

The background of the entire page is a close-up photograph of several wooden planks. The planks are arranged in a way that creates strong diagonal lines across the frame. The wood has a natural, light brown color with visible grain patterns and some darker staining or knots. The lighting is soft, highlighting the texture of the wood.

# 2021/2022 ANNUAL REPORT

*Time is on our side*

**TFF**  
GROUP

A stack of wooden planks, likely for construction, is shown in a close-up, slightly angled view. The planks are stacked horizontally, with some showing their end grain. The lighting is warm and directional, coming from the right, which creates strong highlights on the top surfaces of the planks and deep shadows in the gaps between them. The background is dark, making the wood stand out. Overlaid on the left side of the image is the text "TIME IS ON OUR SIDE" in a large, bold, sans-serif font. The text is semi-transparent, allowing the wood texture to be seen through it. The words are stacked vertically: "TIME" on the top line, "IS ON" on the second line, "OUR" on the third line, and "SIDE" on the bottom line.

TIME  
IS ON  
OUR  
SIDE

# SUMMARY

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## **ACTIVITY & PERFORMANCE**

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# A MESSAGE FROM THE PRESIDENT

*It is with a great sense of optimism  
that we look ahead to the 2022/2023  
financial year which looks set  
to benefit from a combination  
of very favorable factors, with all  
of our markets benefiting from solid  
growth momentum*

## Dear shareholder,

We can only welcome the results of the year that ended on April 30th, which represents an important turning point for TFF Group after three particularly difficult years that were impacted by the pandemic and by various climatic challenges.

I would like begin by paying tribute to our teams. They remained motivated and mobilized throughout, which allowed them to analyze, manage, react and anticipate with consistency and relevance, thus ensuring the results we observed this year:

- a record revenue, its highest level ever, up 16%, above €302 million and well above expectations;
- the good resilience of operating margins;
- a sharp increase in net income.

These results, which were much better than expected, were achieved thanks to two things. First, the return of sustained demand in all of our wine division's diversification businesses – large containers, stainless steel, forestry – and, secondly, the strong development of our bourbon activities.

Our results rose in an inflationary context and despite a less favorable distribution between the wine and alcohol markets in terms of profitability in the consolidated business mix.

In line with the group's diversified growth strategy, the alcohol division, which is now the main source of development for

TFF Group, already represents nearly 50% of its activity.

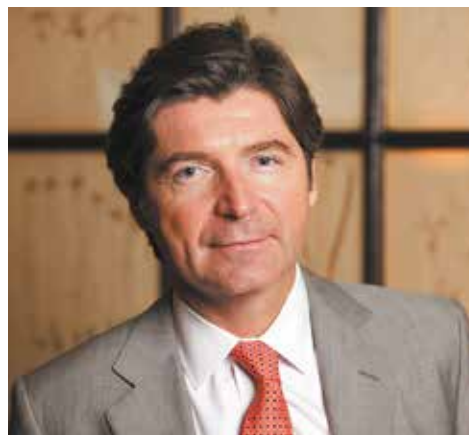
The wine division, with €155.2 million in revenue and nearly 5% in gross growth, demonstrated solid resilience in an environment heavily impacted by climatic events. This financial year, although marked by a like-on-like decline in the volume of activity for the wine barrel businesses, did see a pick-up in demand in the 4th quarter, which heralds a return to high levels of activity from 2022/2023.

The alcohol division, with €147.4 million in turnover and more than 30% in gross growth, saw contrasts between the whisky activity which was in slight decline despite the rise in prices - a sign of the recovery of the market - and the bourbon activity that delivered on its promises and more, with nearly 600,000 barrels produced and marketed, almost double the amount produced last year.

Results rose again despite a 2021/2022 financial year that was strongly impacted by the pandemic and climatic difficulties. As expected, current operating profitability, which stands at more than €38 million, showed good resilience and net income increased by 78%, thanks in particular to the contribution of a significant exchange rate effect of +€13 million.

We are therefore extremely optimistic for the 2022/2023 financial year, which should benefit from a combination of very favorable factors, with all markets benefiting from good growth momentum. The Group is therefore able to envisage an ambitious target of around €360 million in revenue, thanks to:

- the return of sustained demand on the wine market after three years that were impacted by a decline in harvest levels and an unfavorable international context;



- the recovery of the whisky market, which should be confirmed, accompanied by a price increase favorable to both activity and margins;

- and finally, prospects that are still very promising on the bourbon market, which continues to show strong sustainable development.

TFF Group's profitability ratios are expected to increase gradually from the 2022/2023 financial year, supported by strong growth in activity in all the group's businesses worldwide as well as by an expected improvement in profitability on the bourbon market.

I am therefore particularly confident about a future of growth and profitability for our group, in both the short and medium term, which stands to benefit at the threshold of this new financial year from:

- a context of very buoyant markets for all of our businesses globally;
- a professional, motivated and particularly well-trained workforce;
- our high-performance production tools, able to support the growth in each of our markets;
- a robust balance sheet and cash flow that will allow us to continue our organic and external growth and to consolidate our position as a world leader.

I cannot forget, of course, our shareholders who have remained loyal during this difficult period and to whom we have therefore decided to offer, at our annual general meeting in October 2022, the distribution of a dividend of €0.40 per share, an increase of 14%.

  
**JÉRÔME FRANCOIS**  
CEO

# KEY FIGURES 2021/2022

## VERY GOOD OPERATIONAL AND FINANCIAL PERFORMANCE IN THE FACE OF DIFFICULT HEADWINDS

TURNOVER (IN M€)

**302.6**

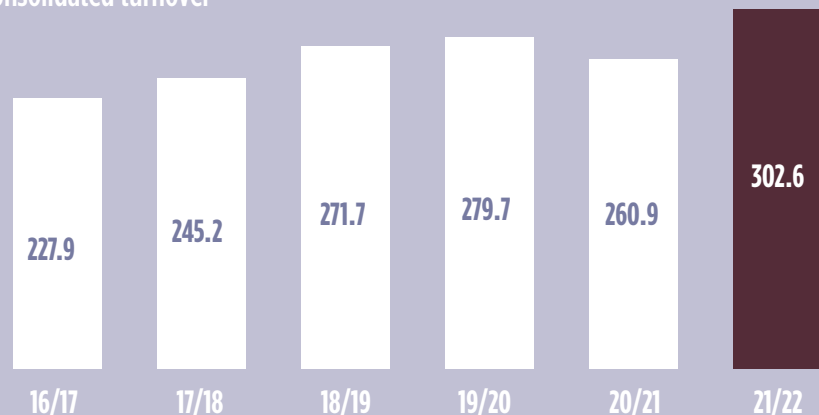
TURNOVER

**+16%**

+12,9 % Like-on-like

change 2020/2021 vs 2019/2020

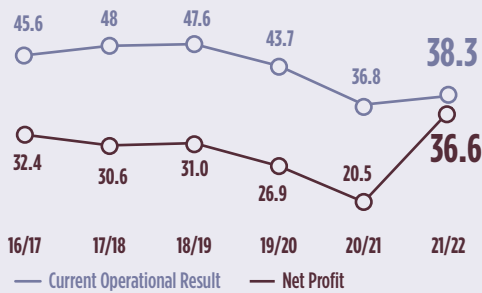
Consolidated turnover



# KEY FIGURES 2021/2022

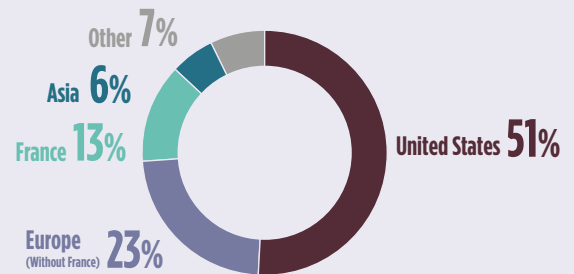


## CHANGE IN CURRENT OPERATING INCOME AND NET RESULTS (IN M€)

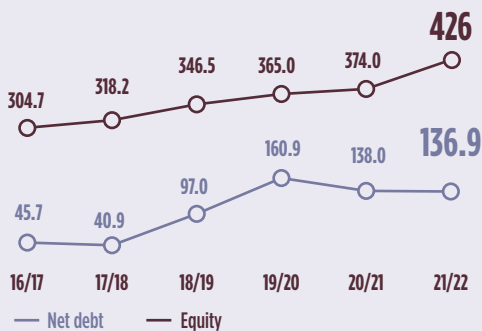


## TURNOVER

by geographic zone

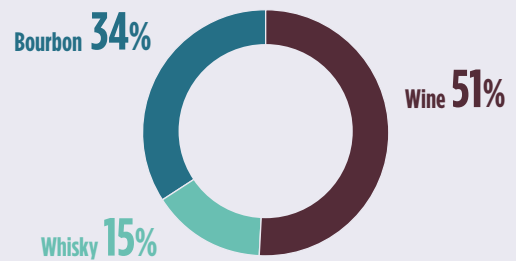


## CHANGE IN DEBT AND EQUITY (IN M€)



## SHARE OF SALES

By market





# THE WINE MARKET

CONSOLIDATION OF OUR POSITION  
AS THE GLOBAL LEADER

AN ACTIVITY THAT  
HAS RETURNED TO GROWTH

€ **155**<sub>m</sub>

Turnover

**+4.8%**

Change in turnover

**26**

Production sites



**With a turnover of €155 million, up +4%, the wine division has continued to adapt to the pandemic context as well as to a small harvest which fell for the third consecutive year.**

**Current operating profitability proved resilient, even though the group choose not to pass on the increase in the price of raw materials over the course of the financial year and despite the lack of government aid compared to 2020/2021.**

## Global wine production in slight decline

Global wine production in 2021 reached 260 MhL, down by almost 3 MhL (-1%) compared to 2020. The slight decline in global wine production in 2021 was the result mainly of two opposite effects: on one hand, the sharp drop observed in some major wine-producing countries in the European Union, and on the other, the excellent harvests that boosted production levels in most countries in the Southern Hemisphere – offsetting the drop on a global scale. Overall, global wine production in 2021 stood, for the third year in a row, below its ten-year average.

The European Union's produced 153.7 MhL of wine in 2021, which represents a decrease of 8% compared to 2020 and 5% compared to the average of the last five years. This drop in the European Union is largely down to the decrease in wine production levels in France due to the frost episodes of April 2021.

In North America, the drought-like conditions in some wine regions led to a wine production level of 24.1 MhL in 2021, 3% below its five-year average. However, this figure is 6% higher than in 2020, when the country suffered the consequences of the forest fires.

In the Southern hemisphere, Australia after a very low production level in 2020 due to drought, fires and smoke damage in some wine regions, produced 14.2 MhL of wine

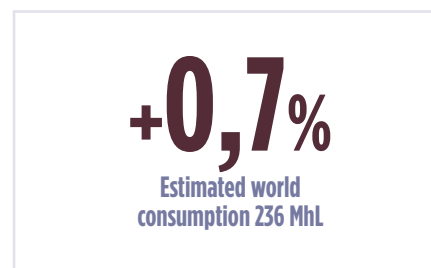
in 2021 (+30% vs 2020). This level is 14% higher than the average of the last five years and represents the country's highest production level since 2005. Conversely, New Zealand, after a record level of production in 2020, produced only 2.7 MhL – a drop of 19% – due to adverse spring weather conditions.

## Global consumption on the rise

Global wine consumption in 2021 was estimated at 236 MhL, which represents an increase of 2 MhL (+0.7%) compared to the volumes of 2020, a year heavily impacted by the pandemic that led to the closure of cafes, hotels and restaurants.

## The wine division reconnected with growth in 2021

Sales of new barrels on a like-for-like basis were down slightly compared to last year due to lower sales in the United States because of the numerous fires there and due to the slowdown of sales in France as a result of the spring frosts that impacted many of the major French vineyards. Sales of new barrels in Italy and Spain rose, offsetting the decline in the group's two main markets. Our diversification businesses, such as wood products or stainless- steel containers, grew by +8% and now represent 23% of the wine division's activity.



## Continued external growth in 2022

TFF Group, faithful to its historical strategy of consolidating know-how in the manufacture of products for wine aging, created a partnership with Tonnellerie Remond with TFF acquiring a 55% stake in it.

Tonnellerie Remond was consolidated over 2 months to the tune of €2.8 million in turnover during the year.

Tonnellerie Remond will be consolidated over 12 months in 2022/2023, which will help strengthen the growth of the wine division.

\* source : OIV



# THE SCOTCH WHISKY MARKET

N°1 GLOBALLY FOR  
INDEPENDENT COOPERS

ACTIVITY IN SLIGHT DECLINE

€ **45,7** m

Turnover

**-2.9%**

Change in turnover

**8**

Production sites

**With sales of €45.7 million, down 2.9% and 7% at constant exchange rates, the whisky division demonstrated strong resilience in a context still affected by the consequences of the pandemic on both global supply chains and human resources.**

**With its 8 production sites capable of processing 1 million barrels per year, TFF Group is well equipped to capture the growth generated by market rebound.**

## 2021: a year of rebound for the Scotch Whisky market

The scotch market is regaining ground, after a decline of -10.7% in 2020 and a decline of -13% in exports, in 2021. According to figures released in 2022 by the Scotch Whisky Association (SWA), global scotch whisky exports reached €5.24 billion in 2021, as the industry continued to recover from the impact of the COVID-19 pandemic and US tariffs. In 2021, the value of scotch whisky exports increased by 19%. As for the number of 70 cl bottles exported, it also increased by + 21% to reach the equivalent of 1.38 billion euros. In 2021 growth was driven mainly by consumers in the Asia-Pacific and Latin American regions , with value increases of 21% and 71% respectively. Emerging markets – such as India, Brazil and China – which are key to scotch whisky – also saw strong growth. Exports to the U.S. increased by 8% despite the impact of the 25% U.S. tariffs on single malt scotch whisky in the first quarter of 2021. Exports to the European Union increased by 8%. In general, the growth of the market should remain strong and is expected to remain above 4% per year between 2021 and 2025.

## TFF Group posts a slight decline in its activity on the scotch Whisky market

Over the course of the year, the trading activity was penalized by the lack of used barrels made available by bourbon producers, i.e. about 100,000 fewer barrels. In addition, the malfunctions of the supply chain impacted the proper functioning of the whisky industry, which lacked many components (bottles, caps, capsules).

Finally, the year was marked by a decline in demand for flower pots due to the low volume of barrels available and the rise in prices. This resulted in a loss of turnover of about 4 M€.

The repair/renovation business performed well during the year but did not reach its full potential because of the combined effects of a lack of skilled labor in the USA and Scotland and the impact of COVID-19.

Finally, the training of apprentices, which represent 27% of the workforce, also weighed on productivity.

It should be noted that the lack of barrels available in the short term for the trading activity should promote recovery in the prices of used barrels - bourbon barrels- which should, in turn, have a positive impact on the growth of turnover and of current operating profitability for the whisky division.

**+4%**

Growth expected between 2021 and 2025

**+21%**

in export volume in 2021\*

## TFF Group a leading position to capture future growth

TFF Group holds a major position in the whisky market through its 8 production sites- with 3 in the United States, and 5 in Scotland, which bring the Group's capacity to 1 million barrels per year.



# THE BOURBON MARKET

N°2 AMONGST  
GLOBAL COOPERS

AN ACTIVITY WHICH  
DOUBLED OVER THE YEAR

€ **101**<sub>m</sub>

Turnover

**+54%**

Change in turnover

**9**

Production sites

**With revenue of €101 million, up 54% and 51% at constant exchange rates, the bourbon division once again saw very strong growth.**

**This year saw the group's customer demand far exceeded its production capacity, the latter being limited by the availability of raw materials for the manufacture of barrels. This exceptional demand naturally led the Group to continue its investments aimed at diversifying its supplies. As a result, TFF group now produces 80% of its wood needs in-house.**

## A market set to be the fastest growing in the global spirits market

Despite growth of + 50% over the last five years, according to the international Wine & Spirit Research, this upward momentum should remain above + 5% per year between 2021 and 2026. It is driven by the strong democratization of consumption. The market is also boosted by rejuvenation, consumer feminization, premiumization (small batch vs single barrel) and a cocktail culture that has spread around the world. This transformation and the globalization of bourbon consumption is reflected in the very strong growth of exports, + 30% in terms of volume.

## TFF Group achieved a doubling of its turnover over the course of the year

After investing more than \$160 million since 2016 and creating 7 production sites including 5 stave-mills and 2 cooperages in 3 states, TFF Group continued with its investment strategy. An additional stave-mill was acquired in Tennessee as was land in Pennsylvania in order to set up a new stave-mill.

Our strategy of strengthening and diversifying raw material supplies is aimed at guaranteeing our strong performance in the future.

The stave-milling activity with 430,000 sets produced was equivalent to that of the previous year.

The lack of staff combined with the consequences of COVID-19 as well as the difficulties of sourcing logs in the regions in which the group is established, limited the development of this activity.

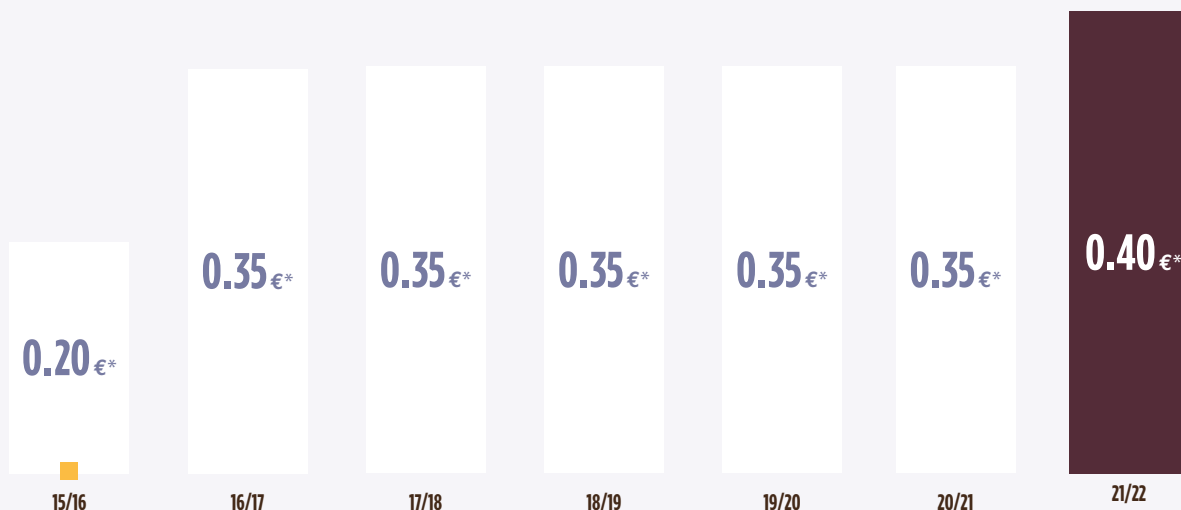
The investments made during the year in Tennessee and Pennsylvania should enable the Group to accelerate set production in the short and medium term in order to reach between 650/700,000 sets, thus allowing us to fully benefit from strong demand.



The cooperage business experienced a spectacular rebound in production from 320,000 barrels produced in 2020 to 600,000 barrels this year, which represents growth of 80% in volume and 54% in value. Jackson's cooperage produced at 95% of its capacity while Atkins' cooperage produced at 55% of its capacity, limited by the lack of raw materials. In an inflationary context, with pressure on both supplies and on the job market, TFF group's strategy is to regularly raise sales prices in order to reach our profitability objective: an EBITDA margin of 15% of revenue.

## DIVIDEND 2022

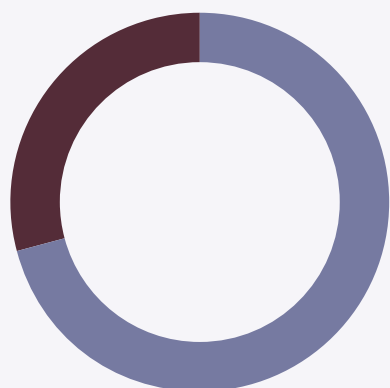
**DIVIDEND INCREASE: +14%<sup>(1)</sup>**



\* according on the revised number of shares (x4 at December 1st, 2017)

(1) Proposal for the dividend distribution as submitted to the AGM of October 2022

## DISTRIBUTION OF THE CAPITAL AT APRIL 30<sup>TH</sup>, 2022



**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 CALENDAR 2022/2023

### 2022

September 12<sup>th</sup> Q1 turnover 2022/2023

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October 28<sup>th</sup> General assembly

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### 2023

January 4<sup>th</sup> Q2 Turnover 2022/2023  
Half-yearly results

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March 9<sup>th</sup> Q3 turnover 2022/2023

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July Annual results 2022/2023  
Results meeting

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October General assembly



# ADMINISTRATION AND MANAGEMENT



# **Supervisory Board and Management Board**

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**Monsieur Jean François**  
**Chairman of the Supervisory Board**

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**Monsieur Jérôme François**  
**Chairman of the Management Board**

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**Madame Noëlle François**  
**Member of the Management Board**

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**Madame Nathalie Meo**  
**Supervisory Board member**

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**Monsieur Patrick Fenal**  
**Supervisory Board member**

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**Mademoiselle Philippine François**  
**Supervisory Board member**

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# SUMMARY

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# MANAGEMENT REPORT OF THE EXECUTIVE BOARD PRESENTED AT THE JOINT GENERAL ASSEMBLY OF OCTOBER 28<sup>th</sup>, 2022

Ladies and Gentlemen,

The shareholders' meeting was convened to deliberate on the financial statements for the fiscal year that ended on April 30<sup>th</sup>, 2022, in order to appropriate the results of said fiscal year, to rule on the regulated agreements entered into or continued during the year, as well to outline various other matters more fully described below.

The aim of the meeting is to report on the situation of the company and the group (TFF Group) over the past financial year, on their foreseeable evolution, on their research and development activities, on any significant events that occurred between the closing date and the date of preparation of this report, as well as to outline the main features of their internal control and risk management procedures. In accordance with the provisions of Articles L.225-102-1 and L.22-10-36 of the French Commercial Code, the non-financial performance statement is also included in this report.

Please note that any quantitative information is given subject to the approval of the financial statements as presented here.

The management report and the group's consolidated management report are also included, as is the report on corporate governance prepared by the supervisory board.

## I. THE EVOLUTION OF THE GROUP'S CAPITAL

The capital remained unchanged during the financial year that ended on April 30<sup>th</sup>, 2022, and therefore stands at 8,672,000 euros.

In accordance with the provisions of Article L 225-184 of the French Commercial Code, please note that there are no outstanding stock option plans.

## II. ACQUISITIONS DURING THE YEAR - DISPOSALS OF INVESTMENTS

On March 17<sup>th</sup>, 2022, TFF Group acquired 55% of TONNELLERIE REMOND's shares.

Tonnellerie Remond was founded in 1954 in Ladoix-Serrigny, near Beaune, in the heart of the Burgundy vineyards. Catherine DESBOIS-MOUCHEL chose to remain a partner, retaining 45% of the capital and building a strong partnership with TFF Group. A strategy aimed at enhancing the potential and quality of Tonnellerie REMOND.

On September 9<sup>th</sup>, 2021, TONNELLERIE FRANCOIS FRERES sold the 9,750 shares it held in its subsidiary Tonnellerie DARNAJOU II to another subsidiary, Tonnellerie Vincent DARNAJOU, in order to facilitate the simplified merger of the two companies.

## III. CONSOLIDATED FINANCIAL PERFORMANCE AND STRUCTURAL RATIOS

### 1 - Consolidated financial items can be summarized as follows (IFRS standards):

Consolidated financial statements at 30 <sup>th</sup> April (in K€)	30/04/22	30/04/21
Turnover	302,616	260,878
Profit from recurring operations	38,343	36,826
Operating income after associates share	38,516	37,956
Profit before tax	50,778	27,688
Net income	36,587	20,504
Profit, group share	35,859	20,041
<b>Balance sheet accounts (in K€)</b>		
Group equity	407,541	368,339
Net financial debt	136,860	138,008
Net financial debt/equity.	0,33	0,374
Net stocks	277,149	256,604

## 2 - Business development, results - Progress made and difficulties encountered

For the fiscal year 2021/2022, consolidated revenues amounted to 302.6 million euros, up 16% on the year before, and up 12.9% on a like-for-like basis (excluding currency and scope effects).

On a like-for-like basis, sales increased by 2.1% in the wine business and by 27.1% in the spirits business.

Although it showed good resilience in an environment that was heavily impacted by climatic events, the year was marked by a decline in like-for-like business volumes as far as the wine barrels business goes. Those businesses born of diversification recorded higher levels of activity.

Revenues from the wine activities amounted to €155.2 million.

In the spirits market, revenues reached €147.4 million.

On the whisky market, logistical difficulties weighed on business volumes, which fell. The increase in prices, a sign of the market's recovery, has not yet compensated for this downward trend.

On the Bourbon market, nearly 600,000 barrels were produced and sold, almost double last year's figure and above expectations. This in a very buoyant market that holds promising growth prospects for the coming years.

Profit from recurring operations increased by +4.1% to €38.3 million, as a result of several factors:

- A decline in the wine barrel business on a like-for-like basis,
- The decision not to pass on price increases to customers in the wine barrel business for the 2021 vintage,
- Significant increases in many of our operating costs: raw materials, logistics, insurance, etc.
- The bourbon division's margins remaining lower than those of the wine division, even if they are improving,
- The end of COVID government aid.

The group's operating profit came in at €38.1 million, up +1.8%, taking into account non-current items of €0.2 million.

Net financial income for the year was €12.3 million, including a €13.0 million foreign exchange impact.

Net income amounted to 36.6 million euros (or 12.1% of revenues), up 78.4%.

## 3 – Impacts of the pandemic and the geopolitical context on the balance sheet and consolidated income statement

The emergence and expansion of COVID-19 since FY2020 has affected economic and business activities globally.

In the fiscal year 2021/2022, TFF Group maintained the measures put in place the year before to ensure the proper functioning of its production sites and commercial offices, in order to continue to support its customers and maintain the quality of its service, whilst preserving the health of its employees.

This pandemic had no significant impact on the financial statements for the year that ended on April 30<sup>th</sup>, 2022, and does not therefore pose a risk to the continuity of the operations of Tonnellerie François Frères or of its subsidiaries

The start of the war between Russia and Ukraine on February 24<sup>th</sup>, 2022 affected global economic and commercial activities. However, it did not have a major impact on TFF Group's business. Furthermore,

the Group has no physical presence in the region, and does not hold currency in any Russian banking institution. None of the EU's sanctions on Russia have any impact on the Group's cash position.

For the 2022/2023 financial year, no major impact is anticipated from either the Covid-19 pandemic or the Russian-Ukrainian conflict.

Nonetheless, the uncertainties that have resulted from the length of the pandemic, from the geopolitical situation in Ukraine, and the impact of both on the cost of raw materials, energy and transport, continue to weigh on our consolidated operating margin. As a result, the budget forecasts have been drawn up prudently, but they could yet be affected by a shortage of raw materials or energy resources at the main production sites in Europe and the United States, or by major disruptions in global freight traffic. Management is keeping a close eye on developments, in order to make any adjustments that may be needed to ensure the smooth running of its business.

## 4 – Description of the main risks and uncertainties facing the Company

### Financial and market risks

Market risk is the risk of adverse changes to the value of a financial instrument from changes in foreign exchange rates, interest rates or stock prices. The Company is subject only to market risk resulting from changes in foreign exchange or interest rates.

Additionally, the Company considers that it is not subject to any liquidity risk.

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

### Legal risks

TFF Group is engaged in global manufacturing and/or distribution activities through its subsidiaries or through contracts with third parties in the fields of coopering, stave milling, the manufacture of large vats, the production of wood products for oenology, forestry and the manufacture of large stainless-steel containers. In this respect, it is subject to a complex regulatory environment, linked to the fields of activity and/or the location of the production sites. The risks it incurs are the usual ones for identical companies in terms of the areas covered: those linked to defective products, to marketing methods and to relations with suppliers and/or distribution networks.

In the normal course of business, TFF Group may face disputes. With the exception of the deductibles applicable to it, TFF Group considers that it is covered for any material financial loss that might result from the invocation of its civil liability.

### Insurance

As of April 30<sup>th</sup>, 2022, TFF Group has a master policy in France that covers property damage and business interruption, civil liability, as well as shipping and directors' liability. Depending on the risks insured, local policies are taken out in other countries and, where necessary, supplemented by TFF Group's master policy.

Civil liability insurance is taken out to cover any risks that might arise from the usual production activities of TFF Group's entities. In addition, product liability insurance protects the company from any claims that might arise from the use of TFF Group products.

A list of the insurance policies taken out by the Group is given in 6.3 below.

## Other risks related to our business

As a major player in the cooperage industry, TFF Group would see an impact to its business 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 never guaranteed, and in the event of a failure of integration, the Group's financial situation could be affected;

A failure of the information systems used by TFF Group could delay or hinder the provision of services or the making of certain decisions.

## Fraud risks

The risk of external fraud, such as cyber-attacks or extortion attempts, has been growing in recent years, and TFF Group, because of its exposure, could be a potential target.

As a result, TFF Group seeks to raise the awareness of its teams worldwide as well as implementing prevention procedures.

## Litigation

There were no governmental or legal proceedings during the year under review that had any material impact on the financial position or profitability of TFF Group.

It should be noted that Group companies are regularly subject to tax or social security audits in the normal course of business. One such audit was carried out on the TONNELLERIE FRANCOIS FRERES LIMITED («TFF Limited») subsidiary which is headquartered in Ireland. As a result of this tax audit, and more specifically, this accounting audit, for the period from May 1<sup>st</sup>, 2010 to April 30<sup>th</sup>, 2019, French tax authorities have concluded that the Irish company TFF Limited carried out an activity that was taxable in France because of the location of its effective management. In January, they sent TFF Limited a proposed adjustment for the financial year ending April 30<sup>th</sup>, 2011 relating to corporate income tax and value-added tax (for an amount of approximately €1.1 million, including duties and surcharges). TFF Limited is contesting the entirety of the proposed reassessment, both procedurally and substantively. A reference to this procedure is included in the notes to the consolidated financial statements in section 4.22.

## 5 - Guidance on the use of financial instruments

In this regard, we refer you to the notes to the consolidated accounts.

## IV. ACTIVITIES OF THE PARENT COMPANY, SUBSIDIARIES AND AFFILIATES

### 1. Parent company

The financial statements for the year that ended on April 30<sup>th</sup>, 2022, which are submitted to the shareholders for approval, were prepared in accordance with the presentation rules and valuation methods provided for by the regulations in force.

The presentation rules and valuation methods used are identical to those used last year. The scope of TFF Group's consolidation is outlined in the notes to the consolidated financial statements.

Sales excluding taxes amounted to € 34,679,000 compared to € 29,218,000 last year.

The operating result reached 10,117 K€ compared to 8,332 K€ last year.

The financial result was 5,786 K€.

The current result reached 15,902 K€ compared to 7,689 K€ last year.

The extraordinary result stood at 248 K€.

The net result reached 10,428 K€ compared to 7,115 K€ last year, with corporate income tax at 5,443 K€ and employee profit sharing at 280 K€.

In accordance with the provisions of Articles 223 quarter and 223 quinquies of the French General Tax Code, we hereby inform you that the parent company's accounts for the past financial year include non-deductible expenses of 51,595 euros from the taxable income referred to in Article 39.4 of the French General Tax Code.

### 2. Subsidiaries and investments

#### French subsidiaries

French cooperages operated in the context of a small harvest in France that was impacted the spring frost and in unfavorable conditions in the USA because of the late 2020 fires.

As a result their activity levels were down.

French stave-mills maintained their activity levels.

The large-vat sector saw a rise in activity levels.

Revenues from wood for oenology products fell slightly, given the sector's strong exposure to the USA.

#### Foreign subsidiaries

In our wine division, business evolved as follows:

The sales of our American companies declined,

Australian and New Zealand subsidiaries grew overall,

The business of Spanish subsidiary's grew,

The Chinese subsidiary maintained a moderate level of activity, similar to last year.

The activity of the whisky cooperages in Scotland declined in terms of volume, with sales prices on the rise, but the level of activity down.

The entities of the «Bourbon» division continued their strong growth with sales levels almost doubling in volume.

In the wood products for oenology sector, business was slightly down, as it was for the large vat business.

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

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

## V. SHAREHOLDING

In order to comply with the legal obligation to disclose the identity of natural persons or legal entities holding more than one twentieth, one tenth, one fifth, one third or one half of the share capital, we inform you that as of April 30, 2022, the distribution of the company's capital and voting rights was as follows

	Situation as at 30 April 2022			
	Number of shares	Number of voting rights	% of capital	% voting rights
SAS La Demignière (François family)	10,320,716	10,320,716	47.61%	47.61%
SARL Familiale François (François family)	4,040,840	4,040,840	18.64%	18.64%
Mr. and Mrs. Jean François	287,040	287,040	1.32%	1.32%
Mr. Jérôme François	704,706	704,706	3.25%	3.25%
Other (including Public)	6,326,698	6,326,698	29.18%	29.18%
<b>TOTAL</b>	<b>21,680,000</b>	<b>21,680,000</b>	<b>100.00</b>	<b>100.00</b>

## VI - INTERNAL CONTROL PROCEDURES IMPLEMENTED BY TFF GROUP

In accordance with the provisions of Articles L.225-100-1 and L.22-10-35 of the French Commercial Code, you will find below the main characteristics of the internal control and risk management procedures implemented by TFF Group in relation to the preparation and processing of accounting and financial information.

### 6.1 Purpose of internal control systems

An internal control system is a system that seeks to limit risk of all kinds and ensure the regularity, security and efficiency of operations. It is therefore characterized by the objectives assigned to it:

- financial performance, through the efficient and appropriate use of the Group's assets and resources and protection against the risk of losses
- exhaustive, precise and regular knowledge of the data required for decision-making and risk- management
- compliance with internal and external rules;
- prevention and detection of fraud and error;
- accuracy and completeness of accounting records and the timely and reliable provision of accounting and financial information.

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

- a system designed to create and maintain an organization that seeks to prevent and control risks, whether of an economic, industrial, financial or legal nature, to which the Company and its subsidiaries in France or abroad are exposed

- a system that seeks to ensure that the Group's financial and accounting information is reliable and well prepared, so that the Group's assets are safeguarded.

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

## 6.2 General organization of internal control procedures

Internal control is everyone's business. Thus, each employee, when checking a task performed oneself or by another member of the team, contributes to the proper functioning of the company's internal control systems.

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

- the exhaustive coverage of all activities and risks,
- the responsibility of all those involved,
- a clear definition of tasks,
- the effective separation of action and control functions,
- formalized and up-to-date delegations.

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

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

- the Executive Board and the Presidents of the subsidiaries
- the Finance Department, particularly in the areas of cash management, consolidation and financial communications.

**6.3.1 The Executive Board defines the general principles of internal controls and ensures that they are properly implemented within the Group. With regard to this, the Executive Board is in constant contact with the Finance Department and the managers of the subsidiaries. It should be noted that each Group subsidiary has a separate manager. Also, that the parent company, Tonnellerie François Frères, acts as a holding company for the Group, and through its Board of Directors, defines the Group's general policies and actively controls and manages its subsidiaries. The Board of Directors decides also on external growth operations within the Group.**

The Board of Directors of Tonnellerie François Frères has set up an Executive Committee at the level of the parent company. It is composed of the Chairman of the Board of Directors, the Group's financial management, and the principal managers of the subsidiaries. It meets quarterly. This committee discusses the progress of business, the Group's strategy, and any opportunities for external and organic growth, as well as trying to detect and anticipate risks.

At the level of the Group's subsidiaries, the ordinary management carried out by the staff of the entities is overseen by the management teams within each entity. Actions outside the ordinary course of business are regularly monitored by the management team of the parent company, in its capacity as the holding company for the Group.

**6.3.2 \* The Group's Finance Department, located within the parent company, acting in its capacity as the holding company for the Group (SA Tonnellerie François Frères - TFF Group), is also in constant contact with the accounting managers of each subsidiary, and is responsible for internal controls, in particular with regard to cash management (centralized management of the cash position of French companies, the monitoring of the cash position of foreign subsidiaries) and consolidation (annual and half-yearly consolidation operations that are overseen by the Finance Department).**

There is also a monthly financial reporting system that covers the main economic indicators (sales by country, type of product, average sales price, investments made, barrels produced, etc.).

This financial information is prepared by the accounting systems of each company and enables the Finance Department and the Executive Board to monitor their performance and compare them with the budgets set at the beginning of the year. It should be noted that the subsidiaries regularly communicate their budget forecasts to the Group.

A consolidated budget is drawn up to serve as a basis for comparison with the monthly results. This budget is regularly updated.

This financial information is also compared with the half-yearly and annual consolidated statements prepared by the Group's Finance Department, in order to analyze the causes of any discrepancies.

CSR reporting and the declaration of non-financial performance are prepared under the direction and coordination of the Group's Chief Financial Officer, with the help of the Health and Safety Officer of François Frères Management and the CSR consulting firm PEPS Management, in accordance with the data collection questionnaire and the consolidation tools. Information on social and environmental responsibility is included in the annual management report, and an independent third-party organization (ACA Nexia) also makes an assessment. This report is updated and completed annually.

\* More specifically, with regard to the parent company TONNELLERIE FRANCOIS FRERES, the Finance Department carries out the following internal control tasks.

The Finance Department manages the chart of accounts and associated reference systems, ensures consistency and completeness checks, and prepares the individual financial statements and tax returns for which it is responsible in a timely manner. Through its role in preparing accounting information, the Finance Department also contributes to the preparation of the Group's financial information.

SA TONNELLERIE FRANCOIS FRERES' general accounting is centralized. Each accounting employee has a clearly defined role and responsibilities. In addition to the accounting records, they constantly monitor the accounts for which they are responsible. In this context they regularly reconcile the balances and transactions recorded with external information (direct confirmation from third parties, bank reconciliation, etc.).

The Finance Department supervises the work of its team on an ongoing basis and participates actively in the preparation of annual and interim financial statements. On the basis of these elements and additional information from other sources, it performs a second-level check of its team's work and of the results that emerge from the



accounting of transactions. It works in direct liaison with management to provide it with all the accounting information needed to steer the company, as well as providing regular cash-flow monitoring.

\* Foreign exchange risk management and prevention: given the company's exposure to foreign exchange risk, a hedging policy has been put in place, especially for North American currencies.

The Group's policy in this respect 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 recognized symmetrically with the results of the hedged items.

\* The Finance Department also coordinates the work of the Statutory Auditors and the Supervisory Board. Given the size of TFF Group, the Supervisory Board acts as its own audit committee.

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

. Property damage and business interruption (through a master group policy or a local policy depending on the country) :

- buildings, rental risks and equipment at replacement value
- goods,
- recourse from neighbors and third parties,
- automatic coverage for investments,

. business interruption

. Civil liability (through a master group policy or a local policy depending on the country)

. Marine transport insurance (group contract applicable to a large majority of the group's companies)

. Automobile fleet (group contract, applicable to a large majority of French companies)

. Insurance for corporate officers

### 6.3.4 The fight against corruption and influence peddling:

TFF Group does not engage in any action that could encourage corruption, and is particularly committed:

- to behaving fairly in business relationships,
- to excluding any abusive or illegal behavior and any abuse and restrictive practices relating to competition and anti-competitive practices,
- to excluding any behavior or facts that could be qualified as active or passive corruption, complicity in influence peddling or favoritism, during the negotiation and execution of contracts.

In order to meet the obligations arising from the law of September 9<sup>th</sup>, 2016 on transparency, the fight against corruption and the modernization of economic life (SAPIN II law), TFF Group has previously undertaken a series of steps, including:

- the adoption of a Code of Conduct based on the Middlednext model, which refers to the United Nations Convention. This Code of Conduct defines (i) the principles and rules that should guide the behavior of each employee in the course of his or her duties, and (ii) identifies the different types of corruption and similar acts that should be avoided.
- the development of a risk map.
- the implementation of information and awareness-raising procedures for the Executive Committee and the Group's managers and employees.

- carried out anti-corruption training in e-learning for at-risk staff, with 180 people spread around the world.

- set up an internal business ethics alert system.

TFF Group will continue to monitor its anti-corruption system for the current and subsequent financial years, making any necessary updates.

### 6.3.5 Information on the consequences of climate change: TFF Group is aware of the risks associated with climate change and is diversifying its activities in order to limit the possible impacts. For the time being, its locations are not directly affected by any restrictive measures taken by local or national authorities.

The main risks for TFF Group in this respect are the potential consequences of global warming, which could lead to an increase in the number of seasons with high temperatures, which could result in lower harvests for the wine business.

TFF Group's business activity does not generate significant greenhouse gas emissions. Only travel and logistics are a source of emissions, which TFF Group strives to reduce by rationalizing the transport of goods.

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

## 6.4 External Control Procedures

### 6.4.1 The Statutory Auditors, through their various audits, perform the procedures specific to their profession. They are informed upstream of the processes regarding the preparation of the financial statements, and present a summary of their work to the Finance Department on a half-yearly and annual basis

It should be noted that the company has two statutory auditors and two alternate auditors, in accordance with the applicable legislation.

The current Statutory Auditors are as follows:

Statutory auditors:

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

Alternate auditors:

- Mr. Claude Cornuot, whose term of office was renewed at the Annual Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending April 30<sup>th</sup>, 2018.
- Compagnie Générale d'Audit & Associés, whose term of office was renewed at the Ordinary General Meeting called to approve the financial statements for the fiscal year ending April 30<sup>th</sup>, 2018.

The operational subsidiaries, both French and foreign, appoint statutory auditors or auditors within the framework of the applicable regulations.

#### **6.4.2 Quality certifications:**

Some of the Group's subsidiaries benefit from ISO 9001 (quality management system) certification. The Hungarian subsidiary also benefits from the ISO 14001 (environmental protection) standard.

### **VII. STATEMENT OF EMPLOYEES' SHAREHOLDINGS IN THE COMPANY'S CAPITAL AS OF THE LAST DAY OF THE FISCAL YEAR**

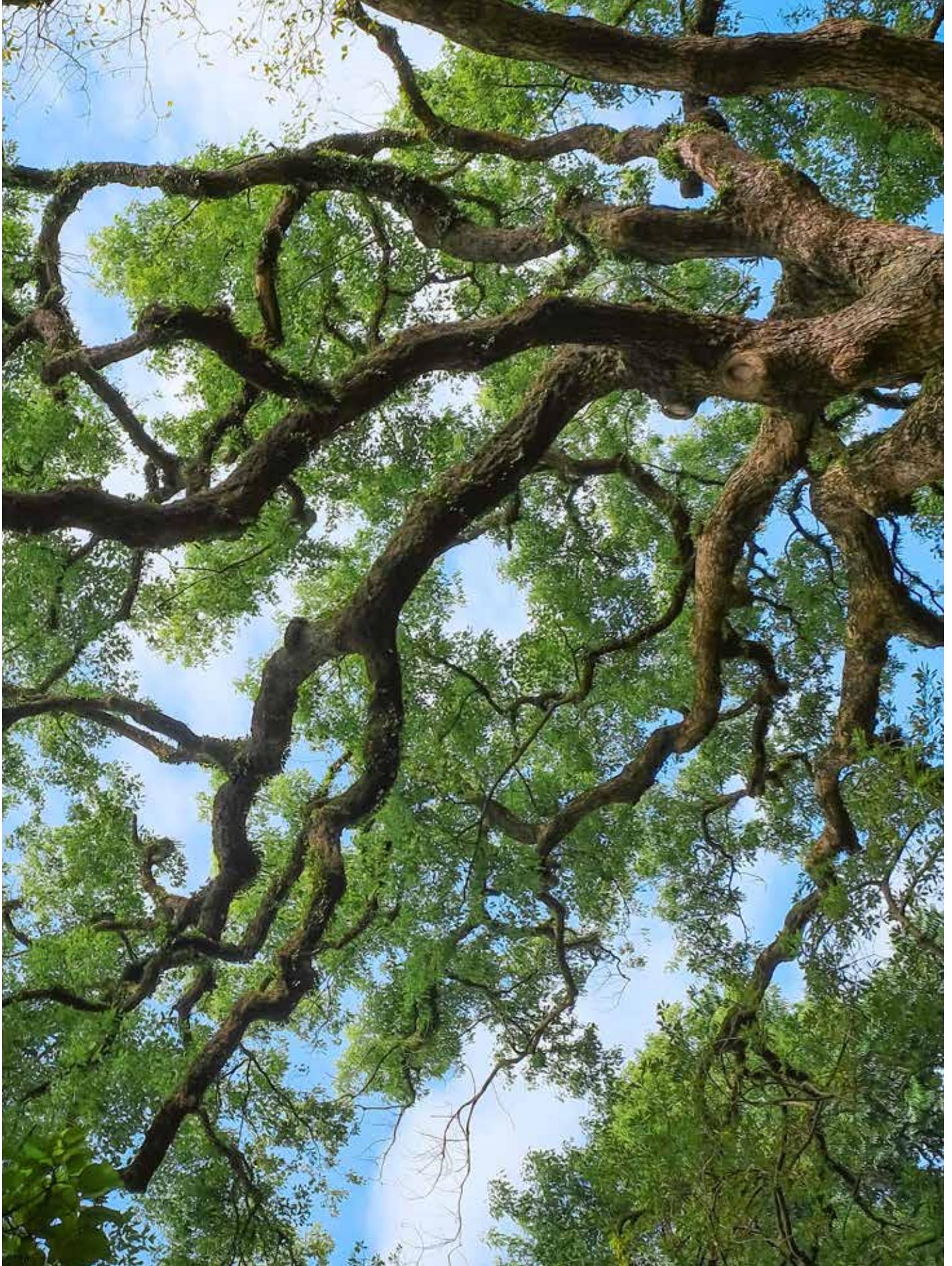
None.

### **VIII. INFORMATION CONCERNING TRANSACTIONS IN THE SECURITIES OF A LISTED COMPANY BY DIRECTORS OR SENIOR EXECUTIVES AND PERSONS CLOSE TO THEM**

A summary statement of the transactions carried out by senior executives and persons close to them during the last financial year is attached to this report (AMF, General Regulation, art. 222-15-3 new).

## **IX. NON-FINANCIAL PERFORMANCE STATEMENT**

In accordance with the provisions of Articles L.225-102-1 paragraph 4 and L.22-10-36 of the French Commercial Code, you will find below the non-financial performance statement prepared by TFF Group.



*Crédit photo : Pexels – Mali Maeder*

# NON-FINANCIAL PERFORMANCE STATEMENT TFF GROUP

2021 was marked by unusually severe weather conditions, with frost causing a 40% loss in French vineyards and the heat waves lasting several weeks in the United States and Canada causing fires in the vineyards.

The consequences of the global Covid-19 pandemic also had an impact on the fiscal year, since it forced each company to reorganize itself in order to deal with logistical and transport constraints.

TFF Group was able to cope with this turbulent context through careful anticipation and solid responsiveness. All of our site managers adapted the organization of their work and the management of their teams with the aim of safeguarding their know-how.

The bourbon division continued its strong growth. Significant efforts were made to recruit, train and retain teams. New saw-mills were set up to meet the growing need for oak wood, and the number of cooperage and stave mill employees in our bourbon division is now close to 500, placing it on a par with our wine division.

2021 was also a year marked by an inflationary environment globally ; however, TFF Group decided not to pass on increases in material and service costs to its customers, providing them with secure support for their supplies.

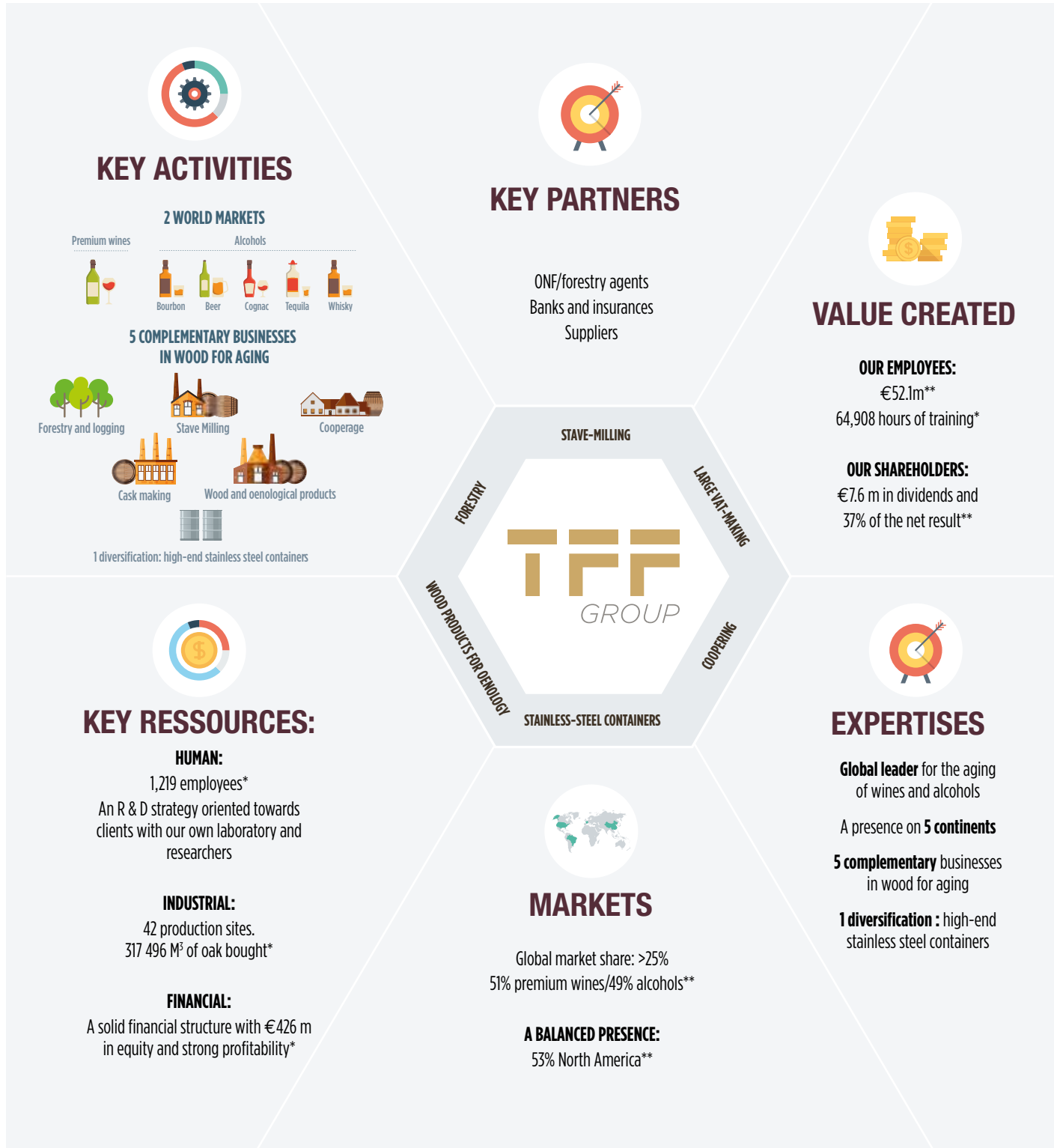
In 2021, TFF Group continued the integration and development of new business sites in France: the GAUTHIER cooperage and stave-mill joined the Group's CSR scope.

In March 2022, the REMOND cooperage joined TFF Group and will become part of its CSR perimeter in 2023.

The global context at the start of 2022 and the climate issues raised by the IPCC report in April 2022 have led TFF Group to pay even closer attention to extra-financial policy, with a view, particularly, to making sustainable investments.



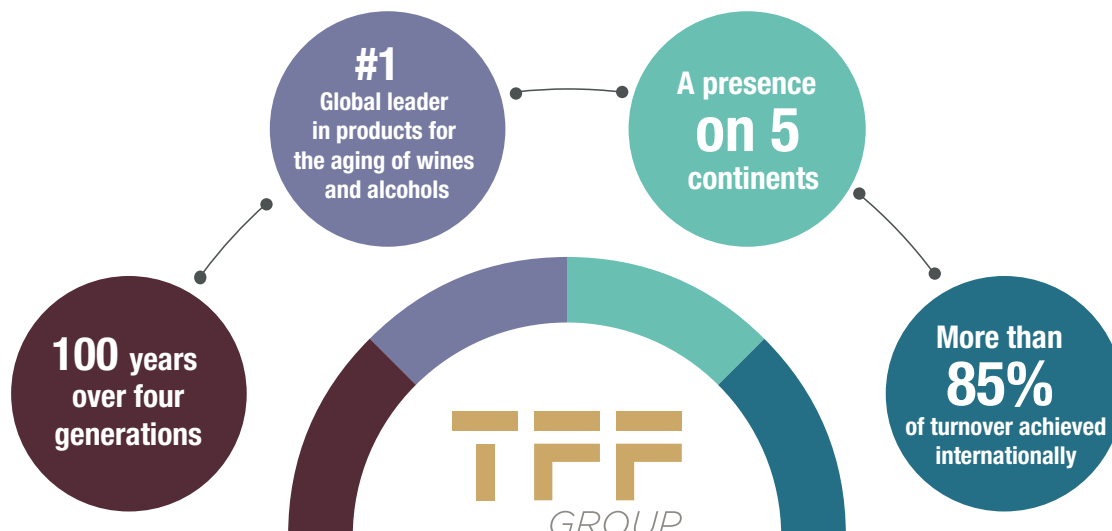
## OUR BUSINESS MODEL:



\* CSR perimeter - December 31<sup>st</sup> 2021

\*\* Financial data - April 30<sup>th</sup> 2022

## OUR MARKETS



## VISION, MISSIONS AND VALUES: TIME IS ON OUR SIDE



*\*Données financières au 30/04/2022*

TFF Group was built by successively integrating independent companies, each with specificities and complementary specialties throughout the wood value chain.

Each entity has been integrated within the group and thus contributes to diversifying the offer and to developing market share both in France and abroad.

By preserving the autonomy of these companies whilst promoting synergies, TFF Group has implemented a common base of best practice and exchange between its companies.

### **Anchoring the Group's activities locally but on a global scale**

Our operating sites are located in wine-producing or alcohol-distilling regions on five continents.

This geographical anchoring, close to our customers and in the most prestigious wine-producing regions, allows us to have a global vision of the markets, to perpetuate local know-how and to contribute to the development of local regions and on a global scale.

### **Between tradition and modernity, an atypical integration model**

TFF Group continues to develop by integrating all of the trades involved in wine and alcohol production:

Forestry; stave mills; wine, whisky and bourbon cooperages; large VAT cooperages; wood products for oenology and stainless-steel tanks.

This organization contributes to the durability of TFF Group and ensures its stability in what can be an uncertain environment.

### **Innovation and quality of our products**

TFF Group seeks to contribute strongly through innovation to the reduction of the ecological impact of its activity, its products, manufacturing and distribution processes, whilst focusing on customer satisfaction.

## Our social and societal commitment

TFF Group’s social and societal policy is based on building team loyalty and recruiting employees, primarily locally, in order to promote the development of the areas where its companies are based. The integration of new talent through the training of apprentices as well as the transmission of know-how are also a priority for our companies.

TFF Group is involved in local life, in particular by setting up cultural and sports sponsorships, or by presenting the Group’s businesses to schools and professionals. Its involvement in local events also enables it to maintain a valuable link with local people.

TFF Group wishes to preserve wood resources and, more generally, to ensure that the biodiversity of the sites that its entities occupy or operate on is maintained in order to preserve them.

This involves numerous actions, namely to do with the management of energy, water and waste to limit the impact generated by the Group’s activity.

## CSR WITHIN TFF GROUP

Aware of its social and environmental impact, TFF Group has implemented a transversal CSR Policy that is applied to all the companies in the group.

### Governance

TFF Group has opted for a two-tiered governance system with an Executive Board and a Supervisory Board. It is organized with an important supervisory function in the conduct of business by the Executive Board. The Supervisory Board includes two people from outside the Group who bring their expertise in promoting a sustainable vision in the Group’s strategy.

The Executive Committee, comprising senior management, support functions and the directors of the main brands, then applies this strategy and translates it into concrete actions within each company.

The CSR Committee regularly presents an assessment and proposals for action in the area of social and sustainable development to the Executive Committee in order to help define the Group’s strategy. These CSR actions are then implemented in each entity.

### Foundations

TFF Group has revised its sustainable development policy taking into account the requirements of the new European regulation on Green Taxonomy, in order to meet two new objectives: climate change mitigation and climate change adaptation.

The 4 main commitments already in place remain unchanged and a new indicator on waste recovery has been added.

## Our commitments:

- Promote training and ensure the transmission of know-how within its teams.
- Increase the CSR culture throughout the Group while maintaining the specificities of each site.
- Focus on purchasing wood from sustainably managed forests and continue to reduce the group’s environmental footprint by focusing on best practice
- Reduce our waste and improve the circular economy around our products.
- Disseminate our ethical values to all our employees in order to reaffirm the importance of respecting a healthy approach to business.

Two new indicators on water and energy consumption will be implemented in 2022.

## CSR scope and Reporting Methodology

The CSR scope of the Group’s consolidated companies has changed and now includes two new French cooperages, the Gauthier Cooperage and the Gauthier stove-mill, both acquired in 2020.

Companies that are less than 51% owned by TFF Group, or with fewer than three employees, are not included.

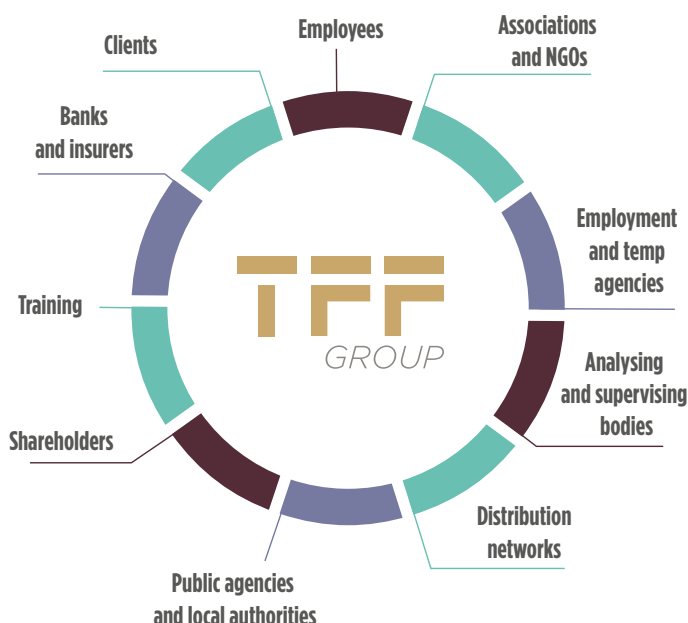
Our CSR reporting is carried out for the period from January 1<sup>st</sup>, 2021 to December 31<sup>st</sup>, 2021, and follows the GRI 3 model, in line with the recommendations of the AMF, based on a diagnosis corresponding to the ISO 26000 standard.

Information is collected from all subsidiaries using Amelkis’ Opera software. The data is checked at both subsidiary and head office level.

Consolidation is carried out at head office level. The data is then checked by the firm ACA Nexia.

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

## Key internal and external actors



## Risks and Opportunities analysis

In 2020, each company also assessed any Pandemic-lined risk within its structure and implemented the necessary actions to ensure the continuity of its activity.

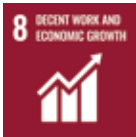

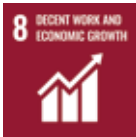







TFF Group has assessed its sustainable development risks thanks to the collaborative work of its teams, the external firm PEPS Management and the Group's Executive Committee.

The methodology used was as follows:

- Identification of risks and issues through surveys of TFF Group subsidiaries and stakeholders
- Consolidation of the various evaluations at TFF Group's head office
- Construction of our materiality grid, thanks to the information gathered and supported by a series of interviews conducted by the Group's main governance bodies.
- Validation of the indicators by TFF's Group Executive Committee
- Implementation of tools for the Group's various companies to make any necessary improvements.

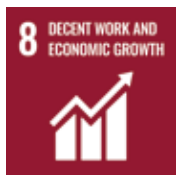
## Priority objectives and targets

A target was added this year in order to meet the requirements of the green taxonomy, the rate of waste recovery.

ODD	Risks and priority issues identified	Description of the issue	Objectives, targets and KPIs	Title of §
	Risk of accidents at work and occupational diseases / Preserving the health and safety of employees	Ensuring the safety of employees and developing health prevention	<ul style="list-style-type: none"> <li>• 100% of receptions areas made secure</li> <li>• Zero accidents and occupational</li> </ul>	I
 	Risk of loss of skills and know-how / Strengthening social policy	Recruiting and retaining qualified or trained staff. Maintaining attractiveness, know-how and skills transfer	<ul style="list-style-type: none"> <li>• Sustaining skills and the transmission of know-how</li> <li>• Increase in internal and external training by 1% each year</li> </ul>	II
   	Reducing the ecological footprint of sites and products and developing more sustainable products	Conserving resources Limiting the environmental impacts of sites Innovate to develop sustainable products and services	<ul style="list-style-type: none"> <li>• Preserving the oak wood resource by area and activity</li> <li>• % PEFC purchase</li> <li>• Developing the number of recycled barrels per number of barrels produced</li> <li>• Proportion of recycled barrels per barrel sold</li> </ul>	III
 	Risk of soil and water pollution / Valorizing waste in the context of climate change mitigation	Improving waste sorting to increase its recovery rate	<ul style="list-style-type: none"> <li>• Improving the rate of waste recovery</li> </ul>	IV
	Risk of Corruption / Ensuring Business Ethics	Ensuring a healthy business relationship and transparency in relations with stakeholders	<ul style="list-style-type: none"> <li>• To have 100% of employees concerned by ethical risk trained (target end of 2021)</li> </ul>	V



## I - PRESERVING THE HEALTH AND SAFETY OF EMPLOYEES



### The Group's policy

TFF Group maintained its health and safety risk prevention policy despite a difficult context. The implementation of targeted ergonomic measures made it possible to improve working conditions and to reduce the level of difficulty of some tasks.

A fire risk assessment of the Group's French companies led to the development of a prevention action plan, which is scheduled for implementation in 2022.

TFF Group is continuing its efforts to prevent exposure to wood dust, paying particular attention to the collective protection measures in place, the cleaning of workstations and awareness of the need to wear PPE.

### Some concrete actions taken in 2021

#### Tonnellerie François Frères :

Improvement of ergonomics and soundproofing of the riveting station.

#### Tonnellerie Demptos :

Establishment of a lifeline for staff working on the roofs of buildings.

#### Tonnellerie Bouyoud :

Installation of air heaters to warm the stacking room.

#### Lejeune :

Soundproofing of the storage building.

Installation of an additional vacuum cleaner at the brushing station.

Purchase of a mobile stepladder to secure access at height in the workshop.

#### Isla Cooperage :

Creation of a platform to safely transport barrels in the workshop.

## Occupational health and safety objectives and commitments :





### ✓ Objective: Reduction of WAs and ODs for the year 2021

#### The results

##### KPI - Indicators AT / TF / TG in relation to the industry – LA7

TFF Group's target of reducing accidents at work was achieved for the third consecutive year. We also note this year the decrease in the accident severity rate which remains below that of our industry (2019 figures published by the CNAM / DRP).

All of our divisions saw their number of accidents at work decrease, including the bourbon division which reduced by 77% its AT / effective rate.


TFF GROUP	12/2020	12/2021	Evolution in 2021	Industry in France in 2019
Number of Accidents at Work (AT)	66	55		N/A
Number of ATs/Staff	5.57%	4.51%		4.15%***
AT Frequency Rate*	32.04	26.41		24.5
AT Severity Rate**	1.51	1.36		1.6

\*\*\* Number of AT / workforce of the industry is calculated with at least 1 day of stoppage, the calculations of TFF Group are carried out on the ATs of at least one day of stoppage.

In 2021, there were no fatal accidents at work within TFF Group.

##### KPI - Indicator Occupational Diseases

The number of occupational diseases is increasing compared to last year, with the increase coming from French companies.

	12/2020	12/2021	Evolution in 2021	Industry in France in 2019
Number of occupational disease reports per year – TFF Group	5	8		up 6.9%

Frequency rate = (total number of accidents at work with stoppage / total number of hours worked over the period) \* 1 000 000

Severity Rate = (total number of days lost due to accidents at work / Total number of hours worked over the period) \* 1000

### ✓ Objective: 100% of arrival security briefings carried out in France

#### The results

##### KPI - Strengthening of safety induction and integration programs for new recruits in France:

94% of the Group's French sites have carried out a formal welcome for newly recruited staff this year (90% of sites last year). TFF Group is maintaining its policy of welcoming new employees with this training in order to reduce the risk of workplace accidents and improve the integration of new employees.

## II - STRENGTHENING OUR SOCIAL POLICY



### Social policy :

TFF Group's social policy is applied within each entity. Its objective is to promote the development of employees' skills through training and mentoring. It ensures the transfer of know-how and skills and thus retains talent.

Training and the transmission of «best practice» and know-how are essential to the sustainability of the business.

TFF Group respects local social legislation, including the freedom of association and the right to collective bargaining, the prohibition of discrimination and forced labor, and the abolition of child labor.

### Developing skills and transferring know-how – LA10 and LA11

Learning and mentoring are an essential way for TFF Group to transmit values and know-how.

✓ **Objective: Increase the number of hours of training (internal and external) by at least 1% per year**

#### The results

The number of hours of training was 64,908 hours, 20% more than last year. This was the result of the integration of new employees, particularly in our American companies and the continuation of the training undertaken.

**196 additional employees trained this year**

**928 employees trained**

**70 hours of training per trained employee**

**49,466 hours of in-house training**

**10,673 hours of learning**

**76% of employees trained throughout the year**

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

	12/2020	12/2021
Hours of training per trained employee	74 h	70 h
Training rate over the year (number of employees trained in 2021 / number of employees on 31/12/2021)	62%	76%

## III – LIMITING OUR ECOLOGICAL FOOTPRINT AND ADAPTING OUR PRODUCTS AND SERVICES TO CLIMATE CHANGE



### The environmental policy of the Group:

TFF Group’s environmental policy is based on four main principles:

- Preserving the oak wood resource by favoring responsible purchasing, including the purchase of PEFC wood wherever possible.
- Preserving the environment of our sites by limiting their impact (limiting packaging, reusing wood waste, sorting and recycling waste).
- Promoting any product, installation or innovation that can help limit our impact on the environment.
- Re-evaluating the group’s carbon footprint in order to be able to carry out targeted actions on the main contributors.

### Limiting the environmental impact on wood resources

The protection of forests is considered a priority issue in the environmental field.

To address this issue, 100% of the Wine Division’s stave mills are PEFC certified and 100% of the Bourbon Division’s stave mills are AHMI certified (members of the Appalachian Hardwood Manufacturers are eligible for Appalachian Sustainable and Legal Certification, which is a third-party audit of the region’s wood product supply to meet standards adopted by the AHMI Board of Directors) The protection of forests is considered a priority issue in the environmental field.



✓ **Objective: To maintain at least the current percentage of PEFC-labelled timber purchases in France.**

#### The results

##### KPI -% of PEFC certified wood purchases indicator

	12/2020	12/2021
% OF WOOD PURCHASES TFF GROUP	42%	41%
% OF WOOD PURCHASES FRANCE	65%	65%



TFF Group has maintained its PEFC wood purchases despite a decrease in wood purchases over the period. In a difficult environment with strong competition from China, the group has managed its sourcing as well as possible in order to guarantee its sustainable sourcing objectives.

TFF Group continues its action towards sustainable forest management by favoring the purchase of PEFC or FSC wood and by encouraging its suppliers to adhere to this commitment, in order to integrate them in a sustainable development approach.

## ✓ Objective : Increase the rate of recycled barrels

### The results

#### KPI - Indicator of the number of recycled barrels per 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 5.06 barrels for one barrel sold.

#### Number of recycled barrels per 1 new barrel sold

	12/2020	12/2021
TFF Group	1.52 / 1	1.20 / 1
Wine and whisky division, excluding Bourbon	4.37 / 1	5.06 / 1

## ✓ Objective : Increase the rate of waste recovery

### The results

#### KPI – The waste recovery rate

The rate of recovery of TFF Group's waste, mainly wood, has always been and remains high.

The objective of the coming years is to reduce the quantities of waste produced in the context of the circular economy.

	12/2021
TFF Group	98%
France	96%

To meet the requirements of the green taxonomy, and as part of our commitment to the circular economy, we want to make progress on the recycling of the group's waste. To this end, we will implement systems for sorting waste at source and seek new treatment channels if necessary.

### Developing products or services to respond to climate change:

In order to respond to the consequences of global warming, such as the increase in the alcohol content of wine in certain regions, TFF Group has adapted its offer with different levels of heating for the barrels, different types of grain or different barrel sizes, etc.

### Limiting the carbon footprint - EN16:

TFF Group has decided to further limit its carbon footprint by carrying out a consolidated assessment on the DPEF perimeter according to the ADEME method on scopes 1, 2 and 3, in order to meet the requirement of Decree No. 2011- 829 on the greenhouse gas emission assessment. This re-evaluation, which will be carried out in 2022, will enable the implementation of a dedicated action plan in 2023.

TFF Group's Carbon Footprint (scopes 1 and 2):	12/2020	12/2021	12/2021* Like-on-like
Carbon footprint in Tons CO2 equivalent (Teq CO2)	47,265	58,251	58,178
Carbon footprint per drum (Teq CO2)	0.0923	0.0897	0.0897

\* Like-on-like carbon footprint without the addition of the Gauthier cooperage and stave mill

On a like-for-like basis, TFF Group's carbon footprint (scope 1 and 2) increased. This is explained by an increased demand for barrels in Bourbon (+43% of barrels produced), with the wine business impacted by significant weather events in 2021 mainly in France and the United States (-16% of barrels produced).

## IV – EUROPEAN TAXONOMY



The European Union, as part of its objective to achieve carbon neutrality by 2050, has set up an action plan, one of the pillars of which is Sustainable Finance. This «Green Deal» is based on 3 ideas

- Redirecting capital flows towards sustainable investments
- Managing financial risks induced by climate change, natural disasters, environmental degradation and social issues
- Promoting transparency and a long-term vision in economic and financial activities.

In order to redirect capital flows towards a more sustainable economy, new European requirements have been created to assess ESG criteria (for Environmental, Social and Governance) and improve the comparability of data.

These obligations are grouped and explained in the European regulation 2020/852 of June 18<sup>th</sup>, 2020, also known as the «Green Taxonomy».

For the fiscal year ending April 30<sup>th</sup>, 2022, TFF Group is required to publish the share of economic activities eligible for the objectives of the European taxonomy relating to the two climate change challenges of mitigation and adaptation in terms of revenues, investments (Capex) and operational expenses (Opex).

The governance of TFF Group, already very vigilant on these points, has commissioned a detailed analysis of all its activities in order to determine the eligible activities and their associated indicators according to the green taxonomy system.

The risk factors related to these activities will be analyzed and action plans implemented to meet the required objectives.

### Scope:

The scope considered is the same as that of the DPEF.

The financial data is taken from the consolidated accounts as of April 30<sup>th</sup>, 2022.

### Eligible activities:

The Delegated Regulation (EU) 2021/2178 of 6 July 2021 specifies the content and presentation of the information to be published by companies on their environmentally sustainable economic activities and the method to be followed to comply with that disclosure obligation.

The delegated regulation specifies the following definitions:

- an economic activity eligible for the taxonomy («Eligible Activities») is an economic activity described in Delegated Regulation (EU) 2021/2139 of June 4<sup>th</sup>, 2021, regardless of whether or not it fulfils some or all of the technical screening criteria set out in that Delegated Regulation;
- an economic activity not eligible for the taxonomy is an economic activity that is not described in the Delegated Regulation (EU) 2021/2139 of June 4<sup>th</sup>, 2021;

- an economic activity aligned with the taxonomy is an economic activity that meets the requirements set out in section 3 of the Regulations.

With regard to Annex 1 of Article 8 of the Delegated Regulation, some of TFF Group's activities are eligible for the European taxonomy:

- Idelot operates forest plots with an area of 44.45 hectares. The management plan for these forests is done in partnership with CEGEB.

This activity is therefore eligible under 'Forest management' (point 1.3 of Annex I).

- Some Group companies have one or more trucks that allow them to deliver to their local customers. The ownership and use of such class N1, N2 or N3 trucks is covered by point 6.6 of Annex I 'Road freight transport'.

This activity does not generate any revenue and for economic reasons and to reduce delivery times, each delivery is optimized to reduce the number of truck rotations and therefore their carbon impact.

### Definition of financial indicators and Methodology

The indicators published (sales, CapEx, OpEx) in this Extra-Financial Performance Statement include only the share of economic activities eligible for the taxonomy.

They relate only to data for the 2021-2022 fiscal year, with no comparative information for the 2020-2021 fiscal year.

As of January 1<sup>st</sup>, 2023, the reporting will be completed by the publication of the shares of the three indicators that are associated with the economic activities aligned with the European Taxonomy. The indicators published in 2023 will relate to data for the 2022/2023 financial year without comparative information for the 2021/2022 financial year.

The share of Eligible Activities on revenue, CapEx and OpEx is calculated by dividing respectively the revenue, CapEx and OpEx associated with TFF Group's eligible activities (the numerator), by TFF Group's total revenue, CapEx and OpEx (the denominator).

The financial indicators on which the Eligibility Ratios of the controlled perimeter are based are drawn from the financial data used for the preparation of the consolidated financial statements of TFF Group, prepared in accordance with IFRS.

Capex: portion of capital expenditure corresponding to costs capitalized for tangible and intangible assets.

Opex: Portion of expenditure on research and development costs, building renovation costs, or short-term leases, as well as maintenance, upkeep and repair costs. OPEX also includes any other direct expenditure, related to the ongoing maintenance of tangible assets, by the group or by third parties to whom these activities are outsourced, that necessary to keep these assets in good working order.

## Share of activities eligible for the objectives of the European taxonomy

### Turnover

Turnover	Fiscal year 2021/2022
Eligible activities Taxonomy	0%
Ineligible activities	100%

As Idelot did not exploit the forest plots in the 2021-2022 financial year, the turnover for this activity was zero.

### Capex

2022 amounted to EUR 0.24 million out of a total capital expenditure of EUR 13.353 million in the Group (or 1.8%).

There were no capital expenditures that were part of a plan to expand tax-eligible business activities.

Capital expenditures not associated with eligible activities but enabling the activities concerned to reduce their carbon emissions could not be exhaustively counted this year because our reporting system is not adapted.

Shares of sustainable activities in Capex: Not determined.

### Opex

Operating expenses as defined in the taxonomy consist primarily of research and development costs, repairs and maintenance, building renovations and short-term leases. The Group's financial reporting system does not yet allow us to quantify this type of operating expense for the fiscal year 2021-2022.

Shares of sustainable activities in Opex: Not determined

## Reduction targets, indicators and performance

The carbon assessment currently being carried out for the year 2021 on scopes 1, 2 and 3 will make it possible to define action plans to reduce the impact of this activity (CO2 emissions) and thus help mitigate climate change.

The waste recycling rate for the whole group is high, around 98%.

TFF Group wants to increase this rate even further by involving our partners to try to reduce the amount of waste to be treated and by promoting sorting at source in each of our companies.

The group also wishes to participate in the energy and ecological transition by developing various aspects of the circular economy and in particular by making progress in the field of sustainable procurement and eco-design.

It wishes to take into account the environmental and social impacts of the resources it uses, in particular those associated with the exploitation of forests.

The study of the environmental impacts of the entire life cycle of its products, and in particular of its oak barrels, will also enable it to better integrate them from the design stage.

Aware of the stakes and the importance of meeting the required criteria, TFF Group is committed to modifying its financial reporting tool in order to unambiguously quantify the 3 indicators required by the taxonomy regulation as of the 2022-2023 fiscal year.

## V – INTEGRITY AND TRUST IN BUSINESS RELATIONSHIPS



### TFF Group's Business Ethics Policy:

Following its adherence to the Middlednext anti-corruption code of conduct, TFF Group has maintained its duty of care to its employees. New employees joining our companies in 2021 have been trained in this code of conduct in order to understand our values of integrity, responsibility and respect for our partners.

TFF Group is fully aware of the risks of corruption and requires its employees to adhere fully to the Group's ethical principles, which are formalized in this code.

A business ethics whistleblower system was implemented in September 2020.

✓ **Objectives: 100% of new employees given corruption risk training.**

#### The results

We have achieved our objective of training new employees that might face a risk of corruption in the performance of their duties.



**100 %** of our employees trained

### Lobbying :

TFF Group is a member of the French Cooperage Federation «Tonneliers de France», the French Wood Producers' Union (SPBO) and the French Stave-millers Union (Syndicat des Merrandiers de France), as well as Middle Next for the representation of its interests with public authorities and the State.

TFF Group is committed to carrying out its business through responsible practices that comply with national and international requirements.

### Tax evasion:

TFF Group complies with the tax regulations of the various countries where its sites are located.

## EXEMPTIONS:

### Other Regulatory Indicators

#### Fight against food waste

#### Responsible, fair and sustainable food

TFF Group is not directly concerned by these indicators because there is no collective catering within the group's companies.

#### Respect for animal welfare

TFF Group is not concerned by this indicator as the group does not use animal testing.

#### Promoting physical activity and sport

Since the implementation of this directive dates back to March 2022, TFF Group is not in a position to fulfil this obligation for the 2021/2022 annual report.



## OTHER INDICATORS 2021

### Other social data

The data is collected at the end of December of the years concerned. Data collected according to a different scope is identified by asterisks.

#### Number by zone – LA1

Staff by zone (CDD+CDI)	12/2020	12/2021
Europe (excluding France)	137	137
France	466	463
USA	539	579
Australia	36	33
New Zealand	1	1
China	6	6
South Africa	0*	0*
TOTAL	1185	1219

Share of the workforce located in the country of the head office (CDD+CDI) 39.3% 37.98%

Share of permanent staff (CDI) located in the country of the head office\* 39% 37.6%

\*Companies with less than 3 employees are not included in the CSR scope (which concerns only 2 companies and 2 employees in total)



#### Workforce – LA1

	12/2020	12/2021
Workforce (CDD+CDI)	1185	1219
Acting Workforce	18	18
Apprentice Workforce	36	45
Fixed-term workforce	3	4
Total number of companies outside the CSR scope	88	82
Total number of employees (permanent contracts-fixed-term contracts, apprentices)*	1327	1364

\*Total scope of the group

#### Staff changes

	12/2020	12/2021
Number of recruitments	580	581
Number of departures	477	548
of which: Dismissal	304 (296 in the USA)	238 (225 in the USA)
Number of employee recruitments (like-on-like)	279	566
Number of employee departures (like-on-like)	331	547
Net evolution of the workforce at a constant perimeter compared to N-1	-52	+19
	of which 21 end fixed-term contract	of which 9 end fixed-term contract

### Turnover - LA2

TFF Group's turnover rose this year, both in France and abroad, mainly in the USA and Europe.

Turnover in%	12/2020	12/2021
TFF Group	44.60	47.66
France	12.66	12.96
Europe (Excluding France)	18.25	29.20
USA	45.64	82.73
Oceania	5.41	5.88

Definition Turnover = Input Rate + Output Rate / 2

NB: the turnover rate of the wood industry in 2018 in France was 15.1%, that of the wood industry in the USA in 2018 was 55.5%.

TFF Group did not implement any restructurings that resulted in redundancy plans during the year.

#### Absenteeism rate – LA7

The absenteeism rate in France and the USA increased significantly for the second consecutive year as a result of the COVID-19 pandemic. Europe and Australasia were less impacted by this increase in absences.

Absenteeism rate	12/2020	12/2021
TFF Group	8.67%	10.12%
France	9.09%	10.44%
Europe outside France	4.93%	3.61%
USA	9.84%	12.17%
Oceania	1.42%	1.21%

#### Working conditions of employees

When it comes to the organization of working time, TFF Group favors daytime work. 10.12% of the group's workforce worked in shift (2x8 or 3x8) in 2020, 9.92% this year.

TFF Group takes into account the personal situations of its employees (family situation, health factors) and arranges working time according to needs as far as possible.

#### Collective agreements – LA4

The percentage of TFF Group employees covered by a collective agreement is 38.7% (100% of French employees).

The agreements in force in France:

Type of agreement	Number of French companies benefiting
Profit sharing	6
Annualization of working time	6
Participation	4
Parity M/F	2
Arduous task agreement	1
Mandatory Annual Negotiation	1
APLD	1

U.S. subsidiaries include a gender parity clause and the inclusion of workers with disabilities in employment contracts.

## Distribution of women in the workforce and their share by type of post

	12/2020	12/2021
Percentage of women in the workforce	16.5%	17.1%
Percentage of executives in the workforce	12.7%	12.3%
Percentage of female managers among managers	26.7%	27.3%

## Number of employees with disabilities

	12/2020	12/2021
Number of employees with disabilities TFF Group	32	32
% of staff in France	5.36%	6.91%

## Average age of employees and share of seniors in the workforce

The average age\* of TFF Group employees was 41.9 years in 2021 (41.3 years in 2020).

Seniors (over 50) represented 30.11% of the workforce (29.28% in 2020).

*\*age estimated from TFF Group's age structure*

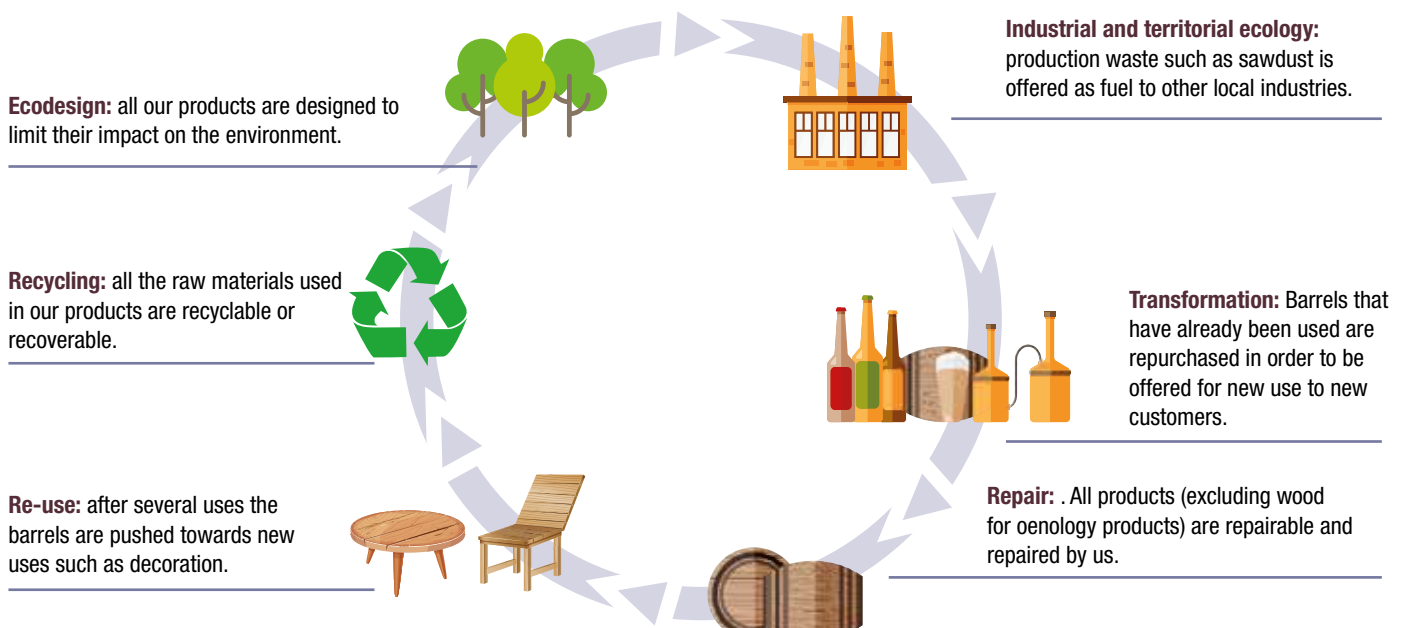
## OTHER ENVIRONMENTAL DATA

### Water

Consumption in m3	12/2020	12/2021
Water from the distribution network	35 176	32 613
Water taken from springs or aquifers *	70 332	77 996
TOTAL	105 508	110 609

## Developing the circular economy

TFF Group has integrated the principle of the circular economy at all stages of our work whether in coopering, large-vat production or the production of wood for oenology products (see diagram below):



	12/2020	12/2021
Volume of recycled water (m3)	65 000	65 000

*\*CSR scope excluding Demptos Napa Cooperage data*

French stave mills consume 65% of the water used by TFF Group and 92% of this water is drawn from groundwater. Two stave mills recycle 100% of their water consumption to water their logs and thus actively participate in the preservation of this resource.

On a like-for-like basis, TFF Group's water consumption decreased this year. The increase in consumption was due to the integration of the new Gauthier stave mill.

## Improving energy efficiency at production sites – EN 5

	12/2020	12/2021
Electricity consumption (Kw/h)	23 557 849	24 725 495
Of which green electricity consumption	0	109 329
% Green electricity consumption	0%	0.4%

The lighting of workshops by LED neon lights is in place in most French companies.

One of our American companied uses 97% green electricity in its electricity consumption.

## MEETING THE EXPECTATIONS OF OUR STAKEHOLDERS

### Improving Customer Satisfaction – PR5

After a Group survey of our customers in 2019, we found a high satisfaction index that we continue to evaluate to best meet their expectations, namely with regard to:

- The repeatability of identical quality from one year to the next,
- The quality of the products,
- The traceability of products and raw materials

On all our production sites, specific controls and traceability are in place to guarantee the quality of our products and to provide any associated services (oenological advice, QR codes on barrels for example).

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 quality management oriented towards customer satisfaction.



**5** ISO 9001 certified sites

### RADOUX - ECOVADIS SILVER MEDAL



The 4 pillars of this rating, which recognizes actions and commitment to sustainable development:

- Environment
- Social & Human Rights
- Purchasing
- Ethical

### Ensuring food safety and limiting allergenic risks

The guarantee of food safety is a central concern throughout the manufacturing and shipping processes and a legitimate expectation of our customers.

We make every effort to guarantee quality products with the aim of eliminating contamination and allergen risks:

- Through random analyses of raw materials, barrels, air, water, and containers.
- Thanks to the elimination of gluten, which was replaced by another material...

- By using food grade products throughout the production process for any parts that come into contact with the products (machine oils, etc.)
- HACCP processes have been implemented at the following sites: Tonnellerie François Frères, Tonnellerie Demptos, Tonnellerie Radoux, Brive Tonneliers, Arobois (wood for oenology products) and Foudrerie François.
- Lejeune's stainless-steel suppliers are European and comply with reach regulations in order to guarantee products without notified hazardous substances.
- By obtaining the ISO 22000 certification: Darnajou Cooperage.

### Securing our raw materials and finished products

TFF Group manages its stocks of raw materials and finished products in order to guarantee the continuity of supply to our customers.

### Supplier Relationship – EC6

TFF Group takes into account in its purchasing policy proximity with its suppliers in order to minimize supply delays, but also to promote the local economy.

Some of our suppliers are partly dependent on our regular purchases, and we do our utmost to provide appropriate solutions to minimize the risks for them as well as for us: ensuring a certain quantity is ordered each year, planning purchases upstream and in collaboration with them, taking into account their imperatives in our order deadlines for example.

### Relations with civil society

TFF Group involves itself in the life of the communities around it by allowing students to discover our different professions through school visits and internships for 3rd grade students on French sites. These visits are not limited to schools, but to trades related to our sectors of activity such as forestry staff (NFB), sommeliers, staff working in the field of viticulture, oenologists as well as our customers.

TFF Group is also involved in several sponsorships in various fields such as, sport, culture, heritage, medical research against cancer (Crush MS in the USA), education and support for people in need.

### CONGRESS TERCLIM:

The Radoux cooperage is a partner of the Terclim congress (July 2022) which brings together 2 events in 1:

- The international "terroir" congress that brings together scientists from all over the world working on wine "terroirs", in order to study the physical, biological and human components and their links with the quality of wine.
- The ClimWine congress with the main theme of climate change impacts and adaptation strategies, covering topics ranging from climate forecasting to socio-economic considerations.



## SPORTS PATRONAGE



Photos taken from the Villa Primrose website

The Demptos cooerage supports one of the oldest tennis and hockey sports clubs in Bordeaux «Villa Primrose», a century-old club created in 1897 by Edouard Lawton, an important wine merchant in Bordeaux, of Irish origin. The club's fame began in the 1940s, with the sporting results of the Jauffret family (pictured above) and continues to the present day. The club was selected in October 2021 as a preparation center for the Paris 2024 Olympic Games for Tennis and Field Hockey.

## Half marathon of the Beaune Wine Sale

In order to promote the local Beaunois heritage, TFF Group participates in the Beaune half-marathon, which crosses the vineyards of the Côtes de Beaune in Burgundy.



## The wines km of Saint-Emilion

Radoux participates financially and forms a team with employees and customers to participate in this race organized by the Rotary Club of St Emilion which passes through various chateaux.



## CULTURAL MEGENAT

### Philosophia Saint-Emilion Festival:

The Radoux cooerage is a sponsor of the 2021 edition of this festival. This 3-day event aims to offer everyone, connoisseurs, enthusiasts, amateurs or simply the curious, the pleasure of learning and understanding. Each year, a different theme is addressed around conferences, debates, readings and animations.

2021 edition: «Language» with a CSR conference.



TFF Group is a sponsor of two musical events. The Musicaves de Givry which combines world music and classical music and the Music and Wine Festival held at the Clos Vougeot, which includes chamber music and concerto concerts.



## The Denon Museum

This year, tonnellerie François Frères made a donation to the Denon Museum in Châlon-Sur-Saône to support access to culture. The collection of the Denon Museum contains more than 25,000 archaeological objects, 11,000 sculptures, graphic works, ethnographic objects.



## Cognac Blues Passions Festival

We support local cultural life through the sponsorship of this Radoux Cooerage festival.



## The Foundation for Wine Culture in Spain

We sponsored this meeting of oenologists, organised around the theme (November 2021): «Oenological adaptation to climate change»- an opportunity to inform participants of Radoux's commitment to sustainable development.

## List of companies included in TFF Group's CSR scope

Tonnellerie François Frères  
François Frères Management  
Tonnellerie Bouyouud  
François Frères USA  
Tonnellerie Radoux  
Merranderie Sciage du Berry  
Radoux USA  
Tonnellerie Demptos  
Toneleria Demptos Espana  
Demptos Napa Cooerage  
Arobois  
Demptos Yantai  
Brive Tonneliers  
Foudrierie Joseph François  
Alain Fouquet French Cooerage

A.P.John Cooperage  
 Classic Oak Australie  
 Classic Oak NZ  
 Camlachie Cooperage  
 Speyside Broxburn Cooperage  
 Speyside Kentucky Cooperage  
 Isla Cooperage  
 Stavin  
 Merranderie Sogibois  
 Merranderie Tronçais Bois Merrain  
 Tonnellerie Berger  
 Speyside Bourbon Cooperage  
 Speyside Bourbon Stave Mill  
 Waverly South  
 Waverly North  
 Speyside Bourbon Cooperage Atkins  
 Speyside Bourbon Glade Spring Stave Mill  
 Speyside Bourbon Manchester Stave Mill  
 Cuves Lejeune  
 Idelot Père & Fils  
 Barrels Unlimited Inc.  
 Tonnellerie Darnajou 1  
 Tonnellerie Darnajou 2  
 Tonnellerie Gauthier  
 Merranderie Gauthier

## X. RESEARCH AND DEVELOPMENT ACTIVITIES – THE COMPANY’S COMMITMENTS TO THE CIRCULAR ECONOMY

These points are developed above, in Part IX, dedicated to the declaration of extra-financial performance.

## XI. SIGNIFICANT EVENTS SINCE THE END OF THE FINANCIAL YEAR

No significant events occurred after closing.

## XII. INFORMATION ON PAYMENT DEADLINES

Pursuant to Article L. 441-6-1 of the French Commercial Code, we include here information on the payment terms of the Company's suppliers and its customers.

As of April 30<sup>th</sup>, 2022, the breakdown by maturity of the Company's supplier balance and customer balance was as follows.

In their report on the annual accounts drawn up as part of the approval of the accounts for the year ended 30<sup>th</sup> April, 2022, the Statutory Auditors made their observations concerning the accuracy and consistency of this information..

	Article D.441 I.- 1 of the Commercial Code: Invoices <b>received</b> and not paid at the financial year's closing date						Article D. 441 I.-2 of the Commercial Code: Invoices <b>sent</b> 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
<b>(A) Installment of arrears</b>												
Number of Invoices	223					98	175					95
Total amount of the invoices tax included	5 192 633 €	18 416 €	0€	0€	0€	18 416 €	6 754 317 €	2 302 421 €	1 623 269 €	1 339 204 €	1 060 930 €	6 325 823 €
Percentage of the total amount of purchases over the year tax included	15.73 %	0.02 %	0.00 %	0.00 %	0.00 %	0.06 %						
Percentage of the turnover of the year (must state before or after tax)												
<b>(B) Invoices not included in (A) and related to debt or credit that is the subject of litigation or not counted</b>												
Number of invoices												
Total number of excluded invoices (must state before or after tax)												
<b>(C) Reference payment period used (contractual or legal period L. 443-1 of the Commercial Code)</b>												
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 21/22 33 013 908

Sales after taxes 21/22 38 047 504

# XIII. ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 28 OCTOBER 2022

## 1 – Presentation of resolutions in ordinary form

- The purpose of the first resolution is to submit for your approval the financial statements for the year that ended on April 30<sup>th</sup>, 2022, as well as the discharge of the members of the Executive Board and the Supervisory Board in the performance of their duties for said year.
- Under the terms of the second resolution, the Shareholders' Meeting will be asked to approve the payment of a dividend of €0.40 per share of capital on November 10<sup>th</sup>, 2022.

When paid to individuals domiciled in France for tax purposes, the dividend is subject to a single flat-rate withholding tax 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 withholdings at the rate of 17.2%, i.e., an overall taxation rate of 30%.

On the basis of a derogation and upon express request, these dividends are subject to income tax at the progressive scale (article 200 A 2. of the General Tax Code), after a 40% allowance, under the conditions provided for in article 158-3. 2° of the French General Tax Code. The dividend is also subject to social security deductions of 17.2%.

An exemption from the 12.8% flat-rate withholding tax (Article 117 quarter, I.-1. of the French Tax Code) is provided for taxpayers whose «reference tax income» does not exceed a certain threshold, as set in paragraph 3 of the article, and provided that they have expressly requested it when filing the relevant income tax return, under the conditions set out in Article 200 A 2. of the French Tax Code, for dividends received in 2022.

Thus, the profit of the parent company, i.e. € 10, 428, 266 would be affected as follows:

Profit for the financial year	10,428,266 euros
Item «carry-over»	3,128,106 euros
Total to be allocated:	13,556,372 euros
* Allocation as dividends	8,672,000 euros
* Allocation to the deferral item again	4,884,372 euros
<b>Total equal to the profit to be allocated (including the item «carry forward again»)</b>	<b>13,556,372 euros</b>

The dividends distributed for the last three financial years are as follows:

Training	2018/2019	2019/2020	2020/2021
Number of shares	21 680 000	21 680 000	21 680 000
Net dividends (euros)	0,35	0,35	0,35
Dividend eligible for abatement	0,35	0,35	0,35

- The purpose of the 3<sup>rd</sup> resolution is to approve the special report of the Statutory Auditors on the regulated agreements concluded during the financial year ended 30 April 2022. In this regard, the following clarifications are made:

1. The Statutory Auditors' special report, which is included in the Company's annual report, mentions the agreements already approved by the General Meeting in previous years, and which continued during the past year.

These agreements are 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 Commercial Code). The Supervisory Board carried out this annual review at its meeting on July 20<sup>th</sup>, 2022.

The financial terms of these agreements, which consist mainly of leases, are likely to change over time in line with the usual indexation of such agreements.

2. New agreements entered into during the past year and authorized by the Supervisory Board, it being noted that only these agreements are subject to a vote by the General Meeting:

- None.
- The purpose of the 4<sup>th</sup> resolution is to submit for your approval the consolidated financial statements at 30<sup>th</sup> April 2022, as outlined above.
- Pursuant to the provisions of Article L. 22-10-34 of the French Commercial Code, it is proposed that you approve the remuneration paid or granted for the financial year ending April 30<sup>th</sup>, 2022 to the executive directors and to the members of the Supervisory Board (commonly referred to as the «ex-post vote»). You are therefore asked to approve :

- the information relating to the remuneration of all executive directors for the financial year ending April 30, 2022 (5<sup>th</sup> resolution);
- the compensation and benefits of any kind paid or granted to Jérôme François, Chairman of the Board of Directors, in respect of the financial year ended April 30<sup>th</sup>, 2022 (6<sup>th</sup> resolution);
- the compensation and benefits of any kind paid or granted to Jean François, Chairman of the Supervisory Board, in respect of the financial year ending April 30<sup>th</sup>, 2022 (7<sup>th</sup> resolution).

You are asked to vote in favor of all of these compensation items, which have been approved by the Supervisory Board. All of these items are described in detail in the Supervisory Board's report on corporate governance (section 9). information relating to the remuneration for the financial year ended 30 April 2022 of all corporate officers (5<sup>th</sup> resolution);

- the elements of remuneration and benefits of any kind paid or awarded for the financial year ended 30 April 2022 to Jérôme François, Chairman of the Management Board (6<sup>th</sup> resolution);

- the elements of remuneration and benefits of any kind paid or awarded for the financial year ended 30 April 2022 to Jean François, Chairman of the Supervisory Board (7<sup>th</sup> resolution).

It is proposed that you issue a favorable vote on all these elements of remuneration, which have been decided by the Supervisory Board. All these elements are described in detail in the Report on Corporate Governance of the Supervisory Board (Section 9).

Under the terms of the 11<sup>th</sup> resolution, it is proposed that the General Meeting of Shareholders set the total annual remuneration allocated to the members of the Supervisory Board at 16,000 euros for the current fiscal year beginning May 1<sup>st</sup>, 2022, and for each subsequent fiscal year, until the shareholders' meeting decides otherwise.

In the context of the 12<sup>nd</sup> resolution, the Assembly will have to decide on the renewal of the term of office of a member of the Supervisory Board. We wish to renew for a period of 6 (six) years the mandate of Mr. Patrick Fenal, until the meeting which will decide on the accounts for the financial year ending in 2028

- Under the terms of the 13<sup>rd</sup> resolution, you will also be asked to decide on an authorization to be given to the Management Board to implement a share buyback program in accordance with Article L.22-10-62 of the French Commercial Code:

In order to enable our Company to improve the financial management of its equity, we propose, in accordance with the provisions of Article L.22-10-62 of the French Commercial Code, that you authorize your Board of Directors to acquire a number of shares representing up to 10% of the shares comprising the Company's share capital.

- The purpose of the 13<sup>th</sup> resolution is to confer the powers to carry out all legal formalities in relation to ordinary resolutions.

## 2 – Presentation of the resolutions in extraordinary form

- Authorization for the Board of Directors to reduce the share capital by cancelling treasury shares held by the Company (14<sup>th</sup> resolution)

The Board of Directors is asking the Shareholders' Meeting, after having heard the special report of the Statutory Auditors, to grant it a delegation of authority to cancel all or part of the shares acquired, up to a limit of 10% of the share capital, for a maximum period of eighteen months.

The Management Board asks your Assembly, after hearing the special report of the Statutory Auditors, to give it a delegation authorizing it to cancel all or part of the shares acquired, within the limit of 10% of the capital, for a maximum period of eighteen months.

- Finally, the purpose of the 16<sup>th</sup> resolution is to confer powers to carry out all legal formalities in relation to extraordinary resolutions.

## XIV. INTER-COMPANY LOANS (ART. L.511-6 OF THE MONETARY AND FINANCIAL CODE)

Pursuant to the provisions of Articles L.511-6 and R. 511-2-1-1 II of the French Monetary and Financial Code, joint stock companies whose accounts are certified by an auditor must disclose in their management report the amount of loans with a maturity of less than two years granted to companies with which they have economic ties, as certified by the auditor (this is different from the intra-group loans authorized by Article L.511-7 of the Monetary and Financial Code).

There were no such agreements within TFF Group during the year under review.

## XV. OUTLOOK

The 2022/2023 financial year is expected to benefit from a combination of very favorable factors. All of our markets should benefit from good growth momentum, allowing the Group to envisage an ambitious target of around €360 million in revenue, thanks to:

- the return of sustained demand on the wine market after three years characterized by a decline in harvest levels and an unfavorable international context;
- promising prospects on the bourbon markets, which continue to show strong sustainable development;
- the recovery of the whisky market, which should be confirmed, accompanied by a price increase favorable to both activity and margins.

Profitability ratios are expected to increase gradually from the 2022/2023 financial year, supported by:

- strong growth in all of the Group's global businesses;
- the improvement of the expected profitability of the bourbon market.

The Executive Board

# ANNEXES TO THE ANNUAL REPORT

## SUMMARY STATEMENT OF THE OPERATIONS CARRIED OUT BY THE MANAGEMENT AND THEIR RELATIVES DURING THE LAST FINANCIAL YEAR

(AMF, REGL. GENERAL, ART. 222-15-3 NEW)

NONE

# CONSOLIDATED BALANCE SHEET

Assets (thousands of euros)	4/30/2022 IFRS	4/30/2021 IFRS
<b>Non current assets</b>		
Intangible fixed assets	4 597	4 466
Goodwill	101 399	85 984
Intangible fixed assets	105 996	90 450
Tangible assets	140 164	125 203
Investments in equity-valued companies	14 050	14 411
Deferred tax assets	12 611	16 006
Financial assets	1 690	2 142
<b>Total non current assets</b>	<b>274 511</b>	<b>248 212</b>
<b>Current assets</b>		
Raw material, intermediate and finished products	277 149	256 604
Trade receivables	78 480	47 864
Other receivables	7 283	12 347
Cash	97 576	94 640
<b>Total current assets</b>	<b>460 488</b>	<b>411 455</b>
Non current assets to be discontinued	0	0
<b>Total assets</b>	<b>734 999</b>	<b>659 667</b>



# CONSOLIDATED BALANCE SHEET

Equity and Liabilities (thousands of euros)	4/30/2022 IFRS	4/30/2021 IFRS
<b>Shareholder's equity</b>		
Common stock	8 672	8 672
Retained earnings	358 875	346 716
Translation adjustment - shareholders' equity	3 840	(7 220)
Consolidated income of the year	35 859	20 041
Translation adjustment - income	295	130
<b>Total Group shareholders' equity</b>	<b>407 541</b>	<b>368 339</b>
Minority interests / reserves	17 837	4 933
Minority interests / income	741	466
<b>Total shareholders' equity</b>	<b>426 119</b>	<b>373 738</b>
<b>Non current liabilities</b>		
Long term provisions	332	124
Deferred tax liabilities	8 891	12 635
Long term interest-bearing loans and borrowings	79 107	79 168
Retirement benefit obligation	2 553	2 994
<b>Total non current liabilities</b>	<b>90 883</b>	<b>94 921</b>
<b>Current liabilities</b>		
Trade payables and equivalent	25 938	18 714
Other liabilities	36 730	18 814
Short term loans and borrowings	155 329	153 480
<b>Total current liabilities</b>	<b>217 997</b>	<b>191 008</b>
Non current liabilities to be discontinued	0	0
<b>Total current and non current liabilities</b>	<b>308 880</b>	<b>285 929</b>
<b>Total Equity and Liabilities</b>	<b>734 999</b>	<b>659 667</b>

# INCOME STATEMENT

Thousands Euros	4/30/2022 12 months IFRS	4/30/2021 12 months IFRS
Revenue	302 616	260 878
Change in finished goods	2 863	(1 049)
<b>PRODUCTION INCOME</b>	<b>305 479</b>	<b>259 829</b>
Purchase of raw materials and goods	(146 303)	(124 140)
Change in raw materials	(5 854)	204
<b>GROSS PROFIT</b>	<b>153 322</b>	<b>135 893</b>
Other purchases and external charges	(37 378)	(30 518)
<b>VALUE-ADDED</b>	<b>115 944</b>	<b>105 375</b>
Operating grants	0	0
Taxes and similar payments	(2 284)	(2 935)
Employee benefits expense	(64 036)	(55 844)
<b>EBITDA</b>	<b>49 624</b>	<b>46 596</b>
Reserves written back to income and internal transfers	2 054	2 951
Allowances for amortizations	(12 288)	(12 228)
Allowances for reserves	(885)	(1 009)
Other current expenses and income	(162)	516
<b>INCOME OF OPERATING ACTIVITIES</b>	<b>38 343</b>	<b>36 826</b>
Other non-current operating income and expenses	(230)	612
<b>INCOME FROM CONTINUING OPERATIONS</b>	<b>38 113</b>	<b>37 438</b>
Share in net income of equity affiliates	403	518
<b>INCOME AFTER SHARE IN NET INCOME OF EQUITY AFFILIATES</b>		<b>37 956</b>
Financial income	23 326	3 885
Financial expense	(11 064)	(14 153)
Net Financial Expense	12 262	(10 268)
<b>EARNINGS BEFORE TAX</b>	<b>50 778</b>	<b>27 688</b>
Income tax	(14 191)	(7 184)
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>36 587</b>	<b>20 504</b>
<b>NET INCOME FROM DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>
<b>NET INCOME</b>	<b>36 587</b>	<b>20 504</b>
Group share	35 859	20 041
Minority interests	728	463
<b>Earnings per share</b>		
net income	1,65	0,92
net income from continuing activities	1,65	0,92
	1,65	0,92
	1,65	0,92



*Time is on our side*

