ANNUAL REPORT 2022-2023


TIME
IS ON
OUR
SIDE

SUMMARY

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A MESSAGE FROM THE PRESIDENT

TFF Group confirme la pertinence de ses choix stratégiques de diversifications et d’investissements menés avec détermination et opiniâtreté depuis maintenant plus de dix ans

Dear shareholder,

The last financial year, which ended on the 30th of April, more than confirmed my message at the same time last year, in which I joined you in expressing my delight at the quality of the results achieved in a still difficult economic situation and stated that this represented an important turning point for our Group, which was entering a new cycle of profitable and sustainable growth.

Our goals have largely been met, and even exceeded, ahead of schedule: with a turnover of nearly €440 million, up by more than 45%, and a net profit of more than €54 million, up by nearly 50%, TFF Group is confirming the appropriateness of the strategic diversification and investment policies it has been doggedly pursuing for over ten years now.

Thus, for the first time, the Spirits (Alcohol) division, with nearly €230 million in turnover, surpassed the Wine division (€211 million). The Bourbon division, in particular, recorded a 59% growth in activity. The Wine division also showed excellent growth (more than 36%), in a now mature market in which TFF Group is strengthening its position as a world leader.

Profits, meanwhile, are all up, in line with the goals we had set for ourselves. They are sustained by the level of demand and the increase in profitability, particularly that of the Spirts division, which is rapidly strengthening and optimising its means of production to meet the steady growth in demand in its markets.

What made this performance possible?

- Firstly, the quality of our highly trained teams, who are on hand to closely monitor developments in each of our markets at all times and who are motivated to respond to them immediately with determination, professionalism and enthusiasm.
- Secondly, the healthy state of all our markets, starting with the wine market, in which we announced a return to high levels of activity in the fourth quarter of the previous year.
- Then there is the spirits market, particularly the bourbon market, whose expected and heralded strong development is continuing unabated, and in which we have invested heavily over the past seven years, with means of production that are already beginning this year to strongly demonstrate their ability to meet the anticipated explosion in demand.
- Lastly, the soundness of our business model and of our financial structure in particular, which allow us to successfully combine organic growth and external growth in a highly responsive way.

We are therefore looking forward very calmly and confidently today to the 2023-2024 financial year, which should continue to benefit from a combination of factors that remain favourable, with all our markets benefiting from good momentum, allowing the group to envisage an ambitious growth target of around +10% in turnover, excluding external growth.

The Group's profitability ratios should also continue to increase progressively, supported by the expected growth in activity across all of the Group's business lines worldwide as well as by the steady improvement in profitability, particularly in the bourbon market, which exceeded the targets set this year, with an EBITDA margin of 17% compared to the 15% figure announced, and which will fully benefit from the investments made and the optimisation of production facilities on all our sites.

Beyond economic performance alone, TFF Group intends to contribute to a more sustainable, responsible and inclusive world.

The climate emergency is leading the group to continue its CSR strategy aimed at better integrating environmental issues by strengthening its actions in favour of the climate transition and environmental protection.

Lastly, I would like to pay tribute to the loyalty of our shareholders, who should be pleased to see TFF Group's performance and the current upturn that promises to be sustainable following the difficult years we have just gone through. We have therefore decided to propose, at our next General Meeting in October 2023, the maintaining of the dividend at €0.40 per share, supplemented by an exceptional dividend of €0.20 reflecting the good performance of the Group.

JÉRÔME FRANCOIS
CEO

KEY FIGURES 2022-2023

VERY STRONG GROWTH IN TURNOVER AND PROFITS

TURNOVER (IN M€)

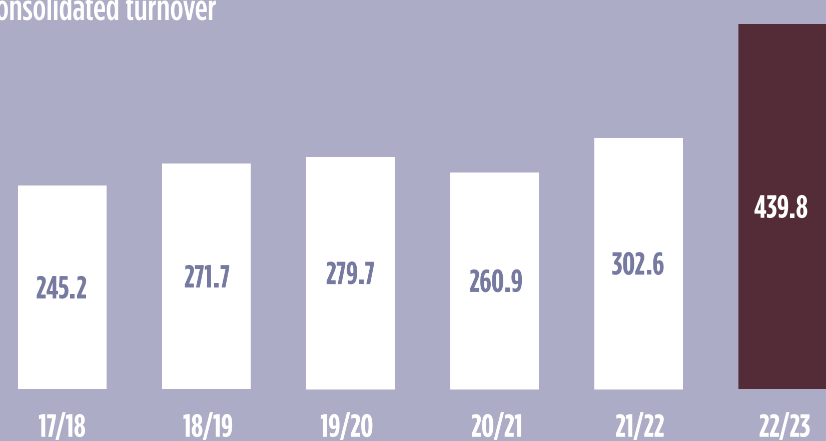
439.8

TURNOVER

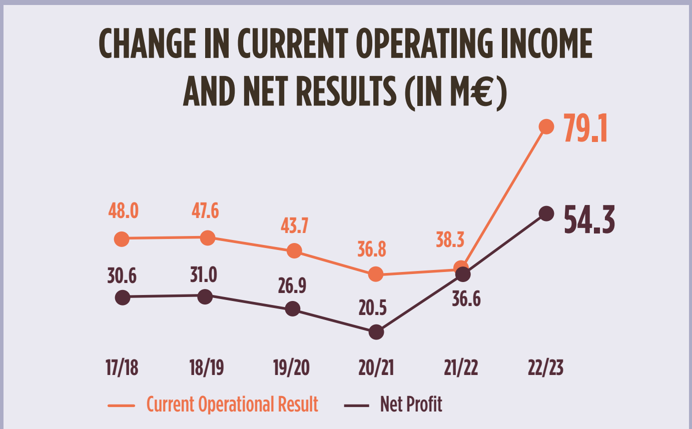
+45.3%

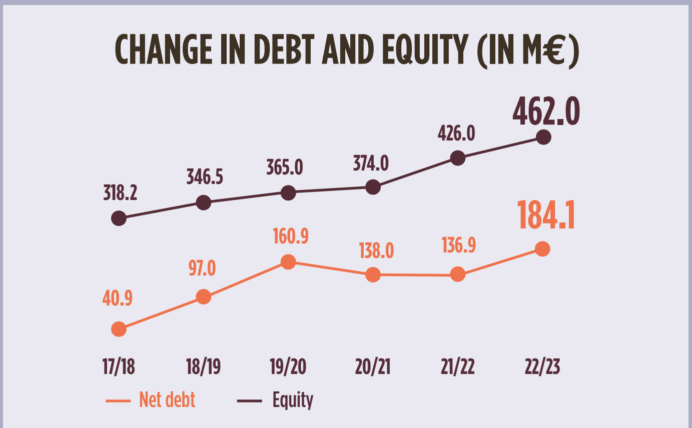
+ 35% Like-on-like
change 2022-2023 vs 2021-2022

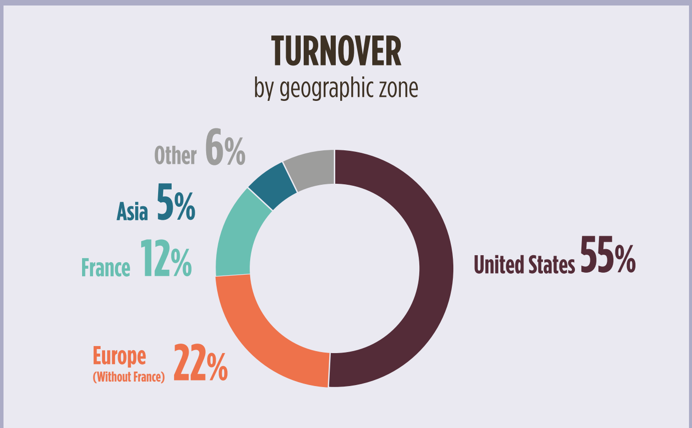
Consolidated turnover

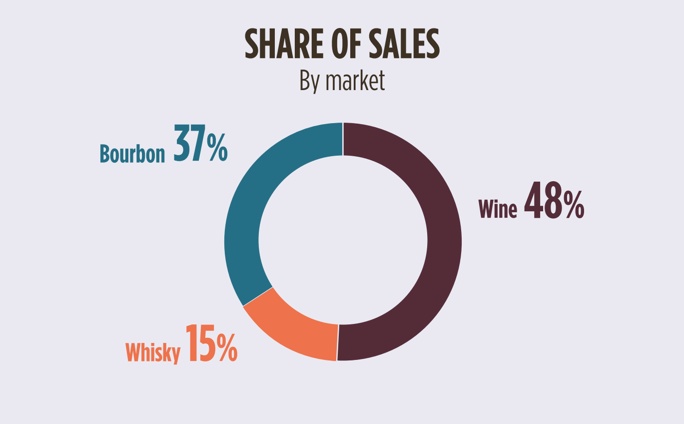


KEY FIGURES 2022-2023









THE WINE MARKET

UNDISPUTED GLOBAL LEADERSHIP POSITION

VERY STRONG GROWTH IN ACTIVITY

€211m
Turnover

+36.3%
Change in turnover

27
Production sites

With a turnover of €211 million, the Wine division recorded a 36.3% growth in sales in 2023 (+26.2% on a like-for-like basis). This was driven by sustained demand, particularly in the United States, where there was a very strong 30% increase in sales of new barrels, and a price recovery that compensated for the increasing cost of both labour and raw materials.

Growth is particularly strong in Europe, especially in France, with a bumper harvest in Burgundy. Sales in diversification activities – stainless steel tanks, large containers, timbering and forestry – are up by 18%. Lastly, the Group recorded a favourable foreign exchange impact of €4.7 million, mainly due to a return to a normal level of sales in the United States.

Global production at a similar level to 2021

In 2022, despite the heat wave that affected many regions around the world, the worldwide volume of wine production came to 258 Mhl, down by 1% compared to 2021, i.e. a level similar to that recorded the previous year. For the fourth year running, global production is slightly below the average for the last twenty years.

This situation is due to a bigger-than-expected harvest in Europe, despite the drought and heat waves that occurred during the spring and summer, and a production level in line with the average for the southern hemisphere and the United States.

Generally, the droughts and high temperatures observed in different parts of the world led to earlier harvests and volumes in line with the average, with good quality expected.

In the European Union, a series of adverse weather events (spring frosts, excessive heat and drought) were observed throughout the 2022 growing season. However, the absence of vine diseases and the rainfall recorded at the end of the summer was enough to compensate for these poor climatic conditions. This was reflected in yields that were higher than initially expected. The relatively early harvests generated a wine production volume estimated at 157 Mhl, a year-on-year increase of 3.5 Mhl (up 2% compared to 2021)[1].

In the United States, the world's fourth-largest producer, wine production for 2022 came to 23.1 Mhl, down 4% compared to the previous year.

In the southern hemisphere, which accounts for 21% of the world's wine production, the volume was estimated at around 55 Mhl, a slight decrease of 4 Mhl compared to 2021.

Global consumption levelling off

Worldwide consumption of wine in 2022 was estimated at 232 Mhl, down slightly (by 1%) compared to 2021. It should be recalled that in 2021 the lifting of restrictions on movements of people and goods and the resumption of gatherings and festivities had contributed to an upturn in consumption in most countries in the world. In 2022, the geopolitical situation with the war in Ukraine, the energy crisis and global supply chain disruptions led to an increase in production and distribution costs.

This situation caused a significant increase in wine prices for consumers. In this context, consumer behaviour in terms of wine consumption varies quite considerably from one geographical region to another.

While wine consumption was down by 2% in the European Union at 111 Mhl, i.e. 48% of global consumption, the United States, the world's leading wine-consuming country, posted an increase of 3% compared to 2021, with a volume of 34.0 Mhl.

A very fast-growing Wine division growing

With sales of 211 million, the Wine division recorded growth of 36.3 % on périmètre a comparable scope (26.2 % on a like-for-like basis) compared to the previous year, driven by the sale of new barrels in Europe and a return to normal sales volumes in the United States.

Diversification activities also showed very strong growth (up 18%), with the exception of stainless steel (down 2%), which had grown by 27% in 2021.

Timbering activities grew by 12.6% and forestry activities were up by 45% due to the increase in timber prices. These good performances enabled the diversification activities to account for 20% of the Wine division's turnover.

232 Mhl

Global consumption in 2022

Integration and 12-month consolidation of Tonnellerie Remond

In March 2022, the Group acquired a 55% stake in Tonnellerie Remond, a cooperage founded in 1954 in Ladoix-Serrigny, near Beaune, in the heart of the Burgundy vineyards, thus continuing its strategy of integrating autonomous brands with high added value. In 2023, Tonnellerie Remond contributes €10 million to the growth of the Wine division.

First 6-month consolidation of the Goulard sawmill

In November 2022, TFF Group acquired a 51% stake in the Goulard & Fils sawmill, which operates a forestry business and specialises in the manufacturing of planks, staves and wine-related products for professionals in the wine and spirits sector. In 2023, the Goulard & Fils sawmill was consolidated over 6 months for an amount of €0.5 million.

The TFF Group also benefited from a favourable foreign exchange effect of €4.7 million over the financial year, thanks in particular to a return to normal sales levels in the United States.

(1) Prospects for world wine production in 2022 (OVI).

THE SCOTCH WHISKY MARKET

N°1 GLOBALLY FOR INDEPENDENT COOPERS

AN ACTIVITY THAT IS GROWING IN VALUE

€67m	+46.1%	8
Turnover	Change in turnover	Production sites

With a turnover of €67 million, the Whisky division recorded a very strong 46.1% growth in sales in 2023 (up 45.6% on a like-for-like basis).

TFF Group fully benefited from the increase in selling prices, up 46% over one year. This increase in barrel prices reflects the whisky market's dependence on used barrels made available by bourbon producers. These prices are expected to remain high in the short term given the tightening of the supply of used barrels and the growth momentum of the whisky market.

This context should facilitate growth in turnover and the maintaining of high profit margins for the Whisky division over the next few years.

This market continued to grow in 2022, up 21% in volume and 37% in value

In 2022, the value of Scotch whisky exports increased by 37% to reach £6.2 billion.

The number of 70 cl bottles exported also increased by 21% to reach the equivalent of 1.67 billion.

The Asia-Pacific region overtook the European Union to become the world's biggest whisky market, with double-digit growth in Taiwan, Singapore, India and China.

While mature European markets such as France, Germany and Spain continued to bounce back after the pandemic with strong growth in 2022, India replaced France as the biggest national market for Scotch whisky in terms of volume.

Despite double-digit growth, Scotch whisky still represents only 2% of the Indian whisky market[2]. Analysis by the Scotch Whisky Association (SWA) shows that a free trade agreement between the United Kingdom and India to lighten the tax burden on Scotch whisky in India could stimulate market access for producers, allowing additional growth of £1 billion over the next five years.

In the Americas, the United States continued its recovery following the effects of customs duties on single malt Scotch whisky, with exports valued at more than £1 billion.

Mexico and Canada have also experienced growth, thanks to their renegotiation of free trade agreements with the United Kingdom.

Market growth will remain strong and is expected to exceed 4% until 2025.

+4 %

Expected growth between 2021 and 2025

+21 %

in export volume

Exceptional performance of the Whisky division

In 2023, TFF Group achieved a turnover of €67 million, up very strongly by 46.1%.

As in the previous year, trading activity was restricted by the shortage of second-hand American barrels (former Bourbon barrels), with a deficit of around 20,000 barrels.

The shortage of used barrels led to a sharp 46% increase in prices.

Under the combined effect of low volumes of available barrels and higher prices, as in the previous year, the financial year was marked by a fall in demand for planters.

The repair and renovation activity saw a 34% growth in its sales over the year. It benefited from the proactive training policy undertaken in recent years by the Group's various companies.

In the coming months, due to the shortage of second-hand American barrels, the trading activity should benefit from a price increase that will have a significant impact on sales growth and the current operating profitability of the Whisky division.

(2) Source: Scotch Whisky Association.

THE BOURBON MARKET

N°2 AMONGST GLOBAL COOPERS

CONTINUED STRONG GROWTH

€161.5m	+59%	9
Turnover	Change in turnover	Production sites

For the second year running, the Bourbon division posted very strong growth in its turnover, which rose to €161.5 million, up by 59% (43% on a like-for-like basis).

The operational excellence of the nine production sites launched since 2016, combined with an adjustment of selling prices, enabled the initial profitability targets to be exceeded, with an EBITDA margin of 17% compared to a target of 15%.

The bourbon market: an ever-growing market

Having grown by more than 50% over the past five years, the bourbon market is expected to continue to grow until 2031 at a rate of 5 to 6% per year[(3)]. Between now and 2031, it should increase from $7.8 billion to $12.8 billion[(4)].

In 2022, more than 31 million 9-litre cases of American whisky were sold in the United States, generating nearly $5.1 billion in revenue for distillers(2). The main factors driving the growth of the bourbon market are the increase in demand for premium bourbon and the development of super premium brands.

Added to this is the strong growth of luxury spirits – American whiskies and bourbons priced above $50 – which are up by 40% over the last four years. Exports are up by 30%, driven by cocktail culture and increasing consumption by women and younger people all over the world (4).

In addition, we are witnessing an explosion of craft distilleries in the United States. From around one hundred in 2005, the number has risen to more than 2,600 today.

Increasing numbers of consumers, in search of authenticity, are going on short holidays or weekend breaks modelled on the Whisky Trail in Scotland. These represent a financial windfall for the distilleries concerned, with visitors being encouraged to take bottles and their stories home with them.

Record performance of the Bourbon division

In 2023, the Bourbon division achieved a turnover of €161.5 million, up by 59% (43% on a like-for-like basis).

In the course of the year, TFF Group continued its investments in stave mills with the acquisition of Beattyville in Kentucky in November 2022 and the construction of an eighth site in Corsica, Pennsylvania, scheduled to start production at the end of 2023. These investments represent $140 million in CapEx and $113 million in WCR at the end of April 2023.

The Group now has a very extensive industrial network in five US states, with seven stave mills and two cooperages, and thus has complete control over its supply of American oak, thereby guaranteeing future profitability.

Stave milling activity: strong growth momentum and accelerated production

The activity has 7 sites, 18 production lines and a workforce of 300 people, reinforced by the arrival of five new buyers

The pause in demand for American oak – with a downturn in construction and a slowing of exports to China – and a more favourable job market in the United States enabled production to be increased from 430,000 to 650,000 sets.

Cooperage activity: increased production and strong profitability

The cooperage activity recorded a 10% increase in production. The high rate of use of its production capacity (88%) enabled 660,000 barrels to be produced.

The 25 % increase in selling prices ($240

per barrel) also contributed to increased sales and profitability.

This price policy, announced during the previous financial year, allowed increased costs in terms of oak and labour to be passed on.

The operational excellence of the two cooperages and seven stave mills, combined with an adjustment of selling prices, allowed TFF Group, for the first time since its arrival on the bourbon market in 2016, to exceed its profitability targets, with an EBITDA margin of 17% compared to a stated target of 15%.

In the coming months, TFF Group is targeting 100% use of the production capacity of its cooperages and an increase in its wood stocks to prepare for the new phase of its development, which should enable it to produce a million barrels per year.

660 000
barrels produced

(3) Source : International Wine & Spirit Research.
(4) Source: Distilled Spirits Council.

CORPORATE SOCIAL RESPONSIBILITY: OVER 100 YEARS OF COMMITMENT

Since its founding in 1910, Corporate Social Responsibility (CSR) has been at the heart of TFF Group's value creation model. Today, as the heir to its founders' commitments, TFF Group is strengthening the social and environmental ambitions on which it was built: inclusive growth, training, employee protection and diversity and constant reduction of the impact of its activity on the environment.

For TFF Group, attachment to local regions, people and nature, particularly forests, is intrinsically linked to the cooper's profession. To give substance to this attachment, the Group's commitment is supported by three pillars that guide all of its actions.

COMMITTING OURSELVES TO MORE SUSTAINABLE STAVE MILLING AND COOPERAGE

TFF Group is committed to a more sustainable stave milling and cooperage industry, aiming to create long-term value for its customers and shareholders. It is the world leader in the sector of wood for ageing of wines and spirits, and has been combining know-how and sustainable management of forest heritage for more than a hundred years.

Passing on know-how

LES COMPAGNONS DU DEVOIR et du Tour de France

Perpetuating and passing on cooperage know-how inherited from two thousand years of tradition means guaranteeing the future of the sector. For TFF Group, apprenticeship and companionship training are vital to meet its development requirements and give new generations a chance by passing on its values.

Prioritising short supply chains in wood procurement

For TFF Group, sustainable forest management is a major challenge to be met to ensure the survival of its activity, by guaranteeing quality wood supplies in the long term in the context of global warming. To ensure the stability and security of its supplies, TFF Group promotes a short supply approach by integrating local timber sectors, developing lasting relationships of trust with its partners and prioritising the use of certified wood from sustainably managed forests.

Acting as a responsible employer

Operating on five continents in more than ten countries, and employing 1,676 people, TFF Group strives to guarantee a safe and fulfilling working environment.

To sustainably protect the health and safety of each employee, TFF Group has implemented numerous actions specific to each site, notably a methodology aimed at limiting exposure to risks through appropriate collective and individual protective measures, with the goal of "zero accidents".

TFF Group has implemented actions to formalise all the rules governing the activity of its managers and employees, all over the world, in strict compliance with International Labour Organization requirements: compliance with local social legislation, respect for freedom of association and collective bargaining rights, prohibition of forced labour, abolition of child labour and non-discrimination.

LIMITING OUR ENVIRONMENTAL FOOTPRINT AND ADAPTING ACTIVITIES TO CLIMATE CHANGE

Reducing our carbon footprint and offsetting emissions

TFF Group helps its companies to implement strategies aimed at reducing their direct and indirect CO2 emissions linked to the production process, through control of their energy consumption, and those generated by freight, purchases of goods and services, purchases of raw materials, travel or waste management.

Every year, forests absorb millions of tons of CO2 equivalent to 12% of the greenhouse gases emitted in France. As a direct and indirect player in sustainable forest management, TFF Group contributes to forest development, biodiversity conservation and carbon storage, while simultaneously preserving the resources necessary for its activities.

By practising sustainable forest management, TFF Group contributes to the growth of planted areas and the improvement of forest quality. Although timber harvesting is often criticised, it is a necessary act to keep forests healthy: aging trees become more susceptible to climatic conditions or diseases and deteriorate prematurely.

PEFC

For its purchases of raw materials, TFF Group prioritises wood from sustainably managed forests, guaranteeing the development of forests and rational exploitation. Thus, all of the Wine division's stave mills in France are PEFC certified and all of the Bourbon division's stave mills are AHMI certified in the United States.

Waste management and circular economy

75% of TFF Group's waste has a second life (98% in France). The barrels produced are recyclable throughout their life cycle. During the manufacturing of the staves, waste is recycled by resale to other industries (timbering and biomass). The wastage rate in their use is particularly low, as the barrels are custom-designed. At the end of their life, barrels are recycled by being turned into planters or used as firewood.

Management and preservation of water resources

TFF Group has set itself ambitious targets in terms of reducing its consumption of water, which is an essential component of its activities, particularly for watering of logs in stave mills.

To date, two French stave mills, Sciage du Berry and SO.GI.BOIS, have set up systems for recycling water throughout the production process.

PROMOTING MORE INCLUSIVE GROWTH

Promoting local employment and economic and industrial growth

Thanks to its strong local roots, TFF Group contributes to economic and industrial development in the regions in which its sites and those of its suppliers are located, through the creation of direct and indirect jobs and by participating in vocational training activities.

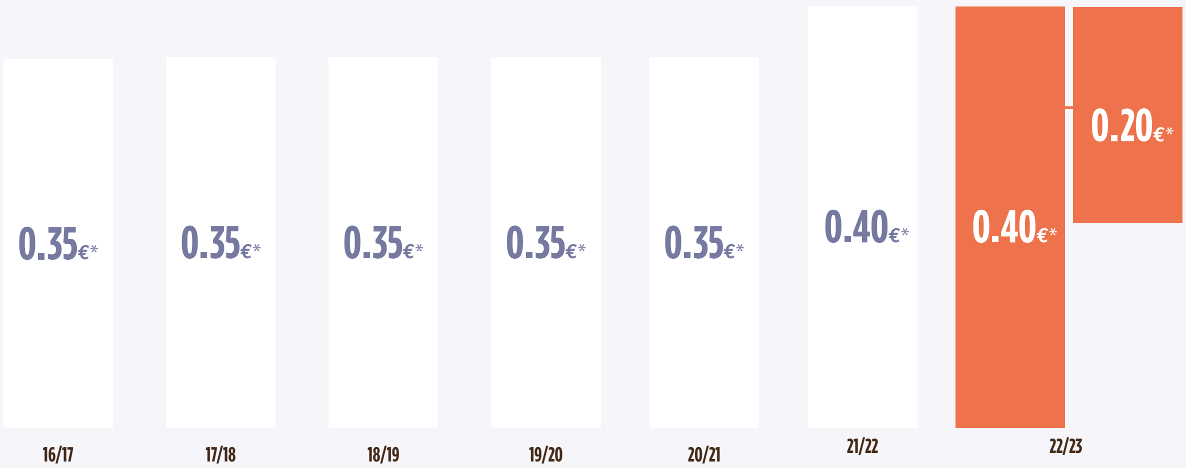
Implementing local philanthropic actions

TFF Group's organisation is based on giving each company extensive decision-making autonomy, allowing staff to define the Group's positive impact actions locally in the countries where it operates.

These actions include investment in environmental sponsorship actions, such as the One tree planted operation supported by Demptos Napa Cooperage, which allowed 3,000 trees to be replanted in an area destroyed by a fire in the United States, and cultural sponsorship initiatives such as support for the Music & Wine Festival at the Clos de Vougeot in Côte-d'Or, which brings together internationally renowned musicians and Burgundy wine growers.

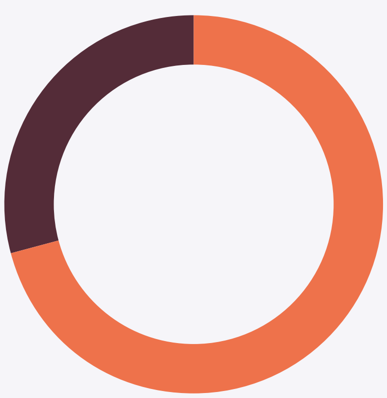
DIVIDEND 2023

MAINTAINING OF THE DIVIDEND AND PAYMENT OF AN EXCEPTIONAL DIVIDEND



* 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 2023

DISTRIBUTION OF THE CAPITAL AT APRIL 30TH, 2023



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 2023-2024

2023

September 12th	Q1 turnover 2023-2024
October 27th	General assembly

2024

January 9th	Q2 Turnover 2023-2024 Half-yearly results
March 14th	Q3 turnover 2023-2024
July	Annual results 2023-2024 Results meeting
October	General assembly

ADMINISTRATION AND MANAGEMENT

Supervisory Board and Management Board

Monsieur Jean François
Chairman of the Supervisory Board

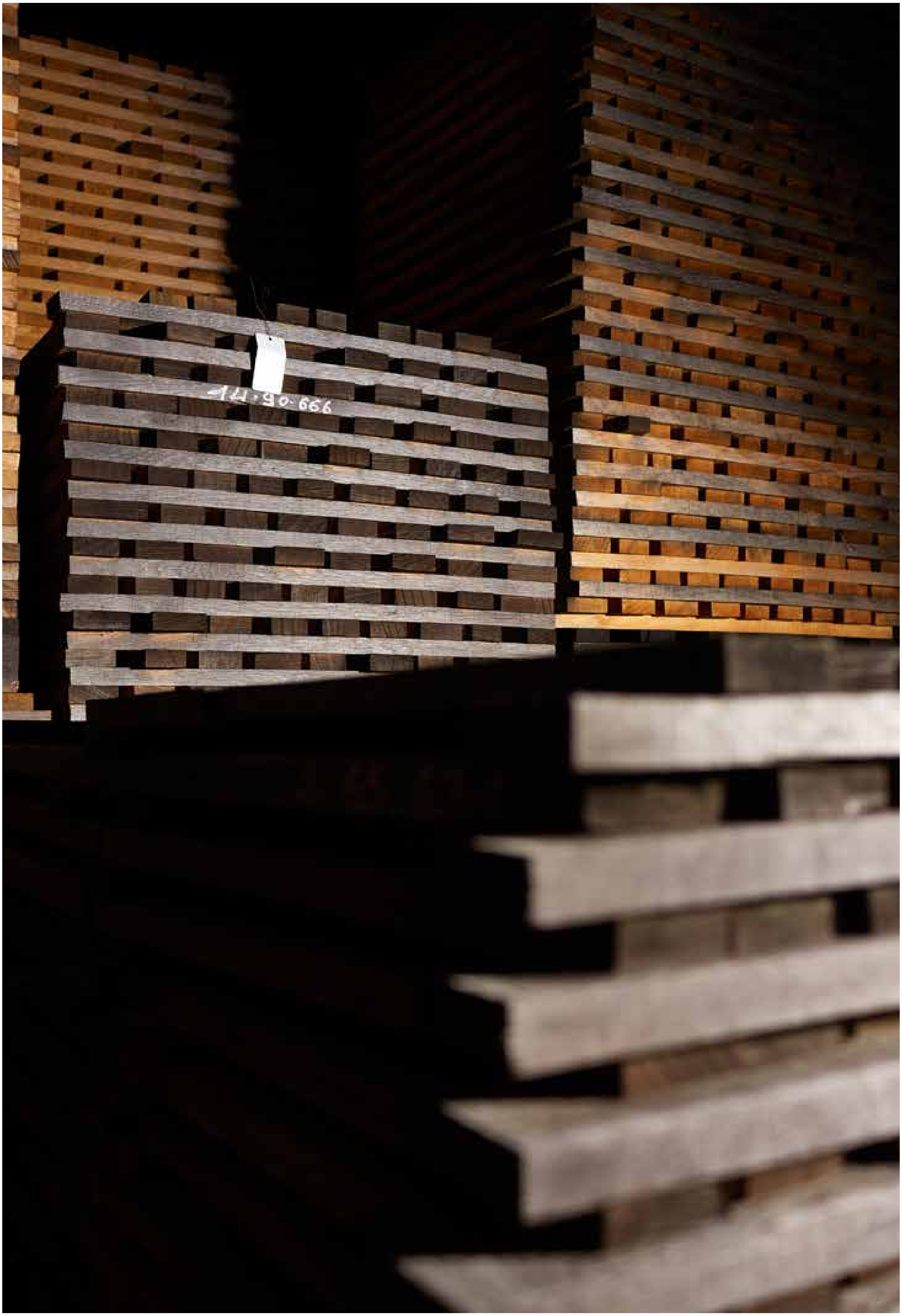
Monsieur Jerôme François
Chairman of the Management Board

Madame Noëlle François
Member of the Management Board

Madame Nathalie Meo
Supervisory Board member

Monsieur Patrick Fenal
Supervisory Board member

Mademoiselle Philippine François
Supervisory Board member



44.90.666

SUMMARY

MANAGEMENT REPORT OF THE EXECUTIVE BOARD JOINT GENERAL MEETING OCTOBER 27th, 2023

Ladies and Gentlemen,

The General Meeting was convened to deliberate on the financial statements for the financial year that ended on April 30th, 2023, in order to affect the result of the said financial year, to decide on the regulated agreements entered into or continued during the same financial year, as well as on various other points more fully described below.

The aim of the meeting is to lay out the situation of the Company and the Group (TFF Group) during the past financial year, including its foreseeable evolution, its research and development activities, the important events that occurred between the end of the financial year and the preparation of this report, and the main characteristics of the company's internal monitoring and risk management procedures. In line with the provisions of Articles L.225-102-1 and L.22-10-36 of the French Commercial Code, the non-financial performance declaration is also included in this report.

Any quantified comments are made subject to the approval of the accounts as they are presented to you.

I. CHANGES TO OUR CAPITAL

The amount of our capital did not change during the financial year that ended on April 30th, 2023, and therefore amounts to 8,672,000 euros.

In line with the provisions of Article L 225-184 of the French Commercial Code, we hereby declare that there are no current plans relating to the sale either of stock options or shares.

II. ACQUISITIONS FOR THE YEAR – DISPOSALS OF SHAREHOLDINGS

On November 17th, 2022, TFF Group acquired 51% of the shares of SAS GOULARD ET FILS. Established in Chadenac in Charente Maritime in 1988, the company is involved in forestry, sawmills and stave-mills.

The company, which was passed down within the same family over three generations, is managed now by Nicolas Goulard, with 11 employees spread over 4 production sites.

This new partnership with SAS GOULARD ET FILS, a historically important and exclusive supplier of French oak to the TFF Group subsidiary and global leader in wood products for oenology STAVIN, will allow the company to secure its supplies.

Goulard has a turnover of around €2 million, nearly two-thirds of which is now within TFF Group.

In addition, TFF Group created two new companies during the 2022/2023 financial year:

- SPEYSIDE BOURBON BEATTYVILLE (a bourbon stave-mill in the USA);
- ARTISAN COOPERAGE (a distribution subsidiary in the USA for several French cooperages).

Finally, IDELOT Père et Fils chose to reduce their capital in July 2022, leading to an increase in TFF Group's stake from 90% to 100% as a result of the sale.

III. CONSOLIDATED FINANCIAL PERFORMANCE AND STRUCTURE RATIOS

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

Consolidated financial statements at April 30th (in K€)	30/04/23	30/04/22
Turnover	439,785	302,616
Profit from recurring operations	79,128	38,343
Operating income after associates' shares	80,482	38,516
Profit before tax	72,368	50,778
Net income	54,334	36,587
Group share profit	52,820	35,859

Balance sheet accounts (in K€)		
Group equity	442,453	407,541
Net financial debt	184,162	136,860
Net financial debt/equity	0.416	0.336
Net stocks	345,941	277,149

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

For the 2022/2023 financial year, consolidated revenue amounted to €439.8 million, up +45.3% on the previous year, and up +35.0% like-for-like (excluding exchange rate and scope effects).

On a like-for-like basis, activity grew by +26.2% in the «wine» activities and up +44.2% in the «alcohol» activities.

The year was an excellent one for TFF Group, which met all of its commitments and validated the relevance of its strategic choices as well as its hefty production investments.

Revenue from the «wine» activities thus amounted to €211.5 million.

In the alcohol market, activity reached €228.2 million.

On the wine market, a good harvest in Europe and the return to normal harvest conditions in the USA generated significant volumes for our barrel businesses.

On the whisky market, despite a shortage of used barrels, volumes held up well and the growth in our repair activities combined with significant price effects led to a strong increase in sales.

In the ever-expanding Bourbon market, more than 650,000 barrels were produced and marketed, with the Group continuing its investments in order to aim for production capacity of 1,000,000 barrels.

Profit from recurring operations (ROC) increased by +106.4% to €79.1 million thanks to:

- The good absorption of cost increases,
- The improved profitability of the two parts of the spirits division: whisky and bourbon
- The return to normative volumes in the wines division.

The Group's operating income from continuing operations (ROP) amounted to €79.1 million, up +107.5% taking into account non-recurring items of -€0.04 million.

Financial income for the year was -€8.1 million, including a foreign exchange impact of -€4.5 million.

Net income amounted to €54.3 million (or 12.3% of sales), up +48.5%.

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

The start of an armed conflict between Russia and Ukraine on February 24th, 2022 affected economic and commercial activities globally. The conflict erupted in what was already an inflationary context resulting from the COVID-19 pandemic. Yet it did not have any major impact on TFF Group's activity over the course of the financial year. With no physical presence in the conflict zone and no currency Russian banking institutions, none of the economic sanctions imposed on Russia have weighed on the group's cash position.

For the 2023/2024 financial year, the Group anticipates effects in terms of energy costs in its manufacturing units and financing costs related to interest rate rises.

Thus, the uncertainties related to the consequences of the geopolitical situation in Ukraine, and their impact on the cost of raw materials, energy and transport, could create uncertainties for our consolidated operating margin. Budget forecasts have been prepared cautiously, but they could be jeopardized by a shortage of raw materials or energy resources at major production sites in Europe and the United States or by major disruptions in freight on a global scale. The management carefully monitors the evolution of the situation, in order to make any changes necessary to the proper functioning of its activity.

4 – Description of the main risks and uncertainties facing the company

Financial and market risks

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

The Company considers that it is not subject to liquidity risks.

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

Legal risks

TFF Group carries out manufacturing and/or distribution activities worldwide through its subsidiaries or through contracts with third parties in the fields of coopering, stave milling, VAT making, wood products, forestry and the production of large stainless-steel containers. As a result, it is subject to a complex regulatory environment, linked to its fields of activity and/or its locations. The risks it incurs are the usual ones for similar companies: defective products, methods of marketing, or relations with suppliers and/or distribution networks.

In the normal course of business, TFF Group may be faced with litigation. With the exception of the deductibles applicable to it, TFF Group considers that it has taken out adequate Civil Liability insurance allowing it to be covered against any material financial loss that would result from the application of its Civil Liability.

Climate risks

The implementation of the Group's 2025 Sustainable Development Strategy and the consequences of climate uncertainties have been integrated into the financial statements.

In particular, measures relating to the supply, production and transport chains, or initiatives promoting a circular economy, or those related to the preservation of natural resources, are likely to impact certain of the Group's operational performance indicators. This could include higher raw material and production costs, increased research and development costs, certification and training fees, or changes to the lifespans or residual values of certain assets.

The estimated impacts of these different developments have been integrated as far as possible into future cash flows, even though they remain difficult to predict.

Insurance

As of April 30th, 2023, TFF Group had grouped under a «master» policy in France the risks of property damage and operating losses, civil liability, maritime transport, and the civil liability of corporate officers. Depending on the insurance risks, local policies can be taken out abroad and sometimes topped up by the TFF Group master policy.

Civil liability insurance is taken out to cover the risks arising from the usual production activities of all TFF Group entities. In addition, product liability insurance protects the company from possible complaints arising from the use of TFF Group products.

The list of insurance policies underwritten by the Group is set out in 6.3 below.

Miscellaneous general risks related to our activities

- As a major player in the cooperage sector, TFF Group could suffer negative effects in terms of activity and results in the event of an economic slowdown in one or more of its markets;
- The success of the acquisitions made by TFF Group is never guaranteed, and in the event of a difficult integration, the Group's financial situation could be impacted,
- The failure of TFF Group's information systems could delay or hinder the performance of services or the decision-making process.

Risks of fraud

The risks of external fraud, such as cyber attacks or extortion attempts, have tended to grow in recent years, and TFF Group, due to its exposure, can find itself a target.

As a result, TFF Group strives to raise awareness among its teams worldwide and implements monitoring procedures.

Disputes

TFF Limited, which has its registered office in Ireland, was subject to a tax audit related to its taxable activities in France. As a result, over the period from May 1st, 2010 to April 30th, 2019, a proposal to adjust corporate tax to the tune of €1 million was received in January 2022 for the year that ended on April 30th, 2011.

TFF Group has contested the entire correction proposal both procedurally and substantively. As the tax authorities' audit covered a period from 2010 to 2019, TFF Group is likely to receive a proposal for a corporate tax adjustment for the periods after 2010/2011. TFF Group estimates the possible risk, over the period from the financial year ended 30/04/2013 to the financial year ended 30/04/2019, at approximately €13 million.

TFF Group is contesting all of the substantive elements supporting the proposed rectification. As a result, TFF's management considers that there is no provision to . There were no changes to this situation over the course of the year.

The Group is not subject to any other lawsuit, litigation or any other claim by a third party that may constitute a contingent liability at the closing date. The Group did not identify any contingent assets either at the same date.

5 - Guidance on the use of financial instruments

On this point, we refer you to the notes to the consolidated accounts.

IV. ACTIVITIES OF THE PARENT COMPANY, SUBSIDIARIES AND HOLDINGS

1. Parent company

The annual accounts for the year that ended on April 30th, 2023, which are subject to shareholder 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 shown in the notes to the consolidated financial statements.

Turnover excluding taxes amounted to €44,493,000 compared to €34,679,000 last year.

The operating result showed a profit of €11,196,000 compared to €10,117,000 last year.

The financial result was profitable to the tune of 6 988 K€.

Current profit amounted to €18,184,000 compared to €15,902,000 last year.

The exceptional result was in deficit to the tune of (€1,617K) taking into account a provision for price increase (PPHP) of €1,776K.

Net income showed a profit of €14,728,000 compared to €10,428,000 last year, taking into account corporate tax of €1,522,000 and employee profit-sharing of €317,000.

In line with the provisions of Articles 223 quater and 223 quinquies of the General Tax Code, we declare here that the parent company's accounts of the past financial year do not cover expenses not deductible from the tax result referred to in Article 39.4 of the General Tax Code.

2. Subsidiaries and holdings

• French subsidiaries

French cooperages returned to activity levels in line with their historical volumes, thanks to good harvest levels.

French stave mills recorded an increase in their activity levels.

The vat making sector saw an increase in its activity levels.

Sales of wood products for oenology increased slightly over the course of the year.

• Foreign subsidiaries

In the wine division, business developments were as follows:

- The turnover of US companies grew,
- Australian and New Zealand subsidiaries also recorded overall growth,
- The activity of the Spanish subsidiary grew,
- Our Chinese subsidiary maintained a very low level of activity, in line with last year.

The whisky cooperage business in Scotland fell slightly in volume while selling prices rose, as did the level of activity.

Business levels in our bourbon division continued to grow with big volumes and selling prices rising sharply.

In the sector of wood products for oenology, activity progressed well.

The activity of direct subsidiaries is summarised in the annexed table (table of subsidiaries and holdings).

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

V. SHAREHOLDING

To meet the obligation made by law to mention the identity of natural or legal persons owning more than twentieth, tenth, fifth, third or half of the share capital, we inform you that on April 30th, 2023, the distribution of the company's capital and voting rights was as follows:

	Situation as of April 30th, 2023			
	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 (of which Public)	6,326,698	6,326,698	29.18%	29.18%
TOTAL	**21,680,000**	**21,680,000**	**100.00**	**100.00**

VI - INTERNAL MONITORING PROCEDURES IMPLEMENTED WITHIN TFF GROUP

In line 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 monitoring and risk management procedures put in place by TFF Group for the development and processing of accounting and financial information.

6.1 The aims of internal monitoring procedures

An internal monitoring system is made up of devices that control activities and risks of all kinds with the objective of ensuring the regularity, safety and efficiency of operations. The system is therefore characterized by the objectives assigned to it, such as:

- financial performance, through the efficient and appropriate use of the Group's assets and resources as well as through protection against the risk of loss;
- a comprehensive, accurate and regular assessment of the data necessary for decision-making and risk-management;
- compliance with internal and external rules;
- prevention and detection of fraud and errors;
- the accuracy, completeness of accounting records and timely preparation of reliable accounting and financial information.

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

- a system aimed at preventing and monitoring risks, in particular, economic, industrial, financial and legal risks, to which the Company and its subsidiaries both in France and abroad are exposed,
- a mechanism that seeks to ensure that the Group's financial and

accounting information is reliable and prepared with sincerity, so that the Group's assets are safeguarded.

However, like any monitoring system, it cannot give an absolute guarantee that such risks of error or fraud have been entirely eliminated or limited.

6.2 The general organization of the internal monitoring procedures

Internal monitoring is everyone's business. Thus, each employee, in carrying out the monitoring of a task performed personally or by another member of the team, is participating in the proper functioning of the company's internal monitoring systems.

The organizational principles and components of the internal monitoring systems of TONNELLERIE FRANCOIS FRERES and more generally TFF Group include:

-the comprehensive coverage of activities and risks,

-the responsibility of all stakeholders,

-a clear definition of tasks,

-an effective separation of commitment and monitoring functions,

-formalized and up-to-date delegations.

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

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

- the Management Board, the Presidents of subsidiaries,
- the Finance Department, particularly in terms of cash management, consolidation, financial communication.

6.3.1 The Management Board defines the general principles of internal monitoring and ensures that they are properly implemented within the Group. In order to do this, the management board is in permanent contact with the Finance Department and the managers of the subsidiaries, with each subsidiary run by a separate Manager. It is worth noting that the parent company Tonnellerie François Frères also serves as the holding company leading the Group, and defines, through its Management Board the main general orientations of the Group, by defining its policy, and monitoring and managing its subsidiaries. The Executive Board also decides on any external growth operations within the Group.

The Management Board of SA Tonnellerie François Frères has set up an executive committee at parent company level. It is composed of the Chairman of the Management Board, the Finance Department of the Group and the main managers of the Group's subsidiaries and brands.

The Executive Committee is composed of the following members:

• Jérôme François, Chairman of the Management Board, TFF Group

• Max Gigandet, Brand Director, Tonnellerie François Frères

• François Witasse, Demptos Brand Director

• Romain Liagre, Radoux Brand Director

• Laurent Lacroix, Brand Director, Brive Tonneliers

• Simon Grelier, Director of the Berger, Darnajou and Remond brands

• Bernard Gendre and Nicolas Darriet, Directors of the Sogibois and TBM stave-mills

• Thierry Simonel, Chief Financial Officer, TFF Group

This committee meets quarterly to discuss recent business, the Group's strategy, any possibilities for external and organic growth, as well as any risks that may be anticipated.

At the level of the Group's subsidiaries, any actions that fall within the scope of day-to-day management and that are carried out by the staff of the entities, are monitored by the management teams of each entity. Acts that fall outside the ordinary course of business are regularly monitored by the management team of the parent company, in its capacity as the Group's holding company.

6.3.2* The Group's Finance Department, which is housed within the parent company (SA Tonnellerie François Frères – TFF Group), is also in permanent contact with the accounting directors of each subsidiary. It ensures an internal monitoring role for the company's treasury (centralized management of the treasury of French companies, monitoring of the treasury of foreign subsidiaries) and financial consolidation (annual and half-yearly consolidation operations are managed by the Finance Department).

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

This financial information is prepared by the accounting systems specific to each company. It allows the Finance Department and Management Board to monitor the performance of each of the Group's companies in order to compare them with the budgets set at the start of each year. It should be noted on this point that several times a year, the subsidiaries communicate their budget forecasts to the Group.

A consolidated budget is drawn up which serves as a basis for comparison for monthly results. This budget is regularly updated.

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

CSR and non-financial performance reporting are organized under the direction and coordination of the Group's Chief Financial Officer, assisted by François Frères Management's Hygiene, Health and Safety Committee and the CSR consulting firm, PEPS Management, in line with the data collection questionnaire and consolidation tools. Information on social and environmental responsibility is included in the annual management report, and an independent third-party body also issues its assessment (ACA Nexia). The resulting report is updated and supplemented annually.

* More specifically, concerning the parent company TONNELLERIE FRANCOIS FRERES, the Financial Department ensures the following internal monitoring roles.

The Finance Department manages the chart of accounts and the associated data, ensures consistency and completeness checks, and prepares in due time the individual financial statements and tax returns that are under its responsibility. Through the preparation of accounting information, the Finance Department contributes to the recording of financial information.

The general accounting of SA TONNELLERIE FRANCOIS FRERES is centralized. Each accounting employee has a clearly defined role and responsibilities. Beyond the accounting records, they constantly monitor the accounts under their responsibility. They also carry out a regular reconciliation of the balances and transactions recorded with external information of all kinds (direct confirmation of third parties; bank statements, etc.).

The Finance Department provides permanent supervision of the work of its team and actively participates in the development of annual and interim statements. With these elements and additional information from other sources, it carries out a second-level audit of the work of its team and the results that emerge from the recording of any transactions. It works in direct liaison with the management to communicate to them in any accounting information related to the management of the company as well as a regular monitoring of the cash flow.

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

On this point, the Group's policy is to reduce its exposure to interest and exchange rate fluctuations, and to avoid speculative positions. TFF Group only uses derivatives for hedging purposes with gains and losses recognised symmetrically to the results realised on the hedged items.

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

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 and material risks to their replacement value,

· products

· recourse by neighbors and third parties,

· automatic guarantee of investments,

. operating loss

- Civil liability (through a master group policy or a local policy, depending on the country)
- Maritime transport insurance (group contract applicable to a large majority of group companies)
- Car fleet (group contract applicable to a large majority of French companies)
- Insurance of corporate officers

6.3.4 The fight against corruption and influence peddling:

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

- behaving fairly in commercial relations,
- excluding any abusive or unlawful conduct, or abuses and practices restricting competition and anti-competitive practices,
- excluding any behavior or facts that can be qualified as active or passive corruption, complicity in influence peddling or favouritism, during the negotiation and execution of contracts.

In order to meet the obligations arising from the law of September 9th, 2016 on transparency, the fight against corruption and the modernisation of economic life (Loi SAPIN II), TFF Group has undertaken a series of actions over the last few years, including:

- the adoption of a Code of Conduct based on the Middlenext model, which refers to the United Nations Convention. This Code of Conduct defines (i) the principles and rules that must guide the behavior of each employee in the context of his duties and (ii) outlines the different types of acts of corruption that are prohibited.
- the development of a risk map.
- The creation of information and awareness-raising initiatives for the Executive Committee and the Group managers and employees.
- The creation of an e-learning, anti-corruption training program for at-risk personnel, with nearly 200 people around the world taking part,
- The setting up of an internal whistleblowing system on business ethics.

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: Given its awareness of the risks associated with climate change, TFF Group has diversified its activities in order to limit possible impacts. For the time being, its sites are not directly affected by any local or national restrictive measures.

The main risks for TFF Group in this area are the potential consequences of global warming that could lead to lower harvests for the wine business.

TFF Group's own activity does not place it as a major contributor to greenhouse gas emissions, with only travel and logistics representing an emission point that TFF Group strives to reduce by streamlining freight transport.

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

6.4 External monitoring procedures

6.4.1 The Statutory Auditors, through their various checks, implement the due diligence specific to their profession. They are informed upstream of the process involved in preparing the accounts and present a summary of their work to the Finance Department both half-yearly and at the annual closing.

The company has two statutory auditors and two alternate auditors, in accordance with the legislation applicable.

The current Statutory Auditors are:

Statutory Auditors:

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

Alternate Statutory Auditors:

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

Our French and foreign operating subsidiaries appoint statutory auditors or ordinary auditors, in line with the relevant regulations.

6.4.2 Quality certifications:

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

VII. STATEMENT OF EMPLOYEES' HOLDINGS IN THE SHARE CAPITAL ON THE LAST DAY OF THE FINANCIAL YEAR

None.

VIII. INFORMATION CONCERNING TRANSACTIONS CARRIED OUT BY DIRECTORS OR SENIOR STAFF MEMBERS AND THEIR RELATIVES IN THE SHARES OF A LISTED COMPANY

Annexed to this report is a summary of the transactions carried out by senior management and their relatives over the course of the last financial year (AMF, General Reg. 222-15-3 new).

IX. DECLARATION EXTRA-FINANCIAL PERFORMANCE

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 declaration of extra-financial performance drawn up by TFF Group.

Crédit photo : Pexels - Samuel Kalina

DECLARATION OF EXTRA-FINANCIAL PERFORMANCE

Over the course of the financial year, TFF Group benefited from a combination of factors that were favorable to its activities, allowing it to achieve very strong growth.

The Group has continued to pursue its policy of vertical integration in the USA with the creation and acquisition of new stave mills aimed at helping it secure quality oak wood supplies for its bourbon cooperages.

In March 2022, Tonnellerie Remond joined TFF Group and will join the CSR scope from May 2023.

TFF Group has made strong commitments as part of its extra-financial policy, with the completion in 2022 of a group-wide carbon footprint assessment extended to scope 3 for the year 2021. The results of this detailed assessment will allow us to define TFF Group's carbon trajectory and action plan in line with the low-carbon objectives set by the Paris agreements for 2030 and 2050.

TFF Group has also deployed the reporting tools necessary to calculate the Taxonomy indicators needed to meet these requirements.

TFF Group is keenly aware of the impact of its activities environmentally, socially and societally. It is therefore committed, through its Management Board and Executive Committee, to developing its sustainability.

As a result, TFF Group has set up a dedicated working group to anticipate the requirements of the new CSRD directives.

Crédit photo : Pexels - Pixabay

THE BUSINESS MODEL:

KEY ACTIVITIES

2 WORLD MARKETS

Premium wines | Alcohols

Bourbon, Beer, Cognac, Tequila, Whisky

5 COMPLEMENTARY BUSINESSES IN WOOD FOR AGING

Forestry and logging
Stave Milling
Cooperage
Cask making
Wood and oenological products

1 diversification: high-end stainless steel containers

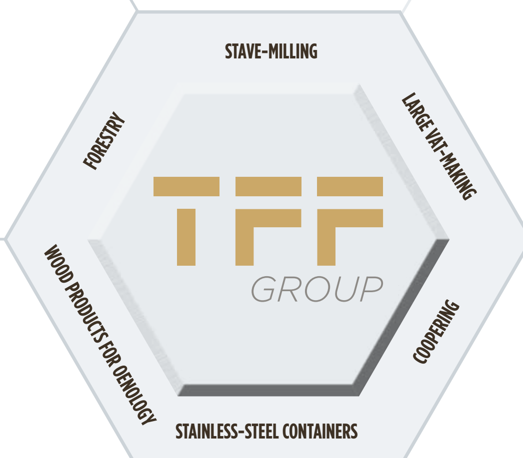
KEY PARTNERS

ONF/forestry agents
Banks and insurances
Suppliers

VALUE CREATED

OUR EMPLOYEES:
€68.08m** in salaries
77,165 hours of training*

OUR SHAREHOLDERS:
€8.7 m in dividends



KEY RESSOURCES

HUMAN:
1,365 employees*
An R & D strategy oriented towards clients with our own laboratory and researchers

INDUSTRIAL:
43 production sites.
210 954 M^3 of oak bought*

FINANCIAL:
A solid financial structure with €462 m in equity and strong profitability*

MARKETS

Global market share: >25%
48% premium wines/52% alcohols**

A BALANCED PRESENCE:
55% North America**

EXPERTISES

Global leader for the aging of wines and alcohols

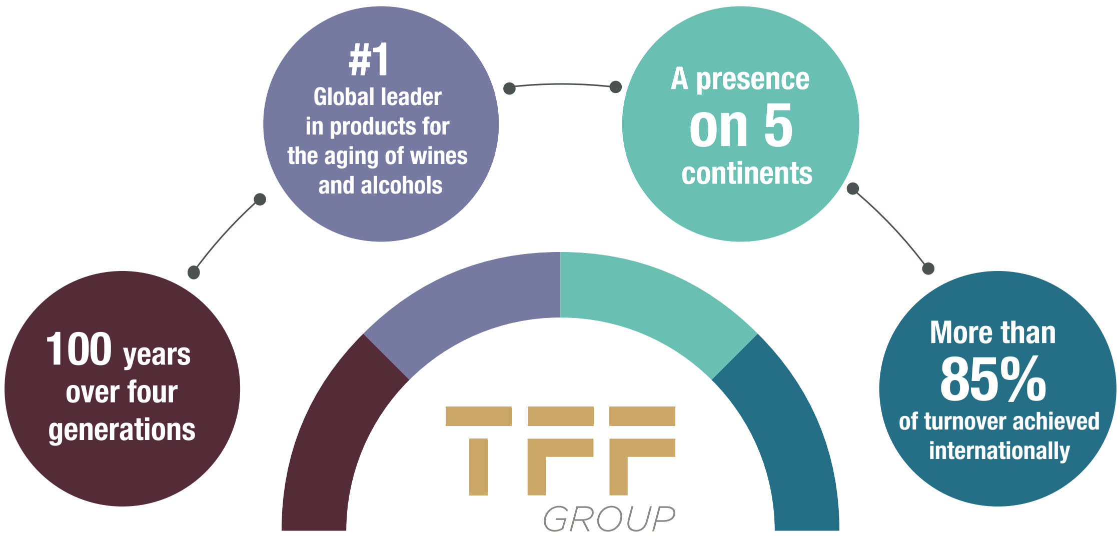
A presence on **5 continents**

5 complementary businesses in wood for aging

1 diversification : high-end stainless steel containers

** data from the RSE of December 31st, 2022*
*** Financial data at April 30th, 2023*

OUR MARKETS



OUR VISION, MISSION AND VALUES: TIME IS ON OUR SIDE

43
PRODUCTION SITES, INCLUDING 19 IN FRANCE AND 24 ABROAD

28
DEDICATED BRANDS INCLUDING 23 DEVOTED TO WINE ACTIVITIES AND 5 TO ALCOHOLS

1,579
STAFF MEMBERS IN 10 COUNTRIES

**Financial data as of 30/04/2023*

Between tradition and modernity, an atypical model of integration

TFF Group was built through the successive integration of independent companies, each with their complementary specificities and specialties throughout the wood value chain.

This strategy has helped contribute to the sustainability of TFF Group and ensures its stability in an uncertain environment. The Group now includes all the trades in wine and alcohol aging: forestry, stave milling, wine, whisky and bourbon coopering, vat-making, wood products for oenology and stainless-steel vats.

Territorial anchoring on an international scale

TFF Group's operating sites are located mainly in wine production or alcohol distillation regions spread over five continents.

These locations, close to the Group's customers, provide a global vision of the markets whilst encouraging local know-how and contributing to the development of local economies.

Social and societal commitments

TFF Group's social and societal policy is based on team loyalty and on the locally based recruitment of employees in order to promote the development of local economies. The integration of new talent through the training of apprentices and the transmission of know-how are also a priority for our companies. The improvement of working conditions is also a constant concern within the group, whether in terms of job ergonomics or technical or organizational improvements.

TFF Group also invests in local life by participating financially in cultural and sporting events, and by presenting the group's professions to both schools and professionals.

The environment

TFF Group is committed to sustainable forest management and to the preservation of biodiversity by working with stave and log suppliers to help strengthen their sustainability.

At the level of the Group's companies, numerous actions on energy, water and waste management are carried out to limit the impact of the Group's activities.

Innovation and the quality of our products

TFF Group's is committed to developing innovative projects that allow:

- The eco-design of its products and the use of renewable resources,
- The use of energy-efficient and environmentally friendly industrial processes,
- A controlled water consumption,
- The manufacture of products that meet the requirements of our customers and are fully recyclable.

CSR WITHIN TFF GROUP

TFF Group, which is keenly aware of its social and environmental responsibilities, has implemented a transversal CSR policy that is applied to all the group's companies.

Governance

The governance system consists of an Executive Board and a Supervisory Board with an important overview function over the Management Board's running of the company.

The Supervisory Board is made up of two people from outside the Group who bring their expertise to help infuse sustainability into the Group's strategy.

The Management Board defines and conducts the Group's economic and CSR strategy based on the risk and opportunity analysis established by the CSR Committee.

The Executive Committee is made up of the General Management and the Directors of the main brands. Its purpose is to implement established policies and translate them into concrete actions within each company.

Foundations

TFF Group continues to seek sustainable development by meeting the requirements of the European regulations on Green Taxonomy and striving towards new objectives.

In addition to the 5 commitments put in place last year, two new commitments were added this year relating to water consumption and the reduction of the carbon footprint.

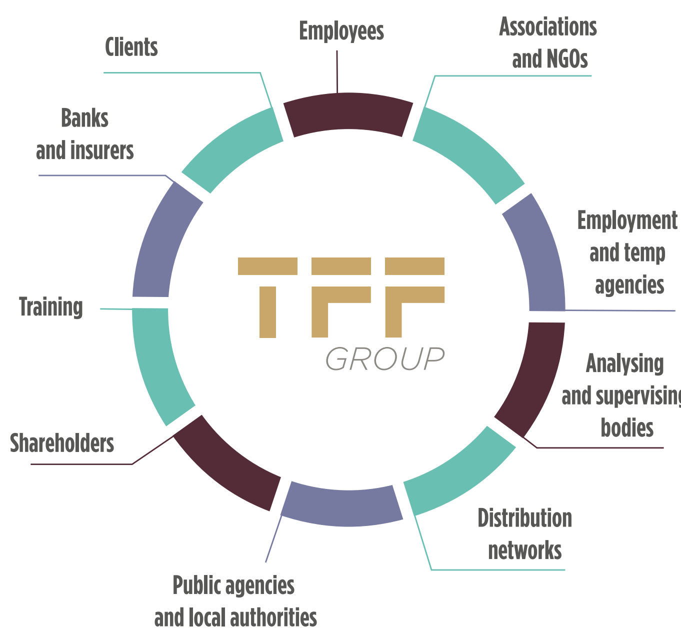
Our commitments. We aim to:

- Promote training and ensure the transmission of know-how within our teams.
- Increase the CSR culture throughout the group while maintaining the specificities of each site.
- Prioritize the purchase of wood from sustainably managed forests.
- Reduce our waste and improve the circular economy of our products.
- Reduce our water consumption,
- Disseminate our ethical values to all our employees in order to reaffirm the importance of a healthy approach to business.
- Reduce our carbon footprint according to the objectives that that will be established (2030 action plan).

The CSR scope and Reporting Methodology

- The CSR scope of the Group's consolidated companies is growing and now includes a new bourbon stave-mill: Speyside Bourbon Bolivar Stave Mill Tennessee.
- Companies controlled less than 51% by TFF Group, or with fewer than three employees are not included in the CSR reporting.
- Our CSR reporting was carried out from January 1st, 2022 to December 31st, 2022, according to the GRI 3 model. This is in line with the recommendations of the AMF on the basis of a diagnosis corresponding to the ISO 26000 standard.
- The collection of information was carried out in all our subsidiaries through the Amelkis Opera software. Data collection was carried out at subsidiary and head office level. Consolidation was carried out at head office level. The data was then checked by ACA Nexia.
- CSR reporting is supervised by TFF Group's Chief Financial Officer and carried out by François Frères Management's Hygiene, Health and Safety Committee, with advice from the consulting firm PEPS Management.

Essential internal and external actors



Risk and Opportunity Analysis

TFF Group assessed its sustainability 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:

- The identification of risks and issues through surveys of TFF Group's subsidiaries and stakeholders.
- The integration of the new regulatory requirements in force and more particularly the analysis of eligibility and alignment of the group to the green taxonomy.
- The validation of the indicators by the TFF Group Executive Committee.
- The implementation of tools allowing the various companies of the group to make any necessary improvements.

Targets and objectives for TFF Group:

ODD	Risks and priority issues identified	Description of the issue	Objectives, targets and KPIs	Title of §
8 DECENT WORK AND ECONOMIC GROWTH	Risk of accidents at work and occupational diseases / Preserving the Health and Safety of Employees	Ensuring employee safety and developing health prevention	• Reduction of occupational accidents and diseases	I
4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	Risk of loss of skills and know-how / Strengthening social policy	Recruiting and retaining qualified or training personnel. Maintaining attractiveness, know-how and skills transfer	Perpetuate skills and the transmission of know-how. • Increase «internal and external» training by 1% each year	II
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 15 LIFE ON LAND	Risks of our activities to the environment	Conserving resources. Limiting the environmental impacts of sites. Innovating to develop sustainable products and services.	Preserve the oak wood resource by zone and activity: • PEFC % Purchase Develop the number of barrels recycled per number of barrels produced • Proportion of barrels recycled per barrels sold	III
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	Risk of soil and water pollution	Improving waste sorting to increasing its recovery rate. Recovering waste as part of the circular economy.	• Rate of recovered waste / overall waste	III
6 CLEAN WATER AND SANITATION	Risk of water scarcity.	Reducing water consumption.	• Water consumption / units produced.	III
13 CLIMATE ACTION	Risk of global warming due to GHG emissions,	Reducing carbon impact	• Carbon trajectory 2030	III
11 SUSTAINABLE CITIES AND COMMUNITIES	Risk of corruption / Ensuring Business Ethics	Ensuring a healthy business relationship and ensuring transparency in relations with stakeholders	• Training of 100% of employees concerned by ethical risk.	IV

I - PRESERVING THE HEALTH AND SAFETY OF EMPLOYEES

8 DECENT WORK AND ECONOMIC GROWTH

The Group's policy

TFF Group continues its efforts to ensure a safe and fulfilling work environment for everyone.

This is reflected through the implementation of actions that are either specific to each site or common either to a division or to an area. One example is the validation and launch of action plans resulting from the fire risk assessment for all French cooperages, the first achievements of which will be completed in early 2023.

The prevention of occupational accidents within TFF Group is based on the identification of risks and the implementation of measures aimed at eliminating exposure to risks.

Some concrete actions carried out in 2022

Arobois :

The installation of a fume extraction system and automated heating cooling, as well as an automated bagging system to avoid handling.

Demptos :

The renovation of the workshop's lighting.

Bouyoud :

The installation of a fire door.

Lejeune :

The purchase of a platform lift for assembly, a digital stem for ring welding, an electric stacker for the storekeeper and a stepladder on wheels.

François Frères:

Purchase of a forklift truck and two electric pallet trucks to avoid MSDs due to heavy load handling.

Occupational health and safety objectives and commitments :
✓ Objective: to decrease in TA and PM for the year 2022

The results

KKPI Indicators - AT/TF/TG in relation to industry – LA7

TFF Group's target of reducing accidents at work was not achieved this year, after three years of decline. But the accident severity index remains lower than in previous years thanks to our preventive actions. Most of the additional work accidents recorded this year occurred in the cooperage sector.

TFF GROUP	12.2021	12.2022	Evolution in 2022	Industry in France in 2021
Number of Accidents at Work (AT)	55	67	↗	N/A
Number of TAs/Staff	4.51%	4.90%	↗	3.96%***
AT Frequency Rate*	26.41	27.77	↗	23.6
AT Severity Rate**	1.36	1.06	↘	1.7

***** Number of TA / workforce of the branch of activity is calculated where there is at least 1 day of stoppage, TFF Group's calculations are carried out on the basis of TA that have led to one day of stoppage.*

In 2022, there were no fatal workplace accidents at TFF Group.

KPI - Occupational diseases indicator

The number of occupational diseases decreased compared to last year, but remained stable in France.

TFF GROUP	12.2021	12.2022	Change in 2022
Number of occupational disease reports per year	8	7	↘

*Frequency rate = (total number of accidents involving time off/ total number of hours worked) x 1,000,000
**Severity Rate = (total number of days lost/ Total number of hours worked over the period) x 1000



II - STRENGTHENING OUR SOCIAL POLICY

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

Social policy:

TFF Group's social policy aims to promote the upskilling of employees through internal business training and apprenticeships. Training and the transmission of «good practice» enables the transfer of know-how and skills and thus the retention of talent.

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

Developing skills and transfer of know-how – LA10 and LA11

Learning and apprenticeships are an essential vector for TFF Group to transmit its values and know-how.

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

The results

The number of hours of training was 77,768 hours, 19% more than last year. French companies returned to pre-pandemic levels. In Scotland, employees benefited from more hours of in-house training this year. In the United States, the recruitment of new employees required additional training to facilitate their integration.

500 additional employees trained this year

1,273 employees trained

60 hours of training per trained employee

50,500 hours of in-house training

29,098 hours of training

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

	12.2021*	12.2022*
Training hours per trained employee	70 hrs	60 hrs
Training rate over the year (number of employees trained in 2022 / workforce at 31.12.2022)	63%	93%

**The scope for the years 2021 and 2022 did not include data from Speyside Bourbon Cooperage*

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

The Group's environmental policy:

TFF Group's environmental policy is based on four major principles:

- Reducing the ecological footprint of our activities by defining and implementing a «low carbon» strategy.
- Complying with any new applicable environmental rules and regulations.
- Making operational improvements wherever possible.
- Promoting environmental awareness within the group as well as within our supply chain (including asking our oak wood suppliers to increase their purchases of PEFC wood where possible).

Preserving wood resources

The protection of forests is becoming one of the major challenges that needs to be met in order to ensure the sustainability of our activity.

Faced with an ever-increasing consumption of oak wood as well as the global warming that causes droughts, increasingly frequent heatwaves and wildfires, sustainable forest management is becoming ever more critical.

In order to meet this challenge, 100% of the stave mills in our wine division are PEFC certified and 100% of the stave mills in our bourbon division 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 products supply aimed at meeting the standards adopted by the AHMI Board of Directors).

100% of French stave mills in the wine division are PEFC certified

100% of the American staves in the bourbon division are AHMI certified

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

The results

KPI - Indicator of % of PEFC certified wood purchases

	12.2021	12.2022
% OF TFF GROUP WOOD PURCHASES	41%	42%
% OF WOOD PURCHASES FRANCE	65%	65%

65% of our wood purchases in France are PEFC certified

Our purchases of PEFC wood remained constant this year in France and rose slightly groupwide. In an economic environment that remained difficult because of the very strong competition on the wood market, TFF Group continued to look for any solutions that might help it maintain its objectives in terms of sustainable sourcing.

✓ Objective: To increase the rate of recycled barrels

The results

KPI - Number of barrels recycled per barrel sold and per area – EN2

This year, the wine and whisky sectors recycled 2.72 barrels for every barrel sold.

This was due to an increased use of both used barrels and unused new barrels in wineries in 2021. TFF Group also increased its production of new barrels, which led to a decrease in the ratio.

Number of barrels recycled for every barrel sold

	12.2021	12.2022
TFF Group	1.20 / 1	0.67 / 1
Wine and whisky division, excluding Bourbon	5.06 / 1	2.72 / 1

✓ Objective: To increase the rate of waste recovery

The results

KPI – The waste recovery rate

TFF Group achieved its recovery targets in France this year, thanks to greater recovery of wood waste. At the group level, the rapid growth of company activity in the USA did not allow for the recovery of as much waste as last year.

Taux de revalorisation des déchets

	12.2021	12.2022
TFF Group*	97.68%	75.30%
France	95.89%	98.88%

** TFF Group figures do not include the two Speyside Bourbon Stave Mill companies*

This translated into better monitoring and an optimized waste recovery rate.

An example at the Demptos cooperage:

Waste management – = 2nd semester 2022

Waste Marketplace support

91% of waste recovered

24 tons of co_2 emissions avoided

28 tons of waste recycled

Water consumption

Consumption in m^3	12 2021	12 2022
Water drawn from the distribution network	32,613	58,433
Water drawn from springs or aquifers	77,996	169,809
TOTAL	110,609	228,242

0.15 m^3 per barrels sold (including repaired barrels)*

The water consumption per barrel sold (new or used) was 0.15 m3 per barrel (including repairs). This consumption rate did not include the water recycled by two of our stave-mills.

French staves consumed 65% of the water consumed by TFF Group. Two stave-mills recycled 100% of the water used 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 actual increase was the result of the integration of the new Gauthier stave mill.

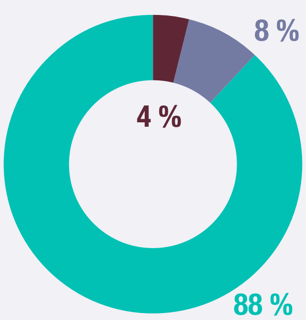
Limiting the carbon footprint – EN16:

TFF Group has updated its carbon footprint by carrying out a consolidated balance sheet on the scope of the DPEF according to the ADEME method on scopes 1, 2 and 3 to meet the requirement of Decree No. 2011-829 relating to greenhouse gas emissions.

TOTAL EMISSIONS
120 563
tCO_2eq

EMISSIONS BY HEADCOUNT
97 859
$KgCO_2eq$ / staff member

EMISSIONS TO TURNOVER
431
$KgCO_2eq$ / K€



SCOPE 1	4 322 tCO_2eq
SCOPE 2	9 772 tCO_2eq
SCOPE 3	106 468 tCO_2eq

52
$KgCO_2eq$ / barrel sold

TFF Group's Carbon Footprint (scopes 1, 2 and 3):	Scope 1, 2 and 3 12.2021
Carbon footprint in tonnes of CO2 equivalent (Teq CO2)	120 563
Carbon footprint per barrel (Teq CO2):	0.052

90% of the Group's carbon footprint was related to stave production, coopering and vat making, 3.5% involved wood products and 3.9% forestry activity.

The wine division represented 38% of our emissions, the bourbon division 44%, and the whisky division 18%.

Transport, purchases and fixed assets accounted for 69% of the Group's carbon footprint.

Depending on the division or activity, the origin of emissions varies. The Group's carbon trajectory, which will be worked out in 2023, will take these differences into account in order to reduce emissions efficiently.

IV – EUROPEAN TAXONOMY

The European Union, which is aiming for carbon neutrality by 2050, has put in place an action plan, at the heart of which lies Sustainable Finance. This «Green Deal» is based on 3 pillars:

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

In order to redirect capital flows towards a more sustainable economy, new European bonds 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 European Regulation 2020/852 of June 18th, 2020 also called «Green Taxonomy».

For the financial year that ended on April 30th, 2023, TFF Group was required to publish its share of eligible economic activities for the European taxonomy relating the issues of climate change mitigation and adaptation, in terms of revenue, investments (Capex) and operating expenses (Opex).

The management of TFF Group, which was already very vigilant in these matters, carried out detailed analysis of all its activities in order to determine the eligible activities and their associated indicators according to the green taxonomy.

The risk factors associated with these activities will be analyzed and action plans implemented to meet the requested objectives.

Perimeter:

The turnover, capital expenditure and operating expenses considered cover all the Group's activities.

Companies in which the Group exercised joint control were excluded from the calculation of the ratios defined by Article 8 of the Taxonomy Regulation published on July 6th, 2021.

The financial data was taken from the consolidated financial statements of April 30th, 2023.

Eligible activities:

The Delegated Regulation (EU) 2021/2178 of July 6th, 2021 specifies the content and presentation of the information to be disclosed on environmentally sustainable economic activities, as well as the method to be followed in order to comply with this disclosure obligation.

The Delegated Regulation specifies the following definitions:

- an economic activity eligible for taxonomy («Eligible Activities») is an economic activity as described in the Delegated Regulation (EU) 2021/2139 of June 4th, 2021, 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 taxonomy is an economic activity that is not described in the Delegated Regulation (EU) 2021/2139 of June 4th, 2021;
- an economic activity aligned with the taxonomy is an economic activity that meets the requirements set out in section 3 of the regulations.

According to Annex 1 of the delegated regulation of Article 8, one of TFF Group's activities is eligible for the European taxonomy:

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

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

However, this activity is not aligned with all the criteria defined in the European taxonomy. The current management plan partially addresses this but additional forestry expertise will be required for the activity to be aligned. To date and despite its efforts, IDELOT Père et Fils has not been able to carry out this expertise due to a lack of experts available in this field. The company remains nonetheless committed to finding a solution to help it align its activity.

Definition of financial indicators and methodology

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

The reporting focuses on the three indicators that are associated with economic activities aligned with the European Taxonomy. The indicators published in 2023 relate to data from the 2022/2023 financial year without comparative information for the 2021/2022 financial year.

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

The financial indicators on which the Eligibility Ratios of the audited scope are based are determined from the financial data used for the preparation of TFF Group's consolidated financial statements, prepared in accordance with international accounting standards (IFRS).

Capex: share of capital expenditure corresponding to capitalized costs for property, equipment and intangible assets.

Opex: Share of expenses for research and development costs, building renovation costs, or short-term rental contracts, as well as maintenance, servicing and repair costs. OPEX also includes any other direct expenses, related to the routine maintenance of tangible assets, by the Group or by third parties to whom these activities are outsourced, that are necessary for these assets to continue to function properly.

Share of activities eligible for the objectives of the European taxonomy

Turnover

Turnover	Fiscal year 2022/2023
Eligible activities for the taxonomy	0%
Eligible activities aligned with the taxonomy	0%
Ineligible activities	100%

As the Idelot company did not exploit any forest plots during the 2022-2023 financial year, the turnover on this forestry activity is zero.

Capex

The share of capital expenditure for TFF Group's eligible activities for the 2022-2023 fiscal year amounted to €0.306 million out of a total eligible investment expenditure of €27.427 million within the Group (i.e. 1.1%).

There has been no capital expenditure as part of a plan to expand eligible economic activities within the taxonomy.

Capital expenditure not associated with eligible activities but allowing other activities to reduce their carbon emissions was identified by each company. Census methods have been defined and consolidated at Group level.

Sustainable Capex shares: 1.1%

				Substantial contribution criteria						No Significant Harm Criteria (DNSH - Does Not Significant Harm)										
Economic Activities	Codes	Absolute Capex	CAPEX shares	Climate change mitigation	Adaptation to climate change	Aquatic and marine resources	Circular Economy	Pollution	Biodiversity and ecosystem	Climate change mitigation	Adaptation to climate change	Aquatic and marine resources	Circular Economy	Pollution	Biodiversity and ecosystem	Minimum guarantees	Share of CAPEX aligned with the taxonomy, year N	Share of CAPEX aligned year N-1	Enabling activity category	Transitional activity category
		K€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T	
A. Activities eligible for the taxonomy																				
A.1. Environmentally sustainable activities (taxonomy aligned)																				
Transport by motorcycles, cars and light commercial vehicles	6.5	257,0	0,9%	0,9%	0,0%					NA	Y	Y	Y	Y	Y	Y	0,9%			
Renovations of existing buildings	7.2																			
Installation, maintenance and repair of equipment promoting energy efficiency	7.3	39,5	0,1%	0,1%	0,0%					NA	Y	Y	Y	Y	Y	Y	0,1%			
Installation, maintenance and repair of charging stations for electric vehicles inside buildings (and in parking lots attached to buildings)	7.4	9,4	0,0%	0,0%	0,0%					NA	Y	Y	Y	Y	Y	Y	0,0%			
Installation, maintenance and repair of renewable energy technologies	7.6																			
Capex of aligned activities (A.1.)		305,8	1,1%	1,1%	0,0%					NA	Y	Y	Y	Y	Y	Y	1,1%			
A.2. Activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy)																				
Capex of activities eligible for the taxonomy but not environmentally sustainable (not aligned with the taxonomy) (A.2.)																				
Total A (A.1. + A.2.)																				
B. Activities not eligible for the taxonomy																				
Capex of activities not eligible for taxonomy (B)		28 181	99%																	
Total A + B		28 487	100%																	

Opex

Operating expenses defined in the taxonomy consist primarily of research and development, repair and maintenance, building renovations and short-term leases. TFF Group has set up a system whose first partial results are insignificant compared to the Group's OPEX as a whole.

The Group will adapt its methodology and eligibility analysis in line with the evolution of the regulations concerning the Taxonomy.

Reduction targets, indicators and performance

In 2022, TFF Group carried out a survey of its carbon footprint according to scopes 1, 2 and 3 of its DPEF 2021. This inventory will allow us to define our carbon trajectory and the action plans necessary to reduce the impact of our activities in terms of greenhouse gas emissions.

The resulting reduction targets and action plans will be achieved in 2023 and their implementation will be planned according to a carbon trajectory that has yet to be defined.

Waste recovery levels for the whole group are high, at around 75.30%.

Adaptation to climate change

Examples of actions taken:

- The management of TFF Group has asked all its sites to set up an energy saving action plan
- 86% of the Group's French companies have signed a green energy contract.
- Detectors for outdoor lighting (Lejeune), double PC screen (Demptos), software for dematerializing invoices (Bouyoud / François Frères), change of lights with LEDs, rental of an electric trolley instead of a thermal trolley (demptos).

Crédit photo : Pexels - Pixabay

Crédit photo : Pexels - Pixabay

V – INTEGRITY AND TRUST IN BUSINESS RELATIONSHIPS

11 SUSTAINABLE CITIES AND COMMUNITIES

TFF Group's Business Ethics Policy:

Following its adherence to the Middlenext anti-corruption code of conduct, TFF Group has maintained its duty of care towards its employees. Any new employees who joined our companies in 2022 were trained in this code of conduct in order to share our values of integrity, responsibility and respect for our partners.

TFF Group, fully aware of the challenges concerning the risks of corruption, requires its employees to fully adhere to the Group's ethical principles, which are laid out in this code.

A business ethics alert system was set up in September 2020.

✓ Objectives: 100% of new employees exposed to corruption risks trained.

The results

Our objective of training all new employees affected by a risk of corruption in the performance of their duties has been achieved.

100 % of our employees exposed, trained

Lobbying :

TFF Group is a member of the French Federation of Cooperage «Tonneliers de France», the "Syndicat des Producteurs de Bois pour l'Oenologie (SPBO)" and the "Syndicat des Merrandiers de France" as well as Middle Next for the representation of its interests before public authorities and the State. The Group does not practice any direct lobbying.

TFF Group is committed to representing its interests 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 are no catering contracts within the Group's companies.
Respect for animal welfare	TFF Group is not affected by this indicator, as the Group does not use animal testing.

OTHER INDICATORS 2022

Other social data

The data included are CSR in scope and collected from the end of the December of the years concerned. Data involving another perimeter are identified by asterisks.

Number of staff by zone – LA1

Number of staff by zone (CDD+CDI)	12.2021	12.2022
Europe (excluding France)	137	129
France	463	479
USA	579	725
Australia	33	32
New Zealand	1	0*
China	6	0*
South Africa	0*	0*
TOTAL	1,219	1,365
Share of the workforce located in the country of the head office (CDD+CDI)	37.98%	35.09%
Share of permanent staff (CDI) located in the country of head office*	37.6%	34.41%

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

95% of our employees are on permanent contracts

Actual– LA1

	12.2021	12.2022
Staff (CDD+CDI)	1219	1365
Acting workforce	18	26
Number of apprentices	45	47
Fixed-term workforce	4	13
Total headcount of companies outside the scope of CSR	82	127
Total workforce (CDI-CDD-interim, apprentices)*	1,364	1,494

** Total scope of the group*

Staff movements

	12.2021	12.2022
Number of recruitments	581	855
Number of departures of which: Dismissal	548 304 (296 in the USA)	706 375 (356 in the USA)
Number of employee recruitments (like-on-like)	566	767
Number of employee departures (like-on-like)	547	654
Net change in headcount on a like-for-like basis compared to N-1	+19 including 9 end of fixed-term contracts	+113 including 49 end of fixed-term contracts

Turnover - LA2

TFF Group's turnover is up for the second consecutive year, mainly due to an increase in turnover in France and the USA.

Turn-over a %	12.2021	12.2022
TFF Group	47.66	57.10
France	12.96	18.27
Europe (excluding France)	29.20	27.91
USA	79.36	89.66
Oceania	10.29	13.64

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

TFF Group did not implement any restructuring that resulted in collective redundancies during the year.

Absenteeism rate – LA7

The absenteeism rate in France and the USA decreased significantly this year after the difficult COVID-19 pandemic years. On the contrary, Europe and Oceania saw an increase in absenteeism rates, which nevertheless remained moderate.

Absenteeism rate	12.2021	12.2022
TFF Group	10.12%	7.75%
France	10.44%	9.48%
Europe outside France	3.61%	4.46%
USA	12.17%	7.58%
Oceania	1.21%	3.03%

Working conditions of employees

In terms of the organization of working time, TFF Group favours daytime work. 9.92% of the group's workforce worked shifts (2x8 or 3x8) in 2021, against 10.98% this year. This increase was due to the growth of the bourbon activity in the USA, and to an increased headcount.

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

Collective agreements– LA4

The percentage of TFF Group employees covered by a collective agreement is 37% (100% of French employees).

The agreements in force in France:

Type of agreement	Number of French companies benefiting
Profit sharing	8
Annualisation of working time	7
Participation	3
Parity M/F	0
Difficult work agreement	1
NAO	1
APLD	3

The American subsidiaries include a clause on gender parity and the inclusion of workers with disabilities in employment contracts.

Distribution of women in the workforce and their share by type of position

	12.2021	12.2022
Percentage of women in the workforce	17.1%	18.31%
Percentage of managers in the workforce	12.3%	11.72%
Percentage of women among managers	27.3%	29.55%

Number of employees with disabilities

	12.2021	12.2022
Number of employees with disabilities TFF Group	32	31
% of staff in France	6.91%	5.63%

Average age of employees and share of seniors in the workforce

The average age* of TFF Group employees was 40.9 years in 2022 (41.9 years in 2021). The recruitment of younger employees has lowered the average age, which is now back to 2019 levels, after 2 years of increase.

Seniors (over 50) represent 29.70% of the workforce (30.11% in 2021).

**age estimated from TFF Group's age pyramid*

OTHER ENVIRONMENTAL DATA

Improving energy efficiency at production sites – EN 5

	12.2020	12 2021	12 2022
Electricity consumption (Kw/h)	23,557,849	24,725,495	29,627,014
Of which green electricity consumption	0	109,329	6,058,149
% Green electricity consumption	0%	0.4%	20.4%

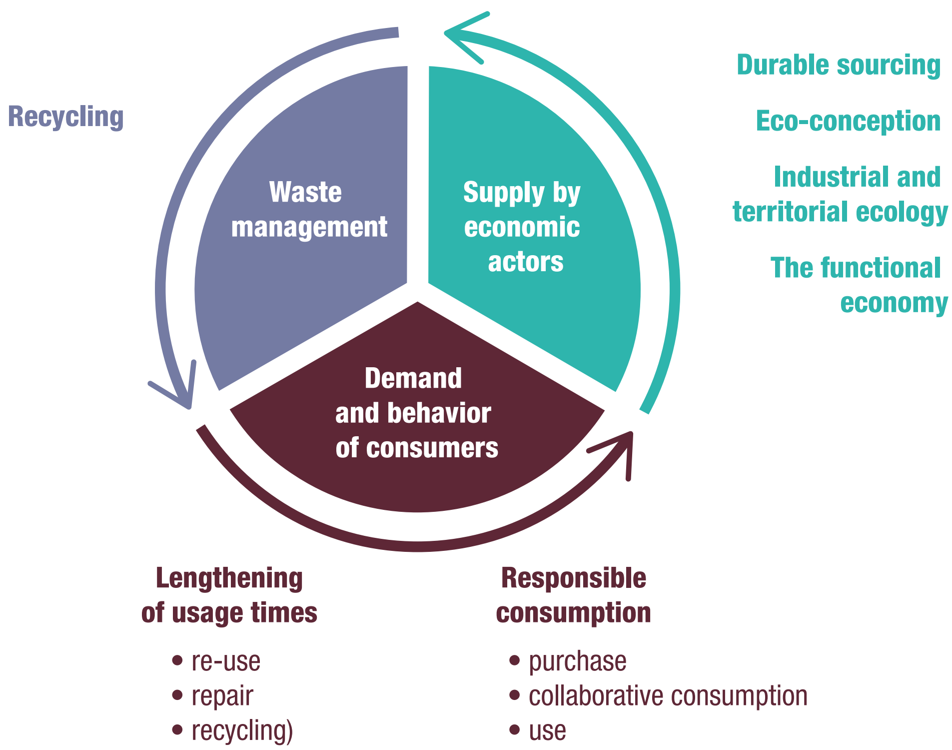
20 Kw/h **per barrel sold (repaired barrels included)**

TFF Group's electricity consumption increased by 17% compared to last year, but 20% of the electricity consumed came from renewable energy. The increase reflected the return to expected levels of production in both the wine and bourbon divisions.

In January 2022, 80% of French companies signed a «green electricity» contract which means that all their electricity consumption is drawn from renewable energies.

Developing the circular economy

TFF Group has integrated the principles of the circular economy into all stages of the life of its production processes and in all of its activities: stave-milling, coopering, vat-making and the creation of wood products for oenology (see diagram below):



MEETING THE EXPECTATIONS OF OUR STAKEHOLDERS

Improving customer satisfaction – PR5

After a Group survey of our customers in 2019, we noted a high satisfaction index that pushed us to maintain our efforts in seeking to meet their expectations, namely:

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

On all our production sites, specific controls and traceability systems are in place to guarantee the quality of our products and their associated services (oenological advice, after-sales service, traceability codes on barrels, etc.).

Two sites: Radoux and Arobois, are certified according to ISO 9001 standards in order to guarantee their customers the implementation of a quality products.

5 **ISO 90012 certified sites**

SILVER 2022 ecovadis Sustainability Rating

RADOUX - ECOVADIS SILVER MEDAL

This distinction recognizes the actions and commitment of the Radoux cooperage in terms of sustainable development (environment, social and human rights, purchasing and ethics).

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Ensuring food safety and limiting allergenic risks

The guarantee of food safety is a constant concern of ours throughout the manufacturing and shipping processes as well as a legitimate expectation of our customers.

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

- Through random analyses of raw materials, barrels, air, water and containers.
- By stopping the use of gluten-based flour.
- By using products suitable for food contact throughout the production process (machine oils, etc.).
- By implementing HACCP (Hazard Analysis Critical Control Point) approaches at: Tonnellerie François Frères, Tonnellerie Demptos, Tonnellerie Radoux, Brive Tonneliers, Arobois (wood products) and Foudrerie François.
- Lejeune's stainless-steel suppliers are European and comply with the REACH regulation in order to guarantee products are free of hazardous substances.
- By obtaining the ISO 22000 certification: Tonnellerie Darnajou.

Securing raw materials and finished products

A TFF Group business continuity plan has been developed and is deployed at all French companies to ensure our sustainability.

Supplier Relationship – EC6

TFF Group considers in its purchasing policy the proximity of its suppliers in order to minimize supply times, but also to promote the local economy.

Some of our suppliers are partly dependent on our regular purchases, and we strive as far as possible to provide suitable solutions to minimize the risks for them and for us: ensuring a certain quantity is ordered each year, planning purchases upstream in collaboration with them, considering their requirements in our order deadlines for example.

Relations with civil society

TFF Group is involved in local life through school visits and internships. These visits are not limited to schools, but extend to trades related to our sectors of activity such as forestry staff (ONF), sommeliers, staff working in the field of viticulture, oenologists as well as our customers.

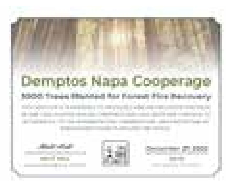
TFF Group is also involved in numerous philanthropic actions in various fields such as the environment, sport, culture, heritage preservation, medical research against cancer (Crush MS in the USA), education and support for people in need.

This year, a solidarity action was organized by the employees of several companies of the Group to help the Ukrainian people.

ENVIRONMENTAL MECHANISMS

The Demptos Napa Cooperage enabled One tree planted, a non-profit organization focused on global reforestation, to replant 3,000 trees in an area affected by a forest fire. Reforestation is one of the best ways to restore land degraded by forest fires.

The Radoux cooperage is a «PATRON'S FRIENDS» of the endowment



PLANTONS pour l'avenir

fund «Plantons pour l'avenir» which seeks to reforest French forests in compliance with the rules of sustainable management and certification for the country's forests.

CONGRESS TERCLIM

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

- The International Terroir Congress which includes scientists from all over the world working on wine-growing terroirs, studying the physical, biological and human components and their links with wine quality.
- The ClimWine conference with the main theme of climate change impacts and adaptation strategies, covering topics ranging from climate prediction to socio-economic considerations.

SPORTS PATRONAGE

Photos taken from the Villa Primrose website

The Demptos and Radoux cooperages have chosen to support one of the oldest tennis and hockey sports clubs in Bordeaux «Villa Primrose», a centenary club created in 1897 by Edouard Lawton, an important wine merchant in Bordeaux. The club has been selected as a preparation centre for the Paris 2024 Olympic Games for Tennis and Field Hockey.

The km wines of Saint-Emilion

Radoux participates financially and through its teams of employees and customers in this race organized by the Rotary Club of St Emilion which passes through several chateaux.

Half marathon of the Sale of Beaune Wines

In order to promote Beaune's local heritage, TFF Group participates in the Beaune Half Marathon, which crosses the vineyards of the Côtes de Beaune, alowing participants to admire the Burgundy vineyards along the way.

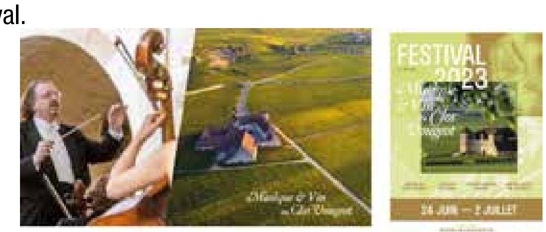
CULTURAL PROCESS

Festival Philosophia Saint-Emilion:

The Radoux cooperage is a sponsor of the 2022 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.

2022 edition: «The Earth» saw numerous conferences on climate, biodiversity and the environment anda panel discussion on «Is the company the enemy of the Earth?».

TFF Group is a sponsor of the chamber music and concerto concerts organized at the Clos de Vougeot for its anual Music and Wine Festival.



Cognac Blues Passions Festival:

Support for local cultural life with sponsorship of this festival by the Tonnellerie Radoux.

List of companies included in the CSR scope of TFF Group

Tonnellerie François Frères
François Frères Management
Tonnellerie Bouyoud
François Frères USA
Tonnellerie Radoux
Merranderie Sciage du Berry
Radoux USA
Tonnellerie Demptos
Demptos Espagne Cooperage
Demptos Napa Cooperage
Arobois
Brive Tonneliers
Foudrerie Joseph François
Alain Fouquet French Cooperage
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
Tonnellerie Gauthier
Merranderie Gauthier

X. RESEARCH AND DEVELOPMENT ACTIVITY – THE COMPANY'S COMMITMENTS TO THE CIRCULAR ECONOMY

These sections are developed in Part IX which is dedicated to the declaration of extra-financial performance.

XI. SIGNIFICANT EVENTS SINCE YEAR-END

No significant events occurred after closing.

XII. INFORMATION ON PAYMENT DEADLINES

In line with Article L. 441-6-1 of the French Commercial Code, we hereby provide you with information on the payment terms of the Company's suppliers and customers.

On April 30th, 2023, 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 financial statements for the financial year that ended on April 30th, 2023, the Statutory Auditors certified the fairness and consistency of this information.

	Article D.441 I.- 1 of the Commercial Code: Invoices **received** and not paid at the financial year's closing date						Article D. 441 I.-2 of the Commercial Code: Invoices **sent** and not paid at the financial year's closing date					
	0 day	1 -30 days	31 -60 days	61 -90 days	91 days and more	Total	0 day	1 -30 days	31 -60 days	61 -90 days	91 days and more	Total
(A) Installment of arrears												
Number of Invoices	205					133	161					176
Total amount of the invoices tax included	4 950 892 €	13 584 €	2 186 €	9 629 €	0 €	25 399 €	5 919 041 €	4 117 633 €	1 347 529 €	2 171 100 €	1 113 082 €	8 749 344 €
Percentage of the total amount of purchases over the year tax included	11,86 %	0,03 %	0,01 %	0,02 %	0,00 %	0,06 %						
Percentage of the turnover of the year (must state before or after tax)							12,45%	8,66%	2,83%	4,57%	2,34%	18,41%
(B) Invoices not included in (A) and related to debt or credit that is the subject of litigation or not counted												
Number of invoices												
Total number of excluded invoices (must state before or after tax)												
(C) Reference payment period used (contractual or legal period L. 443-1 of the Commercial Code)												
Payment period used for the calculation of payment delays	Legal deadline: 30 days end of month						Legal deadline: 60 days end of month					

Purchases after taxes 22/23 41 746 942

Sales after taxes 22/23 47 533 566

XIII. ORDINARY AND EXTRAORDINARY GENERAL MEETING OF OCTOBER 27TH 2023

1 – Presentation of resolutions in their ordinary form

- The purpose of the1st resolution is to submit for your approval the financial statements on April 30th, 2023, as well as the discharge to the members of the Management Board and the Supervisory Board of the execution of their mandate for the said financial year.
- Under the terms of the2nd resolution, the General Meeting will have to decide on the payment on November 9th 2023 of a dividend of €0.60 per share.

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

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

An exemption from the non-discharging flat-rate levy of 12.8% (Article 117 quarter, I.-1. of the General Tax Code) is provided for taxpayers whose «reference tax income» does not exceed a certain threshold, as set out in paragraph 3 of the same article and provided that they have expressly requested it when filing the return of the income concerned under the conditions laid down in Article 200a 2. of the General Tax Code, for dividends received in 2023.

Thus, the profit of the parent company, i.e. 14,727.€890 would be allocated as follows:

Profit for the financial year	14,727,890 euros
Item «carried forward again»	4,886,841 euros
Total to be allocated:	19,614,731 euros
* Allocation as dividends	13,008,000 euros
* Allocation to the item carried forward again	6,606,731 euros
Total equal to the profit to be allocated (including the item «carry forward again»)	19,614,731 euros

We recall there the dividends distributed for the last three years:

Training	2019/2020	2020/2021	2021/2022
Number of shares	21,680,000	21,680,000	21,680,000
Dividend per share (euros)	0.35	0.35	0.40
Dividend per share eligible for rebate	0.35	0.35	0.40

- The purpose of the3rd resolution is to approve the special report of the Statutory Auditors on the regulated agreements concluded during the financial year ended on April 30th 2023. In this respect, the following clarifications are made:

3) The special report of the Statutory Auditors, which appears in the company's annual report, contains mention of agreements already approved by the General Meeting in previous financial years and which continued during this last financial 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 French Commercial Code). The Supervisory Board carried out this annual review at its meeting on July 19th, 2023.

As regards those agreements, which consist essentially of leases, the financial terms of the latter are likely to change over time according to the usual indexations in such matters.

4) New agreements concluded during the past financial year and authorized by the Supervisory Board, it being recalled that only these agreements are submitted to the vote of the Shareholders' Meeting:

None

- The purpose of the 4th resolution is to submit for your approval the consolidated financial statements at April 30th, 2023, which have been presented to you above.
- Pursuant to the provisions of Article L. 22-10-34 of the Commercial Code, it is suggested that the 5 th to 7th resolutions approve the elements of remuneration paid or awarded for the financial year that ended on April 30th, 2023 to the executive corporate officers and to the members of the Board of Surveillance (commonly known as «ex post vote»). »). It is therefore proposed that you approve:

- The information relating to remuneration for the financial year ended on April 30th, 2023 of all corporate officers (5th resolution);
- The elements of remuneration and benefits of any kind paid or awarded for the financial year that ended on April 30th, 2023 to Jérôme François, Chairman of the Management Board (6th resolution);
- the elements of remuneration and benefits of any kind paid or awarded for the financial year that ended on April 30th 2023 to Jean François, Chairman of the Board of Surveillance (7th resolution).

We suggest that you vote in favour of all these elements of remuneration, which have been approved by the Supervisory Board. All these elements are described in detail in the report on corporate governance of the Council of Surveillance (section 9).

- In accordance with Article L.22-10-26 of the Trade Code, it is suggested to the meeting that the elements of the remuneration policy applicable to the Chairman of the Management Board (8th resolution), the Chairman of the Board of surveillance (9th resolution), and the members of the Board of S urveillance (10th resolution) (commonly known as «ex ante voting «) be approved.

The elements of the remuneration policy are described in detail in the report on corporate governance of the Council of Surveillance (section 9). It is proposed that you vote in favour of these elements of the remuneration policies for corporate officers, approved by the Supervisory Board.

- Under the terms of the 11th resolution, it is suggested to the General Meeting of Shareholders, that the amount of the total remuneration allocated annually to the members of the Council of Surveillance be set at 20,000 euros for the current financial year beginning on May 1st, 2023, as well as for each subsequent financial year, until the general meeting of shareholders decides otherwise.
- In the context of the 12nd and 13th resolutions, the Assembly will be asked to decide on the renewal of the mandate of two members of the Council of Surveillance. We suggest the renewal, for a period of 6 (six) years expiring at the meeting that will decide on the accounts for the year that will end in 2029, the mandates Mme. Nathalie Méo, and Mrs. Philippine François, both members of the outgoing Board of Surveillances.
- We suggest, within the framework of the 14th resolution, the appointment a new member of the Council of Surveillance: mademoiselle Victoria François, for a period of six (6) years, which will expire at the end of the meeting called to approve the accounts for the year that will end in 2029.

Victoria François is 23 years old and currently preparing for the State Diploma of Doctor of Pharmacy. After nearly 5 years of pharmaceutical studies at the University of Bordeaux, she completed a Master 2 in Medical Affairs at the University of Paris Cité as part of her 6th and final year. Victoria François does not hold any other position (employment contract, etc.) within the group to date.

- Under the terms of the 15th 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 own funds, we propose, in accordance with the provisions of Article L.22-10-62 of the French Commercial Code, that the management Board be allowed to acquire up to 10% of the number of shares making up the Company's share capital.

- The purpose of the 16th resolution is to confer the powers to carry out all the legal formalities related to the ordinary resolutions.

2 – Presentation of resolutions in their extraordinary form

- Authorization to be given to the Management Board to reduce the capital through the cancellation of shares held by the company(17th resolution):

The Management Board requests that after hearing the special report of the Statutory Auditors, the meeting agrees to 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 18th resolution is to confer the powers to carry out all the legal formalities related to the extraordinary resolutions.

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

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

There was no such agreement within TFF Group for the past financial year.

XV. PERSPECTIVES

During the 2023/2024 financial year, growth on our two markets is expected to continue with an activity target of €485m and profitability at a high level.

The group is expected to benefit from the dynamism of the bourbon market, where demand remains very strong.

The rise in whisky barrel prices fuelled by the shortage of available casks should be a vector of growth and profitability.

Finally, in the wine market, the Group will continue its efforts to absorb cost increases through price effects adapted to the inflationary context.

With these trends, business growth is expected to near 10%, with profitability ratios gradually returning to pre-pandemic levels.

The Executive Board

ANNEXES TO THE ANNUAL REPORT

SUMMARY OF OPERATIONS CARRIED OUT BY SENIOR STAFF AND THEIR RELATIVES DURING THE LAST FINANCIAL YEAR

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

NONE

CONSOLIDATED BALANCE SHEET

Assets (thousands of euros)		4/30/2023 IFRS	4/30/2022 IFRS
Non current assets			
Intangible fixed assets		4 986	4 597
Goodwill		99 219	101 399
Intangible fixed assets		104 205	105 996
Tangible assets		151 859	140 164
Investments in equity-valued companies		15 299	14 050
Deferred tax assets		6 775	12 611
Financial assets		2 066	1 690
Total non current assets		**280 204**	**274 511**
Current assets			
Raw material, intermediate and finished products		345 941	277 149
Trade receivables		98 572	78 480
Other receivables		16 491	7 283
Cash		102 339	97 576
Total current assets		**563 343**	**460 488**
Non current assets to be discontinued		0	0
Total assets		**843 547**	**734 999**

CONSOLIDATED BALANCE SHEET

Equity and Liabilities (thousands of euros)		4/30/2023 IFRS	4/30/2022 IFRS
Shareholder's equity			
Common stock		8 672	8 672
Retained earnings		386 325	358 875
Translation adjustment - shareholders' equity		(4 225)	3 840
Consolidated income of the year		52 820	35 859
Translation adjustment - income		(1 139)	295
Total Group shareholders' equity		**442 453**	**407 541**
Minority interests / reserves		18 288	17 837
Minority interests / income		1 496	741
Total shareholders' equity		**462 237**	**426 119**
Non current liabilities			
Long term provisions		570	332
Deferred tax liabilities		9 084	8 891
Long term interest-bearing loans and borrowings		46 033	79 107
Retirement benefit obligation		2 207	2 553
Total non current liabilities		**57 894**	**90 883**
Current liabilities			
Trade payables and equivalent		46 319	25 938
Other liabilities		36 629	36 730
Short term loans and borrowings		240 468	155 329
Total current liabilities		**323 416**	**217 997**
Non current liabilities to be discontinued		0	0
Total current and non current liabilities		**381 310**	**308 880**
Total Equity and Liabilities		**843 547**	**734 999**

INCOME STATEMENT

Thousands Euros		4/30/2023 12 months IFRS	4/30/2022 12 months IFRS
Revenue		439 785	302 616
Change in finished goods		3 983	2 863
PRODUCTION INCOME		**443 768**	**305 479**
Purchase of raw materials and goods		(239 527)	(146 303)
Change in raw materials		25 993	(5 854)
GROSS PROFIT		**230 234**	**153 322**
Other purchases and external charges		(52 297)	(37 378)
VALUE-ADDED		**177 937**	**115 944**
Operating grants		0	0
Taxes and similar payments		(2 719)	(2 284)
Employee benefits expense		(82 684)	(64 036)
EBITDA		**92 534**	**49 624**
Reserves written back to income and internal transfers		1 946	2 054
Allowances for amortizations		(13 925)	(12 288)
Allowances for reserves		(1 524)	(885)
Other current expenses and income		97	(162)
INCOME OF OPERATING ACTIVITIES		**79 128**	**38 343**
Other non-current opetaing income and expenses		(43)	(230)
INCOME FROM CONTINUING OPERATIONS		**79 085**	**38 113**
Share in net income of equity affiliates		1 397	403
INCOME AFTER SHARE IN NET INCOME OF EQUITY AFFILIATES		**80 482**	**38 516**
Financial income		588	23 326
Financial expense		(8 702)	(11 064)
Net Financial Expense		(8 114)	12 262
EARNINGS BEFORE TAX		**72 368**	**50 778**
Income tax		(18 034)	(14 191)
NET INCOME FROM CONTINUING OPERATIONS		**54 334**	**36 587**
NET INCOME FROM DISCONTINUED OPERATIONS		**0**	**0**
NET INCOME		**54 334**	**36 587**
Group share		52 820	35 859
Minority interests		1 514	728
Earnings per share			
net income		2,44	1,65
net income from continuing activities		2,44	1,65
		2,44	1,65
		2,44	1,65

Time is on our side

TFF GROUP