

Time is on our side

TFF
GROUP

2019/2020 ANNUAL REPORT



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SOMMAIRE

A MESSAGE FROM THE CEO	2
KEY FIGURES 2019/2020	4
ACTIVITY & RESULTS	
THE WINE MARKET	8
THE SCOTCH WHISKY MARKET	10
THE BOURBON MARKET	12
SHAREHOLDER'S NOTEBOOK	14
FINANCIAL REPORT	16



A MESSAGE FROM THE CEO

TFF Group achieved global growth of 3%, with nearly 280 million in turnover, close to our initial target

Dear shareholders,

The financial year that ended on April 30th was particularly challenging. Given this difficult context, I am very pleased to announce that TFF Group saw its business grow by 3% overall, with nearly € 280 million achieved in sales, close to the target we had set. This growth, in the Group's two main areas of activity, is a real achievement given both the global climatic challenges and the pandemic that impacted the last quarter of the 2019/2020 financial year.

On a wine market with solid fundamentals (+ 0.1% for consumption but - 11% in terms of volume on the production side globally), but affected by exceptional conditions (high temperatures, drought, frost, and fires), TFF Group achieved a turnover of 168 M €, a rise of + 2.3%.

On a well-oriented alcohol market - + 1% for scotch whisky and + 5.8% for bourbon between 2018 and 2019 - TFF Group achieved a turnover of € 111.6 million for the year (€ 50.6 million for whisky and € 61.0 million for bourbon), a rise of 3.9%. For the first time bourbon overtook whisky - a validation of the diversification strategy that we have pursued these last few years.



This financial year was also marked by the contribution of recent investments:

- the DARNAJOU cooperage was fully consolidated this year in the wine division.
- We now have eight production sites for whisky (five in Scotland and three in the USA). These are poised to respond to the expected market recovery, which was momentarily tarnished by the geopolitical environment (Brexit and American taxes) and by the pandemic, thus consolidating our position as the leading global independent cooper.
- Finally, seven production sites, two cooperages and five stave mills, now make up our bourbon division, with the acquisition and integration of supplies from our 4th and 5th stave mills in Kentucky and Virginia, as well as the start of production at the second cooperage in January 2020 in Atkins – Virginia. These investments, made in fewer than three years, have allowed TFF Group to consolidate its position as the world's second largest independent cooper in bourbon.

These investments have momentarily increased our debt level to € 160.9 million (excluding IFRS 16) as of April 30th, 2020, i.e. with an acceptable gearing of 44%, given the rise of our equity to 365 M €.

This allows us to look toward this financial year with confidence and an attentive sense of serenity.

The 2020/2021 financial year began much as the 2019/2020 financial year closed: in the context of a pandemic that is affecting all of the areas where the Group operates.

The Group reacted quickly by adopting exceptional measures to limit the impact of the pandemic on its structure as well as on its results.

All of our production sites and sales offices are operational with the health of our employees first and foremost on our minds.

Our teams have proven responsive and their motivation is intact as they look to the challenges that the next few months are likely to bring. I would like to take this opportunity to salute the commitment and motivation they all demonstrated during this difficult period.

The uncertainties surrounding the evolution of the pandemic globally make activity forecasts uncertain. Given this context, the Group cannot set any specific short-term objectives at the end of this first quarter of the new financial year but, given our solid fundamentals, our robust financial situation and our ability to respond quickly to growth on all our well-oriented markets, we have chosen to maintain the dividend per share at € 0.35, unchanged on last year's level.

JÉRÔME FRANCOIS
CEO


JÉRÔME FRANCOIS
Président du Directoire

KEY FIGURES 2019/2020

CONTINUED GROWTH IN THE CONTEXT OF THE PANDEMIC

BUSINESS GROWTH (IN M€)

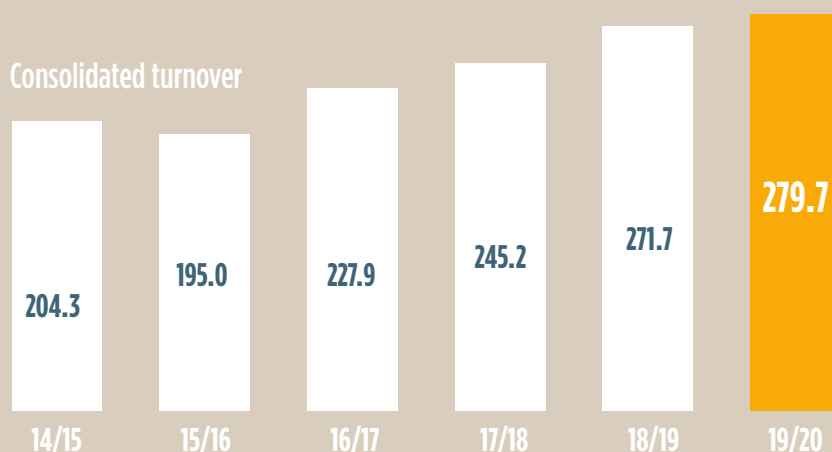
279.7

Turnover

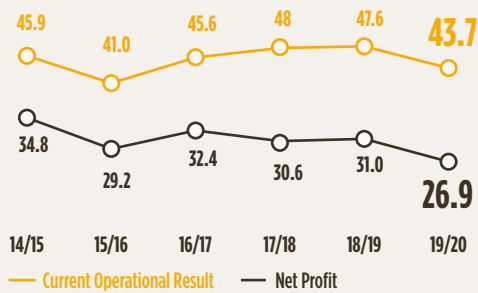
+3%

variation 2019/2020 vs 2018/2019

Consolidated turnover

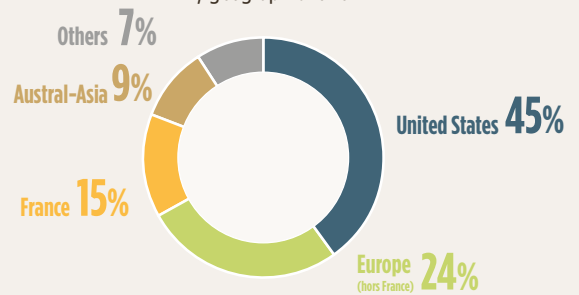


CURRENT OPERATIONAL RESULT AND NET PROFIT (IN M€)

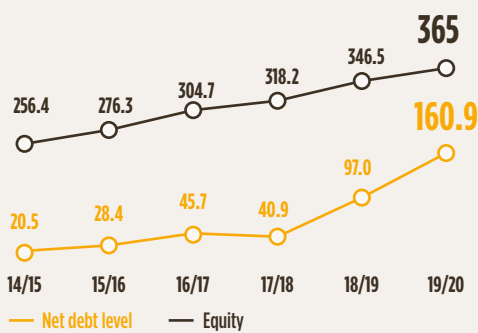


TURNOVER BREAKDOWN

By geographic zone

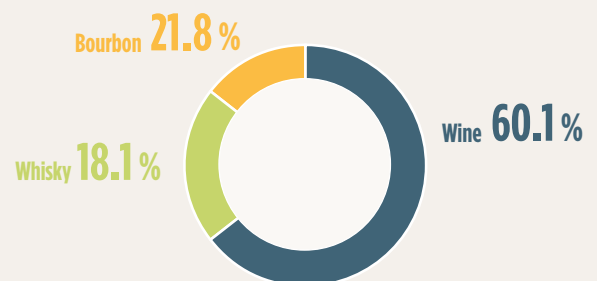


EVOLUTION OF DEBT AND EQUITY (IN M€)



SALES BREAKDOWN

By market



THE WINE MARKET

A RETURN TO NORMALCY
AFTER A RECORD YEAR IN 2018

168 M€

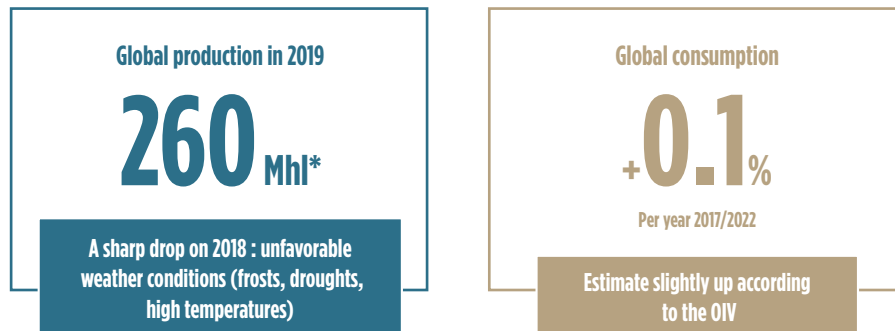
Turnover

+2.3%

Turnover growth

25

Production sites



* Source : OIV

GLOBAL WINE PRODUCTION DOWN

Wine production in 2019 fell by 11% globally, due to unfavorable weather conditions- ranging from frost to drought- especially for the three main producers: Italy, Spain and France.

Estimated at 260 Mhl, it represents a marked decrease compared to the record achieved in 2018.

Wine production in the United States is estimated at 24.3 Mhl, a decrease of -2% on 2018. This slight decrease does not appear to be related to bad weather conditions or to the fires that raged in California in October (the harvest took place just before), but seems rather to represent a response to an over-supply of both grapes and wine.

GLOBAL WINE CONSUMPTION UP SLIGHTY

Estimated at 244 Mhl, global wine consumption in 2019 rose + 0.1% compared to 2018. However, this figure must be considered in the context of the margin of error that applies when tracking global wine trends.

GROWTH MARKED BY THE CONSOLIDATION OVER 12 MONTHS OF THE DARNAJOU COOPERAGE

Through its 25 production sites and 21 brands in more than 80 countries, TFF Group achieved a solid performance on the wine market with + 2.3% growth.

In July 2020, the Group acquired the Bernard Gauthier Stave Mill and the Gauthier Frères Cooperage as part of its strategy of integrating independent brands with high added value in order to serve the leading luxury wines and spirits sector. This acquisition will allow TFF Group to consolidate its market share in Burgundy, the Loire and the USA.



THE WINE MARKET

NEW STRATEGIC ACQUISITIONS: THE BERNARD GAUTHIER STAVE MILL AND THE GAUTHIER FRÈRES COOPERAGE



2 M€

Chiffre d'affaires

12

salariés

2

sites de production

Established in the department of Cher, in the immediate vicinity of the prestigious forests of the center of France and in the heart of the vineyards of the Loire valley, the two GAUTHIER brands enjoy an unrivaled reputation in the world of wine for the high quality of their staves and barrels.

The two entities are partners of some of the most prestigious wine estates and the Bernard GAUTHIER stave mill is also the historical supplier of some of TFF Group's cooperages and in particular of the DARNAJOU cooperage.





THE SCOTCH WHISKY MARKET

TFF GROUP: THE NUMBER 1
INDEPENDENT COOPER GLOBALLY

50 M€

Turnover

-8.2%

Growth of turnover

8

Production sites

A SCOTCH WHISKY MARKET WITH SOLID FUNDAMENTALS

Up
+1%
 between 2018 and 2019

Encouraging previsions with strong growth prospects : of more than + 2 % per year over 2018/23.

Export of scotch whisky up for the third consecutive year
In value terms : + 4,4 %, with a record of 4,9 billion driven by Asia and Africa
In volume : + 2,4 %, reaching 1,31 billion with 70 cl bottles sold in 180 countries



TFF GROUP, A SOLID RESISTANCE IN THE FACE OF BREXIT, AMERICAN TAXES AND THE PANDEMIC

With turnover at € 50 million, down - 8.2% and - 9.4% at constant exchange rates, the whisky division is showing good resilience in an unfavorable context. The recovery was hampered by uncertainties related to the global health crisis. With its 8 production sites which process between 800,000 and 1 million barrels per year, TFF Group is equipped to capture the growth of this market in the years to come..

THE BOURBON MARKET

**N°2 IN INDEPENDENT COOPERING
IN JUST THREE YEARS**

61 M€

Turnover

410,000

Barrels produced

7

Production sites:
7 cooperages, 5 stave mills

A MARKET THAT REMAINS DYNAMIC

The bourbon market continues to grow: +5.8% in 2019.

This growth, which should continue at a rate of + 4 % a year until 2023, should therefore allow us to go from 55 to 62 million crates sold over the period.



TFF GROUP HAS A 15 % MARKET SHARE WITH TURNOVER AT 61 M€ IN 2020

After 3 years on the market, TFF Group has achieved its aim of producing and selling 410,000 barrels of bourbon over the fiscal year 2019/2020, thanks to its 7 production sites, 2 cooperages and 5 stave-mills. TFF Group is now the second independent cooper in the bourbon market.

TFF GROUP WANTS 25 % OF THE MARKET BY 2023

Thanks to the 145 million dollars worth of investments made by the end of April 2020 on its 7 production sites, TFF Group has the capacity to double its production by 2023 to reach 800,000 barrels sold, with a self-supply level that should reach 90 %.

NEW PRODUCTION SITES 2019/2020

Acquisition and integration within the Group of supplies from our 4th and 5th stave-mills in Kentucky and Virginia



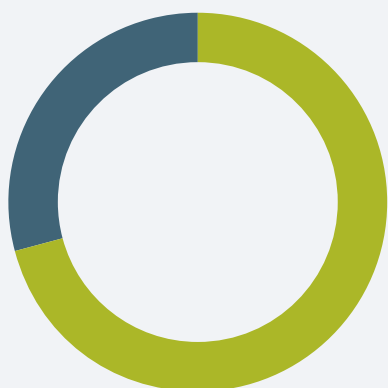
THE DIVIDEND IN 2020: A POLICY OF STEADY DISTRIBUTION WITH THE DIVIDEND KEPT UNCHANGED IN 2020⁽¹⁾



* On the basis of the new number of shares (x4 at December 1st 2017)

(1) Proposal on the distribution of the dividend put to the AGM of October 2020

THE DISTRIBUTION OF THE CAPITAL AT 30TH 2020



29%
Public

71%
FRANCOIS Family

Floated on the second market of the Paris stock exchange in January 1999

Eurolist – B

Code ISIN FR 0013295789

Euroclear : 7190

Reuters : TFF.PA

Bloomberg : TFF.FP

Euronext® Family Business

Eligible for PEA PME



FINANCIAL COMMUNICATION 2020/2021

2020

September 9th 1st quarter turnover 2020/2021

October 30th AGM

2021

January 6th Second half turnover 2020/2021 Half-year results

March 10th Third quarter turnover 2020/2021

July Annual results 2020/2021
Analyst meeting

October AGM



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

**REPORT OF
THE MANAGEMENT BOARD** 20

**CONSOLIDATED
FINANCIAL STATEMENTS** 48

Consolidated Balance Sheet 48

Consolidated Income Statement 50



MANAGEMENT REPORT OF THE MANAGEMENT BOARD AS PRESENTED TO THE AGM OF OCTOBER 30TH, 2020

Ladies and gentlemen,

The Shareholders' Meeting was convened to deliberate on the financial statements for the year that ended on April 30th, 2020, 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.

The report on corporate governance prepared by the Supervisory Board is also appended to this management report.

I. CHANGES IN CAPITAL

The size of the capital did not change during the year that ended on April 30th, 2020, 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

The Group's Bourbon division has integrated a new stave-mill, located in Manchester, Kentucky in the United States.

This activity was created thanks to repurchases of assets kept in a newly created company called:

- SPEYSIDE BOURBON STAVE MILL IN MANCHESTER, 100% owned by a company from the "Bourbon" division.

This company contributes to the supply of stave oaks to the SPEYSIDE BOURBON COOPERAGE INC.

III. CONSOLIDATED FINANCIAL PERFORMANCE AND STRUCTURE RATIOS

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

Consolidated financial statements at 30th April (in thousands of euros)	30/04/20	30/04/19
Sales	279 663	271 647
Current operating income	43 657	47 586
Operating profit after share of companies MEE	36 420	42 585
Income before tax	37 530	44 775
Net income	26 846	31 024
Result Group share	26 635	30 749
Balance sheet accounts (in K €)		
Group shareholders' equity	360 591	342 074
Net financial debt	168 727	97 043
Net financial debt / equity	0,468	0,280
Net inventories	267 030	229 990

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

For the 2019/2020 financial year, consolidated sales amounted to 279.7 million euros, up + 3% compared to the previous year, and down - 1,3% like-for-like (excluding exchange rates and scope effects).

On a like-for-like basis, activity was down - 3% in our wine division and up + 1.2% in the alcohol division.

On the wine market, activity levels were impacted by declining harvests with:

- a contraction in the volumes of casks, particularly in France and Europe
- a drop in our wood for oenology businesses.

The stainless-steel container businesses were affected by France's partial lockdown with an interruption in activity at the end of the year.

Turnover for the «wines» businesses thus came to € 168 million.

On the alcohol market, the bourbon division continued to grow with more than 400,000 barrels sold.

The whisky division is on the decline, penalized by the stoppage of activity at the Scottish sites in April and by the delayed start of our 8th production site.

Current operating income was down 8.3% to € 43.7 million, reflecting a drop in volume for both the wine and whisky divisions, as well as the rapid development of the bourbon division, where profitability ratios have not yet reached their target level.

The Group's operating profit amounted to € 35.6 million, down -15.3% after the integration of the non-current charges of € -8.1 million, including € 8.6 million for the bourbon division aimed at allowing it to benefit from as well as support strong market growth.

The financial result for the year stands at + € 1.1 million, including a foreign exchange impact of + € 2.3 million.

Net income came to 26.85 million euros (or 9.6% of sales), down -13.5% for the 2018/2019 fiscal year.

3 – Impacts of the Covid-19 crisis on our balance sheet and on our consolidated income statement

As of March 2020, TFF Group had put in place the necessary measures to ensure the operational functioning of all of its production sites and of its sales offices while preserving the health of its employees. Some French production sites had to close for a short period (fewer than 10 days) in order to fully ensure the health and protection of the teams. The continuity of operations was thus maintained and allowed us to avoid any significant impact on the annual accounts that closed on April 30th, 2020.

The analysis of the potential impacts of the health crisis on the value of assets has not revealed any particular risk or any need for an adjustment of the valuation methods:

- The downward revision of activity assumptions on the valuation does not call into question their recoverable value;
- The current depreciation plans for tangible fixed assets have not been modified and will not be modified in the years to come with regard to activity forecasts;
- Stocks of raw materials consist of wood (raw or in the form of staves) for which consumption is expected to cover a period of 9 to 12 months (bourbon businesses) and of 3 to 4 years (wine businesses). These stocks will therefore appreciate over time. A decline in the group's activity leading to a decrease in wood consumption does not generate any risk regarding a loss in the value of the stocks present as of April 30th, 2020;
- Outstanding balances do not present any particular risks at the date of the accounts' closings with regard to potential business closures which have not increased in the post-lockdown period. This is due to the quality of the group's customers;
- Deferred tax assets generated by tax loss carryforwards do not present any particular risk given a 3-year recovery horizon which would not be called into question by a slowdown in activity.

The analysis of the potential impacts of this health crisis on the value of liabilities did not reveal any particular element:

- The Group has partially implemented measures to postpone the payment of social contributions;
- The Group does not anticipate a sustainable decline in activity at any of its production sites and has not implemented or announced any restructuring plans.

From a financing point of view, TFF Group has made the following changes

- In order to make liquidity more reliable in the medium term, the Group has taken out several medium-term financing options (with terms of between 2 and 4 years) for a total of € 40 million. This new financing will have the effect of reducing the volume of short-term lines used;
- In April 2020, the Group took out a state guaranteed loan (PGE) of € 9,400,000 from the Caisse d'Épargne.

At the level of the consolidated income statement, the Covid-19 health crisis had the following consequences:

- Group management estimates that the health crisis led to a loss in turnover of around € 5 million over the months of March and April 2020. However, the Group does not have any long-term contract which could be called into question by the health crisis and might lead to a significant drop in activity in the years to come;

- The impact of this loss of activity on the margin is estimated at around 2.5 M€;

- The Group made very little use of partial unemployment measures from March to April 2020. As a result, personnel costs are only slightly impacted by government measures to compensate employees with partial unemployment;

- Given the lack of impact on the valuation of assets, as we explained above, the other lines of the income statement are not affected.

4 – 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 fields of cooperage, stave milling, large vat production, wood products, logging and the production of large stainless-steel containers. As a result, 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 our area of business: risks related to 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 any resort to its civil liability.

Insurances

As of April 30th, 2020, TFF Group had 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 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 listed in 6.3 below.

Miscellaneous general risks related to our activity

- TFF Group, as a major player in the cooperage sector, could theoretically suffer negative effects on activity and results in the event of an economic slowdown in one or more of its markets;

- The success of the acquisitions made by TFF Group is not guaranteed, and in the event of a failure, the Group's financial position could be affected;

- A failure of the information systems used by TFF Group could delay or hinder the performance of services or decision-making.

Risks of fraud

The risks of external fraud, such as «cyber» attacks or attempted extortion, have tended to increase in recent years, and TFF Group, due to its exposure, may be a target.

In this context, TFF Group strives to raise awareness among its teams around the world, and sets up control procedures. TFF Group has also taken out a "cyber fraud" insurance.

Disputes

During the past financial year, there were no governmental or legal proceedings with a material effect on the financial position or profitability of TFF Group.

It should be noted that the companies of the Group are regularly subject to tax or social audits, in the normal course of business.

5 - Indications on the use of financial instruments

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

IV. ACTIVITY OF THE PARENT COMPANY AS WELL AS SUBSIDIARIES AND PARTICIPATIONS

1. The parent company

The annual financial statements for the fiscal year ended on April 30th, 2020, 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 last year's.

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

Turnover excluding taxes amounted to 37,089 K € against 37,686 K € last year.

The operating result showed a profit of 10,622 K € compared to 11,055 K € last year.

The financial result was profitable to the tune of 667 K €.

Profit from recurring operations amounted to € 11,289,000 compared to € 16,542,000 the previous year.

The exceptional result showed a deficit of 33 K €.

The net result showed a profit of 6,672 K € compared to 12,097 K € last year, taking into account corporate tax of 4,287 K € and employee profit-sharing of 297 K €.

In accordance with the provisions of articles 223 quater and 223 quinquies of the General Tax Code, we inform you that the parent company's accounts for the past financial year cover expenses not deductible from the tax result referred to in article 39.4 of the General Tax Code to the tune of 44,010 euros.

2. Subsidiaries and participations

• French subsidiaries

French cooperages were faced with a declining harvest in Europe which translated into declining business volumes.

Their level of profitability was eroded slightly while remaining at high levels.

French stave mills generally maintained their level of activity.

The large vat sector recorded an increase in its level of activity.

The turnover of wood for oenology businesses fell due to the impacts of a poor harvest and the fire at the AROBOIS site in October 2019.

• Foreign subsidiaries

In the wine division, business development was as follows:

- The turnover of American companies evolved in a heterogeneous way,
- The Australian and New Zealand subsidiaries grew overall,
- The activity of the Spanish subsidiary declined,
- The Chinese subsidiary maintained a moderate level of activity, on the basis of last year.

The whisky cooperage business in Scotland declined as a result of the impact of the pandemic and both lower volumes and prices.

The bourbon division's entities, both cooperages and stave-mills, significantly increased their level of activity in order to meet strong demand.

In the wood products for oenology sector, activity was down.

The activity of our direct subsidiaries is summarized in the appended table (table of subsidiaries and holdings).

Under the provisions of Article L.232-1 II of the Commercial Code, it is specified that TFF Group does not have 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, 2020, the distribution of capital and voting rights of the company were as follows:

Situation at 30th April, 2020

	Numbers of shares	Numbers of voting rights	% of the capital	% of the voting rights
SAS La Demignière (famille François)		10.320.716	10.320.716	47,61%
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	704.706	704.706	3,22%	3,22%
Others (including the public)	6.326.698	6.326.698	29,18%	29,18%
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 the set of devices aimed at guiding activities and managing risks of all kinds thus 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 through the avoidance of undue risk;
- 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 avoid undue 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, as with any control system, it cannot provide an absolute guarantee that such risks of error or fraud are totally eliminated.

6.2 General organization of internal control procedures

Internal control systems are everyone's business. Thus, each employee, whether carrying out a task himself or when checking 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 of TFF Group involve:

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

6.3 Summary description of the company's internal control and risk management systems

At TFF Group, the main players with regard to 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. With regard to these matters, the Management Board is in permanent contact with the Finance Department and with subsidiary managers. 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 through its Management Board, the main orientations of the group, through the definition of its policy and controls and through the active management of the subsidiaries of the group. External growth operations within the Group are also a matter for the Management Board.

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 that they be properly anticipated.

At the level of the Group's subsidiaries, it should be noted that the day-to-day management, which is in the hands of the entities' personnel, is under the management of the 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, in its role as the holding company of the Group.

6.3.2 * The Group Finance Department, located within the parent company, which is also a holding company (SA Tonnellerie François Frères - TFF Group), is also in permanent contact with the accounting directors of each subsidiary. It carries out an internal verification role, 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, which covers the main economic indicators (turnover achieved by country, type of product, average selling price, investments made, barrels produced ...).

This financial information is compiled by the accounting systems within each company and enables the Finance Department and Management Board to measure the performance of each of the Group's companies in order to monitor them relative to the budgets set at the beginning of the year. It should be noted that once a year, subsidiaries are requested to provide their budget forecasts to the Group.

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

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

The CSR reporting and the extra-financial performance declaration are drawn up under the direction and coordination of the Group's 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 their analysis (ACA Nexia). This report is updated and completed annually.

* With regard to TONNELLERIE FRANCOIS FRERES, the parent company, the Financial Department performs the following internal controls.

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, communicating to it all accounting information related to the running of the company as well as the 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 derivative instruments only 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**
- **Cyber-fraud Insurance**

6.3.4 The fight against corruption and influence-peddling:

TFF Group is careful to avoid any actions that may involve corruption, and focuses in particular on:

- the adoption of fair behavior in commercial relations,
- the exclusion of any abusive or unlawful conduct as well as of any anti-competitive practices,

- the exclusion of any behavior or facts that may be described as either 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 Middlednext model, which is based on the UN Convention. This Code of Conduct sets out (i) the principles and rules that must guide the behavior of each employee as they carry out of their duties and (ii) outlines 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 publication of a note outlining our unique internal alerting system ahead of its forthcoming deployment.

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

6.3.5 Information on the consequences of climate change: TFF Group is aware of the risks associated with climate change and has therefore diversified its activities in order to limit any potential impacts. For the moment, its sites are not directly affected by restrictive measures on the part of either 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 high temperatures and potentially to lower crop yields in wine production.

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 logistics of the transport of its products.

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

6.4 External control procedures

6.4.1 The Statutory Auditors, through their various procedures, implement all the necessary 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 of accounts.

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 FAMILIES 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.

DECLARATION OF EXTRA-FINANCIAL PERFORMANCE

TFF GROUP

FISCAL YEAR ENDED APRIL 30TH, 2020

A word from the President

The true success of a business is measured over time.

Our heritage, values and ethics, social responsibility and respect for the environment – all have been at the heart of our success for more than a century. This is why we make sure they are preserved and shared every day.

Our 100-year-old, family-run Group has become the world leader in the wine and whisky aging markets and is continuing its strong development on the bourbon market.

Our brands combine tradition and innovation with respect for a know-how passed down from generation to generation.

TFF Group draws on the know-how of its brands to offer a unique and global range of products for aging wines and spirits with great attention given to respecting the environment.

Our success is based on this know-how, on our «business» expertise and on the lasting relationships of trust established with all of our stakeholders, whether they be employees, customers, suppliers, shareholders or partners.

Our values and ethics, our social responsibility and our respect for the environment form the basis of our success : TFF Group always favors a long-term vision of its activities while respecting these resolutely responsible values.

TFF Group in 2019–2020

Staff by area – LA1

	04.2018	04.2019	12.2019
Europe	562	590	589
United-States	339	388	449
Australia	35	37	37
New Zealand	1	1	1
China	6	6	6
South Africa	2	2	2
TOTAL	945	1024	1084

Recruitment and retention of qualified personnel or those in training

A recruitment policy aimed at encouraging employee loyalty remains a constant priority for TFF Group in order to guarantee the transmission of know-how. A policy of limiting turnover and compensating for retirements is implemented through the use of succession plans.

	04.2018	04.2019	12.2019
Number of hires	303	330	621
Number of departures	246	258	521
Of which : firings	72	77	213 (195 in the USA)
Balance	+57	+72	+100



Number of employees with disabilities

France: TFF Group employs 4.63% of staff with disabilities in France, a share of the workforce that has declined this year. To meet its employability obligations, TFF Group calls on ESATs or their equivalents to perform certain subcontracting tasks.

Group: For the whole of TFF Group that rate is 1.93%.

	04.2018	04.2019	12.2019
Number of employees with a disability TFF Group	32	32	21
% of staff in France	5.28%	5.62%	4.63%

Turnover (or departures and entries)- (LA2)

TFF Group's turnover increased sharply this year, as a result of the group's expansion on the American bourbon market. In France and in Europe, turnover is mainly due to the replacement of departing employees (through retirement or a change of job). TFF Group recorded an increase in its workforce of 100 people in 2019. The jobs are 96.9% made up of permanent contracts (CDI).

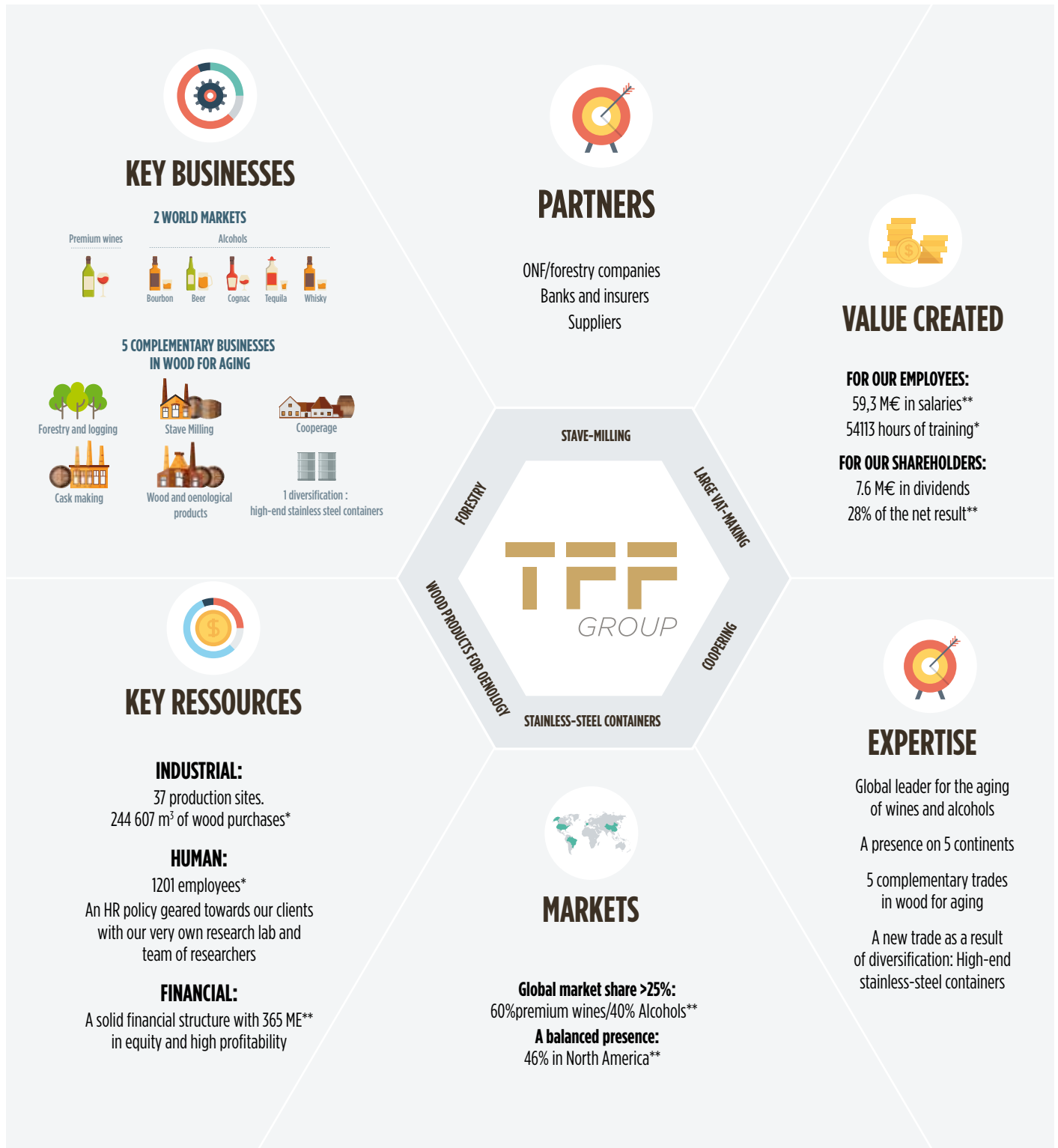
	04.2018	04.2019	12.2019
TFF Group	30.91%	30.85%	51.80%
France	12.79%	14.37%	15.78%
USA	68%	57.37%	53.67%

Definition of Turnover = Arrival rate + departure rate / 2

For the sake of context, the turnover rate in the wood industry in 2018 in France was 15.1%, that of the wood industry in the USA in 2018 was 55.5%.

The business model:

Complementarity of the group's activities across the entire value chain



* CSR perimeter - December 31st 2019

** Financial data - April 30th 2020

A) Our vision, mission and values: Time is on our side

TFF Group's corporate culture is based on 5 fundamental values, namely traditional know-how, rigor, authenticity, creativity and customer service. These fundamentals guide our human resources policy and all of its decisions.

An international vision that is resolutely turned towards local know-how and our customers

TFF Group exports to the entire world. Its international growth is based on traditional know-how that is rooted in specific regions but turned outwards with a presence in each of the world's major wine-growing regions.

The companies that make up the Group continue to develop themselves through their own values combined with the high standards that have guided our Group since its creation. From the selection of the wood, to its refining and toasting, through to the assembly of the barrels, tradition and innovation have been combined for 100 years in the execution of these ancient gestures aimed at designing high-end barrels that best meet the expectations of winemakers around the world.

An efficient organization delivering operational excellence

Present on the wine market in barrels, large wooden and stainless-steel containers, wood for oenology, forestry and stave-milling, and on the whisky, bourbon and spirits markets on five continents, TFF Group remains attentive to the new trends and expectations of its markets in order to adapt to their evolutions.

Proud of their history and resolutely turned towards the future, the TFF Group brands cultivate their know-how and their heritage to seek always to re-invent themselves with a constant concern for quality. From production to distribution, employees strive to enrich and transmit their extraordinary mastery of their professions to guarantee the excellence of their products. For TFF Group, operational excellence is a constant objective and one that is shared by its teams as they seek to set the benchmark in the aging professions.

Improving production efficiency and product quality is at the heart of all of our brands' efforts as they reach for their optimum sales levels throughout the world.

An environmentally responsible commitment

TFF Group has always incorporated the principles of sustainable development into its business model, in order to ensure sustainable, responsible and unified growth.

For TFF Group, being a responsible company means committing daily to a proactive approach in all of its activities: in the design and sale of its excellent products, in terms of the quality of its employees' working conditions, in the constant search for a reduced environmental footprint and in its support of heritage preservation projects.

B) Our strategy for the next three years

Pursuing internal growth



TFF Group is pursuing a strategy of developing its brands while ensuring that the balance is maintained between its wine and alcohol divisions.



Amplification of its diversification strategy

TFF Group continues to develop its investments in the Bourbon market in order to benefit from the growth of this sector.



Reinforcing synergies

The exchange and pooling of expertise between our various companies is continuing in order to harmonize best practices within TFF Group.



Keeping an eye on risks and opportunities

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.



Reinforced proximity

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 over the long-term.

C) An interconnected and agile organization

- Based on the expertise and know-how of its employees: 1,201 people bring TFF Group's values to life every day, putting their experience at the service of our customers and stakeholders.
- Steeped in tradition but resolutely turned towards innovation, we seek to respect know-how that is passed on from generation to generation.
- Focused on customer satisfaction and product quality at all production stages. This success is based on the lasting and trusting relationships established with all of its stakeholders.
- Governed by common rules of «good practice», hence the adoption of an «Anti-corruption code of conduct». We must ensure that our practices reflect the highest standards of integrity, accountability and respect for all of our partners.

D) 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%
2019/2020	60%	40%	100%

A Group positioned on two dominant markets with complementary cycles

E) The value chain

The value created by the Group combines economic, financial and extra-financial performance. Shared among the 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 in which the Group operates through local or state taxes as well as through local sponsorship initiatives.

CSR within the Group: a pragmatic and decentralized approach

TFF Group has chosen the path of sustainable development: one that serves the overall performance of the company. In order that its social and environmental impact be properly measured, evaluated and analyzed, the Group has implemented a transversal CSR policy and applied it at all levels of its activity.

Aimed at driving the company forward, the CSR priorities and orientations emerged from feedback from stakeholders, were then validated by the COMEX and resulted in an action plan that is currently being deployed.

A) Governance

The Management Board strives to promote and create long-term value. It does so by taking into account the social, societal and environmental consequences of its activities at the highest level and in all of its strategic decisions.

The COMEX- which is made up of the General Management, supporting staff as well as the directors of sites and subsidiaries- is in charge of running this strategy and thus regularly decides on the priorities, in line with the expectations of stakeholders, that will allow it to achieve these objectives.

The deployment of these CSR priorities should guide all of the Group's activities as well as the actions of its employees.

B) CSR PILLARS

In 2019, TFF Group set itself quantified CSR objectives for 2020-2021 in order to make concrete its commitments and support its CSR policy. These goals are fully in line with the 2030 Sustainable Development Goals set by the United Nations.

In response to changes in the wine sector and the gradual integration of environmental and societal aspects into the expectations of its stakeholders, the Group has identified 4 areas of work and is setting itself new CSR objectives by 2021:

- To count on its human capital to develop and enhance its identity, its operational excellence and to ensure the transmission of know-how.
- To foster the development of efficient and innovative products in order to meet the challenges of climate change.
- To reinforce the good practices already deployed on its sites to continue reducing its environmental footprint, including by favoring the use of wood from sustainable forest management.
- To disseminate a CSR culture throughout the Group in order to give real autonomy to the teams in terms of an implementation that will be the most effective and appropriate in the field.

The reporting methodology

This year, CSR reporting was carried out over the calendar year 2019, and will now be done on this basis, in order to facilitate data collection.

The CSR scope of the Group's consolidated companies has changed with two new companies, Waverly South and Waverly North, acquired during the 2018-2019 financial year.

Those companies with a participation under 51% by TFF Group are not taken into account.

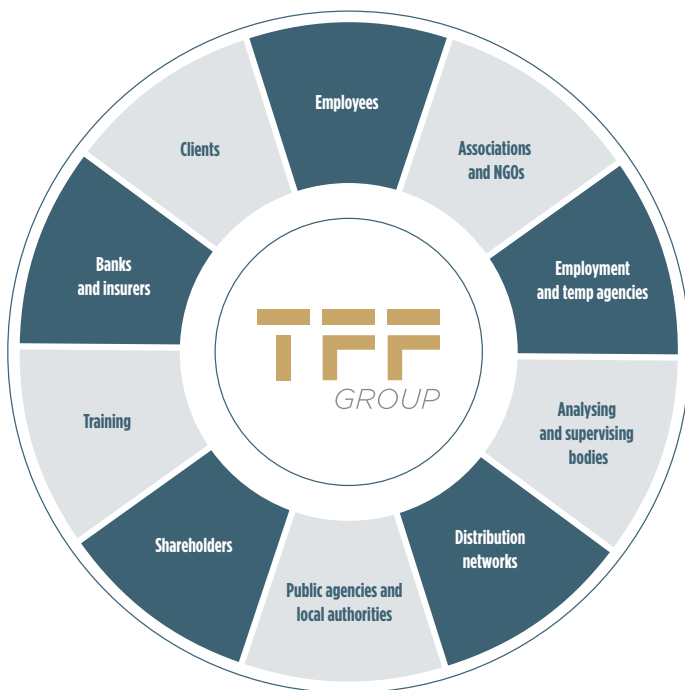
Our CSR reporting was carried out over the period from January 1st, 2019 to December 31st, 2019, following the GRI 3 model. This complies with AMF recommendations on the basis of a diagnosis corresponding to the ISO 26000 standard.

Information was collected from all subsidiaries through Amelkis Opera software. Data control was carried out at the level of subsidiaries and head office.

Consolidation was carried out at head office level.

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

Internal and external essential actors



Identification of risks and opportunities

At the start of 2019, TFF Group identified its sustainable development risks with the help of TFF Group teams, 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)
- A 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
- In-depth survey of the subsidiaries on the strategies already implemented, as well as the detection of areas for improvement in their risk management strategies.
- Implementation of tools for the various companies of the Group to make any necessary improvements.

From this analysis of risks and opportunities decided upon in COMEX, priority issues have been fixed to enable teams to unite around CSR objectives and targets for the coming years.

The materiality matrix

A materiality grid was produced in 2019 in light of information collected from internal and external stakeholders in France. The purpose of the analysis was to extend this to foreign subsidiaries from next year in order to be more representative of the group's activities and the overall challenges by type of activity. This is complementary with and linked to the risk mapping followed by the Group.

This matrix is based on a series of interviews conducted with the Group's main governance bodies. The main non-financial risks and opportunities identified were then ranked in the form of a materiality matrix using a questionnaire sent to a sample representing different categories of internal and external stakeholders. This document was supplemented by an open questionnaire making it possible to take stock of our achievements in relation to the issues selected and to identify any needs and expectations that might help us progress and achieve our objectives. It was decided that a CSR committee representative would be designated in each business in order to facilitate the dissemination of good practice and the creation of tools and useful supports to help deal with important cross-cutting issues.

Priority issues for 2019-2020, in connection with the 17 UN SDGs



- 1) Preserving the health and security of our staff
- 2) Sustaining skills and passing on know-how
- 3) Reducing the ecological footprint of our sites and products and developing more sustainable products
- 4) Preserving our integrity in business relationships and with stakeholders

1) Preserving the health and security of our staff



The group's occupational risk prevention policy aims to protect the health and safety of its employees in order that they can work more serenely and give their best.

2) Sustaining skills and passing on know-how



Social policy aims to perpetuate skills and pass on know-how in order to guarantee our excellence and keep our business attractive.

4) Preserving integrity in business relations with stakeholders



TFF Group’s business ethics policy aims to guarantee healthy business relationships and to ensure transparency in its relationships with stakeholders.

3) Reducing the ecological footprint of sites and products and developing more sustainable products



TFF Group’s environmental policy aims to preserve resources, limit the environmental impact of sites and innovate to develop more ecologically virtuous products.

C) CSR policy

The Group’s CSR policy stems naturally from this work of reflection, investigation and analysis. It has been validated by COMEX and revolves around these four areas of work. This is relayed by site directors with the addition of specific targets and set out in an action plan with the aim of achieving common objectives in connection with the group’s priority issues.

Priority objectives and targets

Identification of priority goals	Description of the goal	Objectives, targets and KPI	Paragraph title
Protecting the health and security of our workforce	Ensuring the safety of employees and developing health protection on all of the Group’s sites.	100% of our sites providing a security handbook for all the new employees. Zero accidents or occupational diseases	Chapter I
Reinforcing our social policy	Recruiting and retaining qualified personnel and those in training. Maintaining the attractiveness of the profession and the transfer of know-how and skills	Sustaining skills and the transmission of know-how. Increasing internal and external training by 1% each year	Chapter II
Reducing the ecological footprint of our production sites and products and developing more sustainable products	Preserving resources Limiting the environmental impact of our sites Innovating to develop sustainable products and services	Preserving the oak resource by zone and activity % of PEFC purchases Developing the number of barrels recycled per number of barrels produced Proportion of barrels recycled per number of barrels sold	Chapter III
Ensuring ethical business practices	Guaranteeing a healthy commercial relationship and ensuring transparency in relations with stakeholders	Training of 100% of employees concerned by ethical risk (end of 2021 target)	Chapter IV
Meeting stakeholder expectations	Improving customer satisfaction and developing local roots	Maintaining the current satisfaction rate.	Chapter V

I. I. Protecting the health and safety of our employees



The Group's policy

TFF Group is committed to an active policy of protecting and preserving the health of its employees against all the risks inherent to its business (arduousness, risks associated with wood dust, noise).

It was the Group's awareness of the risks associated with arduous work combined with its determination to ensure that employees work in the best possible conditions, that led it to put into writing the main guidelines for the prevention of occupational risks. These were then placed under the responsibility of the group's entities who seek to translate this policy into concrete actions on the ground.

The Group pursues its always looking for improvements with regard to workstations, equipment and machines in order to prevent occupational risks wherever possible and to protect the health of employees.

Our machines are produced in collaboration with our suppliers, under the supervision of our in-house machine designer and of the managers of TFF's Group companies.

Employees are also involved not only in the design stage to take user needs into account, but also during the machinery's start-up phase in order to correct any malfunctions. Non-automated workstations are also subject to constant improvement in order to minimize the risks, of any kind, identified on workstations.

Concrete actions taken:

Demptos :

- Purchase of a new combined machine which replaced in December 2019 the machine lines used for staves (jointer / trimmer / shortener). The ergonomics of the workstations was then reconsidered in relation to the new installation of the machine on the site. The use of the new technology facilitates the various adjustments that are managed on a daily basis and allows much better sound-proofing, with the entire handset inside the cabin.
- An air compensation system has been installed. It allows fresh air to be distributed inside the workshop to limit any atmospheric changes and therefore limit drafts.
- The lighting was redone in the enlarged part of the workshop where the handset was installed. Neons have been replaced with new LED lighting, positioned above the new workstations created for the installation of the

new handset. This results in better lighting of working areas and greater comfort for coopers.

Isla Cooperage :

- Refitting of the delivery truck to prevent staff from falling.
- Modifications made in soundproofing and with regard to the monitoring of risks related to wood dust, in accordance with the recommendations of the HSE manager.

Lejeune: purchase of sit-stand chairs for workshop workstations.

Bouyouud cooperage:

- Purchase of a trolley for the sawing station, as well as two pallet trucks to reduce the difficulty of handling loads.
- Purchase of more ergonomic office equipment (screens and chairs).

François Frères:

- Change and addition of sectional doors with pedestrian door to avoid collisions between forklifts and staff in the stave-mill workshops.

In order to avoid work accidents, a prevention policy is applied at each site, on the basis of occupational risk analysis documents (DUER in France) and an annual risk prevention program.

Careful monitoring of work accidents is also carried out to monitor any deviation and implement corrective and preventive actions for the entire group.

Occupational health and safety objectives and commitments:

- 100% of arrivals on sites greeted at security reception areas
- 0 work accidents or work-related diseases MP for the year 2019

The results:

- KPI - Reinforcement of reception security and integration of a special procedure for new hires:

This target was reached in 2019, with all employees formally welcomed to their workstations on our sites and safety instructions distributed to newcomers in accordance with the procedures specific to each site. 66% of French sites had already made concrete this change with a welcome booklet distributed to each employee or apprentice. However, the existence of disparities and the need for coordination requires the establishment of a standardized procedure which can be completed according to each individual's needs, and then extended to our sites outside of France.

A working Group is in the process of being set up to offer a "newcomer welcome toolbox" to employees taking up a position in order to facilitate the transmission of information related to the risks of the profession as well as information related to the means of prevention, associated protection and essential information.

- KPI – Work accidents and work-related diseases for 2019

Our occupational risk prevention policy is actively implemented on our sites, under the responsibility of the Site and Subsidiary Directors.

Thanks to the implementation of concrete and targeted actions, TFF Group has reduced the frequency of accidents at work (- 0.89 points since April 2019) as well as their severity rate (-0.09 points since April 2018) and has also contributed in the longer term to the prevention of occupational diseases.

The group's rates are far below the rates of the wider industry:

- 2019 TFF Group frequency rate was 33.20 compared to a 61.9 official frequency rate for the wider industry branch in France in 2016 (latest known data),

- 2019 TFF Group severity rate was 0.83 for a severity rate of 3.4 for the industry branch.

The number of accidents has increased slightly over the last three years. If we relate this increase in the accident rate to the number of employees, there has been an increase of 0.47% in the number of accidents as related to the workforce (a steady increase) since April 2018. This increase is largely due to the need to replace experienced staff with younger staff, even now in the process of acquiring the right safety at work practices. The majority of the accidents recorded required little downtime with a low severity rate. Cooperage work remains a manual labor which requires the acquisition of precise gestures that can only be perfected through experience.

KPI – Accidents at work / Frequency rate / Severity rate indicators in relation to the industry branch - (LA7)				
TFF GROUP	04.2018	04.2019	12.2019	Industry branch in France in 2016
Absenteeism rate	4,66%	4,59%	5,78%	No available data
Accidents at work with downtime	54	61	67	No available data
Accidents at work/Staff numbers	5,71%	5,95%	6,18%	n/a
Frequency rate	32,98	34,09	33,20	61.9
Gravity rate	0,92	0,86	0,83	3.4

Absenteeism rate = total number of hours lost / total number of hours worked with overtime.
*Frequency rate = (total number of work accidents with lost time / total number of hours worked over the period) * 1,000,000*
*Severity rate = (total number of days lost due to work accidents / 7 / Total number of hours worked over the period) * 1000*

KPI – Occupational Disease Indicators				
TFF Group strives to reduce occupational diseases, by reducing the handling of barrels through the use of conveyor belts, barrel spinning machines, and through the improvement of the ergonomics of each station (anti-fatigue mats, swivel chairs, storage within easy reach hand ... etc).				
	04.2018	04.2019	12.2019	
Number of declarations of occupational diseases per year	1	3	4	

Comments:

By improving workstation ergonomics and reducing handling, each TFF Group subsidiary is implementing strategies to combat the onset of musculoskeletal disorders within its teams. MSDs are one of the leading types of occupational disease and TFF Group strives to organize work in order to reduce these risks and to take this risk into account when purchasing equipment or machinery.

TFF Group's efforts are made from the beginning to prevent the onset of these diseases as much as possible. When it comes to preventing MSDs, every improvement counts, from buying anti-fatigue mats, to properly setting up workstations to the choices made when replacing a machine.

The fight against exposure to wood dust and MSDs is a priority for TFF Group, because these are the two main risks regarding occupational diseases in coopering and stave milling.

II - Reinforcing our social policy



TFF Group works to promote the development of its employees' skills within all of its subsidiaries. End-of-year evaluation processes, succession plans and training policies are the result of the implementation of collective or individual action plans aimed at supporting the professional projects of the men and women of the group, in order to encourage the development of skills and promote team performance.

Locally, the subsidiaries deploy a training plan adapted to each need and situation. Innovative local initiatives need to be shared, in order to be capitalized on at TFF Group level, which is why a working Group is being set up to share best practices with a view to implementing common actions with regard to reception, professionalization and skills development.

TFF Group's social policy:

TFF Group's social policy is rolled out to all of its companies and aims to promote the development of employee skills through training and mentoring, in order to ensure the transfer of know-how and the personal development of its employees as well as to improve the attractiveness of the Group.

The recruitment policy also remains a constant priority in order to guarantee the sustainability of the company by transferring know-how, limiting turnover and compensating for retirements through the implementation of succession plans.

The TFF Group human resources policy that is implemented on each site must be forward-looking and this is particularly true with regard to training.

The training and transmission of «good gestures» and know-how is indeed essential to the sustainability of our sites.

In addition, wherever it operates, the Group strives to respect local social legislation at all times, including with regard to respect for the freedom of association and the right to collective bargaining, the prohibition of discrimination and forced labor, as well as the effective abolition of child labor.

Major objective for 2019-2020: Develop skills and transfer know-how

- Target: to increase the number of training hours per employee by 1%

Concrete actions on the ground:

• Brive Tonneliers: Tailor-made training

With the Tulle Apprenticeship Training Center, the Brive Tonneliers company has created a tailor-made CAP Tonnelier training course. Since 2015, four cooperation intakes have helped young people acquire know-how and values, as well as a recognized diploma.

In order to ensure the proper implementation of this HR policy, which is essential to the sustainability of the company, it is important to ensure that employees are properly trained, particularly with regard to the «business» aspect. This skill development is most often implemented internally through tutoring or mentoring. This is why we have decided this year to keep a closer count of the time spent on this transmission of knowledge and to professionalize this mentoring to ensure its effectiveness across the group. A working Group will soon be launched on the subject.

Convincing results:

The number of hours of training is still rising, especially on the «business» component. This allows us to measure the transmission of know-how, mainly internally through mentoring and apprenticeship.

The total number of training hours for TFF Group for the year 2019 amounted to 54,113 hours, or 87 hours of training on average per employee trained and a training rate of 59% of the group's total workforce.

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

	04.2018	04.2019	12.2019
Training hours per employee	51	73	87
Training rate	69%	62%	59%



625
Employees
trained

87 h
of training per
employee trained

Maintaining social dialogue


Social dialogue is an important element of TFF's social policy. It allows us to take into account feedback from the field, in order to help us build the business of tomorrow with our employees.

Each Group entity also aims to maintain the attractiveness of the company, in particular through the constant improvement of working conditions, the securing of collective agreements and through work on the remuneration policy.

A salary agreement and a working time annualization agreement were signed. The agreements already signed on gender equality remain in place.

Working conditions of employees

When it comes to the organization of working time, TFF Group favors daytime work. Three subsidiaries use shift work, 76 employees work in 2x8s, including 11 women, and 4 men who work in 3x8s, or 7.01% of the group’s workforce (6.64% last year).



96.9% of our employees are on staff contracts

III – Reducing our ecological footprint and developing sustainable products



Limiting the environmental impact on the wood resource and on our other raw materials

Given its businesses, TFF Group draws on oak wood resources to create its products. The protection of oak forests is a priority of ours in the environmental field in order to ensure responsible and environmentally friendly growth while continuing to provide customers with quality wood.

In this spirit, TFF Group naturally turned to the PEFC label for its wood purchases in France, thus ensuring that sustainable forest management is taken into account. Sourcing our wood from forests where the principles of sustainable management are respected ensures access to and the renewal of the essential resource that is wood, by integrating the idea of respect for the biodiversity of the forest and for the people who work around it.

The oak wood supply market is tight for coopering and large vat making activities (wine and bourbon), due to a limited supply.

With customer demands changing, the company must face new challenges related to the issues of global warming. To meet this new requirement, TFF Group offers an adapted product range: a different way of heating barrels and adapting the type of grain or the size of the container, for example. Brive Tonneliers offers “Sustainable Heritage” barrel locally, without packaging and shipped only short distances in order to limit its carbon footprint. Other projects are underway to meet the new needs that are related to climate issues

Wood purchases

	04.2018	04.2019	12.2019
Total wood purchases (m³)	163 229	179 607	244 607

Stainless-steel purchases

	04.2018	04.2019	12.2019
Stainless-steel purchases in tonnes	268	368	225

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

The Group’s environmental policy:

TFF Group’s environmental policy revolves around three major issues as it seeks to limit its impact on the environment:

- Working with quality oak wood while preserving the resource through the use of environmental labeling such as PEFC or other.
- Preserving the environment at its sites by limiting any possible pollution
- Promoting any product, installation or innovation that would help limit its impact on the environment.


The environmental objectives:

- Maintain at least the current percentage of purchases of PEFC labeled wood in France
- Increase the rate of recycled barrels

The results:

KPI - Indicator of % of wood purchases in PEFC

	04.2018	04.2019	12.2019
% of TFF group’s wood purchases	62.7%	47.17%	45.18%
% of wood purchases in France	76.66%	65.70%	76.52%



76.52% of our wood purchases are PEFC certified

TFF Group's stave mills and the majority of its French cooperages are PEFC certified. PEFC source their wood in France in order to preserve the wood resource and thus participate in sustainable forest management.

With the rise of the bourbon barrels business, the share of American oak purchased by TFF Group has increased. The oak wood sold in the United States is subject to high demand and does not allow the Group to source FSC or PEFC wood given the small amount of certified forests in the United States.

PEFC certifies the sustainable management of forests and brings together a multifunctional and balanced vision of the forest in 51 countries around the world. For 20 years, PEFC France has promoted a balance between the environmental, societal and economic dimensions of the forest through guarantees of sustainable practices and the involvement of 70,000 forest owners and over 3,000 companies in France.

In-depth work with historical suppliers is also underway to help in this process.

In addition, five sites: Radoux, Sciage du Berry, Arobois, Brive Tonneliers and the Foudrerie François are certified according to ISO 9001 standards in order to guarantee the implementation of robust management systems and continuous improvement.



KPI – Number of recycled barrels for every barrel sold and by area – EN2

TFF Group recycles more barrels than it produces through its whisky division. This year the wine and whisky sectors recycled 3.97 barrels for every barrel sold, which allows TFF Group to maintain a rate of 1.39 barrels recycled per barrel sold despite very strong growth in the new barrels sold in its bourbon sector.

Number of recycled barrels per barrels sold

	04/2018	04/2019	12/2019
TFF Group	1,41 / 1	1,13 / 1	1,39 / 1
Wine and whisky division, excluding bourbon			3,97 / 1

Reducing the ecological footprint of our sites and products by establishing more environmentally friendly practices (concrete cases):

TFF Group develops practices on each production site aimed at reducing its impact on the environment by acting in all the areas in which it can: water resource use, energy consumption, reduction of non-recoverable waste, all this in compliance with regulatory requirements relating to CEPIs (Classified Environmental Preservation Installation).

Improving energy efficiency at production sites - EN 5

The energy consumption linked to our production process has decreased over the last three years, partly due to the renewal of low-consumption machinery, partly also to the purchase of new machines in the USA during the creation of Speyside Bourbon. Overall though it is driven by TFF Group's energy consumption reduction efforts.

Good practice:

The François Frères Cooperage and the Lejeune cooperage are gradually replacing the lighting in their workshops with LED neon lights, which are more economical. Many TFF Group cooperages use part of the production waste to fuel the wood boilers used to heat the premises as well as our wood dryers.

Developing the circular economy

The company is already very active in the field of recycling its production waste. It now wishes to strengthen its actions in the barrel's circular economy, and extend it to all the sectors of the Group's activity.

TFF Group incorporates the principle of the circular economy at all stages of production in its coopering, large vat making, and wood production facilities (see diagram below):

- Upstream through sustainable and local purchases of raw materials wherever possible
- During the production processes, by rationalizing the use of raw materials and by allocating part of the wood for oenological products and for the heating of both barrels and premises.
- Downstream:
 - By buying back and reconditioning second-hand barrels in order to give them a second life in alcohol
 - By reselling wood waste as firewood
 - By a final transformation of the barrels either into furniture wood or into decorative objects



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

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.

	04.2018	04.2019	12.2019
Carbon footprint in CO ₂ equivalent tons	38 073	47 588	42 021
Carbon footprint by barrel (Teq CO ₂)	0.0905	0.0902	0.0902

Note: Given the assessment carried out during 2019, this has not been updated and extended to other Group entities.

IV – Preserving integrity in business relationships



As a player engaged in economic and social life, we must ensure that our practices reflect the highest standards of integrity, responsibility and respect for all our partners. This is done on a daily basis and all over the world through the “Middlenext Anti-Corruption Code of Conduct”. This Code of Conduct, which is in line with our historical commitments, drives the Group and guides each of us in our work. As ambassadors of TFF Group, we must contribute through exemplary behavior, to consolidate its image and reputation everywhere in the world.

We always aim to develop our exchanges with stakeholders in compliance with CSR principles by promoting an ethical approach to business. With this in mind and in compliance with the SAPIN 2 law, TFF Group has mapped corruption risks and adopted a code of conduct. This code of conduct has been rolled out to all of the group’s subsidiaries.

TFF Group, fully aware of the risks involved, ensures that its subsidiaries fully adhere to the group's ethical principles which are laid out in the code.

Tax evasion :

The Group complies with the tax regulations in force in the countries where it operates and does not have a policy of creating arrangements for the sole purpose of reducing its tax burden.

TFF Group policy on business ethics:

TFF Group has adopted the Middledext anti-corruption code of conduct which is based on the United Nations Convention against Corruption and is committed to combating all forms of corruption. This Code is an integral part of the company's internal regulations.

The Code applies to all employees of TFF Group. Each employee must demonstrate exemplary behavior and do nothing that is contrary to the behavioral rules defined in the Code. Any question from an employee on the application of the Code or its interpretation must be raised with his supervisor or to the referent appointed by the company.

The 2019-2021 objectives:

100% of those employees exposed to corruption risks trained by the end of 2021

The result:

- The e-learning training program for all those identified as being at risk has been validated (e-learning offered by MIDDLENEXT) and will be rolled out soon on all sites.

An action plan is being followed by the COMEX to ensure the smooth running of this training plan.

At the level of each site, the code of conduct and its explanation are taken into account at least when welcoming new employees if they are affected.

V – Meeting the expectations of our stakeholders

Improving customer satisfaction

Producing quality barrels in accordance with the rules of the art

Our objective is always to provide quality products that meets customer demands, with traceability and checks throughout the production chain. Following a survey of our customers, the analysis of risks and opportunities positively highlighted this point as one of TFF Group's strengths.

Customer satisfaction remains one of our priorities and as such is under constant surveillance. It does not appear to be at risk at this time. TFF Group continues to seek to develop this satisfaction level by taking into account the opinions of its customers.

To insure:

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

On all our production sites, specific checks and flawless traceability are put in place to guarantee that only quality products leave our establishments and to ensure the quality of our other services (oenological advice or QR codes on barrels for example).

In addition, five sites, Radoux, Sciage du Berry, Arobois, Brive Tonneliers and Foudrerie François are certified according to ISO 9001 standards in order to guarantee their customers the implementation of robust management systems and continuous improvement. HACCP procedures have been put in place on the sites concerned, notably cooperages, large vat makers and wood products for oenology (Tonnelierie François Frères, Demptos, Radoux, Arobois, Brive Tonneliers, Foudrerie François).

Guaranteeing food safety and limiting allergen risks

Food Safety is a constant concern for us throughout the manufacturing and shipping processes and a legitimate expectation of our customers.

We make every effort to guarantee quality products by eliminating the risk of contamination and the risk of allergens:

- By random analyzes of raw materials, barrels, air, water, and containers.
- Thanks to the elimination of gluten, replaced by Sarrazin flour
- By using food products throughout the production process for any parts coming into contact with products (machine oils, etc.)

HACCP procedures are also in place in cooperages in accordance with the French cooperage federation's guidelines on good practice.

Securing our raw materials and finished products

The stocks of raw materials and finished products are also carefully monitored to ensure the continuity of supply to our customers.

Solidifying our local connections through charity

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

Concrete actions:

- The François Frères Cooperage renewed its support for the major events in its region by sponsoring the “Music and Wine” evenings at the Clos Vougeot, and the Givry “les Musicaves” festival, as well as providing the trophies for the young talents among young wine professionals (GJPV).



- Radoux continues to participate in local cultural life through an annual donation for the «Cognac Blues Passion» festival as well as for the «Fête des vins Kilomètres de Saint Emilion» event (Rotary club Libourne). The profits of this race (a donation of more than 164 K€ has already been paid in 4 editions) are intended for research on brain diseases, represented by the IMN and the IMNc, the Institute of Clinical Neurodegenerative Diseases and the FRC, the Federation for Brain Research. In 2019, 1,400 runners took part in the race which crosses the most prestigious vineyards of the Saint-Emilionnais.



- Demptos continues its sponsorship of the «Villa Primrose Bordeaux Club» sports club (tennis + hockey) and its participation in the «Pink October» operation to fight cancer.



- Bouyouud supports the Saint Marcellin rugby association «rugby sms».



- Demptos Napa helps prevent fires by donating to Cal Fire (California Department of Forestry and Fire Protection). Donations were also made to subsidize «DeLeuze» and «Crush MS» associations for the fight against cancer and help for young people, as well as to the «Napa High School Choir».



- AP John is one of the main sponsors of the Barossa Grape & Wine association, an association to promote the main actors within Barossa wine.



- Classic Oak subsidizes the trophies for local wine events
- Broxburn sponsors the Highland Games as it does every year, as well as the Junior Golf Club and donates to cancer research.



- Speyside Kentucky helps sports clubs in local schools
- Isla Cooperage helps local youth aid associations and sports clubs as well as local charities.

The exemptions:

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

11.1 - Acquisition of the companies TONNELLERIE GAUTHIER FRERES and BERNARD GAUTHIER Stave-mill

On June 30th, 2020, TFF Group completed the acquisition of 80% of the SAS Gauthier Frères Cooperage and the SAS Bernard Gauthier Stave mill.

Established in the department of Cher, in the immediate vicinity of the prestigious forests of the Center of France and in the heart of the Loire basin vineyards, the Bernard Gauthier Stave-mill and the Gauthier Frères Cooperage, which are very closely linked, will continue to be managed by the founding family, through Guillaume and Fabien Gauthier who remain 20% shareholders.

The GAUTHIER house enjoys an indisputable notoriety in the world of wine for the high quality of its staves and of its barrels.

The two entities are partners of prestigious wine estates and the Bernard GAUTHIER Stave-mill is also the historical supplier of some of the Group's cooperages and, in particular, of the DARNAJOU cooperage, recently consolidated into TFF Group.

The operation will strengthen the solid relationship forged with the DARNAJOU cooperage, by securing its high quality supplies.

The Group is thus pursuing its strategy of integrating independent brands with high added value. Also from a commercial standpoint, this integration will allow TFF Group to consolidate its market share in Burgundy, the Loire and the USA.

The contribution of this brand to the Group's activity, consolidated on July 1st, 2020, will be of the order of € 2 million, through the work of a team of 12 people.

11.2 – The position of TFF Group with regard to the Covid-19 pandemic

The 2020/2021 financial year began in the context of a pandemic that affected all of the areas where the Group operates.

In this context and since March 2020, TFF Group has set itself the priorities of:

- Guaranteeing the safety and health of its employees and partners in the carrying out of their duties,
- Mobilizing and adapting its structures to ensure the continuity of business and customer service under the best conditions.

Faced with the global pandemic, TFF Group has proven adaptive and agile. Its optimized structure was well suited to the exceptional circumstances that resulted from the health crisis.

Drastic measures to protect employees and partners were put in place in strict compliance with local and national rules as well as with World Health Organization guidelines.

Faced with the uncertainties linked to the pandemic as soon as it began... the Group decided to suspend its objectives from April 8th, 2020.

At the year-end date of April 30th, 2020, the impact of the pandemic on activity levels was around € 5 million after the temporary shutdown of a few production sites in France and Scotland, in connection with the containment measures put in place by authorities.

Since the start of the 2020-2021 financial year and up to the publication of this document, all of the Group's production sites and sales offices are operational.

However, given this very particular global context the Group will not set a specific objective until further notice, both in terms of activity and in terms of results for the 2020-2021 financial year and beyond.

However, it should be noted that the Group reacted quickly by adopting exceptional measures to limit the impact of the health crisis on its structure, sustainability and performance levels. In particular through:

- the implementation of a global savings plan,
- the reduction and prioritization of its investment budgets,
- the deployment of health measures,
- the mobilization of additional financing lines.

The Group currently has strong liquidity, both in immediately available cash and in directly accessible financing reserves.

As of April 30th, 2020, the Group already benefited from a cash surplus of € 82 million, to which were added undrawn credit lines of € 60 million.

In addition, the Group structurally has stocks of quality raw materials representing around three to four years of production for the wine division and nine to 12 months of production for the bourbon activity. This provides financial security which can be relied on to replenish cash levels should these prove to be insufficient. These stocks represent a reserve of € 230M as of April 30th, 2020.

The Group remains confident in the future, with its fundamentals and efficient management providing a guarantee. Its proven strategy of business / market / country diversification is also an guarantee of good resistance in a difficult environment.

To the extent of its possibilities and depending on events, the Group will keep the market informed about the actual or potential impacts that could result from this pandemic through the next publications relating to activity and results.

XII. INFORMATION ON PAYMENT TERMS

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

As of April 30th, 2020, 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, 2020, 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	187					29	145					153
Total amount of the invoices tax included	3,051,905 €	1,349 €	114 €	43 €	2 €	1,508 €	5,367,728 €	614,188 €	1,246,357 €	2,673,041 €	310,878 €	4,844,464 €
Percentage of the total amount of purchases over the year tax included	8.55%	0.00%	0.00%	0.00%	0.00%	0.00%						
Percentage of the turnover of the year (must state before or after tax)							13.71%	1.57%	3.18%	6.83%	0.79%	12.38%
(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					
Purchases after taxes 18/19	35,691,903						Sales after taxes 19/19 39,140,797					

XIII. ORDINARY AND EXTRAORDINARY GENERAL ASSEMBLY OF OCTOBER 30th, 2020

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, 2020, 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 10th, 2020 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 2020.

Thus, the profit of the parent company, i.e. € 6.671.670 would be allocated as follows:

Result of the period	6,671,670 euros
and for the balance to the credit of the account «Other reserves»	4,511,988 euros
Total to be allocated :	11,183,658 euros
* Allocation as dividends	7,588,000 euros
* Allocation to the retained earnings item	3,595,658 euros
Total equal to the profit to be allocated	11,183,658 euros

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

Financial years	2016/2017	2017/2018	2018/2019
Number of shares	5 420 000	21 680 000	21 680 000
Net dividends (euros)	1,40	0,35	0,35
Dividend eligible for rebate	1,40	0,35	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 par value each, fully paid up and all of the same type.

- The third resolution concerns the approval of the Statutory Auditors' special report on any regulated agreements concluded during the fiscal year ended April 30th, 2020. 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, 2020.

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:

Through the deliberations held on April 29th, 2020, the Supervisory Board of TFF Group authorized the sale by Mr. Jean François (Chairman of the Supervisory Board) and his wife Mrs. Noëlle François (member of the management board) to the company TFF Group, of real estate assets making up part of the TFF Group operating site in Saint Romain (21190), namely:

- A shelter for a cooerage cell of approximately 50 m², built on section 1021 of the land register with an area of 1 are 28 centiares, which the company TFF Group took on a long-term lease basis following a notarial deed dated December 20th, 1988. Said lease expired during the fiscal year ended April 30th, 2019.

- A building for industrial use and storage, built on land register section No. 1023 with an area of 28 ares 75 centiares, that the company TFF Group leased for construction, following a notarial deed dated December 20th, 1988. The said lease also expired.

The transfer took place by notarial deed of April 30th, 2020 for a price of 300,000 euros, it being specified that this price was set in consideration of the estimated market value of said property.

Given the position of the real estate concerned within the operating premises of TFF Group, and which it owns, it appeared in the interests of the company to proceed with this acquisition, with a view to unification and rationalization. In addition, TFF Group will no longer have to pay rent for said property.

- The purpose of the 4th resolution is to submit for your approval the consolidated financial statements as at April 30th, 2020, 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 elements of compensation paid or awarded for the fiscal year ended April 30th, 2020 to the executive corporate officers as well as to the members of the Supervisory Board (commonly called «ex post vote»). It is therefore proposed that you approve:

- information relating to the compensation for the fiscal year ended April 30th, 2020 for all corporate officers (5th resolution);

- the elements of compensation and benefits of any kind paid or awarded for the fiscal year ended April 30th, 2020 to Jean François, Chairman of the Management Board (6th resolution);

- the components of compensation and benefits of any kind paid or awarded for the financial year ended April 30th, 2020 to Jean François, Chairman of the Supervisory Board (7th resolution).

You are asked to vote in favor of all of these components of compensation, which, it is specified, have been approved by the Supervisory Board. All of these elements are described in detail in the Supervisory Board's corporate governance report (section 9).

- In accordance with article L.225-82-2 of the French Commercial Code, it is proposed that the meeting approve the elements of the compensation policy applicable to the Chairman of the Management Board (8th resolution), to the Chairman of the Supervisory Board (9th resolution), and to members of the Supervisory Board (10th resolution) (commonly known as "ex ante vote").

The elements of the remuneration policy are described in detail in the report on corporate governance of the Supervisory Board (section 9). You are asked to vote in favor of these elements of the compensation policies for corporate officers, which have been approved by the Supervisory Board.

- Pursuant to the 11th resolution, it is proposed to the general meeting of shareholders that the amount of total compensation allocated annually to members of the supervisory board be set at 12,000 euros for the current financial year starting on May 1st, 2020 as well as for each subsequent financial year, until a decision to the contrary is made by the ordinary general meeting of shareholders.

- In accordance with the 12th resolution, you will also be asked to decide on 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 13th 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 (14th 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.

- Pursuant to the 15th resolution, it is proposed that you amend and supplement Article 15 of the bylaws in order to allow the Supervisory Board to adopt decisions in certain areas by written consultation, and to take into account the deletion of the term "attendance fees": these modifications follow the reform introduced by law n ° 2019-486 of May 22, 2019 (Pacte law).

- Pursuant to the 16th resolution, it is proposed that you amend and supplement Article 17 of the bylaws in order to allow the Supervisory Board to establish internal regulations within it.

- Finally, the purpose of the 17th resolution is to confer powers to carry out all the legal formalities in relation to 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-I 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 2020/2021 financial year began in the context of a health crisis that affected all of the Group's geographical areas, as mentioned above.

Given the uncertainties that result from the pandemic at the global level, the Group cannot set a precise objectives until further notice, both in terms of activity and of results.

However, it should be noted that the Group reacted quickly by adopting exceptional measures to limit the impact of this health crisis on its structure and on its result levels.

The Management

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Assets (thousands of euros)	4/30/2020 IFRS	4/30/2019 IFRS
Non current assets		
Intangible fixed assets	4 165	4 110
Goodwill	87 157	86 892
Intangible fixed assets	91 322	91 002
Tangible assets	139 844	94 321
Investments in equity-valued companies	14 251	14 459
Deferred tax assets	10 456	7 272
Financial assets	2 017	1 936
Total non current assets	257 890	208 990
Current assets		
Raw material, intermediate and finished products	267 030	229 990
Trade receivables	52 198	51 764
Other receivables	9 137	8 390
Cash	82 020	56 065
Total current assets	410 385	346 209
Non current assets to be discontinued	0	0
Total assets	668 275	555 199

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Equity and Liabilities (thousands of euros)	4/30/2020 IFRS	4/30/2019 IFRS
Shareholder's equity		
Common stock	8 672	8 672
Retained earnings	327 625	304 524
Translation adjustment - shareholders' equity	(2 214)	(1 930)
Consolidated income of the year	26 635	30 749
Translation adjustment - income	(127)	59
Total Group shareholders' equity	360 591	342 074
Minority interests / reserves	4 393	4 179
Minority interests / income	211	278
Total shareholders' equity	365 195	346 531
Non current liabilities		
Long term provisions	433	554
Deferred tax liabilities	6 577	4 994
Long term interest-bearing loans and borrowings	51 279	54 259
Retirement benefit obligation	2 846	2 621
Total non current liabilities	61 135	62 428
Current liabilities		
Trade payables and equivalent	21 737	27 500
Other liabilities	20 740	19 891
Short term loans and borrowings	199 468	98 849
Total current liabilities	241 945	146 240
Non current liabilities to be discontinued	0	0
Total current and non current liabilities	303 080	208 668
Total Equity and Liabilities	668 275	555 199

INCOME STATEMENT

Thousands Euros		4/30/2020 12 months IFRS	4/30/2019 12 months IFRS
Revenue		279 663	271 647
Change in finished goods		(381)	1 121
PRODUCTION INCOME		279 282	272 768
Purchase of raw materials and goods		(155 114)	(155 596)
Change in raw materials		15 125	19 228
GROSS PROFIT		139 293	136 400
Other purchases and external charges		(30 563)	(29 794)
VALUE-ADDED		108 730	106 606
Operating grants		0	0
Taxes and similar payments		(2 815)	(2 672)
Employee benefits expense		(53 901)	(50 464)
EBITDA		52 014	53 470
Reserves written back to income and internal transfers		3 078	2 211
Allowances for amortizations		(8 912)	(6 020)
Allowances for reserves		(2 583)	(1 983)
Other current expenses and income		60	(92)
INCOME OF OPERATING ACTIVITIES		43 657	47 586
Other non-current operating income and expenses		(8 071)	(5 553)
INCOME FROM CONTINUING OPERATIONS		35 586	42 033
Share in net income of equity affiliates		834	552
INCOME AFTER SHARE IN NET INCOME OF EQUITY AFFILIATES		36 420	42 585
Financial income		7 233	8 384
Financial expense		(6 123)	(6 194)
Net Financial Income		1 110	2 190
EARNINGS BEFORE TAX		37 530	44 775
Income tax		(10 684)	(13 751)
NET INCOME FROM CONTINUING OPERATIONS		26 846	31 024
NET INCOME FROM DISCONTINUED OPERATIONS		0	0
NET INCOME		26 846	31 024
Group share		26 635	30 749
Minority interests		211	275
Earnings per share			
net income		1,23	1,42
net income from continuing activities		1,23	1,42
		1,23	1,42
		1,23	1,42

Time is on our side

TFF
GROUP

