preparation of annual and interim orders. On the basis of these elements and additional information from other sources, it carries out a second-level check of the work of its team and the results that emerge from the accounting of operations. It works in direct liaison with management to communicate to it all accounting related to the running of the company as well as a regular monitoring of cash.

* Foreign exchange risk management and prevention: given the company's exposure to foreign exchange risk, a hedging policy is in place, especially on North American currencies.

On this point, the Group's policy is to reduce its exposure to interest rate and currency fluctuations, and not to take speculative positions. TFF Group uses only derivative instruments for hedging purposes, with gains and losses tracked symmetrically with the results achieved on the hedged items.

* The Finance Department also coordinates with the work of the Statutory Auditors and the Supervisory Board. Taking into account the size of TFF Group, the Supervisory Board exercises the functions of an audit committee.

6.3.3 Insurance: TFF Group is covered by several insurance policies for the following risks:

- **Damage to property and operating losses (through a group master policy or local policy depending on the country):**
 - buildings, rental and as-new equipment risks,
 - merchandise,
 - litigation by neighbors or third parties,
 - automatic guarantee of investments,
 - operating loss
- **Civil liability (through a group master policy or local policy depending on the country)**
- **Maritime Transport Insurance (group contract applicable to a large majority of group companies)**
- **Automobile fleet (group contract applicable to a large majority of French companies)**
- **Insurance of corporate officers**

6.3.4 The fight against corruption and influence-peddling:

TFF Group does not take any action that could promote corruption, and focuses in particular on:

- the adoption of fair behavior in commercial relations,
- the exclusion of any abusive or unlawful conduct and abuses as well as anti-competitive practices,
- the exclusion of any behavior or facts that may be described as active or passive bribery, complicity in influence peddling or favoritism, in the negotiation and execution of contracts.

In order to meet the obligations stemming from the law of 9th September 2016 on transparency, the fight against corruption and the modernization of economic life (SAPIN II law), TFF Group engaged last year in a series of actions which include:

- the adoption of a Code of Conduct on the basis of the Middenext model, which refers to the UN Convention. This Code of Conduct sets out (i) the principles and rules to guide the behavior of each employee in the carrying out of his duties and (ii) illustrates the different types of bribery and similar acts that are prohibited.
- the development of a risk map.
- the carrying out of information and awareness-raising initiatives for the Comex and Group managers as well as for employees.

TFF Group continued during the year to deploy its anti-corruption mechanism, including the adoption of a note presenting the unique internal alerting device in time for its forthcoming deployment.

TFF Group will continue for the current fiscal year and the following years to monitor its anti-corruption mechanism, making any updates if necessary.

6.3.5 Information on the consequences of climate change: TFF Group, aware of the risks associated with climate change, has diversified its activities in order to limit potential impacts. For the moment, its sites are not directly affected by restrictive measures on the part of local or national authorities.

The main risks for TFF Group in this area are the potential consequences of global warming, which could lead to an increase in the high temperatures and potentially to lower crop yields for the wine business.

The activities of TFF Group do not make it a major contributor of greenhouse gas emissions, only travel and logistics remain a point of emission that TFF Group strives to reduce by rationalizing the transport of its merchandise.

All of the group's French subsidiaries are covered by a civil liability for environmental risks.

6.4 External control procedures

6.4.1 The Statutory Auditors, through their various controls, implement all the required checks. They are informed early on of the accounts preparation process and present a summary of their work to the Finance Department at the half-yearly and annual closing.

It should be noted that the company has two Statutory Auditors and two substitute Auditors, in accordance with the applicable legislation.

The current Auditors are:

Statutory Auditors:

- Cabinet Expertise Comptable et Audit, whose mandate was renewed for six financial years at the Annual General Meeting called to approve the financial statements for the year ended April 30th, 2018.
- SARL CLEON MARTIN BROICHOT ET ASSOCIES AUDITEURS ET CONSEILS, whose mandate was renewed for 6 fiscal years at the Annual General Meeting called to approve the financial statements for the fiscal year ended April 30th, 2018.

Alternate Auditors:

- Mr. Claude Cornuot, whose mandate was renewed at the Annual General Meeting called to approve the financial statements for the fiscal year ended April 30th, 2018.
- Compagnie Générale d'Audit & Associés, whose mandate was renewed at the Annual General Meeting called to approve the financial statements for the year ended April 30th, 2018.

The operating subsidiaries, French and foreign, appoint Statutory Auditors or auditors in accordance with applicable regulations.

6.4.2 Quality certifications

Some of the Group's subsidiaries are ISO 9001 certified (2000 version - quality management system). The Hungarian subsidiary benefits from ISO 14001 (environmental protection). These certifications are up to date.

VII. STATEMENT OF EMPLOYEE PARTICIPATION IN THE SOCIAL CAPITAL AT THE LAST DAY OF THE FINANCIAL YEAR

None.

VIII. INFORMATION CONCERNING TRANSACTIONS CARRIED OUT BY OFFICERS OR PERSONS IN AUTHORITY AND THEIR FAMILY ON THE SECURITIES OF A LISTED COMPANY

Appended to this report is a summary of the transactions carried out by the persons in charge and by their relatives during the last financial year (AMF, General Regulation, Articles 222-15-3 new).

IX. EXTRA-FINANCIAL PERFORMANCE DECLARATION

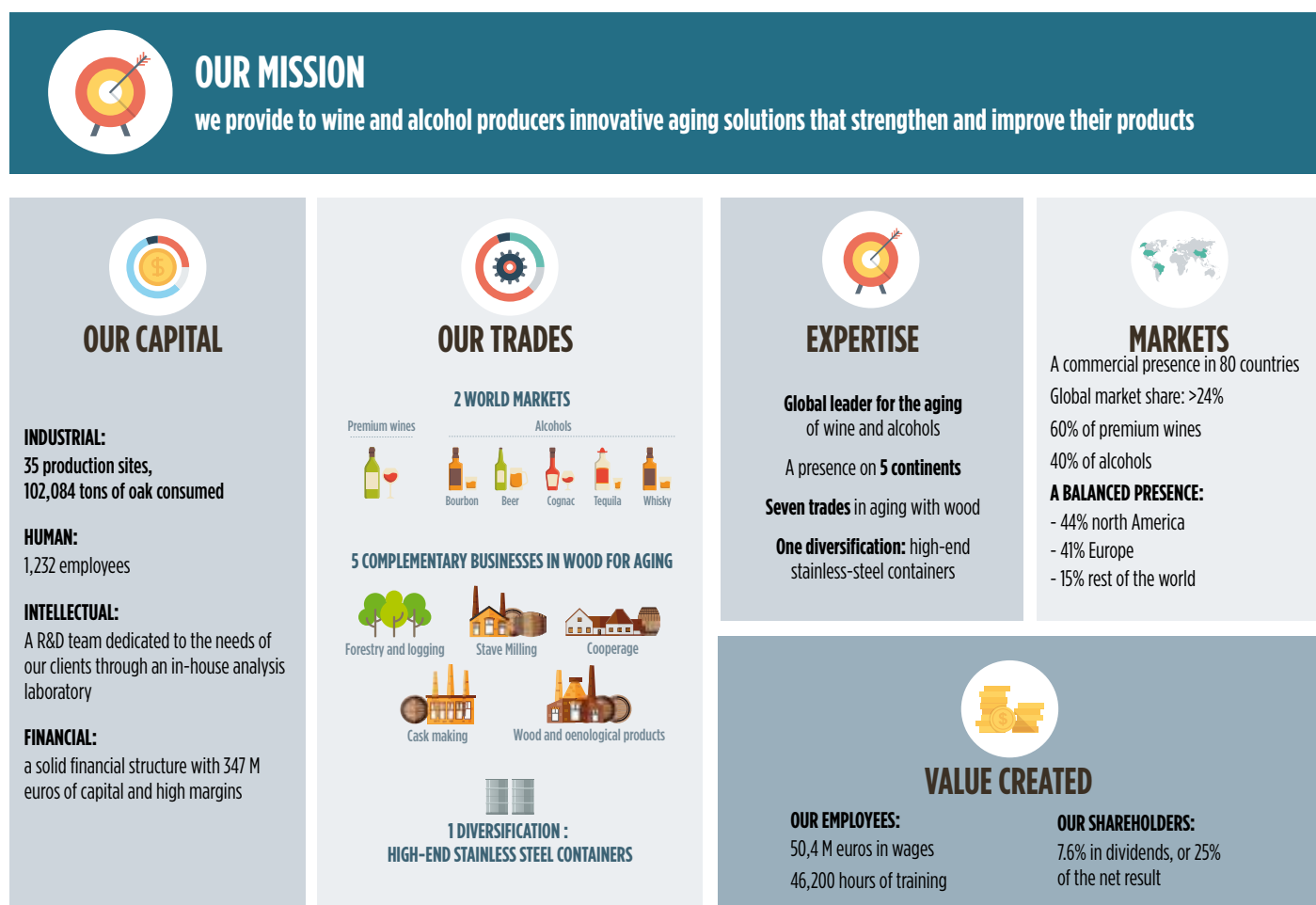
In accordance with the provisions of Article L.225-102-1 paragraph 4 of the French Commercial Code, you will find below the non-financial performance declaration prepared by TFF Group.

EXTRAFINANCIAL PERFORMANCE DECLARATION

TFF GROUP

A. TFF Group Presentation

a) A business model oriented toward «customer satisfaction and overall performance»



b) Our Vision, Mission, and Values

As a global leader, TFF group is present on five continents with 1232 employees on its sites (1024 according to the CSR perimeter) * See methodological note (B point c).

TFF Group mobilizes the know-how of its brands, offering a unique and global range of environmentally respectful products for the aging of wines and spirits.

As a family group, TFF Group has always favored the long-term vision of its businesses.

The strength of its brands

Proud of their history and resolutely turned towards the future, TFF Group's brands cultivate their know-how and heritage in order to renew themselves constantly in their reach for quality. From production to distribution,

employees strive to enrich and transmit an extraordinary mastery of their trades to ensure the excellence of their products.

A unique imprint on the wine and spirits markets around the world

Present on the wine market- through barrels, large wood and stainless-steel containers, wood for oenology products, forestry and stave mills- and on the whisky, bourbon and spirits markets on five continents, TFF Group is able to detect upstream any new trends and expectations in its markets, and thus adapt in real time to any changes.

A successful organization and the excellence of the teams.

In a world where agility has become decisive, the Group's decentralized organization, its entrepreneurial culture and the high quality of its teams enable TFF Group to be closer to its customers in order better to meet their expectations around the world.

Operational excellence

For TFF Group, operational excellence is what ensures that it remains the reference in the aging trades.

Improving production efficiency and ensuring product quality are among the goals of all of our brands as they strive for the best level of quality possible.

Social and Environmental Responsibility

TFF Group has always chosen to integrate into its business model the principles of sustainable development that have been at the heart of its diversification and globalization as it has sought to ensure sustainable, responsible and supportive growth.

With all these assets and in direct contact with all its markets, TFF Group looks confidently toward its ambitious goal of an average annual growth of between 5 to 10% of turnover with profitability maintained at close to 20% over the next five years.

A multi-citizen company

Rooted in sustainable development at the environmental, social and societal levels, the Group pursues its strategy with some fundamental principles that have been the basis for the success of its development, its globalization and its diversification.

c) Group strategy: a five-pillar approach

Internal growth



With organic growth a priority, TFF Group makes every effort to develop its brands around the world.

Vertical integration



Its vertical integration allows TFF Group to control the entire value chain from sourcing to manufacturing. This control creates value for customers and generates margin for the Group.

Synergies



The pooling of resources across the Group creates synergies and enables the sharing of expertise and best practice. The pooled power of TFF Group is harnessed to benefit each of its brands.

A balance of activities



TFF Group has given itself the means to develop thanks to a balance between its various activities and a presence that is well distributed geographically. This balance enables the Group to withstand the vagaries of both economic and climatic cycles.

A decentralized organization



The way in which TFF Group operates ensures that its brands are highly responsive by remaining close to their customers and by ensuring rapid decision-making. This organization encourages individual initiatives and motivates employees in the long-term.

d) Our resources

- TFF Group operates around the world, close to its customers with operational base of 35 sites in 10 countries. These locations are managed by local managers, which facilitates interaction with local stakeholders.
- In this environment, the Group relies on the knowledge of its clients and of their priorities in order to offer them innovative products and solutions, going so far occasionally as to co-develop products with them. The Group relies on its R & D center to respond to these challenges. It anticipates changes in its markets and environments and responds with agility, adapting products or solutions to changing needs.
- But the foundation of the Group is above all its employees: 1232 people throughout the world are responsible for the development of the Group.
- A set of ethical principles guide all of our actions. Each of our employees is obliged strictly to adhere to them.

e) Our markets

Towards a balancing of our wine and alcohol divisions

	Wine	Alcohols	
2016/2017	69%	31%	100%
2017/2018	64%	36%	100%
2018/2019	60%	40%	100%

A Group positioned on two dominant markets with complementary cycles)

f) Our values

The value created by the Group combines economic, financial and extra-financial performance. Shared by many stakeholders, it serves society as a whole through its products and services but also through jobs, purchases, dividends for:

- employees and their families,
- shareholders,
- customers,
- local suppliers and contractors,
- financial partners

In addition, TFF Group contributes to the development of the regions where the Group operates through the local or state taxes and local sponsorship initiatives.

B. An ambitious approach to CSR reporting

As a major player in the wine and spirits sector and with a global reach, TFF Group has chosen an ambitious approach of responsible development. Given that its social and environmental impact must be constantly measured, evaluated and analyzed in order to be better mastered, the Group has implemented a cross-functional CSR policy at all levels of its activity.

a) The fundamentals of TFF Group's CSR

- Capitalizing on its **human capital** to develop and enhance its identity, its **operational excellence** and to ensure **the transmission of know-how**.
- Promoting the development of high-performance and **innovative products** to meet the challenges of climate change.
- Reinforcing good practices already deployed on our sites to further **reduce our environmental footprint**, including by favoring the use of **wood from sustainably managed forests**.
- Disseminating a CSR culture throughout the Group in order to allow teams / sites real autonomy in developing and implementing this policy in the most effective and appropriate way on the ground.

b) The organization

The Management Board's mission is to promote the company's long-term value creation even as it considers the social and environmental issues related to its activities.

The COMEX, which is made up of General Management, support functions and site and subsidiary managers, regularly examines its exposures to social and environmental risks as part of the Group's strategy.

c) The methodology

Reporting methodology

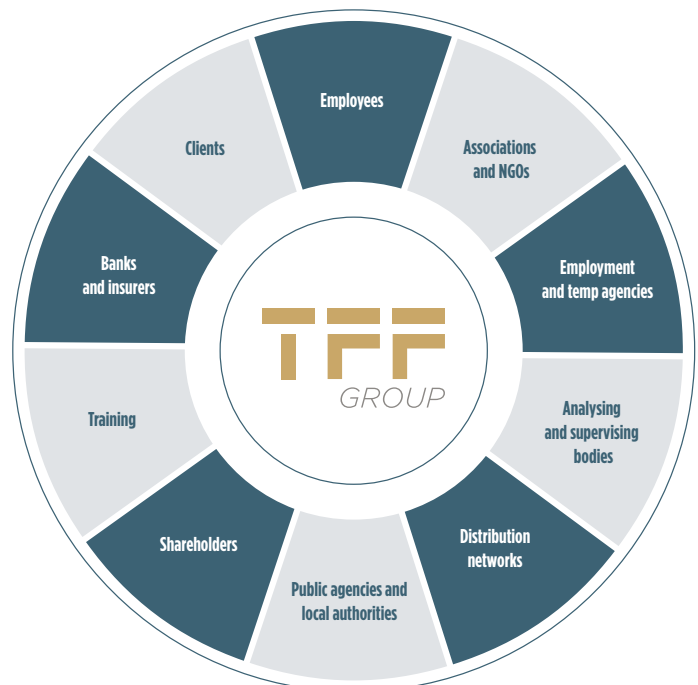
The scope of the Group's consolidated companies has grown with the creation of a stave mill business to support Speyside Bourbon Cooperage: Speyside Bourbon Stave Mill. Although the other companies that joined TFF Group during the year will only be included in the accounts of 2019-2020, this company is included in the CSR scope as of the 2018/2019 financial year. Companies owned by less than 51% by TFF Group are not taken into account.

Our CSR reporting is carried out over the period running from May 1st, 2018 to April 30th, 2019, and follows the GRI 3 model. It complies with the AMF recommendations based on a diagnosis corresponding to the ISO 26000 standard.

The information is collected from all subsidiaries via Amelkis' Opera software. Data control is performed at the subsidiary and head office level and consolidation is carried out at head office.

CSR reporting is supervised by the Financial Director of TFF Group, and carried out by the Health, Safety and Security Manager of François Frères Management, with the advice of the consulting firm PEPS Management.

TFF Group Stakeholders:



Identification of risks and opportunities





In 2019, TFF Group identified its sustainable development risks thanks to the collaboration of internal teams of TFF Group, the external firm PEPS Management and the Executive Committee of the group.

To define its risks, TFF Group has implemented the following methodology

- Risk identification thanks to an internal evaluation of the different activities of the group (surveys of the various subsidiaries)
- Survey of TFF Group stakeholders via questionnaires about TFF Group’s strategy as well as issues and objectives of interest to our stakeholders
- Consolidation of the different valuations at the head office of TFF Group
- Validation of the indicators by the Executive Committee of TFF Group

These risks and opportunities have been, through the implementation of evaluation criteria in each area of CSR, properly assessed and acted upon.

These risks and opportunities are the basis of TFF Group’s future CSR reporting, whose content is as follows:

 <p>Conformity</p> <ul style="list-style-type: none"> • Conformity of our products which are respectful of the rules of the trade and the specifications of the client • Regulatory compliance 	 <p>Social</p> <ul style="list-style-type: none"> • Prevention of occupational risks • Attractiveness and skills development • Transfer of know-how 	 <p>Purchasing and business ethics</p> <ul style="list-style-type: none"> • Responsible sourcing • Human Rights • Loyalty to good practices and integrity
 <p>Environment</p> <ul style="list-style-type: none"> • Integration into the circular economy • Sustainable management of resources (forest, water, energy) • Innovation in order to respond to climate change 	 <p>Consumer Health</p> <ul style="list-style-type: none"> • Quality and safety of our products 	 <p>Societal</p> <ul style="list-style-type: none"> • Charity

C. CSR ROADMAP

a) Materiality Matrix: Methodology

In 2019, TFF Group elaborated its first materiality matrix of issues related to its Corporate Social Responsibility. This approach made it possible to identify the main extra-financial risks and opportunities to which the Group may be exposed in view of its business lines, the evolution of its markets and its organization. It is complementary and in line with the Group’s risk mapping.

This matrix was based on a series of interviews conducted with the Group’s main governance bodies. The main identified extra-financial risks and opportunities were then prioritized in the form of a materiality matrix using a questionnaire addressed to a sample representing different categories of internal and external stakeholders.

b) Materiality matrix: results 2018/2019

A materiality grid was drawn up in light of the information gathered from our internal and external stakeholders within the French perimeter. This analysis is intended to be extended to foreign subsidiaries in the coming years in order to be more representative of the group’s activities and of its global priorities by type of activity.

As a direct result of our analysis of risks and opportunities and thanks to the materiality grid, the highest priorities, which are listed below, were clearly defined, allowing us to respond with concrete actions. We are currently working on the implementation of global objectives and ambitious targets for TFF Group which will be broken down site by site so that commitments and / or an action plan can be geared towards specific objectives.

The fiscal year 2018/2019 that ended on April 30th, 2019 was the first year for which TFF Group published an extra-financial performance declaration in accordance with Order 2017-1180 of July 19th, 2017 and Decree 2017-1265 of August 9th, 2017.

This first exercise was devoted to identifying TFF Group's CSR issues and risks and analyzing their materiality. For each of the group's issues, TFF conducted an inventory of current practices and results. Defining the detailed policies and objectives that need to be put in place in response to these issues will require more detailed analysis and strategic thinking. This will be undertaken over the coming year.

c) TFF Group priorities

Priority aim identified	Description of the aim	Paragraph title
Protecting the health and security of our workforce	Ensuring the safety of employees and developing health protection in all of the Group's locations.	Chapter I
Developing a social policy	Recruiting and retaining qualified personnel or personnel in training. Maintaining the attractiveness of the work and the transfer of know-how and skills	Chapter II
Working with high-quality oak whilst preserving the natural resource	Strengthening the security of the supply chain for raw materials. Preserving the wood resource by sourcing the wood in a transparent way and from sustainably managed forests.	Chapter III
Guaranteeing client satisfaction	Guaranteeing customer satisfaction in compliance with CSR principles. Producing quality barrels in accordance with the rules of the art Guaranteeing food safety and limiting allergenic risks Adapting to the requirements and needs of customers, being a force for shared good practice and innovation in order to respond to climate change Securing stocks of finished products and wood	Chapter IV
Ensuring ethical business practices	Promoting the Group's ethical rules and ensuring their observance by partners (including corruption, fraud, competition rules ...)	Chapter V
Reducing the ecological footprint of our production sites	Limiting any nuisances linked to the activity (pollution, water, waste), unnecessary material or energy consumption and preventing risks for residents near all the Group's sites. Limiting the carbon footprint during freight operations	Chapter VI

I. Protecting the health and security of our workforce

1- Prevention of occupational risks:

TFF Group, aware of the risks linked to hard work and the importance of ensuring the best working conditions for its employees, continues in its constant search for improvements.

The production tools are created in collaboration with our suppliers, supervised by our in-house machine designer, and the managers of TFF Group companies. In order to optimize their ergonomics, we consult employees and take into account their requests in the process of purchasing new machines, but also during their startup phase in order to correct any malfunctions. Non-automated workstations are also subject to constant improvements (shelves for placing tools, storage lockers, height adjustment of certain workstations, lift tables, etc.).

Some health and safety improvements on our sites in 2019

Demptos: resurfacing of the loading dock (soil treatment to make it slip resistant).

Extension of the platform lintel by 30 cm in order to improve the loading conditions of the containers.

Setting up of dumpers on the test line, which allows the barrels to be mounted automatically rather than by the operator.

The cleaning of the workshop by an external contractor on a monthly basis, thus reducing the exposure of employees to wood dust; these operations are performed by trained professionals with all the necessary equipment.

Stavin: Installation of electric assistance for the turning and rotation of barrels.

Lejeune: setting up of mobile welding screens to protect employees from radiation and projections.

François Frères cooperage: the purchase of a new, more ergonomically sound head cutter with a airtight cabin and a better dust aspiration system.

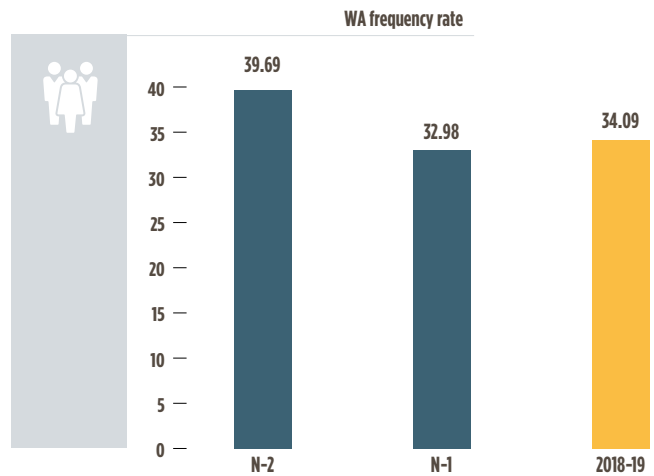
Chassis elevation on a 4-sided machine and replacement of the elevation table to split bottom ridges thus avoiding operators having to bend over.

Thanks to these improvements, TFF Group has managed to reduce the frequency of its accidents at work (-14% since 2017) and their severity rate (-6.5% this year and -19.6% since 2017). The group rate is below both the frequency and severity rate of the wider industry. The number of accidents, which has increased slightly this year (+4 since 2016/2017), is related to the increase in the number of employees throughout the group (+ 136 employees since 2016/2017).

Working Accident / FR / SR indicators according to activity – (LA7)

	N-2	N-1	2018/2019	Activity in France in 2016
Absenteeism rate	4.39%	4.66%	4.59%	Not available
WA numbers	57	54	61	Not available
WA numbers/staff	6.41%	5.71%	5.95%	n/a
WA frequency rate	39.69	32.98	34.09	61.9
WA severity rate	1.07	0.92	0.86	3.4

Absenteeism rate = total number of hours of work lost / total number of hours worked overtime.
*Frequency rate = (total number of lost time accidents / total number of hours worked in fiscal year 2018/2019) * 1,000,000*
*Severity rate = (total number of days lost due to workplace accidents / Total number of hours worked in fiscal year 2018/2019) * 1,000*



TFF Occupational Disease Indicators

TFF Group strives to bring down work-related illness by reducing barrel handling through the use of treadmills, barrel turning machines, and through the improvement of the ergonomics of each workstation (anti-fatigue mats, swivel chairs, storage within reach ... etc).

	N-2	N-1	2018/2019
Number of occupational disease reports per year	10	1	3

Indicator of % of the workforce participating in Health and Safety Committees

	N-2	N-1	2018/2019
% of employees in health and safety committees in France	47.5%	46%	45%

At group level 6 companies / 18 have employees who participate in health committees.

Indicator of the % of employees covered by a collective agreement - (LA4)

The indicator is down because of the increase in the workforce in the United States.

	N-2	N-1	2018/2019
% of employees covered by a collective convention	56 %	52 %	49 %

79.8% of employees in France have employee representatives, this rate was 80% in 2017/2018 and 78% in 2016/2017.

II - Developing a social policy:

TFF Group's culture is based on craftsmanship, rigor, authenticity, creativity and a sense of customer relations. These fundamentals naturally guide both its human resources policy and its action plans.

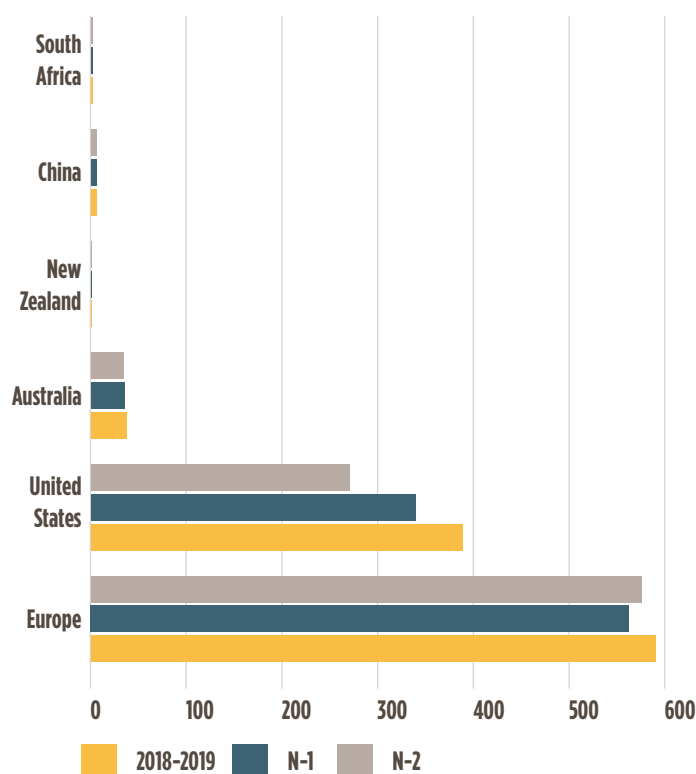
Wherever it operates, the group strives to constantly respect local social legislation, including the respect for freedom of association and the right to collective bargaining, the prohibition of discrimination and of forced labor, as well as the abolition of child labor.

During the 2018/2019 financial year, the group continued its actions within its subsidiaries on the professional development of employees and newcomers.

2.1 Social information

Staff by area – LA1

Areas	N-2	N-1	2018/2019
Europe	575	562	590
United States	270	339	388
Australia	34	35	37
New Zealand	1	1	1
China	6	6	6
South Africa	2	2	2
TOTAL	888	945	1,024*



*CSR perimeter – Cf. methodology

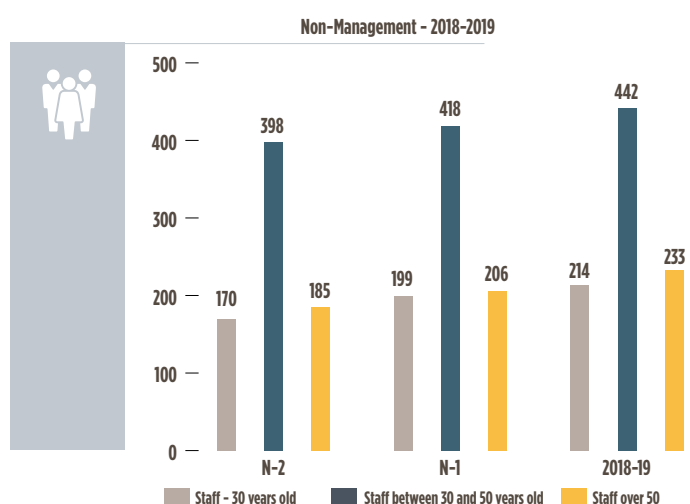
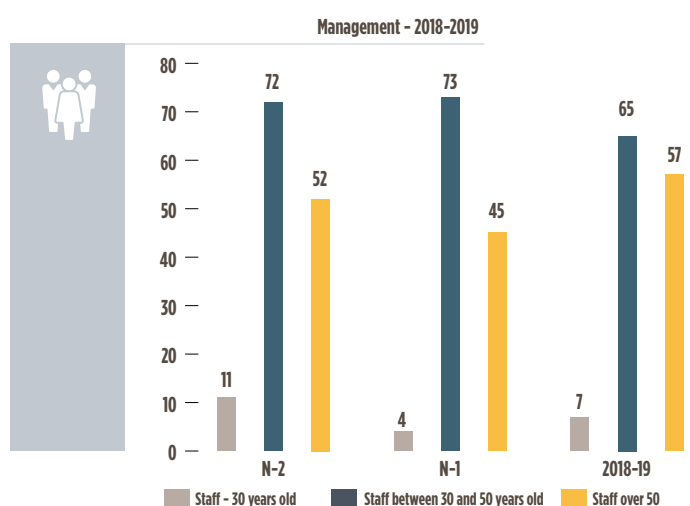
Age pyramid indicator

The evolution of the age pyramid of TFF Group employees follows that of the company. Its structure tends towards aging with the renewal of the generations becoming more difficult. TFF Group has strengthened job arrangements in order to prevent any work-linked hardship and to retain employees with high value-added experience. TFF Group wants to recruit young people into the Group's various businesses and train them internally under the supervision of experienced employees.

This renewal is essential for our activities which are based on the ancestral know-how that is needed to continue to produce products that meet the requirements of our customers.

Management	N-2	N-1	2018/2019
Staff - 30 years old	11	4	7
Staff between 30 and 50 years old	72	73	65
Staff over 50	52	45	57
TOTAL	135	122	129

Non-Management	N-2	N-1	2018/2019
Staff - 30 years old	170	199	214
Staff between 30 and 50	398	418	442
Staff over 50	185	206	233
TOTAL	753	823	889



Gender of staff

% women vs total staff	N-2	N-1	2018/2019
Staff	15.7%	15.0%	16.4%
Management	21.5%	24.8%	24.6%

Number of employees with disabilities

TFF Group employs 5.62% of staff with disabilities in France, this figure has increased steadily over the last three years. To meet its obligations, TFF Group uses ESATs or equivalent to perform certain subcontracting tasks.

For the entire TFF Group the rate is 3.32%.

	N-2	N-1	2018/2019
Number of employees with disabilities TFF Group	32	32	34
% of staff in France	4.56%	5.20%	5.62%

2.2 Recruiting and retaining qualified staff or trainees

TFF Group conducts continuous recruitment efforts within its subsidiaries in order to integrate profiles that are adapted to its business constraints. For this reason, the group does not hesitate to use apprentices still in education, where possible in partnership with specialized schools, or through mentoring on the job.

This policy of recruitment and retention of employees is a priority for TFF Group in order to ensure the sustainability of the company through the transfer of know-how, the reduction of turn-over and the compensation of retirements through the implementation of succession plans.

Turn-Over indicator (or inputs/outputs) - (LA2)

The turnover of TFF Group remained high this year again due to the variations observed in the US.

Hires increased slightly this year, as did departures and layoffs.

	N-2	N-1	2018/2019
Turnover TFF Group	34.36%	30.91%	30.85%
Turnover France	13.32%	12.79%	14.37%*
Turnover USA	92.86%	68%	57.37%**

Turn Over = Entry rate + exit rate / 2

* turnover 2018 in France: 15.1%

** turnover 2018 US wood industry: 55.5%

	N-2	N-1	2018/2019
Number of hires	311	303	330
Number of departures	168	246	258
Of which: lay-offs	41	72	77
Total	+143	+57	+72



2.3 Developing skills and transferring know-how

TFF Group works to promote the development of the skills of its employees within all of its subsidiaries. End-of-year evaluation processes, succession plans and training policies focus on the implementation of collective or individualized action plans to support the professional projects of men and women in the workplace, thus encouraging skills development and fostering team performance.

The TFF Group human resources policy implemented on each site seeks to anticipate needs and focus on training in order to ensure the sustainability of know-how;

Locally, the subsidiaries deploy their own training plans in order to develop the professional skills of their employees, particularly through tutoring and work-study programs. With the Tulle Apprentice Training Center, Brive Tonneliers has created a tailor-made training course for CAP Tonnelier. Since 2015, four cooperation promotions have enabled young people to acquire skills and values, as well as a recognized diploma.

Training indicators (number of hours and people trained) - LA10

	N-2	N-1	2018/2019
Hours of training by employee	16	51	73
Training rate	55%	69%	62%

The training rate for TFF Group remained high in 2018-2019, with 73 hours of training on average per employee and a training rate of 62% of the total workforce.



Training indicator M / W

The training rate of women is slightly lower than that of men, with their hours of training 3 times lower than those of men. This difference corresponds to the fact that safety training is more substantial in the workshops, and that many TFF Group companies train their coopers internally (apprenticeships, coaching ... etc.). As the profession is not very feminized, most women work in the administrative sector, and are already qualified and trained before entering the Group.

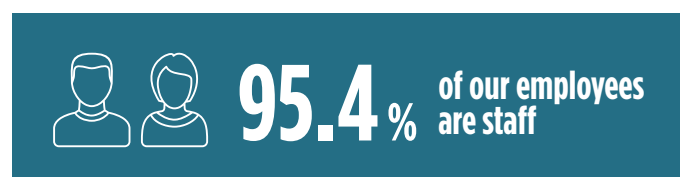
% Women vs total staff	N-2	N-1	2018/2019
Women's training			
Training rate	53.96%	56.64%	67.26%
Average hours/employee	15.57	14.71	21.95
Men's training			
Training rate	54.61%	70.62%	77.45%
Average hours/employee	16.00	56.22	65.95

2.4 Maintaining job attractiveness and social dialogue

The social policy of the group that is implemented locally also aims to maintain the attractiveness of the company by seeking always to improve working conditions, maintain collective agreements and work on salary policy.

Working conditions of employees

In terms of the organization of work time, TFF Group favors daytime work. Two subsidiaries use shift work, 65 employees work in 2x8, including 7 women and 3 men who work in 3x8, that is 6.64% of the group's workforce (6.77% last year).



Collective agreements

An incentive agreement and an agreement to annualize working hours have been signed. The agreements that had already been signed will remain in place.

Pay Policy

The remuneration policy of TFF Group is decided by each subsidiary with the approval of the General Management of TFF Group, according to the regulations in force in each country. Each subsidiary practices regular salary indexation to promote and encourage the efforts of its employees. (EC1 et EC5 GR13)

	N-2	N-1	2018/2019	Variation/N-1
Brut remuneration given to employees of new subsidiaries (K€) *	34,173	37,411	40,930	9.4%
Staff	978	1048	1232	17.55%

* The data is consolidated over the entire group, which includes the entire workforce of TFF Group, including companies outside the CSR scope.

III – Working quality oak wood while preserving natural resources:

The oak wood market is tight for cooperages and large vat production (wine and bourbon), because of a limited supply:

The protection of oak forests is our priority in order that we be able to continue providing customers with quality wood while preserving the natural resource. TFF Group has therefore turned to the PEFC label to obtain its wood supply from forests that are sustainably managed. Indeed, the ambition of PEFC is to ensure both access to and the renewal of the indispensable resource that is wood, by integrating a respect for both forest biodiversity and the well-being of the people who depend on it.

In France, all of the TFF Group's stave mills, as well as 4 cooperages and large vat maker, are PEFC certified in order better to control the chain from the wood supply to the finished product, in accordance with strict sustainable management specifications.

Background work with historical suppliers is also underway to strengthen them in this process.

As customer demands evolve, the company faces new challenges related to global warming issues. To meet this new requirement, TFF Group offers various suitable products created through different barrel heating processes, and by the adapting the grain type or the size of the container, for example. Locally, Brive Tonneliers offers a barrel called «Sustainable Heritage», which is comes without packaging and is shipped only short distances in order to limit its carbon footprint. Other projects are underway to respond to the new needs that arise from climate issues.

PEFC indicator

PEFC is an international NGO which works for the preservation of forests, to guarantee the respect of those who live, work and walk around them, but also to sustain forests by allowing them to meet the human needs of today and of the future. At its creation in 1999 it was a European system, but PEFC has since 2001 gone global. With nearly 50 member countries and more than 303 million hectares of certified forest, PEFC is the world leader in forest certification and the world's leading source of certified wood.

TFF Group chose to certify its subsidiaries and source PEFC wood in France in order to preserve oak wood resources and thus participate in the sustainable management of forests.

PEFC

	N-2	N-1	2018/2019
% of wood purchases TFF group	68.15%	62.7%	47.17%
% of wood purchases France	80.95%	76.66%	65.70%



65.7% of our wood purchases are PEFC

With the rise of bourbon barrel business, the share of American oak purchased by TFF Group has increased. Oak is in strong demand in the United States and it is not possible for TFF Group to source FSC or PEFC wood, given the small number of certified forests in the United States. In addition, these certifications do not necessarily apply to forests producing quality oak. PEFC's share of wood purchases for France is 65.70% and TFF Group strives to maintain a high rate of certified French oak despite a market that remains difficult in France.

Purchases and consumption of wood

	N-2	N-1	2018/2019
Total wood consumption (m³)	67,279	81,377	102,084
Total wood purchases (m³)	151,500	163,229	179,607

Wood consumption and purchases include Intra-group data, leading to an overvalued figure. TFF Group will modify the calculation of this data as of next year in order to have results that are more in line with actual purchases and consumption.

Purchases and consumption of stainless-steel

	N-2	N-1	2018/2019
Consumption of stainless steel in tons	299	279	322
Purchases of stainless steel in tons	299	268	368

All of our stainless-steel suppliers are European and comply with the European REACH regulations to guarantee products that are free of hazardous substances.

IV – Guaranteeing customer satisfaction

4.1 Producing quality barrels in accordance with the rules of the art

TFF Group's permanent objective is to provide products that are of constant quality and in line with customer requests, through traceability and controls throughout the production process that seek to ensure:

- The maintaining of identical quality from one year to the next,
- The quality of the products,
- The traceability of products and inputs.

The Group has implemented specific controls and strong traceability on all its production sites to ensure that quality products emerge from our facilities every time. It also offers additional services (wine advice, QR codes on barrels for example).

Five sites, Radoux, Sciage du Berry, Arobois, Brive Coopers, Foudrierie François are certified according to the ISO 9001 standards to guarantee their customers robust management systems and continuous improvement. HACCP procedures were carried out on the sites concerned, including in our cooperages, large vat producers and makers of wood products (Tonnellerie François Frères, Demptos, Radoux, Arobois, Brive Tonneliers, Foudrierie François).

4.2 Ensuring food safety and limiting allergenic risks

TFF Group has a duty with regard to guaranteeing the food safety of its products and seeks therefore to eliminate any risks linked to contamination and allergies through:

- The random analysis of raw materials, barrels, air, water, and containers.
- The elimination of gluten, replaced by Sarasin flour
- The use of food products throughout the production process for any parts coming into contact with our products (machine oils ...)

To secure these risks, TFF Group has implemented HACCP procedures in its cooperage and follows the best practice guidelines of the French Cooperage Federation.

4.3 Securing the raw material and finished products

Securing stocks of raw materials and finished products is important in terms of ensuring a continuity of supply to our customers. Significant work has been done at Group level with the completion of a Business Continuity Plan (BCP) to ensure the delivery of quality products and services. This Group BCP is effective for cooperages and stave mills throughout France.

V – Ensuring ethical business practices

TFF Group seeks to develop its exchanges with its stakeholders in compliance with CSR principles and regulation by limiting the risk of corruption and promoting an ethical approach to business.

As part of the work carried out to implement the SAPIN II law of December 9th, 2016, TFF Group conducted a corruption risk mapping in 2018 and adopted a related code of conduct. This code of conduct is being rolled out and adopted at the level of its subsidiaries. TFF Group, fully aware of the issues surrounding the risks of corruption, requires its subsidiaries to fully adhere to the ethical principles that are formalized within this code.

VI – Reducing the ecological footprint of its sites and products

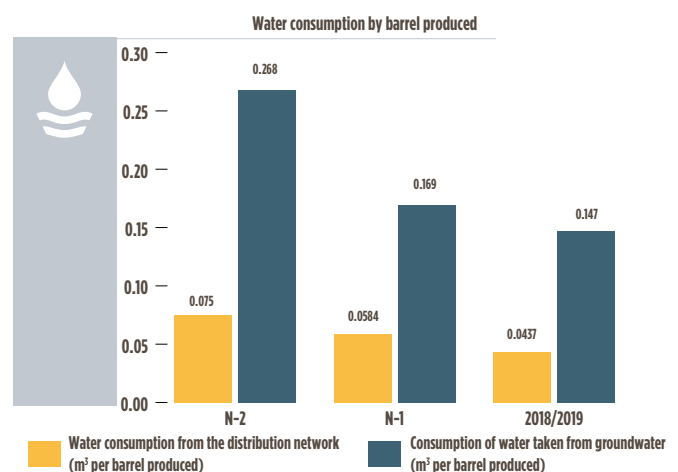
6.1 Promoting environmentally friendly practices on all sites

TFF Group promotes practices at each of its production sites that are aimed at reducing its impact on the environment wherever it can act: water resource extraction, energy consumption, reduction of non-recoverable waste, all in compliance with regulatory requirements for ICPE.

Preservation of water resources - EN 9

TFF Group has seen its water consumption by number of barrels produced decrease over the last three years thanks to the Bourbon activity, which consumes less water. The absolute value however is increasing due to the rise in the number of barrels produced.

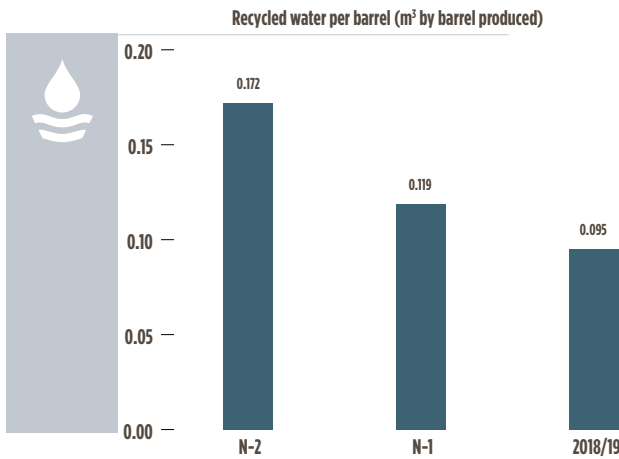
Water consumption	N-2	N-1	2018/2019
Water consumption from the distribution network (m ³ per barrel produced)	0.075	0.0584	0.0437
Consumption of water taken from groundwater (m ³ per barrel produced)	0.268	0.169	0.147



Recycled water indicator - EN 10

TFF Group recycles several times the water used for watering its wood from a pool that is fed with rainwater. This process greatly reduces TFF Group’s water usage.

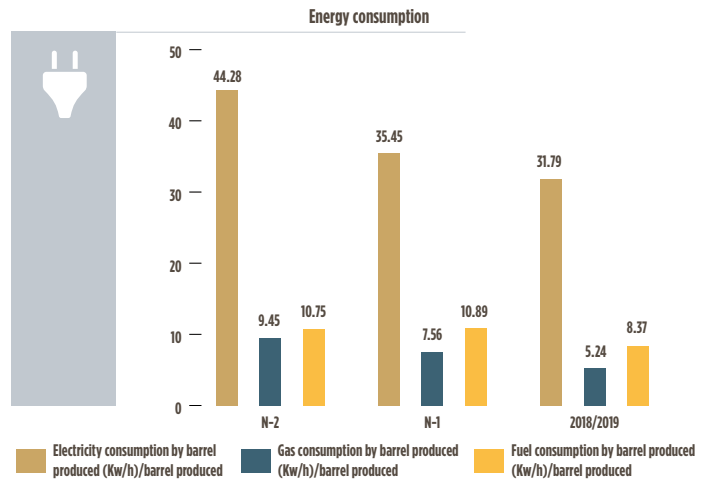
	N-2	N-1	2018/2019
Recycled water (m ³)	50 030	50 145	50 030
Recycled water by barrel (m ³ by barrel produced)	0.172	0.119	0.095



Preserving energy resources

TFF Group’s energy consumption policy is to closely monitor the most significant energy consumption at each site and reduce it as quickly as possible by replacing equipment with more energy-efficient equipment.

	N-2	N-1	2018/2019
Electricity consumption by barrel produced (Kw/h)/barrel produced	44.28	35.45	31.79
Gas consumption by barrel produced (Kw/h)/barrel produced	9.45	7.56	5.24
Fuel consumption by barrel produced (Kw/h)/barrel produced	10.75	10.89	8.37



TFF Group’s energy consumption has increased in absolute value over the last three years through the integration of new companies, primarily in the United States. This year our energy consumption was monitored in relation to our main product, the barrel, in order to have a better vision of the evolution of the Group’s energy consumption.

Measures to improve energy efficiency - EN 5

The energy consumption required for the production process has been decreasing over the last three years, partly because of the renewal of the less energy-consuming machine park, and the purchase of new machines in the USA during the creation of Speyside Bourbon, but also due to TFF Group’s energy efficiency reduction efforts.

Initiatives to reduce energy consumption - EN7

Tonnellerie François Frères and Lejeune are gradually replacing the lighting in their workshops with neon lights, which are more economical. Many cooperages of TFF Group use part of the production waste to supply wood boilers used to heat premises and for the charring of barrels.

6.2 Developing the circular economy

The company is already very active in recycling its production waste and wishes to strengthen its action in the field of the circular economy by extending it from the barrel activity to all sectors of the Group's activity.

TFF Group integrates the principle of the circular economy in all stages of the lives of its cooperage products, as well as its large vats and wood products for oenology (see diagram below):

- Upstream through sustainable purchases and proximity to raw materials wherever possible
- During production processes, by rationalizing the use of the raw material and affecting some of the wood for oenological products and for heating either barrels or sites.
- Downstream:
 - By buying and repackaging used barrels to give them a second life as alcohol barrels.
 - By reselling wood waste as firewood
 - Through a final transformation of the barrels either as wood for furniture, or in objects of decoration.



TFF Group thus actively contributes to the reduction of its environmental impact in the field of wood waste by maximizing its share of recoverable waste.

Waste reprocessing

Waste indicator - EN 22

	N-2	N-1	2018/2019
Production of hazardous waste per barrel in kilos	0.024	0.026	0.021
Production of non-hazardous waste per barrel in kilos	127.07	110.98	93.36

Our non-hazardous waste is mainly composed of oak waste, which is untreated, recyclable and recycled. The production of bourbon barrels using American oak generates less waste than French oak, which explains the reduction in the amount of waste per barrel over three years in view of the strong production growth of Speyside Bourbon.

Waste recycling indicator from TFF Group - EN2

TFF Group reuses 75.11% of the by-products of its production, including sawdust, chips and pieces of wood that are valued as compressed wood, firewood, and wood to supply the braziers for heating. Other waste is collected and recycled in landfill (cardboard, plastic and metals are recovered).

	N-2	N-1	2018/2019
Waste recycling rate for TFF Group	91.33%	74.91%	75.11%

75.11%

of waste reused

Percentage of materials consumed from recycled materials - EN2

TFF Group reduces its environmental impact, through its whisky sector by recycling used barrels from its own production but also from other cooperages. This year, the number of barrels recycled represented 1.13 barrels for every barrel produced. TFF Group does not recycle fewer barrels, but the increase in the production of new barrels on the Bourbon market has led to a reduction in the overall recycling rate. (EN 2 GRI3)

Number of barrels recycled for every new barrel produced



6.2 Limiting the carbon footprint

The Group has calculated its greenhouse gas emissions and is thus voluntarily meeting the requirement of Decree No. 2011- 829 relating to the greenhouse gas emission budget.

The French cooperage and stave mill sites have already carried out assessments of their CO₂ emissions via the Ademe’s carbon balance tool in order to validate the carbon emission data given by the cooperage and to make it possible to fully measure the impact of the activity on the environment and thus undertake reduction actions.

At the level of the Group, and in view of the difficulties of calculating a complete annual balance sheet, it was decided that a balance sheet would be drawn up for scopes 1 and 2. The balance sheet includes:

- **Scope 1:** direct emissions from the burning of fossil fuels at the sites (gas, fuel, propane and butane);
- **Scope 2:** Indirect emissions related to electricity consumption.

The selected emission factors were chosen with the help of the consultancy PEPS Management via the use of the Ademe Carbon Base.

The carbon footprint (scope2) of the company:

The carbon footprint considered not only the stave-mill and cooperage activities of French companies, but was extended to barrel operations in the USA, even though the conditions are not exactly the same, and despite the fact that the carbon per barrel rate applied in the United States is probably overvalued. The bourbon barrel business has led to a reduction in the carbon balance per barrel, the carbon footprint being lower for medium capacity barrels than for large containers.

	N-2	N-1	2018/2019
Carbon footprint in CO ₂ equivalent tons	26,581	38,073	47,588
Carbon footprint by barrel (Teq CO ₂)	0.0955	0.0905	0.0902

VII – Developing the territorial anchoring of stakeholders through philanthropic actions

TFF Group pursues its actions with its stakeholders (communities, municipalities, associations) by actively participating in local life, either through information visits of its sites, or through the interventions of its staff or the loan of equipment to local events, or by various financial aids.

Brive Tonneliers gives € 5 to the Heritage Foundation, for each «Sustainable Heritage barrel» sold. The Foundation invests these funds in projects such as the renovation of the Collegiate Church of Saint-Emilion or that of the Saint Liberal Chapel in Brive, a major exhibition center that was not accessible to people with reduced mobility by participating in the financing of an elevator. The Foundation also funded the ICM for research against degenerative brain diseases. This year, the association APACHE (Association for the Improvement of Children’s Hospitalization Conditions), an association that promotes culture in day hospitals in Corrèze, has been selected for support in its actions in favor of children (promoting therapy through play, better welcome and information for children when they enter the hospital, the defense of their rights ... etc.). Brive Tonneliers is committed to biodiversity and has installed three hives on its site, maintained by the volunteer staff of the cooperage and supervised by a professional, Frullani of Rucher Saint-Antoine.



Collégiale Saint-Emilion

As every year, Tonnellerie Radoux once again supported the Cap Ferret Music Festival and the Cognac Blues Passion festival. On the sports front, Radoux also sponsored the Saint-Emilion wine race.



Tonnellerie François Frères supports the GJPV Trophies. Created in 1960, **GJPV Burgundy**, Group of young professionals of the vine and the wine, organizes each year a trophy for Young Talents, highlighting an area of the «Big Burgundy» wine region, including the Beaujolais. The principle is simple: after preselection by a jury of 70 professionals, the «Young Talents» are designated at the end of a wine tasting by a godmother and a godfather according to the qualitative homogeneity of 3 wines presented by each brand. This year, sommellerie was in the spotlight since Estelle Touzet, sommelier in chief of the Ritz Paris and Olivier Poussier, best sommelier of the world were godmother and godfather .

Tonnellerie François Frères also supports the association Femmes de Vins de Bourgogne, whose goal is to help women who are running a wine estate. The association promotes the exchange of technical, commercial and general information on the world of wine and viticulture and aims to promote thinking on the present and the future of the profession.

As every year, François Frères Cooperage has renewed its support for the Music and Wine Festivals and the Givry Musicaves. A donation to the Gala of the University Hospital Center of Dijon is also worth noting.



Demptos cooperage has renewed its support for the Villa Primrose Bordeaux Club which organizes each year the tennis tournament of Bordeaux in April-May.



Demptos Napa Cooperage continues to invest in the fight against multiple sclerosis through the Crush MS cooperage group. The company participates in the Napa Valley Wine Auction and local charity organizations. After the fires in the Napa area, Demptos Napa Cooperage made a donation to Cal Fire (California Department of Forestry and Fire Protection).

AP John is one of the main sponsors of the Barossa Grape & Wine Association, an association that promotes Barossa wine.

Classic Oak subsidizes Local wine events

Speyside Broxburn again sponsored the Highland Games, as well as Junior Golf Club> the company also donates to cancer research

The exemptions :

Other regulatory indicators	
The fights against food wastage Responsible, fair and sustainable food	TFF Group is not directly concerned by these indicators because we do not have collective catering within the companies of the Group
Respect for animal welfare	TFF Group is not concerned by this indicator, it does not use annual testing

X. RESEARCH AND DEVELOPMENT ACTIVITY - COMMITMENTS OF THE COMPANY IN FAVOR OF THE CIRCULAR ECONOMY

These headings are developed in part IX, above, which is dedicated to the extra-financial performance declaration.

XI. IMPORTANT EVENTS SINCE THE END OF THE EXERCISE

The Group invested in a fifth bourbon stove mill in Kentucky, USA to supply the raw material needs for its cooerage.

The sites dedicated to the Bourbon now include two cooerages and five stove mills.

In June 2019, the Group also acquired a production site in Edinburgh, Scotland that is engaged in whisky barrel repair / renovation and trade and which should be operational in October 2019.

In their report on the annual accounts prepared in connection with the approval of the financial statements for the year ended April 30th, 2019, the Statutory Auditors commented on the fairness and concordance of this information.

XII. INFORMATION ON PAYMENT TERMS

Pursuant to Article L. 441-6-1 of the French Commercial Code, we hereby inform you about the payment periods for suppliers and customers of the Company.

As of April 30th, 2019, the breakdown by maturity of the Company's balance of payments and accounts payable is shown in the table below.

In their report on the annual accounts prepared in connection with the approval of the financial statements for the year ended April 30th, 2019, the Statutory Auditors commented on the fairness and concordance of this information.

	Article D.441 I.- 1 of the Commercial Code: Invoices received and not paid at the financial year's closing date						Article D. 441 I.-2 of the Commercial Code: Invoices sent and not paid at the financial year's closing date					
	0 day	1-30 days	31-60 days	61-90 days	91 days and more	Total	0 day	1-30 days	31-60 days	61-90 days	91 days and more	Total
(A) Installment of arrears												
Number of Invoices	194					107	158					143
Total amount of the invoices tax included	2,892,228€	552,263€	0€	0€	0€	552,263€	5,177,466€	715,789€	1,299,569€	1,719,658€	1,070,575€	4,805,590€
Percentage of the total amount of purchases over the year tax included	8.34%	1.59%	0.00%	0.00%	0.00%	9.94%						
Percentage of the turnover of the year (must state before or after tax)							13.01%	1.80%	3.27%	4.32%	2.69%	25.08%
(B) Invoices not included in (A) and related to debt or credit that is the subject of litigation or not counted												
Number of invoices												
Total number of excluded invoices (must state before or after tax)												
(C) Reference payment period used (contractual or legal period L. 443-1 of the Commercial Code)												
Payment period used for the calculation of payment delays	Legal deadline: 30 days end of month						Legal deadline: 60 days end of month					

XIII. ORDINARY AND EXTRAORDINARY GENERAL ASSEMBLY OF OCTOBER 25th, 2019

1 – PRESENTATION OF RESOLUTIONS IN ORDINARY FORM

- The purpose of the 1st resolution is to submit for your approval the parent company's financial statements as at April 30th, 2019, as well as the discharge to the members of the Executive Board and the Supervisory Board for the execution of their mandate for the said financial year.
- Under the 2nd resolution, the General Meeting will have to decide on the payment on November 8th, 2019 of a dividend of € 0.35 per share making up the capital.

When paid to natural persons domiciled in France for tax purposes, the dividend is subject to a single flat-rate levy on its gross amount at a rate of 12.8% (Article 200 A 1. of the French General Tax Code). The dividend is also subject to social security contributions at a rate of 17.2%, i.e. an overall tax rate of 30%.

By means of derogation and on an express and global option, these dividends are subject to income tax on a progressive scale (Article 200A 2. of the General Tax Code), after a 40% tax allowance, under the conditions set out in Article 158-3. 2 ° of the General Tax Code. The dividend is also subject to social security contributions at a rate of 17.2%.

An exemption from the flat-rate non-discharging levy of 12.8% (Article 117c, I.-1 of the General Tax Code) is provided for taxpayers whose «reference tax income» does not exceed a certain threshold. This is outlined in paragraph 3 of the same article and stipulates that they must make the express request when filing the declaration of income concerned, under the conditions provided for in Article 200 A 2. of the General Tax Code, for those dividends received in 2019.

Thus, the profit of the parent company, i.e. € 12,097,319 would be allocated as follows:

- the distribution of a dividend up to	7,588,000 euros
- and for the balance to the credit of the account «Other reserves»	4,509,319 euros
Total equal to the profit to be allocated	12,097,319 euros

We recall here the dividends distributed for the last three fiscal years:

Exercices	2015/2016	2016/2017	2017/2018
Number of shares	5,420,000	5,420,000	21,680,000
Net dividends (euros)	0.80	1.40	0.35
Dividend eligible for rebate	0.80	1.40	0.35

As a reminder, TFF Group chose to divide the par value of the share by four in December 2017. The share capital is now divided into 21,680,000 shares of € 0.40 per value each, fully paid up and all the same category.

- The third resolution concerns the approval of the Statutory Auditors' special report on any regulated agreements concluded during the fiscal year ended April 30th, 2019. In this respect, the following clarifications are provided:

1) The special report of the Statutory Auditors, which appears in the annual report of the company, contains mention of the agreements already approved by the General Meeting in previous financial years, and which continued during the past year.

These agreements are now reviewed annually by the Supervisory Board and communicated to the Statutory Auditor in accordance with the legal provisions in force (Article L.225-88-1 of the French Commercial Code). The Supervisory Board conducted this annual review at its meeting of July 17th, 2019.

As regards these agreements, which mainly consist of leases, the financial terms may change over time depending on the usual indexations in this area.

2) New agreements entered into during the past year and authorized by the Supervisory Board, with the reminder that only these agreements are submitted to the vote of the Shareholders' Meeting: NONE.

- The purpose of the 4th resolution is to submit for your approval the consolidated financial statements as at April 30th, 2019, which have been presented to you above.

- The 5th to 7th resolutions are intended to submit for your approval, pursuant to Article L. 225-82-2 of the French Commercial Code, the principles and criteria for the determination, allocation and distribution of fixed elements, variable and exceptional components of total compensation and any benefits of any kind attributable to the Chairman of the Executive Board (with the reminder that the second member of the Management Board does not currently receive any remuneration), the Chairman of the Supervisory Board and members of the Supervisory Board by reason of their mandate and constituting their remuneration policy for the current financial year (which began on May 1st, 2019).

These principles and criteria are presented in the Supervisory Board's report on corporate governance in section 8.3 «Remuneration policy for corporate officers». We request that you approve the principles and criteria set by the Supervisory Board as presented in this report.

Pursuant to Article L. 225-100 of the French Commercial Code, the amounts resulting from the implementation of these principles and criteria will be subject to the approval of the shareholders at the General Meeting approving the financial statements of the Company for the year 2019-2020.

- In accordance with Article L. 225-100-II of the French Commercial Code, by the vote of the 8th and 9th resolutions, it is proposed that the fixed, variable and exceptional components of the total remuneration and other benefits paid or granted for the fiscal year ended April 30th, 2019 to Jérôme François, Chairman of the Management Board (with the reminder that the second member of the Management Board does not currently receive remuneration) and to Jean François, Chairman of the Board, be approved. We suggest that these resolutions be approved.
- Under the 10th resolution, you will have to decide on the allocation of attendance fees for the Supervisory Board, the total amount of which would be 12,000 euros.
- In accordance with the 11th resolution, you will also be asked to decide on an authorization to be given to the Management Board to implement a share buyback program for the company in accordance with Article L.225-209 of the French Commercial Code: In order to allow our Company to improve the financial management of its own funds, we suggest, in accordance with the provisions of Article L.225-209 of the French Commercial Code, that the Management Board be given authorization to acquire a number shares representing up to 10% of the number of shares making up the Company's capital.
- The purpose of the 12th resolution is to confer the powers needed to carry out all legal formalities in connection with the ordinary resolutions.

2 – PRESENTATION OF RESOLUTIONS IN EXTRAORDINARY FORM

Establishment of new delegations

The Management Board requests that the General Meeting, after having heard the special report of the Statutory Auditors, approve the following delegation:

- **Authorization to be given to the Management Board to reduce the share capital by canceling the treasury shares held by the company (13th resolution)**
- We propose that the Management Board be authorized to cancel all or part of the shares acquired, up to a limit of 10% of the capital, for a maximum period of eighteen months.
- Finally, the purpose of the 14th resolution is to confer powers to carry out all legal formalities in connection with the extraordinary resolutions.

XIV. INTER-ENTERPRISE LOANS (ARTICLE L.511-6 OF THE MONETARY AND FINANCIAL CODE)

Pursuant to the provisions of Articles L.511-6 and R. 511-2-1-II of the French Monetary and Financial Code, joint stock companies whose accounts are certified by an external auditor must disclose in the management report the amount of loans of less than two years granted to companies with which they have economic links, as verified by the External Auditor (different from the intragroup loans authorized by article L.511-7 of the Monetary and Financial Code).

There are no agreements of this type to report within TFF Group for the past financial year.

XV. OUTLOOK

The Group has sales targets of € 300 million by 2020 and more than € 350 million by 2023.

With regard to the wine division, the Group aims to continue to grow steadily and to maintain its high margins.

With regard to the alcohols businesses, the Group anticipates an acceleration in growth:

- **Scotch Whisky:** in a buoyant market, a new growth dynamic after the cycle reversal, supported by an 8th site with a capacity of 1 million used barrels a year through renovation / repair and trading activities,
- **Bourbon:** in a high-potential and highly competitive market, the Group is aiming for a target of 400,000 barrels by 2020, with 80% of self-sufficiency in raw materials, and 800,000 barrels by 2023, with 90% self-sufficiency with 7 production sites, 2 cooperages and 5 stave-mills.

In this context, the results targets are maintained at high levels for the current year, i.e. current operating income of more than € 50 million in 2019/20.

The Executive Board

APPENDICES TO THE MANAGEMENT REPORT

SUMMARIZING STATEMENT OF OPERATIONS CARRIED OUT BY SENIOR STAFF AND THEIR FAMILIES DURING THE LAST FINANCIAL YEAR (AMF, GENERAL REGULATIONS, ARTICLE 222-15-3 NEW)

NONE

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Assets (thousands of euros)	04/30/2019 IFRS	04/30/2018 IFRS
Non current assets		
Intangible fixed assets	86 892	69 997
Goodwill	4 110	4 013
Intangible fixed assets	91 002	74 010
Tangible assets	94 321	63 752
Investments in equity-valued companies	14 459	14 264
Deferred tax assets	1 936	1 812
Financial assets	7 272	5 756
Total non current assets	208 990	159 594
Current assets		
Raw material, intermediate and finished products	229 990	198 886
Trade receivables	51 764	41 594
Other receivables	8 390	6 894
Cash	56 065	73 353
Total current assets	346 209	320 727
Non current assets to be discontinued	0	0
Total assets	555 199	480 321

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Equity and Liabilities (thousands of euros)	04/30/2019 IFRS	04/30/2018 IFRS
Shareholder's equity		
Common stock	8 672	8 672
Retained earnings	304 524	282 281
Translation adjustment - shareholders' equity	(1 930)	(6 927)
Consolidated income of the year	30 749	30 229
Translation adjustment - income	59	(168)
Total Group shareholders' equity	342 074	314 087
Minority interests / reserves	4 179	3 798
Minority interests / income	278	321
Total shareholders' equity	346 531	318 206
Non current liabilities		
Long term provisions	54 259	5 863
Deferred tax liabilities	554	630
Long term interest-bearing loans and borrowings	2 621	2 252
Retirement benefit obligation	4 994	4 056
Total non current liabilities	62 428	12 801
Current liabilities		
Trade payables and equivalent	108 389	82 424
Other liabilities	22 799	24 102
Short term loans and borrowings	18 126	17 694
Short term provisions		
Total current liabilities	149 314	124 220
Non current liabilities to be discontinued	0	1
Total current and non current liabilities	211 742	137 021
Total Equity and Liabilities	558 273	455 227

INCOME STATEMENT

Thousands Euros	04/30/19 12 months IFRS	04/30/18 12 months IFRS
Revenue	271 647	245 182
Change in finished goods	1 121	851
OPERATING INCOME	272 768	246 033
Purchase of raw materials and goods	(155 596)	(124 100)
Change in goods	19 228	8 392
GROSS PROFIT	136 400	130 325
Other purchases and external charges	(29 794)	(27 992)
VALUE-ADDED	106 606	102 333
Operating grants	0	0
Taxes and similar payments	(2 672)	(2 579)
Employee benefits expense	(50 464)	(46 301)
EBITDA	53 470	53 453
Reserves written back to income and internal transfers	2 211	2 119
Allowances for amortizations	(6 020)	(5 720)
Allowances for reserves	(1 983)	(1 790)
Other current expenses and income	(92)	(29)
INCOME OF OPERATING ACTIVITIES	47 586	48 033
Other non-current operating income and expenses	(5 553)	(652)
INCOME FROM CONTINUING OPERATIONS	42 033	47 381
Share in net income of equity affiliates	552	530
INCOME AFTER SHARE IN NET INCOME OF EQUITY AFFILIATES	42 585	47 911
Financial income	8 384	3 103
Financial expense	(6 194)	(6 936)
Net Financial Expense	2 190	(3 833)
EARNINGS BEFORE TAX	44 775	44 078
Income tax	(13 751)	(13 523)
NET INCOME FROM CONTINUING OPERATIONS	31 024	30 555
NET INCOME FROM DISCONTINUED OPERATIONS	0	0
NET INCOME	31 024	30 555
Group share	30 749	30 229
Minority interests	275	326
Earnings per share		
net income	1,42	1,39
net income from continuing activities	1,42	1,39
	1,42	1,39
	1,42	1,39

Time is on our side



2018/2019 ANNUAL REPORT

20 YEARS OF LISTING
ON THE STOCK EXCHANGE

